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Congressional Record

PROCEEDINGS AND DEBATES

OF THE

FIRST SESSION OF THE SEVENTY-FOURTH CONGRESS

OF

THE UNITED STATES
OF AMERICA

VOLUME 79—PART 8

MAY 24, 1935, TO JUNE 13, 1935

(Pages 8119 to 9254)

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SEVENTY-FOURTH CONGRESS, FIRST SESSION

SENATE

FRIDAY, MAY 24, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Thursday, May 23, 1935, was dispensed with, and the Journal was approved.

THE LATE SENATOR CUTTING—EXPRESSION OF APPRECIATION

The VICE PRESIDENT laid before the Senate a letter of appreciation from Mrs. Olivia M. Cutting, mother of the late Senator Bronson Cutting, of New Mexico, which was read and ordered to lie on the table, as follows:

MAY 22, 1935.

The Honorable EDWIN A. HALSEY,
Secretary of the United States Senate,
Washington, D. C.

DEAR MR. HALSEY: On behalf of my family and myself I thank you for sending me the resolution passed by the United States Senate in regard to the death of my son, Bronson Cutting.

With deep appreciation of this tribute to him, I am,

Yours sincerely,

OLIVIA M. CUTTING.
(Mrs. W. Bayard Cutting).

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum and move a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Pope
Ashurst	Coolidge	King	Radcliffe
Austin	Copeland	La Follette	Reynolds
Bachman	Costigan	Lewis	Robinson
Bailey	Cousens	Logan	Russell
Bankhead	Dickinson	Lonergan	Schall
Barbour	Dieterich	McAdoo	Schwellenbach
Barkley	Donahey	McCarran	Sheppard
Bilbo	Duffy	McGill	Shipstead
Black	Fletcher	McKellar	Smith
Bone	Frazier	McNary	Steiwer
Borah	George	Maloney	Thomas, Okla.
Brown	Gerry	Metcalf	Thomas, Utah
Bulkley	Gibson	Minton	Townsend
Bulow	Glass	Moore	Trammell
Burke	Gore	Murphy	Truman
Byrd	Guffey	Murray	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norris	Van Nuys
Caraway	Hastings	Nye	Wagner
Carey	Hatch	O'Mahoney	Walsh
Chavez	Hayden	Overton	Wheeler
Clark	Johnson	Pittman	White

Mr. LEWIS. I announce that the Senator from Louisiana [Mr. LONG] is necessarily detained from the Senate.

Mr. AUSTIN. I wish to announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that the Senator from South Dakota [Mr. NORBECK] is necessarily detained from the Senate.

The VICE PRESIDENT. Ninety-two Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 6114) to amend section 128 of the Judicial Code, as amended.

The message also announced that the House had passed a bill (H. R. 3019) to amend sections 1, 3, and 15 of "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes", approved June 28, 1934 (48 Stat. 1269), in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2311. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

H. R. 6085. An act to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks, the construction and improvement of sewers, and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding $35,000; and

H. R. 6723. An act to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding $30,000; and to authorize said town to accept grants of money to aid it in financing any public works.

SENATOR FROM WEST VIRGINIA

Mr. NEELY. Mr. President, on the editorial page of the Washington Times of the 24th day of May the following, among other things, appears:

It won't be long before RUSH D. HOLT, Senator-elect from West Virginia, achieves his thirtieth birthday.

On June 19 this man whom West Virginians elected but who has never been sworn in will attain the age prescribed by the Constitution for Senators. * * *

At the present time one question that is being debated is how the other Senator from West Virginia will line up.

Mr. President, the statement contained in the last sentence is utterly preposterous and equally untrue. Practically every Member of the Senate knows that ever since the Congress convened last January I have unconditionally, uncompromisingly, and enthusiastically advocated the seating of Mr. HOLT at the earliest possible moment. I have ventured to express or indicate my desire in this matter to many of the distinguished Members of this body, including Senators ROBINSON, GEORGE, CONNALLY, COSTIGAN, BLACK, WHEELER, MCKELLAR, GUFFEY, NORRIS, BORAH, SHIPSTEAD, BAILEY, KING, and several others whose names I do not at the moment recall.

This newspaper article further says:

Some say that he (the other Senator from West Virginia) wants HOLT seated so that the youngster will not seek his seat in 1936.

As just indicated, I, of course, want Mr. HOLT seated, but certainly not for the reason assigned in the article from which I have just read. Our journalistic friend further says:

Others say that NEELY is not overly fond of the young man because of his policies on legislation.

The "others" who have thus said must be direct descendants of Ananias, for nothing ever uttered by the great past master of falsification was more destitute of a scintilla of truth, or a scintilla of foundation than the statement that I am not "fond" of Senator HOLT. The naked, unblushing fact of the matter is that Senator HOLT and I have been devoted friends for many years. In the Senator's recent campaign in West Virginia I worked as industriously and as faithfully for his election as I ever worked for my own.

The people of West Virginia approved Senator HOLT's candidacy by an overwhelming majority. He is preeminently qualified to render his State great service on the floor of the Senate. There are not, to my knowledge, more than five West Virginia Democrats who control their own votes who do not sincerely desire that he be awarded his seat in this body on his thirtieth birthday. The sentiment of the Democracy of West Virginia in this matter is, in my opinion, shared by more than 90 percent of the Republicans of the State.

For the information of the disappointed, discouraged, and unforgiving few who would maliciously rob Mr. HOLT of the fruits of the magnificent victory which he won at the polls, I state upon the record that I am confident this young statesman will be made a Member of the Senate on or about the 19th day of June by an almost unanimous vote.

AGRICULTURAL IMPORTS CARRIED IN AMERICAN AND FOREIGN SHIPS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting, in further response to Senate Resolution 111—calling for certain information regarding imports of agricultural products, and cotton and wheat production and consumption—tables showing the value of agricultural imports, from January 1, 1934, to March 1, 1935, on American and foreign vessels classified by countries of exportation and by customs districts, which, with the accompanying papers, was ordered to lie on the table.

REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, submitting, pursuant to law, a report of the activities of the Corporation and expenditures for the month of April 1935, also including statements of authorizations made during that month, showing the name, amount, and rate of interest or dividend in each case, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by a mass meeting of the United States Bondholders Association of Chicago, Ill., favoring the enactment of legislation providing for a Government conservator on each separate bond issue, who would take the place of each self-appointed "bondholders protective committee", which was referred to the Committee on Finance.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a telegram (dated May 23, 1935) from Margaret G. Fawcett, formerly chief head aide, Army Medical Corps, New York City, N. Y., stating "Please sustain the President's veto. Feel our veterans will regret in the future having been the cause of jeopardizing the country's finances", which was ordered to lie on the table.

He also laid before the Senate a letter in the nature of a memorial from Mrs. Dora L. Edwards, of Sanford, N. C., remonstrating against the enactment of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating or marketing securities in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, which was ordered to lie on the table.

PULP AND PAPER INDUSTRY—PETITION

Mr. BONE. Mr. President, I send to the desk and ask unanimous consent to have published in the RECORD and appropriately referred a petition of some several hundred members of Everett Local No. 183 of the International Brotherhood of Pulp, Sulphite and Paper Mill Workers. It is a petition addressed to the Senate, and I ask that the text of the petition be printed in the RECORD without the signatures.

There being no objection, the petition without the signatures attached was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

To Our Honorable President and the Senate of the United States:

In recognition of the importance of the pulp and paper industry to the people of the State of Washington and the United States and that due to the importation of newsprint and pulp from Canada, Sweden, and Finland with lower living and wage conditions, which has caused a reduction in prices paid for similar products manufactured in our country, we, the undersigned citizens and employees of Everett and vicinity, respectfully petition that you use the powers granted you under the N. R. A. to stop this importation detrimental to our labor and business.

This petition is sponsored by Everett Local No. 183 of the International Brotherhood of Pulp, Sulphite, and Paper Mill Workers.

REPORTS OF COMMITTEES

Mr. McGILL, from the Committee on Naval Affairs, to which was referred the bill (S. 1607) to amend section 109 of the Criminal Code so as to except officers of the Naval and Marine Corps Reserve not on active duty from certain of its provisions, reported it without amendment and submitted a report (No. 686) thereon.

Mr. GERRY, from the Committee on Naval Affairs, to which was referred the bill (S. 1973) to amend section 5 of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved March 3, 1925, to authorize the payment of a per diem in connection with naval aerial surveys and flight checking of aviation charts, reported it without amendment and submitted a report (No. 687) thereon.

Mr. RUSSELL, from the Committee on Naval Affairs, to which was referred the bill (S. 1974) to authorize the transfer of officers of the Construction Corps of the Navy to the line of the Navy for aeronautical engineering duty only, and for other purposes, reported it without amendment and submitted a report (No. 688) thereon.

Mr. BROWN, from the Committee on Naval Affairs, to which was referred the bill (S. 1977) to amend the act approved February 15, 1929, entitled "An act to permit certain warrant officers to count all active service rendered under temporary appointments as warrant or commissioned officers in the Regular Navy, or as warrant or commissioned officers in the United States Naval Reserve Force, for the purpose of promotion to chief warrant rank", reported it without amendment and submitted a report (No. 689) thereon.

Mr. DIETERICH, from the Committee on Naval Affairs, to which was referred the bill (S. 1604) to provide for the better administration of justice in the Navy, reported it without amendment and submitted a report (No. 690) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1975. A bill to authorize certain officers of the United States Navy, and officers and enlisted men of the Marine Corps, to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered (Rept. No. 691);

S. 1976. A bill to amend the act entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927,

and for other purposes", approved April 15, 1926, so as to equalize the allowances for quarters and subsistence of enlisted men of the Army, Navy, and Marine Corps (Rept. No. 692);

S. 2230. A bill to authorize the Secretary of the Navy to acquire a suitable site at Pearl Harbor, Territory of Hawaii, for a rear range light (Rept. No. 693); and

S. 2460. A bill to amend the act of June 6, 1924, entitled "An act to amend in certain particulars the National Defense Act of June 3, 1916, as amended, and for other purposes" (Rept. No. 694).

Mr. WHITE, from the Committee on Claims, to which was referred the bill (S. 1045) for the relief of A. Cyril Crilley, reported it without amendment and submitted a report (No. 695) thereon.

Mr. SCHWELLENBACH, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 1326. A bill for the relief of Robert A. Dunham (Rept. No. 696); and

S. 1640. A bill for the relief of Dan Meehan (Rept. No. 697).

Mr. SCHWELLENBACH also, from the Committee on Military Affairs, to which was referred the bill (S. 1833) for the relief of W. L. Horn, reported it with an amendment and submitted a report (No. 708) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 1960) for the relief of the Florida National Bank & Trust Co., a national banking corporation, as successor trustee for the estate of Phillip Ullendorff, deceased, reported it without amendment and submitted a report (No. 698) thereon.

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 2520) for the relief of T. D. Randall & Co., reported it without amendment and submitted a report (No. 699) thereon.

Mr. COOLIDGE, from the Committee on Claims, to which was referred the bill (S. 1064) for the relief of Albert Gonzales, reported it without amendment and submitted a report (No. 700) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 928) for the relief of Rene Hooge, reported it with amendments and submitted a report (No. 701) thereon.

Mr. BAILEY, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 2373. A bill for the relief of Harry Jarrette (Rept. No. 702); and

S. 2374. A bill for the relief of Elliott H. Tasso and Emma Tasso (Rept. No. 703).

Mr. BAILEY also, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1980. A bill for the relief of Lewis Worthy and Dennis O. Penn (Rept. No. 704);

S. 2168. A bill for the relief of the Bell Telephone Co. of Pennsylvania (Rept. No. 705);

S. 2590. A bill for the relief of James E. McDonald (Rept. No. 706); and

H. R. 3073. A bill for the relief of William E. Smith (Rept. No. 707).

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 1793) to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (43 Stat. L. 602), reported it with amendments and submitted a report (No. 709) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2257. A bill to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty", to include officers assigned to duty at submarine training tanks and diving units, and for other purposes (Rept. No. 710); and

A bill (S. 2378) authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dr. Malcolm Storer, of Boston, Mass. (Rept. No. 711).

Mr. ADAMS, from the Committee on Irrigation and Reclamation, to which was referred the bill (H. R. 7873) to give the consent and approval of Congress to the extension of the terms and provisions of the present Rio Grande compact signed at Santa Fe, N. Mex., on February 12, 1929, and heretofore approved by act of Congress dated June 17, 1930 (Public, No. 370, 71st Cong., 46 Stat. 767), reported it without amendment and submitted a report (No. 712) thereon.

Mr. TYDINGS, from the Committee on Naval Affairs, to which was referred the bill (S. 2253) to make better provision for the government of the military and naval forces of the United States by the suppression of attempts to incite the members thereof to disobedience, reported it without amendment and submitted a report (No. 714) thereon.

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (S. 2582) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes, reported it with an amendment and submitted a report (No. 713) thereon.

He also, from the Committee on the District of Columbia, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2646. A bill to change the name of the German Orphan Asylum Association of the District of Columbia to the German Orphan Home of the District of Columbia (Rept. No. 716); and

H. R. 5711. A bill to provide pensions for needy blind persons of the District of Columbia and authorizing appropriations therefor (Rept. No. 718).

Mr. COPELAND also, from the Committee on the District of Columbia, to which was referred the bill (S. 2259) to amend sections 966 and 971 of chapter 22 of the act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, and for other purposes, reported it with amendments and submitted a report (No. 720) thereon.

Mr. KING, from the Committee on the District of Columbia, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2591. A bill for the relief of Lyman C. Drake (Rept. No. 715); and

H. R. 4708. A bill for the relief of E. F. Droop & Sons Co. (Rept. No. 717).

Mr. KING also, from the Committee on the District of Columbia, to which was referred the bill (S. 2738) to authorize the use of park property in the District of Columbia and its environs by the Boy Scouts of America at their national jamboree, reported it with an amendment and submitted a report (No. 719) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON:

A bill (S. 2892) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented; to the Committee on the Judiciary.

A bill (S. 2893) granting a pension to Amanda Boyd; and

A bill (S. 2894) for the relief of William H. Kelly; to the Committee on Pensions.

A bill (S. 2895) to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain land in the county of Los Angeles, State of California"; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 2896) to require the furnishing of heat in living quarters in the District of Columbia; to the Committee on the District of Columbia.

By Mr. ASHURST:

A bill (S. 2897) for the relief of Lt. Robert A. J. English, United States Navy (with an accompanying paper); to the Committee on Naval Affairs.

By Mr. McKELLAR:

A bill (S. 2898) for the relief of John A. Bass; to the Committee on Claims.

By Mr. BARKLEY:

A bill (S. 2899) to provide for increasing the limit of cost for the construction and equipment of an annex to the Library of Congress; to the Committee on the Library.

By Mr. WHEELER:

A bill (S. 2900) granting a pension to certain Indians on the Fort Belknap Indian Reservation; to the Committee on Pensions.

By Mr. BARBOUR:

A bill (S. 2901) granting an increase of pension to Mary M. Bartlett; to the Committee on Pensions.

By Mr. BONE:

A bill (S. 2902) to amend section 201 of the Merchant Marine Act, 1928; to the Committee on Commerce.

By Mr. TYDINGS:

A bill (S. 2903) for the protection and control of the blue crab (Callinectes sapidus) in any State or Territory, and authorizing the Department of Commerce to define the seasons and regulate the manner and conditions under which they may be taken or destroyed; to the Committee on Commerce.

HOUSE BILL REFERRED

The bill (H. R. 3019) to amend sections 1, 3, and 15 of "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes", approved June 28, 1934 (48 Stat. 1269), was read twice by its title and referred to the Committee on Public Lands and Surveys.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. GIBSON submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

EXTENSION OF AIR MAIL SERVICE—AMENDMENT

Mr. McKELLAR submitted an amendment intended to be proposed by him to the bill (H. R. 6511) to amend the air mail laws and to authorize the extension of the Air Mail Service, which was ordered to lie on the table and to be printed.

ACCEPTANCE OF MEDALS, ETC., FROM FOREIGN GOVERNMENTS—AMENDMENT

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (S. 1975) authorizing certain officers of the United States Navy and officers and enlisted men of the Marine Corps to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered, which was ordered to lie on the table and to be printed.

DUTY ON COFFEE IMPORTED INTO PUERTO RICO—AMENDMENT

Mr. TYDINGS submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 290) to amend an act entitled "An act providing for the ratification of Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico", approved June 18, 1934, which was referred to the Committee on Territories and Insular Affairs and ordered to be printed.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. CLARK. Mr. President, yesterday, after the vote on the passage of the bonus bill over the veto of the President of the United States, I gave notice under the rule of my intention at a later time to move to suspend the rules for the purpose of offering an amendment to the naval appropriation bill making mandatory the payment of the bonus but vesting in the President discretion as to whether the adjusted-service certificates should be paid in whole or in part by the issuance of currency, by the sale of bonds, or by transferring funds from the $4,800,000,000 heretofore appropriated for relief and work relief.

It seemed to me, and still seems to me, that the naval appropriation bill was a peculiarly appropriate bill to which to add legislation for the payment of the bonus. That bill, which is now pending before the Senate, provides for the most stupendous peace-time appropriations in the history of the world in preparation for another war. It therefore seemed to me entirely appropriate, entirely proper and fitting, that the same act dishing out public funds with such abandon and such lavishness in preparation for another war should contain an appropriation for paying the bill for the last war.

Moreover, Mr. President, this bill contains, in the most lavish style, appropriations to enable the Bethlehem Shipbuilding Co. and other shipbuilding companies to pay out enormous bonuses, running into millions of dollars, to Mr. Grace and other executives of the shipbuilding industry. It seemed to me not unfitting that the same bill should also contain a slight bonus to the men who fought and won the war.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Has the Senator offered the soldiers' bonus as an amendment to the naval bill or as a substitute for it?

Mr. CLARK. I will say to the Senator from Minnesota that I should prefer to offer it as a substitute; but in view of the provisions of the naval appropriation bill, it seemed to me it was not at all inappropriate or unfitting to offer as an amendment the provision for the payment of the bonus to the men who served in the last war and who won the last war.

Mr. THOMAS of Oklahoma. Mr. President, in view of the way the soldiers have been treated, I should like to ask the Senator from Missouri how he figures that this country ever will be able to get another army to fight a war anywhere.

Mr. CLARK. We got the army in the last war by drafting them. I presume that is the intention of the militarists of this country as to the next war.

I do not desire to detain the Senate. My purpose in rising was to say that, in spite of the fact that this seemed to me to be an entirely appropriate bill on which to offer the amendment for the payment of the soldiers' bonus, I have no desire to fight moot battles at the expense of the holders of the adjusted-service certificates, and have no desire to cause votes in the Senate except when I have sound reasons to believe the votes may be successful for the payment of the bonus. Consultations with some of my colleagues over the night have convinced me that on this bill the motion to suspend the rules and make in order the amendment I have proposed could not be successful. Some Members who are in sympathy with the payment of the bonus are intensely in favor of the naval appropriation bill, and do not desire that issue to be complicated with any other. Other Senators who are in sympathy with the purposes of my amendment are opposed to the naval appropriation bill, and would not desire to vote for it even with the bonus amendment attached to it.

Therefore, Mr. President, I simply desire to give notice that I shall not press the motion to suspend the rules of which I gave notice yesterday, but shall probably at an appropriate time offer that amendment to another bill.

SAVE THE N. R. A.—ADDRESS BY GEN. HUGH S. JOHNSON

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a very able and illuminating

radio speech delivered by Gen. Hugh S. Johnson, on the 20th instant, with reference to the N. R. A.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BARKLEY subsequently said: Mr. President, earlier in the day I secured consent to publish in the CONGRESSIONAL RECORD an address by General Johnson. At that time I did not have an estimate from the Public Printer, as required under the rules, for the address will occupy about half a page more than is permitted without an estimate.

I now have secured the estimate, and I renew my request for the printing of the speech in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

N. R. A. never gave me anything but grief. I have no official, personal, or political interest. But I have a citizen's interest and some knowledge of it from the beginning. It is a duty to speak at this crisis in its life. I thank the National Broadcasting Co. for letting me do so.

The neck of N. R. A. is on the chopping block. Its life expires on June 16 unless Congress extends it. The House wants to do this, but the Senate is determined to give it only 9 months with changes which disembowel the law and leave nothing but uncertainty of its meaning.

Make no mistake about it. What the Senate proposes is not to extend N. R. A. It is to kill it.

A rule of general commercial conduct such as N. R. A., which has only 9 months to live after vast changes in its structure, and with death at the end, is nothing on which business can plan or act. The effect of the Senate bill would plunge all business into blank uncertainty.

It is business uncertainty everywhere which is holding up recovery. Nobody dares plan 3 months on the future. Our whole economic machine is on a hand-to-mouth basis. The Senate proposal is just one more barrier to prosperity. It can't possibly do good. It can do nothing but harm because its effect will be utterly to demoralize N. R. A., which is now practically motionless anyway.

It would be far better to kill N. R. A. now. That would at least remove uncertainty. To leave it in barely tolerated existence—a nightmare "life-in-death" still threaded through the whole fabric of business would be deadly. Yet to kill it outright might produce the worst business set-back since 1932.

There is more than appears on the surface of this Senate cup of cold poison. There is a strong gamble that the Supreme Court decision in the Sick Chicken case may hold parts of the present law unconstitutional. If a new act were now framed to avoid the bad parts of the old, it might be consistent with the Court's decision and N. R. A. could yet live on. But if, by the short Senate lease on life, N. R. A. is pinned down to the faults of the old law, the Court decision may give the whole statute what Pancho Villa used to give the wounded and call it the "mercy shot"—a bullet through the brain.

The Senate enemies of N. R. A. are very determined. They want nothing less than its burial under 6 feet of earth to paraphrase HUEY LONG—face downward, so that the more it scratches the closer it gets to what they call its home.

The troubles of N. R. A. happened because it was new and complex and trod on too many big and powerful toes. It came at a time when Congress was too much engrossed with other things to follow it. It was never very well understood or properly defended in Congress itself and it is not well understood there now.

When you husk N. R. A. down to its essentials there are only two:

(1) That people shall not compete in commerce and manufacture by cutting wages below a minimum or by other abuses, such as sweatshops and child labor, and that employers agree to bargain with elected representatives of their workers, if workers so elect.

(2) That they shall not compete by the old monopolist method of driving a competitor out by selling at cutthroat prices until they are rid of him—the methods by which great chain-store, mail-order, and department operators were practically wiping small business out of existence before N. R. A.—or by other methods thought by a majority in any industry and by the President to be unfair.

Now, that is all there is to the general principle of N. R. A. Stated in that way, I doubt if out of 100 people in any group you could get 5 to condemn it.

It goes straight to great evils. It intends to prevent the exploitation of the weak and helpless. It was designed to create new employment and raise the purchasing power of workers to the benefit of business throughout the country.

Those principles appealed to the imagination of the people, and N. R. A. went over with a great bang. The President went on the air and invited all employers to agree with him to put the labor provisions into effect voluntarily. Within 60 days 96 percent of all employers had made this pledge to the President; 2,785,000 new jobs were created then and there. Pay rolls were increased by $3,000,000,000.

It reached its high point early in September of 1933. Then it began to sag, and it has sagged ever since. Why? Its enemies say it was because it encouraged monopoly, oppressed small enterprise, regimented business, and that it has retarded recovery by increasing prices faster than wages.

Now, here in the Senate is a major policy of this administration accused at the bar of public opinion and on trial for its very life. It is as grave a crisis as we have had; for if N. R. A. goes down, a large part of the new deal goes down with it.

Monopoly; oppression of small enterprise; raising prices faster than wages; regimentation. These are the charges. If they are true N. R. A. ought to die. If they are not true, the people of this country ought to demand an honorable acquittal.

I must, with great deliberation, say that those are not the real reasons for opposition to N. R. A.; that not one single one of those charges is true; that the exact reverse of each of them is true.

Since I propose to prove this I dare to add that the fountainheads of these false charges are interests who want to kill N. R. A. for reasons which they dare not state, because they are selfish, unworthy, and unpopular reasons; because the stench of them would drive them out of court and these more fragrant, if artificial, buds have been sold to the Senate in their stead.

It is one of the cleverest pieces of propaganda of our time.

The charge of monopoly comes from monopolists, that of oppression from oppressors, that of regimentation from industrial martinets, and that of prices higher than wages—is not true.

They don't want N. R. A. killed because it helps monopoly but because it checked monopoly; not because it hurts the little fellow, but because it saved the little fellow from their rapacity; not because it regiments, but because it interfered with their control of every industry; not because it reduces real wages, but because it increases them.

I do not mean to say that all opponents to N. R. A. advance one rosy reason to hide another saffron one. Many have fallen for the sloganeers in one of the most effective of ballyhoo campaigns on record.

I want to record here a challenge to N. R. A. enemies which I have made several times before—thus far without a taker.

Show me a good case of claimed oppression of a little fellow that does not reduce to somebody's unwillingness to pay code wages for code hours. With a few slight exceptions, the claim is—every time—that an employer is oppressed because he can't hire help for sweatshop wages.

Minimum-code wages happen to be from $10.50 to $14 a week, except in large cities where they were as high as $15—from $40 to $60 a month for adult human labor. That is getting close to the sweatshop. The whole idea was that, if everybody pays the same wages—big fellow and little fellow—it is an equal burden to all, a special advantage to none, and that there is nothing there to hurt the little fellow.

Husked out to its ugly facts, the complaint of oppression is that N. R. A. won't let a man operate a sweatshop. That does not make pretty reading and it is no good as a political slogan, so what we hear is not that "N. R. A. prohibits sweatshop wages", but N. R. A. oppresses the little fellow by monopolistic practices, and then not one word of what the monopolistic practice is, not one word, because there is not one word to say.

I have sought cases of other oppression and I have yet to find one. I say again to this radio audience "Look into your own experience and see if you can find such an oppression, and if not, look into your hearts and say what you think of this kind of an attack on N. R. A."

Now, I have been free to admit mistakes of N. R. A. There are regional differences in wage rates due to lower living costs or less efficient work, that were not scientifically worked out.

A lot of N. R. A. unpopularity was due to its failure to deal realistically with the economic fact that wage scales for Negro labor are lower than for white labor, North and South.

These situations must be recognized frankly. The only cure lies in scientific differentials favoring the South and other areas, but with a zoning restriction preventing products of such labor rates from lowering established wage rates in other areas. But even this—the most serious charge against N. R. A.—does not support the claim that N. R. A. hurt the little fellow in business.

Turning from reasons to recorded facts, they show the charge to be a cynical paradox. N. R. A. has done more to maintain, preserve, and restore the little fellow in business than anything that has happened in this country in 20 years.

These critics say that they want to go back to the Federal Trade Commission and the antitrust acts as they were before N. R. A., in order to save the little fellow. From the World War straight through the boom of 1929 to N. R. A., the little fellows were being literally wiped out of existence by chains, mail-order houses, big buyers, and constant bigger and better mergers.

Before the antitrust acts it is doubtful whether the 200 largest corporations controlled a very big share of corporate wealth. At the end of 1929 they controlled 49.2 percent of it, and in 1931 55 percent of it. In industry alone, three-tenths of 1 percent of the number of corporations control 90 percent of the industrial corporate wealth. Even in 1928 and 1929 few little fellows were making money. From 1923 to 1928 over 45 percent of corporations were operating in the red. In 1904, million-dollar producers turned out 38 percent of our output. In 1929 they made 69 percent of it. That process of concentration and elimination of little fellows went on right up to the enactment of N. I. R. A.

While this vast concentration and slaughter of little fellows was going on employment was also being wiped out. The output per worker in all industries increased 63 percent in the first

quarter of this century while population increased 54 percent and industrial employment only 35 percent.

After the crash of 1929 the process speeded up—wage cutting, extension of hours, and a vast destruction of small competitors by any cutthroat method that could be invented and applied. Commercial failures reached an all-time peak. Weekly earnings dropped from $25.76 to $16.11 between May 1929 and February 1933.

In 1914 there was about 1 business enterprise to every 390 people. In 1929 there was 1 to every 900 people.

Those are shocking figures. They show something more than oppression. They show elimination. Throughout prosperity from 1923 to the 1929 peak the number of small business failures was rising rapidly.

With the advent of N. R. A. the destruction of little fellows was abruptly halted. Failures dropped from a monthly moving average of 2,065 in February 1933 to 834 in February 1935—the lowest point in recent history, the lowest point since dependable figures became available—about half what they were in the years of our great prosperity, 1928 and 1929.

You can't get away from those figures. They give the lie direct to the first and second charges against N. R. A. N. R. A. has not oppressed the little fellow. It has saved him. It has not encouraged monopoly. It has checked monopoly, and it is the only force that has ever done so in recent years.

To little fellows I do not need to labor this point. It was done by checking the instruments by which monopoly was working their destruction—the loss leader, high-pressure fake advertising, putting on the heat by bulldozing buying methods, followed by cutthroat pricing on lines vital to their existence—and all the other methods of modern economic murder.

Specifically, N. R. A. saved the retail tire industry, the independent moving-picture houses, the retail book industry in large cities, and in greater or less degree tobacconists, independent druggists, grocers, dry goods, notion stores, and many others.

There were more retailers in business at the end of 1933 than in 1929, in spite of the tremendous mortality of the depression. My mail is flooded with appeals from little fellows for me to try to save N. R. A., but I have yet to see any such suggestion by a monopolist. On the contrary, the biggest monopolists in this country, are leading the attack.

I have heard plenty of little-fellow kicks about annoyances in the codes, but most every little fellow within the sound of my voices knows that for the first time in years he is in the black, and that with business in general still prostrate and millions of people out of employment. Also he has at last some little sense of security—that he is not going to wake up tomorrow to find himself bludgeoned out of existence by the irresistible power of some large and ruthless competitor.

It is the natural monopolies—not the little-fellow independents—who don't want N. R. A. Why should they want it? They don't get anything out of it but burdens. Where are the telephone and telegraph companies, the press services, the utilities under N. R. A.? Generally, they have not pressed for codes. Some of them never had codes. The same thing is true of dominated industries like packers and the can and tobacco companies.

Of the whole idea about N. R. A. oppressing small enterprise and promoting monopoly, it is not merely untrue—it is the exact reverse of true.

The next charge against N. R. A. is that, by raising prices (through increased costs) faster than it has raised wages, it has lessened consumption and hence production and hence employment and hence retarded recovery.

There is a very prevalent idea—that if you keep wages down it will keep costs down, which will increase consumption, make employment and recovery.

If that is right, March 1932 (when all wages and costs and prices were at depression lows) must have been an economic paradise. Industry had cut costs as never before and nearly all of it came out of the wages of labor. The purchasing power of factory labor was at the lowest point it has ever reached in the twentieth century. For the first time, I think, in our history, wages went down to the depths nearly as fast as prices.

N. R. A. did something that was never done before. It pushed labor wages upward nearly as fast as prices notwithstanding the 1933 speculative boom. But when a man goes further and says that prices went up faster and destroyed the purchasing power of wages, he is departing from the truth. All figures that I know show the exact reverse of that.

It may be true as is sometimes said that total national income has not gone up as fast as total prices, thus reducing real wealth, and real income for 1934 as compared with 1933. But the part of N. R. A. in that is all to its credit because the real wages—the real purchasing power of labor—has increased at least 30 percent.

Other factors raising price have had much more effect. We deliberately devalued the dollar, expecting to raise all prices to the 1926 level. We reduced acreage and taxed processing of agricultural products and we laid on layers of taxes. We sought inflation up every alley to raise prices and, of course, all that has had its effect. It may be that the total effect was to reduce total consuming power. But N. R. A. did the reverse of reducing the consuming power of workers.

Suppose N. R. A. had not increased the wages of labor and put 3,000,000 workers on pay rolls—what would have happened to workers with all these other forces increasing prices? Obviously they would have suffered cruelly as they always have suffered during period of price inflation and obviously their reduced consuming power would have reduced consumption and employment and retarded recovery.

This is the least defensible charge against N. R. A. N. R. A. increased hourly wages of labor from an average 42 to an average 56. It decreased hours per week from an average of about 42 to an average of about 37. As I have said, it employed about 3,000,000 people which is more than all the billions spent by the Government has done and it did it with no great expense or increase in taxation. It increased the purchasing power of pay rolls from 83 percent of the 1914 figure to 112 percent.

Runaway prices have not been caused by N. R. A. Taking the Bureau of Labor statistics, figures which show fluctuations in prices by groups of farm products, foods, other commodities, and all commodities separately the group "other commodities" is the one which is affected by N. R. A. codes. It was on a higher level than other prices in March 1933, it rose somewhat in the early part of 1933 but—from the effective date of N. R. A.—it leveled off at about 77 percent of the 1926 level and there it has remained in the greatest stability shown for many years, while the three other groups gyrated sharply upward and finally crossed it. Prices in codified industries have increased much less than in uncodified industries. All this is conclusive evidence that N. R. A. itself has not tended to increase prices in the group it affects, but on the contrary to stabilize and maintain them.

These figures take into account the rapid rise in non-N. R. A. prices. In other words, N. R. A. carried the purchasing and consuming power of those whom it affected straight upward in spite of a rapidly increasing price level in other groups and it did not contribute to any increase itself. The general average of N. R. A. prices increased before N. R. A. came into being.

There remains the accusation that N. R. A. regiments American business—whatever they may mean. I take it to mean that some people have been obliged to do what they did not want to do—principally to pay living wages and refrain from further economic assassination of small competition.

Perhaps so—but how have they been prevented from doing this? The codes are not statutes. They are agreements on what the overwhelming majority of each industry, with the President's concurrence, say they regard as plain decency. Don't forget that 95 percent of all industry came voluntarily forward by individual agreement and accepted the essential provisions of N. R. A. on the invitation of the President.

There is not one imposed code in the whole category. If there was compulsion, it was only the compulsion of conscience and public opinion—and if it be said "that was compulsion enough", the answer is that there are several large industries with no codes at all.

I have never been able to see how anybody can spell regimentation out of that. After codification—after agreement, some court actions have been brought against people who failed to live up to their agreement and the standard of decency in their industries. That is as near as N. R. A. ever came to compulsion.

Now we have considered here the plain question of the guilt or innocence of N. R. A.—accused and on trial for its life on four charges:

1. Monopoly.
2. Oppression.
3. Retarding recovery.
4. Regimenting industry.

These charges are proved to be not true; the exact reverse of each is proved to be true. There is no room for dispute about the figures, and every set of figures that I have seen shows exactly the same result.

N. R. A. never had a real trial on any of these charges. Before the Senate Finance Committee a procession of complainants appeared. With few exceptions they were witnesses for the prosecution. They produced no such ultimate facts as have been produced here. There were only a few witnesses for the defense. I had the record of those hearings carefully digested, and in my opinion on the four main charges there is not a shred of respectable evidence in that whole record. There are ex parte statements and notoriously fragmentary and contradictory stories, never tested by cross-examination, never refuted by evidence, and there is some stuff in there that is nothing less than shameful—a man who paid some of his workers less than a penitentiary pays prisoners, complaining of his oppression as a little fellow, because he was taken to task for it by N. R. A.

N. R. A. has been betrayed by ballyhoo, pilloried by politics, and slaughtered by slogans.

This never could have occurred if those whom N. R. A. was conceived to protect knew exactly what is about to happen to it and to them.

The principal, if not the only forthright argument against N. R. A. is that if you can cast the codes aside, you can get prices down by lengthening hours of work and lowering wages—that is the essence of this whole attack. That affects far more than just the 3,000,000 people to whom N. R. A. gave jobs. It strikes at some 20,000,000 who work for wages and salaries in industries under N. R. A. Your day off, your longer leisure, your increased rates per hour are all threatened if this Nation goes back to a policy of more goods produced by fewer people at lower wages.

I am making no estimate or prophecy, but it is reasonable to suppose that if N. R. A. must be sacrificed in order to undo what

N. R. A. has done, then at least 3,000,000 jobs and $3,000,000,000 in wages are at least in a danger zone.

Why not? It is merely a restoration of the condition which existed before N. R. A. It is the aim and object of those who have sought to engineer the destruction of N. R. A. I don't know that such things will happen, but I know they happened before N. R. A.—shop girls working for $3 per week, 14 hours a day; women bending in gloomy garret sweatshops to buy food; children working 8 hours a day for 10 cents an hour; men laboring all daylight hours in steaming lumber swamps for 7 cents an hour. If you don't see these things return it won't be because there is any force or influence in government to stop them.

It is not only workers who are threatened. There is not an informed small mine operator or merchant, manufacturer, filling-station proprietor, or moving-picture exhibitor who does not know what was happening to him before N. R. A. and what is likely to begin to happen to him again the moment N. R. A. is gone.

The textile industry is almost sure to go into a nose dive. Bituminous-coal mining will find little to prevent its falling back to where it was in 1932. The flood of petroleum that has the midcontinent area on the ropes may rob that district of its short-lived recovery.

Now, I doubt if there is anything that can be done about this in Washington. This ballyhooed psychology has had its effect in the Senate. Whatever is done about it must be done back home.

I know how N. R. A. was put into effect. It was done on an almost unanimous demand of the people. The Old Guard wanted N. R. A. then no more than it wants N. R. A. now. But fifteen or twenty million workers on none or starvation wages and their families wanted it. Small merchants and manufacturers wanted it.

But above and beyond all this, the women of this country wanted it. Housewives who have somehow to make small wages feed large families—mothers who want their children in schools and not in factories—wives who had kept up too long a brave family front on little or nothing—they wanted N. R. A. They made their wants known and they got what they wanted. As long as they kept on wanting N. R. A. it flourished like the green bay tree. When they stopped fighting for it, it sickened and has almost died.

They alone can save it.

I don't believe in our modern push-button government by cut-rate telegrams to Congressmen. But it is a literal fact that N. R. A. is being killed because many Senators think that most of their people don't want it—that it is a political hot poker. There isn't a small business man in this country, there isn't a worker for wages or salary, there isn't a wife or family of any of these, who is not going to be badly hurt by what is sure to happen soon in this city to N. R. A. if it is not promptly proved to Senators that a vast majority of their constituents want them to give N. R. A. at least a fair trial for its life by the President's plan for an outright extension of his modified N. R. A. for a period of at least 2 years.

There is not a business association of little fellows which should not make their appeal by petition giving facts and not threats. There is not a woman's club or workers' union, there is not an individual who works for wages, or depends on the wages of others, who does not have a vital stake in making his individual interest and experience known by a temperate and moderate recitation of the fact of his own case.

WHEAT PROGRAM OF THE A. A. A.—ADDRESS BY SENATOR M'GILL

Mr. BLACK. Mr. President, I ask unanimous consent to have inserted in the RECORD a very interesting speech delivered by the Senator from Kansas [Mr. MCGILL] over the Columbia Broadcasting System Tuesday, May 21, at 10:15 p. m. His subject was the "Wheat Program of the A. A. A."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The referendum at which the wheat farmers of America will by their votes determine their course following the year 1935 is of such major importance it would seem appropriate that I should devote the time allotted to me on this broadcast to a discussion of their problem.

Before entering upon a discussion of the national wheat referendum which will be held this coming Saturday, the 25th of the present month; that is, a vote by the wheat farmers of the Nation on the question of whether they themselves desire to continue the control of their own wheat production—before going into the subject itself, permit me to say there is a thought which comes to me most impressively at this time as I contemplate the millions of American homes over whose rooftops these radio waves are now flashing through the night, and I would like to tell you what that thought is. It is this: For the few minutes I shall occupy, my position is that of one speaking from the Capital City at Washington to the wheat farmers of America, and that this is a one-way conversation reaching throughout the Nation on a subject vital to the welfare of many thousands of our best citizens. These radio waves are blanketing every American wheat field under the stars tonight and are flashing over the kitchens of every wheat farmer from Texas and Kansas to the Dakotas and from Walla Walla, Wash., to Washington, D. C. I repeat, this is a one-way conversation; that is, I merely occupy the position as a representative of one of the great agricultural States of the Union speaking in his official capacity in behalf of the farm program of this administration from the Capital City in Washington to the farmers of America. On this coming Saturday, May 25, the conversation will be resumed. On that day, through the referendum—the vote which will be taken among the wheat farmers of America—those same wheat farmers to whom I am talking tonight will talk to the officials of their Government. It will be a case of the other end of the farm program—the farm end—talking to Washington.

This, it occurs to me, is highly significant of the way in which this farm program has at all times since its inception been working. On the one hand, here in Washington are the representatives of the farmers in the Congress and in the Department of Agriculture and in the Agricultural Adjustment Administration. Cooperating with those here in Washington and to accomplish the same ends, are the farmers, the wheat growers themselves, and their own committeemen in their county associations throughout the wheat-growing regions of the United States. There are some 10,000 of these farmer committeemen actively functioning in the local administration of the wheat program. Tonight we are talking to the wheat farmers and on next Saturday the wheat farmers of America will talk to us. They will then record their opinion through the National Wheat Referendum which will be taken at that time. Every farmer who grows wheat whether he is a contract signer or not is eligible to vote. Polling places will be established in all wheat-growing communities and the farmers will simply be asked to vote "yes" or "no" on the question of whether they favor continuing the wheat-control program.

A national hook-up radio talk is significant of the way we do things today. It is not possible for me or any other Government official to talk to one group over a national radio hook-up and make a certain set of promises to that particular group. This broadcast reaches all groups, farmers and consumers alike. It reaches the laborers and the men who are interested in business and industry. This is as it should be because the farm program of the Agricultural Adjustment Administration, including the wheat program, affects the economic well-being of all these groups. All are interested. No doubt the wheat farmer himself knows more about the wheat program of the Agricultural Adjustment Administration than other groups and for that reason I will talk first to the consumers.

To the consumers who are listening to this broadcast—and we are all consumers of wheat—let me point out three important things: First, the price of wheat is still below the parity price level; that is, the same amount of wheat will not buy for the farmer as much in other commodities as it would purchase during the parity period preceding the World War. Second, you will probably be relieved to know that there continues to exist more than a normal supply of wheat on hand, notwithstanding the yield from the last two wheat crops has been far less than would have been ordinarily anticipated. The July carry-over this year will be around 150,000,000 bushels, which is more than the normal carry-over, more than the average carry-over during the past 20 years. Third, the cost of foods to the American family is still below the level of other commodities which go to make up the cost of living. During the 15 years since 1920 food prices have been proportionately lower than other items which go to make up the cost of living. It is true, consumers are paying more for their food than they did a few years ago, but the same consumers should remember that for years they were being furnished their food at a price which did not allow the farmer the cost of production. Food prices have been extremely low as compared to the prices of other commodities we have had to buy. The increase in food prices has not been large, generally speaking, and in order that there may be an economic equality in this country it is necessary that they reach a point more nearly on a comparative level with the prices of other commodities.

HISTORY OF WHEAT

I should like on this occasion to tell you something of the history of wheat during the past 20 years. It is a story which has been told before, but will bear repeating. The story of wheat is phrased in figures and it is framed in facts and is one of human hopes and human homes. It relates to the wheat farmer who was urged by his Government at a time of stress to plant more and more acres to wheat until following the war the production of wheat became so abnormal and out of proportion to the markets' demand that the price fell far below the cost of production. Through cooperation with the Agricultural Adjustment Administration the wheat farmer has now partially recovered his position in the economic equation. In fact, he is on his way to complete recovery, and in my judgment his ultimate recovery is dependent upon the results of the referendum to be held this coming Saturday.

Twenty years ago, just before the war, a dollar's worth of wheat would buy a full round dollar's worth of other commodities. When a bushel of wheat will again buy the same in goods as it did 20 years ago, then wheat will again have reached what is called a parity price. That is the purpose and scope of the Agricultural Adjustment Act. During the parity period, 20 years ago, we were a debtor Nation. We had always owed money to Europe. Consequently Europe had always imported goods from us. For example, Europe bought our wheat. We exported from one-fourth to one-third of our entire crop each year and produced according to the then-existing demand. When the war came we began to farm as we had never farmed before. Millions of acres of land was plowed which had never been plowed before. Out went the grass pasture. In went the cultivated crops. The temporary stimulus was entirely sound while it lasted. At the conclusion of the war, European

farmers went back to the plow and by the year 1930 their wheat production was above their pre-war rate. European countries had become the debtor nations now, and decided to grow more and buy less. We had changed from the position of a debtor nation to a creditor nation. In fact, we had suddenly become the greatest creditor nation know to modern history. As such, we should have, in my judgment, adjusted our tariffs to permit a greater degree of international trade. However, we attempted to act like a debtor nation while we were in fact a creditor nation. The tariffs which we maintained for industry of course restricted imports from other countries and at the same time cost us our exports. Hence the American farmer lost his export market for wheat. Our wheat exports dropped from the two to three hundred million bushel level, which we had enjoyed, down to aproximately 32,000,000 bushels for the year ending June 1933. This was less than we had exported during any year since 1868—and our wheat exports dropped to even a lower level the following year.

There are some who criticize the processing tax, which is the farmer's tariff, because they contend it has reduced our exports. Let those who criticize this farmer's tariff and its effect, if any, on exports, compare the processing tax with the industrial tariff which reduced our wheat exports from one-fourth of our annual crop to the lowest point since 1868 and which similarly has destroyed our export market for other agricultural commodities. If it is the loss of export markets which causes our trouble, let us face the realities of the situation and recognize the mountain instead of the molehill.

Those who try to confuse the issue by stating wheat will be consumed if the price is low are embarrassed when you remind them that in the year when the wheat prices were the lowest in our history we were compelled to store unsold the largest carry-over in our history—a carry-over of approximately 390,000,000 bushels—which was about three times our normal or average carry-over. Regardless of the price, our national consumption of wheat for food varies hardly at all from year to year. In 1932–33 it is true there were those who needed bread. It is true there were those who were hungry. Our bread lines had never been longer. This was not due, however, to an insufficient quantity of wheat—we had never had more on hand. It was not because the price was too high—the price had never been lower. Those who try to confuse the issue by saying that production control deprives some of our people of food are dodging two important facts: First, we had our longest bread lines when we had the largest supply of wheat and the cheapest price. Second, our July carry-over this year will be a little above normal. In other words, we have on hand at this time more than a normal supply of wheat.

Two years ago we witnessed the adoption by the National Congress of the Agricultural Adjustment Act and with it appeared the possibility of belated justice to the farmers who had for years fed the Nation below the cost of production. Some of you who are listening to me know that the plan provided by the Agricultural Adjustment Administration has worked—unfortunately, however, many do not know. With reference to wheat as well as to other basic agricultural commodities the object of the plan is to raise the price to the parity level so that a wheat farmer can, with a wagonload of wheat, buy as much of other goods as he could during the balanced period before the war. The plan has worked, as many of you know, remarkably well. Nearly 800,000 wheat farmers have voluntarily cooperated in the plan. At the outset, in the summer of 1933, the price of wheat increased for various reasons. The 1933 wheat crop, because of drought, was about only two-thirds as large as the 1932 crop, but it brought nearly twice as much money to the wheat farmers. The 1934 crop was less than the 1933 crop but brought almost exactly twice as much money to the wheat farmers as did the 1932 crop. On the other hand, the cost of bread to the ultimate consumer has not increased so as materially to affect the cost of living. I know that many of our most sincere citizens who, while they wish prosperity for the farmer, deplore the millions of dollars of wheat checks and cotton checks; that is, the Government checks to the farmers called "benefit and rental payments", and which are made to the farmers through the Agricultural Adjustment Administration in return for their cooperation in the control programs. There are altogether too many of these sincere individuals who have the feeling that this money comes out of general funds of the Federal Treasury and is an additional burden on the Federal Government. I believe it is only fair that the Nation should know that these farm programs, the crop-control programs, are, and have been, and will continue to be financially self-sustaining.

The triple A pays its own way as it goes. An examination of the budget division of the Agricultural Adjustment Administration discloses there had been paid to farmers to March 31, 1935, in the crop-control program, rental or benefit payments, in addition to the substantial increase in market prices for their commodities, the total sum of $678,416,926.45 and that to the same date the processing tax collected had amounted to the total sum of $772,963,077. The farmers, therefore, may well be proud, and some of the skeptics may be relieved to know that the adjustment program of the triple A is and has been self-sustaining—it pays its own way. For example, when a miller buys wheat he pays the regular market price for it which the farmer receives, and in addition to that the miller pays 30 cents per bushel processing tax, which is collected by the Government, and from this processing tax the farmer receives his rental or benefit payment. These payments are simply one part of the farmer's income for his product. He gets one portion of his pay for the crop when he delivers his product to market. He gets the other portion of it later in the form of his rental or benefit payment. It is in no sense a dole—it is simply a part of an earned income to farmers for their production.

AGRICULTURAL IMPORTS

Before concluding I desire to explode one particular bogey which some of the unscrupulous opponents of this successful agricultural program have brought forward in a frantic effort to frighten the public. I refer to the stories which perhaps all of you have read, with reference to agricultural imports which are supposed to be flooding our country today. Let us examine the facts a moment to demonstrate how far these groups have gone in an effort to find something with which to attack the program.

In terms of wheat, our imports of agricultural products do sound impressive, of course. I have observed these figures quoted in pounds instead of in terms of bushels. This is done no doubt by reason of the fact that one can in that way get into the millions more quickly. Remember this fact, however: We have always imported wheat. We require certain kinds of wheat we do not produce in the United States except in limited quantities—required for special uses and we have always imported such wheat. As disclosed by the Bureau of Agricultural Economics, the total imports of our competitive agricultural products, including grains, during the 8-month period ending March 1, 1935, were 25 percent less—not more—but 25 percent less than the average imports of such commodities for the same months of any year during the past 10 years. The drought damage to our wheat crop last year was approximately 300,000,000 bushels. We imported 9½ million bushels of wheat during the 8-month period ending March 1. Our corn imports were about seven-tenths of 1 percent of the estimated drought loss. Imports of beef during 1934 were less than the 10-year average. Imports of hog products for 1934 were eighteen one-thousandths of 1 percent of our pork products and twenty-six one-hundredths of 1 percent of the exports of pork products last year. It will be observed therefore that our agricultural imports have been very unimportant except as a medium of propaganda.

CONCLUSION

To the wheat farmers of America I would like to make these suggestions: Remember now your condition 2 years ago. The price of wheat then was far below the actual cost of production. You were buried beneath the largest surplus of wheat in the history of the United States. As individuals you were helpless to do anything because you had no assurance that whatever you yourself might do your neighbor would cooperate. You have been voluntarily cooperating with the Agricultural Adjustment Administration during the past 2 years. The price of your wheat has not only doubled but is nearly three times what it was at the inception of the program. The price you are now receiving for this commodity, together with your benefit or rental payment, is approaching toward parity or a fair price. The surplus of this commodity has been reduced to nearly normal. You are no longer helpless with reference to your own situation, because you have the assurance that the wheat farmers throughout America will cooperate with you. Without the Agricultural Adjustment program our basic industry, agriculture, would have continued in a state of ruin. Do you wish to continue this program? This is the question which you will be asked to answer on Saturday, May 25, as wheat farmers. You on that day will have the opportunity to express in this referendum your opinion. The program must and will be, if carried on, a voluntary cooperative program on your part. Your vote in no way binds you and in no way affects the contract between the farmers and the Agricultural Adjustment Administrator but is merely an evidence of your sympathies and an expression of your opinion. Your Government merely wants to know whether the wheat producers of America are favorably impressed with the idea of managed control.

The surplus has been reduced, the price has materially increased—facts no one can dispute. Remember, however, the potential surplus may be regarded as still here. The acres which produced the surplus are with us. Inspired by higher prices, what will your neighbors and the wheat growers generally do, if you abandon the control provided by the medium of the adjustment program? It isn't so much a question of what one might do as a wheat farmer. It is a question of what all will do. You can retain control of production as it has been carried on for the past 2 years for the first time in history, or you can abandon it and rebuild the price-depressing surplus. My purpose in discussing with you tonight the issues involved in this referendum is not to tell you to vote either this way or that way, but to focus attention upon the opportunity which is yours this week—the opportunity of expressing your wishes with reference to the program.

The referendum next Saturday has been arranged so that each of you may speak to Washington. I have discussed this matter tonight due to my feeling that, as a representative of one of the great agricultural States of the Union in the Senate of the United States, it is my official duty, the opportunity having been afforded, to call your attention to the importance of the national referendum of the wheat farmers. It is important not only to the farmers themselves but to every other citizen of the land. The various phases of agriculture constitute the basic industry of this Nation, and unless those engaged in agriculture shall prosper, normal conditions cannot exist. When agriculture prospers and the farmers have been restored to their normal purchasing powers, our economic problems will largely have been solved.

ITALY'S PART IN THE WORLD WAR—ADDRESS BY COLONEL HUME

Mr. LOGAN. Mr. President, today being the twentieth anniversary of the entry of Italy into the World War on behalf of the Allies, I ask unanimous consent to have printed in the RECORD an address delivered by Col. Edgar Erskine Hume to the Reserve Officers' Association of the United States in New York City on January 16, 1935, dealing with the part Italy played in the World War.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Of the parts played by the several nations in the World War, none is so little appreciated in this country as that of Italy. Italy's part has often been forgotten, but more often misstated or underrated. I cannot claim to be an authority on this subject, but at least I had an unusual opportunity to know what Italy accomplished and suffered. I was in that country when she entered the war, 20 years ago, and I was again there with the American troops sent to that front, and witnessed the final Italian victory in 1918. I am the only officer of the Regular Army today, on active duty, who served with our troops in the Italian war zone.

When the World War began, Italy was a member of the Triple Alliance, the other members of which were Germany and Austria-Hungary. The terms of this pact were secret, but we now know that there were two important provisions either of which rendered it unnecessary for Italy to join the other two powers in the war of 1914. First the Central Powers were not fighting a defensive war, and secondly Great Britain was on the other side.

Public opinion in Italy, as in the United States, was divided. Both sides had their friends. But, again, as in the United States, tLe great mass of the people sided with the Entente. Austria was Italy's hereditary enemy. There were still living many old soldiers who had fought against Austria in Italy's wars of unity and of independence. A part of the territory occupied by Italians was in the dual monarchy, still unredeemed. On the other side were Great Britain, Italy's old friend, and the French, kinsfolk of the Italians. In 1871 Italy's national hero, Giuseppe Garibaldi, had fought with the French against the Prussians.

The Popolo d'Italia, the newspaper of a then almost unknown man, one Benito Mussolini, constantly urged Italy to take this step and free her sons still held by the dual monarchy. Gabriele d'Annunzio also advocated this step. Thus they thought that the Allies might win. Let their critics remember this service.

On the Austrian side there had for years been an unconcealed contempt for the Italians. Gen. Conrad von Hötzendorff, who was to lead the Empire's troops against Italy, had long been advocating a "protective war" against Italy, and striking them before they were themselves ready to strike. Italians were pictured as a lot of brigands and cowards.

Italy's entrance into the World War was a voluntary act. Her soil, unlike that of France or Belgium, had not been invaded. The Allies, by the pact of London, guaranteed that the Italian areas of the dual monarchy were to be released to Italy.

But even before this Italy had done the Allies a good deed, and one which, though then appreciated, was to have far greater effects than at first were apparent. Italy announced her neutrality at the outbreak of the war. But it was for the Allies a benevolent neutrality, for Italian troops were withdrawn from the French frontier, so that France need not keep troops here to guard this line of 240 kilometers. Thus was France able to transfer quickly General d'Amade's six divisions, 200,000 troops, to the north to oppose the German advance, troops which arrived in time to participate in the Battle of the Marne. On the other hand, Austria, sensing the feeling of the Italian people, was forced to keep her Italian border well manned, and troops were there immobilized which otherwise would have been sent against the Russians.

Italy was the most powerful European nation not in the war, and could have thrown the balance of power in either direction that she liked—a fact all too well recognized by both sides. Italy had the only large fleet not in the war. It alone could have established a crushing superiority in the Mediterranean for either side. When we remember that Britain's communications with Australia and New Zealand lay through this zone, the importance of Italy's position is evident.

The treaty of 1866 between Austria and Italy had been carefully drawn and established a frontier that was wholly favorable to Austria for the greater part of its 600 kilometers length. The border instead of being at the top of the Alps was well down on the Italian side. This was well fortified and the Austrians could descend quickly onto the plains of Italy, just as they had done in previous wars. The frontier was in the shape of a great letter "S."

Italy declared war on the Austro-Hungarian monarchy on May 24, 1915, 9 months after the outbreak of the World War. The World War in Italy is considered as one of the campaigns for Italian independence and unity.

At the moment of her declaration of war Italy was in a fairly good position as to men, for her extra classes had been called owing to the continued difficulties in north Africa following the Libyan War. She had 28,000 officers and 843,000 men, many of whom were still in training. But she was deficient in matériel, woefully so as to artillery, particularly heavy artillery.

In Italy the war was one of attrition from the start. It is most difficult to have a clear mental picture of the war on the Italian front as a single effort because of the nature of the terrain. The war was broken up into many small sectors cut off from each other so that the general lines tend to be blurred except in the great battles like that of Vittorio Veneto.

When Italy came into the war it was at a dark moment for the Allied cause. The war on the western front had, as stated, become stabile. On the eastern front the Germans had won the great battles of Tannenberg, the Masurian Lakes, and Lemberg. The Germans had just introduced toxic gas at Ypres, with results that surpassed even their fondest hopes, and the demoralizing effect of this agent was everywhere. The Serbs were caught in a vise, for Bulgaria menaced them on the flank. The British expedition to the Dardanelles had failed. In Greece a pro-German king was in power. Rumania was not to enter the war for another year. The outlook was far from encouraging.

In her war plans Italy had two missions. First, to hold the line of the Trentino to the north, where there were no important objectives, and, second, to push to the east and concentrate their operations on the Isonzo. The Italian war was conducted at areas averaging 3,000 feet above the sea level, a large part of it 6,000, and a part some 9,000 in elevation. Campaigning in the mountains on the edges of steep precipices, where a false step meant death, amid snow and ice, is so different from anything that our troops experienced in France that few of you can have any idea of it.

The Italian engineers, one of the most brilliant groups in any army, did their work well. They constructed magnificent roads; cut deep galleries and whole underground chambers in the solid rock. They built in many places the efficient teleferica or cable railway by which munitions and even men were transported. The medical service evacuated wounded by this means in many localities.

In Italy's first year at war there were four battles on the Isonzo. There were to be 12 of these Isonzo battles before the war ended. Italy, with varying success, pushed hard against the Austrians, and, though the objective Gorizia was not at first gained, 25 of Austria's best divisions and large masses of heavy artillery, of which the Austrians were well supplied, were held, which otherwise would have been available for use on other fronts where they might have turned the scale in favor of the Central Powers.

With the coming of winter, the sufferings of the soldiers increased. Italy's shortage of munitions included clothing. Her soldiers were cold. The Italian Alpini, the famous Alpine troops, on skis, raided the enemy lines across the snow fields. There were the usual counterattacks. But no important operations took place until January 14 on the Isonzo front.

The end of 1915 found the Central Powers uniformly successful. The Allies had not won any successes in their six major offensives. The Germans marched steadily into Russia and held their lines on the western front.

The Battle of Asiago, or Austrian offensive against the Italians in the Trentino, was the most important enemy activity of the year. The Italians managed to stop it unaided. Gen. Conrad von Hötzendorff, the Austrian commander, was severely criticized for having depleted the Russian front in order to put into effect his pet Trentino scheme. It was this Austrian drive on the Trentino, together with the German drive on Verdun, that upset the plans of the Allies. The terrain in the Trentino is appallingly difficult. The most inaccessible regions of the Vosges in France, the Carpathians or the Balkans, do not compare with it for steep valleys, precipices, and chasms. The effect of artillery was terrible because the heavy projectiles striking against the rocky mountain sides dislodged great masses of stone which would fall on those below. The Austrians pushed through to within 18 miles of Vicenza. But the advance over such difficult ground destroyed the momentum of the drive and as the Italian wings held, the Austrians gained no decisive results.

In March 1916 the fifth Battle of the Isonzo was fought. It was indecisive because General Cadorna had to suspend his operations in order to send all the troops he could spare to the Trentino to meet the Austrian offensive.

The sixth Battle of the Isonzo was the Italian attack against Gorizia, an objective long sought. The Italian morale was high owing to their success in stopping the Austrian advance in the Trentino. Gorizia was captured and its gain greatly improved the Italian position. But its moral effect was yet more important. The country felt that at last their arms had gained a signal success and secured a fairly large piece of enemy territory. The Italian losses, however, had been heavier than those of the enemy—74,000 Italians killed and wounded as against 61,000 Austrians. But the Italians had captured more prisoners, though the Austrians had been able to save their guns.

On August 29, 1916, Germany declared war on Italy, and in September, October, and November there were three more battles on the Isonzo. General Cadorna was carrying out his idea of exploiting his successes and conforming to the general plan of the Allies of offensives on all fronts. Italy made definite gains, but at a cost of 69,000 killed and wounded to 52,000 of the Austrians. Their successes were costly.

At the beginning of 1917 the Allies had, for the first time, a more or less concerted plan. Offensives were to be launched simultaneously, so that Germany could not strengthen any front unless by weakening another. On their side the Germans had new tactics—infiltration. A short, heavy bombardment, not far to the rear, and then a break through of division after division, the troops having been carefully hidden so as to effect a surprise. Ludendorff's objective was to crush Italy first, then France and Britain before American troops could reach Europe. The unrestricted submarine warfare of the Germans was put into effect.

In May and June 1917 the Italians fought another battle, the tenth, on the Isonzo, and in August and September the eleventh

(the Battle of the Bainsizza). While important tactical advantages were gained, the cost was enormous. The Austrians were being worn down, however, and a stiffening of German troops was demanded and received. If only French and British troops had been sent to Italy at this time!

It was the addition of the German troops that helped to bring about the Italian defeat of Caporetto, the twelfth and last battle of the Isonzo. But there were many other causes of this defeat, of which so much has been said that one sometimes forgets the final Italian victory. Too many men in Italy were being employed in nonmilitary duties, and often at high wages. Yet these very men were the chief grumblers. It is a lesson that we may well remember in this country. Pernicious and cunning German propaganda was everywhere present. Peace, it whispered, could be had for the asking. Food was short. The old Italian troops had been wiped out and the new were less fitted for the struggle.

The French Army had a moral crisis just as did the Italian, and mutiny was present. But fortunately for France no great enemy offensive came at that moment.

The Austrians advanced on October 24, 1917, a dark day for Italy. They moved forward, carrying position after position, and crossed the Isonzo, attacked the reserve lines and struck the Italian Fourth Corps in reverse. The Italians could not hold. No army can stand under such circumstances. It was just as "Stonewall" Jackson's march around the front of Joe Hooker's army at Chancellorsville brought about the precipitate retreat of Howard's Twelfth Corps. General Cadorna was unable to stem the tide, and on the 27th ordered a withdrawal. It was only when the Piave River was reached that the Italians held. General Cadorna was replaced by General Diaz.

Now was seen one of the anomalies of war. The defeat did not cause a break-down of Italy as the Central Powers had expected. The nation's courage was aroused. The effect of Caporetto in the World War was like that of Bull Run in our war between the States. The defeat was a sort of victory in disguise.

The news of Caporetto had brought Italy Allied aid. Five British and 5 French divisions were promised, and 3 of the former and 2 of the latter actually came to Italy. Those who would belittle Italy's arms must not overlook that Italy unaided had stemmed the tide of the Austro-German advance on the Piave before a single soldier of the Entente reached Italy; Italy's wonderful recovery after Caporetto gave the British and French time to march 90 miles to the Montello unmolested by the enemy. Twenty-nine Italian divisions had stopped 55 of the enemy.

But the end of 1917 found the Allied cause in its most dismal state. Russia had been completely wiped out as an ally. All the enemy troops released from the eastern front were now available for other fronts. All of the Austro-Hungarian Army were sent to Italy. The Americans had not yet reached Europe in significant numbers. Franco-British offensive on the western front had failed.

The year 1918 saw two great battles in Italy. In June the Austrian offensive, called the "Radetzky Offensive", began. This we call the "Battle of the Piave." The Austrians advanced in two sections. Both failed. After Field Marshal Boroevitch had crossed the Piave, that river, swollen by torrential rains, rose so quickly that he could not get back, and the Italian artillery did the rest. Here ended the Austrian hope of gaining peace by victory. The battle cost them 25,000 prisoners, 100 guns, and 150,000 casualties.

In the autumn came Italy's mighty effort, the Battle of Vittorio Veneto, one of the most misunderstood of all battles. The battle began on October 24, 1918—exactly 1 year after the defeat of Caporetto—with a blow on Mount Grappa, between the Brenta and Piave Rivers, with the object of cutting the Austrian Army in two and separating the forces in the Trentino from those on the left bank of the Piave. Then followed the second phase. The forces along the Piave from the Montello to the sea were to be attacked, concentrating on the junction between the Austrian Sixth Army and the Isonzo Armée. It was a classical maneuver, driving a wedge through so as to split the enemy, and then crushing the two broken limbs separately. The battle was entirely successful and Austria was brought to her knees.

The consequences of the battle were the annihilation of the Austro-Hungarian Army. The number of prisoners taken is uncertain but General Gathorne-Hardy, the British Chief of Staff, says that at least one-third of the Austrian infantry and practically the whole of their artillery were in the hands of the Italians at the finish.

Vittorio Veneto was one of the most important battles ever fought. It was the greatest decisive victory of the World War, and in point of numbers of men engaged on both sides—almost 2,000,000—the largest battle of all history. It was essentially an Italian victory, for more than 90 percent of those engaged on the side of the Allies were Italians.

It is perhaps worth while to mention in this connection that at no time were there as many troops of the Allies in Italy as there were Italians on other fronts, including the French. The presence of an Italian Army Corps in France was always an act of defiance to Austria. The foreign troops in Italy consisted of 3 British, 2 French, and 1 Czechoslovak divisions, 1 American regiment, and 3 companies of Rumanian volunteers. Besides the one American regiment of infantry, the Three Hundred and Thirty-Second, with the Three Hundred and Thirty-First Field Hospital attached, there were in Italy only the following other American organizations: Base Hospital 102 (expanded by additional Italian personnel to a hospital center), 15 sections of the Army Ambulance Service and varying number of aviators in Italy chiefly for instruction. Mayor LaGuardia was one of these aviators.

Italy's losses were very great. The Battle of Vittorio Veneto cost her more than 35,000 dead. The proportion of her dead to her population was 1: 5—greater than the percentage of British dead to her population (white only). Of the Fourth Army seven divisions alone lost 20,000. But at the Armistice she held half a million Austrian prisoners. Of a population of 34,000,000 Italy mobilized 5,000,000. She lost in all about half a million killed and more than a million wounded, about half of whom were permanently disabled.

By the outcome of the war Italy secured the watershed of the Alps as her natural frontier. And at last Italy was rendenta, and the dreams of the Italian patriots of half a century before, of Mazzini, Cavour, and Garibaldi, had come true. It is idle to speculate as to who "won the war." No one nation can claim that honor. But with Italy, as with America, it may be truthfully said that if she had remained neutral the war would have lasted much longer and possibly not have been won by the Allies in the end after all.

DUST STORM—EDITORIAL IN THE SATURDAY EVENING POST

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Saturday Evening Post on May 25, 1935, entitled "Dust Storm."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post, Philadelphia, May 25, 1935]

DUST STORM

All through the early spring dust storms were blowing over the West, blotting out the sun, blinding the people, and penetrating as far east as Washington. From the Capitol itself there came a counterblast, blanketing the country, through which the people groped blindly. From time to time there was a rift in the dark cloud of doubt, through which the sun shone briefly, only to be blotted out again by a new dust storm.

In the case of our physical dust storms the "new dealers" realized that the one sure way to stop them was a return of semiarid areas to something more nearly approaching their former condition, when a strong covering of grass held down the soil. But for the clouds of doubt that are blowing over the country from Washington they have no cure except the plowing up of more doubtful territory, until at last they are groping through the dust of their own plans and policies. No doubt the "new dealers" are trying to break more ground with the best of intentions, but nothing is more to be feared than the excesses of good intentions.

The experiment of plowing up and raising wheat on semiarid land has proved to be a gamble in which the grower, if by chance he raises an occasional bumper crop, gets the profits and the public gets the dust. The new-deal experiments are also a gamble—a gamble with the future and safety of the whole country, from which we have gained little except doubt; and the dust that they are raising in increasing volume is rapidly smothering such good as some of their plans may contain. We suggest that those experiments that go against the hard-learned lessons of the past and sound economics be put down in grass. It is just such sound policies that President Roosevelt stood for in his pre-election campaign and what the country voted for. Take the President's Pittsburgh speech, delivered on October 19, 1932, and consider these excerpts from it:

"Now, the credit of the family depends chiefly on whether that family is living within its income. And this is so of the Nation. If the Nation is living within its income, its credit is good.

"If, in some cases, it lives beyond its income for a year or two, it can usually borrow temporarily on reasonable terms.

"But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy.

"For over 2 years our Federal Government has experienced unprecedented deficits in spite of increased taxes. * * *

"This simply means that one-third—33⅓ percent—of the entire income of our people must go for the luxury of being governed.

"That is an impossible economic condition. Quite apart from every man's own tax assessment, that burden is a brake on any return to normal business activity.

"Taxes are paid in the sweat of every man who labors, because they are a burden on production and can be paid only by production. If excessive, they are reflected in idle factories, tax-sold farms, and, hence, in hordes of the hungry tramping the streets and seeking jobs in vain.

"Our workers may never see a tax bill, but they pay in deductions from wages, in increased cost of what they buy, or (as now) in broad cessation of employment.

"There is not an unemployed man, there is not a struggling farmer, whose interest in this subject is not direct and vital. * * *

"Our Federal extravagance and improvidence bear a double evil; first, our people and our business cannot carry its excessive burdens of taxation; second, our credit structure is impaired by the unorthodox Federal financing made necessary by the unprecedented magnitude of these deficits.

"Instead of financing the billion-dollar deficit of 1931 in the regular way, our Government simply absorbed that much of the lending capacity of banks, and by so much impaired the credit available for business. * * *

"Commercial credit has continuously contracted and is contracting now. Most of this new Government-created credit has been taken to finance the Government's continuing deficits.

"The truth is that our banks are financing these stupendous deficits and that the burden is absorbing their resources.

"All this is highly undesirable and wholly unnecessary. It arises from one cause only, and that is the unbalanced Budget and the continued failure of this administration to take effective steps to balance it. If that Budget had been fully and honestly balanced in 1930, as it could have been, some of the 1931 collapse would have been avoided. Even if it had been balanced in 1931, as it could have been, much of the extreme dip in 1932 would have been obviated. * * *

"Would it not be infinitely better to clear this whole subject of obscurity—to present the facts squarely to the Congress and the people of the United States and secure the one sound foundation of permanent economic recovery—a complete and honest balance of the Federal Budget?

"In all earnestness I leave the answer to your common sense and judgment.

"The other bad effect of this fiscal mismanagement is not at all technical. It is the burden of high cost on the backs of all our people.

"I can state the condition best by quoting one paragraph from a document published a week ago and signed by both Alfred E. Smith and Calvin Coolidge:

"'All the costs of local, State, and National Governments must be reduced without fear and without favor. Unless the people, through unified action, arise and take charge of their Government, they will find that their Government has taken charge of them. Independence and liberty will be gone and the general public will find itself in a condition of servitude to an aggregation of organized and selfish minorities.'

"Every word of that warning is true, and the first and most important and necessitous step in balancing our Federal Budget is to reduce expense. * * *

"Now, ever since the days of Thomas Jefferson that has been the exact reverse of the Democratic concept—which is to permit Washington to take from the States nothing more than is necessary to keep abreast of the march of our changing economic situation.

"In the latter philosophy and not in the philosophy of Mr. Hoover (which I think is responsible for so much of our trouble) I shall approach the problem of carrying out the plain precept of our party which is to reduce the cost of the current Federal Government operations by 25 percent.

"Of course, that means a complete realinement of the unprecedented bureaucracy that has assembled in Washington in the past 4 years. * * *

"Now, I am going to disclose to you a definite personal conclusion which I adopted the day after I was nominated in Chicago. Here it is: Before any man enters my Cabinet he must give me a twofold pledge of—

"1. Absolute loyalty to the Democratic platform and especially to its economy plank.

"2. Complete cooperation with me, looking to economy and reorganization in his department.

"I regard reduction in Federal spending as one of the most important issues of this campaign. In my opinion it is the most direct and effective contribution that government can make to business. * * *

"In accordance with this fundamental policy, it is equally necessary to eliminate from Federal Budget making during the emergency all new items, except such as relate to direct relief of unemployment. * * *

"I have sought to make two things clear: First, that we can make savings by reorganization of existing departments, by eliminating functions, by abolishing many of the innumerable boards and commissions which over a long period of years have grown up as excrescences on the regular system. These savings can properly be made to total many hundreds of millions of dollars a year.

"Secondly, I hope that it will not be necessary to increase the present scale of taxes, and I call definite attention to the fact as soon as the Democratic platform pledge is enacted into legislation modifying the Volstead Act, a source of new revenue amounting to several hundred millions of dollars a year will be made available toward the balancing of the Budget.

"The above two categorical statements are aimed at a definite balancing of the Budget.

"At the same time, if starvation and dire need on the part of any of our citizens make necessary the appropriation of additional funds which would keep the Budget out of balance, I shall not hesitate to tell the American people the full truth and recommend to them the expenditure of this additional amount. * * *

"I am as certain as mortal man can be certain of anything in the future that from the moment that we set our hands openly and frankly and courageously to this problem, we shall have reached the end of our long, hard downward road and shall have started on the upward trail.

"We shall have built for economic recovery a firm footing, on a path broad, true, and straight."

In his message of March 10, 1933, to the Congress the President said:

"For 3 long years the Federal Government has been on the road toward bankruptcy.

"For the fiscal year 1931 the deficit was $462,000,000.

"For the fiscal year 1932 it was $2,472,000,000.

"For the fiscal year 1933 it will probably exceed $1,200,000,000.

"For the fiscal year 1934, based on the appropriation bills passed by the last Congress and the estimated revenues, the deficit will probably exceed $1,000,000,000 unless immediate action is taken.

"Thus we shall have piled up an accumulated deficit of $5,000,000,000.

"With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order, and for many reasons no effective action has been taken to restore it to order.

"Upon the unimpaired credit of the United States Government rest the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It, therefore, becomes our first concern to make secure the foundation. National recovery depends upon it.

"Too often in recent history liberal governments have been wrecked on rocks of loose financial policy. We must avoid this danger.

"It is too late for a leisurely approach to this problem. We must not wait to act several months hence. The emergency is accentuated by the necessity of meeting great refunding operations this spring.

"We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy."

There is a law of first things first, and these principles that the President enunciated are not only first things but they are fundamental in any sound program of recovery. To these promises he added another—that he would promptly discard any experiment that, on trial, did not prove practicable. With these pledges he took office. An overwhelming majority of the people was behind him. That a steadily increasing number of those who do not get their opinions ready-made over the radio and from new-deal handouts are beginning to doubt and fear is due to a failure on the part of the administration to keep these pledges, and to the President's apparent unwillingness to discard those experiments that have proved themselves a detriment to the well-being of the country.

Haste, waste, and classroom experiment have failed. Caution, thrift, and experience will succeed. There is a tide of natural forces that is trying to break through the barriers of papa-and-mamma bureaucratic government. Here and there it is succeeding, but new legislation to bulwark the barriers is before the Congress.

There must be nothing partisan in the stand of the opposition. These questions are far above partisanship or politics. If a coalition government of Republicans and Democrats is necessary to pull the country out, let us have it, but so far the only thing approaching a coalition of the parties has been a rather shameful rush for the pie counter. If the President will discard his failing and failed experiments, preserving only what is demonstrably good in them, and build anew on the foundation of his campaign pledges, we should all get behind him, but let's have an end to this silly talk that we should support his every move, regardless of our honest convictions. If a balanced Budget, a sound fiscal policy and relief relieved of waste and politics call for even heavier taxation, we should accept the burden cheerfully, but let us have an end to discretionary pools of billions of tax money. Business of the lawless and predatory type, though it was and is in the minority, must give up that license which once masqueraded under the name of liberty, but let us have an end to the surrender of our rightful liberties to regimentation, paternalism, and socialism.

There will always be dust storms as long as we prepare the soil for them with nostrums and panaceas and believe that wheat will grow in the desert that we have made.

FARMERS' VISIT TO WASHINGTON

Mr. HASTINGS. Mr. President, on Wednesday a week ago, the day after the President had made a speech to the farmers who congregated in Washington, I submitted a short resolution (S. Res. 139), reading as follows:

Resolved, That the Secretary of Agriculture be, and he is hereby, requested to furnish to the Senate any and all correspondence in his Department touching the gathering of some three or four thousand farmers in the city of Washington during the last 2 or 3 days; whether any instructions had been given by him or any person in his Department, or by any of the various county agents or farm organizations receiving Federal aid, with respect to getting these farmers to come to Washington; how the particular group was selected and by whom, and the purpose of having the said farmers come to Washington at this particular time; and be it further

Resolved, That the Secretary of Agriculture give to the Senate all information in his possession with respect to any cost borne by the Federal Government, directly or indirectly, in meeting the expenses of the farmers gathered as aforesaid.

The resolution was rather hastily drawn, and, although I did not request unanimous consent for its immediate consideration, I had supposed there would be no serious objection to its adoption. It seemed to me there was nothing unusual about it in that it merely asked an official of the Government to furnish to the Senate such information as

he had with respect to a subject which was of great importance to the public generally.

Much to my surprise, after I had made a few remarks with respect to the resolution, Senators on the other side of the aisle described it as suggesting, among other things, that the men who came to Washington had been brought here at Government expense, that the Secretary of Agriculture under the resolution might be assumed to be guilty of embezzlement, and that altogether it was improper, constituting a reflection upon the farmers who came and on the Secretary of Agriculture. A mere reading of the resolution itself does not permit any reasonable person to draw any such conclusion, and the remarks made across the aisle with respect to the resolution were in large part wholly unjustified.

There is perhaps no Senator on either side of the Chamber who is not interested in the farmers of the Nation. There is probably no man who does not fully appreciate how important it is to the Nation to have that particular class enjoy a prosperous condition. I submit that the gathering in Washington of some 4,500 farmers in the middle of May, which is about the busiest time a farmer has upon his farm, is an unusual occurrence, one that never before happened, and one which might reasonably attract the attention, to say nothing of the suspicion, of any reasonable-minded man.

Another thing in connection with it that attracted my attention was the fact that there were pending in this body, as well as in the other House, amendments to the Agricultural Adjustment Act. There had been for days and weeks much complaint from those who have to pay the processing tax. It seemed to me that the natural conclusion to reach was that these farmers had come here for two purposes, one to impress upon the President of the United States their appreciation of his attitude with respect to these measures and the other to impress upon the Congress what the farmers thought with respect to the amendments pending in the Congress.

That they had a right to come, nobody questions; that they had a right to come at one particular time, nobody doubts; that is the great privilege accorded to every citizen and every group of citizens in this land; but to be greeted at the White House by the President of the United States and to be addressed as they were addressed, in intemperate language, was indeed an unusual occurrence and established a precedent which, to my mind, means great danger ahead for our country.

Just about the time this happened we saw that the same kind of forces, interested in the N. R. A., were sending out the alarm to those interested in an extension of that act. We saw by their literature and by their press releases that they had been urged to appear at Washington during this very week, 8 days from the time the farmers appeared. Except for the fact that complaints have been made as to what had been done with respect to the farmers, I am by no means certain they would not have been greeted in the same way, if not by the President himself, then by that other great personage who seems to be more interested than any other citizen of the country in extending the N. R. A.

If it be true that these groups may come to impress upon the Congress what they think and may be greeted by the President of the United States when he concurs with what they want done, then I ask how much further the movement may go? I inquire what would have happened if there had appeared 2 or 3 days ago in Washington a group of 4,500 men representing the veterans, and they had contacted the administration or officers of the administration, and had been asked to greet the President? Does anybody think the President would have greeted them on the White House lawn and addressed them as he addressed the joint session 2 days ago?

If this be a practical way of running this Democratic Government, if the 5,000,000 investors who are interested in the holding-company bill now pending before this body should send their delegates to Washington and should select a group of 4,500 of their number to represent them, and they should go to the White House, I inquire whether is it unreasonable to expect that they would be met upon the White House grounds and would have delivered to them the kind of message that was delivered to this particular group of farmers.

If we are going that far, I inquire whether the Congress is bound to take note this morning of what appears on the front page of every newspaper, a note of warning issued by William Green, president of the American Federation of Labor, to the effect that unless the N. R. A. shall be extended for 2 years, there will be strikes forthcoming in the big manufacturing concerns all over this land of ours? In other words, in the coming of this delegation of farmers, greeted as they were by the President of the United States, has there not started, been inaugurated in America, a new kind of movement which makes the minority more powerful and more dangerous than it has ever previously been?

To my mind, regardless of what the junior Senator from Texas [Mr. CONNALLY] may think of it, and regardless of how lightly he may have treated my remarks here about a week ago, I believe it is a serious matter for America, and it is a serious matter for American institutions.

I hesitate somewhat to take the time of the Senate to do what I am about to do, and I should not do it except for my sincere belief that what has been done and what may be done, because of the precedent set, makes a real danger for America.

I should like to comment for a few moments upon the objection which was made to this resolution coming from the other side. It will take me a little while to do so; and, following that, I propose to read into the RECORD the evidence which has been piling into my office ever since I made the few remarks following the submission of my resolution to the Senate.

The distinguished Senator from Texas insisted that I could obtain the desired information by calling the Secretary of Agriculture, and thereby save the time of the Senate. Both the Senator from Texas and the Senator from Kentucky [Mr. BARKLEY] insisted that my sole purpose was to get the headlines in the newspapers. Unlike them, I had no such purpose in mind; but, fortunately for me, and, in my judgment, fortunately for the country, the remarks I made and the charges I made did receive some public attention. The effect has been to flood my office with complaints against the A. A. A. The effect has been to show that many of the suspicions set forth in my resolution were thoroughly justified, and have been proven to be justified by the letters I have received.

In addition to that, I followed the suggestion made by the Senator from Texas and wrote a letter to the Secretary of Agriculture. The letter, in addition to what the resolution itself contained, included some 16 questions. The letter was delivered to the Secretary of Agriculture on Friday last. When I gave notice yesterday that I should speak upon this subject today I supposed the Secretary was about to ignore my letter, because I had not heard from him at all. At quarter past 11 today, he called me on the telephone and said he was sending a reply to me and wished to know if I had any objection to his making it public. I said, "Certainly not; and I hope I shall have time to read it before I address the Senate this morning."

I have the letter here; and I shall read portions, if not all, of it. Before doing so, however, I wish to comment upon some of the suggestions made by Senators on the other side.

On the day on which I submitted the resolution, the distinguished Senator from Illinois [Mr. LEWIS] said:

> I ask my able friend does he not recognize that the resolution tendered by him, coming from one so high in authority in his party as well as from one so high in this honorable assemblage as himself becomes an intimation to the public that he must have some knowledge that these men have had their expenses paid; that they have been lured to come here, in appearance to give applause and approval to the President's action, and that their attitude here is one that has been purchased by some form. If the able Senator has no knowledge on such questions, an intimation of that kind, when properly read, comes within the designation used by the President in his speech.

Mr. President, while I was not certain that some of this money did not come directly from the Federal Government—

for in these days, when the Secretary of Agriculture has the right to collect money and spend it as he sees fit, when the Secretary has the right to levy a tax and spend it as he pleases, I was by no means certain that some of that money had not been appropriated for this purpose—in the resolution I merely inquired as to the fact; and the mere making of the inquiry is what stirred the hearts and souls of my friends on the other side. As to that, however, I have much proof to the effect that the Federal Government's money indirectly did go to pay the expenses of the men who came to Washington. More than that, Mr. President, and what is perhaps worse than taking it from the Federal Treasury, the money was taken from the poor farmers themselves, who were made to believe that that was the only way they had of protecting themselves.

The distinguished Senator from Kentucky [Mr. BARKLEY] observed:

> The skepticism, the suspicion, and the agnosticism of the Senator from Delaware are not difficult to understand. During the period when his party was in control of the country the farmers did not make enough money to enable them to save sufficient to come to Washington, but now that they are receiving prices that enable them to get away from their farms, and beyond the county line, they are able to come to Washington whenever they see fit, for whatever purpose may bring them here. The Senator from Delaware ought not to be held accountable for the fact that he is not sufficiently up to date to realize that fact.

The reading of these letters will convince the Senator from Kentucky that it is not a fact.

Then the Senator from Texas [Mr. CONNALLY] remarked:

> Mr. President, how any Senator can give any consideration to that resolution except to conclude that it is a direct reflection on all the farmers who came to Washington, I cannot conceive. The intimation is that because several thousand farmers have come to Washington at this particular time there is some sinister or some corrupt or some secret motive or cause underlying their visit.

Then he went on to say that 700 farmers came from Texas; and I have evidence to show that it cost $100 for each farmer, or that it cost a total of $70,000 to send this delegation from Texas here.

Further along the Senator from Texas said:

> That is the head and front of their offending, if there be such. The head and the front of the offending of these farmers in coming to Washington has been that they have come to the Capital City, where the Government sits, to express their gratitude and appreciation, not for something that is expected in the future, but for the fact that the Government has dealt fairly with them in the past.
>
> * * * * * * *
>
> The Senators from Texas are not afraid to have their farmer constituents come up and see them, and see how they are performing their duties. I marvel that the Senator from Delaware is afraid to have the farmers from Delaware come to Washington. Why should they not come here?
>
> Mr. President, the Senator from Delaware wants all the correspondence in the Department of Agriculture about this trip. Of course, we all know what the motive of the Senator is. The Senator is the chairman of the Republican Senatorial Campaign Committee, and he has what I consider the very foolish idea that by attacking the farmers through Secretary Wallace he can gain some political advantage. I do not concede it to be a sound policy, however, even in behalf of the Republicans, to attack the entire agricultural population of our Nation for the sake of gaining a few votes among chambers of commerce.

Mr. President, the Senator from Texas knew at that time that I was making no attack upon the farmers. He was trying to throw a smoke screen around the resolution by making people believe that its adoption would constitute a reflection upon the farmers, when there was nothing in the resolution to indicate any such purpose.

The Senator from Texas further said:

> Mr. President, this resolution cannot be viewed in any other light than as a practical insult to the delegation of farmers who have come to Washington. It implies a crime. It implies that somebody has violated the law. It implies that the Secretary of Agriculture has embezzled the funds of the United States—

Let me say, with respect to that matter, that, however much I disagree with the Secretary of Agriculture on that which he is doing, I never even thought, and never heard anybody else suggest, that this great man was dishonest, and I had no intention of so intimating; and a reading of the resolution will not convince any reasonable man that there was any intimation of that nature in it.

Further along the Senator from Texas said:

> Let us see whether the Senator from Delaware means what he says. He says that all he wants by this resolution is to get a statement from the Secretary of Agriculture as to whether or not the Department furnished any money. Did he not say that?
>
> Here is the morning paper, the Washington Herald, which the Senator from Delaware always reads, or ought to. It says this:
>
> "A. A. A. Administrator Chester C. Davis categorically denied reports that departmental county agents had inspired the meeting, and Chester H. Day, leader of the demonstrators from Hale County, Tex., said the march 'just grew like wildfire' and within 3 weeks brought the crowd into Washington, despite there was no organization, no money, and no planning."

I beg Senators to listen to the evidence which I shall produce, and see whether or not they think that statement in the morning paper, quoted by the Senator from Texas, is correct.

Before doing so, however, I call attention to the press conference held by Mr. Davis on April 24, 1935, when he was asked this question:

> Can you tell us, off the record, whether the processing tax on cotton will be lifted or there will be a substitute for it?
>
> Mr. DAVIS. I will say, off the record, I don't think so, and I will say, on the record, that I believe in a month you will hear a great deal less about lifting the processing tax from commodities than now.
>
> Why?
>
> Mr. DAVIS. Because I think they will be in here from the country.

Further along the Senator from Kentucky [Mr. BARKLEY] suggested that the Senator from Texas had already covered what was in his mind. That was the statement with respect to my "effort to get the headlines", upon which I have already commented. The Senator from Texas [Mr. CONNALLY] said:

> I think it is ungracious of the Senator from Delaware to attack the Senator from Texas for making a few remarks on an occasion of this kind, when he says there are 700 Texans in the gallery. Of course, there are not that many. There may be some Texans in the galleries, and I hope there are. I want the people from Texas to see, now and then, with what the Senator from Texas has to contend in the Senate.

And then:

> If it had not been for the fact that the Senator from Delaware, ungracious host that he is, attacked the guests of the Government here in the gallery by a resolution reflecting upon their integrity, poking fun at them, and smearing them all over with suspicion, there would have been no occasion for the Senator from Texas to take the floor at all.

Further along, I inquired:

> Mr. President, does the Senator from Texas admit that these farmers came here as guests of the Government?

Then he "jumped all over me" for suggesting such a thing, although he himself had just made the statement. Then he continued:

> Now, Mr. President, I wish to denounce this resolution as an unwarranted and unjustified and baseless reflection upon every farmer who has come to Washington, upon the Secretary of Agriculture, upon Chester C. Davis, the Agricultural Administrator, and everyone connected with the Department of Agriculture.

Two or three days later, on May 21, the Senator from Texas again referred to the matter in a colloquy with the Senator from Louisiana [Mr. LONG], in which he again explained it, and stated:

> It originated, as every farmer knows, and as the Senator would know if he talked to any farmer from Louisiana, among the farmers themselves. One of the leaders of the movement was a man by the name of C. H. Day, from my State. The farmers paid their own way; they made up the money in each community. There was left in my office a list showing by the different counties where farmers contributed 50 cents, 20 cents, 25 cents, and the names of the donors. In that way the farmers paid their way to Washington. The movement was not incited by the President. The Department of Agriculture has repeatedly issued statements through the press, statements which have gone undenied, that they did not incite the trip, but that it was generated among the farmers themselves. There was a large delegation here from Louisiana.

Mr. President, I merely desire to say to the Senator from Texas that all Texans do not agree with him. I propose to read him a letter, if he has not read it himself, addressed to

him from Amarillo, Tex., dated May 16, a copy of which was sent to me. This letter is not read for the purpose of proving what I have suggested in the resolution. It is read for the sole purpose of showing that the Senator from Texas does not know the feeling of all the citizens of his State. The letter is directed to "Senator TOM CONNALLY", and the writer starts by saying:

I do not see it any other way but that the Federal Government took public funds and paid the expenses of 4,000 farmers for a "sky-lark" vacation to Washington to see the "Great White Chief", as the Indians would say.

Bear in mind that this is not my language. I would not read it except for the fact that it was addressed to the Senator from Texas; and, in view of the fact that he has made these statements about the outrages about to be committed, I think it is justified. I read further from the letter:

These men, I will bet my last dollar, every one of them have been, as Senator HASTINGS said, paid public money for not working, under the A. A. A. scheme of setting up state socialism by outright bribery of the electorate.

Now, you may think you are right, but bear this in mind: There are tens of thousands of men of character and integrity in Texas who think you are dead wrong, and that the whole policy of Roosevelt's farm schemes and other pet fanatical hobbies are running this Nation straight to chaos or dictatorship. All because a policy of positive dishonesty is being followed in setting up one class of people as better than another, or entitled to something that God's natural laws denied them.

As Al Smith was quoted in the press a few days ago, "$4,800,000,000 is a h— of a lot of money to have to spend for reelection", so many of us think things are pretty rotten when such a thing is necessary. All your talk about the "submerged" classes and "down-trodden" farmers is all hooey and does not get through the skins of honest men.

I have always been an admirer of you as a statesman, and I believe that you, being a man of highest character, would openly oppose most of these new-deal schemes of a set of wobblies, pinks, semireds, fuzzies, and flannel-mouthed shanty and almost Bolshevists if you really knew the true feeling of the people. I have never found a man of any success, integrity, and of a well-balanced mentality who would defend what has been done either privately or publicly. Whenever you find a man that is a little "screwy" and "off center" on religion, politics, economics, or what not, there you will find a Roosevelt supporter, unless he is an outright failure on the dole, selling his vote and support like it were a sack of potatoes or cabbage. Now, I do not write this in bitterness, but as my sincere belief, and observation after meeting hundreds of business men and others. The business people are working trying to carry the load of these monstrosities of the new socialism, and for that reason you seldom hear from any but the "gimme" crowd of selfish interests, among whom is the organized farm-relief racket.

Then a note attached to the letter to me says:

All sensible farmers, even if they get the A. A. A. allotments, would not favor such a manifestly inspired piece of propaganda as these "vacation" trips of loafing for these birds. Your attack should be given wide publicity.

Please get the names of the farmers and check the record for the size of their checks for loafing. It would be good reading.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. NEELY in the chair). Does the Senator from Delaware yield to the Senator from Texas?

Mr. HASTINGS. I yield.

Mr. CONNALLY. Will the Senator please give the name of the correspondent?

Mr. HASTINGS. Yes. Has not the Senator read this letter?

Mr. CONNALLY. No; I have not.

Mr. HASTINGS. I hope the Senator received a copy of it.

Mr. CONNALLY. I hope so, too.

Mr. HASTINGS. It is from Frank Robinett, Amarillo, Tex.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. BARKLEY. Does the letterhead on which he writes show what his business is?

Mr. HASTINGS. He may be a member of the chamber of commerce; I am not certain about that. "Merchandise broker."

Mr. BARKLEY. Yes; he is an Amarillo agriculturalist.

Mr. HASTINGS. I do not know about that. I do not say that I agree with all he says. I only quote the letter to show that all people living in Texas do not agree with what the Senator from Texas said about this matter.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. CONNALLY. I am very happy that they do not. All the people in Delaware of course agree with the Senator from Delaware.

Mr. HASTINGS. I do not think so, although Delaware would be much better off if they did. [Laughter.]

I may make this observation now with respect to the Senator's request that I give him the name. I have here some 50 letters, and I do not propose to give any names, and I do not propose to give them because many of these correspondents have urged me not to give the names for the reason that they are afraid they will be punished if they express their honest opinions. But I say this much to the Senator from Texas, or to any other Senator, who desires to examine these letters; I will show the original letters, all of these original letters, to any person, in confidence, in order that I may show definitely that I am reading them to the Senate correctly.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. CONNALLY. I beg the Senator's pardon for having already invaded the secrecy of his correspondence, but I wanted the name of this correspondent so that I could look up his letter and find it in my files. I will be very frank with the Senator. If he does not release the names, I assure him now that I, for one, shall not turn loose the Ogpu on them.

Mr. HASTINGS. I am sure the Senator would not.

Mr. CONNALLY. I shall not loose all these Government agencies and hound them to their death. I love my people, and I will not do that with regard to correspondents from Texas. I will not call them into the Federal court for writing to the Senator from Delaware. I will not blackguard them before the Nation and undertake to cover them with obloquy and shame because they have been in secret communication with the Senator from Delaware.

Mr. HASTINGS. I am sure of that.

Mr. CONNALLY. That is below my level.

Mr. HASTINGS. That is right; but I will say to the Senator that what I have read so far was a communication directed to him, and I am a little surprised that he has not seen it. I suppose he has faithful clerks in his office, who concluded that it might worry him a little, and they thought they would withhold that letter from him.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. CONNALLY. I desire to thank the Senator from Delaware for his consideration and kindness. Unfortunately for the Senator from Texas, he represents a State of about 6,000,000 people, and he has only the same number of clerks to answer 6,000,000 people the Senator from Delaware has to answer the people of one congressional district. So the Senator from Texas is not able instantaneously to see every letter which comes into his office. But I will see this letter and will examine it. That is why I asked the Senator for the information.

Mr. HASTINGS. The letter is about a week old. I will give its date. I received it on Monday morning, and it is dated May 16.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. BARKLEY. The Senator has announced that he is going to read a letter or letters into the RECORD, but he is not going to give the names of the correspondents.

Mr. HASTINGS. Yes.

Mr. BARKLEY. Does the Senator think it is really fair to the Senate and to the country to "mess up" the CONGRESSIONAL RECORD with a lot of letters from soreheads who do not agree with something that has happened, and not let

the Senate know anything about who the writers are, and their background, or what their profession is, or what their grievances may be?

Mr. HASTINGS. I promise the Senator that I will not "mess up" the CONGRESSIONAL RECORD. Do not worry about that.

I desire now to read a letter from Dallas, Tex.—the Senator from Texas knows where that is [laughter]—and I wish to read the introduction to the letter. This man says:

By way of introduction, I am a native Texan.

If he had been born in Delaware of course I would not have dared read the letter under the circumstances. [Laughter.]

By way of introduction, I am a native Texan, born in a tenant house, son of a cotton tenant, where I lived for 14 years. I know the lot of the Southern tenant, I know cotton. I have grown it, ginned it, and marketed it for years. I have been opposed to the present program since its inception. Therefore, I am one of the "liars" spoken of in the recent tirade of Mr. Roosevelt.

I have been a life-long Democrat and am still one, but I know that the Republican Party comes much nearer representing the democratic principles of government than the present conglomeration of "brain trusters", foreigners, and would-be dictators now in power at Washington. They are drunk on the taxpayers' money, they are on a wild ride to destruction. If this "spree" is not halted then the country is lost.

I want to give you some of the low-down on the present situation. I am attaching hereto a statement of facts—you can verify this in any way you care to. The names of the county and community committeemen, as listed herewith, are taken from the list published in the Dallas Morning News, a leading paper of the South. The names of the so-called "dirt farmers" listed as delegates to Washington were taken from the Dallas News of Saturday, May 11, 1935.

You will notice that all delegates on the "farm special"—should have been the "political special", as all those birds are interested in is to hold their jobs and draw their pay—with the exception of four are either county or community committeemen, and all are on the pay roll. I cannot get the facts on the four, they may also be on the pay roll.

I am sure this holds good for other counties. I have visited some of them since last week and find the same thing exists in all.

The C. H. Day, who was supposed to be the "dirt farmer" instigator of the trip, is very close to the Extension Service A. & M. College. You will see from the news report from the Dallas News, May 7, 1935, dated at College Station, where a meeting of the various county committeemen was being held, that C. H. Day, V. C. Marshall, and J. R. McCreary, were appointed by the Extension Service. These men are all on the pay roll and are puppets of the A. A. A.

The man who has charge of rural rehabilitation in Robertson County informs me that McCreary is chairman of the county committee, and that he rented all his land that the Government would take to the A. A. A. and placed all his tenants on the relief rolls.

Such crimes that are being committed in the name of farm relief will stench the nostrils of the dead. Of course all rental money from the big farms finds its way into the pocket of the big farmer while he "whoops up" the program and the poor tenant starves on the relief roll.

I now read the Statement of Facts——

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. MCCARRAN in the chair). Does the Senator from Delaware yield to the Senator from Kentucky?

Mr. HASTINGS. I yield.

Mr. BARKLEY. Does the letterhead indicate the business of the gentleman who wrote that letter?

Mr. HASTINGS. I will show it to the Senator, if he wants to see it, and he may comment on it as he pleases.

STATEMENT OF FACTS

The cotton program, both rental and Bankhead Control Law, has been administered by two committees—

I beg the Senators to bear this in mind, because this is important—

one known as the "county committee", the other as the "community committee." Naturally the selection of these committeemen has been under the direct control of the county agricultural agent, who, through his knowledge of the farmers in each community, has been able to dictate the selection of such committeemen, while at the same time he has led the farmers to believe that they selected them.

COUNTY COMMITTEES

County committees are composed of three men; they are absolute dictators—they can reject or accept the recommendations of the local committees as to base production, Bankhead exemptions to be granted, or make other decisions that may cost the individual farmer much money—

Bear this in mind—

All farmers live in constant fear of the disfavor of some committeemen. The farmer does everything possible to keep in the good graces of these committees, while under his breath his "cussing is almost audible."

Knowing this situation, it is easy to determine how money was raised for the "Washington trip." All county committeemen and local committeemen are on the Federal pay roll. All have allowed themselves liberal production allowances and Bankhead exemptions. All are Federal employees, knowing that if the program is changed they will lose their job and easy money, plus the loss of their political club now held over the heads of all.

The money for the trip was raised in various ways: In some sections merchants were gouged for donations. In others local farmers were asked for donations; in one instance acreage signers were asked for so much per capita. In every instance the farmer approached was afraid to have the wrath of the would-be delegate poured upon him in the way of a "loss in tax-free" cotton. So it was easy to raise the money for the trip.

COMMUNITY COMMITTEES

Naturally community committees do not have as much political power as the county committee; however, most recommendations of the community committees are followed by the county committee. Community committeemen do not draw regular salaries, but they draw so much per day and so much expense money. But their jobs also carry a "big stick" over the farmers of the community. They are Federal employees. They dominate the community gatherings, hand out propaganda sent them by A. A. A., call all critics "liars" and "thieves", and otherwise act as local "yes" men for the Washington A. A. A. group, who are contented to let the South go to hell in order to perpetuate themselves in their present positions.

The greatest need confronting the United States at this time is a full investigation, not of this "hurrah trip" but of the entire workings of A. A. A. Never was such rotten politics played, or such injustices foisted upon a free people as has been the case under the present system. Community feuds, gossips, and selfishness has been the guiding motive behind all, practically all unfair decisions, allotments, or rentals.

Countless thousands, in fact millions, are praying for a complete investigation of the entire cotton program.

Below is listed the names of the Dallas County committeemen, Federal employees, if you please, and the Dallas County community committeemen, also Federal employees. Opposite this list are the names of those making the trip to Washington as "dirt farmers" to ballyhoo the A. A. A. One can draw his own conclusion as to why the trip was made, and as to where the money came from.

Mr. President, in that list there are 20 delegates from Dallas County. Eighty percent of them have been checked, and 80 percent of them, or 16, are either county committeemen, county agents, or community committeemen, all drawing pay out of the A. A. A. fund, except the county committeeman, who is drawing it out of some other Federal fund.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. BYRNES. Just as a matter of information, from what fund would the county committeeman draw compensation? The Senator stated they were drawing pay as county committeemen. Are they county employees?

Mr. HASTINGS. I will reply to the Senator. The letter I am reading states that the county committeemen and the community committeemen are drawing pay from the Federal Government. I have had my office check with the Agricultural Department to get a report with respect to this.

I hope the Senator from Texas [Mr. CONNALLY] will not distract the attention of the Senator from South Carolina while I answer his question.

Mr. CONNALLY. I will say to the Senator from Delaware that I came to this place in order to be in direct line with the Senator while he was addressing the Senator from South Carolina.

Mr. HASTINGS. I thank the Senator.

I was advised by the Department of Agriculture that the county committeemen and the community committeemen were paid from three to five dollars a day. They were paid out of the funds which had been allotted to the farmers in the particular county. For instance, in the case of wheat, where the farmer gets 29 cents, at a certain time he gets 20 cents of it paid to him and nothing deducted, but before he gets the other 9 cents the pay for his county committee and his community committee for each day is taken out, and

their expenses are taken out, and the farmer gets the balance.

Mr. Wallace, in his reply to my letter, said that he has no control over the county agent, although he does have to approve his appointment. The county agent is under the Extension Service. The other people, the county committeemen and the community committeemen, are selected by the farmers and paid by the farmers. I have told the Senator what the Department of Agriculture of his own administration has told me; and while it is not literally true that the men I referred to are on the Government pay roll in that they get checks from Washington, it is true that they are being paid by the Federal Government.

While I am on that point, I will state that the Secretary of Agriculture said in his letter that he has no control over the county agent, that he is not a Federal employee, that he is under the Extension Service; but I have in my records the notices sent out by the county agents to those who had signed a contract with the Government and were getting money from the Government, and also I have the postmarked free envelop sent out by a county agent in which he enclosed a franked envelop for reply, and a letter in which the contractor was requested to contribute 25 cents, 50 cents, or any amount he wanted, in order to pay the expenses of this crowd to Washington.

In Dallas County, from which 20 delegates came to Washington, 80 percent, or 16 out of the 20, are being paid by county funds; and, of course, Mr. President, being paid by Federal funds, having their jobs under the Federal Government, they had every reason in the world to collect money in any way they could from the farmers who are under their control and in their grip, compelling them, as these letters show, to contribute in order that they might have as good a contract for the next year as they had for this particular year.

Let us see whether or not that condition applies only to Dallas County. I was particularly anxious to know, and I made some inquiry about Falls County, the home county of the Senator from Texas; and that county goes Dallas County a little better, because while Dallas County, so far as our checking shows, indicated that only 80 percent of the delegates were employees of the Government, in the case of Falls County, the county of the junior Senator from Texas, the check showed 100 percent. In that county there was selected one county agent, one member of the county committee, and two community committeemen.

In Ellis County the check shows 100 percent.

In Lamar County it is again 100 percent.

In Kaufman County the check shows 100 percent.

From Wilbarger County the delegate was a county committeeman member; that man is not an employee, but he was employed in the county agent's office last season. I do not know whether or not he is still there.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HASTINGS. I will yield in just a moment. Mr. A. M. Bourland, who comes from Wilbarger County, is a member of the State committee on full-time pay of the A. A. A. He is the man who made the cotton talk while in Washington as representing all the cotton farmers.

I now yield to the Senator from Texas.

Mr. CONNALLY. I did not hear all the statement about my own county. Would the Senator mind repeating it?

Mr. HASTINGS. I think I said that in the case of the Senator's own county the check showed 100 percent.

Mr. CONNALLY. How many were here from that county?

Mr. HASTINGS. Four.

Mr. CONNALLY. And that was all?

Mr. HASTINGS. The Senator's county was 100 percent in that all the delegates drew money from the Federal Government.

Mr. CONNALLY. In what way?

Mr. HASTINGS. One of them was county committeeman, two of them were community committeemen, and one of them was county agent; and the community committeeman and the county committeeman draw pay—a per diem for their expenses—and they take it.

Mr. CONNALLY. No.

Mr. HASTINGS. Oh, I get the information from the Agricultural Department. That is between the Senator from Texas and the Agricultural Department. The Senator is close to them, and he must work that out to suit himself; but that is where I got my information.

Mr. President, that is all I know directly about Texas; but let me just read a letter from Roby, Tex., which I presume the Senator will admit is in his State. The letter is as follows:

I notice in the daily press where there is some controversy between you and Secretary Wallace as to who promoted the recent pilgrimage of some 3,000 farmers, or their representatives, to Washington. I have a faint recollection some time back of seeing in the daily papers where Mr. Wallace was thinking of turning the farmers loose on the Congress due to some Members being in opposition to certain amendments which he wished. This, I think, he has tried to do. As to who paid the expenses of these men to Washington I am not able to say. This county sent two men to the meeting in Washington, and I feel like the Federal Government paid part of their expenses. At least the local county agent used Government stationery, clerks, stenographers, and United States franked envelops.

There are some 1,500 to 2,000 contract signers in this county, and I am of the opinion each one received a letter like the one I am enclosing. If each person receiving one of these letters answered it, which they did not do, the Post Office Department lost 6 cents on each person, or some $90 in all. I do not know if this procedure was followed in other counties. It appears that not many of the farmers responded with the 25 cents, for a subscription was passed among the merchants of the town and the county. Some of the merchants contributed although against the farm program. Otherwise they would have been boycotted by certain farmers.

Two men attended the Washington Convention from this county. Both of these men are on the county cotton committee and in the pay of the Federal Government. It appears to me as though any time the Department of Agriculture wished to get any information relative to the wishes of the farmers they invariably contact local men who are in some manner on the pay roll of the Department of Agriculture. To be sure, those who went to Washington want the farm program continued. It means dollars to them because they are in the pay.

I have two farms and each has signed a cotton contract, partly because I was practically forced to do so, and then I wished to be fair and assist if there was any good to be gotten from the farm program. These contracts expire this year, and never again will I sign one.

I have always voted the Democratic ticket, but have promised myself that hereafter I will vote the Republican ticket in national elections.

To me the new deal and socialism are synonymous terms.

Mr. President, enclosed in that letter is a franked envelop bearing the inscription:

United States Department of Agriculture Extension Service, Division of Cooperative Extension, Washington, D. C. Official business.

Penalty for private use to avoid payment of postage, $300.

In it is a like envelop with the same inscription printed on it self-addressed to "T. P. Roensch, county agent, Roby, Tex."

In connection, Mr. President, with that——

Mr. KING. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. KING. I did not understand who wrote that letter and to whom it was written.

Mr. HASTINGS. It was written from Roby, Tex., and signed M. P. Wilson.

Mr. KING. Did it come from the Agricultural Department here in Washington?

Mr. HASTINGS. The Senator means the letter which I have read?

Mr. KING. Yes.

Mr. HASTINGS. No. I will read the letter which was signed by the county agent and enclosed in the letter which I have read.

Mr. KING. I do not ask for the letter to be read, but I was wondering from whom it came and to whom it was addressed.

Mr. HASTINGS. The letter which I am about to read came from T. H. Roensch, county agent. It did not come from Washington.

Mr. KING. But it was sent in a franked envelop?

Mr. HASTINGS. It was sent in a franked envelop.

The letter from the county agent is under the heading:

Cooperative Extension Work in Agricultural and Home Economics, State of Texas, Extension Service, County Agent Work, Agricultural and Mechanical College of Texas, and United States Department of Agriculture Cooperating.

Mr. President, here is one letter which throws some light on how this voluntary, spontaneous meeting started:

ROBY, TEX., *May 3, 1935.*

DEAR FARMER: Very important.

I am asking that each contract signer—

A contract signer is a man who has made a contract with the Government to reduce the amount of cotton produced by him on condition that he receives in payment a certain sum, and so on—

I am asking that each contract signer donate 25 cents or more to help pay the expenses of the representatives from Fisher County. This amount won't be missed by the individual and will certainly go a long ways to protect your future agricultural program.

* * * * * * *

This is the farmer's first call to arms—

Note that—

This is the farmer's first call to arms!

During the past 3 years the National Government has made its first real attempt to place agriculture on an equal footing with industry. This is being done through benefits and parity payments to farmers on the products they produce to offset the high protective tariff industry has enjoyed for more than 40 years.

Special interests are fighting the whole program by attempting to kill the processing taxes and by preventing the passage of a group of A. A. A. amendments designed to improve and strengthen the program.

Over $88,000,000 has been paid to Texas farmers as rental and benefit payments in the past 2 years. All of these funds, as well as the funds for the $630,000,000 that has been paid farmers in the United States, have come from the processing taxes. The abolishment of these taxes means the destruction of the Agricultural Adjustment program.

Up to now the farmer has been content to receive the benefit payment and enjoy the improvement in his condition, and has said nothing. This condition can no longer continue without the positive support of all farmers, and we must go in a body to Washington and express personally our appreciation for all that has been done by the Agricultural Adjustment Administration, and insist that no radical change be made that would destroy the effectiveness of the program.

Representative farmers from every State in the Union will assemble in Washington on May 14 and 15, to express our gratitude of what has been done.

The State advisory cotton committee urges that farmers from every county in Texas send representatives, and that in addition to the representatives sent by farmers as a whole, that as many farmers who are cooperating in the program and feel that they can pay their own expenses be urged to go.

Does that mean that this was a voluntary movement? Does it mean that the farmer who received that letter from the county agent, who is responsible for naming the county committee, who is responsible for naming the community committee, had a free choice? Does it mean that he dared hesitate to contribute to this fund?

In connection with these letters being sent out at Government expense in envelops bearing the inscription "Official Business", I desire to call the attention of the Senate to the fact that the cost of penalty matter handled by the Post Office for branches of the Government other than the Post Office Department has increased from $8,169,170 in 1929 to $9,151,809 in 1932, and to $23,094,882 in 1934. The expense has grown in that manner because of this kind of propaganda that is coming out of Washington.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. CONNALLY. The Senator quoted figures showing the increase in franked mail. Was that to what he referred?

Mr. HASTINGS. Yes; franked mail.

Mr. CONNALLY. How much does the campaign committee under the direction of the Senator from Delaware send out?

Mr. HASTINGS. Does the Senator mean that question seriously?

Mr. CONNALLY. I mean in the campaign how many franked speeches and other communications went out?

Mr. HASTINGS. Does the Senator mean under my frank?

Mr. CONNALLY. That were sent out by the Senator's committee?

Mr. HASTINGS. I did not send out anything franked, so far as I know.

Mr. CONNALLY. I am not attacking the Senator's committee. The practice is not without the pale; it has always been done. The Senator knows that in campaign years a great deal of franked mail in the form of speeches which Senators or Members of the House have delivered is sent out through the mails under frank. The Senator knows that, does he not?

Mr. HASTINGS. Yes; but I do not know that that accounts for an increase of $15,000,000 in the cost of such matter between 1929 and 1934. So far as I know, there was no increase in 1934 over any other year in the respect to which the Senator refers. That item has always been included in the Post Office Department reports; it was included in the 1929 reports; and the suggestion is not an intelligent one, I submit.

Mr. CONNALLY. The reports for 1929 were not for a campaign year.

Mr. HASTINGS. I am confident I have the figures for a campaign year here. Let the Senator look at them himself and see if he thinks there is any sense in the suggestion he has made.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. STEIWER. I am in some degree familiar with the figures which the Senator is using. The figure $23,000,000 plus was the figure disclosed in the last report of the Postmaster General. It is indicated in the report that it is so-called "penalty mail." "Penalty mail", as generally understood, is the means resorted to to distribute mail matter from the executive departments. I think there is a distinction between penalty mail and franked mail. The Senator's mail and the type of mail to which the Senator from Texas referred are franked mail. The envelop bears on its exterior the facsimile of the signature of the Senator or Representative in Congress who deposits the mail with the Government. This is not franked mail referred to in the reports of Mr. Farley; it is free use or penalty mail; and I am of the impression, which I will verify if I get an opportunity, that all of it is mail sent out by the executive departments, and the increase from $8,000,000 to $23,000,000 between the 5 years to which the Senator referred is an increase that does not include anything at all connected with the Congress or the Members of Congress.

Mr. HASTINGS. I thank the Senator for his observation. I knew there was a great increase; I just took a moment to find out what the increase was; and it seemed to me that this propaganda was largely responsible for it.

Mr. President, I leave Texas for a moment and go to Oklahoma. Here is a letter from Idabel, Okla., dated May 18, 1935:

I notice that a lot is being said about the farmers' trek to Washington, and that you have raised some question about this on the Senate floor. I charge that the idea originated in Washington and was passed down the line of A. A. A. officials until it reached the party in charge of adjustments in the various counties.

In this county C. W. Van Hyning, acting county agent in charge of cotton adjustments, called a meeting at the county courthouse and sent invitations to all those in charge of the administration of the A. A. A. and a few selected farmers who hold nice rental contracts with Mr. Wallace. The invitations were mailed out on Government postcards requiring no postage, and on which there was none. Here is an abstract of the cards used, one of which I have in front of me:

"United States Department of Agriculture Extension Service, Division of Cooperative Extension, Washington, D. C. Official business. Penalty for private use to avoid payment of postage, $300."

At the meeting there were about 25 men and not over 30 present, almost all of whom are employed to administer the A. A. A. The chairman and first speaker was H. R. Hedger, county cotton committeeman. Other speakers on the program were C. W. Van Hyning, in charge of cotton adjustment in this county; T. J. Barnes, lawyer and third largest landowner in the county, and who holds contracts with Mr. Wallace, on which the land contracted has a very high base acreage estimate; R. C. Blocker, defeated candidate in the last election; and E. M. Kilgore, farmer and contract holder with Mr. Wallace. Mr. Kilgore took issue with the other gentlemen and

voted against their proposals. A finance committee was appointed and secured donations from business and professional men by telling them the farmers had a meeting and decided to send a representative to Washington, as other counties were doing, to present their views to Mr. Roosevelt. Also, this is the influence behind the farmer vote on the Bankhead bill. It seems to me Mr. Wallace wishes to be not only dictator of the South but also general manager of Congress. I am against giving this man any more power and for taking away part of that which he has.

I hold in my hand a letter from Oakwood, Tex., enclosing a card, the face of which reads as follows:

United States Department of Agriculture. Extension Service. Division of Cooperative Extension. Washington, D. C. Official business. Penalty for private use to avoid payment of postage, $300.

The card is addressed to Mr. Murphy Haley, Oakwood, Tex. On the reverse side it reads:

Cooperative extension work in agriculture and home economics. United States Department of Agriculture and State land-grant colleges cooperating.

MEETING AT CENTERVILLE

DEAR SIR: This is an emergency call to all committeemen and others who are interested in a continuation of A. A. A. programs with their cash benefit payments to farmers to meet with me at Centerville Friday afternoon, May 3, at 2:30 p. m.

These programs are in imminent danger, and farmers are being called upon in every cotton-growing county this week to act in defense of the adjustment program.

This is important; come and bring a few good men with you.

Yours very truly,

EDMUND SINGLETON, *County Agent.*

This letter is sent to me by the secretary of the Oakwood public schools at Oakwood, Tex., and reads:

I want to personally congratulate you upon the stand you took in the Senate in regard to the bunch of supposed-to-be cotton farmers that have recently visited Washington.

Notice from daily papers that Wallace and Davis say that they did not know or have anything to do with this visit. As to that, I can't say. However, from press reports this delegation had a committee go to Washington to make arrangements for this visit some 3 weeks before.

The meetings in my county were called by the county agent in his capacity as such, and the only ones to be notified were what are known as "local committeemen." Leon County produces about 10,000 bales of cotton each year, and I would say that there are around 2,000 cotton contracts in the county. There were only 24 present at the meeting in which the two delegates were selected, so you can see that it was a select affair.

The enclosed card is one of the notices that was used in the Leon County selection.

Sorry indeed to have to admit that the great State of Texas has a Senator that puts administration ideas ahead of his people. Much luck to you.

Inclosed with the letter is a newspaper clipping dated Longview, and reading in part:

Sponsored by the Texas Cotton Advisory Committee, a group of cotton farmers elected by producers to represent them in planning and administering cotton adjustment programs, the delegation will arrive in Washington Tuesday.

C. H. Day, of Plainview, and C. H. Matthews, of Eagle Lake, are mentioned.

Mr. President, I have one other county agent letter here which was printed in a newspaper. Here is what was said in the newspaper item:

County Agent Ross B. Jenkins' statement to the Review concerning the proposed trip and the benefits to be derived therefrom appears hereunder:

"May 12 is the second aniversary of the A. A. A. and is the birthday of the greatest piece of legislation ever enacted for the farmer."

I read from the President's address to the farmers:

I am glad to welcome you to the National Capital. We can think of this occasion as a kind of suprise birthday party for it was just 2 years and 2 days ago that the Agricultural Adjustment Act became a law.

No connection between the two, perhaps, but they both had the same idea!

Further along in the letter it was stated:

Texas is going to send a special train to Washington on May 12 composed of farmers—

Note this:

And the administration wants a farmer or more from each county to be on that train.

The administration wants a farmer or more from each county to be on that train!

Then he goes on to tell the purposes of the trip. The letter enclosing this newspaper clipping is from Cross Plains, Tex. He begins, as most of these men do, by saying:

In the beginning, I wish to state that I am a Democrat, but I believe in Democratic principles, not communism.

I noticed the Fort Worth Star-Telegram's version of the argument in the Senate between yourself and my Senator, Mr. TOM CONNALLY, of Texas; also the remarks of THOMAS L. BLANTON, Congressman from my district. Hence I am handing you herewith a clipping from our local paper. I think that this shows clearly who promoted this farmers-going-to-Washington idea, and to whom they made their appeal for funds. They are about as representative of the farming class in this country as the K. K. K.'s were of the law-abiding citizens when the K. K. K.'s were at their best.

Mr. Ross B. Jenkins is at this time a powerful factor in this county account of the A. A. A.

Hon. TOM CONNALLY and Hon. THOMAS L. BLANTON were so highly incensed about your remarks that I thought you might appreciate this clipping from their home State and district.

From Brownwood, Tex., came the following letter, dated May 16, 1935:

I note in the morning press the fact that you have introduced a resolution demanding an investigation of the source of funds used in transporting the triple A boosters to Washington.

For what the information might be worth to you, I would advise the two representatives from this county, as I am reliably informed, were furnished the sum of $75 each, which amount was raised by subscription from the farmers of the county.

After much advertising and ballyhoo, they managed to get about 75 farmers together in a mass meeting out of a total of about 6,000 in the county.

Government employees were the prime movers and instigators of the proposition, as I have been informed. In fact, one of the representatives from this county is an employee of the new deal, and the other is an ex.

I am sure the farmers of this country are not really in sympathy with this foolishness but have been intimidated into it for fear of something worse being handed them.

I have always been a Democrat; but if what we now have is Democracy, may the good Lord deliver this Government from it.

From St. Augustine, Fla., comes a letter enclosing a newspaper clipping reading in part:

Prior to the mass meeting of farmers the county board of commissioners appropriated $100 to defray a portion of the expenses of Brooks County farmers to Washington.

The letter reads:

The enclosed clipping from the Jacksonville Times Union of May 15 is additional evidence of the truth of your charge that the farmer gathering in Washington was financed from public funds.

Brooks County, of which Quitman is the county seat, is receiving Government aid for the needy, and yet the county officials appropriate money to send farmers to Washington. The affair was evidently sponsored by politicians.

I hope the A. A. A. will be checked before it does further damage. Allow me to assure you that many farmers appreciate your efforts.

I read another letter:

BALLINGER, TEX., *May 16, 1935.*

I notice from the Associated Press today an investigation was started by you regarding the farmers who came to Washington under the auspices of the A. A. A.

Every county agent who is on the Federal pay roll called a meeting of the farmers, and advertised same through the local papers, to meet at the courthouse and send delegates to Washington to uphold the A. A. A. Their instructions came out of Washington, so they could make a concentrated drive on Washington. The farmers that were favorable to the A. A. A. were hand-picked by the county agents to be at the meetings.

Runnels County sent three men appointed by the county agent, Mr. T. J. McCaughan, who is secretary of the Runnels County Agricultural Committee, and has been on the Federal pay roll for 2 years, and still is; and Mr. C. L. Cook, of Winters, and Mr. Ray, of Miles, who are the other two county committeemen, who receive pay for their work.

Trusting you will defeat the licensing power of the Secretary of Agriculture and all amendments to the A. A. A.

Attached to that is an account of the meeting:

The chairman of the Runnels County Community Agricultural Councils this week received a letter from T. J. McCaughn, secretary of the Runnels County Council, asking each to hold a meeting as soon as possible and raise $7.50 to help defray the expense of a Runnels County delegate to go to Washington, D. C., for a meeting on May 14 and 15. Every county in Texas as well as in all cotton-growing States is being asked to send at least one representative and as many farmers as possible to work for the passage of a group of A. A. A. amendments designed to improve and strengthen the

agricultural program. The great assembly of farmers will also oppose certain lobbies which are fighting the program.

Mr. McCaughn opens his letter to the councils of this county with the expression of "this is the farmers' first call to arms." He further says:

"During the past 3 years the National Government has made its first real attempt to place agriculture on an equal footing with industry. This is being done through benefits and parity payments to farmers on the products they produce to offset the high protective tariff industry has enjoyed for more than 50 years."

In speaking of the special benefits to the people of this county the letter points out:

"Over one and a half million dollars has been paid to Runnels County farmers as rental and benefits payments in the past 2 years. All of these funds, as well as the funds for the $630,000,000 that has been paid farmers in the United States, have come from the processing taxes. Abolishment of these taxes means the destruction of the agricultural adjustment program."

I read another letter from Texas:

FORT WORTH, TEX., *May 16, 1935.*

Note with interest the criticisms yesterday with reference to your resolution to investigate the "farmers' convention" held this week in Washington.

Thinking that it might be of interest to you to know the personnel of the farmers from this (Tarrant) county, I am enclosing you marked copies of Star-Telegram, Sunday, May 12, and both Star-Telegram and Press of this date.

You will note that the six farmers who represented this county are all members of the staff of the county agricultural agent.

All of them, except the county agent, are, or have been, farmers in this county, but most of them, if not all of them, have been engaged principally in shaping the attitude of the farmers in the matter of the A. A. A. contracts.

I understand that a collection was taken up to defray their expenses for the trip.

So far as the six accredited representatives of this county are concerned, it does not appear to me to be a delegation capable of representing the unbiased opinion of the farmers as a whole, but was a delegation arranged to see that the "program" was continued.

Just wonder if the delegations from other points were made up in the same manner.

Here is another letter from Texas:

PUTNAM, TEX., *May 17, 1935.*

Have just been reading your resolution calling for an investigation of the 4,000 farmers who have just been in Washington, in which you state that you think they are either paid directly or indirectly for this trip to Washington and came there as Government employees.

Am mailing you a copy of the Baird Star, a local paper in Callahan County, with an article on the front page marked with blue pencil. All of the names shown as intending to go are Government employees in the Cotton Production Control set-up. I do not know whether they are employed by the month or how they are employed, but they are on what is known as the "cotton committee." In Taylor County, immediately west of us, the same thing applies.

These county agents who are jointly employed by the Federal Government and the county are the men who are putting out this propaganda, and are doing it under their franking privileges of the Federal Government.

Thought I would send this to you as things of this kind will show to the general public that this propaganda is being paid for, either directly or indirectly, with Federal Government funds.

Mr. KING. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield to the Senator from Utah.

Mr. KING. I feel constrained to express my disapproval of the course pursued by those persons to whom reference is made by the writers of the letters presented to the Senate by the Senator from Delaware [Mr. HASTINGS]. It appears from these letters—and I have received information of a similar character—that it was planned by some individuals to organize a movement for the purpose of influencing, if not intimidating, the Congress of the United States.

Citizens of the United States have the right to present their views to their representatives in Congress and to petition Congress with respect to matters within the jurisdiction and authority of the legislative department of the Government; but, in my opinion, a different situation is presented when movements are organized for the purpose of exercising improper influence upon Congress.

Undoubtedly, as I have indicated, the Members of Congress are glad to receive suggestions concerning legislation, but there is a wide difference between the submission of the views of individuals to the Congress of the United States in an orderly and proper manner and the organization of movements of the character indicated in the letters which have been read. It would appear as though some of our citizens are being lead to believe that Congress is amenable to pressure or coercive movements, and that in order to secure legislation there must be mass movements and powerful organizations, representatives of which must move upon Washington and make their presence known to the Members of the two branches of Congress.

Only a few days ago we experienced a situation somewhat different from that which is being discussed by the Senator from Delaware [Mr. HASTINGS], but which had for its purpose the exercise of pressure, if not coercion, upon Congress to secure the passage of a bill in which certain interests were greatly interested. A number of business groups who claimed to have been benefited by certain provisions in the N. R. A., provisions which, I may say in passing, permitted monopolistic control in certain industrial and business activities, conceived the plan of bringing to Washington several thousand persons for the purpose of bringing influence upon the Members of Congress to enact legislation which they believed to be to their financial benefit.

In my opinion, the plan was utterly indefensible and the mass movement clearly designed to secure legislation by improper and wholly indefensible methods.

The morning papers report that a Nation-wide strike is to be called unless certain legislation shall be enacted. In my opinion, sound and wise legislation cannot result from an atmosphere surcharged with fear or anger or any form of pressure or intimidation. Legislation should be the product of deliberation and an understanding and appreciation of all the questions and problems involved—the evils to be corrected and the remedies to be secured. I am told that other movements may be expected, and a friend of mine suggested that perhaps we would soon be visited by a powerful delegation of "boondogglers" for the purpose of securing appropriations from one of the Federal agencies, if not legislation from Congress.

Mr. President, in my opinion, the American people will not approve of plans to secure legislation by improper or selfish methods or legislating, nor will they approve of any attempt from any source to improperly influence or coerce Congress in the discharge of the heavy responsibilities resting upon it.

In other countries and in other days legislative bodies have been subjected to threats and intimidation, and in some cases to coercion by military organizations. It would be a sad day for this or any country if legislation were enacted under the whip of organizations influenced by selfish and sinister purposes.

Mr. CONNALLY. Mr. President, will the Senator from Utah yield?

Mr. KING. I do not have the floor.

Mr. CONNALLY. Will the Senator from Delaware yield to me?

Mr. HASTINGS. I yield to the Senator from Texas.

Mr. CONNALLY. The Senator from Utah spoke on the basis of the letters which have been read. Does the Senator accept everything that is in these letters, the writers of many of which do not purport to know the facts, but who report all sorts of hearsay and things of that kind?

Mr. KING. I stated that I based my remarks on the letters submitted by the Senator from Delaware and upon information that had been brought to my attention.

Mr. CONNALLY. The Senator from Utah was here while the farmers were in Washington. Let me ask the Senator whether any one of those farmers approached him in any spirit of intimidation or threat, or anything of the kind.

Mr. KING. I will say that none of the persons referred to and none of the ex-service men approached me. Perhaps they knew my views respecting the matters to which they were giving their attention.

Mr. CONNALLY. I will say to the Senator that I have not heard of any Senator who has been threatened or coerced, and I do not think even the Senator from Delaware has intimated that any farmer threatened him, or approached him, or sandbagged him, or waylaid him, or coerced him, or anything of the kind.

Mr. KING. Does the Senator from Texas approve of the utilization of the frank of the Government for sending letters of the character referred to?

Mr. CONNALLY. The Senator from Texas does not approve the violation of the franking privilege for any purpose. I am unaware of the fact that it has been violated except as the Senator from Delaware has set forth today. Those were all local drop-letters, however, and I do not suppose they added anything to the cost of maintaining the Postal Service. The result may have been to make a few rural carriers carry a few more letters than they ordinarily would have carried. There may have been a technical violation of law, but I am sure no great breach of the law has been committed.

Mr. HASTINGS. I wish to thank the Senator from Utah for his observations.

Mr. SCHALL. Mr. President, will the Senator from Delaware yield?

Mr. HASTINGS. I yield.

Mr. SCHALL. I do not want to let the occasion pass without stating that I think the State of Utah, and indeed the Nation as a whole, should be especially proud and grateful for the courageous words just uttered by the Democratic senior Senator from Utah [Mr. KING].

Mr. HASTINGS. Mr. President, I desire to read a telegram from Galveston, Tex., which came to me almost the next day after the introduction of my resolution:

Referring press reports, farmers' march on Washington, heartily commend you for taking stand that delegation not representative cotton farmers. Farmers Galveston County supposedly represented by J. C. Yeary, who is county agent and employed by Department of Agriculture. Contrary what Senator CONNALLY stated yesterday, we firmly believe that 80 percent of delegation consists of county agents and extension workers of Department of Agriculture and also that trip being financed with assistance Government funds. This propaganda typical of so-called "farmers' meetings" held in the South to support A. A. A., which were mostly dominated by county agents and extension directors.

Of course, that particular telegram is one of the few instances in which there is no definite proof that the sender's estimate of 80 percent is correct; but I call the attention of the Senator from Texas to the fact that in most of the communications I have read the names are given, and their particular positions are given.

Another telegram, from Houston, Tex., reads:

We commend your action demanding investigation sponsorship farmer meeting. Our opinion it was arranged by A. A. A. officials to vindicate their short-sighted policies in eyes of Nation. Believe poll of delegates will reflect staggering majority of county agents, extension directors, who are employees Department of Agriculture. Vast number real farmers and employees cotton industry who are aware permanent injury to agriculture and national economy A. A. A. program is inflicting were financially unable to attend or uninvited to make trip. This should be brought forcefully to attention Congress.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. CONNALLY. That telegram reads like one from Mr. R. P. Lordan, of Houston. He is the head of an organization of cotton brokers and salesmen that is fighting the A. A. A. bitterly and probably spending more money in propaganda than was spent on the whole Harris County delegation trip to Washington. That is from Mr. Lordan, is it not?

Mr. HASTINGS. Yes; that is true.

Mr. CONNALLY. I thought it sounded like his sentiments.

Mr. HASTINGS. I am very glad the Senator has been able to find an answer to one of the many communications I have read.

The letter I am now about to read is from Mr. Lordan, on the letterhead of the Cotton Industries Employees' Association. I do not know what that is. I got the impression that it was an employees' association.

Mr. CONNALLY. For the information of the Senator, I will state that it is an association of employees who are interested in buying and selling cotton, and who are anxious to have a large volume so that they can do a big business.

Mr. HASTINGS. Are these the workers in the mills down there?

Mr. CONNALLY. No; they are cotton brokers and salesmen in big cotton offices, tremendous cotton offices. They do not work in mills. They are employees of large wholesale cotton agents, like Anderson, Clayton, and other concerns of that character.

Mr. HASTINGS. I thank the Senator.

Mr. CONNALLY. They hold white-collar jobs.

Mr. HASTINGS. I will read the letter to the Senator, anyway, and let him answer it in any way he pleases.

This will confirm our telegram of even date commending you on your action in regard to questioning the sponsorship of the recent meeting of "farmers" in Washington, to whom the A. A. A. played host.

There has never been any doubt in the minds of this association as to whose auspices this meeting was responsible. We believe that the move was planned with "malice and aforethought" by the A. A. A. in a vain effort to vindicate their policies in the eyes of the Nation.

Even the highly paid publicity experts who dish out the "black sheets" were unable to veil the suspicion of an arranged meeting, for the many voluntary and emphatic denials of the "farmers" and the Department were indicative of the fact that their consciences hurt just a wee bit.

Both Mr. Roosevelt and the Secretary evidently felt the need of a "pat on the back", in view of the continued bombardment of criticism from all sides directed against the A. A. A. Mr. Roosevelt was even inspired by the praise to "speak his mind", and his statement to the effect that the "high and mighty were guilty of lying" gives evidence of his testiness to constructive criticism.

There can no longer exist any doubt as to the fact that he wants the present program as a permanent policy. Heretofore he has had Congress believe that it was merely a temporary expedient in a period of emergency. As a permanent policy it will wreck the South.

In view of the fact that both Texas Senators have shown an inclination to ride the "pork barrel" for the administration, we must look to leaders like yourself and colleagues to throw the light of publicity on the insidious propaganda of the Department of Agriculture through its county agents, who seem to have come to a point where they are believing their own "black sheet" releases.

Senator, please permit us to point out to you that literally hundreds of thousands of farmers, employees of industries engaged in the handling of the cotton crop are bitterly opposed to the program of scarcity and artificial prices. The "farmers" in Washington do not represent the majority.

The economic and social welfare of Texas depends on the free production and free movement of cotton at natural price levels into the markets of the world.

The present A. A. A. program is building up a theory of artificial prices resulting in the accumulation of huge surpluses, destruction of our foreign markets, and unemployment and increased relief rolls in this State.

Our association, which is composed of over 100,000 employees working for firms engaged in the distributive system for the handling of the crop, are becoming desperate at seeing our life-long positions taken from us. Ports like Galveston face commercial strangulation. Something must be done.

We organized in October 1934, and for several months followed a false illusion—that the President did not know what the A. A. A. program was doing in the South. On March 13, 1935, I had the opportunity of talking with President Roosevelt in his executive offices for 38 minutes, and it was then apparent that he did know but was not much concerned. His recent address to the farmers leaves little doubt of this.

We must look to Congress for action in this matter, and over 100,000 of our members are open-minded politically and will vote economically rather than sectionally from now on.

If we can serve you in this matter please do not hesitate to call on us.

Now I read a letter from Midway, Ala.:

I am enclosing a clipping that explains itself. You are absolutely correct. * * *

Finally the day before they were to start or were supposed to start Nunn came out to his house, which is about 20 miles from the county agent's home, and told him that "I cannot get anyone to go and represent Bullock County so you just must go and your way will be paid. I will take you to Auburn in my car and there you will be presented with a ticket free of charge and return, and when you return to Auburn I will be there to meet you in my car and bring you back home.

Now, Auburn is where the great head is, the Extension Service; when they want a thing they send word to the county agents and tell them what to do.

At least that is the way it seems.

Most of these great meetings of farmers, that you hear of are not farmers at all but county agents and Extension Service agents whose jobs depend on what they can put over.

I want you to protect me in this matter and if there is anything that I can do to help let me know but do not give my name away as I might have to suffer the consequences, not bodily, but these people have everything by the tail and a down-hill pull, and you dare not cross them and then ask for an allotment or rental or anything.

The man who went to Washington was H. B. Thompkins, of Fitzpatrick, Ala., and the county agent is Mr. Nunn.

Now I read a letter from Conway, Ark.:

Do not call that bunch that went to Washington farmers. They were county agents, county committeemen, Extension agents. These agents, I understand, collected money from the signers of Government contract (of course, under compulsion) to help finance this escapade.

He signs himself "Jeffersonian Democrat." He pins to this a letter written from Ashdown, Ark., which reads as follows:

To the EDITOR OF THE GAZETTE:

Well, I notice where the big boys have gone to Washington in the interest of the cotton growers of the South. I would like to have the personnel of that bunch. I will bet a dollar against a thin dime that there wasn't a man in the bunch that did not own less than 200 acres of land. If so, he was representing some big land owner. Of course, I don't blame the big farmer for being in favor of a continuation of the A. A. A., for it is playing into the hands of the big landowner. The little farmer is the one it is hurting. I asked a man the other day how many acres of cotton he had this year. He said he had 300 acres. This man only had three in his family. I met another farmer that had four in his family, and I asked him how much cotton he was allowed to plant. He said 10 acres. This 10-acre man told me that he didn't see how he could live and pay any debts with 10 acres of cotton. So I want to know how you expect to bring back prosperity in the South when you take the only cash crop away from the small farmer. I mean the share-cropper and the renter. Cotton is the only thing that he can raise to get any money out of. We can't grow wheat, oats, or corn as a cash crop.

So let the North raise the corn, wheat, and oats, and let the South raise the cotton; and when the North has grain to sell, buy it from them and quit shipping it in from South America, and the same way about other commodities. Don't buy from other countries as long as our people have it to sell.

I will tell you why the big landowner is in favor of the A. A. A. He rents all his surplus land to the Government, and then he has the other worked with 50-cents-a-day labor. You don't see very many share-croppers now. Why? Because the land the share-cropper used to work is rented to the Government. I can show you 50 farmers in this little burg who had farmed all their lives and made a living and never asked anybody for a penny are now on relief. Why? Because the big landowner has rented the land they worked to the Government. You can't blame the landowner, for when he rents his land to the Government and gets his money in his pockets his troubles are over.

As long as this system lasts, just that long we are to have thousands of people drifting around over the country on the relief, for they can't help it. You have taken the only occupation they know away from them. There is nothing else for them to do but get on relief and stay there.

The note is:

This is the sentiment of 80 percent of the farmers.

Next is a letter from Eatonton, Ga., Putnam County:

I have just noted that you are requesting an investigation into the source of expenses of the so-called "farmers' pilgrimage" to Washington in behalf of the A. A. A. program.

I have before me a mimeographed pamphlet on the cotton processing tax in Georgia used in the "mass meetings" held preliminary to the Washington trip. On the back of this pamphlet, in pencil impressions transferred through the original sheet upon which the writing was done, is a schedule of some of the assessments placed upon "farmers who aided in the administration of the program" and others in this county to finance the trip.

This schedule is as follows:

10 "committeemen" (named), $3 each	$30.00
3 committeemen, 50 cents each	1.50
3 committeemen, $1 each	3.00
1 county agent (Putnam)	1.00
1 individual	1.00
Total	36.50

The "individual" above is a State legislator from this county. He was named as one of the "delegates" to Washington. The other "delegate" drew the largest cotton rentals paid by the Government in this county last year.

The above is not the entire list, but is all I have. I know of others not on this list, but do not know the total.

One of the "committeemen" was told not to pay them anything, as he was not present at the meeting, but he stated to me that he had been working for them and did not know what else to do.

Next is from Millwood, Ga., written by a preacher, as follows:

I noticed in the Savannah Morning News on yesterday your questions thus, "Who paid the bill?" referring to the farmers' march on Washington. And today I notice that the reply was that the farmers themselves paid it. I wish to inform you this is untrue in the case from my county, Ware.

Mr. I. W. Cavender was the representative from Ware, whom I know well, being a member of my church, of which I am the present pastor. He is a fine fellow, but is constantly on the Government pay roll as a writer of cotton contracts, etc.

Now, who paid the bill? Court happened to be in session when the big fellows was getting up rallies for this march, so it was laid before the grand jury, and they recommended that $25 be paid by the county, and the ordinary handed over to Mr. Cavender the $25 to help pay expenses of the trip, and Mr. Cavender solicited funds from friends to finish out the expenses. I know of only two directly that contributed to the trip. One was Mr. W. Fe. Wasden, who gave me this information in a casual conversation, he being also one of my members and who is engaged in running a public truck line and has headquarters in the city of Waycross. The other one that gave to the expense of the trip by personal request is Mr. B. E. Bennett, of Millwood, who is a naval-store operator. Now, as I said, Mr. Cavender is a fine fellow and a two-horse farmer of Millwood section, and I am glad he had the pleasure of making the trip to Washington, but I am of the opinion that in reality he was not a representative of the majority of the farmers of this section but of the big business men of the city of Waycross, Ga.

The following letter is from Calhoun, Ga.:

We notice in the press that you have introduced a resolution seeking an investigation of the national meeting of the farmers in Washington and feel that you will be interested to know how the representatives from this county were chosen.

The county farm demonstrator, who draws a part of his salary from the National Government, called the meeting by inserting in the Calhoun Times a notice the week previous to the week of calling the meeting, and he also attended this meeting and took a part in the proceedings, and after the farmers who did attend the meeting had voted down the resolution to continue the cotton-acreage program, this same county agent requested those who had voted in favor of the resolution to remain, as is set forth fully in copy of the Calhoun Times, which is herewith enclosed for your information, and fully explained how the representatives from this county were chosen.

This meeting was also advocated and attended by the farmers who have been serving on the local and county committees in allocating the amount of acreage that each farmer shall plant to cotton, and constituted the majority of the 54 farmers who voted to continue the cotton-control program.

We would like to know, if you ever find out, how 4,000 farmers decided to meet in Washington on the same day, if they were not directed by some central figure at Washington. We were reared on the farm and operate farms at this time, and we have never been able to get our tenants to agree on the same thing at the same time, and it is rather strange that 4,000 farmers all agreed to sponsor the same program and sent a large delegation to Washington on the same day. We notice in the daily press of Georgia, and some of the other States, that meetings similar to the one held at Calhoun were called for the same week, which is another peculiar coincidence for a bunch of southern farmers to experience. This new deal is most marvelous if it has changed the mental make-up of our farmers so that they, without any suggestion from any person, all come to one mind as evidenced by this march on Washington.

I now read a letter from Iowa:

In reading my morning paper I see that you, together with some other Senators, are contesting the sincerity of the farmers that called at the White House with regard to the extension of the A. A. A. I heartily agree with you, and does it occur to you that most of the fellows that made the trip might be fellows that are on the corn-hog committees in their districts and are on a salary?

I know that is true from this territory. It meant their jobs. And every one of the committee are well-to-do farmers that don't need the salary at all. I feel sure that if an investigation was made that most of them are of this type.

I'll bet that if a square vote could be taken in this territory there would be 80 percent against the extension.

If the check-up can be made of the attendance of this meeting I believe it will substantiate my claims.

Next I read a communication from the Polk County Farm Bureau, by its president, to its members:

DEAR SIR: At a special meeting of the Polk County Farm Bureau board of directors it was decided by a large majority that it would be advisable to send a representative of the Polk County farmers to Washington with a group of farmers that were gathering there from all parts of the United States to endorse the A. A. A. program, and urge their representatives to aggressively support the A. A. A. amendments.

The past president of the Polk County Farm Bureau, James D. Ledlie, of Bloomfield Township, was the farmer who was chosen to make the trip to Washington in behalf of the Polk County Farm Bureau. The farm bureau board members realized the precarious position of the A. A. A. amendments. The board realizes that there is a very grave possibility that the A. A. A. amendments may not be passed, and if they do not, the future of the A. A. A. program is very doubtful.

The farm bureau board urges that you write to your Senator and your Congressman and urge them to support these amendments. See your neighbors and get them to do the same. It is imperative that we act at once or otherwise all of the ground we have gained may be lost.

I urge that you assume the responsibility of seeing that your Senator and Representative are informed as to your wishes relative to the A. A. A. program.

I read a letter from Collins, Miss.:

I am enclosing a clipping from the local paper which is sufficient proof that the idea of delegations going to Washington originated with the Government employees.

The donation list which I enclose gives S. W. Pierce, chairman of the reduction committee, as the first signer; then follows with S. J. Dedeaux, county agent, and E. D. Clarke, of the Cotton Control Office, and about a dozen of the office employees. After that comes a miscellaneous list of merchants, professional men, etc., and two dirt farmers. I am acquainted with them all, having been secretary of the local cooperative association for several years, and know what I am talking about. Incidentally, I was not invited to the meeting, since it is known that my views and those of many other farmers here differ materially from those of the A. A. A. crowd.

Covington County delegation got off to Washington last week, and consisted of S. W. Pierce, cotton buyer and local politician, who, it is rumored, is seeking a job as custodian of the post-office building at Jackson; W. J. Warren, ex-sheriff and present office holder of some kind under the Federal Government; and a Mr. Rawls, merchant, of Mount Olive. I was told today that Mr. Warren would likely land a good job with the R. F. C. I couldn't learn if Mr. Rawls is seeking a job. At any rate he is not a farmer.

You will note that the county board made a donation of $100 for the trip. I have heard a good deal of adverse criticism of this in the past few days and no doubt something will be heard about it later.

I sincerely hope that you will be able to secure an investigation of this march on Washington by the politicians in the guise of farmers, and hope that my little information will be of assistance to you.

In that connection, with respect to the contribution, I read from the Richland Beacon-News, Rayville, La., Saturday, May 18, 1935, which prints the official proceedings of the Richland Parish School Board, Rayville, La., as follows:

The resolution was adopted.

Messrs. M. L. Bell, W. T. Jones, E. P. Norman appeared before the board and requested that if the board considered it wise, that representatives be selected from the board to attend the cotton-growers mass meeting in Washington, D. C., for the purpose of strengthening the cotton farmers' request for the continuation of the present cotton program, and especially the processing tax on cotton.

The following resolution was made by Mr. Colvin and seconded by Mr. Rhymes:

"Be it resolved by the Richland Parish School Board of the parish of Richland, La., in lawful session convened, on this 8th day of May 1935, That the president of this board, and two other members to be named by him, be selected as delegates to represent the board at the cotton-growers mass meeting at Washington, D. C.; be it further

"Resolved, etc., That the board allow each delegate $75 for expenses. The president then named the two additional members, Messrs. Neal McEacharn and R. R. Rhymes."

The roll was called and resulted as follows—

All voted "aye"—

and the resolution was adopted.

Now follows this:

The superintendent explained that teachers had not been paid their last month's salary, neither had scrip been issued to teachers for the reason that he had the promise of assistance from the F. E. R. A. and that application for such assistance was now being considered, and probably would be accepted within a week or 10 days. He further stated that the F. E. R. A. would not allow more than $60 per month to any teacher, and that he proposed to issue scrip for the difference between the teacher's regular salary and the amount paid by the F. E. R. A., if in conformity with the wishes of the board.

Mr. President, Senators will observe from that statement that here is a school board whose teachers are being paid by the F. E. R. A., and who have passed a resolution contributing $75 for each of three persons coming to Washington to impress themselves upon the President.

I now read a letter coming from Church Hill, Miss.:

I have read an Associated Press account of your remark in the Senate concerning the recent meeting of cotton farmers at Washington. I have no knowledge that Government money was used for transportation of any of these farmers. I do know that in this county the movement did not originate with the farmers, but with the county agent, who is paid in part by the Federal Government. I am a farmer. One night last week a young man drove up to my house and solicited a contribution for sending a delegate to the mass meeting at Washington. He carried a letter from the county agent urging farmers to give for this purpose, and stating—as I think, untruly—that there was an effort to damage the cotton farmer by abolishing the processing tax. This young man (Mr. Hugh Harris) said he had been working very hard the whole day. Whether he was paid by the county agent or not, I do not now. As you are aware, few farmers would decline a request from this official, who controls their loans and allotments.

I am glad you expressed indignation at the President's insulting remarks. I have been telling my neighbors that American cotton mills were already at a disadvantage with respect to labor costs, that the added handicap of a 4½ percent processing tax removed hope of their competing in world cloth markets, that it may even permit Japan to take away part of their domestic market for goods—

And so forth.

I now read a letter from Pawnee City, Nebr., as follows:

We have been interested in following your procedure in the Senate relative to the "march" of the farmers on Washington to lobby for continuance of the A. A. A., and thought you might be interested in the enclosed tear sheet from our issue of the 9th, giving an account of the meeting held here at which a representative from this section of Nebraska was chosen. All farmers who attended the meeting at which this representative was selected were members of county corn-hog and wheat association committees having charge of the two projects in the four southeastern Nebraska counties.

As to the source of funds for expense of the delegate, we were told by one of our Pawnee County men who attended the meeting that the delegate's expenses would be paid from the fund set aside by the corn-hog and wheat associations here for "administrative expense."

To our knowledge, the 6,000 contract signers of these four counties had nothing to do with selecting the delegate to represent the counties, nor did they know the meeting was to be held at which the delegate from here was selected.

This information may be interesting to you, and we are sending it for what it is worth. We might add that we hear nothing here from the honest-to-God farmers about wanting to keep the processing tax because it is their "tariff." Practically every farmer we talk to is firm in the belief that the hog market would be higher with the processing tax removed.

I read the following letter from North Carolina:

I have read with interest news items concerning your resolution demanding that the Agriculture Department produce data to show whether the "farmers' march on Washington" was subsidized by the A. A. A.

An investigation would probably reveal that a considerable portion of these marchers were local county committeemen working in connection with the various crop reduction boards. These delegations were organized by the county agents, and, while their expenses were not paid directly, I am certain it was done indirectly by allowing these committeemen a few days' extra work, which they used in going to Washington.

There is a tremendous misuse and wastage in connection with the expenditure of Government funds, which is obvious to and resented by all sound business people. This letter is written with the thought that it might assist in a small way your fight to at least curtail these abuses.

I now read a mimeographed copy of a letter written to the Honorable T. P. GORE on May 13 from Altus, Okla., as follows:

The present pilgrimage to Washington of so-called "farmers' representatives" is nothing but A. A. A. propaganda. I sincerely hope that you Senators and also the Representatives are not misled by it. I suggest two pertinent questions to ask each delegate:

How many farmers attended the meeting to appoint you?

Where did you get your expense money?

The delegates from Jackson County, Messrs. Crow, Walker, and McAskill, are all three landowners and at present constitute the county committee, thus drawing some pay from A. A. A. The expenses of their trip are being paid partly by an assessment, amounting to a "squeeze" on every employee at the county agent's office, and partly by funds solicited from the town merchants, who for business reasons did not feel that they could refuse. The balance is being paid by the three delegates themselves. As far as I can find out, only two farmers had contributed until noon Saturday.

There was no meeting of any kind held here by the farmers to appoint these men. In fact, the whole thing was done so quietly and so quickly at the county agent's office that only a very few people in this community knew anything at all about it.

Yours very truly,

JOHN ELLETT.

I read a telegram from Oklahoma, as follows:

Three farmers' representatives from this district are on Government pay roll interested in continuance of A. A. A. program in order to hold job. Expenses partly paid by assessment of clerks in county offices. Not 3 percent of the farmers represented at meeting that elected them.

The following telegram is from Memphis, Tenn.:

From newspapers notice you charge expenses recent delegation cotton farmers paid by Government. I have no information on this, but the facts are that the rankest discrimination prevails in the administration of the Bankhead Act. This march on Washington was pure and unadulterated bunk, the ballyhoo of local

politicians and the favored few to perpetuate their control of present very unjust situation in a manner to acquire and retain supporters and secure improper personal advantages and profits. A proper investigation will show that those visiting Washington are far more favored in their allowances and allotments than their neighbors, many of whom are afraid to complain for fear of further punishment. These are the facts and you need not hesitate to charge them. Access to individual contracts and analyses of actual conditions will remove every doubt. Gross favoritism prevails. What we need is a cotton-consumption program, not one of reduction. If the money that has been and is now in prospect of being spent on this program had been used to educate and induce our own people to a more general constant and extensive use of cotton and its various products, we would in all probability now have in our own land a sufficient and permanent market. There is little doubt that America can and will when properly informed and urged consume her entire cotton production profitably. Investigate this situation, and you will really get somewhere. You may rest assured you will find the the facts as represented. A producer of cotton.

W. C. RODGERS.

The following letter comes from Milwaukee, Wis., under date of May 18, 1935:

I notice in a news item you had brought up the question as to whether the A. A. A. had paid the expenses of the farm delegation to Washington. I enclose a clipping from the Milwaukee Journal of May 17 mentioning this same matter. If you get in touch with Mr. Mallon, you might get enough interesting facts to enable you to stir up the A. A. A.'s and at the same time show up the "new dealers."

The clipping enclosed is an article by Mr. Paul Mallon, which appeared in many newspapers. In the course of the article Mr. Mallon says:

It was built mainly upon the county-control committee in each county and the township committees in most townships. These committees are made up of farmers for purposes of the A. A. A. program. County agents usually are secretaries of the control committees. The A. A. A. may quibble with you, if you say the county agents are paid by the Government, but it is fair to say part of their remuneration comes from the Federal Government.

The following letter comes from Commerce, Tex.:

For your information will state that the delegates from this county are all on the pay roll of the A. A. A. Department, and that one of them, and probably all the others, are not farmers, never have been, and not even interested in farming to the slightest extent. I have been reliably informed that the expense of these so-called "representatives" were solicited from smaller fry on the A. A. A. pay roll.

I have a letter addressed to the Observer, which I presume is the Raleigh News and Observer, which was sent to me from Lincolnton, N. C. The letter to the newspaper is from Hoffman, which I presume is in North Carolina, and reads as follows:

To the OBSERVER:

Recently a hosiery manufacturer said to me: "I thought the farmers were well pleased with the A. A. A. and Bankhead bill. Didn't they vote overwhelmingly for it?" Probably, President Roosevelt thought the same until "certain persons in the seats of the mighty", as well as some who do not occupy such high seats began to inform him of the truth.

Who voted in the famous Democratic plebiscite for cotton control? I'll tell you. These same 4,500 farmers who went to Washington and their black share-croppers and day laborers—50-cents-a-dayers—who can neither read nor write. These are they who voted in that famous referendum. Perhaps two-thirds of all voters were of the dark variety, who had, or their ancestors, never cast a ballot. A large percent of them are working for 50 cents a day for these same cotton farmers who went to Washington to tell the President how much they have profited by the Bankhead bill. Another large percent are those poor, ignorant devils, who, whether cotton is high or low come out at the end of the year in debt to these same farmers who have profited also by the Bankhead bill.

Now how did these gentlemen farmers profit so by the Bankhead bill? Senator BAILEY figured in an article published in the Saturday Evening Post that they could not have profited materially by the Bankhead bill, when considered in its relation to devaluation and the rise in prices.

Here is the truth. These same gentlemen belong to the political rings in the Southern counties and States. Their acres and poundage have not been cut. The small farmers, those outside of the pale of the graces of these Democratic county rings, have suffered their share of acreage and poundage reduction—yes, and not only their own, but also reduction that rightfully belonged to these same gentlemen who told the President how much they have profited by the cotton-control policy, but, mark you, not how they did it.

These cotton gentlemen, like Senator Huey, believe in "sharing the wealth." But, mark you, they have a different idea about it. They believe in sharing the wealth of their poorer neighbors, those neighbors not protected and favored by the county ring. Yea, they believe in sharing their neighbors' acres and poundage.

ALBERT M. SNIDER.

HOFFMAN.

Mr. SCHALL. Mr. President——

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from Delaware yield to the Senator from Minnesota?

Mr. HASTINGS. I yield.

Mr. SCHALL. It may be of interest right here to refer to how they secured the advertisement that went out in the newspapers and over the radio and by every other means of communication which they control today that 90 percent of the cotton farmers were for the Bankhead bill. The testimony before the House committee disclosed that letters were sent to a select few whom they knew were for it. I think the number was 43,000, though I am not sure as to that. At any rate, out of the 43,000 there came back twenty-two or twenty-three thousand replies, of which number 90 percent were for the Bankhead law. When the computation is made according to the number of cotton farmers in the country it means that about one-third of 1 percent of the cotton farmers are for it. Yet the advertisement went out from one end of the country to the other, through the agency of the Agricultural Department, that 90 percent of the cotton farmers were in favor of that law.

That is only a sample of the propaganda which is continually being sent out through the country. It is only a sample of the complete censorship that the administration holds over what goes to the people. It is even impossible to get out to the country words said on the floor of the Senate. It seems to me that the Senator from Delaware is doing a great service to the country by disclosing what he is setting forth here today, and that it ought to be followed up by a full investigation.

Mr. HASTINGS. I thank the Senator for his observations. I should like to say that I have purposely eliminated very many letters which have come to me during the past week which touched that particular subject. That not being the matter in which I was particularly interested, I have eliminated them in order that I might have the time to present the important things which I wanted to place in the RECORD.

Mr. President, I read now from the Arkansas Gazette of May 16, a letter written by Skag Jones, of Pine Bluff., Ark.:

I see in the papers reports of thousands of "dirt farmers" are pouring into Washington City to give the President, Franklin D. Roosevelt, a glad handshake and pledge him their unstinted support. More especially do they give their hearty approval to the A. A. A. I may not know just what a "dirt farmer" is, but I never thought that a bunch of high-hatted planters, bankers, lawyers, and politicians could qualify as 100-percent "dirt farmers" until I read the names of those that are converging on Washington from southeast Arkansas.

It is unfortunate that Norman Thomas recently reported some rather uncomplimentary conditions that existed on the plantations in northeast Arkansas, but it is still more unfortunate that the reports were in a large measure true, judging from conditions in southeast Arkansas.

There is not, so far as I know, one single tiller of the soil in the southeast Arkansas delegation that are now in Washington whooping up the A. A. A. Senator JOE T. ROBINSON, Senator HATTIE CARAWAY, JOHN L. MCCLELLAN, our Congressman from this district, nor even Mr. Roosevelt, should he have occasion, will not have to wear gloves when they shake hands with our boys on account of the callouses in their palms produced by holding plow or hoe handles while trailing up and down the long rows of cotton under a blistering June sun for 14 hours for the magnificent sum of 50 cents per day.

The A. A. A. is a real bonus for the planters. But I have not been able to see where it amounts to very much for the small farmer, tenant, and share-cropper—more especially to those that have been kicked out and not permitted to have any crop. As to the planters and landlords, it has enabled them to rent the Government land, at excessive prices, that was cleared by slave labor long before the first shell burst over Fort Sumter.

With a steady stream of checks pouring in to them from the United States Treasury and their competitors forced out of the game, it would not be natural for them to oppose the A. A. A. If there were 350 special trains loaded with small farmers, tenants, and share-croppers sent to Washington, our good President would have an opportunity to hear the other side of the question, but unfortunately they have not the cash sufficient to charter the trains.

Our delegation will tell our Senators and Congressmen how to vote now. Next year they will be telling the small farmers, tenants, and share-croppers how to vote, and the cycle will have been completed.

That clipping was sent to me by an attorney at Hope, Ark., who wrote the following letter:

I see from the papers where you attacked the "farmers' march on Washington." Let me state that the people who made the trip were not really the farmers who do the farming, but the big landowners and bankers who have been the sole beneficiaries of the A. A. A. program in the Cotton Belt. The little farmer has been bled to death for their benefit.

If you in Congress would only send down South and get the records of the county agents (they are lord and master of the complete workings) you would be indeed astounded at the revelation. I know whereof I speak, as I have had some real experience with them and could furnish you with hundreds of affidavits of the injustices that have been practiced by them. Get the Hempstead County Record and you will find where the big landowner—one man controls the entire situation in this county in the A. A. A., the Farm Credit Administration, the relief office, the Federal land bank, the Emergency Crop Loan Office, the E. R. A.—and all of these offices work hand in hand to crush, intimidate, and control the little man politically and otherwise. I have never seen the situation so desperate.

Hundreds and thousands of acres of land have been rented to the Government by these "overlords" at exorbitant prices. Cotton land supposedly taken out of cultivation is not cotton land, but old worn-out land. The good cotton land is still being cultivated, I understand by E. R. A. labor. Hundreds of tenants are thrown off and forced to open up new land.

The county agent refuses to give cotton contracts. No contracts, no loans by the emergency crop loan office. Therefore hundreds of new clients are thrown on Federal relief. There is nothing else for them to do, as they cannot stand by and see their families starve. No factories or other means of work are available here in the South. The cotton-exemption certificates have been bountifully distributed to these wealthy men who do not do one lick of real work, and the poor man is not given enough certificates even to pay the money he borrowed to make his crop, much less have one penny to get by the winter on. I have seen men come in the emergency crop loan office and beg to hold back "just enough to buy a sack of flour"; his acreage and lint cut all out of proportion. If it were possible for some of you from the East to come in person and see the real situation here in the South, you would find the east Arkansas situation was not exaggerated, and is not confined to east Arkansas. It is the true situation of most of the cotton section of the State. I was from Tennessee, and I was really surprised at the condition when I first came to this State some 18 years ago. I could not realize that such servitude existed in the United States, for servitude it is.

We are looking to you in Congress to straighten out the situation, as those in charge are deaf to all appeals for relief, and in most cases the letters of complaint are only forwarded to those against whom complaint is made, and added venom is cast out in the local programs in an effort to prevent further criticism.

I trust you will get your investigation through, and please do not stop at the Secretary of Agriculture's report, but go into some of the records of the county units. There is where the real "rot" lies.

From El Dorado, Kans., came the following letter:

The gentleman that represented the Butler County farmers at the A. A. A. meeting recently in Washington was Ralph Gfeller. Mr. Gfeller is president of the Butler County Farm Bureau. He is local president of the wheat production control committee, and as such travels around handing out the farmers' checks to them, and I know and you know that he gets paid for the same.

Our Butler County Farm Bureau agent used to be a Republican, but he is now turned to a Democrat, and can say no good of anything that ever happened under Republicans—and all because he is getting his own nest feathered so well with all the "brain trusters" schemes.

I am sure you are exactly right about the way the farmers' trips to Washington were financed.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from Delaware yield to the Senator from Maryland?

Mr. HASTINGS. I yield.

Mr. TYDINGS. I hope the Senator will not mind a mild protest on my part, because of the charge that a member of the Democratic Party became a member of it for revenue only. [Laughter.]

Mr. HASTINGS. I did not intend it to be so. I am not at all responsible for these letters, but since they came voluntarily to me I am quite certain they are pretty nearly accurate.

From New Mexico came the following letter:

I see in the papers about the farm pilgrimage to Washington; also the charges that the Government is indirectly financing such a pilgrimage. I cannot say for other places, but I can give the general facts as to Curry County, N. Mex. I am told it is the same in other counties.

Claude Gamble, Democratic county chairman, is chairman, with a large salary, of the county wheat-allotment board. Mr. Edwards, vice chairman of the Democratic Party, is chairman of the corn-hog allotment committee, with a large salary. Mr. Gamble is the chairman of the recently created soil-erosion board on a salary. According to the papers here, Gamble's trip to Washington was financed out of the wheat-allotment fund. According to the papers here, Mr. Edwards has attended several purely political meetings on corn and hog assessment money.

The wheat and hog and corn committee is composed of the Democratic precinct committeemen. All get a rake-off when expenses are to be put out for a purely political nature.

These committeemen assess a fee on each producer. These committeemen can and do spend it on all kinds of junkets, rallies, and purely political meetings.

Get this point: Creed Webb kicked about such trips on the members' money. His wheat-allotment money never came after that, his hog and corn money stopped, and when the Government was taking over poor cows, they slighted him.

The following letter is from Gordo, Ala.:

MAY 20, 1935.

I notice in the papers that you have introduced a resolution in the Senate to investigate where the money came from to defray the expense of the so-called "farmers' march" on Washington, for which I want to congratulate you and bid you Godspeed in the investigation.

As for this section of the country being represented by farmers, it is all a farce. From this county (Pickens County, Ala.) the county farm agent, a lawyer, and a former banker represented the county; and, in my opinion, a very small percentage of the actual farmers made this trip. In fact, I doubt very seriously if any actual farmers made the trip from the fact that there are very few farmers that are financially able to make such trips, for I am a farmer myself and know whereof I speak.

It is hoped that these few facts may be of some assistance to you in your investigation and that you can carry out the investigation to the very limit.

The PRESIDING OFFICER. At this point, may the Chair be permitted to ask the able Senator from Delaware if he correctly understood that the eminent Senator from Maryland [Mr. TYDINGS] intimated that one of the letters disclosed that the writer, being the chairman of the Democratic committee, thereby became qualified to be the head of a hog service? [Laughter.]

Mr. HASTINGS. Is that a parliamentary inquiry the Chair is making of the Senator from Delaware?

The PRESIDING OFFICER. The Chair is asking whether the able Senator from Maryland meant to indicate that the letter contained such or whether it was his conclusion from the letter.

Mr. HASTINGS. I yield to the Senator from Maryland for the purpose of replying to the inquiry of the Chair.

Mr. TYDINGS. Mr. President, I think the Chair ought to take that matter under advisement and hand down a ruling at the earliest opportunity.

The PRESIDING OFFICER. To avoid further embarrassment to the Chair, the Chair will recognize the Senator from Delaware.

Mr. HASTINGS. From Canadian, Tex., I read a copy of a letter written to the Kansas City Daily Drovers Telegram, Kansas City, Mo.:

There has been much to-do in the papers all over the land since the "dirt farmers" went to Washington. There have been charges and countercharges galore. The charge that the farmers were led into this trip by outsiders is true in Texas, I know, and I have grave suspicions as to how it was done in other States also. The charge that the farmers did not finance their trip is also true in part, I am sure. In our county the county commissioners voted to pay the expenses of one delegate. At the request of a farmer? No. At the request of the county agent? Yes. Where do you suppose the county agents get their instructions? From the farmers? No. Everybody knows that the Extension Service is carried on through instructions from those higher up in politics in these days of the new deal. If any county agent should doubt this statement, let him refuse to carry out instructions and see how long his job will last.

In our county, after the commissioners voted to pay expenses for one delegate, we decided to send two, because the delegate who was elected was a lawyer and not a satisfactory delegate to most farmers; so we elected another one and agreed to make up his expense money by popular subscription, and then elected a banker for the delegate. So we sent a lawyer and a banker. The banker is, however, the president of the wheat-production-control association.

I will venture to say that perhaps in 90 percent of the counties the "dirt farmers" sent would compare favorably with ours.

As to who started, aided, and pushed the movement in Texas, will say that it was representatives of the Extension Service. I will also say that they did a good job, too. Why, I never saw such teamwork that they showed in this movement, and in the move "to educate the farmer to vote intelligently" (?) in the referendum vote on the wheat-control program. Talk about it! Why, George E. Farrell himself came to Amarillo, and every man from State head of Extension Service, district organizers, and down to the most remote county agent is working his head off in the task of getting these ignorant farmers to vote for continuance of the program. Do they think the farmer is so ignorant that he is not to be trusted to decide a vital question affecting himself as this one does without political help? If they are not trying to influence the farmer, what are they working so hard for?

Maybe our President will call me a liar, too, but just tell him I would be glad of a chance to prove every statement I make. I can do it, and there is not a doubt in my mind that our President knows I can. Then if that be so, it seems to me that it is indeed a serious state of affairs. I'll bet many an expense account goes in to Washington including expense money for a "dirt farmer" delegate, but will not show that it is for that purpose.

You may wonder where I got that "dirt farmer" phrase. Well, I got it out of Extension Service advertising promoting the movement. I got a suspicion I can prove that, too. I happen to be a director and treasurer in a wheat-production-control association, and know how the Extension Service is acting to promote things in politics. I am quitting at the end of June, when the year is up, voting against the program, and do not intend to sign another Government contract. Why? Because I believe that to continue will get the American farmer to depending on politicians and the Government, instead of depending on God and agriculture.

I cannot commend our Government or anyone else who destroys livestock and the products of the soil fit for human food when we have many, many people who need the things they are destroying, and destroying it only in an effort to raise prices. What a sin! Does any sane person think God will overlook such actions?

In the President's speech before the "dirt farmers" he made this statement:

"It is high time for us to repeat on every occasion that we have not wastefully destroyed food in any form."

Yes; I think it will have to be repeated on every occasion to get people to believe it who either saw or know thousands of cattle fit for human food were shot down and left to decompose, either saw or know that thousands of pigs fit for human food were destroyed and left to rot also, who saw thousands of acres of cotton that was mature plowed under, who saw thousands of acres of wheat plowed under last year to comply with the wheat contract.

All these things happened; and if anyone says they did not, even if he is the President of this great land, then it seems to me someone else may be charged with the same thing that our President stooped low enough to charge others with in his speech to the "dirt farmers" who gathered in Washington.

You may use this letter in any honorable way you see fit, either over my signature or not.

I repeat, that letter was directed to the Kansas City Daily Drovers Telegram, Kansas City, Mo., and was signed by James I. Payton, "a farmer who really farms dirt." Then, as a footnote to the copy sent to me, he says:

Am sending you a copy of this letter to show you that some farmers know that your charges were not without foundation.

The letter I next read is from St. Joe, Ark.:

MAY 21, 1935.

I note that our Senator ROBINSON is indignant that insinuations should be made that the "farmers'" excursion to Washington last week was not a spontaneous testimonial of the farmers themselves.

All the evidence here is that the move in Arkansas was promoted and sustained by employees of the various A. A. A. set-ups.

The only delegate from this county, James A. Hudspeth, holds a $100-a-month job in the set-ups in the county agent's office here.

Two weeks ago a notice was printed in local papers that farmers were demanding an extension of A. A. A. The man who signed the notice as president of the meeting is a school teacher receiving E. R. A. wages. His son has a fat job in the A. A. A. set-up here. Three others signed the notice in the papers. One has a job since A. A. A.'s initiation here doing fieldwork. Another is a preacher on the rehabilitation or direct-relief rolls of E. R. A. The third has children enjoying good jobs in the E. R. A. and A. A. A. set-ups.

So far as I know, no farmers' organization here has endorsed A. A. A. or was identified with this move.

Carbon-copy press stuff was furnished to country weeklies throughout Arkansas representing the move to be a "swarming of farmers from the Southwest to defend the farmers' A. A. A. program." This press stuff was furnished by employees of A. A. A. set-ups.

There are only two newspapers published in this—Searcy County. You will notice that the "news" report in both is identical, although these two newspapers are published in different offices, and have nothing in common. Similar press stuff was used all over Arkansas.

Here we all realize that the Washington "swarming" was a swarming of A. A. A. employees to Washington to defend their jobs.

(Signed) WILL RICE,
President Searcy County Independent Farmers' Association.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SHIPSTEAD in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Pope
Ashurst	Coolidge	King	Radcliffe
Austin	Copeland	La Follette	Reynolds
Bachman	Costigan	Lewis	Robinson
Bailey	Couzens	Logan	Russell
Bankhead	Dickinson	Lonergan	Schall
Barbour	Dieterich	McAdoo	Schwellenbach
Barkley	Donahey	McCarran	Sheppard
Bilbo	Duffy	McGill	Shipstead
Black	Fletcher	McKellar	Smith
Bone	Frazier	McNary	Steiwer
Borah	George	Maloney	Thomas, Okla.
Brown	Gerry	Metcalf	Thomas, Utah
Bulkley	Gibson	Minton	Townsend
Bulow	Glass	Moore	Trammell
Burke	Gore	Murphy	Truman
Byrd	Guffey	Murray	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norris	Van Nuys
Caraway	Hastings	Nye	Wagner
Carey	Hatch	O'Mahoney	Walsh
Chavez	Hayden	Overton	Wheeler
Clark	Johnson	Pittman	White

The PRESIDING OFFICER. Ninety-two Senators having answered to their names, there is a quorum present.

Mr. HASTINGS. Mr. President, I desire to read an editorial from the Fairbury Journal of Fairbury, Nebr., dated Friday, May 17, under the heading "Takes Trip to Washington."

TAKES TRIP TO WASHINGTON

Senator Frank Wells was one of a large number of farmers who trekked to Washington, D. C., starting last Saturday to influence Congress to continue the A. A. A. Senator Wells represented Jefferson and Saline Counties, a farmer in Saline County being selected as alternate.

The selection was made largely by telephone as Mr. Wells was in Lincoln, the senate being still in session. The Wheat Control Association sent him $50 for expense money, the understanding being that committeemen would be assessed $1 each in the two counties to make up this amount.

The party which Senator Wells traveled with started from Lincoln early Saturday morning in a touring bus, expecting to make Chicago in time to go into camp—hotel—that night. The next day they planned to make Pittsburgh and the following day arrive in Washington, being there on Tuesday when a demonstration was put on.

This ballyhoo precedes an election to be held soon wherein wheat farmers are to vote whether they shall continue the wheat-control program period or not.

In that connection I read a letter from Lyons, Kans., to this effect:

After reading the morning papers I judge you would like to know about the "bonus march of the farmers" and who paid the freight!

All I know, of course, is what happened in this locality.

The delegates from this (Rice) county are F. J. Habiger, who is a member of the local "draft board" on the wheat allotment, and Orville Evans, who is in some official position in the corn-hog deal. Habiger and two others constitute the county board for the wheat program and Evans and others the corn-hog board.

I am informed, upon good authority, that the expenses of Habiger were paid to the farmers cooperative elevators of the locality; for Evans, by the farm bureaus of three counties.

Perhaps the article in Who's Who in America (1932–33), under the name of Loris Everett Webb, of Dodge City, Kans., recent candidate for Member of Congress from the Seventh District of Kansas against the Boy Scout who was reelected from Garden City, will throw some light on the matter, since Mr. Webb was recently furnished a "lame duck" crutch by the present administration in the way of a nice position—ostensibly to investigate the matter of wheat imports from Canada, I believe.

Habiger is president of a farmers' cooperative elevator organization. It is not impossible that both Mr. Evans and Mr. Habiger are interested in preserving their jobs.

In this connection I am also reliably informed that a so-called "election" will be held on May 25, to vote on the A. A. A. program. I am also informed that meetings have been and are being held at various places over this county at which the producers are being told that delegates have been sent to Washington to lobby for a law that will require all elevators and other purchasers of wheat (under a licensing system) to deduct the amount of the processing tax from the price per bushel of all wheat bought from nonsigners of allotment contracts.

Thus, in an indirect way, or perhaps direct, wheat producers are being scared into voting for the A. A. A. set-up and put in a position of approving the amendments to the A. A. A. through fear they will not be able to sell their wheat at the fair market

price and will be discriminated against. Much the same talk was heard when the first program was launched.

The word of the men who have been putting out these threats is being made good by this march upon Washington.

You might also note Wheat Leaflet No. 2, United States Department of Agriculture, Agricultural Adjustment Administration, put out by the Department—with particular reference to question 5 and its answer.

For a moment I desire to refer to that. This is in the form of questions and answers distributed to farmers, and I call particular attention to question 5. This is put out by the A. A. A.:

What other methods besides the voluntary production adjustment program might be attempted to bring about the necessary adjustment in seeding?

In other words, what is going to happen to you unless you agree to what the A. A. A. recommends? Here is the answer.

1. Compulsory control.

So that in this pamphlet which comes from the Department of Agriculture the farmer is asked the question:

What other methods besides the voluntary production-adjustment program might be attempted to bring about the necessary adjustment in seeding?

The first part of the answer is, "Compulsory control."

2. Purchase of submarginal lands, which would require a period of years.

3. Persuasive methods without adjustment payments, which methods were tried by the Federal Farm Board.

4. Remove all restrictions and let 30- to 40-cent wheat squeeze out enough farmers to make the necessary adjustment in acreage.

In other words, with all the questions, 19 in number, which are asked in this paper, but one answer is left to the farmer, "Unless you agree with this program the only other plan is compulsory control, or purchase of submarginal land, which will take a period of years, persuasive methods, which have shown that they are not effective, or removal of all restrictions, and letting 30- to 40-cent wheat squeeze out enough farmers to make the necessary adjustment in acreage."

Did anybody ever see an honest-to-God inquiry and an honest-to-God suggestion to the farmer in the form of a vote, when it is followed by a paper like that, which undertakes to prove to him conclusively, "Accept what we offer you or your condition is bound to be very much more serious than it is under the present plan"? It is an outrageous effort to force the farmer to put himself in a position to enable the Secretary of Agriculture to say that the great body of wheat farmers agree to this program. If they do agree to it, it is because of the compulsory attitude on the part of the Secretary of Agriculture and those working with him.

I read a telegram from Clyde, Kans., directed to me:

Honest-to-God farmers will not be represented by contemptible job-seeking farm-bureau bums. Let's kill A. A. A. forever. Am ex-service man and farmer. Never accepted A. A. A. grafty dole. Give farmer fair prices and his share of export trade, and let him take care of himself.

Here is a letter from Helena, Ark., which encloses a news item headed—

Will list donors to farmers' trip.

In that news article it is said:

The list will be sent to Congress, and Senator JOE T. ROBINSON has promised to see that it is read into the CONGRESSIONAL RECORD, members of the delegation said.

The letter to me is as follows:

Note the enclosed clipping from the Arkansas Democrat, of Little Rock, Ark., May 18, 1935.

Say, old top, you know and I know that no man or men, company, interest, or organization give or contribute a darn thing without a monetary return to them, and are the dear dumb people so dumb that they do not know this?

Are the farmers to be paid with store-bought representation for their interest by interests who will profit by such crop restrictions and manipulations to and for everything at the sacrifice of the farmer?

Senator, you may or you may not be hearing from me in the future.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield to the Senator from Arkansas.

Mr. ROBINSON. In the group which visited Washington last week, of which visit the Senator has complained so long and so frequently, there were some 300 citizens of the State of Arkansas. Practically every one of them is personally known to me, and I believe also to my colleague. They are representative of farmers in every portion of the State, high-class citizens, and not one of whom received one cent in any form of contribution from the Agricultural Adjustment Administration. Most of them personally paid their own expenses. A number of them received contributions from their friends and neighbors. It is very difficult for me to understand why the Senator from Delaware regards the visit of those citizens, those farmers, to the National Capital as dangerous to our public institutions.

I have a letter which will be presented for the RECORD by the Senator from Texas [Mr. CONNALLY] from the head of the Agricultural Adjustment Administration, showing that not only was the visit unsolicited on the part of the Department of Agriculture or its agencies, but the representatives of the Department advised against the expenditure of any departmental funds, advised that there existed no right to expend such funds for the purposes stated, and even suggested that the Department did not recommend the coming of the delegation.

The Capitol is thronged constantly with professional lobbyists who are paid to stand about the halls, to visit the offices of Senators and Representatives, and to urge the enactment or defeat of legislation; and it is somewhat mysterious to me that the Senator from Delaware should find it dangerous to the Government, dangerous to the liberties of the people, for four or five thousand farmers to visit their National Capital and in a courteous manner present their views to their Representatives in the National Congress.

I thank the Senator for yielding.

Mr. HASTINGS. Mr. President, I now read a letter from a man who describes himself as "the poorest man in the South", from Crawfordsville, Ark., as follows:

First, I would like to say I can read and partly understand, but for the lack of education I cannot explain to you as I would like to just how myself and some of my neighbors feel about this miserable A. A. A., and its processing tax.

I am a farmer, I mean a real dirt farmer. I have a wife and 6 boys and 1 girl. And we all know the feel of the plow and hoe handle. We know no other way of earning our livelihood, and always have done very well until now. And before God and man we are staring starvation in the face today. But I do hope I will outlive the three A.'s for my boys' sake. I want to thank you with all my heart for the stand you have taken against the A. A. A. and the processing tax. I do know we little farmers, share-croppers, and farmer laborers cannot bear out what has been placed upon us by Henry Wallace. I will not vote for no such men as the present administration, and I am a born Democrat, but it certainly looks very much like I am going to starve with a very bad feeling in my heart toward my old party. I am also an ex-soldier, but I won't mention how I feel about the bonus question, for I guess you know how all soldiers feel about that. The three A.'s is enough to turn any poor devil like myself against the whole world. God pity the man who can't see the graft in the processing tax, and the poor people who have to bear the burden. We little fellows can read the papers enough to understand we are getting a dirty deal instead of the new deal. It is a new deal all right, but a new dirty deal.

I will sure be glad when the day comes when we can cast our votes in a way to right the wrong that has been placed upon us, for I do feel like a change in the administration will also change this miserable two-thirds to three-fourths starvation that we are facing today.

I see in the papers where some 4,500 farmers went to Washington to uphold the A. A. A. I will say this: If there was one real dirt farmer in that whole bunch, I will eat up hell raw by the acre. They were the county committees, big landowners, and men who are getting fat salaries through the three A's. They are interested in farming in one way, and that is to graft everything the little dirt farmer can make and all they can off of our Government. That is the "dirt" farmer that so easily fooled some of the flatheads of our country. We can only hope you good Senators will continue your vigorous fight for our rights. We will certainly stand by you.

Yours very truly,

FRANK G. PHILGAW,
Crawfordsville, Ark.
(The poorest man in the South.)

Mr. President, I now read a letter from Chula, Ga., dated May 18, a letter from a farmer, in which he says:

I read in the Atlanta Journal that you are offering a resolution in the Senate in Washington to investigate the expenses of the

farmers coming to Washington to endorse the A. A. A., or the President's agricultural program. Just for your information, I am sending you one of the cotton contracts which I have, which will explain why I don't like the A. A. A. You will notice on the contract where I am given a 10-acre base with 7 acres to plant, and 3 acres that the Government pays rent on at the rate of $7.50 per acre. They allow me to make 225 pounds of lint per acre, which amounts to 1,575 pounds of lint on 7 acres. The Government collects on that 1,575 pounds of cotton 4.2 cents per pound, or about $86—

It does not collect it from this man, but collects it from the processor—

I receive back in rentals $22.50 and a little check they call "parity", which last year amounted to $5.88. I don't know just how much "parity" will be this time. However, that leaves a balance of around $60 that the Government collects out of my little three bales of cotton. I have asked the Government agents here to explain to me where it went to, and they have not done so.

In other words, this man complains that the use of 3 acres has been taken away from him, he has been given $22.50, and is permitted to produce 1,575 pounds of cotton, upon which some processor pays to the Federal Government $86; but he complains that there has been paid to him only $22.50, plus $5.88, making a difference of about $60 in this one instance, and he would like to have somebody explain to him why he has not received the $60 which, under the processing tax, was supposed to have been collected for him.

Then when I criticize Mr. Roosevelt, our President says I am lying. Mr. Talmadge, our Governor, when he read a part of the platform which Mr. Roosevelt was elected on here was nice enough not to say lying, but we can draw our own conclusions.

Now, Mr. HASTINGS, in regard to the expenses of the people that went from Tift County, Ga., to this farmers' meeting, one of them, a Mr. Joe Paulk, is a member of the county board of control, whose name appears on the enclosed contract; and I am sure was retained on the Government pay roll while he was in Washington. I think his expenses might have been paid by some of the larger farmers who received large benefits from the A. A. A. Such as some I will mention Mr. E. P. Bowen, who is president of the Bank of Tifton, who controls some 200 plows in Tift County, Ga., most if not all farmed by tenant farmers or share-croppers.

We will say that Mr. Bowen gets a contract similar to the one enclosed on each of the 200 plows would be around $45,000 that Mr. Bowen would put into his pocket where there are 200 share-croppers that don't get a penny. Mr. Bowen's land is only worth, according to the custom of the country here, $4 an acre, yet he gets $7.50 for a part of it and still gets half of the crop that the tenant makes on the same land. While the tenant farmers take the reduction in acreage, the Government collects processing taxes on his cotton, he also pays increased prices for everything that he buys and all he gets back from the Government is half of the little parity. I could mention several other cases like Mr. Bowen, but it will take too much of your time. I also wish to state that the meetings were called and presided over by these same county agents and committeemen, and the resolutions that were carried to Washington by them were drawn in the office by these same men a week in advance of the meetings what we farmers were going to do. Endorsing the A. A. A., and I don't blame such men as Mr. Bowen and others in that class for favoring it, neither do I blame these men who are drawing a good salary out of the Government to favor it. If they will put me on the pay roll, I will favor it also. But I would like to inform Mr. Roosevelt that I wouldn't lie not even to get to be President of these United States.

Now, Mr. HASTINGS, you can use this letter and contract any way you see fit, also use my name if you like.

I am, sincerely yours,

W. B. LEVERETT, *Chula, Ga.*

I now read a letter coming from New Iberia, La.:

At a meeting that was held at New Iberia, La., county seat of Iberia Parish, by the farmers, which was called by Congressman MONTET, he made a political speech and praised Roosevelt and A. A. A. control. He asked for volunteers to go to Washington and help the A. A. A. get more power and control.

There were only three volunteers, one a railroad representative, another under the employment of the A. A. A. and has his daughter and son-in-law working in that office. The other party is not a farmer.

All through Congressman MONTET's speech he praised and spoke in favor of A. A. A. control program. The audience was not at all enthused; in fact, they are all afraid of it, but they do not express their views as they are intimidated by no-crop finances or fear of greater crop-reduction allotment. It is a fact that some rice farmers are being cut 25 percent of their 5-year average and others are being cut as high as 46 percent of their 5-year average.

We all are in hopes that you good Senators will have enough support to defeat these radical bills that the A. A. A. is trying to put through.

I have been a successful farmer for 35 years, even though I have gone through several depressions. The fight was not as great as Henry A. Wallace and the A. A. A. is trying to put on us.

I read an extract from a letter coming from Dadeville, Ala., as follows:

And in regard to the A. A. A. so-called "farm help-nothing outfit", the delegation who invaded Washington pretending it was to help the poor farmers from this section were men who are and have been receiving a good salary from the Government. They called a farm meeting, and not over 10 or 12 men from this section went, and donated the money to pay expenses of this lollypop sucker to come to Washington to ask for more lollypop laws.

The following letter came from Fairview, Okla.:

I am enclosing a clipping from a local daily that will give you some information that you may be able to use. In the first place, that delegation didn't represent the majority of farmers and wasn't planned by the farmers or with their knowledge. I don't think 10 percent of the farmers of this county knew a thing about it and not many more yet.

Milo Reno said it was the bird-dog gang that went to Washington (bird dog is a natural setter, you know), or the swivel-chair farmers. He is mistaken, however. That bunch was real farmers, all right, but each delegate was hand-picked by the county agent or some of that crowd. I am one of the community cotton committeemen. The county agent drove to my farm on Friday—they started to Washington on Sunday—and asked what I thought of the plan, but mostly to get me to donate 1 day's work as committeeman to expenses of delegates. I told him I didn't like to pay for something I thought would do more harm than good, and would give Congress and the President the idea we were 100 percent for the A. A. A. He said that wasn't the intention. They would only ask for the processing tax to be retained until we could get the farm program adjusted satisfactorily, as he wasn't satisfied as it was and knew not very many farmers were. You know what happened; they turned out to be a lot of rubber stamps led by picked and instructed leaders that were more interested in a free trip to the Capital than they were in the triple A. I feel we farmers have been double-crossed. It has gone all over the United States the farmers are 100 percent back of the farm program when nothing is further from the truth. There are only two classes satisfied—one is the bird-dog bunch who draw a steady salary for doing very little, and the wheat bottom or corn hog who draw benefit payments up in the thousands. There is one man in our county (there may be many more), vice president of a bank, owns several business buildings, has several farms, struck oil on one farm this spring, was offered $50,000 for it and turned it down, is reported to be worth $100,000. I am confident he draws benefit payment on hogs, wheat, and cotton. Don't know how much, but possibly more than any man in the county, and there are hundreds who receive up in the thousands, while lots of poor people can't sell even one bale of cotton, so have to go on the relief roll, and the pauper on the street is taxed on the bread he eats and the overalls and shirt he wears to pay those farm hogs. That may be the "new deal", but it lacks a thousand miles of being a square deal.

I think if you press your resolution, you will find those delegates were financed mostly by those drawing a salary under the A. A. A. set-up. They have been nervous for some time. They were all voluntary so far as I know, but it came indirectly out of the processing-tax fund. Our local chamber of commerce took care of the balance if there wasn't enough donations.

There might be some excuse for a processing tax if it was distributed so as to raise the buying power of the majority of farmers; but thousands to some and nothing to others puts the farmers as a whole in a worse condition than they were and will finally collapse by its own unfairness.

Very truly yours,

GEORGE W. THOMPSON,
Chester Star Route.

Mr. President, on May 17, following the suggestion made by the Senator from Texas, I concluded to write a letter to the Secretary of Agriculture, in which I enclosed a copy of my resolution and propounded 16 questions. In the last paragraph of that letter I said:

My dear Mr. Secretary, I hope you will not consider these questions as impertinent. From my point of view, they touch very directly the public interest. I am asking them in good faith. I realize, of course, that you may ignore them if you like, but Senator CONNALLY tried to make the Senate and the country believe that I might get this information from you in this way. I should be glad to have your reply as soon as you can find it convenient.

When I suggested to the Senate yesterday that I would address the Senate upon this subject this morning I had not received the reply from the Secretary of Agriculture and only received it 10 or 15 minutes before I began my address.

I will not take the time of the Senate to read my letter and the reply of the Secretary of Agriculture, but, if the Senate will permit me, I should like to have consent to print as part of my remarks the letter in full which I directed to the Secretary and his reply in full; but, without the exhibits, which I have not read, and which some other Senator may

put in the RECORD, if he cares to do so. I ask permission to insert in the RECORD at the end of my remarks the letters to which I have referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits A and B at the conclusion of Mr. HASTINGS' remarks.)

Mr. HASTINGS. Mr. President, so far as I have been able to consider it, I am inclined to think that the letter of the Secretary of Agriculture is frank, and I have no doubt that he gives me all the information he has. My recollection is that in the letter he promises to give me such other information as may come to him.

I have, however, accomplished the principal object I had in view by offering the resolution in the Senate, having it printed in the public press, and having received the replies which I have read into the RECORD.

I still insist that it is important; I still insist that we ought to adopt the resolution; though if a majority does not want it done they will undoubtedly see that it is not adopted.

I agree with the Senator from Arkansas [Mr. ROBINSON] that every farmer in the Nation has a right to come to Washington when he wants to do so; that he has a right not only to see his own Senator, but a right to see every other Senator who is willing to talk to him. He has the right to solicit funds to pay his way here. He has the right to stay here at the expense of those who are willing to send him here for any legitimate purpose. No one questions those rights. They are American rights which attach to the American farmer, the American laborer, the American manufacturer, and every other person who is interested in legislation. I am not complaining about anything of that kind. I am not complaining about the farmer being interested in legislation for himself.

What I am complaining about is the employees of the A. A. A. using their power to coerce farmers to agree to send delegates and pay their way here—for what purpose? For the purpose of putting on a show, for the purpose of giving the President of the United States an opportunity to tell them how much he has done for them; and, at the same time, for another purpose, namely, to impress upon the Congress that we dare not do something which is against the will of a group which voluntarily comes here under such circumstances. That is the matter about which I am complaining. It is unfair; it is undemocratic. The most undemocratic feature of it was the President of the United States welcoming them with open arms and making to them a speech which they could take back home, and which, to my mind, under all the circumstances, was not fair to American citizens anywhere.

It is that to which I object. It is that precedent which, if followed in the future, will make trouble for the country in more ways than one. There can be no doubt about it. Does anyone think that, unless the President had agreed that the A. A. A. processing tax should be continued, he would have welcomed these farmers under any such conditions? No, no!

I should not be surprised if within a week we do not have the soldiers of the Nation marching upon Washington and, with their representatives, calling upon the President of the United States to go out upon the back porch of the White House and greet them on the White House lawn. I should not be surprised if we do not have coming here the representatives of 5,000,000 people who are opposed to the holding company bill, and those representatives going to the President and saying to him, "You have given the farmers a chance. You have told them what you did for them. You have given the representatives of the N. R. A. a chance, perhaps, to hear what you have to say to them. Knowing that, we beg of you to let us present our case to you and let us see if we cannot have some influence upon you and upon the Congress by coming to Washington in this great group."

It is said sarcastically that the Senator from Delaware did not inquire about who paid the expenses of the United States Chamber of Commerce. How ridiculous it is to make such a suggestion. The United States Chamber of Commerce meets in Washington annually and is composed of people who are selected to come here. It is not an unusual thing. They were not greeted at the White House. No; they were not even given the privilege of hearing the President at all on that occasion, although it had been in the past the practice of the President to speak to them, but not on this occasion. Why? Because the President of the United States knew the United States Chamber of Commerce was going to adopt a resolution condemning some of the things the administration had done. He cannot go any place where anybody is to condemn him. He wants to be surrounded by a crowd who will praise and applaud what he does. He knew the farmers would do that. There were many in that group who were representatives of the A. A. A. and who were on the pay roll, that pay roll being provided by the poor farmers who were afraid not to send the man the county agent selected.

That is the miserable situation about which I complain. The correspondence shows that the county agent selects the county committee and the community committee, although he makes the farmer believe that the farmer himself does it. He selects the community committeemen and they have the farmer's life right in their hands. The letters which I have read from farmers beg me not to disclose the identity of the writers, because they know that if their identity should be disclosed they would have the county agent and the community committeeman standing over them and denying them their right to aid when they are almost starving to death.

No; the Senator from Arkansas sees no reason why the Senator from Delaware should complain if these people want to come to Washington to be heard. He said there are paid lobbyists who come right into our very offices, so why should not the farmer be permitted to come here and have his say?

The Senator from Texas [Mr. CONNALLY] made fun of me after I had finished my speech the other day. I give way to him now to let him answer this correspondence which I have read into the RECORD. I am sure if he sticks to the facts he will have much difficulty getting that job done.

EXHIBIT A

UNITED STATES SENATE,
Washington, D. C., May 17, 1935.

SECRETARY OF AGRICULTURE,
Department of Agriculture, Washington, D. C.

MY DEAR MR. SECRETARY: I enclose herewith a copy of a resolution, introduced by me in the Senate on May 15, requesting that you furnish to the Senate certain information, touching the gathering of some three or four thousand farmers in the city of Washington in the early part of this week.

The resolution is still pending in the Senate. On the day I introduced it Senator CONNALLY, of Texas, made certain observations with respect to it. He complained because I had introduced the resolution instead of calling you by telephone and asking you personally to furnish me with the desired information. I was following the long-established precedent when I introduced the resolution. Both Senator CONNALLY and Senator LEWIS thought that the resolution was a reflection upon you, Senator CONNALLY going so far as to suggest that there was intimation in it that you had approved of an improper use of Federal money. I think you will agree with me that a careful reading of the resolution will show that there is no such suggestion contained in it.

The gathering of so large a number of persons, all of whom claimed to be farmers, in Washington at one time is something that had never happened before. The fact that they came in the middle of May, about the busiest time for the real farmer, also adds to the unusual event.

There has been much complaint in various parts of the country with respect to the processing tax, which is levied by your Department for the benefit of the farmer. This is done under the Agricultural Adjustment Act. A large sum of money has been collected and distributed; the amount not being far short of a billion dollars. Legislation is pending in the Congress to amend the Agricultural Adjustment Act, and both you and the President have been urged to do something that will relieve persons paying such tax.

On Tuesday last, while these farmers were here, they congregated on the White House grounds and were addressed by the President, and the language used by the President in describing those who had criticized the farm program was, to my mind, intemperate, to say the least.

I recite the above facts to show that I think the public generally were justified in reaching the conclusion that these things did not happen by chance, and that there must have been some directing head that brought this many farmers from several States to Washington at one time.

In the resolution, which I introduced, I accused nobody of anything. I sought information and I am addressing this letter

to you to see whether you are willing to give me the information sought in this resolution without further effort on my part.

I am therefore propounding the following questions to you:

1. What was your first knowledge of the contemplated trip of these farmers to Washington, and if you passed the information to the President, when was that done?

If you did not personally know about it, who was it in your Department who did have sufficient knowledge of it to pass the information to the President, and what day did such person notify the President?

2. Do you or does anybody in your Department know how many county agents were present; and, if so, will you give me their names and the counties from which they came?

3. Do you or does anybody in your Department know how many crop-control officials there were in this group?

Can you give the names of such persons and from where they came?

4. Were there any other agriculture officials or employees in this group; and, if so, what were their positions, and how many were there?

5. Do you know who instructed Mr. Foster, of the A. A. A., to check up on the delegation?

Do you know who instructed Mr. Foster to take charge of the tenth floor of the Raleigh Hotel that was reserved for the accommodations of some of the group?

Do you know how many women employed by the A. A. A. were delegated to assist Mr. Foster at the Raleigh Hotel?

6. I assume it will not be denied that the county agents and the crop-control officials had much to do with the sending of this delegation to Washington. Do you know who in your Department approved of any such activities on the part of such officials?

7. Is it not a fact that such county agents and crop-control officials had the approval of officials in your Department when they issued calls for meetings, at which delegates were selected to come to Washington at this particular time?

8. Did anybody in your Department arrange in advance for hotel accommodations for the stay of these farmers in Washington?

9. Did anybody in your Department have anything to do with the arrangement for the rental of Constitution Hall, such as assurance that the person hiring the hall was good for the payment of the rent?

10. Is it not a fact that the county agents or the crop-control officials issued the credentials necessary before a person could be admitted to the Constitution Hall meeting?

11. Was there a registered list of the delegates who attended the meetings, and does this list show the States represented, and does this list show how many of them were county agents, extension directors, crop-control officials, or other employees of the Department of Agriculture or any other Government agency?

12. Do you know whether this delegation came to Washington for the purpose of influencing the Congress in legislation now pending before it, pertaining to farmers?

13. Do you know whether this delegation came to Washington for the purpose of impressing upon the Congress the importance of maintaining the processing tax?

14. Do you know whether any of the group of farmers that came to Washington were persons who had not received money from the Federal Government under the crop-control program?

15. Do you know whether any, and if any, how many, farmers paid their own expenses on this trip; and if they did not pay their own expenses, who did pay them?

16. If there were farmers who paid their own expenses to make this trip to Washington, do you not think that they had been imposed upon by county agents, or other officials who made them believe that such a trip was necessary to protect their own interests?

Lastly, do you agree that it is a proper course to pursue to encourage groups of people, interested in legislation, to appear in Washington where the Congress is considering legislation affecting them and have them greeted by the President on the White House grounds?

My dear Mr. Secretary, I hope you will not consider these questions as impertinent. From my point of view, they touch very directly the public interest. I am asking them in good faith. I realize, of course, that you may ignore them if you like, but Senator CONNALLY tried to make the Senate and the country believe that I might get this information from you in this way.

I should be glad to have your reply as soon as you can find it convenient.

With highest regards, I beg to remain,

Very truly yours,

DANIEL O. HASTINGS.

EXHIBIT B

DEPARTMENT OF AGRICULTURE,
Washington, May 24, 1935.

Hon. DANIEL O. HASTINGS,
United States Senate.

DEAR SENATOR HASTINGS: This is in reply to your letter of May 17 in which you ask a series of questions concerning the gathering of farmers in Washington on May 14. Several days have been required to assemble the information, because some of it was not in our possession when your letter reached the Department.

A good many of your inquiries were covered in a letter from Chester C. Davis, Administrator of the Agricultural Adjustment Act, to Senator JOSEPH T. ROBINSON. In that letter, which was dated May 16, Mr. Davis correctly stated the Department's attitude toward the farmers' meeting. Mr. Davis said:

"The attitude of the Agricultural Adjustment Administration is and has been that the right of the farmers to come to Washington was not open to question and that this right is the right of petition established in the Constitution for all American citizens without discrimination.

"The Adjustment Administration therefore has considered it to be wholly and exclusively the right and responsibility of the farmers themselves to decide and act without being influenced. This right and this responsibility have been respected by the Adjustment Administration and its personnel.

"The Agricultural Adjustment Administration has not sponsored nor financed, nor permitted its agents to sponsor, nor permitted county production control association funds to be used to finance the farmers' visit to Washington. On the other hand, the Adjustment Administration has never denied the right of farmers to visit their Capital, has not attempted to discourage them from doing so, and upon their arrival in Washington welcomed them and rendered to them assistance requested by them when we could give it."

A copy of Mr. Davis' letter to Senator ROBINSON is attached hereto.

In view of published accusations that the farmers' meeting was "bought and paid for" by the Government, and in view of similar statement which have been made, the Department of Agriculture instituted inquiries and is pleased to supply you with the results.

The implication of some of these accusations is that the Federal Government sponsored the farmers' visit to Washington through the State extension organizations and their county agents. This apparently arises from a misunderstanding of the relationship between the United States Department of Agriculture and the county agents. The county agents are not directly responsible to Washington, but to the State directors of extension, who are employed by the State colleges of agriculture and whose appointment is subject to approval of the Secretary of Agriculture. Funds for operating the State extension organizations are supplied partly by the States and partly by the Federal Government. The State director of extension, while he coordinates the work of his staff with the United States Department of Agriculture, is primarily an officer of the State college of agriculture. The county agents are appointed by the State directors of extension, usually with the approval of local groups, and they are paid in part from county or local funds and in part from State and Federal funds. Thus the county agents, while they operate to some extent under instructions from their State director of extension, are primarily responsive to the wishes and needs of the farmers of their own county.

We telegraphed State extension directors in States sending delegates of farmers. We inquired whether: (1) State extension funds were used to finance the trip, (2) whether the State extension officers participated in organizing farmers, or whether instructions were given to county agents to participate, (3) whether county agents called meetings of farmers to organize the trip, and (4) to advise us as to the number of county agents who accompanied the farmers to Washington.

All State extension directors answering to date have replied that no extension funds were used to finance farmers, farmer committeemen, or county agents in making the trip, but that the farmers raised the money among themselves or from contributions by local business men and other friends in their communities. No extension director has reported that his office gave instructions to county agents to promote the visit. As indicated above, the county agents regard themselves as servants of the farmers in the counties, and apparently in many instances were urged by the farmers to make the trip at the farmers' expense. But in spite of that situation, out of more than 1,300 county agents in the country, the 30 States reporting thus far indicate that there were less than 100 county agents from these States in the crowd of about 4,500 farmers who came here. The total of less than 100 does not, however, include county agents from Texas, which sent one of the largest delegations of farmers, and a few other States which have not yet reported. The reports are still coming in and will be sent to you later. The Department of Agriculture, having no direct supervision over the county agents, did not and could not forbid these county agents to make the trip to Washington.

I have received many letters from farmers protesting against accusations that their way to Washington was paid by the Government. From one Texas county—Anderson County—I received a list of about 200 individual donations ranging from 10 cents to $6 made by farmers and farmers' wives. They raised $149.44. Six farmers came from this county. One paid all his own expenses. The others accepted the $149.44, used it so far as it would reach, and then paid the rest out of their own pockets.

I have received another similar list from Claiborne County, Miss. This shows 86 donations, ranging from 5 cents to $5, and totaling $94.35. This money was used to pay part of the expenses of two delegates from that county.

Copies of these two lists and a number of letters from farmers who participated in the meeting are attached.

After the farmers got here Mr. Davis and I did what we could to welcome them and help them. Their leader, Mr. Clifford H. Day, a farmer of Plainview, Tex., appealed to us for help. He and his associates knew very little about the city. They did not know how so many farmers could be accommodated, and we placed them in touch with the Washington Board of Trade, which cooperated splendidly in helping arrange facilities. It developed that many

more farmers were coming from several States than Mr. Day had expected. It was suddenly disclosed that the Federal Auditorium, in the Labor-Interstate Commerce Building, which had been engaged for Mr. Day through efforts of the Texas delegation in Congress, would not be large enough to hold the crowd. In the emergency the Department then did what it could to help the farmers find a larger hall. With our assistance, Constitution Hall was engaged by the farmers committee. While Administrator Davis and I were on the platform there Tuesday forenoon, the farmers' chairman announced that a collection would be taken up at the door to pay for the use of the building. In the afternoon the farmers' chairman announced that the funds collected at the door were insufficient and hats were passed by the farmers in attendance to get the balance. A subordinate employee of the Agricultural Adjustment Administration from Alabama, I have since been told, assisted his farmer friends by personally sharing responsibility with the farmers for the rent of the hall, and later advanced the $250 needed for the afternoon session, being reimbursed from the funds collected by the farmers.

The answers to your detailed questions follow:

Question no. 1: What was your first knowledge of the contemplated trip of these farmers to Washington, and if you passed the information to the President, when was that done? If you did not personally know about it, who was it in your Department who did have sufficient knowledge of it to pass the information to the President, and what day did such person notify the President?

My first knowledge of the contemplated trip came to me in a newspaper story from Texas. I believe this was published by the Associated Press about April 17. I did not inform the President about this for the reason that the information was not direct, and was somewhat indefinite. It did not forecast any such general gathering as finally took place. At some later date Edward O'Neal, president of the American Farm Bureau Federation, telephoned me that some farmers were coming from Alabama, his home State. He requested that I get an appointment for them with the President. I communicated with the White House, and was informed that the President would be glad to receive an Alabama delegation.

The Department still did not have any authentic and direct information that a general meeting of farmers was being arranged.

On May 11, between trains at Monroe, La., I heard from the Missouri Pacific station agent that other farmers were going to Washington. That was my first knowledge that Louisiana farmers were planning to visit the Capital.

I met Representative JOHN H. SANDLIN, of Louisiana, at Alexandria. Representative SANDLIN then suggested to me that if a large delegation of farmers came to Washington they would be greatly disappointed if they did not see the President. After talking with Mr. SANDLIN I telegraphed Secretary Marvin McIntyre at the White House, requesting an appointment for May 13. We intended at our meeting with the President on May 13 to ask him to meet the farmers. After I returned from Louisiana several Members of both Houses of Congress, including members of the Texas congressional delegation, either communicated directly with the President or asked Administrator Davis and myself to request the President to meet the farmers and speak to them. At noon on Monday, May 13, I asked the President if he would meet the farmers, and he agreed if they would go to the White House.

Question no. 2: Do you or does anybody in your Department know how many county agents were present; and if so, will you give me their names and the counties from which they came?

Through Dr. C. W. Warburton, Director of Extension Work, the Department has requested complete information as to the number and identity of county agents attending the farmers' meeting. Attached hereto are copies of the telegram requesting this information and of the replies. These telegrams report less than 100 county agents as being in the crowd of farmer visitors.

Question no. 3: Do you or does anybody in your Department know how many crop-control officials there were in this group? Can you give the names of such persons and from where they came?

The "crop-control officials" to whom you refer evidently are community and county committeemen of the production-control associations. These are not Government officials, but are farmers elected by farmers and their compensation for per diem work is fixed by the farmers. They are responsible to their own farmer constituents and, except for routine matters of auditing and the like, we do not attempt to keep track of their activities. We do not have any list of county or community committeemen who attended the meeting. The telegram from the assistant director of extension of Missouri states that Charles E. Rohde, a member of the State allotment board charged with enforcement of the Bankhead Act in Missouri, was in the group. He did not come at Federal expense.

Question no. 4: Were there any other agricultural officials or employees in this group, and if so, what were their positions, and how many were there?

The county and community committeemen referred to in the answer to question 3 are in no sense Federal employees.

At the request of Mr. Day, Administrator Chester C. Davis and myself both addressed the farmers. Administrator Davis introduced a dozen or more of the staff of the Agricultural Adjustment Administration to the meeting Tuesday afternoon. In Washington on official business at the time of the meeting and perhaps present at some of the sessions, as indicated by the attached telegrams, were several State extension officials.

Instructions were issued to employees of the Agricultural Adjustment Administration that no travel authorization would be issued at Government expense for anyone to attend the farmers' meeting and that Federal funds and funds of the county production control associations were not be used to finance attendance or any other expenses in connection with the meeting. This is shown in detail in the correspondence which Administrator Davis sent to Senator ROBINSON May 16. The fact that extension funds were not used by county agents or State extension services to finance the meeting is reiterated over and over in the attached telegrams from the State extension directors.

Question no. 5: Do you know who instructed Mr. Foster, of the Agricultural Adjustment Administration, to check up on the delegation? Do you know who instructed Mr. Foster to take charge of the tenth floor of the Raleigh Hotel that was reserved for the accomodation of some of the group? Do you know how many women, employed by the Agricultural Adjustment Administration, were delegated to assist Mr. Foster at the Raleigh Hotel?

We do not know of any "Mr. Foster" connected with the Agricultural Adjustment Administration who had anything to do with reserving accommodations or in any other way assisting the farmers in making their arrangements at the Raleigh Hotel. It is possible that you have in mind one of the railroad agents or some hotel employee.

At the request of Mr. Clifford H. Day, cotton farmer of Plainview, Tex., chairman of the farmers' arrangements committee, the Agricultural Adjustment Administration did do what it could to help the farmers make their arrangements. Mr. Frank Brown, assistant to Mr. Davis, was assigned to aid Mr. Day. Two stenographers were kept on duty most of the time. The stenographers worked only for short periods when they could be absent from the office without interfering with their duties, so that in all 10 girls supplied clerical assistance at one time or another.

Question no. 6: I assume it will not be denied that the county agents and the crop-control officials had much to do with the sending of this delegation to Washington. Do you know who in your Department approved of any such activities on the part of such officials?

All our information shows that the farmers' meeting in Washington was sponsored and financed by the farmers themselves and their neighbors. The production-control committeemen are, as I have pointed out, farmers who are chosen by farmers. I do not regard it as the Department's function to tell the farmers whether they should or should not visit their Capital. For that reason, no census has been made or will be made to determine what or how many officials in the Department of Agriculture approved or disapproved of what the farmers did.

As for the county agents, since the Department of Agriculture does not give them orders as to how they shall spend their time, there was no occasion to approve or disapprove their coming to Washington, provided they did not come at Government expense.

Question no. 7: Is it not a fact that such county agents and crop-control officials had the approval of officials of your Department when they issued calls for meetings, at which delegates were selected to come to Washington at this particular time?

No; this is not a fact. The Department neither approved nor disapproved of meetings called by county agents or local committeemen for the purpose of discussing a trip to Washington. The attached telegrams indicate that in only two States reporting did any county agents call any such meetings, and in these instances their action was taken at the request of their farmer constituents, and not with the approval of Department of Agriculture officials. As for "crop-control officials", I have repeatedly pointed out, and I point out again, that production-association committeemen are farmers, chosen by farmers.

Question no. 8: Did anybody in your Department arrange in advance for hotel accommodations for the stay of these farmers in Washington?

Arrangements were made through the Washington Board of Trade, room 204, Star Building, to serve as a clearing house for hotel and rooming-house accommodations for the visiting farmers. We assisted Mr. Day in getting the Board of Trade to make these arrangements.

In one instance, a representative of the Extension Service of the Department of Agriculture did make a hotel reservation for the South Dakota farmers. This was in response to a telegraphic request from Extension Director Eberle, of South Dakota, who was not a member of his State delegation. I assume that some of the farmers who were coming to Washington requested Director Eberle to send this telegram, and it was done as a courtesy to them.

Question no. 9: Did anybody in your Department have anything to do with the arrangement for the rental of Constitution Hall, such as assurance that the person hiring the hall was good for the payment of the rent?

An explanation of the part played by Department of Agriculture employees in arranging for a hall is contained in the introductory portion of this letter.

Question no. 10: Is it not a fact that the county agents, or the crop-control officials, issued the credentials necessary before a person could be admitted to the Constitution Hall meeting?

Your inquiries as to the methods of identification used as a precaution to guard against entrance by outsiders who might create a disturbance should be addressed to Mr. Clifford H. Day, Plainview, Tex.

Question no. 11: Was there a registered list of the delegates who attended the meetings, and does this list show the States represented, and does this list show how many of them were county agents, extension directors, crop-control officials, or other employees of the Department of Agriculture, or any other Government agency?

There was not, so far as I know, any registered list of delegates. For the identity of county agents who were in the crowd of approximately 4,500 farmers see the attached list of telegrams.

Question no. 12: Do you know whether this delegation came to Washington for the purpose of influencing the Congress in legislation now pending before it, pertaining to farmers?

C. H. Matthews, secretary of the Texas advisory committee, and in charge of arrangements for the Texas delegation, in a statement issued on the train bound for Washington defined the purpose of the farmers in coming to Washington as follows:

"The specific and definite purpose (of the visit) is to appropriately express appreciation collectively to Congress and the administration for the recognition given to agriculture by means of the Agricultural Adjustment Administration and its programs. In doing this we give encouragement and support to Congress and the administration in their resistance to the gigantic organized effort on the part of processors and handlers of farm commodities to disrupt the adjustment programs by destroying or interfering with any of the processing taxes."

Question no. 13: Do you know whether this delegation came to Washington for the purpose of impressing upon the Congress the importance of maintaining the processing tax?

See the foregoing statement by Mr. Matthews.

Question no. 14: Do you know whether any of the group of farmers that came to Washington were persons who had not received money from the Federal Government under the crop-control program?

I think all of the farmers in the meeting had been benefited, either directly or indirectly, by operations made possible by Congress under the Adjustment Act. I doubt whether you could find any farmers in the United States who are not better off because of these operations.

I believe that since more than 3,000,000 farmers are signers of production-adjustment contracts with the Agricultural Adjustment Administration, and since thousands of other farmers are benefiting from marketing agreements and licenses, it is reasonable to suppose that virtually the entire gathering was composed of farmers participating in the adjustment program. Many farmers told me personally that this was the main point of their meeting here. They wished to thank the Government for what had been done directly to help them through the adjustment program.

Question no. 15: Do you know whether any, and if any, how many, farmers paid their own expenses on this trip; and if they did not pay their own expenses, who did pay them?

To the best of my knowledge and belief all of the expenses of the trip to and from Washington and the meeting here were paid by the farmers or business men and other friends in their local communities. I have been informed by the farmers themselves, by many letters and by responses to official inquiries, that the farmers who were financially able paid their own way and those who were not were financed by collections taken up in the community.

Question no. 16: If there were farmers who paid their own expenses to make this trip to Washington, do you not think that they had been imposed upon by county agents or other officials who made them believe that such a trip was necessary to protect their own interests?

As you know, efforts were being made by strong and directly interested processor groups to abolish the processing taxes, which, to my mind, may properly be called "the farmer's tariff." As you also know, these processor groups for many years have maintained strong lobbies in Washington. To my mind, there is nothing reprehensible in farmers making their voices heard in their Capital along with that of the processor lobbies.

If the farmers believed it was necessary to make a trip to Washington to protect their interests, it was not because they were imposed upon by Government officials, but because of their knowledge that their production-adjustment program had been placed in jeopardy by the forces I have just described.

Final question (not numbered): Lastly, do you agree that it is a proper course to pursue to encourage groups of people interested in legislation to appear in Washington, where the Congress is considering legislation affecting them, and have them greeted by the President on the White House grounds?

If you refer to encouragement of such groups by executive departments of the Government, I agree that it is not a proper course. The action taken by Administrator Davis prior to the gathering, as described in his letter to Senator ROBINSON, shows that this particular group was neither encouraged nor discouraged by the Agricultural Adjustment Administration.

If you refer to encouragement by others, then I wish to point out that for many years groups of various kinds have been appearing in Washington with a view to influencing legislation. Surely the farmers have that same right. And surely they should not be censored for meeting on the White House grounds, in the open, where all could see them, rather than bringing their influence to bear in secret places.

As for the propriety of the President's greeting to the farmers, my personal view is that I see no reason why he should not receive a group which had come to express its appreciation of his efforts to help them attain economic justice.

The information in this letter necessarily is limited to what we have been able to find out through facilities of the Department of Agriculture. If you wish additional details, I would refer you to Mr. Day and to the various railroad officials who, I am informed, played a prominent part in helping with the arrangements.

The attached enclosures are in the following order:

(1) Administrator Davis' letter to Senator ROBINSON.

(2) Two lists of farmers and others donating toward delegates' expenses.

(3) Copy of the telegram from Dr. C. W. Warburton to State extension directors.

(4) Copies of replies thus far received.

(5) Letters protesting against the accusations that the Government sponsored or financed the farmers' visit to Washington.

Sincerely yours,

H. A. WALLACE, *Secretary.*

Mr. CONNALLY. Mr. President, I hope the Senator from Delaware will not depart. I notice that he is about to leave the Chamber. I have been here more than 3 hours listening to him.

Mr. HASTINGS. I appreciate that, but I have to get a bite to eat. [Laughter.]

Mr. CONNALLY. I have been here listening to the Senator from Delaware 3 hours and have not had anything to eat.

Mr. HASTINGS. The Senator from Texas has my sympathy. [Laughter.]

Mr. CONNALLY. Mr. President, the Senator from Delaware [Mr. HASTINGS], after great preparation, announced in the open Senate yesterday that he would address the Senate today, and invited the junior Senator from Texas to be present.

I am delighted to see that the Senator from Delaware now has returned to the Chamber. The Senator from Delaware spent almost 3½ hours of the Senate's time in denouncing the representatives of the farmers who came to Washington some 10 days ago; and after detaining the Senate for that length of time he left the Chamber hastily to consume some of the farmers' products down in the restaurant. I am glad the farmers were able in that way at least to contribute to the physical comfort of the Senator from Delaware, even if they do arouse a great disturbance in his mental processes.

Mr. President, some years ago there swept over the country a great rage of marathon dancers, marathon dance contests, in which the participants would seek to outdure competitors by dancing all night or all day. Then there followed a rage of marathon tree sitters, individuals who would climb up trees and see who could sit in the trees the longest. We had other kinds of marathon contests; but I believe the Senator from Delaware will justly go down in senatorial history as the marathon letter reader of all time. He spent nearly the entire 3½ hours of the Senate's time in reading letters from all parts of the Union, not pertinent to the issue which he raised here, but making a general assault upon the agricultural policies of the administration, and upon the administration itself.

All of us knew, when the Senator originally made his assault, that the farmers simply furnished the occasion for it. What the Senator from Delaware was interested in was making an attack on the administration and on the President of the United States. So, after putting nearly everybody to sleep with his letters for 3½ hours, in an impassioned burst of oratory at the conclusion of his reading of his voluminous correspondence, he then burst forth in a great explosion of candor, and said that his complaint was not because the farmers came to Washington. He was glad to have the farmers come to Washington. His complaint was not that they collected money among their neighbors and friends to pay their way here; but his complaint was that they came here and went over to the White House, and gave the President of the United States an opportunity to make a speech to them, and tell them what the administration's policies as to agriculture had been and would be.

That is the essence—the boiled-down essence, the sublimated extract—of the Senator's complaint. He is angry because the President received the farmers. I desire to say to the Senator from Delaware that I know the audience with the President was obtained only after the farmers themselves, through several agencies, asked for the privilege of visiting the White House.

Then the Senator complains and asks, "Why were not the members of the chamber of commerce received at the White House?" I dare say that the chamber of commerce

would have been received at the White House if they had asked to be received. That is one great thing about the present administration: It is democratic. It receives the representatives of chambers of commerce just as it receives the farmer. It receives them all on the same basis of equality, as citizens of a republic, citizens of a democracy. It now requires no title of industrial nobility to see the President of the United States. It requires, under the administration of Franklin D. Roosevelt, no embossed or engraved coat of arms of finance or of monopoly to gain an audience at the White House. So the Senator from Delaware grieves, he is disturbed, because the President received the farmers who came to Washington.

Mr. President, what is the issue here? The Senator from Delaware originally raised the issue that the Department of Agriculture had financed the trip of the farmers to Washington. A few days ago the junior Senator from Texas told the Senator from Delaware that if he would call up the Secretary of Agriculture he would find out the truth. The Senator from Delaware now admits on the floor of the Senate that he has a letter from the Secretary of Agriculture. He is satisfied that the Secretary did not finance the trip. He is now satisfied that the Secretary did not instigate the trip, that he did not undertake to initiate it, that he did not stimulate it; so the Senator has changed his whole front of attack. His complaint now is at the whole A. A. A. program. His charge now is against the whole agricultural policies of the administration; and what does he do? He reads letters from all over the country!

The Senator from Delaware disclaimed that his purpose the other day was to obtain publicity. Whether he desired it or not, the receipt of these letters proves that the Senator's outburst here a few days ago against the visit of the farmers did receive wide publicity.

Mr. President, in this Chamber it is not so much what is said, but it is the authority that says it; it is the source whence it comes that secures publicity and gives significance to the utterances of those who make these deliverances. So the Senator from Delaware, who is the Chairman of the Republican Senatorial Campaign Committee, speaks here not only in his individual capacity, but he speaks with all the authority and all the prestige and all the influence that goes with the exalted station of Chairman of the Republican Senatorial Campaign Committee. So we are presented here today with the situation that the Senator from Delaware, representing his party, is attacking all along the front all the agricultural policies of the present administration.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Montana?

Mr. CONNALLY. I yield.

Mr. WHEELER. Is not the Senator a little too harsh upon the Senator from Delaware? Does he not realize that the Senator from Delaware has to collect campaign funds for the next election, and that what he is now doing is laying the foundation for that activity?

Mr. CONNALLY. Let me say to the Senator from Montana that, according to the Senator from Delaware, it is wrong, it is an outrage, for a farmer to pass around the hat among his own neighbors and collect 25 cents, 50 cents, or a dollar here and there with which to pay the legitimate expense of a delegate to Washington; but I dare say, in the view of the Senator from Delaware, it is no crime to pass around a silk hat just before the senatorial elections in the fall—not among the friends and neighbors of a candidate but among powerful groups, powerful interests, who will not themselves come to Washington but who will come here through their paid emissaries, through their lobbyists, to haunt the doors of Congress and its committee rooms, asking for special favors for themselves, or asking that equality be denied to other groups or other industries.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WHEELER. I should like to call the Senator's attention to the fact that on page 4 of a minority report filed by the Senator from Delaware with reference to the public-utility bill he said:

> There is nothing in the new bill to indicate that serious attention was paid to the real objections made by the utility companies.

Mr. CONNALLY. Does the Senator from Montana mean to say that the utility companies have had delegates attending the sessions of his committee or hanging around Washington?

Mr. WHEELER. Let me say to the Senator that not only have they had their lobbyists here, not only did they appear before the committee, or were given ample opportunity to appear before the committee, but, in addition to that, they have had lobbyists here calling upon every Senator in his office, and, in addition to that, they have carried on a campaign by advertising and by letters and in every other manner, and before I get through with the discussion of the holding-company bill I will show what some of their activities have been. The Senator from Delaware is complaining because of the fact that we did not adopt all of the suggestions made by the utility lobbyists when they were in Washington.

Mr. CONNALLY. Why should the Senator from Montana complain at that? Why does the Senator from Montana complain at the conduct of the Senator from Delaware in wanting the committee to yield to the people who came here, and who have a right to come here, he says, and petition the Congress? To do what? To petition the Congress to continue their opportunities for exploiting the public through the sale of stocks and bonds in violation of blue-sky regulations. That is legitimate! That is right! They have the right of petition. But the farmers—"What are you doing here in Washington?"

The Senator from Delaware says this is spring planting time, when the farmers ought to be out in the fields working between the plow handles. But spring, and summer, and autumn, and winter are all open seasons for the paid emissaries of the special groups and interests to come to Washington. He raises no inhibition of season or of time as to those who represent his own economic views.

I thank the Senator from Montana. I read the minority views on the Public Utility Act of 1935:

> Minority views expressed by the Senator from Delaware [Mr. HASTINGS]:
> There is nothing in the new bill—

Speaking of the utility bill, I suppose.

Mr. WHEELER. Yes.

Mr. CONNALLY. He says:

> There is nothing in the new bill to indicate that serious attention was paid to the real objections made by the utility companies.

Why should not serious and real attention be paid to the utility companies? The utility companies neither live as humans, nor breathe, nor think, nor die. A utility company never stayed at home in the spring to plow between the plow handles. They do, it is true, contribute to campaign funds along about October and November. Usually they are "shaken down" by somebody for campaign contributions. But that is no crime! They are business men. They are prominent citizens. Many of them live in Delaware. But what right has a poor farmer down in Arkansas—I believe one of the Senator's correspondents signed himself "The poorest man in the South"—to come to Washington, when he ought to be out in the field plowing, so that the Senator from Delaware could procure a more luscious meal, after exhausting himself for 3 hours physically, and exhausting the rest of us in the Senate Chamber mentally? [Laughter.]

I shall not dwell longer on the utility holding companies. They are one thing; the farmers are another thing.

Mr. President, I am not going to spend much time answering the Senator from Delaware, but I do want to correct one or two misstatements. The Senator from Delaware stated that the county agents are all paid by the Federal Government. That is partly true, and it is partly untrue. The Federal Government makes an appropriation for the Agricultural Extension Service—and if I am in error, I hope the

senior Senator from South Carolina [Mr. SMITH], the Chairman of the Committee on Agriculture, will correct me. That fund is allocated to the various States through the Extension Service. Before a county agent can be employed, the State and the county must contribute funds to the employment of the county agent, which is merely supplemented by the Federal appropriation. The choice of the county agents is not in the Federal Government at all. The choice of these agents is in the respective counties which select them, with the approval, I presume, of the Extension Service.

Mr. President, the Senator from Delaware also stated—and I should like to be corrected if I am wrong—that the county agents select all of the county agricultural committees. That is not true. The fact is that the county agricultural committees are selected by the farmers themselves.

The Senator from Delaware said that the county committees were paid by the Federal Government. The county committees were paid out of the A. A. A. funds from three to four dollars a day for a very short period while they were actually engaged in adjusting the acreage contracts of the farmers in their counties. They were paid no expenses. All of their expenses had to be paid out of the three or four dollars per diem which was allotted to them, and my information is that in many cases their expenses were greater than their per diem compensation.

Those are the facts as furnished to me by the Department of Agriculture. If I am in error, I hope the Senator from South Carolina will correct me.

Mr. President, I am not responsible for all the hearsay or all the neighborhood gossip or all of the rumor reflected in the letters which the Senator from Delaware has read in the Senate. Any Senator who has a voluminous correspondence knows that if he believed and took for granted as being true everything that is contained in the correspondence that comes to his desk he would be in a mental fog 24 hours out of the day. Many of these letters do not purport to state the facts. They state what the writers believe. They say, "It is my opinion" so-and-so. "It is my belief" so-and-so. I am rather astounded that a shrewd lawyer like the Senator from Delaware, a man who has honored the bench in his State, who ought to know the value of testimony, the materiality of testimony, the unworthiness of hearsay testimony, the flimsy foundation of rumor and gossip, should stand here in the Senate and, on his responsibility as a Senator, fill the CONGRESSIONAL RECORD with such a hodge-podge as was furnished by the letters he read here.

The real issue in this case and the only issue is: Did the Department of Agriculture furnish the money and incite this trip to Washington?

The Senator from Delaware has practically admitted that his first charge was untrue. I hold in my hand a letter—and I have many of them, but I shall not weary the Senate with them—from a place in my State, Burlington, Tex. It gives a list. I suppose there are more than a hundred names of farmers in that community who contributed money to pay the way of their delegates to Washington. I am going to ask that it be incorporated in the RECORD. I will read only a few names.

This letter was written on the 16th of May. It was prompted by the Senator from Delaware. All the letters that were written in response to the outburst of the Senator from Delaware were not written to the Senator.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HASTINGS. Does the Senator's correspondent show he made a request for a contribution?

Mr. CONNALLY. This one does not.

Mr. HASTINGS. Does the letter show that?

Mr. CONNALLY. No; it does not. I will read a portion of it.

Mr. HASTINGS. The important point is, did the man who made the request for the contribution have some sort of control over the farmer which put the farmer in a position where he felt compelled to contribute or to be punished afterward?

Mr. CONNALLY. Of course not.

Mr. HASTINGS. "Of course not." That is easy to say, but difficult to prove.

Mr. CONNALLY. I will tell the Senator why.

Mr. HASTINGS. Very well.

Mr. CONNALLY. The Senator evidently is unacquainted with farming. He does not know much about farming. We do not live under a feudalistic system in our State—either an industrial feudalism or an agricultural feudalism. Who in the county would have the power to go to the farmer and coerce him into contributing 50 cents toward the payment of another farmer's expenses here to Washington?

Mr. HASTINGS. Is it true or is it not true that the county committee have control over the contract which they will make with the particular farmer? Does the Senator know whether or not that is true?

Mr. CONNALLY. The county committee does have a good deal of authority, of course, with regard to the acreage and things of that kind; but an appeal from its action is provided.

Mr. HASTINGS. To whom?

Mr. CONNALLY. To the Department of Agriculture.

Mr. HASTINGS. In Washington?

Mr. CONNALLY. Yes. To whom ought it to be made? I suppose the Senator from Delaware would expect the appeal to be made to the Department of the Interior, or to the Navy Department, or to the War Department.

Mr. HASTINGS. No. Does the Senator from Texas really think a farmer planting 10 acres of cotton in Texas can, from a practical point of view, appeal to Washington if a county agent treats him improperly?

Mr. CONNALLY. If he has an active Representative or Senator, there is no reason why he should not. I have taken up with the Department of Agriculture many small insignificant claims. They are not beneath the notice of the Senator from Texas, whatever the practice may be in Delaware.

Mr. HASTINGS. They are not beneath the notice of the Senator from Delaware. However, is it therefore admitted that in order to get justice from the Agricultural Department a farmer must go to his Senator or to his Representative?

Mr. CONNALLY. Oh, no; not at all! Some of the appeals probably ought to have been rejected. Action in other cases may have been due to errors. Let me just read two or three lines from a letter.

Mr. HASTINGS. Very well.

Mr. CONNALLY. I shall not read all of this letter. The writer says, in part:

> We, the undersigned farmers, ginners, and merchants of the Meeks, Cyclone, Zabcikville, Seaton, Stringtown, and Ratibor communities—

Not cities, not villages—just little communities. This letter comes from the county adjoining that in which I live. I know this section. I will say, however, that I had no communication with those who sent the letter. I did not write them; I did not telegraph them; I never asked them to send me any information about the matter.

> We * * * * have donated money to send our representative to Washington to thank the Government for what it has done for the farmer and what it will do for the coming year. The other thousands of representatives were paid in a similar way by their respective communities that they represent. Some of the representatives paid their own expenses, and we feel that by sending the names of the donators we can help our Senator clear some of this rumor.
>
> J. D. Roper, $1.
> W. M. Chudej, 50 cents.
> J. W. Merek, 50 cents.
> Ed. Sell, 50 cents.
> E. E. James, $1.

The concluding part of that page, consisting of three columns, and also half of the next page, contain the names and amounts. One of the donations was 10 cents:

> John Hejl, 10 cents.

Of course, the Senator from Delaware, no doubt, will sneer and no doubt will poke fun and scorn and ridicule at a farmer contributing 10 cents to help pay the expenses of a delegate to Washington; but, Mr. President, let me say to the Senator from Delaware that the gratitude and the appreciation of the farmers of America for the enactment of the farm program under the present administration have been so great

and so universal, as I have found among the farming people of my State, and as other Senators with whom I have discussed the question have found among the farmers of their States—that it is not remarkable to me, at least, that they should contribute from their scant resources these insignificant, these humble sums in order to send their representatives to Washington so as to let the Government, and the country as well, know that they have gained benefits under the Agricultural Adjustment Administration, and that they are grateful to the Government for its action.

The farmers did not come here threatening anyone. The Senator from Delaware says he expects an army here next week threatening somebody. This army of farmers, four or five thousand from all parts of the country, did not come to Washington with guns in their hands. They did not come to Washington with clubs in their hands. They came with hands knotty and gnarled, perhaps, by toil out in the fields, to thank the Government for putting into effect the agricultural program.

The other day the Senator from Delaware said the Agricultural Department had been paying farmers to do nothing. I hope he did not mean that. I know the Senator from Delaware never farmed. I can see, from his smooth features and his velvet-like hands, that he never touched the plow handle. I can tell from his well-groomed appearance that he never knew what it was to rise with the coming of the sun and toil out under a broiling sun until eventide had come. Ah, the Senator from Delaware does not understand the trials and the hardships which come to the farmer. I am not surprised that he, sitting yonder in Wilmington, looking out through crystal panes on the crowded city, where the munitions makers roll by in their Rolls-Royce automobiles, while an army of their emissaries marches forth to Washington when we have the naval bill pending before us, to assault the doors of the Treasury—I am not much surprised that one with such an environment, grown and cultured like an orchid in a hothouse [laughter in the galleries], should feel no response of sympathy to the horny-handed farmer who has the temerity to leave his fields in the springtime and come to Washington to thank a great and generous Government.

Mr. HASTINGS. Mr. President, will the Senator permit me to make an observation for the RECORD?

Mr. CONNALLY. I shall be very glad to hear from the Senator.

Mr. HASTINGS. I should like the Senator to know a fact of which I am very proud, namely, that I spent the first 18 years of my life on a farm, and performed actual farm work, and I am satisfied I know very much more about farming than does the Senator from Texas. In addition to that, I spent the first money I earned to buy a farm, and I own two farms, tenanted by two good Democrats, who have never taken a dime from the Federal Government, and who admit they have one of the best landlords in the State.

Mr. CONNALLY. Mr. President, I am not astonished by the Senator's statement. Most lands are owned by the Republicans, and most of the work on those lands is done by the Democrats. [Laughter.]

I congratulate the Senator from Delaware. The first 18 years of his life he lived on a farm. As soon as he came to the age of intellectual maturity he left the farm. He did not buy a farm until some time after he left the farm of his boyhood. After he had gone out into more remunerative occupations or professions he was then able to accumulate enough funds to go back and, for political purposes, acquire a farm in order that he might be tied back to the soil; but not since he was 18 years of age has he ever done any work on the farm. He farmed a farm until he was 18, and since that time he has farmed the farmer. [Laughter.]

I am glad to know the background of the Senator. There is all the more reason why one who has that kind of a background, who was raised on a farm until he was 18 years of age, should not now desert the farmer and hurl scorn and ridicule at him because he desires to come to Washington.

The Senator from Delaware adverted to the county contracts. The Department of Agriculture advised me that the county agent had nothing to do with the contracts. If a farmer protests a contract, the appeal is automatically transmitted to an appeal board. That is required by the Department of Agriculture.

Mr. President, I ask unanimous consent that there be printed in the RECORD at the conclusion of my remarks a letter addressed to the senior Senator from Arkansas [Mr. ROBINSON] under date of May 16, 1935, from Chester C. Davis, the Agricultural Adjustment Administrator. I also ask that there be printed in the RECORD the letter to which I referred a moment ago containing the list of contributors and the amounts of their contribution; and another list of similar character, of contributors, with the amounts of their contributions, from Anderson County, Tex.

The PRESIDING OFFICER (Mr. MALONEY in the chair.) Without objection, it is so ordered.

(See exhibits A, B, and C.)

Mr. CONNALLY. I also ask unanimous consent to have printed in the RECORD a copy of the letter sent to the Senator from Delaware [Mr. HASTINGS] by the Secretary of Agriculture. Did the Senator from Delaware have the letter from the Secretary of Agriculture printed in the RECORD?

Mr. HASTINGS. I did.

Mr. CONNALLY. Then I withdraw the request. I desired to have the letter in the RECORD.

Mr. President, I have here other material which I may at a later date request to have printed in the RECORD, because it substantiates all that has been said by the Agricultural Adjustment Administrator, Mr. Davis, in the letters to the Senator from Arkansas and the Senator from Delaware.

The Senator from Delaware made some complaint that the chamber of commerce, which came here recently, was not received at the White House. It would have been received at the White House, no doubt, had it asked to be received; but the chamber of commerce came here not in the spirit of cooperation with the administration and the President, but in a spirit of hostility. Its members came here to attack, and that is the reason why its visit was so pleasing to the Senator from Delaware. If the army of farmers had come to Washington not to express their appreciation, but to protest against the administration's policies, the Senator from Delaware never would have raised his voice in this Chamber, but would perhaps be applauding on the sidelines.

The Senator from Delaware said it is ridiculous to compare the visit of the chamber of commerce to condemn with the visit of the farmers to approve. Of course, it is ridiculous, because the chamber of commerce meets here every year, he said, and because they meet here every year he makes no complaint; but because the farmers come here once in a lifetime the Senator from Delaware is outraged.

Mr. HASTINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Delaware?

Mr. CONNALLY. Certainly.

Mr. HASTINGS. What has the Senator to say with reference to the two letters I read showing that in two instances—one in particular—money was raised for one delegate and a lawyer was picked who was not satisfactory? Then they raised money for another delegate and a banker was chosen. That happened in two instances, but one of them was in Texas. What does the Senator say of such delegates as a representative farming group?

Mr. CONNALLY. All the information I have about that is the letter which the Senator from Delaware read. I did not hear all the letters, though I tried to listen patiently. If a banker is a farmer I see no reason why he should not come to Washington in connection with the farm program, just the same as a man who is a farmer and is not a banker. If a man owns an interest in a bank, that is no reason to me why he ought to be ostracized. I am not one who is prejudiced against a man because he is a banker. Why should he not be interested? How can the banks survive, how can the industries in the city of Wilmington, Del., survive, how can the far-flung commerce and industry of the United States survive, unless agriculture, the foundation of all our

prosperity and advancement, survives and prospers? Forsooth, if a banker is willing for the moment, we will say, to sacrifice his own selfish interests, and is willing to come to Washington to advance an agricultural program, why should he be pointed to with scorn because he does not happen to be an actual dirt farmer out on the farm?

Mr. President, we welcome any man in favor of the advancement of agriculture, whether he be a dirt farmer, a banker, a financier, or a Senator from Delaware. We welcome all of them. There is nothing inconsistent with one of those delegates having been a banker. I am surprised that the Senator from Delaware should throw odium on a man simply because he happens to be a banker.

Mr. President, what is the trouble with the situation? There is a large element in America which wants to get rid of the processing tax. There was a drive made on Washington not long ago from New England. I have no prejudice against New England because it is New England. I am an American. I love every portion of this Republic. I claim to be an inheritor of the glories not alone of those who landed in Virginia and settled the Old Dominion, but of those who landed in Massachusetts. I claim a right to the glories of the fathers of the country no matter where they live. My direct ancestor was a soldier in the Revolutionary Army. I am not referring to New England in any narrow or provincial or prejudiced fashion.

But delegates came here from New England, from Georgia, from North Carolina, representing the milling interests, demanding that the Government remove the processing tax and go back to the old system under which the farmer operated. Was there any complaint from the Senator from Delaware when those emissaries of the milling interests wanted the processing tax removed? I did not hear his clarion voice ring out in this Chamber demanding to know who paid the expenses of the milling interests who wanted to have the processing tax repealed. The Senator from Delaware reserved his thunders, held his fire, marshaled his heavy artillery for the little band of farmers who came, not to demand favors, but to thank a great and generous government.

Why was it desired to have processing tax repealed? We were told that unless we removed the processing tax Japan would flood our markets. Then it was shown that Japan exported to the United States less than 1 percent, less than one-hundredth part, of the cotton production of the United States. Prosperity under a successful farm program depends upon the retention of the processing tax. It is the only way in which the farmer can get back some of the bounty which he has been paying throughout the years to the specially protected and favored industrial interests of America.

The fight on the A. A. A., the fight on the farmers coming to Washington, the insinuation, the accusation, the suspicion about them coming here and who influenced them to come, and the charges about the measly, pitiful little sums which were collected to pay their expenses, all have their origin in the movement to do away with the processing tax and to turn agriculture back into the ruin and chaos through which it staggered for the 12 years preceding the present administration. There, and there alone, is the source of this attack.

I happen to know that some of the letters which were read by the Senator from Delaware were written by interests who are opposed to the A. A. A., because they claim it interferes with their former privileges and their former business opportunities.

Mr. President, I shall consume no more of the time of the Senate. It has been proven beyond any question of doubt that the Department of Agriculture did not finance the farmers' trip to Washington. It has been demonstrated that the expenses were paid by local collections and local assessments. Now, the Senator from Delaware, when driven from these two positions, falls back on a general attack on the whole farm program. That was his objective in the beginning. That was the design of all his strategy and all his grand tactics. They had for a final objective the destruction of the farm program and an attack on the President of the United States.

The other matters were incidental. The other things were only excuses for the Senator being able to consume so much of the time of the Senate and so much space in the newspapers. Tomorrow he will get the headlines. We will not get any headlines. Great headlines will appear in the papers tomorrow, "Senator from Delaware! Senator from Delaware! Senator HASTINGS launches attack on Agricultural Administration! Senator from Delaware reads letters from farmers!"

Those are the most welcome letters from farmers that the Senator from Delaware ever received. He was glad to receive that kind of letters from the farmers.

Mr. President, I am not entirely without hope for the Senator from Delaware. I trust he will not further harden his heart. I hope he will remember that on his own side of the aisle there is a Member from Kansas, a State which raises wheat. I wish to remind him that under the former program, the price of wheat was 38 cents a bushel at Chicago and 23 cents a bushel on the farm in Kansas. I wish to remind him, in the name of the Senator from Kansas [Mr. CAPPER], that the same farmers in Kansas, instead of getting 23 cents a bushel for their wheat on the farm, are now getting 75 cents a bushel for their wheat. I wish to remind the Senator from Delaware that sitting beside him is the beloved and distinguished Senator from Oregon [Mr. MCNARY], who comes from a State which raises great numbers of cattle, a State which produces wheat and other agricultural products, and that under the Agricultural Adjustment Administration every one of those commodities has reached heights two and three times the prices which prevailed under the policies of the Senator from Delaware. I remind him that the Senator from Michigan [Mr. VANDENBERG] comes from another Commonwealth where the prices of agricultural products have been lifted, and the farmers who toil in the sugar-beet fields and in other fields of that State are receiving more for their products than they received in other days.

So I might go on down the line, and call the attention of the Senator from Delaware to the Senator from North Dakota [Mr. FRAZIER] and the Senators from other States in the West. I hope the Senator from Delaware will not be so blind in his zeal, that he will not be so stubborn in his prejudice, that he will not continue to be so inexorable in his hostility to the administration and to President Roosevelt, as to arraign and aline all of his forces to beat down agricultural prices to their former levels and to deliver the farmer from the degree of prosperity to which he has succeeded to the miserable and unfortunate condition to which he was driven prior to 1933.

EXHIBIT A

MAY 16, 1935.

Hon. JOSEPH T. ROBINSON,
United States Senate.

DEAR SENATOR ROBINSON: This is in response to your request for information concerning the truth of charges made in Congress and in certain newspapers that the Agricultural Adjustment Administration organized and financed or otherwise sponsored the meeting of farmers in Washington May 14.

The attitude of the Agricultural Adjustment Administration is and has been that the right of the farmers to come to Washington was not open to question and that this right is the right of petition established in the Constitution for all American citizens without discrimination.

The Adjustment Administration therefore has considered it to be wholly and exclusively the right and responsibility of the farmers themselves to decide and act without being influenced. This right and this responsibility have been respected by the Adjustment Administration and its personnel.

The Agricultural Adjustment Administration has not sponsored nor financed, nor permitted its agents to sponsor, nor permitted county production control association funds to be used to finance, the farmers' visit to Washington. On the other hand, the Adjustment Administration has never denied the right of farmers to visit their Capital, has not attempted to discourage them from doing so, and upon their arrival in Washington welcomed them, and rendered to them assistance requested by them when we could give it.

Reference has been made in the Senate to correspondence in the Agricultural Adjustment Administration relating to the farmers' meeting. Several weeks ago I had information of the meeting from the newspapers, first publishing reports from Texas, and

later I heard of it from farmers and by correspondence from field personnel.

On April 27, J. V. Cain, agricultural agent of Elwood, Nebr., wrote, and the letter was answered May 7, through the office of the Secretary of Agriculture. A copy of the letter and the reply follow:

COOPERATIVE EXTENSION WORK IN AGRICULTURE AND HOME ECONOMICS,
STATE OF NEBRASKA

ELWOOD, NEBR., *April 27, 1935.*

Secretary WALLACE,
Washington, D. C.

DEAR SIR: Please send to me what information you have available regarding the proposed farmers' meeting to be held in Washington soon. Be assured we will do all we can to make the program a success.

Very truly yours,

J. V. CAIN, *Agricultural Agent.*

—

DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 7, 1935.

J. V. CAIN,
Agricultural Agent, Elwood, Nebr.

DEAR MR. CAIN: In response to your letter of April 27 to Secretary Wallace, I wish to advise that we have no information concerning the farmers' meeting to be held soon in Washington. There have been newspaper accounts of a group of Texas farmers who propose to come to Washington for the purpose of conferring with various agencies of the Government, but this meeting is not under the auspices of the Department of Agriculture or any of its agencies. It is our understanding that this movement was a spontaneous development out in the country, and our information as to the plans is limited to the newspaper accounts which have come to our attention.

Sincerely yours,

MILO PERKINS,
Assistant to Secretary.

On May 3, C. H. Day, chairman of the farmers' committee on arrangements, wrote to me, telling me that several hundred farmers were planning to visit Washington. The letter was received by the administration May 6. Another letter, written May 4 and received May 7, invited myself and administration heads to participate in the farmers' program.

I replied on May 10, thanking Mr. Day for his courtesy, saying it was my understanding that the farmers would pay their own expenses and pointed out that organized movements of farmers to Washington should not be stimulated by Government officials nor financed by county control association funds.

This correspondence follows:

PLAINVIEW, TEX., *May 3, 1935.*

Mr. CHESTER DAVIS,
Director Agricultural Adjustment Administration,
Washington, D. C.

DEAR MR. DAVIS: Please find enclosed a copy of a letter which has been addressed to the Texas Members of Congress, May 1, and a letter of this date to Hon. MARVIN JONES, Chairman of the Agricultural Committee. This is for your information.

To date we have received communications from the following States, indicating the number of farmers that will attend from these States: Arkansas, 160; Louisiana, 2 trainloads; Alabama, 100; Georgia, 200; South Carolina, 250; North Carolina, 250; Texas, 280.

Favorable reports have been received from the leaders in Minnesota, Kansas, Oklahoma, California, Idaho, Wyoming, Arizona, Virginia, New Mexico, Kentucky, Maryland, and Iowa. It appears that the program recently planned will be carried out without material change.

I have a wire from Senator CONNALLY stating that the Labor Building has been obtained for Tuesday, May 14, from 10 a. m. to 1 p. m.

Thanking you for your cooperation, I am,

Yours very truly,

C. H. DAY,
Chairman Committee on Arrangements.

—

PLAINVIEW, TEX., *May 4, 1935.*

Mr. CHESTER DAVIS,
Director Agriculture Administration, Washington, D. C.

DEAR MR. DAVIS: I have been sending to your office carbon copies of letters to Senators and Representatives and perhaps others for your general information in regard to the farmers' program in Washington.

Please consider this letter an invitation to yourself and your Department heads for active participation in the program in Washington.

Thanking you for your cooperation, I am,

Yours very truly,

C. H. DAY,
Chairman Committee on Arrangements.

—

UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT ADMINISTRATION,
Washington, D. C., May 10, 1935.

Mr. C. H. DAY,
Plainview, Tex.

DEAR MR. DAY: I have your letter of May 3 and its enclosures with reference to the proposed coming to Washington of a large delegation of producers from the Southern and Middle Western States. I note that you are planning a meeting for a discussion of the agricultural situation, and to obtain suggestions on the basis of which further plans for meeting the situation may be developed on a sound and logical basis. We shall be glad, of course, to cooperate in supplying any facts or information which may be helpful in your discussions.

As I understand it, the coming of this delegation to Washington is a spontaneous movement on the part of producers desiring to express their views on the agricultural situation and the progress which is being made in meeting it. It is my understanding, also, that the expedition is being personally financed by producers.

In this connection I hope you will pardon my expressing concern that there should be no cases where county production control associations undertake to finance the expenses of a representative on this trip. Probably this caution is unnecessary, but I think you realize that the Agricultural Adjustment Administration's policy is that organized movements of farmers to come to Washington should not be stimulated by Government officials nor be financed by county control associations. As a precaution, I have instructed our field representatives to be alert in preventing any violation of this policy.

I wish to express my appreciation of your courtesy in advising us of your plans, and wish to assure you that we shall be glad to be of service to you if desired upon your arrival in Washington.

Sincerely yours,

CHESTER C. DAVIS, *Administrator.*

On May 8, with my approval and at my direction, George E. Farrell, director of the grains division, sent the following telegram to directors of extension in wheat States:

MAY 8, 1935.

Mr. H. UMBERGER,
Extension Director, Manhattan, Kans.:

I am advised that farmer groups are planning trip to Washington to confer with Congress on adjustment programs. Advise all county wheat production control associations that no wheat association funds may be used either directly or indirectly to defray travel or other expenses for this purpose.

GEORGE E. FARRELL, *Grain Division.*

A similar blanket telegram was sent on the same date to corn-hog section field men by Claude R. Wickard, chief of the corn and hogs section. This telegram follows:

MAY 8, 1935.

Mr. RALPH N. MOYER,
Care A. J. Surratt, 226 Federal Building,
Springfield, Ill.

Mr. R. E. STRASSHEIM,
Care A. J. Surratt, 226 Federal Building,
Springfield, Ill.

Mr. R. M. EVANS EVANS,
Chairman Iowa Corn Hog Committee,
310 United States Court House, Des Moines, Iowa.

Mr. ARDEN MCKEE,
Care of H. Umberger, Director of
Extension Col. of Agriculture, Manhattan, Kans.

Mr. J. J. REED,
Care A. E. Anderson, 1105 State House, Lincoln, Nebr.

Agricultural Adjustment Administration does not wish its representatives to take part in organized movements to encourage farmers to come to Washington. Agricultural Adjustment Administration funds or county control association funds cannot be used for that purpose. Will appreciate your cooperation in observing this policy.

CLAUDE R. WICKARD,
Chief Corn and Hogs Section,
Division of Livestock and Feed Grains.

—

On May 9 C. H. Alvord, assistant director of the division of cotton, telegraphed to D. F. Trent, director of extension, Stillwater, Okla., in response to a request for a letter of authorization to accompany a group of two cars of cotton producers:

MAY 9, 1935.

D. F. TRENT,
Director of Extension, Stillwater, Okla.:

Your telegram this date. No authorization for travel will be issued to any department employee connection with cotton producers meeting here next week.

C. H. ALVORD,
Assistant Director Division of Cotton.

—

Telegrams were sent by Reuben Brigham on May 9 to five regional informational representatives. The text of this telegram follows:

MAY 9, 1935.

The following statement is being sent to all field representatives. Agricultural Adjustment Administration does not wish its representatives to take part in organized movements to encourage farmers to come to Washington. Agricultural Adjustment Administration funds or county control association funds cannot be used for that purpose. Will appreciate your cooperation in observing this policy.

REUBEN BRIGHAM.

I believe that the foregoing correspondence, which includes all relevant communications, omitting duplications and letters having little direct bearing on the farmers' meeting, will be sufficient

to show that the farmers came to Washington of their own volition and paid their own way here.

I wish to reiterate, the farmers have as much right to express themselves, and if they want to, to come to their Capital to do it, as other people.

Sincerely yours,

CHESTER C. DAVIS, *Administrator.*

EXHIBIT B

BURLINGTON, TEX., *May 16, 1935.*

Hon. TOM CONNALLY,
Senator of Texas:

In reply to the statement brought out by the newspapers that the G. O. P. is accusing our Government of paying the expense of sending the farmer representatives to Washington, we, the undersigned farmers, ginners, and merchants of the Meeks, Cyclone, Zabcikville, Seaton, Stringtown, and Ratibor communities, have donated money to send our representatives to Washington to thank the Government for what it has done for the farmer and what it will do for the coming year. The other thousands of representatives were paid in a similar way by their respective communities that they represent. Some of the representatives paid their own expense, and we feel that by sending the names of the donators we can help our Senator clear some of this rumor.

J. D. Roper	$1.00
W. M. Chudej	.50
J. W. Marek	.50
Ed Sell	.50
E. E. James	1.00
A. J. Klecka	.50
Paul Wychopen	.75
Frank Marek	.50
Robert Matheson	.50
Sil Bartek	.50
Paul Wychopen, Jr	.50
C. W. Bedrich	.30
J. P. Bell	.25
Anton Gerza	.25
Albert Pagel	.25
Adolph Schiller	.50
L. C. Schiller	.25
Emmitt James	.50
W. J. Baletka	1.00
Frank Pagach	.25
Frank Spanhel	.35
Henry Zabcik	.50
Geo. Jurcak	.50
F. J. Klecka	.25
A. L. Laferney	.25
J. B. Schiller	.30
J. F. Salac	.25
Lee Schneider	.25
Oscar Bedrick	.25
O. J. Sebesta	1.00
Ben Zabcik	.50
Joe Zucha	.25
Frank Bresch	.50
Frank Bedrich	.50
F. J. Bedrich, Jr	.50
Ernest Goeke	.25
Martin Zabcik	.50
Steve Polzel	.25
Edw. Hesse	.25
Lee Casey	.25
M. R. Krummnow	.50
F. E. Hejl	.25
F. E. Hejl, Jr	.25
H. M. Jakubik	2.00
Joe Chlapek	.30
J. A. Talasek	.50
R. J. Hanacek	.25
Joe Grygar	.30
Frank Bigon	.40
Frank Tyroch	.25
John Brenek	.25
Emil Motl	.25
Steve Rusnak	.25
John Machalek	.50
Joe Chudej	.25
John Grygar	.25
Jerry Bavovec	.25
Jon Maruna	.50
Joe Vanicek	.50
A. J. Sodek	.25
Joe Machalek	.25
Joe Chlaupka	.25
O. H. Juren	.50
Vallie Maruna	.25
Mrs. Joe Mukalas	.75
Joe Schiller	.50
Ed Doskocil	.35
Erwin Pimpler	.25
Lee Hoelscher	.10
A. Kohut	.25
J. M. Bartek	.35
J. V. Kohut	.50
Verny Kessler	$0.50
W. F. Mikeska	.10
Joe Mikeska	.20
Hoelscher Bros	1.00
W. L. Gent	.25
Hugo Greene	.50
E. W. Schiller	.25
Joe Kohut	.25
H. H. Schmidt	.25
Louis Posvar	.10
A. F. Gaistman	.25
Lee Greene	.25
Gus Schneider	.50
Joe Zavodny	.55
J. E. Wentrchek	.25
Joe Psencik	.20
Paul Goldman	.10
E. R. Schiller	.20
E. J. Zavodny	.20
Frank Lesikar	.50
A. P. Engbreck	.25
Joe Milander	.25
Lee Doskocil	.35
E. A. Bruggman	.50
L. R. Engbrock	.50
Ladis Salac	.35
W. O. Marburger	.25
E. G. Swil	.50
W. D. Bull	.50
J. L. Marek	.50
E. J. Marek	.50
Alois Schneider	.25
A. J. Schneider	.50
Edmund Kosel	.35
Franklin Green	.25
J. V. Wentrchek	.25
Tom Luksa	.25
J. R. Pitrucha	.35
F. H. Psencik	.25
Rosie Placek	.25
Joe V. Macek	.25
J. W. Marek, Jr	.25
Steve Janacek	.35
J. T. Stepan	.50
Jim Ruzicka	.10
Wiley Mangum	.25
M. G. Stepan	.15
Jerry Beran	.15
Charles Tomasek	.25
H. A. Meadows	.25
L. O. Donhafer	.25
C. L. Shook	.25
J. C. Bartek	.20
Ed Bartek	.25
Tom Adamek	.25
Joe F. Vitek	.25
John R. Schiller	.25
John Hejl	.10
M. C. Zabcik	.25
Emil Vasek	.25
W. J. Salac	.25
Adolf Millian	.25
F. J. Zabcik	.50
L. B. Griffin	.25
J. J. Barek	.25
Ernest Junek	.25
Emil Feytasek	.10
Louis Schiller	.25
M. L. Hawkins	.25
John Bedrick	.25
M. J. Stepam	.50
F. J. A. Marek	.50
Frank Adamek	.25
Rogers community	11.50
Stringtown community	7.00
Red Ranger community	4.00
Farmers, Inc	20.00

The above are the names of the individuals and different communities that have donated money to send our representative, Mr. W. J. Baletka, to Washington.

Recopied from the original record by—

W. M. CHUDEJ,
Committeeman, Burlington, Tex., Route 1.

EXHIBIT C

LIST OF DONATIONS GIVEN BY FARMERS TO HELP PAY THE EXPENSES OF THE FOLLOWING FARMER DELEGATES TO WASHINGTON FROM ANDERSON COUNTY, TEX.

Mr. J. F. Gray, a farmer from the Slocum community, paid his entire expenses out of his own pocket.

J. S. Carroll, route 2, Palestine, Tex.
T. A. Carroll, Tennessee Colony, Tex.
S. D. Watkins, route 1, Percilla, Tex.
J. E. Mills, box 25, Slocum, Tex.
Joe E. Edmindson, route 1, Palestine, Tex.

The above-named five men accepted the donation as listed and then paid the balance of their expenses out of their own pockets.

Carroll, George B	$1.00
Avant, M. E	1.00
Campbell, C. H	1.00
Steel, G. A	1.00
Eubanks, J. K	1.00
Carroll, T. A	1.00
Woolverton, Mrs. B. J	1.00
Hudson, W. M	1.00
Hudson, H. L	1.00
Gore, F. M	1.00
Cross, E. M	1.00
Massey, E. H	1.00
Massey, H. L	.50
Holmes, C. E	1.00
Ward, E. E	1.00
Gore, O. B	1.00
Pugh, J. A	.50
Ingram, S. A	1.00
Johnson, R. H	1.00
Henderson, H. O	1.00
Tillman, Mildred	1.00
Edmondson, Joe E	2.00
Speegle, Dr. A. A	1.00
Carrol, J. S	1.00
Rogers, Earl	1.00
Rogers, Fred	1.00
Rogers, S. C	.50
Rogers, C. W	.50
Lade, Will	.50
Lade, Walter	.50
Elrod, C. M	.50
Elrod, T. C	.25
Roper, A. E	.25
Freeman, R. J	.25
Taylor, J. C	.25
Rogers, J. C	.25
Langston, J. W	.25
Hassell, Robert	.50
Killion, H. D	1.00
Derden, M. J	1.00
Turrentine, J. F	1.00
Sellers, T. J	.50
Godley, J. L	.25
Turrentine, F. E	.50
Hoxie, W. M	1.00
Watkins, S. D	6.00
Sloan, Henry	.50
Braly, J. W	.50
Smith, J. R	1.60
Cook, J. P	1.00
Valentine, C. T	.50
Brown, T. J	.50
Reagan, John	1.00
Hall, W. D	1.00
Herrington, F. A	2.00
Coleman, S. F	3.00
James, W. B	1.00
Murphey, H. C	1.00
Conaway, John	1.00
Strong, Mrs. C. E	1.00
Chambers, Clarence	2.00
Brede, J. A	1.00
Edmondson, M. P	1.00
Fish, Eugene	1.00
Scott, J. S	1.00
Boyd, J. L	1.00
Huffman, M. E	1.40
Poole, H	1.35
Huffman, B. M	.25
Wilkinson, R. A	1.00
Hyett, J. C	1.00
Ward, W. H	.25
Berry, Clay	.25
Herrington, W. L	.25
Herrington, Mrs. V	.25
Lucas, Mack	.25
Wilbanks, Martin	.25
Sammans, Eli	.10
Berry, Amos	.10
Herrington, J. B	.10
Parrish, M. G	.25
Davis, C. D	1.00
Jones, Major	.25
Walters, H. A	.50
Farrish, W. H	.50
Lasiter, Lee	.25
Hassell, J. E	.50
Langston, A. C	.25
Worley, C. E	.25
Dotson, R. L	.50
Worley, J. L	.50
Worley, E. T	.09
Knox, E. C	.50
Lasiter, Harley	.25
Lasiter, Lude	.25
Lasiter, Seldon	.25
Langston, A. M	$0.25
Lasiter, Allen	.25
Teel, E. W	.25
Hassell, Alex	.25
Killion, A. C	.25
Swanson, H. C	.25
Gibson, R. L	1.00
Hassell, A. J	.25
Burke, R. O	.50
Lasiter, T. W	1.00
Huddleston, R. S	.50
Wortham, W. L	.25
Melton, R. T	.25
Langston, H. C	.25
Clark, Harry	1.00
Moore, Judge Jim	1.00
Mills, J. E	3.00
Fitzgerald, Mrs. H. H	1.00
Fitzgerald, H. N	1.00
Williams, J. W	.50
Kale, J. L	.50
Jenkins, R. E	.05
Williams, G. H	.50
Price, Mrs. Minnie W	1.00
Milner, T. O	1.00
Taylor, Cora	.25
Warren, G. T	.05
Reagan, Dave	.50
Woodard, J. C	.50
Ward, G. W	.25
Sanders, E. A	.25
Taylor, Alpheus	.10
Johnson, Pervy	.25
Huddleston, Cliff	.75
Vannoy, Tom	.25
White, Marion	.25
White, Dave	.25
Barnhart, M. A	.50
Cook, Simmons	.50
Richardson, Clyde	.50
Austin, Bruce	1.00
Johnson, Marshall	1.00
Brooks, Bailey	.50
Johnson, Poyner	1.00
Austin, M. B	1.00
Dr. Scarborough & Sons	1.00
Miller, Jack	.50
Millier, Hill	.50
Miller, Hugh	.50
Miller, Mrs. S. T	.50
Royall, Tucker	5.00
Angly, J. E	1.00
Hufsmith, C. L	1.00
Bowers, Willie	1.00
Cretsinger, E. E	1.00
Jennings, C. M	1.00
Bridges, S. E	.50
Lumpkin, Champ	.25
Pinson, Simon	.25
Phillips, Frank	.25
Williamson, W. C	.50
Conaway, R. L	.50
Flanagan, W. B	.50
Schmidt, Herman	1.00
Wilson, J. J	.25
Robinson, C	.25
Dial, G. W	.25
Sutton, Gay	1.00
Ramsey, Jesse	.50
Price, Abel	1.00
Fitzgerald, W. G	1.00
Ward, J. H	1.00
Williams, F. C	.35
Price, Asa	.25
Price, S. N	.65
Price, R. V	1.00
Price, Carroll	.25
Milner, J. B	1.00
Tomkins, Reed	.25
Holmes, J. E	.50
Hutcherson, J. D	.30
Holmes, P. C	.50
Biggan, J. J	1.00
Howard, J. B	.50
Todd, W. T	1.00
Elrod, H. C	.50
Petri, C. P	3.25
Schmidt, George	.50
McCain, E. T	.50
Edwards, Rufo	.10
Schwitter, Frank	.25
Handorf, Mayor	1.00
Butler, Wade	.25
Murrell Variety	.25
Crist, W. L	.25
Gee, J. N	1.00
Thomas, O. C	1.00
(?)	.25

Morris, F. R	$1.00
Morris, Homer	1.00
Kleins, E. F	1.00
Evans, J. R	.25
Sawyer, Ralph	.10
O'Connell, Tim	.25
Wolens, Jack	.50
Gardner, B. H	.25
Hamilton, W. M	1.00
Phillips, P. K	.35
Eppner, Frank	.50
Kolstad, P. A	.50
Wilson, S. A	.25
Henry, T. E	.50
Gee, H. A	1.00
Total	149.44

DONATIONS TOWARD PAYMENT OF EXPENSES OF DELEGATES W. W. NOBLE AND T. W. HERRINGTON, OF CLAIBORNE COUNTY, MISS., TO WASHINGTON, D. C., MAY 12, 1935

Name and address of donor:	Amount
J. L. Rice, Lorman, Miss	$2.50
Jim Currie, Barlow, Miss	1.00
Wash Burrell, Pattison, Miss	.50
D. E. McCaa, Jr., Willows, Miss	1.00
C. L. Nelson, Willows, Miss	1.00
J. G. Harmon, Willows, Miss	1.00
Jas. Brown, Willows, Miss	.25
R. D. Lawrence, Carlisle, Miss	1.00
Henry Galloway, Carlisle, Miss	1.00
E. D. Jones, Jr., Carlisle, Miss	.50
E. D. Jones, Sr., Carlisle, Miss	1.00
L. B. Wooley, Hermanville, Miss	1.00
J. L. Walters, Hermanville, Miss	.50
A. McC. Byrnes, Jr., Carlisle, Miss	1.00
C. A. Gordon, Port Gibson, Miss	2.00
J. V. Gage, Port Gibson, Miss	4.00
Herman Marx, Port Gibson, Miss	2.00
Est. B. H. Magruder, Port Gibson, Miss	2.00
Mrs. G. F. Disharoon, Port Gibson, Miss	2.00
G. L. Disharoon, Port Gibson, Miss	2.00
Est. T. B. Magruder, Port Gibson, Miss	1.00
J. D. Sistrunk, Utica, Miss	2.00
J. M. Crawford, Utica, Miss	1.00
S. B. Hutchins, Utica, Miss	1.00
Dr. M. J. Luster, Clarksdale, Miss	2.00
G. Lum McCay, Utica, Miss	3.00
W. H. Clark, Utica, Miss	.50
S. H. White, Utica, Miss	.50
J. H. Sanders, route 2, Utica, Miss	1.00
A. B. Crawford, Utica, Miss	1.00
Fred G. Peyton, Utica, Miss	2.00
F. A. Peyton, Utica, Miss	1.00
Morgan Hutchins, Utica, Miss	1.00
E. V. Hutchins, Utica, Miss	1.00
H. B. Tinsley, Willows, Miss	1.00
R. E. Templeton, Utica, Miss	2.00
S. H. Hill, Utica, Miss	1.00
J. G. Hill, Hankinson, Miss	1.00
F. P. Powell, Hankinson, Miss	1.00
Chas. Frazier, Willows, Miss	1.00
Jackson Powell, Willows, Miss	.50
Bryant Brown, Willows, Miss	.50
W. L. Henderson, Willows, Miss	.50
Arch Carter, Willows, Miss	.50
Ruben Barnes, Willows, Miss	.25
Hence Steed, Jr., Willows, Miss	.50
John Caldwell, Willows, Miss	.50
Raymond Harrod, Hankinson, Miss	.50
Oscar Barnes, Willows, Miss	.25
S. P. Sorrels, Peyton, Miss	.25
T. H. McFatter, Pattison, Miss	1.00
J. B. Manis, Pattison, Miss	.25
I. R. Price, Pattison, Miss	1.00
Vernon Y. Jones, Pattison, Miss	.25
C. C. Greer, Pattison, Miss	.10
E. M. Jordan, Pattison, Miss	2.00
W. D. Irby, Pattison, Miss	.10
Emmet Griffin, Pattison, Miss	.50
Wm. Wood, Pattison, Miss	.05
Luther Mason, Pattison, Miss	.50
W. C. Wilkerson, Pattison, Miss	1.00
Elisa and Priscilla Brady, Pattison, Miss	5.00
D. B. Irby, Pattison, Miss	.30
Willie Weaver, Tillman, Miss	.25
A. J. Hannis, Pattison, Miss	.25
W. T. Hannis, Pattison, Miss	.25
Wm. Smith, Pattison, Miss	1.00
F. E. Herring, Pattison, Miss	.50
Lewis Carmichael, Pattison, Miss	.50
W. H. Rogers, Pattison, Miss	.50
Lee Bouie, Peyton, Miss	.25
J. P. Collins, Peyton, Miss	.50
B. F. Newman, Pattison, Miss	.30
J. Mack Jones, Pattison, Miss	.50
W. H. Harrell, Peyton, Miss	.50
Sylvan Cohn, Lorman, Miss	2.00
C. S. Harris, Port Gibson, Miss	$1.00
S. P. Headley, Port Gibson, Miss	2.00
Samuel Weil, Port Gibson, Miss	2.00
C. R. Irving, Port Gibson, Miss	2.00
J. A. Callender, Port Gibson, Miss	1.00
W. C. Billingslea, Russum, Miss	1.00
J. P. Russum, Russum, Miss	1.00
D. M. Dowdell, Port Gibson, Miss	2.00
L. Briscoe Allen, Port Gibson, Miss	2.50
Russell L. Fox, Pattison, Miss	2.00
Total donations	94.35

REGULATION OF PUBLIC UTILITIES

Mr. WHEELER. Mr. President, I shall not discuss very long the question of whether or not the expenses of the farmers who came here to Washington were paid by the Department of Agriculture or by anybody else. I do know, however, that the farmers who came from my own State paid their own way, and their expenses were not paid by anybody connected with the Department of Agriculture.

I am glad to see the Senator from Delaware defending the wheat farmers of Montana. I know they will be happy to learn that they have in the Senate of the United States such a distinguished defender.

I desire at this time, however, to call attention to a so-called "minority report", which was filed by the Senator from Delaware on the so-called "public utility bill"; and then I wish to call attention to an advertisement which was published by the Associated Gas & Electric Co., one of the worst offenders in the United States of America, a concern which has been engaged in legalized thievery to a greater extent than almost any other corporation in this country, with the exception of the Insull corporations. I should like to have the Members of the Senate read the advertisement of the Associated Gas & Electric Co., and then read the minority report filed by the Senator from Delaware, and they will see the parallel.

The heading of the advertisement of the Associated Gas & Electric Co. is:

RAILROADING UTILITIES TO DESTRUCTION

The report of the Senator from Delaware says, in substance, that the bill was railroaded through the committee; and the report, as printed in the New York Herald Tribune, says:

Minority report invites defeat. Railroading of utility company measure hit by Senator HASTINGS.

Then I call attention to the advertisement printed by the Associated Gas & Electric Co. They say:

The committee did not take very seriously this matter of destroying the investments of millions of American citizens.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHEELER. Yes; I yield.

Mr. BARKLEY. In what newspaper was that advertisement carried?

Mr. WHEELER. It was carried in the Philadelphia Bulletin of Friday, May 17, 1935.

Mr. BARKLEY. I happened to notice the same advertisement in my home-town newspaper, which I received yesterday; the object, of course, being so obvious that it does not even need to be called to the attention of the Senate.

Mr. WHEELER. Certainly. As a matter of fact, when the utilities thought the bill was coming up this week in the Senate, I am reliably informed that they spent $60,000 in advertising throughout the country, and in their advertisements urged their stockholders to send in telegrams, and that in some instances they made house-to-house canvasses.

Mr. BARKLEY. If the Senator will yield further, I have not read the advertisement he has in his hand, but if it is the same one which appeared in my home-town newspaper, there is not a single truthful sentence in it from beginning to end.

Mr. WHEELER. Exactly; and there is not a word of truth in this advertisement; yet let me call attention to the fact that language used in the minority report is of the same purport and is almost the same language as that used in this advertisement.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. WHEELER. Yes.

Mr. HASTINGS. Does the Senator find in the minority views anything which is not true?

Mr. WHEELER. Absolutely.

Mr. HASTINGS. Then the Senator and I disagree. What particular part is it?

Mr. WHEELER. I will call the Senator's attention to it in a little while.

Let me say to the Senator that the whole implication from his report is that the bill was railroaded through the committee. There is not a word of truth in that statement. The fact is that the bill was given more consideration in the committee than almost anything else.

The Senator's report starts out by saying:

> On February 6, 1935, S. 1725 was introduced by Senator WHEELER. The bill was commonly known as "the public utility holding company bill." About that same time a similar bill, if not identical, was introduced in the House.
>
> The House Interstate and Foreign Commerce Committee began hearings on the bill on the 19th of February and continued the said hearings until the 15th of April, a period of nearly 2 months.

That is correct. I had planned to start hearings at the same time; but the Public Utility Committee came and asked me, as Chairman of the Interstate Commerce Committee, not to hold hearings at the same time the House was holding them. In order to accommodate the Public Utility Committee—their own committee—I postponed the hearings until after the House had finished its hearings.

The House committee held hearings for 2 months. The utilities came there and piled up testimony of the same kind, repetition after repetition. When their committee came to see me I said to them in unmistakable terms that the same procedure could not take place before the Senate Interstate Commerce Committee. Why? Because their purpose was first to hold hearings for 2 months in the House of Representatives, and then come over before the Senate Interstate Commerce Committee and adopt the same identical tactics before that committee. If the Senator from Delaware does not know it, he is about the only member of the committee who does not know it. I knew exactly what they intended to do; namely, to stall and stall and keep stalling until the expiration of the present session, so that there should not be an opportunity to vote upon the bill at this session of the Congress.

I said to the committee of public-utility representatives, "We will give the proponents of the bill 1 week's time, and we will give you 1 week's time." They came to me with a list of witnesses, and we started in at 10 o'clock in the morning, and we held hearings not only all the forenoon but all the afternoon. The members of the committee sat there, and the Senator from Delaware did not often honor us with his presence. We sat there from 10 o'clock in the morning until 5 or 6 o'clock in the afternoon, listening to the witnesses. Finally, when the proponents of the bill had concluded their testimony, on Friday, I think it was, we offered to sit on the following day, but the public-utility men came to the committee and said they did not care to start on Saturday, that they preferred to start on Monday, and said they could finish in 1 week's time. We gave them not only the time we agreed upon, but we gave them more than that time; and we heard them not only in the mornings, as I said originally we would, but we sat every afternoon, sometimes starting in at 1 o'clock and running until 5 or 6 o'clock in the evening.

The Senator was not there; but I was there, and other members of the committee stayed there faithfully. We heard every objection that was offered; and not only did we hear the objections of the members of the State commissions and their attorneys, but, as a matter of fact, we adopted many of the amendments which were suggested by the State commissions.

The Senator would give the impression that we paid no attention to their objections. Of course we did not kill the bill, which was what they wanted done. There was nothing else wanted except an outright killing of the bill and all of its provisions, regulatory and otherwise.

They first said, "If you will just take out one provision, it will be all right", and if we took that out they would want every other provision taken out. We took out the provision making common carriers of public utilities. We took out of the bill the provision making them apply for certificates of convenience and necessity. Yet they say we paid no attention to their objections.

Those were two of the principal objections which they had to title II of the bill, and those provisions were eliminated because the members of the committee agreed that those two provisions ought to be eliminated. We adopted not one, not two, but we adopted hundreds of suggestions that were made by the public-utility operating companies of the United States.

Of course, the Associated Gas complained that they did not get an opportunity to be heard. Why were they not heard? I will tell the Senator, if he does not know, why they were not heard. I do not think I am violating any confidence when I say to the Senator why they were not heard. It was because of the fact that their own associates, the committee that was representing them, did not want them to be heard. They did not want the Associated Gas & Electric Co. to be heard.

The holding companies and the electric-utility companies selected a committee and allotted the time. I said to them, "You fix the time, and we will hear whomever you propose." Did they want the Associated Gas & Electric heard? Not at all, because the Associated Gas & Electric Co., they knew, had carried on such an illicit business that they did not want them to appear before the committee. Did they want some of the rest of them to appear? Not at all. Yet the Senator has the temerity to report that the bill was railroaded through the committee.

Mr. HASTINGS. Mr. President, I asked the Senator a plain question, to point out to the Senate wherein there was any error in the minority views, and if he can convince us that there is error in it, I will stand corrected.

Mr. WHEELER. I am coming to that.

Mr. HASTINGS. I have told the facts, and I told nothing but the facts, so far as I knew them.

Mr. WHEELER. Very well. The Senator said there was no popular demand. The Senator points out that there is no popular demand for this bill; does he not?

Mr. HASTINGS. I say that there is nothing appearing in the testimony to show that there is any popular demand. If I am mistaken in that, I should like to have the Senator call my attention to the testimony.

Mr. WHEELER. Let me call attention to the advertisement of the Associated Gas again:

> Citizens must fight for their rights——

Mr. HASTINGS. Will the Senator pardon me?

Mr. WHEELER. Certainly.

Mr. HASTINGS. Is that in the record?

Mr. WHEELER. No; I am reading from the advertisement.

Mr. HASTINGS. I am asking whether there is in the record anything that shows that there is a public demand for this bill? That was my allegation, that there was no public demand, and I want to know whether or not I am correct.

Mr. WHEELER. Very well. But the Senator put that in, and referred repeatedly to the fact that the men from the department were the only ones who testified.

I will answer the Senator's question, but I want to call attention to the language of the Associated Gas advertisement and the language used in the views of the minority filed by the Senator from Delaware.

I read now from the advertisement of the Associated Gas & Electric Co.:

> Citizens must fight for their rights. There has been no popular demand for this wholesale destruction of the property of American citizens.

Wholesale destruction! Wholesale destruction of the property of American citizens! Who was it who destroyed the property and took the money from the widows and orphans who are so indispensable to the arguments of the

opponents of the bill? It was the Associated Gas & Electric Co., where they have one holding company piled upon another, where they went out and took the common stock of operating companies, put them in a holding company, and issued bonds upon that common stock, and then piled another holding company upon that, and issued bonds upon the common stock of that holding company. Then they had another holding company, and they issued bonds upon the common stock of that holding company, and they sold them to the indispensable widows and orphans of this country, and now they are calling for aid upon those widows and orphans whom they have robbed, for it cannot be said to be anything else but robbery.

They talk about the destruction of property rights in the United States of America. They had nine different holding companies one upon top of the other.

I do not know where the Senator got the language used in the minority views, but it runs almost parallel with the language of the Associated Gas & Electric Co. advertisement published all over this country.

Mr. HASTINGS. Mr. President, does the Senator intimate that I drafted the report from that advertisement?

Mr. WHEELER. No; I am saying that the language used by the Senator in his report is similar to the language used in the advertisement, and it is passing strange that the language of the advertisement of the Associated Gas & Electric Co. should be almost the same as the language used by the Senator from Delaware.

Mr. HASTINGS. May I say to the Senator—and I say to him as a Senator—that I never saw the advertisement; I had no suggestion with respect to the minority report; it was all prepared by me myself, and I ask him with respect to the majority report whether he can say as much?

Mr. WHEELER. What was that?

Mr. HASTINGS. I say that the minority report, which I signed, was prepared solely by myself, without ever seeing the advertisement to which the Senator refers, for I never heard of it before; and I ask the Senator whether he can say as much with respect to the majority report, which was sent to the Printer 2 days before the bill was laid before the Senate committee.

Mr. WHEELER. The Senator made the statement that the report was sent to the Printer 2 days before.

Mr. HASTINGS. I say so in the minority report.

Mr. WHEELER. I mean that the Senator says so there. As a matter of fact, we asked for a galley proof 2 days before the bill was finally printed. We asked the Printer to make a galley proof of it, and I know some newspaper man got hold of it, and I assume he ran to the Senator, thinking he had found out something the Senator ought to know. The truth about the matter is that when the report was drawn up under my direction by the men who had drafted the bill and who worked with the committee and the committee clerks together, we sent the draft of the report down to the Printer and asked for a galley proof.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BARKLEY. As a matter of fact, my recollection is that the consideration of the bill was completed in detail by the committee on Friday.

Mr. WHEELER. That is correct.

Mr. BARKLEY. Every section had been gone over in detail, and every amendment had been agreed to.

Mr. WHEELER. That is correct.

Mr. BARKLEY. Rather than have the bill introduced under its original number, with a large number of amendments, the committee authorized the chairman to introduce a new bill containing the amendments to which the committee had agreed; and the clerks of the committee and the drafting service of the Senate were instructed to and did draw the new bill incorporating the amendments which had been agreed to by the committee. The following day, after the bill had been completed in the committee by the committee itself, the draft of the report, the galley-sheet proof of the report, was sent to the Printer.

Is that not the fact?

Mr. WHEELER. That is the fact. Let me say further that we finished the report and went over the bill line for line and word for word; and then, when we finished it, I think, upon the suggestion of the Senator from Michigan [Mr. COUZENS], it was moved and seconded that I introduce a new bill containing the amendments, as the Senator has outlined, and that we vote upon it on the following Monday.

Mr. BARKLEY. But for that there would have been no further meeting of the committee, because the amendments had been agreed to, and the committee would have reported the bill on Friday or Saturday with the amendments to which the committee had agreed. However, in order that we might formally report the new, clean bill without setting out separately the amendments which had been agreed to, we adjourned until Monday, and on that day reported out the bill which we had been over in detail, sentence by sentence and line by line, for more than a week before that time.

Mr. WHEELER. I thank the Senator. He is entirely correct.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. HASTINGS. My understanding from the Senator from Kentucky is that the committee completed going over the bill on Friday, and the report was in the hands of the Printer on Saturday. I should like to know how the 60-page report was completed between that time and the time it was sent to the Printer on Saturday.

Mr. WHEELER. Because both the clerks in the committee and the men who had drafted the bill worked upon the report together.

Mr. HASTINGS. Is it or is it not true that the men who drafted the bill also drafted the 60-page report?

Mr. WHEELER. That is not entirely true. They worked upon the report.

Mr. HASTINGS. I did not say it was true. I asked the question.

Mr. WHEELER. The Senator asked me the question if they prepared the report.

Mr. HASTINGS. Yes.

Mr. WHEELER. I say they worked upon the report in conjunction with the clerks in my office, and with my own suggestions; and I went over it with them, and suggested to them what I wanted to put in the report. These men worked until 2 or 3 o'clock in the morning, trying to get out the report; and after they had brought me one draft I sent it back, and suggested to them that we put in the report practically every change that had been made in the bill. The report had to be taken back again and gone over, and many changes were made in it after the first suggested draft came out.

Mr. HASTINGS. Does the Senator from Montana and the Senator from Kentucky realize the great difficulties placed in the way of the members of the committee who could not possibly stay there all the time? Here we had a bill presented to the Senate in February, 2 months ago. It was considered, and many changes were made in it. Instead of having the bill brought back to the Senate with those changes clearly shown in it, there was presented to the committee in executive session an entirely new bill; and it is admitted by everyone there that no person had an opportunity to examine that bill before it was presented to the Senate to be voted upon.

I did not say this was railroading the bill through, but I stated the facts; and I challenge anyone to show me that any statement made in the minority report is not a fact. It may be true that there are some erroneous statements in the minority report, but if there are, I shall be glad to correct them.

Mr. BARKLEY. The new bill was a completed bill which had been worked out by the committee. What the Senator wanted us to do when we met on Monday to report the bill to which we had already agreed was to go over it page by page and section by section.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. HASTINGS. The Senator from Kentucky was there, and he knows the request I made. The request I made was

that we be not asked to vote on the bill until we had had at least 1 or 2 days to read it. I did not even suggest that the committee go over it.

Mr. BARKLEY. The Senator wanted the committee to go over the bill in detail.

Mr. HASTINGS. Oh, no! The Senator from Kentucky must know, and I think the chairman will bear me out in that statement, that I never made such a suggestion. Not having been able to attend all the meetings of the Interstate Commerce Committee, because the Finance Committee was meeting every day during the executive sessions, I insisted that as a member of the committee I had a right to examine the bill before I was called upon to vote upon it. I did not even suggest that it be gone over in the committee meeting.

Mr. WHEELER. Let me say to the Senator that he had an opportunity to go over the bill, because all there was in the new bill was the text of the old bill with the exact amendments which had been adopted to it; and the Senator had the old bill with all the amendments which had been adopted to it.

Mr. HASTINGS. Was it in printed form?

Mr. WHEELER. No; it was not in printed form.

Mr. HASTINGS. Does not the Senator admit that it was necessary for members of the committee to be there and to make their own corrections in the bill if they were to have before them the sort of a bill that they could look at and see what changes were made?

Mr. WHEELER. Not with reference to all the changes. It was necessary with reference to a few minor ones, but not with reference to the principal ones.

The Senator said he desired to have me point out where there was an error. He said, in his report:

> There is almost complete displacement of State jurisdiction over electrical utilities.

I suggest to him that that is not correct. As a matter of fact, we have not done anything of the kind; and that is an incorrect statement. Not only is it an incorrect statement but the whole report is filled with statements which would lead to the idea that there was something wrong about the action of the committee. I desire to say to the Senator, so far as I am concerned, that the utility people themselves, after the hearing was over, stated to me that they had had a fair hearing; they were only sorry we did not agree with them in their suggestion that the entire bill should be defeated.

I am not going to take up any more of the Senate's time. I expect to discuss the bill at length when it comes up for consideration; but I do not want the impression to go out among the Members of the Senate that I, as Chairman of the Interstate Commerce Committee, or a majority of the members of the committee present there, did not give every single member of the committee a fair opportunity to be heard. I submit to the Senator from Delaware that he cannot get Members on his own side to agree with him upon what he has stated in the report on that subject.

NAVY DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes.

Mr. BYRNES. Mr. President, yesterday an amendment offered by the Senator from Michigan [Mr. VANDENBERG] was agreed to, reading:

> No part of the funds herein appropriated shall be available to pay a contractor upon any contract entered into under authority of this act unless, at the time of filing his bid, he shall also file the estimates upon which such bid was based.

I desire to move a reconsideration of the vote by which that amendment was adopted, in order to amend the amendment by inserting, after the word "contract", the words "for a naval vessel", so that the amendment will read:

> No part of the funds herein appropriated shall be available to pay a contractor upon any contract for a naval vessel entered into under authority of this act unless, at the time of filing his bid, he shall also file the estimates upon which such bid was based.

The VICE PRESIDENT. Is there objection to reconsideration of the vote by which the amendment was adopted? The Chair hears none.

The question is on agreeing to the amendment offered by the Senator from South Carolina to the amendment of the Senator from Michigan.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. NYE. Mr. President, yesterday and on preceding days, members of the Munitions Committee individually offered amendments which were intended to afford some check for the Government and for the Navy against practices to which shipbuilders have resorted in the more recent years of naval construction. Those amendments had as their purpose stopping the sale of national-defense designs to other countries, and building barriers against continued collusion. They had as their further purpose making our American dollars buy more of national defense and stopping the plunder of Federal funds in the name of national defense.

A point of order was raised against virtually each and every one of the amendments. It would be useless to offer further amendments having as their purpose like goals. It had been my purpose to offer two amendments, one dealing with the establishment of a larger designing department in the Navy, which would leave the Navy wholly independent of private shipbuilding yards for their designing, and a second amendment affording further checks to the Government on shipbuilding prices and safeguards against collusion, which has been practiced.

There is little use of offering these amendments. However, I am going to request that the two amendments as prepared by me may be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

> On page 52 insert, after the first complete paragraph, the following paragraph:
>
> "That none of the appropriations provided by this act or by later acts shall be available for compensation, whether as part of the contract price for construction of a vessel or otherwise, to any private shipyard for plans and designs for vessels, and that of the appropriations contained in this act under the head of 'Increase of the Navy', there shall be available such sums as the Secretary of the Navy may from time to time determine to be necessary for the establishment of a section of design and planning which shall prepare the plans and designs for all vessels hereafter constructed by or for the United States, the salaries of the permanent and temporary personnel of such section not to be subject to the limitations of existing acts of Congress, and for the engagement of other technical services, and the employment of other personnel in the Navy Department and in the field, the purchase of drafting and other supplies."
>
> On page 50, line 8, after the word "*Provided*", insert the following: "That no vessel the commencement of which is authorized by this act or by later acts shall be built in any private shipyard unless such private shipyard shall, (1) except in the case of an aircraft carrier, have given a bond, in the amount of the contract for such vessel, that such vessel shall be completed and delivered to the Navy Department within 30 months from the date of such contract; (2) the Navy Department shall have prepared, prior to the advertising for any bid therefor, estimates of the cost of construction in each of the navy yards of such vessel; (3) such private shipyard shall have agreed to build such vessel for an amount not greater than the Navy Department's estimate of cost of construction of such vessel in the lowest navy yards, plus (a) $500,000 in the case of a cruiser, (b) $1,000,000 in the case of an aircraft carrier, and (c) $200,000 in the case of a destroyer; (4) in the contract for such vessel, except in the case of a fixed-price contract, such private shipyard shall have agreed (a) to pay to the Treasury all profit in excess of 5 percent of the total amount of the contract covering such vessel, such amount to become the property of the United States, and (b) to insert a like clause in all subcontracts in excess of $10,000 made by such private shipyard in performance of such contract; and (5) such private shipyard shall have agreed that all books, records, memoranda, documents, correspondence, and papers of such shipyard and of its subsidiaries and affiliates shall be subject to examination, during the usual hours of business, by representatives of the Comptroller General and/or of the Navy Department; in this clause (5) the word 'subsidiary' means any person, corporation, trust, or business unit over whom or over which such private shipyard has actual or legal control, whether by stock ownership, contractual relation, or otherwise; and the term 'affiliate' means any person, corporation, trust, or business unit who or which has actual or legal control over such private shipyard, whether by stock ownership, contractual relation, or otherwise: *Provided further*, That no part of any appropriation made by this act or later acts shall

be expended under any contract with any private shipyard unless the bid of such private shipyard, upon the basis of which such contract was entered into, has been certified to by the Comptroller General, after consideration by him of (1) the Navy Department's estimates of cost of construction in the navy yards of the vessel covered by such bid, (2) estimates and reports prepared by the Navy Department and by the Comptroller General of the costs of construction in navy yards and in private shipyards of similar vessels, (3) previous bids made by private shipyards for similar vessels, and (4) the likelihood of changing costs of construction during the period of construction contemplated by such bid, as (a) fair, reasonable, and not excessive in amount, and (b) being lower than any bid that could be anticipated upon a readvertisement for bids: *Provided further*, That no part of any appropriation made by this act or later acts shall be expended under any contract with any private shipyard unless the Comptroller General shall, prior to each payment under such contract, certify that such shipyard has complied with all applicable provisions of this act and of the act of March 27, 1934 (Public, No. 135, 73d Cong.) relating to repayment of profits, insofar as previous contracts of such shipyard with the United States, or any agency thereof, are concerned, and as a basis for such certification the Comptroller General shall cause to be made at least ample examinations of the books and records of such shipyard relating to costs of construction of the vessel or vessels built by such shipyard pursuant to such previous contracts and such actual examination of such books and records as is made shall be recited in said certificate, and *Provided further*,"

Mr. NYE. Mr. President, it is evident that there is need for consolidation of these amendments into one legislative bill. The accomplishment of that will be the immediate purpose of the Munitions Investigating Committee. I sincerely hope for the cooperation of the entire Senate and its committees in accomplishing expeditious consideration of that character of legislation when it shall be offered.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. NYE. Let us have the yeas and nays.

The yeas and nays were not ordered.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Robinson
Austin	Costigan	La Follette	Russell
Bankhead	Couzens	Lonergan	Schall
Barbour	Dickinson	McGill	Schwellenbach
Barkley	Dieterich	McKellar	Sheppard
Bilbo	Donahey	McNary	Shipstead
Black	Duffy	Maloney	Smith
Brown	Fletcher	Metcalf	Steiwer
Bulkley	Frazier	Minton	Thomas, Utah
Bulow	Gerry	Moore	Trammell
Byrd	Gibson	Murphy	Truman
Byrnes	Glass	Murray	Tydings
Capper	Gore	Neely	Vandenberg
Caraway	Guffey	Norris	Walsh
Carey	Hale	Nye	Wheeler
Chavez	Hatch	O'Mahoney	White
Clark	Hayden	Overton	
Connally	Johnson	Pittman	
Coolidge	Keyes	Radcliffe	

The VICE PRESIDENT. Seventy-three Senators having answered to their names, a quorum is present. The question is, Shall the bill pass?

Mr. CLARK. Mr. President, I do not wish to delay the Senate on this matter, but it seems to me, in the case of a bill of this unprecedented magnitude, appropriating practically almost half a billion dollars for purposes of naval construction, that a demand for the yeas and nays is not unreasonable. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KING. Mr. President, before the vote is taken upon this measure I desire to state that, except for the lateness of the hour and the eagerness of the Senate to recess or adjourn, I should carry out the purpose which I had in mind to speak at some length upon the bill and cognate questions. I shall take advantage of the opportunity, however, on Monday to address the Senate upon the bill, even though it shall have passed in the meantime, and upon such questions as are relevant to a proper discussion of the question.

I am opposed to the bill and shall vote against it.

The VICE PRESIDENT. The question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McNARY (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. HARRISON], who is unavoidably absent. I am advised that if present he would vote as I am about to vote. I therefore feel at liberty to vote, and vote "yea."

The roll call was concluded.

Mr. McKELLAR (after having voted in the affirmative). I have a general pair with the junior senator from Delaware [Mr. TOWNSEND]. I transfer my pair with him to the junior Senator from New York [Mr. WAGNER], and will allow my vote to stand.

Mr. BARKLEY. My colleague [Mr. LOGAN] is unavoidably absent. He is paired with the Senator from Pennsylvania [Mr. DAVIS]. I am not authorized to announce how my colleague would vote if present.

Mr. ROBINSON. I desire to announce that the Senator from Arizona [Mr. ASHURST], the Senator from Tennessee [Mr. BACHMAN], the senior Senator from North Carolina [Mr. BAILEY], the Senator from Georgia [Mr. GEORGE], the Senator from Illinois [Mr. LEWIS], the Senator from California [Mr. McADOO], the junior Senator from North Carolina [Mr. REYNOLDS], and the Senator from New York [Mr. WAGNER] are necessarily detained from the Senate on official business. I am advised that if present and voting, these Senators would vote "yea."

I also desire to announce that the Senator from Washington [Mr. BONE], the Senator from Nebraska [Mr. BURKE], the Senator from Louisiana [Mr. LONG], the Senator from Nevada [Mr. McCARRAN], the Senator from Idaho [Mr. POPE], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Indiana [Mr. VAN NUYS] are necessarily detained from the Senate on departmental business.

Mr. AUSTIN. The Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness. If present, he would vote "yea."

The Senator from Delaware [Mr. HASTINGS] is detained from the Senate on official business.

The Senator from Delaware [Mr. TOWNSEND] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent.

The result was announced—yeas 55, nays 18, as follows:

YEAS—55

Adams	Coolidge	Hayden	Robinson
Austin	Copeland	Johnson	Russell
Bankhead	Couzens	Keyes	Schall
Barbour	Dickinson	Lonergan	Schwellenbach
Barkley	Dieterich	McKellar	Sheppard
Bilbo	Duffy	McNary	Smith
Brown	Fletcher	Maloney	Steiwer
Bulkley	Gerry	Metcalf	Trammell
Byrd	Gibson	Minton	Truman
Byrnes	Glass	Moore	Tydings
Caraway	Gore	O'Mahoney	Vandenberg
Carey	Guffey	Overton	Walsh
Chavez	Hale	Pittman	White
Connally	Hatch	Radcliffe	

NAYS—18

Black	Donahey	Murphy	Shipstead
Bulow	Frazier	Murray	Thomas, Utah
Capper	King	Neely	Wheeler
Clark	La Follette	Norris	
Costigan	McGill	Nye	

NOT VOTING—22

Ashurst	Davis	Long	Thomas, Okla.
Bachman	George	McAdoo	Townsend
Bailey	Harrison	McCarran	Van Nuys
Bone	Hastings	Norbeck	Wagner
Borah	Lewis	Pope	
Burke	Logan	Reynolds	

So the bill was passed.

Mr. BYRNES. I move that the Senate insist upon its amendments and ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. BYRNES, Mr. COPELAND, Mr. TRAMMELL, Mr. HALE, and Mr. KEYES conferees on the part of the Senate.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Mr. SMITH. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1807, to amend the Agricultural Adjustment Act, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from South Carolina.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes, which had been reported from the Committee on Agriculture and Forestry, with amendments.

Mr. SMITH. I offer as an amendment to or substitute for the bill, House bill 8052.

The VICE PRESIDENT. The amendment will be printed and be considered pending.

Mr. McNARY. Mr. President, what was the request made by the Senator from South Carolina?

Mr. SMITH. I asked that Senate bill 1807 be taken up, and then I offered as an amendment or as a substitute the House bill on the same subject.

The VICE PRESIDENT. The Chair understands the parliamentary situation to be as follows:

Upon motion of the Senator from South Carolina, the Senate proceeded to the consideration of Senate bill 1807. The Senator from South Carolina then offered an amendment in the nature of a substitute, which amendment is pending.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

Mr. COPELAND. Mr. President, there is on the calendar Senate bill 5, the food and drugs bill. I am about to ask unanimous consent that the amendments which have been agreed upon by the various persons interested in the bill may now be adopted, without any view to passing the bill tonight, but in order that it may be printed, so that at an opportune time those who are interested in the bill may study it.

The VICE PRESIDENT. The Senator from New York asks unanimous consent that, without displacing the pending unfinished business, the Senate take up a certain bill and agree to the amendments referred to.

Mr. ROBINSON. Mr. President, first it will be necessary temporarily to lay aside the unfinished business, which is the bill dealing with the A. A. A. amendments, and then to proceed with the consideration of the bill referred to by the Senator from New York.

The VICE PRESIDENT. The Chair is simply putting the request of the Senator from New York.

Mr. KING. Mr. President, will the Senator from Arkansas yield?

Mr. ROBINSON. I yield.

Mr. KING. May I ask the Senator from New York whether he would not accomplish all he is now seeking to accomplish if he would have the amendments printed and placed upon the desks of Senators so that we might consider them? Then, I would have no objection to having the bill taken up in the regular order following the so-called "triple A amendment bill." In fact, I should prefer that it precede the triple A bill.

The VICE PRESIDENT. The Chair recognized the Senator from New York to present a unanimous-consent request.

Mr. McNARY. Mr. President, is it the desire of the Senator from New York to have the Senate act upon all the amendments, or is the request simply to have them printed in the bill?

Mr. COPELAND. It is my desire to have the amendments acted upon so that the bill may be reprinted as amended.

Mr. McNARY. That raises the question as to whether we shall adopt the proposed amendments without consideration.

Mr. COPELAND. I think the Senate would adopt them without much consideration, because they must appeal so strongly to the judgment of Senators. [Laughter.]

Mr. President, seriously, as Senators know, there has been much controversy about this bill, and I am very happy to say that after conferences with the Senator from North Carolina [Mr. BAILEY], the Senator from Missouri [Mr. CLARK], the Senator from Tennessee [Mr. MCKELLAR], the Senator from Idaho [Mr. BORAH], the Senator from Michigan [Mr. VANDENBERG], and others, we appear to be in full agreement as to what amendments should be adopted.

I believe that it would facilitate action if we could do as I am now proposing, namely, have the amendments acted upon by the Senate. Then I will not press the measure, but will ask that the bill as amended be printed so that there may be further consideration if it is so desired. I submit my request for unanimous consent.

The VICE PRESIDENT. The Senator from New York asks unanimous consent that the unfinished business be temporarily laid aside, that the Senate agree to the amendments referred to by the Senator from New York, and that the bill be printed as amended.

Mr. ROBINSON. The Senator modified his request so that his request, as I now understand it, is that the bill be printed with the amendments.

Mr. COPELAND. No.

The VICE PRESIDENT. No; the Senator did not make that request. The Chair was particular to understand the request.

Mr. COPELAND. Mr. President, I hope that we may dispose of the amendments, and then that the bill may be printed so that it may be given further thought by Members of the Senate who might desire to have other amendments offered.

Mr. BARKLEY. The idea of the Senator from New York is not to the effect that the less we consider the amendments the more apt we will be to adopt them? [Laughter.]

Mr. COPELAND. I know the Senator from Kentucky is very much interested in the bill.

Mr. BARKLEY. I am sympathetic with the Senator's proposal.

Mr. ROBINSON. Mr. President, I am going to suggest to the Senator from New York, in an earnest desire to be of assistance to him, that he have his bill printed with the amendments so that Senators may have the opportunity of examining the bill if they wish to do so, and that on another occasion, in a very short time, so far as my wish is concerned, he call up the bill for action.

Mr. COPELAND. Mr. President, if that is the best I can do, that is what I have to take. [Laughter.]

Mr. McNARY. Mr. President, I was just about to remark that I should be very happy to cooperate with the Senator from New York in the preparation of the bill, but this is an unusual procedure, a practice which has never been heretofore recognized, and if the request is pressed, I shall have to object to it.

Mr. ROBINSON. The Senator does not object to the request I presented?

Mr. McNARY. No; I suggested a moment ago that the proper course would be to obtain unanimous consent to have the amendments printed in the new bill, and then we may consider it later.

Mr. MCKELLAR. Mr. President, may I ask the Senator from Arkansas whether he suggested printing the amendments in the bill in italics so that it can be determined just what they are?

Mr. ROBINSON. Yes; my suggestion to the Senator from New York was that the bill be printed with the amendments, and they should be printed in italics.

Mr. COPELAND. Mr. President, it is well known in the Senate which amendments are controversial. There was one amendment offered by the Senator from North Carolina [Mr. BAILEY] to which I objected so seriously that I stated that I would rather have the bill die than to have the amendment adopted. The amendment provided that no article could be taken off the market except one particular sample of it, no matter whether it affected health or not. That amendment has been changed so that now it provides that unless health is involved there shall be only one seizure. That is entirely agreeable to me. There are other amendments with which I think every Senator who is really interested in debating the bill will be satisfied. There is much discontent because this bill has not been acted upon.

The VICE PRESIDENT. Will the Senator permit the Chair to make a suggestion?

Mr. COPELAND. Certainly.

The VICE PRESIDENT. If the Senator would secure unanimous consent to offer an amendment to his bill which would include all the amendments so that there would be only one amendment proposed to the bill, it would obviate the necessity of considering all the amendments when the bill was brought before the Senate.

Mr. COPELAND. I think that is a very good suggestion.

Mr. HAYDEN. Mr. President, the status of the bill is that it has been considered by the Senate, and the Senate has adopted certain amendments. A print of the bill was made showing the amendments adopted by the Senate up to a certain date. A few other amendments have been agreed upon since that time. My suggestion is to print the bill showing the amendments adopted by the Senate in italics and showing in bold-face type the amendments which have not been adopted by the Senate but which have been agreed upon by the several Senators in conference. That will give Senators exactly the information they need.

The VICE PRESIDENT. The Chair is willing to present any request the Senator from New York may make.

Mr. COPELAND. Mr. President, I think the suggestion made by the Chair is a very wise one, and if I may have unanimous consent to present a blanket amendment to include all the various changes which are now proposed, then I assume that request may be agreeable to the Senate.

The VICE PRESIDENT. The Senator from New York asks unanimous consent, the pending business having been temporarily laid aside, that he may offer an amendment to the bill. Is there objection?

Mr. McNARY. Mr. President, that is a new practice. I understand there are a number of amendments to be placed in one big amendment upon which we would have one vote covering very many different changes in the bill. That is illogical, and I object.

The VICE PRESIDENT. The Senator from New York asks unanimous consent that the amendment may be printed in the bill. Is there objection? The Chair hears none, and it is so ordered.

Mr. COPELAND. Mr. President, I will have to have a few hours further study of the bill. May I have unanimous consent to pass the bill to the clerk after the amendments have been worked out?

The VICE PRESIDENT. Is there objection to the request? The Chair hears none, and it is so ordered.

INVITATION TO PRESS CLUB OUTING

Mr. VANDENBERG. Mr. President, I ask leave to present a notice with the request that it be read by the clerk.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk read as follows:

The National Press Club extends a cordial invitation to Members of the United States Senate to join in the "Anchors Aweigh" party to be held at the Marine Base, Quantico, Va., on Saturday, May 25. Our chartered steamer, *The City of Washington*, leaves the Wilson dock at 1 o'clock. Dinner will be served at Quantico; there will be a 7-inning baseball game between the congressional team and a press gallery team, and the "Devil Dogs", 1,200 strong, will give an exhibition drill, with 26 airplanes participating.

There will be three boxing bouts.

The boat will return to Washington in the evening, docking about 11 o'clock. Tickets for the event may be obtained at the office of Sergeant at Arms Jurney.

The National Press Club will be happy to have Senators join in the festivities.

MARK FOOTE,
President National Press Club.

PAYMENT TO CHIPPEWA INDIANS OF MINNESOTA FOR LAND

Mr. SCHALL. Mr. President, on May 13 last the Senate passed the bill (S. 1492) to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota under the Swamp Land Act.

On the same day the House passed House bill 2046, a bill identical with the Senate bill, and it was transmitted to the Senate. I ask unanimous consent that the Senate proceed to the consideration of House bill 2046.

The VICE PRESIDENT. Is there objection?

There being no objection, the Vice President laid before the Senate the bill (H. R. 2046) to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota under the Swamp Land Act, which was read twice by its title.

The bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury of the United States not otherwise appropriated, the sum of $223,162.62, said amount to be credited to the trust fund of the Chippewa Indians of Minnesota arising under the provisions of section 7 of the act of January 14, 1889, in full payment for 178,530.10 acres of land embraced within reservations established by the treaties of March 11, 1863 (12 Stat. 1249), May 7, 1864 (13 Stat. 693), and March 10, 1867 (16 Stat. 719), for the future homes of said Indians, and later patented to the State of Minnesota under the provisions of the amendatory Swamp Land Act of March 12, 1860, without compensation to said Indians.

SEC. 2. That the Secretary of the Interior be, and he hereby is, authorized to determine just and proper compensation to the respective attorneys representing the Chippewa Indians of Minnesota in the prosecution of their claims against the United States for the services rendered in the prosecution of said claim, said compensation to be based upon the nature, extent, character, and value of said services, and to pay such amounts, if any, as he may find said attorneys to be entitled to receive out of the trust funds standing to the credit of the Chippewa Indians of Minnesota.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations (and also withdrawing a nomination), which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers for appointment, by transfer, in the Regular Army; also the nominations of several general officers for appointment in the National Guard of the United States, and the nomination of Brig. Gen. Frank Thomas Hines, Reserve, for reappointment in the Officers' Reserve Corps of the Army under the provisions of law.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of William P. McDermitt to be United States marshal, district of New Jersey.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

MISSISSIPPI RIVER COMMISSION

The legislative clerk read the nomination of Albert L. Culbertson, of Illinois, to be a member of the Mississippi River Commission.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Norman Armour, of New Jersey, to be Envoy Extraordinary and Minister Plenipotentiary to Canada.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

Mr. McKELLAR. Mr. President, I ask unanimous consent that the nomination of Balda J. McMillan to be postmaster of Hughes Springs, Tex., be withdrawn from the calendar and recommitted to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that nominations of postmasters on the calendar, with the exception of that of Balda J. McMillan, be confirmed en bloc.

The VICE PRESIDENT. Without objection, it is so ordered, and the nominations, with the exception noted, are confirmed en bloc.

That completes the calendar.

RECESS TO MONDAY

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 12 minutes p. m.) the Senate took a recess until Monday, May 27, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 24 (legislative day of May 13), 1935

UNITED STATES DISTRICT JUDGE

John C. Mahoney, of Rhode Island, to be United States district judge, district of Rhode Island, vice Ira Lloyd Letts, resigned.

COLLECTOR OF INTERNAL REVENUE

Giles Kavanagh, of Michigan, to be collector of Internal Revenue for the district of Michigan, to fill an existing vacancy.

COLLECTOR OF CUSTOMS

Martin R. Bradley, of Hermansville, Mich., to be collector of customs for customs collection district no. 38, with headquarters at Detroit, Mich., to fill an existing vacancy.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 24 (legislative day of May 13), 1935

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Norman Armour to be Envoy Extraordinary and Minister Plenipotentiary to Canada.

UNITED STATES MARSHAL

William P. McDermitt to be United States marshal, district of New Jersey.

MISSISSIPPI RIVER COMMISSION

Albert L. Culbertson to be member Mississippi River Commission.

POSTMASTERS

ARIZONA

Linnie N. Smith, McNary.

ILLINOIS

Raymond R. Staubus, Cissna Park.
Charles W. Sampson, Greenup.
Wilber J. Strange, Le Roy.
Forest Vernon McNabney, Menard.
Dorsey Berry Anderson, National Stock Yards.
Roy S. Preston, Pekin.
Parke Burnham, Ullin.

IOWA

Isaac Hoeven, Sioux Center.

KENTUCKY

Newton Sullivan, Burlington.
Claud Brown, Henderson.
Ernest Meek, Paintsville.
J. Wise Higgins, Salyersville.
Joe C. Cantrell, Wheelwright.

MAINE

Eber J. Johnson, Poland.
Velorus T. Shaw, Prouts Neck.

MASSACHUSETTS

Carl E. Brown, Lunenburg.

MICHIGAN

Carl V. Moody, Copemish.
Vedah W. Halterman, De Witt.
John S. Courtney, Marquette.
Michael A. Mahar, Vermontville.

MINNESOTA

Clifford A. Hedquist, Argyle.
John H. Beutner, Buffalo.
Mary E. Gilbert, Carlton.
Clifford W. McDonald, Claremont.
Clifford Bergland, Clearbrook.
Harold J. Peck, Deer River.
Ove H. Voigt, Dent.
Lester A. Helweg, Fulda.
Ferdie A. Brown, Grygla.
Marian E. Boettcher, Hackensack.
Alfred H. Smith, Heron Lake.
C. Violet Thyren, Kelliher.
Lloyd O. Sundeen, Kerkhoven.
Herman Olberding, Lismore.
Byron B. Maddy, McGregor.
H. Mermond Olsen, Marine on St. Croix.
Patrick J. Malone, Montgomery.
Ernest S. Mariette, Oak Terrace.
Casper W. Lotterer, Perham.
John L. Suel, Robbinsdale.
Edwin G. Doyle, Rosemount.
Wallace Oscar Merrill, Silver Lake.
Lloyd A. Hakes, Stewart.
Edwin O. Stennes, Strandquist.
Andrew C. Peterson, Waubun.
Julia B. Anderson, Zumbrota.

MISSISSIPPI

Louise A. Stephenson, Flora.
Grace M. Williams, Silver Creek.

NEW MEXICO

Roy L. Cook, Albuquerque.
Frances I. Burch, Alamogordo.
Virginia B. Jameson, Estancia.
James H. Odle, Farmington.
Higinio M. Vigil, Wagon Mound.

NORTH DAKOTA

Winfield S. Hooper, Fargo.
Peter L. Freund, Hope.
Harry E. Brady, Jud.
John D. Leadon, Taylor.

TENNESSEE

Jere Gardenhire, Carthage.
Joseph E. McCracken, Cumberland City.
Walter W. Ryburn, Erwin.
Mary E. Watkins, Goodlettsville.
Coy M. Seal, Sneedville.
Roev D. Shoulders, Westmoreland.

TEXAS

Arthur K. Tyson, Calvert.
Walter L. Pickett, Hereford.
Walter B. Wilson, McKinney.

WEST VIRGINIA

Roscoe Cook, Lorado.

WISCONSIN

John T. Murphy, Delavan.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 24 (legislative day of May 13), 1935

MISSISSIPPI RIVER COMMISSION

William Gerig, of Arkansas, for appointment as a member of the Mississippi River Commission provided for by the act of Congress approved June 28, 1879, entitled "An act to provide for the appointment of a 'Mississippi River Commission' for the improvement of said river from the Head of the Passes, near its mouth, to its headwaters", vice Charles H. West, deceased, which was sent to the Senate on May 20, 1935.

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 24, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Infinite God, the Eternal One, Thou hast spoken and Thy wonderful manifestations give witness to the oneness in divine government. We praise Thee that Thy fatherly goodness hangs like a rainbow above the life of man. We thank Thee that in this ageless world of ours we have the innocence and charm of childhood, the hopes and dreams of youthhood, the power and fervor of middle life, and the treasures of the ripened years. We rejoice that all shall be one in the brightness of the heavenly glories. Wherever right and wrong, truth and error are in deadly conflict, O let human progress roll on over all prejudices, bringing its everlasting triumphs. Identify us with all movements that bring us into the very richest religious experience. Endue us with incredible zeal that will work for the supremacy of those institutions that conform to the rights, happiness, and peace of our fellow men. In the name of the Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1384) entitled "An act to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes."

ADJOURNMENT OVER

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

DISBURSEMENT OFFICERS OF THE ARMY

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that the bill (H. R. 5225) to provide relief for disbursing officers of the Army in certain cases be recommitted to the Committee on Military Affairs for further consideration.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that following the address of our colleague the gentleman from New York [Mr. BOYLAN] I may be allowed to proceed for 5 minutes.

The SPEAKER. The gentleman from Massachusetts [Mr. GIFFORD] has 15 minutes, following the gentleman from New York.

Mr. BLANTON. Then I ask for 5 minutes following the address of the gentleman from Massachusetts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes, following the gentleman from Texas [Mr. BLANTON].

The SPEAKER. The gentleman from New York asks unanimous consent that, following the address of the gentleman from Texas, he may address the House for 5 minutes. Is there objection?

Mr. TRUAX. Mr. Speaker, reserving the right to object, are we to get to the Consent Calendar today?

The SPEAKER. That is a matter for the House to determine.

Mr. TRUAX. As I recall, 50 minutes of time has been granted now preceding the consideration of the bills on the calendar, and I think this is entirely unfair.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE PETROLEUM INDUSTRY

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection?

Mr. HOUSTON. Mr. Speaker, few industries more directly or more vitally affect every American family than the petroleum industry. Aside from food and shelter, no other factor enters so intimately into the life of the people, as well as into their industrial or financial affairs, as do the products of this industry. The second in importance to the country, according to repeated statements made by Secretary of the Interior Ickes, its stabilization is a matter of the foremost consequence.

Through the assistance furnished to this industry by Congress by the passage of special legislation, such as the excise taxes on foreign petroleum product, the Connally hot-oil bill, and the adoption of the oil code under the National Industrial Recovery Act, this industry has made tremendous contributions to the restoration of employment and prosperity. The annual pay roll of the industry today is approximately $1,569,000,000, which is practically equal to the pay roll in 1929. As evidence that this industry is doing its part in meeting the administration's reemployment program, the oil industry has given new employment to 217,200 persons in the past 2 years, according to the American Petroleum Institute.

The same authority also states that the taxes paid by this industry in levies made upon its properties, products, and operations amount to $1,250,000 a year.

The petroleum industry, Mr. Speaker, has been enabled to make this tremendous contribution toward the return of prosperity because of the steps taken toward the elimination of excessive production of petroleum, bringing supply into a closer balance with demand than had been the case before the adoption of the petroleum code made this possible. Through that control of production and this attempt at balance, crude petroleum which had been selling as low as 10 cents a barrel of 42 gallons has now been selling around $1 a barrel.

This increase in the price received by the producer has not resulted in any increase in the prices paid by the consumer of petroleum products. Possibly not another industry would show such an increase in the cost of its primary raw material without any increase in the price of the finished product delivered to the consumer. When crude petroleum was selling at 10 cents a barrel or at 25 cents a barrel, or at any figure below a dollar a barrel, many of the smaller interests in the industry were forced into bankruptcy and their products absorbed by larger and better financed groups. The present price paid for this product, while it does not cover the production costs in all fields, nevertheless, has enabled the industry to continue its employment program and has wiped out the red ink on the

ledgers of uncounted numbers of those in the industry. The differential between the production cost of foreign petroleum and of domestic petroleum, according to the latest figures which have been compiled by the United States Tariff Commission, is $1.03 per barrel. It is quite evidently impossible for domestic petroleum to compete with the foreign product which has so great an advantage, due largely to the fact that the American product must pay American wage scales and must also pay a vast number of local, State, and Federal taxes, from which the foreign product is free. Furthermore, in many cases the foreign product is produced by peon labor or else by the forced labor of the Soviet.

As the price of American petroleum has risen, the market in this country has become increasingly desirable to those firms owning large oil fields in other countries. Thus far the only thing which has prevented the American petroleum industry from being demoralized by a tremendous flood of cheap foreign oil has been the excise taxes in the present revenue act, and also the limitation on imports which have kept those imports, approximately, within the average amount imported during the last 6 months of 1932.

Mr. Speaker, the oil excise taxes on foreign petroleum products expire in June. At the same time, the present Petroleum Code, which contains a section on the limitation of imports, also expires. Unless this Congress shall take action prior to that expiration date the gains made by this industry during the past 20 months may all be swept away, its successful reemployment program replaced by the forced discharge of hundreds of thousands of workers who are now receiving high wages, and by the reduction in the salaries and wages paid those who would be retained by this industry. This would constitute one of the most staggering blows which could be struck at any program for recovery of American prosperity. Furthermore, the most important oil reserves of the Nation are those which are reached by the stripper wells or the wells of settled production. These wells produce their oil by pumping, in contrast to those wells in any fields which have flush production, which does not require expensive labor in pumping operations. Should cheap foreign oil be admitted without restraint and without a compensating duty, it could take possession of such a large portion of our domestic market that the American oil producer would find it utterly impossible to compete.

The first effect of this would be the forced abandonment of the stripper wells. Many of these wells when once closed down could not be reopened because of the entry of water. An oil well is not like a coal mine or any other form of mineral development. It must be continuously produced or else its reopening after a long shut-down may show that it has been destroyed by water or else its producing possibilities have been greatly decreased.

Oil is one of the most vital elements in our national defense. It is probably second only to man power. Without large supplies of oil we would be tremendously handicapped should a war with any major power break out. The abandonment of the stripper wells of the Nation because of the uncontrolled admission of cheap, foreign oil would multiply all our problems of national defense.

Mr. Speaker, because of its important place in our economic life, it is imperative that we should continue to maintain the oil reserves of the Nation. There are nearly 25,000,000 automobiles in operation. Many of these are not used for pleasure solely but play a very significant part in our industrial life. They are primary methods of transportation today. Without them the farmer would find his present difficulties greatly intensified; the business man would face unnecessary handicaps. Congestion in cities would increase if this mobile form of transportation was diminished. A volume might be written about the effect upon our national, our social, and our financial life if a large portion of the Nation's petroleum supplies were abandoned as would inevitably result if the free admission of foreign oil made it economically impossible to continue to operate the wells touching the largest portion of our national reserves. The additional cost of American petroleum as compared with foreign petroleum is due entirely to two factors: The higher wages paid in this country and the heavy tax burdens carried by this industry and its products. The taxes paid, it has been estimated, have been between 4 and 5 percent of the earnings of the industry which, according to the American Petroleum Institute, have averaged 1.66 percent during the past 12 years.

Mr. Speaker, in spite of this heavy and increasing burden of taxation, the industry has not increased to the consumer the price of its product but has continuously decreased that price. The consumer has not realized this decrease since additional taxes have usually replaced the price cut in the product made by the industry.

The petroleum excise taxes produced last year a revenue of about $7,800,000. This sum may not seem large when compared with expenditures which we are called upon to approve. It is an important item, however, in our revenue program. The actual values of this tax, however, cannot be computed merely from the payments made at our ports of entry. The Federal Government receives more income through the support given to the domestic petroleum industry through these taxes than it does from the taxes themselves. Elimination of these taxes through the admission of cheap foreign oil would not alone deprive the National Treasury of the $7,000,000 it received in 1934 but would also deprive it of many, many millions of dollars additional which it has been receiving from the various forms of taxation levied upon this industry. This ignores the enormous revenues which are received by cities, towns, counties, and States from taxes on oil properties or upon oil products.

Mr. Speaker, a measure introduced in the House by Congressman MORGAN SANDERS, of Texas, to continue these taxes beyond their present expiration date in June of the current year would increase some of these taxes. The present tax upon crude petroleum and fuel and gas oil is one-half cent a gallon or 21 cents a barrel. At a previous session of Congress, it was proposed to increase these taxes to 42 cents a barrel. That effort did not succeed at the time although no convincing arguments against the value or the necessity of this increase were advanced. Since the foreign product has an advantage of $1.03 over the American product, it is quite evident that a tax of 42 cents per barrel would not be great enough to constitute an embargo. It would, however, reduce the margin of profit which would tempt the importers of foreign oil to take possession of our domestic market.

Mr. FLETCHER. Mr. Speaker, I make the point of no quorum.

The SPEAKER. Evidently there is not a quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move the call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 83]

Allen	Dickstein	Hennings	Perkins
Andrew, Mass.	Dietrich	Higgins, Conn.	Pettengill
Arends	Disney	Holmes	Peyser
Bankhead	Doutrich	Igoe	Rayburn
Biermann	Doxey	Kennedy, Md.	Richardson
Brennan	Duncan	Kennedy, N. Y.	Sanders, La.
Brooks	Dunn, Miss.	Kleberg	Scott
Brown, Mich.	Eaton	Kocialkowski	Scrugham
Buck	Eckert	Lamneck	Sears
Buckley, N.Y.	Ellenbogen	Lanham	Shannon
Bulwinkle	Frey	Lee, Okla.	Somers, N. Y.
Caldwell	Fulmer	Lewis, Md.	Steagall
Cannon, Wis.	Gambrill	McCormack	Stewart
Carden	Gasque	McGrath	Taylor, Tenn.
Casey	Gassaway	McGroarty	Thomas
Celler	Gildea	McLeod	Tinkham
Clark, Idaho	Gingery	Maas	Umstead
Cochran	Goldsborough	Marcantonio	Underwood
Connery	Gray, Pa.	May	Wadsworth
Cooley	Greenway	Meeks	Walter
Cooper, Ohio	Griswold	Moritz	Wearin
Corning	Hancock, N. C.	O'Connell	White
Crosby	Harlan	O'Day	Wigglesworth
Daly	Hart	Oliver	Wilcox
Dear	Harter	O'Malley	Withrow
Delaney	Hartley	Owen	Wolfenden

The SPEAKER pro tempore (Mr. TURNER). Three hundred and twenty-three Members have answered to their names. A quorum is present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

The doors were opened.

JOSEF PILSUDSKI, THE FATHER OF THE POLISH REPUBLIC

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Joseph Pilsudski, the father of the Polish Republic.

The SPEAKER pro tempore. Without objection, it is so ordered.

Mr. SADOWSKI. Mr. Speaker, under leave to extend my remarks in the RECORD I include the memorial address delivered by me before the Polish Club of Washington on Saturday evening, May 18, 1935:

I am indeed pleased to have the privilege to address you this evening on the life of Marshal Josef Pilsudski, of Poland. At the invitation of the Ambassador of Poland, Stanislaus Patek, I was present this morning, together with Mrs. Roosevelt, the Ambassadors and dignitaries representing the various nations here in our Capital, and Members of the Senate and House of Representatives, to observe the memorial services in honor of Marshal Josef Pilsudski, of Poland.

Marshal Pilsudski is to Poland what George Washington is to our country. He is truly the Father of Poland. He was a statesman possessing tremendous powers but never abused them. He was not a despot, he was not a conqueror, he was not a ruthless warrior fighting for the sake of conquest; he was like General Washington—a man who loved his country and his people and fought bravely for freedom and liberty.

Although it is difficult to say that the birth of any nation should be regarded as the work of one individual, yet so powerful was the personality of Marshal Josef Pilsudski that not only the creation of the Polish Republic but its domestic and foreign policies bear the stamp of his individuality.

It was largely due to his foresight and genius that Europe was saved from another bloody war which may have embroiled the whole world. Only history will reveal the significance and far-reaching effects of this man's deeds.

Marshal Josef Pilsudski, the "Father of the Polish Republic", was laid at rest today in Poland's national sanctuary in the Wawel Cathedral at Kracow. The whole Polish Republic is in deep sorrow. Even here in the United States of America memorial services have been held in most of our principal cities in honor of this great unselfish patriot and lover of freedom and liberty.

I was deeply impressed with the eulogy delivered by Rev. John J. Rolbiecki, associate professor of philosophy at the Catholic University of this city. With your kind permission, I shall read it to you—I think it is a masterpiece. There is not much that I can add to this beautiful eulogy.

"EULOGY DELIVERED BY REV. JOHN J. ROLBIECKI, ASSOCIATE PROFESSOR OF PHILOSOPHY AT THE CATHOLIC UNIVERSITY OF AMERICA, AT THE SOLEMN PONTIFICAL REQUIEM MASS CELEBRATED FOR THE LATE MARSHAL JOSEF PILSUDSKI, OF POLAND, BY HIS EXCELLENCY, THE MOST REV. JAMES H. RYAN, BISHOP OF MODRA AND RECTOR OF THE CATHOLIC UNIVERSITY, IN THE NATIONAL SHRINE OF THE IMMACULATE CONCEPTION ON THE CAMPUS OF THE CATHOLIC UNIVERSITY OF AMERICA AT WASHINGTON, D. C., AT 11 O'CLOCK A. M., SATURDAY, MAY 18

"Over every nation He set a ruler." (Ecclesiasticus, c. 17, v. 14.)

"On last Sunday night, May 12, the angel of death came to the Belvedere Palace in Warsaw and claimed as his own Poland's soldier and statesman, Josef Pilsudski. The sorrow in the hearts of the people of Poland found its echoes in the tolling of thousands of church bells announcing that the great old patriot and leader had passed from the scene of his earthly labors. There are good reasons why the people of Poland should grieve, there is cause for deep sorrow in the thought that the strong heart and brave spirit of Pilsudski will no more direct the destinies of Poland, and in the reflection that by his death the reborn Poland has lost a man who in the truest sense of the word may be considered its liberator and its father. The grief of the people of Poland is felt with equal poignancy wherever, throughout the world, people of Polish birth are to be found, and wherever there are men whose hearts are warmed by the thought of personal sacrifice and suffering for the sake of a nation's freedom. It is eminently fitting that in this city, the Capital of a great Nation united to Poland by so many ties of race, and by the spiritual bond of a common aspiration for human liberty and advancement, there should be an expression of sorrow for the death of Josef Pilsudski, there should be a manifestation of sympathy for the members of his family, his friends, and fellow countrymen. Today throughout the world the official representatives of Poland will join with their people at home in mourning the death of a great leader, and, in order that the people of the United States may share in the mourning, this illustrious gathering is assembled here at this time.

"We stand beside the bier of a great man who deserves a place beside the most illustrious of the leaders of the world. It is, perhaps, no exaggeration to say that in the Poland of today there is nobody who could challenge his preeminence in the political life of his country, and nobody who could be considered his rival in the deep and enduring affection of his people. But Pilsudski was more than a national figure. His position in the world was not merely that of a man who had guided his people from subjection to freedom, and who had found a lasting place in their affection and their gratitude. He was among that small group of men to whom, in the destinies of Providence, the peace of the world, and the future of civilization, seem to have been committed. He rose to be ruler over his people at the most critical period in modern history, and on him as much as on any man of his time was placed the heavy burden of rescuing civilization from the spiritual and political ruin into which it had been cast during 4 years of world-wide struggle and slaughter. The people of Poland and other peoples of the world have reason for joy in the thought that their burden was placed on the strong and competent shoulders of Josef Pilsudski. The responsibility which was placed on him he accepted as a sacred trust not only for Poland but for humanity, and if Poland and the world have profited by his efforts and his career, it is because he was faithful and unswerving in his loyalty to high principles, and because his life was simple in its loyalty to his country and its devotion to duty and fidelity to God. He was a revolutionary, not because he desired to tear down, but because he sought to build up. He was a professional soldier who had no ambition for personal glory, but who did have the iron-willed purpose to use his gifts as an educator and administrator in the service of Poland.

"The Poland to which Pilsudski dedicated his life was a Poland torn and dismembered by a century and a half of oppression; a Poland which was one only in the determination of its people for independence and unity. Time after time the people of Poland sought for freedom through the desperate measures of war and revolution. Defeat did not crush the spirit of independence; and, when the last great struggle came, all the longings and aspirations of a great and proud people were embodied in the person and the aims of the man whose memory we now honor. From his earliest years Pilsudski devoted his life to the emancipation of Poland, and every phase of the last great struggle was merely an expression of his purpose and his ambitions.

"In a sense the life of Pilsudski may be taken as a symbol of Poland's struggle for liberty. If Poland suffered persecution, humiliation, and bondage, Pilsudski had to bear torture, exile, and imprisonment. Poland was threatened with the loss of national life, and Pilsudski was time after time exposed to death because he would make Poland free. When his country was drawn into the Great War, he had the vision and the determination which enabled him to make and to execute plans which led Poland out of the carnage and destruction into the realization of its hopes for independence.

"War was declared on the 1st of August 1914. Only 5 days later, on August 6, Pilsudski led his legions across the Austrian border into Russia. These legions constituted the nucleus of the future army of Poland, which he formed, developed, and led to victory. It should be remembered that Poland's wars did not end in 1918, but were continued on her own territory until the peace of Riga in 1921.

"Pilsudski's services did not end with the war. The work of unification and reorganization in Poland, divided as it was by subjection to three different administrative systems, demanded qualities of statesmanship as great as the military skill by which the marshal had made Poland the ruler of her own destinies. The devastated regions had to be rebuilt, a unified efficient government had to be set up at home, and normal and friendly relations had to be established with the nations of the world. Pilsudski was equal to the task, and not the least of his claims to greatness is the manner in which he forgot old animosities in his desire to establish amicable relations with neighboring states by signing treaties of nonaggression with them. He hoped that the new Poland would commence its life without enemies and that it would be received into the comity of nations as a great force for peace and progress. His love for peace brought his country into close relations with the great democracies of western Europe and with the United States. He never wished to lose the old friends of Poland while establishing good relations with Poland's neighbors. All those agreements were not merely measures of political or international expediency, but an expression of the marshal's convictions as a statesman and a Christian.

"Though Pilsudski's hopes and ambitions were centered in Poland, it can never be said that he desired Poland's advantage at the cost or humiliation of others. Among European statesmen none had a closer and more real knowledge of war than Pilsudski, and none was more convinced of its futility as a means to settle the rivalries and animosities of states.

"Pilsudski's memory will be cherished by patriots everywhere; he will be honored by those who deplore the horrors of war and who love the spirit and the ways of peace. Much will be written about him now, and in years to come great statues will be raised to him, but his real monument is the new Poland. If Poland is united, if it has definite national aims and a strong national spirit, these are but concrete and actual expressions of the mind and soul of Pilsudski. He had a clear conception in life of what he would like Poland to be. Pilsudski met with opposition. He brushed it aside, because in pursuing the course he had worked out he believed he was aiding his people in achieving the ends they all hoped for. Even those who felt the marshal's heavy hand never questioned the loftiness of his aims, the sincerity of his intentions, or his inherent honesty, probity, and integrity. All, irrespective of their political tenets or personal views, esteemed and respected him. Even his coup d'état of 1926 is regarded by thinking Poles as a blessing—a fortunate escape from a serious impasse, a timely removal of a deadly threat to the stability of the body politic. After years of titanic exertions he succeeded in bringing about far-reaching constitutional reforms which have

greatly strengthened the government and which will for all time promote the welfare of the Polish people. Pilsudski was pre-eminent as a statesman because his principal concern was the safety of the commonwealth. Salus Reipublicae suprema lex esto! He commanded the unwavering and unswerving loyalty of one of the most modern, most efficient, and above all most enthusiastic military machines in Europe. He had the army in the palm of his hand. He could have trampled on human rights, he could have laughed at the pretensions of the citizens, he could have ruthlessly crushed all opposition. Such methods would have been foreign to his spirit. He preferred to argue with his countrymen; they were his people, and he knew that if they were to enjoy the blessings of liberty they should learn the lesson of subordination, they should submit to discipline, and they should advance step by step. He acted toward them not as a dictator but as a father. Few men who possessed so much power as he did would have acted with so much moderation toward those who opposed him. To him might be addressed the words of the angel which we read in the second verse of the second chapter of the Apocalypse: 'I know thy works and thy labor and thy patience.'

"His labors have not been in vain. The old marshal sleeps the sleep of the just, but his ideals remain, his constructive program will be followed out by his faithful coworkers and disciples, whose principal concern will be to continue on the path indicated by Poland's national hero. Those who have witnessed the birth of Pilsudski's peace plans will endeavor to bring them to a successful conclusion, for they can make certain Poland's further internal development, and assure her an honorable place in the family of nations, a place worthy of his great people.

"On this day the body of Josef Pilsudski is being laid to rest in Wawel Cathedral in Krakow, the ancient capital of Poland. There his tomb will be placed among those of Poland's greatest and most illustrious dead, the tombs of Poland's immortals, her mighty kings and heroes. His glory will not be told in the inscription which will be placed on his tomb; it will be revealed in the spectacle of an entire nation united in sorrow at his grave. As the greatest Pole and the first chief of state he receives honors reserved for heads of states. He goes to that grave with the sound of muffled drums and tolling bells, but long after these sounds will be forgotten his memory will live in the grateful and sorrowing hearts of his countrymen. Former enemies as well as friends surround his bier, where animosities vanish, ill-feeling is swept away, and grievances pass into oblivion. To the wreaths of odorous flowers the Polish nation adds garlands of prayers, which rise on the blue clouds of incense to the throne of the King of Kings and the Lord of Hosts, and we, with many millions throughout the world, join our prayers to theirs: May he rest in peace."

To our own land, beginning with the Pilgrim Fathers, thousands of honest, God-fearing, and liberty-loving people have come to find refuge from European persecution, intolerance, and despotism. The Americans have a deep, inherent love for freedom, tolerance, and liberty. We revere and respect not only the memory of our own heroes, the men who have upheld those principles which we cherish in this our native land; but it is also natural for us to respect and honor men who uphold these principles in whatever part of the world it may be. Every nation has some such sterling characters—men who sacrifice their all in the interest of humanity—France had them, Germany, Italy, England, Ireland, the South American countries—every nation has been blessed at some time or other with these noble men. We have had our George Washington, Thomas Jefferson, Patrick Henry, Andrew Jackson, Abraham Lincoln, and others—the Republic of Poland has had Marshal Josef Pilsudski.

It has been a pleasure to address you this evening, and I appreciate greatly this opportunity to appear before you.

HYDRO IN TROUBLE

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in reply to a New York Sun editorial entitled "Hydro in Trouble", which was put in the RECORD by the gentleman from New York [Mr. WADSWORTH].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McFARLANE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I wish to submit the following in reply to an editorial of the New York Sun, entitled "Hydro in Trouble", which was read into the CONGRESSIONAL RECORD of Monday, April 22, 1935, pages 6145–6146, by my worthy colleague the Honorable JAMES W. WADSWORTH, Jr., of New York.

Upon reading this editorial of the Sun, I wrote to the Ontario Hydroelectric Power Commission at Toronto, and the secretary of that body, the Honorable W. W. Pope, made an extended personal reply and sent me copies of the last annual report of the commission and other official literature. I also consulted Dr. Carl D. Thompson, secretary of the Public Ownership League of America, who has been in constant personal touch with the Ontario system since its inception more than 25 years ago. From these official and authoritative sources and from personal knowledge of the situation Dr. Thompson has prepared for me the following statement:

THE FACTS ABOUT HYDRO

The editorial writer of the New York Sun is quite right in referring to the Ontario Hydroelectric Power Commission as the world's largest and most outstanding example of successful municipal ownership in the electric field. It has been that for over a quarter of a century and continues to be so right down to date.

The cause of municipal ownership has not received any setback, nor has political management broken its wonderful record. The last annual report of the Ontario Hydroelectric Commission, being for the twenty-sixth year, ending October 31, 1933, shows the magnitude and growing success of this great project. The facts are as follows:

1. There are now 757 communities—cities, towns, villages, and rural sections—served by the commission. This is the largest number ever served, being a considerable increase over the preceding year.

2. There is now invested in this system a greater amount of capital than ever before, reaching a total for the year of $394,661,542.

3. The system is steadily reducing its indebtedness. The percentage of debt to the total assets has steadily declined from the beginning; and this is true in the last year or two, as before. In 1913 the total percentage of debt to the total assets was 88 percent. From that point it has steadily declined until in 1933 it was only 39.5 percent.

4. There were more surplus earnings accumulated by the system last year than ever before and they have now reached a total of $129,170,080. The net increase in the total of commission and municipal reserves for 1933 was $6,399,976 over that of the previous year, thus showing a steady increase in this respect down to date.

5. The net earnings for depreciation showed a slight decrease in 1932 and 1933, due to depression conditions, which reduced the sale of power in that section as everywhere else. But it is interesting to note that since April 1933 the trend in the sale of power has been steadily upward and that by the end of the fiscal year, October 31, 1933, the ground lost during the first part of the year had been regained and the year closed with a net increase, so that while there is still a slight operating loss, that is already being regained. Furthermore, it has been the policy of the Commission for many years to set aside in a reserve fund for obsolescence and contingencies additional sums "designed to care for possible lean years that might come in the future." As a result of this policy, the Commission has been able to more than cover the temporary deficiencies due to the depression during the last 2 years.

6. And, finally, it is interesting to note that all of the above achievements have been made with the lowest rates now in existence on the continent, if not in the world, and that these rates, "except in a very few cases, have been maintained at their low levels or have been made even lower during the period of depression."

THE POWER TRUST MAKES THE "TROUBLE"

Some "trouble" there has been, but it was slight and of very short duration. And therein lies another notable achievement of this really wonderful and inspiring project—when "trouble" does arise the Ontario Hydro "shoots" it promptly. We in our country subsidize our "troubles" and help them to multiply.

And it is interesting to note what the "trouble" is that Ontario has had and what its source. It is the same trouble and comes from exactly the same source as all of our utility troubles here in this country; namely, the interference of the private power company influences.

In Ontario the private power interests have, from the very beginning and constantly fought, by every means and method known to them, this public power system. Failing in their direct attacks, they have resorted in recent years to the more subtle and invidious methods with which we are familiar here in this country.

What the power companies have tried to do in Ontario is to lure the public project away from a policy of developing its own generating plants and get them to buy their current wholesale from existing private plants. It is interesting and instructive to note that this is one of the methods that the power companies use everywhere. By very plausible arguments they seek to prevail upon municipal and public plants not to expend money in developing their own generating systems, but to buy the current of them.

Every municipally owned light and power system in the United States has had this kind of "trouble." Our own Federal Government is having the same kind of "trouble" with the private power interests. First, by open opposition and antagonism, then by false and misleading propaganda, and, finally by court proceedings in the form of injunctions, etc., they make us "trouble." And finally, failing in every other method, their last resort is always to seek to worm their own representatives either into the political positions of control or into the manipulation of the project from within and thus seek to destroy it.

In Ontario the "trouble" arose when the private power companies succeeded some years ago in luring the Ontario Hydro-Electric Power Commission's officials into contracts for the purchase of power from them—the private power companies—which has proven to be burdensome. For example, in November 1929, after it was evident, due to the beginning of the depression, that the demand for power would very likely decrease rapidly, the power

companies managed to get the Hydro officials to make a contract for 250,000 horsepower to be purchased from the Quebec Power Corporations. In February 1930 another company managed to negotiate another contract for 96,000 horsepower in spite of the fact that by that time the collapse of business enterprise was well known. And still later, in December 1930, a third contract was made, with a third company, for 125,000 more horsepower.

These contracts, in view of the oncoming depression and the resulting decrease in the demand for power, loaded upon the commission an unnecessary and, of course, a disastrous burden. And this is the "trouble" that the Ontario system has had.

But please note how quickly and how effectively the Ontario people have met this situation. There has come about a complete change in the administration of the Province, and the new administration has very swiftly met this situation, found the contracts actually illegal and are having them canceled. Thus, before the "trouble" has developed into any serious proportions, the public project has met, overcome, and is swiftly removing it entirely.

THE FACTS ABOUT THE "DEBT"

The New York Sun in its editorial claims that the Ontario system has added hundreds of millions of dollars to the public debt of Ontario, which it claims compares very unfavorably to the situation in New York State and in Quebec under private ownership.

Yes, the "debt" of the Hydro system has increased. But it is not a debt in the ordinary sense in which we use that word. It is an investment, and a mighty good one at that. It is an investment that pays the people of that Province big dividends. It reduces rates. It pays itself off out of earnings. It amortizes itself. It gives the public an ever-increasing equity in the property, so that in about 30 years the whole $280,000,000 property will be paid for and belong to the people of Ontario, entirely free of debt. That is a very different kind of "debt" from the kind carried by the private power companies. Their debt is enormously overcapitalized, is forever increasing and is never paid off. So that under the companies' indebtedness our people are paying for the properties in excessive rates every 20 years or so, and never own them and never derive any revenue from them.

THE FACTS ABOUT RATES

The Sun editorial says that the enemies of Hydro "offer to demonstrate that its rates for service are, on the average, higher than those of Quebec." Perhaps they "offer" to do so, but their demonstration is woefully lacking.

First of all, any student who is familiar with rate structures knows perfectly well that the comparison of rates, on the average, is absolutely false and misleading. A private company may sell the greater proportion of its current for industrial purposes at very low rates and a very small portion of its current for domestic service at high rates; whereas a municipal or public project may reverse the arrangement, selling the larger part of its product for domestic service at comparatively high rates and a very small proportion for industrial and power purposes at low rates. Thus, the "average" rate may be lower under private than under public ownership and operation. But it has been demonstrated by every study of the matter that has been made that for every type or kind of service the rates under municipal or public ownership are very much lower than under private.

This method of comparing rates under municipal and private ownership, on the basis of the average, is one of the favored and deceptive tricks of the apologists of the private power interests.

As a matter of fact, as stated by Secretary Pope, of the Hydro-electric Commission, verified by the New York Power Authority, by studies made by Professor Mosher in his works; by T. D. Bouchard, secretary of the Union of Municipalities of Quebec and speaker of the Provincial Legislature of that Province; and other eminent authorities; and admitted by Mr. Carlisle, president of the Niagara-Hudson Power Corporation, the average domestic rate in New York State is 4½ cents per kilowatt-hour, whereas the Ontario rate is approximately 1¾ cents per kilowatt-hour (1.77 cents, to be exact). Also, in Quebec the average domestic rate is 2½ cents per kilowatt-hour, as against 1¾ cents in Ontario.

So the rates are not lower in Quebec and in New York than in Ontario. Exactly the opposite is true.

From all of which it is perfectly apparent, when one gets down to the actual facts in the matter, that the criticism of the Ontario system, offered by the editorial in the New York Sun, is without foundation. Whatever trouble there has been has arisen not from the failure of the principle of municipal or public ownership, but from the interference by private power interests in their efforts to drive a sharp bargain with the public project and thereby to weaken and, if possible, destroy it. And the strength of the public project is further apparent in the swiftness with which the trouble has been met and removed. Meanwhile, the charges that the debt has increased, that rates have been raised, etc., prove also to be without foundation.

NATIONAL PRESS CLUB OUTING

Mr. KVALE. Mr. Speaker, I ask unanimous consent to speak out of order to make an announcement.

The SPEAKER. Under the order of the House the gentleman from Mississippi [Mr. RANKIN] has leave to address the House for 15 minutes.

Mr. RANKIN. Mr. Speaker, if it is not taken out of my time, I will yield to the gentleman from Minnesota 3 minutes.

Mr. KVALE. Mr. Speaker, I trust that no able-bodied Member of this body will disregard the invitation he received a few days ago to attend the National Press Club outing tomorrow. I hope a substantial group will be in attendance. The congressional contingent will be headed by the Vice President of the United States, the Speaker of the House, and at least two Governors from adjoining States will be included. There will be a congressional baseball game which will vie with the National Press Club for at least 5 innings. There will be a series of amateur boxing bouts that will tickle the fancy of the most ardent sportsman.

There will be food that will delight the appetite, and everything will be furnished except liquid refreshments, and those can be had on the boat going down and return. It promises to be a fine day, and I hope we have a fine turnout.

The congressional ball team line-up for the game will be Messrs. KELLY, BOLAND, RICHARDS, HARTLEY, MEAD, MCCORMACK, MCMILLAN, ALLEN, SHANLEY, GRANFIELD, LAMBERTSON, RAMSPECK, CONNERY, WITHROW, NICHOLS, MERRITT, CALDWELL, LEE, STARNES, HOBBS, and KLEBERG.

Mr. McCORMACK. Will the gentleman yield?

Mr. KVALE. I yield.

Mr. McCORMACK. Will the gentleman tell the House what time the boat leaves and what particular wharf?

Mr. KVALE. The boat leaves the wharf at the foot of Seventh Street at 1 o'clock tomorrow. The Navy Band will be in attendance and function as usual on the way down and on the way back will entertain the party as a German band. The time for returning should be not later than 10 o'clock.

ELECTRIC LIGHT AND POWER

The SPEAKER. Under the order of the House, the gentleman from Mississippi [Mr. RANKIN] is recognized for 15 minutes.

Mr. RANKIN. Mr. Speaker, I arise to address the House at this time on the subject of "A Billion-dollar Overcharge for Electric Lights and Power." Since I am to speak on the same subject tonight over a Nation-wide radiobroadcast, I would have withdrawn my request to address the House at this time, were it not for the fact that Congress is being literally bombarded by the Power Trust in their desperate attempts to prevent the passage of legislation now pending before the House and Senate. Their representatives are invading the committee rooms, "buttonholing" Congressmen and Senators, deliberately misrepresenting facts, and using every possible pressure to control the actions of Congress. It is the most diabolical lobby, the most powerful and the most far-reaching, that has ever attempted to influence legislation, in all the history of this Government.

They are using the mails, the press, and the radio. On the front page of the New York Times this morning, the Consolidated Gas System, one of the powerful companies operating in the State of New York, comes out with a fanfare of trumpets announcing reductions in light and power rates in New York City, that are so ridiculous that I cannot refrain from calling attention to them at this time.

We need not deceive ourselves; we are at war with one of the most powerful and dangerous influences this country has ever known. Suppose war were declared upon our country by some invidious foe and he should demand at our hands a tribute of $1,000,000,000 a year. We would not hesitate; the American people would rise as one man and drive that enemy forever from our shores. Yet, we find ourselves grappling with an adversary within our gates that is actually levying tribute upon the helpless people you and I are supposed to represent, that amounts to $1,000,000,000 a year. Not just $1,000,000,000, mind you, but $1,000,000,000 every year that rolls round. That adversary is the Power Trust—one of the greatest menaces of our day and generation. It has developed one of the

greatest rackets of all times. Like a huge octopus, it spreads its gigantic form over the entire country, winding its loathsome feelers about every capitol—not only every State capitol, but around this National Capitol as well.

In fact, it has become a super-government that has exercised more power in recent years than the Federal Government itself. It has influenced Presidents, controlled Governors, dominated legislators, frightened Congressmen, intimidated Senators, and corrupted courts.

It is reaching its greedy tentacles into every factory, every business establishment, and into every home. It is literally reaching into every light bulb and exacting tribute from everyone who uses electric lights and power. Your constituents are the victims; they pay the bills. They pay this tribute every month and sometimes twice a month, and if the Power Trust can have its way, they will pay it as long as they live, and their children and grandchildren will continue to pay it throughout all time to come.

This war to which I refer is not of our own choosing. I see from the papers this morning that the power interests, parading under the guise of protecting utility investors, announce that they have declared war. They are using their victims on whom they have unloaded their worthless watered stocks as shock troops, to bear the brunt of battle and also to pay the cost.

When these innocent investors finally wake up to what the Power Trust has done to them, and come to understand what their rights and their remedies are, they will give that combination all the war they want without their having to declare war on Congress and on the country.

We are not attempting to destroy anybody's property. Wherever it has become necessary to buy any of the property of a power company the Government has paid what that property was actually worth. The T. V. A. has done the same thing.

The Wheeler-Rayburn bill will not destroy the property of anyone, but it will help to protect innocent investors in the years to come. It will really enhance the actual value of stocks in legitimate operating companies by relieving them of the burdens of maintaining useless and expensive holding companies. The stocks in a corporation are simply worth the value of whatever property that corporation owns, and mere speculative revenues or gambling prospects are not to be considered as a part of its assets.

The power interests have attempted to base rates, not upon the cost of production and distribution, but upon the helpless consumers' ability to pay, and they have issued these watered stocks against their right or their ability to plunder the unprotected users of electric lights and power. In other words, they have issued preferred stocks against their right to hold you and your children in perpetual economic bondage, and have sold these watered stocks out to innocent investors—invariably under the most flagrant of false pretenses.

Now, when their scheme is exposed, and they are threatened with even-handed justice, in order to escape the wrath of their deluded purchasers, they come with feigned indignity and affected bravo, and pretend to declare war.

Since the Power Trust has declared this war, you and I have no election. As Patrick Henry once said, "If we were base enough to desire it, it is now too late to retire from the contest."

So far as I am concerned, I accept the challenge. I have enlisted for the duration of the conflict. This must be a fight to the finish between the American people on the one hand and the Power Trust on the other.

We are fighting to get light and power rates reduced to what they should be in every State in the Union. I want to show you what that would mean in dollars and cents to your people who have to pay the bills. I am not guessing at these figures; they have been carefully prepared from data collected through the power survey of the Federal Power Commission. They are substantially correct.

If these rates, throughout the whole country, were reduced to the T. V. A. rates, the domestic consumers would save $320,880,000 a year; the commercial consumers would save $279,300,000 a year; and the industrial consumers would save $193,689,000 a year.

All told, they would save $793,869,000 a year, on the basis of present consumption. That is about $200,000,000 more than the value of our entire cotton crop for 1934.

But the power interests tell you that the T. V. A. rates are too low. My answer is that they are too high, and that they will be reduced as the years go by.

Now, let us take the Tacoma, Wash., rates. At Tacoma they have a publicly owned plant, worth between twenty and thirty millions of dollars, which they are paying for entirely from earnings from the electric energy sold. Their rates are even lower, as a whole, than the T. V. A. rates.

Let us see what the people of the United States who use electric lights and power would save in a year if they all paid the Tacoma rates. The residential consumers would save $286,416,000 a year; the commercial consumers would save $241,428,000 a year; the industrial consumers would save $270,954,000 a year. All told, they would save $798,798,000 a year, even on the basis of the present consumption. That is $250,000,000 more than the value of the entire wheat crop of the United States for the year 1934.

Just think of the American people being overcharged every year for electric lights and power, $250,000,000 more than the value of the entire wheat crop of the United States; and yet millions of our people, especially in the smaller towns and in the rural districts, are denied the use of any electric energy at all.

The average monthly domestic consumption of electricity throughout the United States is about 50 kilowatt-hours a month. In Tacoma it is 117 kilowatt-hours a month. At Tupelo, Miss., under the T. V. A. rates, it is 103 kilowatt-hours a month. So the chances are that if the American people were given lights and power at the Tacoma rates, or at the T. V. A. rates, they would more than double their domestic and probably their commercial, if not their industrial consumption, which would run this saving far above the billion-dollar mark.

Now, let us take the Canadian rates and compare what we are paying in the United States with the rates paid in Winnipeg and Ontario, Canada, and see what the difference would be. If we paid the same rates throughout the United States that are paid in Winnipeg, our domestic consumers would save $385,980,000 a year; our commercial consumers would save $357,900,000, and our industrial consumers would save $142,000,000 a year, or a total saving, even on the present consumption, of $885,880,000 a year.

While the average domestic consumption in the United States is only about 50 kilowatt-hours a month, the average domestic consumption in Winnipeg, Canada, is a little more than 375 kilowatt-hours a month. Their low rates in Winnipeg enable those people to use adequate lights, operate their radios, water pumps, electric irons, electric churns, electric refrigerators, electric ranges, and electric radiators with which to heat their homes. I am informed that some of them are even building dwelling houses without any fireplaces or chimneys at all, depending entirely upon electric energy for their heat.

If the electric light and power rates throughout the United States were reduced to the Ontario rates, the 20,000,000 residential consumers in this country would save $390,516,000 a year; the commercial consumers would save $321,084,000 a year; the industrial consumers would save $267,955,000 a year. All told, they would save $979,555,000 a year on the basis of their present consumption.

But in Ontario the average domestic consumption is 155 kilowatt-hours a month, or about three times the average monthly consumption in the United States. Therefore, it is reasonable to suppose that if the American people were given the same electric light and power rates enjoyed by the citizens of Ontario, probably our domestic and commercial, if not our industrial, consumption would more than double, and would not only run this savings of $979,555,000 even above the billion-dollar mark but would undoubtedly run it to nearer the $2,000,000,000 mark. In other words, if the American people were given lights and power at the Ontario rates, it

would really mean to them a savings of anywhere from $1,000,000,000 to $2,000,000,000 a year.

Now, let us see what these overcharges are costing the people of your State. I have before me figures which have been carefully compiled from data collected by the Federal Power Commission through its rate survey which gives us this information.

We know the amount of electricity used in each State, and how much of it is used by domestic, commercial, and industrial consumers. We know what the people are paying for it under the present rates and what they would pay for it under the T. V. A. rates, the Tacoma rates, the Winnipeg rates, or the Ontario rates.

I shall take them by States and show how much these overcharges are costing the people of the various States in every section of the country. Read them carefully and tell me how the people of your State can continue to stagger under this burden.

MAINE

We will take first the State of Maine. If the people of that State were supplied with electric light and power at the T. V. A. rates, the domestic consumers would save $2,141,000 a year; the commercial consumers would save $1,501,000 a year; and the industrial consumers would save $1,445,000 a year—making a total of $5,087,000 a year the people of the State of Maine would save on their light and power bills every year, even on the basis of their present consumption, if they were supplied electric energy at the T. V. A. rates.

If the people of Maine were furnished electric energy at the Tacoma rates, the domestic consumers would save $1,910,000 a year; the commercial consumers would save $1,298,000 a year; and the industrial consumers would save $2,021,000 a year—making a total of $5,229,000 a year the people of Maine would save in 1 year under the Tacoma rates.

Under the Ontario rates domestic consumers would save $2,604,000, the commercial consumers would save $1,726,660, and the industrial consumers would save $1,999,000, making a total of $6,329,660 the people of Maine would save in a year under the Ontario rates.

Under the Winnipeg rates the domestic consumers of Maine would save $2,574,000 a year, the commercial consumers would save $1,924,000 a year, and the industrial consumers would save $1,060,000 a year, making a total of $5,558,000 the people of Maine would save a year under the Winnipeg rates.

No wonder the Power Trust is opposed to the development of the great "Quoddy" project in the State of Maine. They know it would relieve the people of that State from a part, at least, of this terrific burden.

NEW HAMPSHIRE

The domestic consumers of New Hampshire, under the T. V. A. rates, would save $1,490,000 a year; the commercial consumers would save $1,187,000 a year and the industrial consumers would save $766,000 a year, or a total of $3,443,000.

Under the Tacoma rates the domestic consumers would save $1,330,000 a year, the commercial consumers $1,053,000, and the industrial consumers $1,076,000, or a total of $3459,000.

Under the Ontario rates the domestic consumers of New Hampshire would save $1,814,000 a year, the commercial consumers would save $1,135,040, and the industrial consumers would save $1,064,000, or a total of $4,013,040.

Under the Winnipeg rates the domestic consumers in New Hampshire would save $1,793,000 a year, the commercial consumers would save $1,464,000 a year, the industrial consumers would save $564,000 a year, making a total annual saving of $3,821,000.

VERMONT AND RHODE ISLAND

The people in the two small States of Vermont and Rhode Island together used 481,171,873 kilowatt-hours of electric energy last year, for which they paid the sum of $17,300,221.

Under the T. V. A. rates the cost would have been $9,078,221, a saving of $8,222,000 a year.

Under the Tacoma rates the cost would have been $8,933,221, or a saving of $8,367,000 a year.

Under the Ontario rates the cost would have been $7,096,867, or a saving of $10,203,354 a year.

Under the Winnipeg rates the cost would have been $8,223,221, or a saving of $9,077,000 a year.

MASSACHUSETTS

The people in the State of Massachusetts used 1,993,560,000 kilowatt-hours of electric energy last year, for which they paid the sum of $75,499,187.

Under the T. V. A. rates the cost would have been $38,315,000, a saving of $37,184,000 a year.

Under the Tacoma rates, the cost would have been $37,942,187, a saving of $37,557,000 a year.

Under the Ontario rates, the cost would have been $30,112,730, a saving of $45,386,457 a year.

Under the Winnipeg rates, the cost would have been $34,415,187, a saving of $41,084,000 a year.

CONNECTICUT

The people in the State of Connecticut used 811,158,000 kilowatt-hours of electric energy last year, for which they paid the sum of $30,123,083.

Under the T. V. A. rates, the cost would have been $15,672,083, a saving of $14,451,000 a year.

Under the Tacoma rates, the cost would have been $15,726,086, a saving of $14,397,000 a year.

Under the Ontario rates, the cost would have been $12,352,492, a saving of $17,770,594 a year.

Under the Winnipeg rates, the cost would have been $13,973,086, a saving of $16,150,000 a year.

NEW YORK

The people of the State of New York used 8,295,012,000 kilowatt-hours of electric energy last year, for which they paid the sum of $255,454,676.

Under the T. V. A. rates, the cost would have been $129,755,676, a saving of $125,699,000 a year.

Under the Tacoma rates, the cost would have been $127,836,676, a saving of $127,618,000 a year.

Under the Ontario rates, the cost would have been $101,306,539, a saving of $154,148,137 a year.

Under the Winnipeg rates, the cost would have been $116,781,676, a saving of $138,673,000 a year.

No wonder the Power Trust is opposing the development of the St. Lawrence project, which would give to the people of the State of New York and adjoining States lights and power at reasonable rates, and save them from having to pay this enormous overcharge.

NEW JERSEY

The people of the State of New Jersey used 1,839,677,000 kilowatt-hours of electric energy last year, for which they paid the sum of $76,487,173.

Under the T. V. A. rates, the cost would have been $37,364,173, a saving of $39,123,000 a year.

Under the Tacoma rates, the cost would have been $36,924,173, a saving of $39,563,000 a year.

Under the Ontario rates, the cost would have been $29,724,156, a saving of $46,763,017 a year.

Under the Winnipeg rates, the cost would have been $32,379,173, a saving of $44,108,000 a year.

PENNSYLVANIA

The people of the State of Pennsylvania used 5,591,808,000 kilowatt-hours of electric energy last year, for which they paid the sum of $152,567,854.

Under the T. V. A. rates, the cost would have been $81,398,854, a saving of $71,169,000 a year.

Under the Tacoma rates, the cost would have been $77,660,854, a saving of $74,907,000 a year.

Under the Ontario rates, the cost would have been $63,313,688, a saving of $89,254,166 a year.

Under the Winnipeg rates, the cost would have been $76,518,854, a saving of $76,048,000 a year.

In the State of Pennsylvania, in addition to this enormous overcharge imposed upon the consumers of electric energy, the utilities have been powerful enough in years past to

exempt their real-estate holdings from taxation by statute, through their control of the State legislature.

Today they own $100,000,000 worth of real estate in Pennsylvania that is escaping all taxes—State, county, and municipal. That burden is passed on to the unprotected people of Pennsylvania, although these utilities own large office buildings, space in which is rented to the public, thus bringing them additional revenues, while they escape the burden of taxation which the small business man and the home owners have to pay.

OHIO

The people of the State of Ohio used 3,418,060,000 kilowatt-hours of electric energy last year, for which they paid the sum of $98,215,219.

Under the T. V. A. rates the cost would have been $51,372,-219, a saving of $46,843,000 a year.

Under the Tacoma rates the cost would have been $50,-686,219, a saving of $47,529,000 a year.

Under the Ontario rates the cost would have been $40,198,-328, a saving of $58,016,891 a year.

Under the Winnipeg rates the cost would have been $46,-376,219, a saving of $51,839,000 a year.

Ohio is a great wheat-growing State, producing around 35,000,000 bushels a year. Yet if every grain of wheat grown in Ohio last year were sold at the highest price on today's market it would lack from $15,000,000 to $20,000,000 bringing enough money to pay this overcharge in the State of Ohio alone.

INDIANA

The people of the State of Indiana used 1,209,459,000 kilowatt-hours of electric energy last year, for which they paid the sum of $39,861,716.

Under the T. V. A. rates, the cost would have been $20,677,716, a saving of $19,184,000 a year.

Under the Tacoma rates, the cost would have been $20,-672,716, a saving of $19,189,000 a year.

Under the Ontario rates, the cost would have been $16,-219,967, a saving of $23,641,749 a year.

Under the Winnipeg rates, the cost would have been $18,351,716, a saving of $21,510,000 a year.

ILLINOIS

The people of the State of Illinois used 3,918,305,000 kilowatt-hours of electric energy last year, for which they paid the sum of $122,506,776.

Under the T. V. A. rates, the cost would have been $64,-032,776, a saving of $58,474,000 a year.

Under the Tacoma rates, the cost would have been $63,-245,776, a saving of $59,261,000 a year.

Under the Ontario rates, the cost would have been $50,-002,211, a saving of $72,504,565 a year.

Under the Winnipeg rates, the cost would have been $57,192,776, a saving of $65,314,000 a year.

MICHIGAN

The people of the State of Michigan used 2,589,125,000 kilowatt-hours of electric energy last year, for which they paid the sum of $69,958,547.

Under the T. V. A. rates the cost would have been $35,-933,547, a saving of $34,025,000 a year.

Under the Tacoma rates the cost would have been $36,-190,547, a saving of $33,768,000 a year.

Under the Ontario rates the cost would have been $28,-235,230, a saving of $41,723,317 a year.

Under the Winnipeg rates the cost would have been $31,-451,547, a saving of $38,507,000 a year.

WISCONSIN

The people of the State of Wisconsin used 1,188,207,000 kilowatt-hours of electric energy last year, for which they paid the sum of $37,026,068.

Under the T. V. A. rates the cost would have been $19,-133,068, a saving of $17,893,000 a year.

Under the Tacoma rates the cost would have been $19,-239,068, a saving of $17,787,000 a year.

Under the Ontario rates the cost would have been $15,-025,274, a saving of $22,000,794 a year.

Under the Winnipeg rates the cost would have been $16,-852,068, a saving of $20,174,000 a year.

MINNESOTA

The people of the State of Minnesota used 891,683,000 kilowatt-hours of electric energy last year, for which they paid the sum of $29,895,355.

Under the T. V. A. rates, the cost would have been $15,435,355, a saving of $14,460,000 a year.

Under the Tacoma rates, the cost would have been $15,984,355, a saving of $13,911,000 a year.

Under the Ontario rates, the cost would have been $12,133,336, a saving of $17,762,019 a year.

Under the Winnipeg rates, the cost would have been $13,508,355, a saving of $16,387,000 a year.

IOWA

The people of the State of Iowa used 672,600,000 kilowatt-hours of electric energy last year, for which they paid the sum of $25,258,621.

Under the T. V. A. rates, the cost would have been $12,778,621, a saving of $12,480,000 a year.

Under the Tacoma rates, the cost would have been $13,450,621, a saving of $11,808,000 a year.

Under the Ontario rates, the cost would have been $10,115,975, a saving of $15,142,646 a year.

Under the Winnipeg rates, the cost would have been $10,624,621, a saving of $14,634,000 a year.

MISSOURI

The people of the State of Missouri used 1,416,997,000 kilowatt-hours of electric energy last year, for which they paid the sum of $42,521,922.

Under the T. V. A. rates, the cost would have been $21,453,922, a saving of $21,068,000 a year.

Under the Tacoma rates, the cost would have been $22,-272,922, a saving of $20,249,000 a year.

Under the Ontario rates, the cost would have been $16,-952,246, a saving of $25,569,676 a year.

Under the Winnipeg rates, the cost would have been $18,020,922, a saving of $24,501,000 a year.

NORTH DAKOTA

The people of the State of North Dakota used 70,816,000 kilowatt-hours of electric energy last year, for which they paid the sum of $4,354,173.

Under the T. V. A. rates, the cost would have been $2,170,-173, a saving of $2,184,000 a year.

Under the Tacoma rates, the cost would have been $2,494,-173, a saving of $1,860,000 a year.

Under the Ontario rates, the cost would have been $1,724,-702, a saving of $2,629,471 a year.

Under the Winnipeg rates, the cost would have been $1,756,173, a saving of $2,598,000 a year.

SOUTH DAKOTA

The people of the State of South Dakota used 88,336,000 kilowatt-hours of electric energy last year, for which they paid the sum of $5,001,302.

Under the T. V. A. rates, the cost would have been $2,521,-302, a saving of $2,480,000 a year.

Under the Tacoma rates, the cost would have been $2,656,-302, a saving of $2,345,000 a year.

Under the Ontario rates the cost would have been $1,996,-863, a saving of $3,004,439 a year.

Under the Winnipeg rates the cost would have been $2,087,302, a saving of $2,914,000 a year.

NEBRASKA

The people of the State of Nebraska used 383,685,000 kilowatt-hours of electric energy last year, for which they paid the sum of $13,799,571.

Under the T. V. A. rates the cost would have been $6,643,-571, a saving of $7,156,000 a year.

Under the Tacoma rates the cost would have been $7,029,-517, a saving of $6,770,000 a year.

Under the Ontario rates the cost would have been $5,500,-587, a saving of $8,298,984 a year.

Under the Winnipeg rates the cost would have been $5,429,571, a saving of $8,370,000 a year.

KANSAS

The people of the State of Kansas used 583,507,000 kilowatt-hours of electric energy last year, for which they paid the sum of $18,835,232.

Under the T. V. A. rates the cost would have been $9,661,-232, a saving of $9,174,000 a year.

Under the Tacoma rates the cost would have been $9,881,-232, a saving of $8,954,000 a year.

Under the Ontario rates, the cost would have been $7,609,-114, a saving of $11,226,118 a year.

Under the Winnipeg rates, the cost would have been $8,-337,232, a saving of $10,498,000 a year.

DELAWARE, DISTRICT OF COLUMBIA, MARYLAND, AND WEST VIRGINIA

The people of the State of Delaware, the District of Columbia, the States of Maryland and West Virginia, together used 2,119,605,000 kilowatt-hours of electric energy last year, for which they paid the sum of $52,659,441.

Under the T. V. A. rates, the cost would have been $27,789,-441, a saving of $24,870,000 a year.

Under the Tacoma rates, the cost would have been $27,-897,441, a saving of $24,762,000 a year.

Under the Ontario rates, the cost would have been $21,674,-366, a saving of $30,985,075 a year.

Under the Winnipeg rates, the cost would have been $25,-635,441, a saving of $27,024,000 a year.

VIRGINIA

The people of the State of Virginia used 735,802,000 kilowatt-hours of electric energy last year, for which they paid the sum of $20,049,222.

Under the T. V. A. rates, the cost would have been $10,-449,222, a saving of $9,600,000 a year.

Under the Tacoma rates the cost would have been $10,351,222, a saving of $9,698,000 a year.

Under the Ontario rates the cost would have been $8,189,768, a saving of $11,859,454 a year.

Under the Winnipeg rates the cost would have been $9,379,222, a saving of $10,670,000 a year.

NORTH CAROLINA

The people of the State of North Carolina used 1,239,-893,000 kilowatt-hours of electric energy last year, for which they paid the sum of $23,396,108.

Under the T. V. A. rates the cost would have been $12,754,108, a saving of $10,642,000 a year.

Under the Tacoma rates the cost would have been $11,743,108, a saving of $11,653,000 a year.

Under the Ontario rates the cost would have been $9,858,206, a saving of $13,537,902 a year.

Under the Winnipeg rates the cost would have been $12,481,108, a saving of $10,915,000 a year.

SOUTH CAROLINA

The people of the State of South Carolina used 736,552,000 kilowatt-hours of electric energy last year, for which they paid the sum of $12,407,190.

Under the T. V. A. rates the cost would have been $6,840,190, a saving of $5,567,000 a year.

Under the Tacoma rates the cost would have been $6,-115,190, a saving of $6,292,000 a year.

Under the Ontario rates the cost would have been $5,-250,539, a saving of $7,156,651 a year.

Under the Winnipeg rates the cost would have been $6,831,190, a saving of $5,576,000 a year.

GEORGIA

The people of the State of Georgia used 876,614,000 kilowatt-hours of electric energy last year, for which they paid the sum of $20,194,417.

Under the T. V. A. rates the cost would have been $10,-528,417, a saving of $9,666,000 a year.

Under the Tacoma rates the cost would have been $10,-294,417, a saving of $9,900,000 a year.

Under the Ontario rates the cost would have been $8,229,248, a saving of $11,965,169 a year.

Under the Winnipeg rates the cost would have been $9,550,417, a saving of $10,644,000 a year.

FLORIDA

The people of the State of Florida used 404,425,000 kilowatt-hours of electric energy last year, for which they paid the sum of $18,206,511.

Under the T. V. A. rates the cost would have been $9,065,511, a saving of $9,141,000 a year.

Under the Tacoma rates the cost would have been $9,741,-511, a saving of $8,465,000 a year.

Under the Ontario rates the cost would have been $7,206,-617, a saving of $10,999,894 a year.

Under the Winnipeg rates the cost would have been $7,289,-511, a saving of $10,917,000 a year.

KENTUCKY

The people of the State of Kentucky used 712,619,000 kilowatt-hours of electric energy last year, for which they paid the sum of $17,303,256.

Under the T. V. A. rates the cost would have been $9,076,-256, a saving of $8,227,000 a year.

Under the Tacoma rates the cost would have been $8,905,-256, a saving of $8,398,000 a year.

Under the Ontario rates the cost would have been $7,094,-794, a saving of $10,208,322 a year.

Under the Winnipeg rates the cost would have been $8,-246,256, a saving of $9,057,000 a year.

TENNESSEE

The people of the State of Tennessee used 946,883,000 kilowatt-hours of electric energy last year, for which they paid the sum of $20,764,172.

Under the T. V. A. rates the cost would have been $10,-912,172, a saving of $9,852,000 a year.

Under the Tacoma rates, the cost would have been $10,-563,172, a saving of $10,201,000 a year.

Under the Ontario rates, the cost would have been $8,512,517, a saving of $12,251,655 a year.

Under the Winnipeg rates, the cost would have been $10,034,172, a saving of $10,730,000 a year.

ALABAMA

The people of the State of Alabama used 634,292,000 kilowatt-hours of electric energy last year, for which they paid the sum of $12,978,651.

Under the T. V. A. rates, the cost would have been $6,815,651, a saving of $6,163,000 a year.

Under the Tacoma rates, the cost would have been $6,634,651, a saving of $6,344,000 a year.

Under the Ontario rates, the cost would have been $5,322,608, a saving of $7,656,043 a year.

Under the Winnipeg rates, the cost would have been $6,236,651, a saving of $6,742,000 a year.

MISSISSIPPI

The people of the State of Mississippi used 324,590,000 kilowatt-hours of electric energy last year, for which they paid the sum of $8,386,241.

Under the T. V. A. rates, the cost would have been $4,405,241, a saving of $3,981,000 a year.

Under the Tacoma rates the cost would have been $4,269,-241, a saving of $4,117,000 a year.

Under the Ontario rates the cost would have been $3,438,-882, a saving of $4,947,359 a year.

Under the Winnipeg rates the cost would have been $4,049,241, a saving of $4,337,000 a year.

ARKANSAS

The people of the State of Arkansas used 255,988,000 kilowatt-hours of electric energy last year, for which they paid the sum of $8,667,560.

Under the T. V. A. rates the cost would have been $4,510,-560, a saving of $4,157,000 a year.

Under the Tacoma rates the cost would have been $4,456,-560, a saving of $4,211,000 a year.

Under the Ontario rates the cost would have been $3,532,-381, a saving of $5,135,179 a year.

Under the Winnipeg rates the cost would have been $4,052,560, a saving of $4,615,000 a year.

LOUISIANA

The people of the State of Louisiana used 557,718,000 kilowatt-hours of electric energy last year, for which they paid the sum of $15,460,717.

Under the T. V. A. rates the cost would have been $8,059,717, a saving of $7,401,000 a year.

Under the Tacoma rates, the cost would have been $7,983,717, a saving of $7,477,000 a year.

Under the Ontario rates, the cost would have been $6,312,264, a saving of $9,148,453 a year.

Under the Winnipeg rates, the cost would have been $7,233,717, a saving of $8,227,000 a year.

OKLAHOMA

The people of the State of Oklahoma used 551,388,000 kilowatt-hours of electric energy last year, for which they paid the sum of $18,305,275.

Under the T. V. A. rates, the cost would have been $9,666,275, a saving of $8,639,000 a year.

Under the Tacoma rates, the cost would have been $9,359,275, a saving of $8,946,000 a year.

Under the Ontario rates, the cost would have been $7,538,678, a saving of $10,766,597 a year.

Under the Winnipeg rates, the cost would have been $8,918,275, a saving of $9,387,000 a year.

TEXAS

The people of the State of Texas used 1,683,558,000 kilowatt-hours of electric energy last year, for which they paid the sum of $51,403,516.

Under the T. V. A. rates, the cost would have been $26,491,516, a saving of $24,912,000 a year.

Under the Tacoma rates the cost would have been $26,481,516, a saving of $24,922,000 a year.

Under the Ontario rates the cost would have been $20,789,117, a saving of $30,614,399 a year.

Under the Winnipeg rates the cost would have been $23,394,516, a saving of $28,009,000 a year.

MONTANA AND UTAH

The people of the States of Montana and Utah together used 536,139,000 kilowatt-hours of electric energy last year, for which they paid the sum of $13,630,783.

Under the T. V. A. rates the cost would have been $7,084,783, a saving of $6,546,000 a year.

Under the Tacoma rates the cost would have been $7,041,783, a saving of $6,589,000 a year.

Under the Ontario rates the cost would have been $5,550,944, a saving of $8,079,839 a year.

Under the Winnipeg rates the cost would have been $6,327,783, a saving of $7,303,000 a year.

IDAHO

The people of the State of Idaho used 292,135,000 kilowatt-hours of electric energy last year, for which they paid the sum of $5,750,348.

Under the T. V. A. rates the cost would have been $2,989,348, a saving of $2,761,000 a year.

Under the Tacoma rates the cost would have been $2,961,348, a saving of $2,789,000 a year.

Under the Ontario rates the cost would have been $2,342,323, a saving of $3,408,025 a year.

Under the Winnipeg rates the cost would have been $2,678,348, a saving of $3,072,000 a year.

WYOMING

The people of the State of Wyoming used 79,225,000 kilowatt-hours of electric energy last year, for which they paid the sum of $2,745,869.

Under the T. V. A. rates the cost would have been $1,427,869, a saving of $1,318,000 a year.

Under the Tacoma rates the cost would have been $1,422,869, a saving of $1,323,000 a year.

Under the Ontario rates the cost would have been $1,119,126, a saving of $1,626,743 a year.

Under the Winnipeg rates the cost would have been $1,272,869, a saving of $1,473,000 a year.

COLORADO

The people of the State of Colorado used 441,982,000 kilowatt-hours of electric energy last year, for which they paid the sum of $13,339,906.

Under the T. V. A. rates the cost would have been $6,934,906, a saving of $6,405,000 a year.

Under the Tacoma rates the cost would have been $6,878,906, a saving of $6,461,000 a year.

Under the Ontario rates the cost would have been $5,432,769, a saving of $7,907,137 a year.

Under the Winnipeg rates the cost would have been $6,203,906, a saving of $7,136,000 a year.

ARIZONA AND NEW MEXICO

The people of the States of Arizona and New Mexico used 264,057,000 kilowatt-hours of electric energy last year, for which they paid the sum of $8,929,686.

Under the T. V. A. rates the cost would have been $4,642,686, a saving of $4,287,000 a year.

Under the Tacoma rates the cost would have been $4,585,686, a saving of $4,344,000 a year.

Under the Ontario rates the cost would have been $3,635,904, a saving of $5,293,782 a year.

Under the Winnipeg rates, the cost would have been $4,168,686, a saving of $4,761,000 a year.

NEVADA

The people of the State of Nevada used 94,760,000 kilowatt-hours of electric energy last year, for which they paid the sum of $2,154,764.

Under the T. V. A. rates the cost would have been $1,120,764, a saving of $1,034,000 a year.

Under the Tacoma rates, the cost would have been $1,108,764, a saving of $1,046,000 a year.

Under the Ontario rates, the cost would have been $897,430, a saving of $1,257,334 a year.

Under the Winnipeg rates, the cost would have been $1,004,764, a saving of $1,150,000 a year.

WASHINGTON

The people of the State of Washington used 1,576,070,000 kilowatt-hours of electric energy last year, for which they paid the sum of $24,615,571.

Under the T. V. A. rates, the cost would have been $12,427,571, a saving of $12,188,000 a year.

Under the Tacoma rates, the cost would have been $12,954,571, a saving of $11,661,000 a year.

Under the Ontario rates, the cost would have been $9,825,735, a saving of $14,789,836 a year.

Under the Winnipeg rates, the cost would have been $10,406,571, a saving of $14,209,000 a year.

OREGON

The people of the State of Oregon used 637,926,000 kilowatt hours of electric energy last year, for which they paid the sum of $13,833,329.

Under the T. V. A. rates, the cost would have been $6,904,329, a saving of $6,929,000 a year.

Under the Tacoma rates the cost would have been $7,323,329, a saving of $6,510,000 a year.

Under the Ontario rates the cost would have been $5,478,029, a saving of $8,355,300 a year.

Under the Winnipeg rates the cost would have been $5,630,329, a saving of $8,203,000 a year.

CALIFORNIA

The people of the State of California used 4,325,505,000 kilowatt-hours of electric energy last year, for which they paid the sum of $107,606,211.

Under the T. V. A. rates the cost would have been $54,103,211, a saving of $53,503,000 a year.

Under the Tacoma rates the cost would have been $56,659,211, a saving of $50,947,000 a year.

Under the Ontario rates the cost would have been $42,816,608, a saving of $64,789,603 a year.

Under the Winnipeg rates the cost would have been $44,957,211, a saving of $62,649,000 a year.

Mr. Speaker, I ask any Member of this House, I ask any Member of the Senate, I ask any intelligent patriotic citi-

zen, if it is just, if it is fair, if it is honest for the already overburdened American people in the various States to have to carry this enormous load throughout their lives and pass it on down to their children, in order to gratify the cupidity of this gigantic octopus known as the "Power Trust"?

You have no doubt heard and read many vicious attacks on the Tennessee Valley Authority. Do you know why? Have you ever stopped to think what crime the T. V. A. has committed to inspire these attacks? It has simply shown the American people what electric lights and power should cost, and the example it has set is forcing down light and power rates all over the land to the benefit of you ultimate consumers. The example set by the T. V. A., together with the publicity given through the Federal Power Commission's rate survey, has already saved our people more than $100,000,000 a year.

I want to answer at this point some of the arguments the Power Trust is using against municipally owned plants. They tell you that municipal plants pay no taxes, and that their average rates for all classes of service are higher than the rates of privately owned utilities.

Mr. FLETCHER. The gentleman said "They say that they do not pay any taxes." Did the New York Times, which the gentleman quoted a moment ago, make that statement?

Mr. RANKIN. Oh, no. The Power Trust puts out that statement.

I called attention a moment ago to an article appearing on the front page of the New York Times this morning showing a reduction which the power interest has announced in that city, and in which they quote the following table to show how the residential consumers will be affected by this change in the rates, if and when they go into effect:

Monthly	Bill at present rates	Bill at new rates	Reduction in bill
0 to 10 kilowatt-hours	$1.00	$1.00	
15 kilowatt-hours	1.30	1.25	$0.05
25 kilowatt-hours	1.80	1.75	.05
35 kilowatt-hours	2.30	2.25	.05
50 kilowatt-hours	3.05	2.95	.10
60 kilowatt-hours	3.55	3.35	.20
70 kilowatt-hours	4.05	3.75	.30
90 kilowatt-hours	5.05	4.50	.55
100 kilowatt-hours	5.55	4.80	.75
150 kilowatt-hours	8.05	6.05	2.00
200 kilowatt-hours	10.55	7.05	3.50
300 kilowatt-hours	15.55	9.05	6.50
500 kilowatt-hours	25.55	13.05	12.50

This announcement was made in order to block the attempt on the part of the mayor and the citizens of New York to construct a municipal plant.

The average monthly consumption of domestic users of electricity in New York City is 35 kilowatt-hours a month. You will note from this table that the average consumer in the city of New York under this change "voluntarily" made by this beneficent institution, in order to stop the row in New York over a municipal plant, amounts to a saving to the average consumer of the enormous amount of 5 cents a month.

No wonder such a voluntary demonstration of magnanimity on the part of the Power Trust was given a conspicuous display on the front page of the New York Times, a great daily newspaper that publishes "All the news that's fit to print."

Think of it, Mr. Speaker, yielding a concession of 5 cents a month to stop this row over a municipal plant. It is one of the most outstanding acts of unselfish generosity ever known since the monkey ate up the cheese to keep the cats from quarreling over it.

Now let us compare these new rates which the people of New York are to enjoy with the T. V. A. rates. You will note that under these new rates 25 kilowatt-hours a month will cost a residential consumer in New York City $1.75. In Tupelo, Miss., under the T. V. A. rates, 25 kilowatt-hours a month costs 75 cents; 35 kilowatt-hours a month under these "reduced" New York rates will cost $2.25; in Tupelo, under the T. V. A. rates, 35 kilowatt-hours a month costs $1.05. Fifty kilowatt-hours a month under these "reduced" New York rates will cost $2.95; in Tupelo, $1.50 a month. Sixty kilowatt-hours a month in New York, $3.35 a month; in Tupelo, $1.70 a month. Seventy kilowatt-hours a month in New York, $3.75; in Tupelo, $1.90. Ninety kilowatt-hours in New York, $4.50; in Tupelo, $2.30. One hundred kilowatt-hours a month in New York, $4.80; in Tupelo, $2.50. One hundred and fifty kilowatt-hours a month in New York, $6.05; in Tupelo, $3.50. Two hundred kilowatt-hours a month in New York, $7.05; in Tupelo, $4.50. Three hundred kilowatt-hours in New York, $9.05; in Tupelo, $5.50. Five hundred kilowatt-hours a month in New York, $13.05; in Tupelo, $6.90.

And, as I said before, the T. V. A. rates are higher on the whole, than the Tacoma rates, or the Winnipeg, or the Ontario rates.

Now, let us make some more comparisons. We will take Birmingham, Ala., one of the hotbeds of the Power Trust. Let us compare the domestic rates in Birmingham, which is supplied by a private company, with the rates charged by the public plant at Tacoma, Wash. Although the Birmingham rates have been forced downward by the psychological effect of the T. V. A., and the publicity to which I referred, their rates are still so high as to make the following comparison between Birmingham and Tacoma, Wash., a complete answer to the power interests' contention against publicly owned plants.

In Birmingham, 25 kilowatt-hours a month costs a householder $1.55; in Tacoma it costs $1.13. In Birmingham, 40 kilowatt-hours a month costs $2.30; in Tacoma $1.80. In Birmingham, 250 kilowatt-hours a month costs $7.80; in Tacoma $3.90. In Birmingham 500 kilowatt-hours a month costs $12.55, while in Tacoma it costs $6.40.

Yet, with a gross revenue of $1,940,994, the Tacoma plant paid $145,575 in taxes last year; gave to the city of Tacoma $200,545 worth of free service, set aside for depreciation $400,053; paid interest on its indebtedness to the amount of $435,322, and still made a net profit of $508,190; and at the same time gave the people of Tacoma the lowest light and power rates in the United States.

Let us take some more examples and compare rates of these private companies with the rates charged by publicly owned plants. I see before me here the rates of the public plant at Jacksonville, Fla., and the rates charged by the private power company in Miami, Fla.

Mr. MONAGHAN. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. MONAGHAN. I compliment the gentleman on his masterful presentation of this subject. I was interested in the remarks which the gentleman made that the decreasing of rates would increase consumption. I think the House would be interested to know that an economist paid by the power interests, who came before our committee to fight the Wheeler-Rayburn bill, testified that during the depression years, because of decreased rates, the power business increased by leaps and bounds. In other words, the decreased rate, as the gentleman suggested, causes increasing consumption because the people are better able to pay the rates and make greater use of God's great gift and aid to mankind—electrical energy.

Mr. RANKIN. The gentleman from Montana is correct.

Now, remember that Jacksonville is following a different policy from that pursued by Tacoma and the T. V. A., in that Jacksonville is maintaining its high rate structure in order to turn revenues into the city treasury and reduce taxes. In Jacksonville, where they have a municipally owned plant, 25 kilowatt-hours a month costs a domestic consumer $1.75; in Miami, which is supplied by a private company, it costs $2.76; 40 kilowatt-hours a month in Jacksonville costs $2.80; in Miami, $4.18. In Jacksonville 250 kilowatt-hours a month costs $7.95; in Miami, $10.40. In Jacksonville 500 kilowatt-hours a month costs $12.95; and in Miami, $15.40.

Yet with a gross revenue of $2,671,659, Jacksonville paid operating expenses amounting to $793,249 last year; paid taxes in the amount of $34,794; and then turned into the city treasury cash to the amount of $1,777,657. Jacksonville

could reduce her rates to the T. V. A. rates, the Tacoma rates, or the Canadian rates and still operate at a profit.

I have before me a volume of figures which show the advantages of publicly owned plants, but I will not take the time to read them all. I will just take this one more. I note that some fellow from Massachusetts has been attacking me through the New York Times because of my attitude on the power question. Let us see on what grounds he has to complain.

If anyone will take the time to study the report made by the Federal Power Commission on electric light and power rates in Massachusetts, he will realize that if there are any people anywhere who need relief from exorbitant light and power rates, they are the people in the State of Massachusetts, especially in the smaller towns and in the rural districts. The rates in Boston are a little more reasonable. So let us compare them with the rates of the publicly owned plant in Los Angeles, Calif.

In Boston, where light and power is supplied by a private power company, 25 kilowatt-hours a month costs a householder $1.75; in Los Angeles, $1.20. In Boston, 40 kilowatt-hours a month costs $2.50; in Los Angeles, $1.81. In Boston, 150 kilowatt-hours costs $6.80; in Los Angeles, $4.58. In Boston, 500 kilowatt-hours a month costs $12.80; while in Los Angeles, $8.81.

Last year the public plant in Los Angeles, with a gross operating revenue of $14,300,019, paid its operating expenses amounting to $7,020,919, paid taxes amounting to $1,296,570, as well as free service amounting to $1,079,463, set aside $2,086,890 for depreciation, paid interest on its indebtedness to the amount of $1,528,385, and still had a net income of $3,670,091.

Yet the Power Trust would have you believe that these public plants pay no taxes, contribute nothing, charge higher rates than the private companies, and are operated at a loss.

Mr. COLDEN. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from California.

Mr. COLDEN. Los Angeles must bring her power over transmission lines a considerable distance, and the distributing system is one of the most expensive in America, because of the great area over which it must operate.

Mr. RANKIN. And still supplies electric energy at these rates.

The Power Trust attempts to block every movement we make to give the American people relief from exorbitant light and power rates. They have opposed the T. V. A. from the beginning. They have opposed the construction of the Quoddy project, the St. Lawrence project, the Boulder Dam, Peck, Bonneville, Grand Coulee, and all other public power projects, on the flimsy pretext that there is no market for the power—telling the American people that we have a surplus of power now.

If we reduce rates all over the United States to the T. V. A. rates, the Tacoma rates, or the Canadian rates, and make electricity available to everyone at rates based upon the cost of production and distribution so as to enable them to enjoy a liberal use of electric lights, operate their fans, refrigerators, electric pumps, radios, electric ranges, and other necessary appliances, and heat their homes with it, if necessary, as well as operate their business establishments, and their industrial plants, then they will consume more power than all of these new projects and all existing plants can produce.

It is a significant fact that lower rates bring higher consumption. When the T. V. A. rates first went into effect at Tupelo, the average domestic consumption was 42 kilowatt-hours a month. In 10 months it had increased to 103. The number of electric refrigerators increased from 195 to 559, the number of electric ranges from 15 to 150, and the commercial consumption of electric energy more than doubled.

The same thing has happened in all the other communities served with T. V. A. power. In the city of Amory, Miss., during the first 6 months their T. V. A. rates were in effect, the number of electric refrigerators increased from 40 to 345.

Give the American people reasonable rates, based upon the actual cost of production and distribution, and there will be no surplus of power; they will consume many times our present supply. That will not only lighten the burdens of the domestic consumers and enable them to use sufficient electrical appliances to enrich their homes and relieve them of their drudgery, but it will also stimulate industry, relieve the merchants and other commercial consumers, aid agriculture by taking light and hope to the distressed farmers of America, and will make our country a brighter, a richer, and a better place in which to live—not only today and tomorrow, but for all time to come. [Applause.]

The SPEAKER. Under the special order of the House the gentleman from New York [Mr. BOYLAN] is recognized for 15 minutes.

Mr. BOYLAN. Mr. Speaker, the Congress is severely criticized for many of the things that are done here. It is my pleasure to call attention to a particular project that the Congress has authorized, which is to commence operation tomorrow, for which we ought to get a large volume of credit that will equalize much of the criticism to which we have been subjected.

Mr. Speaker, the event which will occur tomorrow is a most important event, concerning the new method in the handling and treatment of narcotic addicts, the dedication of the first United States narcotic farm at Lexington, Ky.

The Congress should receive great credit for this forward step. At the second session of the Seventieth Congress I introduced a resolution providing for an investigation of Federal prisons. Up to that time, for 40 years, these prisons had not been investigated by a congressional committee.

This committee, of which Mr. COOPER of Ohio was chairman, and on which Mr. TABER, of New York, served, and on which I also had the honor of serving, visited and inspected all Federal prisons in the United States.

We found in some of the prisons that no segregation had been made of the narcotic addicts, with the result that many inmates of the prisons for the first time were initiated into the use of habit-forming drugs, with the result that in some instances they had become confirmed addicts before their sentences expired.

The committee reported to the Congress recommending the erection of new Federal penitentiaries and the establishment of Federal farms for the treatment of narcotic addicts.

The institution at Lexington is designed primarily for the care of the more intractable type of person, largely the prisoner group. However, it will also be possible for addicts to be voluntarily committed even though they are unable to pay for their treatment. This class will be kept separate and distinct from the prisoner class.

Arrangements have been completed by the Public Health Service, under Surg. Gen. Hugh S. Cummings, to transfer to the new institution some 300 addict prisoners from the Federal prison system. The new farm has 1,000 beds and is for men only, although it is contemplated that facilities will be developed for women addicts in the near future.

A great many persons have been interested, and many have taken part in the evolution of the narcotic farm at Lexington, Ky., and in bringing it to its present state of completion. The Public Health Service of the Federal Government is doing a wonderful and magnificent work under the leadership of Dr. Hugh S. Cumming, Surgeon General.

The problem of institutional treatment for drug addiction, however, must take into account not only the precipitating and underlying causes of addiction but the diverse motives or reasons for seeking treatment, the incidence of intercurrent diseases and defects in such a group, the great differences in the types of personalities involved, and the need for protecting the institution community against the weaknesses and cupidity of its component individuals.

The most important or underlying causes of addiction are related to the inherent constitutional make-up of the individual. The so-called "nervously unstable person" is more prone to embrace the habitual use of narcotics than one

with a stable constitution. Experience with persons addicted to the use of such drugs has proved this.

Now, of course, you do not realize the great handicap that narcotic addiction is to any man or woman. A man or woman can be addicted, for instance, to the use of alcohol, but at some particular time they can pull themselves together, stop using it, and start life all over again, but with narcotic addiction it is different. After 2 or 3 weeks' use, no matter how strong-minded or how strong-willed you are, without medical help and assistance you are unable to get yourself off the addiction. Congress realized that. Congress realized that there is no condition in which a man is placed that is comparable with that of opium addiction, where food, shelter, raiment, and all those things by which men live are cheerfully abandoned in order that the addict may secure his favorite drug. Those who are addicted to the use of opium or its derivatives constitute the ultimate market for smuggled or contraband drugs. They are a menace to the local supply of such drugs originally destined for medical and scientific use.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. BLANTON. I think the gentleman from New York deserves the thanks of the Nation for the work he has done for these narcotic addicts. I want to thank him especially, because through the work he has done has come about the construction of a sanitarium for the treatment of narcotic addicts in my State, near Fort Worth, Tex., and it means a great deal to the people who are afflicted with this terrible habit. I want to make this public expression of my appreciation of his efforts.

Mr. BOYLAN. I thank the gentleman.

The addict usually commences early, most of them before they reach the age of 25 or 30 years. These young persons represent a period of life where there exists the greatest urge to accept hazards, and when, coupled with a desire for their favorite drug, the possibilities become even greater for their taking extraordinary chances that violate the customary standards of safety.

The immediate important causes of addition to narcotic drugs are related to the previous use of such drugs in medical treatment; in self-treatment for the relief of pain; recourse to drugs during emotional stress; to overcome the effect of drunkenness; and to indulgence for the sake of experience, curiosity, or the thrill they expect to get from it. Also through the influence of association with others who are addicted to the use of such drugs is the more frequent or prominent immediate cause of addiction. The removal of those addicts from the American communities is therefore a step in the direction of preventing further addiction.

The second subsequent change in Federal policy toward this so-called "addiction problem" occurred when, as I told you, the Seventieth Congress adopted a resolution for the investigation of Federal prisons. That went so far as to lead to the establishment of a narcotic farm for addicts about 5 miles out of the city of Lexington, Ky. We also have provided for a farm a short distance from the city of Fort Worth, Tex. This, however, is but in the making. The point that I immediately wanted to call to your attention was the opening of the farm at Lexington, Ky., which will take place tomorrow, May 25.

There on a beautiful tract of land, consisting of about 1,100 acres, we have erected a series of buildings, with every hospital facility, in order to start the Federal Government for the first time in a proper scientific study of the causes of addiction and to give proper treatment to the inmates who will be confined in that hospital.

In addition to the jurisdiction of the Federal courts to commit addicts to the farm, there is also a provision in the law which was passed providing for voluntary commitments. Everything will be done there to try to bring the addicts back to a full sense of their individual responsibility and to return them to the community in such physical condition that they will be able to carry on.

There will be a dairy farm; there will be a truck farm; there will be poultry and hog raising; teaching landscaping; there will also be athletics, both indoor and outdoor. There will be a carpenter and machine shops, a clothing shop to make clothing just for the inmates. In other words, all these activities will be used to endeavor to make the institution as self-sustaining as possible, and yet provide employment for the inmates.

I might say that at Fort Worth, Tex., we have purchased about 1,500 acres, where a similar narcotic farm will be established. The control and management and discipline to be maintained for the safe-keeping of the individuals and the protection of the community will be done in a humane and understanding manner. Experiments are to be carried on to determine the best methods of treatment, and research in this field, and the results disseminated to the medical profession and to the general public, to the end that States may make provision for establishing and for helping to solve the problem of drug addiction.

The functions of these institutions make them assume the character of treatment and research centers, of educational and rehabilitation centers with certain custodial features superimposed. I might say at the present time we have no place for treatment of female addicts in the United States. In a bowl of the Blue Ridge Mountains, a beautiful setting at Alderson, W. Va., we have established a prison for women. This is on the cottage plan and it is one of the most modern and up-to-date prisons in the United States. I had the pleasure of visiting it, spending a few days there, and inspecting all its facilities. At that particular place they have a small hospital for the treatment of any female addict who may be confined in that institution. It is the plan of the Surgeon General, however, with your support and help, to take a part of the grounds of the farm at Lexington, Ky., and there erect a separate institution for female addicts; and I am hopeful that by the next session we will have this plan before us. I bespeak for it your favorable consideration.

Mr. SIROVICH. Will the gentleman yield?

Mr. BOYLAN. I yield to the gentleman from New York.

Mr. SIROVICH. My distinguished friend, the gentleman from New York, has given a very interesting dissertation on drug addicts. May I ask him, if they consider drug addiction a disease, why call the institution a prison?

Mr. BOYLAN. We do not call it a prison. We call it a narcotic farm.

Mr. SIROVICH. I thought the gentleman did call it a prison.

Mr. BOYLAN. No. We call it a farm. We realize that drug addiction is a disease and not a crime.

[Here the gavel fell.]

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to proceed for 6 additional minutes.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FIESINGER. Will the gentleman yield?

Mr. BOYLAN. I yield to the gentleman from Ohio.

Mr. FIESINGER. Has the gentleman any figures showing how many of these people who are released after being cured go back again to the drug habit?

Mr. BOYLAN. We have no figures on that, because this is but the beginning. It is an experiment. From my knowledge of drug addiction, however, through studies in New York City, many return, just like a man who is addicted to alcoholism returns; but sometimes he wakes up and pulls himself together and gets on his feet again. With the help of medical attention we are hopeful the same thing can be done in the case of drug addicts. I have shown the peculiarity. The difference between alcoholic addicts and drug addicts is that a drug addict cannot pull himself together without medical treatment. He has to get medical treatment first.

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. BOYLAN. I yield to the gentleman from Nebraska.

Mr. McLAUGHLIN. We are all very much interested in what the gentleman has had to say. In the early part of his address he stated that before drug addicts were segre-

gated in the Federal prisons those who were not addicted to the use of drugs often contracted the habit of drug use from those prisoners who did use it.

Mr. BOYLAN. Yes.

Mr. McLAUGHLIN. I think we would be interested to know how prisoners in the United States prisons secure drugs with which to satisfy their craving.

Mr. BOYLAN. I will answer the gentleman. It seems impossible, not only in United States prisons, but in all of the prisons of the country, whether State or Federal, to keep out illicit traffic in drugs. One of the greatest troubles that wardens have is to discover and break up this drug traffic within the prison. Anyone who is familiar with the operation of prisons knows that condition exists, although everything is done to try to break it up and prevent its further operation.

Mr. McLAUGHLIN. It is due entirely to the smuggling of the drugs into the prison? The drug addicts then secure the drug by the smuggling process exclusively?

Mr. BOYLAN. Yes; through underground methods; not through the proper medical channels in the prison.

Mr. KRAMER. Will the gentleman yield?

Mr. BOYLAN. I yield to my California colleague.

Mr. KRAMER. The State of California has built a sanitarium at Spardo, Calif., for the treatment of addicts. It has been very successful in its operation.

Mr. BOYLAN. I am pleased that your State has taken up this important matter. It is a splendid way to help many unfortunate addicts.

Previously in my remarks I stated that many of these drug addicts got their start through receiving drugs in medical treatment. Others took it as a self-treatment for the relief of pain. Others had recourse to the drugs in times of great emotional stress, others to overcome the effect of drinking, others for the sake of the experience, the thrill somebody told them they would get from the taking of it, and others through the influence and association of those accustomed to the use of drugs.

The authorization and establishment of facilities for the confinement and treatment of persons addicted to habit-forming drugs is a form of specialization that bears a direct relationship to policies respecting enforcement of the so-called "antinarcotic laws" and to the protection of American communities. It bears relationship also to problems in penal and correctional institutions, to the uses of narcotic drugs in medical practice, to research and quest for more accurate and fundamental knowledge concerning the nature of drug addiction and related phenomena, and to the instinctive demand ever present in the American people that the sick and afflicted shall be set in the way of strength and hope.

At this time I want to take the occasion to congratulate the Congress for the splendid advanced, humane work they have taken up and brought to a head through the establishment of these narcotic farms.

In conclusion, Mr. Speaker, I repeat that the Congress has accomplished splendid work. In the past, unfortunately, drug addicts have been treated more as criminals; they have been treated as inmates of penal institutions and with a harshness and severity that killed any ambition they might have had for a reforming of their lives.

I repeat, Mr. Speaker, the Members of Congress should compliment themselves and feel they have done a real service to humanity. It is not a question of political or partisan advantage; it is just a question of doing something for humanity, lending a helping hand to a struggling brother, that to my mind gives a great satisfaction and a greater thrill than any other possible service can give, and that is helping someone who is afflicted and in need and giving them the chance and the opportunity to commence again a new life full of faith, hope, and promise. [Applause.]

USE OF MAILS FOR PROCUREMENT OF DIVORCES IN FOREIGN COUNTRIES

Mr. MEAD. Mr. Speaker, I ask unanimous consent that the Committee on the Post Office and Post Roads may be discharged from the further consideration of the bill (H. R. 8180) to prohibit the use of mails for the solicitation of the procurement of divorces in foreign countries, and that the bill be referred to the Committee on the Judiciary.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. Under the special order of the House the gentleman from Massachusetts [Mr. GIFFORD] is recognized for 15 minutes.

Mr. GIFFORD. Mr. Speaker, in view of many strong statements having been made lately as to the attitude of New England in textile matters, I have been requested by the chamber of commerce of my city to express their views at this particular time, that we may be relieved of charges that have been made. Several of the speakers have stated that New England is making a drive for cheap cotton. We think we can prove to you that this is not so at all. Therefore, in order that I may be temperate in my remarks and reflect the views of my own section, I wish to speak a little out of the ordinary and read most carefully and as forcefully as I can the views of my particular section in seeking a solution of the problem which confronts the cotton-textile industry. I am speaking in behalf of my city of New Bedford, Mass., as represented by its own most effective chamber of commerce.

This city has been textile-minded for over 50 years. It now has approximately 1,800,000 cotton spindles in place, with some 18,000 wage earners still employed in the industry.

In the year 1919 we had 35,000 wage earners in our cotton mills; in 1921 we had 32,000; and in 1929, 29,000. Since 1925, 12 mills, employing some 15,000 people, have been liquidated or removed from this city. Machinery sold from our liquidated plants has, in most cases, been installed in lower-wage sections of the United States. Some machinery has been junked and some has been sent abroad, but, in general, the larger portion has been disposed of as outlined in the foregoing statement.

Mills in this city are comparatively modern. Some are among the newest and most efficiently equipped in the United States. Every type and kind of cotton, from tire yarns and fabrics to the highest-count yarns, bandage cloths, duck and sail cloths, and the highest types of lawns and silk and rayon mixtures are spun or woven in our mills. This city also makes rayon yarns and weaves considerable silk goods.

The manufacture of textiles is the city's principal occupation and support.

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. No; I would prefer to not yield until I get through with this statement. However, I will yield to the gentleman.

Mr. WARREN. The gentleman is reading a recital about the wage differential. Is it not a fact for the gentleman to state that the so-called "North-South wage differential" is a code regulation; that it was passed unanimously by the Textile Code Authority upon which sit the leading New England textile manufacturers; is that not correct?

Mr. GIFFORD. Mr. Speaker, may I at this point ask permission to revise and extend my remarks so that I may suffer interruptions.

The SPEAKER pro tempore. The gentleman from Massachusetts asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. WARREN. The gentleman very kindly yielded to me.

Mr. GIFFORD. In reply to the gentleman, further on in these remarks I speak of code no. 1, and our willingness and pleasure in agreeing to the minimum scale of $1, and a little later on I shall explain that this is perfectly satisfactory, but it is with respect to our expectation as to other wage levels that we have met bitter disappointment.

It is the considered opinion of this community, its workers, and its mill management that, while many factors contribute to the present condition of the industry, the one which most affects our particular situation is that of wage inequalities within the industry.

The skill of our employees is recognized. Our management is conceded to be at least as able as any in the busi-

ness. Yet our mills have been compelled to liquidate, while those in lower wage sections have been able to continue in business. This situation has been brought home to us again during the past few weeks. One of the largest and most efficient of our local mills lost a large Government order to a mill in a lower wage section of the United States.

I have the executive's letter here at hand, but to use his very expressive language might be thought out of order.

The Uxbridge Worsted Co., of Uxbridge, Mass., announced the purchase of a plant in Georgia. The Davol Mills, of Fall River, Mass., announced the liquidation of two mills employing 700 workers.

The industry quickly showed progress, both social and economic. The increased replacement cost of its stock in process and finished goods in warehouses became of greater value. This increased the credit position of the corporations engaged in the textile business. Fear on the part of the workers was changed to hope and confidence in the future. Retail sales in textile communities jumped as purchasing power was increased and confidence restored.

Other sections of the country showed signs of improving conditions, but not as quickly. This resulted in manufactured goods going into warehouses in increasing quantities. Where mills could not stand the capital losses involved in shutdowns, goods were dumped into the national market, which was not ready to absorb them, even though the industry manufactures what is universally considered as "the world's raiment."

I should like to interject here in relation to the processing tax, which I shall approach in a moment, that we could not sell the cotton goods to the country at such advanced prices. The tobacco processing tax seems to be successful. We are cheerful consumers of tobacco, but the many cost increases added to the cotton industry made the price of cotton goods so high that extreme trade resistance resulted. This is why we stress so much the last burden imposed, which was the processing tax; but by no means do we object or want to buy of the farmer cheap cotton. All we want is to buy at a price that will meet with sales and overcome this trade resistance.

Within its code authority the industry has made several moves to establish control of its so-called "overproduction." It is interesting to note in this respect that while mills in New England continue to liquidate, mills in low-wage sections are constantly adding equipment. (See Textile Bulletin, February this year.) The question of overproduction is much involved not only in its productive sense but in the sense of underconsumption caused by the economic conditions of our agricultural and industrial workers throughout the Nation. We in New Bedford believe that the country as a whole is in need of much additional clothing and other textiles.

There has been comment that, perhaps, the textile industry is not mindful of the problems of the rest of the United States.

No city in the industry can show a more conscientious attempt than ours to live up to the principles concerned with the operations of the textile code.

This division of the Board of Commerce has worked whole-heartedly with representatives of labor and with management. We are proud of our community's N. R. A. record and confident that Washington headquarters will bear this out.

REVIEW OF GENERAL PROBLEMS

The importance of the textile industry cannot be overestimated. It is the industry which the President honored in his first recovery-program address; the industry which reacted to his program immediately by agreeing to an economic new deal under the title of code no. 1 of the National Recovery Act. This code became the keystone of the arch which supported, and which still supports, the economic and social existence of all the other major industries of the United States and the millions of working men and women who depend upon these industries for their livelihood.

The industry whole-heartedly laid out its program under the principles of the new deal. It eliminated child labor; it shortened hours of work; it increased wages; it established minimum wages; and, as previously mentioned, it became the foundation stone for all the innumerable industrial codes.

We have not received from those we represent a single request to protest against any soundly and fairly written bill designed to help either the credit structure of the rest of the United States or the social and economic conditions of the working men and women in the industrial or agricultural sections of the United States.

The increased costs of raw materials and the increased labor and overhead costs due to our social program have eliminated our products from world markets, since, obviously, we cannot compete in foreign markets with countries having low cost raw materials and low wage standards. We in New England realize that our market is now almost entirely confined to the United States. Obviously, if the farmers and other workers in other parts of the United States are unable to buy our goods, we cannot manufacture them.

I may say here to the gentleman from North Carolina, when he stated in that forceful way of his that the farmer did not want to go on the dole, in his answer to the plan offered by Senator GEORGE that this processing tax should be met from the $4,800,000,000 fund. I am exceedingly sorry the gentleman made that particular statement, although I know he meant it. Perhaps the farmer would seem to be on a dole if it were taken from that particular fund, but he takes it from a fund harder to get by far than that. But this remark of the gentleman from North Carolina, I am sure, must have had due weight with his constituents. I appreciated the force of it and it is hard to debate it.

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. WARREN. I will reiterate that I am absolutely opposed to the processing tax being paid from the relief fund, and I ask the gentleman, coming as he does from New England, is he in favor of paying all of these processing taxes to the farmers out of the $4,000,000,000 relief fund?

Mr. GIFFORD. Mr. Speaker, I frankly confess that under present conditions I would vote to have it done that way. It is far better, I think, it should be spent in that way than in the ways I believe the money is going to be spent. However, I do recognize the full force of the gentleman's argument and the way he feels about it, that perhaps it would appear like a dole to his constituents.

Mr. WARREN. That is all it would be, of course.

Mr. GIFFORD. Why is not this processing tax paid from general levies? I do not want the pork processing tax paid only by those who buy pork, "even though we are getting our pigs now from China." I think the processing tax should be met from general taxation and not by a sales tax imposed on a few commodities; and when the gentleman recited that the processing tax on overalls amounted to only 8 cents, and so little on other things, he forgot to say anything about what we did to the gold dollar, and he forgot to say anything about the N. R. A. expenses, whereby cotton goods, as a whole, cost the consumer twice as much, including even overalls, as they did before.

Mr. WARREN. The gentleman knows that ever since I discussed that proposition he has been checking and rechecking my figures and not one of them has ever been challenged on the floor.

Mr. GIFFORD. Mr. Speaker, I may say to the gentleman that I have not challenged his figures. I am simply asking him to consider the other elements which a little later on I shall refer to in the course of my remarks.

We mention these things because there are at present controversies over the processing tax which the Department of Agriculture feels is necessary to its cotton program. No statements made by New Englanders on these textile matters make any objection to assisting the cotton farmer. The statements have, however, gone deeply into the effect of the present application of the taxes designed to assist the

cotton farmer. The New England presentation has not recommended the elimination of assistance to the cotton farmer; it has objected to the present method of collecting a tax which amounts to as much as 28 percent of the total wages on a fairly high-count gingham, and to 121 percent of the total labor cost in no. 8's single southern carded yarns. I would ask the gentleman to check those figures.

It is evident that such a tax is practically confiscatory, since a major industry in a world depression could hardly hope to receive 28 percent more than its labor costs, and certainly not 121 percent at any time. The figures submitted are quoted from an analysis of Frederick Moore, Textile Cost Authority of Charlotte, N. C., in a recent issue of the New York Daily News Record, an established textile daily newspaper.

We believe that in asking the administration to consider some way of broadening the base of this tax, the textile manufacturer, either North or South, is on reasonable grounds.

There is another complaint of the textile industry—and of many other industries within the United States—a complaint involving a friendly nation which we were the first to assist in its own new deal.

The same skill; in fact, one might call it the same artistry by which old Japan was able to produce its equisite textiles; the same capacity for infinite detail, which we call genius; that now threatens our textile and other industries.

Some may grossly misjudge the ability of these people. Their achievements in the arts, literature, poetry, philosophy, and horticulture should convince nonindustrial skeptics of their abilities. Their desires are simple. The Asiatic can become ascetic over self-denial. He can express pride over his lack of luxuries. He is, therefore, satisfied with low wages, where we are unhappy.

It is this combination of energy, adaptability, and low wages which is grievously affecting our textile business. Their goods, offered at prices far below any possible competitive hope on the part of our American workmen, have affected not only the coarse goods sections of our industry but the fine goods sections as well.

The State Department has suggested that, since Japan purchases $1.65 of our products and sells us but $1 worth, we must consider this question in a national way. Our answer is that the whole recovery program is based on jobs, not on dollars; and Japan is selling us 3 to 4 days' labor while buying from us but one-half day's labor. Japan buys from us for one reason only: Because she cannot buy our commodities at lower prices elsewhere.

It is inconceivable that while our American fellow citizens walk the streets in idleness, such a flow of goods should be allowed into our country. We are told that these questions can be settled around a table. This may be so. But at present the world is in a depression; and it is engaged in a bitter trade war.

Our American director of Mitsui, in testimony before the Tariff Commission recently, said that Japan's only solution for overpopulation is to develop her industries to absorb surplus labor. "The success or failure of her industrial activities charts the parting of the ways for Japan—either life or death", he declared. "Naturally she will plan and fight to the utmost of her power and ability on this point; there is no other path of life for her." We cannot smile that off any more than we can give up our Navy.

No nation will honor us when our farms and factories are gone; no nation will even respect us.

We in New England feel that there is only one way for a high-wage nation to do business with others, and that is to buy from others what we need and do not produce ourselves—silk, tea, coffee, mahogany, rubber, and so forth—others to buy from us what they need and do not produce.

To those who would buy foreign shoes, textiles, electrical goods, silverware, toys, marmalades, or wines, and cheeses, we say: "Buy them if you wish, but pay more for them or buy American goods." These things strike home with us when we are spending years of effort and billions of dollars on the question of what shall be done with the unemployed workmen of the United States.

The mills in New England, among their complaints, enumerate another and, to our mind, the most important matter concerning this industry operating under code no. 1; and this is wage differences within the industry.

It is peculiar that we in America should recognize sectional differences where working men and women are concerned. It would seem that any such recognition would ipso facto indicate that we are not the "United" States, but 48 brutally competitive countries within our national borders, with workers in one section who cannot protect themselves against the low wages of another section or police their borders against the introduction of low-wage goods which jeopardize their standards of living.

It would seem that we should at least be able, as an American Commonwealth, particularly now that we have so many agencies within our governmental departments interested in the establishment of social justice, to find a way to protect the high-wage employer and his high-standard working men and women against the low-wage employer and his less fortunate working men and women.

We are told that the recognition of sectional differences in the textile industry is occasioned by the maintenance of mill villages in some sections. We, in Massachusetts, have had mill villages; some of them genuinely beautiful; built with all the modern conveniences and laid out in landscaped parks. Our people did not like them. They were not happy in them. They sensed a social and economic control of the plant owners through the 24 hours of the day. They felt the watchful eye of their employers in their every movement. The loss of their jobs in a particular mill meant the loss of their homes.

This aspect of the mill situation became so vital a factor in our political and social situation that we finally adopted the system of paying wages in cash in weekly envelops to the employee; enabling him to buy his weekly necessities and rent a home of his own choosing.

We even assisted him, so far as his thriftiness enabled us, to purchase his own home and face his neighbors and fellow citizens as an American workman should. We did not force him to spend his life in open admission that he controlled neither the product of his hands and mind, nor the roof over his head. Much good can be said on both sides of the village question, but we cannot believe a manufacturer should be allowed to directly deduct village costs from the workers' envelops.

We ask your very earnest consideration of this vital principle of American life.

(The time of Mr. GIFFORD having expired, by unanimous consent he was given 6 minutes more.)

CONCLUSION

Mr. GIFFORD. The various arguments discussed affect all of the industry. All branches admit they are operating at present under losses. One claims it is because of Japanese competition; and presents a fair case. Another says it is because of overproduction, or, as stated previously, underconsumption; and presents a fair case. Another says it is because of the processing tax; and presents a fair case. An analysis of these differences by governmental departments should be helpful and might well be undertaken by a commission, since these questions are controversial.

On the matter of wage inequalities, however, we believe your committee should determine, now that the high-wage worker in any section of the industry must be protected against the loss of his job or the lowering of his living standards because of wage differences allowed in a national code.

It is our opinion that the elimination of wage inequalities will go further toward quickly correcting overproduction than a Government agency, which may be compelled to fight its way through the constitutional courts.

On the other hand, if you continue to allow the low-wage employer to take what business is available, then the high-wage employer must lower his wages or go out of business. Far too many New England mills have chosen the latter course.

Any one of a great number of commodities which we have come to believe are American necessities cannot be sold to low-paid workers. In the economic life of a low-paid worker, such commodities as refrigerators, automobiles, radios, dentist services, and so forth, are not necessities but luxuries beyond his power to purchase.

An equalization of wages throughout the industry would result in the establishment of higher standards of living in what are now low-wage sections an increase in purchasing power, which would result in greater consumption of our agricultural products as well as other commodities made by workers in other industries. Surely the thousands of operatives in low-wage sections would appreciate and be happy to spend such higher wages.

The New England communities ask no advantage for themselves. They ask that wages in low-wage sections be increased to the standards of New England, in order that all American business shall not go to the low-wage employer.

Textile operatives who now work 3 days a week are finding themselves not as well off as E. R. A. workers, who receive $12 per week for 3 days' work calling for a small expenditure of effort. We fear this will develop Americans into politically well-educated unfortunates who will, by their very numbers alone, demand politically more than we shall be able to give them.

There is, of necessity, an increase in community farms throughout the textile areas of New England. This must eventually reduce sales of California canned goods, since housewives of the unemployed will can their own; Florida oranges will not be purchased, since unemployed textile operatives will grow tomatoes and other substitutes; Maine and Idaho potatoes will be replaced by locally grown potatoes; Texas onions will not be purchased for the same reasons; and certainly less cotton, wheat, corn, dairy, and other agricultural products will be sold. Nor can equal amounts of such goods be sold to low-wage employees in other sections of the United States.

In other words, unless the textile operative of New England is kept at the job which enables him to keep busy during the day, and which pays sufficiently well to allow him to purchase the products of other industrial and agricultural centers, he will pull down with him the American industrial and farmers' markets. If the textile communities of New England are not heeded, they will of necessity, by lack of purchasing power, pull down with them the transportation systems, community-tax funds, municipal and State finances, and all the institutions dependent upon them. New England now pays to the Federal Government for relief purposes proportionately more than any other section of its size in the Union. In return, it receives less proportionately for relief purposes from the Federal Government than any other section in the Union. Reverse this statement and you must affect the rest of the United States. Reverse this situation and you will ruin New England—ruin 9,000,000 people and you can have no recovery.

A single industry, the textile industry, is asking that we make certain cardinal policy decisions. We believe that the decisions are far beyond the question of the textile industry alone. We believe that the question is a national issue. We believe that if the National Recovery Act, the new deal, if you will, is unable to protect the wage earners of the United States against low-wage competition, either abroad or within our own borders, then our working people will lose faith in a new and hopeful future.

If the New England textile industry loses in this struggle, American standards of living must suffer. Other industries are awaiting our treatment of code no. 1. If negative action on our part establishes a Government policy toward lower wages, we may expect national adjustments both in plant relocation and wages which must seriously affect recovery.

In the final analysis it was the American workingman's desire to carve an empire, to work for a living, which has made America. If wealth is but labor stored up, if labor is the fountain of all prosperity, then these men who come before us in the name of honest toil and fair wages bespeak the beginning and the only honorable end for our country. [Applause.]

THE FEDERAL COMMUNICATIONS ACT

Mr. BOYLAN. Mr. Speaker, on yesterday I asked permission to extend my remarks in the RECORD and to insert a lecture by George Henry Payne, Federal Communications Commissioner. I did not have the estimate from the Printer at that time, but I now have it, and I renew my request.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following lecture by George Henry Payne, Federal Communications Commissioner, at the Harvard University Graduate School of Business Administration, May 14, 1935:

Not infrequently I have been made aware that in some quarters there is misunderstanding as to the scope and power of the Federal Communications Commission. Therefore, it might not be inappropriate to say at the beginning that this Commission touches the lives and interests of possibly 85 percent of the 120 millions of people in this country. An accurate tabulation of the people in this country who are directly and personally in touch with the telephone, telegraph, and radio is perhaps not possible, but it is a safe assumption that almost every adult member of our population is affected by some form of communication either directly or indirectly. The figures back of this assumption are not without interest.

In the first place there are in this country 16,869,000 telephones and 86,800,000 miles of telephone wire, serving approximately 12,500,000 business subscribers and 10,000,000 resident subscribers.

The American Telephone & Telegraph Co.'s report for the year 1932, gives the number of telephone conversations in the United States during that year as 25,500,000,000. The latest statistics from the American Telephone & Telegraph Co. indicate that the number of telephone conversations in the United States for the year 1934 was approximately 26,791,000,000. In the rest of the world there were only approximately, in each of the same years, 16,000,000,000 of such conversations. Through its power to regulate rates and trade practices, the Federal Communications Commission is a direct agent of the people in the matter of the telephone.

As to telegraph communications in this country approximately 148,000,000 (1932 figures) messages were sent over, approximately, 2,260,000 miles of wire. In the rest of the world there were sent approximately 218,000,000 telegraph messages in the year 1932. The radio telegraph companies sent somewhat over 5,000,000 messages during the same period. In order to grasp the significance of these figures, we should recall that there are in the United States 46,160 post offices, and that the 1930 United States Census Report shows that we have only 16,598 incorporated cities, towns, and villages. Not only has the Federal Communications Commission the right of regulating rates, but the companies themselves assert that only the Commission, by the merger which it has already advocated, can save these companies from chaos.

In the broadcasting field the Federal Communications Commission has been given even greater power by the law, which permits it to grant licenses and revoke them and to regulate broadcasting generally, without any power of censorship, however. The size of the audience in this field can be estimated by the fact that there are installed in this country approximately 20,000,000 receiving sets.

HOW THE COMMUNICATIONS ACT DEVELOPED

These figures give us a picture of the activities of the industries, of the inventions and corporations over which the Communications Commission has the power of regulation. It may be appropriate now to say how this Commission came into existence as a division of the Government.

The bill creating the Federal Communications Commission was passed on June 19, 1934. It provided for a Commission of seven members, charged with the responsibility of regulation and supervision of the telephone, the telegraph, both wire and wireless, and the broadcasting industry.

There were a great many people, and there are a great many people, to whom the reasons for the bill were not and are not obvious, and I have heard—not once, but several times—people declare that it was simply another one of those new-deal brainstorms, born of an uncontrollable desire to interfere in other people's business.

In the first place, it is well to recall that from the very beginning of the telegraph in this country the Government has taken an interest in this industry.

A resolution passed by the House of Representatives on February 3, 1837, declared "That the Secretary of the Treasury be requested to report to the House of Representatives at its next session upon the propriety of establishing a system of telegraph for the United States." In accordance with this resolution Levi Woodbury, Secretary of the Treasury, investigated the matter and submitted a report to the Speaker of the House, stating that a telegraph system "would be useful to commerce as well as to the Government."

On February 21, 1838, in one of the rooms of the Committee on Commerce, Morse demonstrated his invention to President Van Buren and his Cabinet over a coil of wire representing a circuit of 10 miles. Congress did nothing in the matter for 5 years; but on December 30, 1842, Congressman C. G. Ferris, of New York, submitted a bill to Congress "to test the practicability of establishing a system of electromagnetic telegraph by the United States." The bill, which carried an appropriation of $30,000, was passed early in 1843.

The first telegraph line was built by Morse with the help of the Government between Washington and Baltimore, and the first message over the completed line containing the historic words, "What hath God wrought?" was sent over it on May 24, 1844.

In the early days of the telegraph Morse offered to sell the telegraph to the Government for $100,000. Upon the recommendation of the Postmaster General the offer was not accepted. Twenty-five years later, when the Government contemplated buying the existing telegraph lines, it was discovered that the value of the property was $50,000,000.

New telegraph lines were soon built to the principal cities of the United States and also in the Eastern Hemisphere, until in the year 1894 there were about 900,000 miles of line in the world, of which about 200,000 miles were in use in the United States. At that time the Western Union Telegraph Co., our largest carrier, maintained about 21,000 offices and sent over 58,000,000 messages.

The telegraph business could not have grown to its present proportions without substantial legislative aid by the Government. The act of July 24, 1866, among other provisions, provided:

"Any telegraph company organized under the laws of any State shall have the right to construct, maintain, and operate lines of telegraph through and over any portion of the public domain of the United States, over and along any of the military or post roads of the United States which have been or may hereafter be declared such by law, and over, under, or across the navigable streams or waters of the United States; but such lines of telegraph shall be so constructed and maintained as not to obstruct the navigation of such streams and waters, or interfere with the ordinary travel on such military or post roads.

"* * * shall have the right to take and use from the public lands through which its lines of telegraph may pass, the necessary stone, timber, and other materials for its posts, piers, stations, and other needful uses in the construction, maintenance, and operation of its lines of telegraph, and may preempt and use such portion of the unoccupied public lands subject to preemption through which their lines of telegraph may be located as may be necessary for their stations, not exceeding 40 acres for each station; but such stations shall not be within 15 miles of each other.

"Telegrams between the several departments of the Government and their officers and agents, in their transmission over the lines of any telegraph company to which has been given the right-of-way, timber, or station lands from the public domain shall have priority over all other business, at such rates as the Postmaster General shall annually fix; and no part of any appropriation for the several departments of the Government shall be paid to any company which neglects or refuses to transmit such telegrams in accordance with the provisions of this section.

"* * * The United States may, for postal, military, or other purposes, purchase all the telegraph lines, property, and effects of any or all companies acting under the provisions of sections 1 to 6 of this title, at an appraised value, to be ascertained by 5 competent disinterested persons, 2 of whom shall be selected by the Postmaster General of the United States, 2 by the company interested, and 1 by the 4 so previously selected."

The development of the cable paralleled that of the land telegraph. The first experiments in submarine telegraphy were made about 1839. Morse established the first cable circuit between Castle Garden and Governors Island, N. Y., in the year 1842, and the first trans-Atlantic cable was laid from Ireland to Newfoundland in 1857. This trans-Atlantic cable, however, was a failure and it was not until 1866 that success was achieved. Such rapid progress followed that by 1895 there was combined telegraph and cable service practically to any part of the world.

In general, before 1914, the idea of the Government was to help the telegraph in its development; since that time the controlling idea has been the regulation of the whole communications industry.

No regulative Federal legislation concerning the telephone and telegraph companies appears on the statute books until the legislation of June 18, 1910 (36 Stat. 544, 545), classifying the telephone, the cable and telegraph companies, wire and wireless, as public-service agencies and giving the Interstate Commerce Commission control of these carriers. This Commission was not given authority to initiate rates but was charged with the duty of investigating complaints as to rates and practices that may have been filed with it and of determining whether or not the rates or practices complained of were reasonable.

From 1910 to 1934 practically no attempt was made by the Commission to regulate rates.

A few interesting cases were decided by the Interstate Commerce Commission, but none that effected any significant changes in the rates and practices of the carriers.

When radio came along the Government first took cognizance of the new invention or art by passing a law in 1911, making it illegal for any ocean-going steamer carrying more than 50 persons to leave any port of the United States unless it was equipped with efficient radio apparatus in charge of a skilled operator, said apparatus to be capable of sending and receiving messages at least 100 miles.

The following year the first attempt at the regulation of radio was made when an act was passed prohibiting the operation of any apparatus for radio communication without a license granted by the Secretary of Commerce and Labor. Six years later, when we were in the World War, the President was authorized during time of war to take over not only the radio but the telegraph and telephone and the marine cable system or any part thereof and operate them under a provision for compensation for the time used. The next step was the advocacy of a Federal Communications Commission by President Roosevelt in February 1934, and the compliance with his request in June of the same year.

Having traced briefly how the Communications Commission came into existence, it seems reasonable that, before embarking on a discussion of the work it undertook and on an analysis of what it has to do, we break this narrative to consider some of the fundamentals back of this new venture in government.

DEVELOPMENT OF COMMUNICATIONS

It was, I think, George Bernard Shaw, who said it was a characteristic of the modern drama that ideas were taken up in the theater only after they had become worn out and familiar in all the other arts, including the art of politics. However true this may be with regard to an art about which Mr. Shaw ought to be able to speak with authority, it is a fact that legislators, though frequently claiming to be pioneers, are seldom in the van of civilization and really bring up the rear guard, and are only putting in effect legally what the people have already decided to be a necessity. I realize that there are conservative gentlemen who will comment that the tendency of legislators to be over-cautious and slow is a characteristic sadly lacking in the legislative attitude in our National Capital at the present time.

Nevertheless, it is obvious that the legislator cannot precede the inventor; but it is an interesting comment on our own day, particularly in this matter of communications, that the legislator is trying to keep abreast of the inventor, and in the field of electrical communications has become his associate, and, strange as it may seem, is in some quarters even regarded as his friend.

The human race began its climb upward as it learned to communicate, first, one individual with another, and later, one group with another. The trails of the most primitive peoples originating in the hunt for and the provision of food began the arteries of primitive commerce, the precursors of our great roads and railroads. Even before 2000 B. C., in Europe long land routes led from the Danish Peninsula down the Elbe and through Europe to Rome or to Italy.

In looking back over the development of human communications, I think we should keep in mind a passage that John Morley once described as lines "among the most pregnant, as they were among the most original, in the history of literature, and reveal in an outline, standing clear against the light, a thought which revolutionized old methods of viewing and describing the course of human affairs, and contained the germs of a new and most fruitful philosophy of society."

The lines so delightfully characterized were those of the great financial genius of France, Turgot.

"The succession of men," said Turgot in the famous discourse read at the Sorbonne in 1750, when he was 23 years of age, "offers from age to age a spectacle of continual variations. Reason, freedom, the passions, are incessantly producing new events. All epochs are fastened together by a sequence of causes and effects, linking the condition of the world to all the conditions that have gone before it. The gradually multiplied signs of speech and writing, giving men an instrument for making sure of the continued possession of their ideas, as well as of imparting them to others, have formed out of the knowledge of each individual a common treasure, which generation transmits to generation, as an inheritance, constantly augmented by the discoveries of each age; and the human race, observed from its first beginning, seems in the eyes of the philosopher to be one vast whole, which, like each individual in it, has its infancy and its growth."

Nothing that has been said or written since is more lofty in its conception of the destiny of the human race and nothing has emphasized more forcibly the fact that we progress by the law of change, not because change in itself is a sign of progress, but because of the additional knowledge that comes through change.

"The progress of the human mind", says Morley, "means to Turgot the progress of knowledge. Its history is the history of the growth and spread of science and the arts. Its advance is increased enlightenment of the understanding. From Adam and Eve down to Louis XIV, the record of progress is the chronicle of the ever-increasing additions to the sum of what men know and the accuracy and fullness with which they know."

I think that we will better envisage our situation today not only in communications but in other governmental activities and handle our problems with more perspicacity and intelligence if we have Turgot's thought before us.

WORK OF THE TELEGRAPH DIVISION

Returning now to the subject in hand, the work of the Communications Commission, when it came into existence in 1934, on the hottest July 11 that I have ever known, was divided into three sections: Telegraph, telephone, and broadcast.

It was my privilege to be assigned to the telegraph division.

The duties of the Commission, through the Telegraph Division, are as follows:

1. To regulate in the public interest the rates, practices, classifications, etc., of the telegraph companies, wire and radio.

2. To keep itself informed of all new construction, extensions, improvements, retirements, or other changes in the condition,

quantity, use, and classification of the property of common carriers. No carrier may undertake the construction of any new lines, or the extension of any existing lines, without authority of the Commission.

3. To examine the transactions of common carriers relative to the furnishing of equipment, supplies, research, services, finances, credit, or personnel, which may affect the charges or services rendered or to be rendered in wire or radio communication.

4. To investigate the methods by which and the extent to which wire telephone companies are furnishing wire telegraph service, and wire telegraph companies are furnishing wire telephone service, and to report its findings to Congress.

5. To examine all contracts of common carriers subject to the act which prevent the other party thereto from dealing with another common carrier, and to report its findings to Congress. (This has already been done.)

6. To make an annual report to Congress, furnishing such information and data as may be considered of value in the determination of questions connected with the regulation of interstate and foreign wire and radio communication, etc. To make a special report not later than February 1, 1935, recommending such amendments to the act as seemed desirable in the public interest. (This has been done.)

When Congress assembled we made our first report, or, rather, recommendations, on three of these imposed tasks. One dealt with the question of franks, over which the Commission had the power of regulation. This situation was not dissimilar to that which had grown up in the railroad field, where the issuance of franks or passes had resulted in the setting up of a privileged class transported free of charge, and, in this case, sending their communications free.

Our investigations and hearings developed considerable most interesting and illuminating material and were at times not without touches of adolescent humor. At one of the informal hearings an important officer of a large corporation was open-minded enough to tell us he had found that franks were quite effective in "greasing the wheels." I demurred to this characterization as one not in accord with modern enlightened business policies and subject to considerable misunderstanding and abuse on the part of that large portion of the public which was denied the privilege of being "greased." I recalled, informally, days when, as a youngster, I had seen the lobbyist representatives of large railways in State capitols passing out railroad franks or passes to the legislators—on the same theory of "greasing the wheels", with the result that not the wheels alone were "greased" but that many of the laws passed by "greasy" legislators were fairly "greasy" themselves, when they came out.

The question of exclusive contracts enjoyed by the telegraph companies was taken up at a number of public hearings held by the Telegraph Division of the Commission, at which representatives of all the interested carriers testified.

The Commission's findings were as follows:

If the telegraph companies are not merged, "it should be against public policy for one carrier by contract to be able to exclude a competing carrier from places to which the public has general access. * * *" In the opinion of the Commission, most, if not all, of the existing contracts are illegal.

The Commission also expressed the fear that telegraph companies might be tempted to set a high valuation upon the exclusive contracts held by them and to use such valuation for rate-making purposes.

The Commission accordingly on January 21, 1935, recommended to Congress that the telegraph companies be prevented by law from entering into or operating under exclusive contracts.

The most important of the recommendations of the Telegraph Division has met with a rather sad fate. I refer to the merger or consolidation of the telegraph lines, on which subject we held extensive hearings, gathered much information, formulated our suggestions, and sent them to Congress, where they rest in committee unnoticed and unsung.

THE BRITISH CONTROL OF CABLES

Before leaving the subject we might point out that early in the development of rapid communications Great Britain saw and appreciated the enormous advantages which she would reap for her commerce and for the defense of her far-flung possessions by control of a world-wide communications net. This period being, of course, prior to the advent of radio, Great Britain set out to control the cables of the world. That she has succeeded in doing so is apparent from this chart.

She owns 170,032 nautical miles of cable, which is about as much as all the rest of the nations of the world own together. We are her nearest competitor, owning only about one-half this mileage. Of the three trans-Pacific cables, one is listed as American-owned, but 50 percent of the stock is British owned and 25 percent Danish. The other two cables are British owned. The Western Union Telegraph Co. leases five of our trans-Atlantic cables from a British concern and every trans-Atlantic cable owned or operated by a United States company touches British soil at either Nova Scotia or Newfoundland before leaving North America.

The companies which make up the cable system of Imperial & International Communications, Ltd. (the British communication company), are the Eastern Telegraph Co., the Eastern Extension Australasia & China Telegraph Co., the Eastern & South African Telegraph Co., the Western Telegraph Co., the Anglo-American Telegraph Co., the African Direct Telegraph Co., the Europe and Azores Telegraph Co., the West African Telegraph Co., and the West Coast of America Telegraph Co.

You can see that practically all important points of Europe, Africa, the East and West Indies, North and South America, and Asia, except Japan, are touched by British systems.

The preponderant cable mileage of Great Britain and her connections to smaller cable companies throughout the world enabled her, by means of controlling rates, to direct and control the flow of world communications over British cables. She was able to give her own commercial firms the earliest news of the markets of the world. She was enabled to control world opinion by subsidizing British press and propaganda over her own cables while charging much higher tolls for foreign press. It has been testified in public hearings that all code messages of foreign cable companies in London were required by law to be turned over to the British Government after a certain short period of time.

Her world-wide cable net was of inestimable value to her naval and military forces in their operations to protect British possessions or to aid penetration into additional areas in competition with other nations.

On the board of directors of this company sit officials of the British Government and the dominions. The Government is, therefore, in a position to control directly the policies and to support fully the interests of the companies concerned, either by subsidies or by governmental acts. By means of this powerful, Government-supported, world-wide organization, Great Britain was able for many years to control the policies, practices, and rates of the communications of the world until the advent of radio. This new medium now threatens British control of world communications.

In the competition for dominion over the still uncivilized parts of the world, it must have been obvious to Great Britain, as it is now to us, that messages relative to troop movements, projected plans and supplies necessary to support them, passing over the cables of a competing nation would be certainly read by that nation and acted upon to the detriment of Great Britain. Likewise, it is obvious that information relative to ship movements, naval orders, diplomatic exchanges, trade information, etc., all are susceptible of interruption, delay, and disclosure when traveling over the cables of foreign competitive nations, but were safe and could be used only to the advantage of Great Britain when sent over her own cables and on cables which touch British territory or connect with British cables.

THE TELEPHONE DIVISION

The important work of the telephone division is yet to be done by carrying on the broadest possible investigation.

The demand for a telephone investigation has been made at various times, but never more emphatically than by Walter M. W. Splawn in his letter of submittal to Congress of the preliminary report on communications companies, after an exhaustive study of the communications industry. He therein stated his belief that the first duty of "the new Communications Commission or Board might be an intensive study of communications companies—among other things, their accounts, records, and memoranda; their methods of handling depreciation; their operating expenses; contracts for service with a view to determining whether the contracts are in the interest of the operating companies or the stockholders of the service companies; to what extent communications companies contribute to campaign expenses or otherwise participate in political activities. An exploration of possible economies might be made as is being made in the railroad field under title I of the Emergency Transportation Act of 1933. It must be borne in mind that the American Telephone & Telegraph Co. system has assets estimated at $5,000,000,000 and that the gross telephone revenue of the system in the year 1932 was $989,722,645; that is to say, that this one system in the field of communication has assets to about one-fifth of all the railroads and that the average per capita contribution to its telephone service in 1932 was $7.93. The average per capita contribution to telephone service in 1932 for all companies was $8.41. The magnificent plant that the American Telephone & Telegraph Co. system owns has, in the main, been paid for by the users of the service. * * *

"The American people are entitled to know if they are being overcharged for this service though they may be satisfied with the quality of the service. How much more should it cost to place a long-distance call from Washington to San Francisco than from Washington to Baltimore? If 20 cents be a reasonable charge for such a service from Washington to Baltimore may it not be possible to place the call with any exchange in any American city at approximately the same cost?

"* * * Telephone business is a monopoly—it is supposed to be regulated. Thus far regulation, particularly by the Federal Government, has been nominal largely because Congress has not made appropriations sufficient to enable the Interstate Commerce Commission to give effect to existing statutes."

In the very able address of Dr. Jewett, vice president of the American Telephone & Telegraph Co., on April 22, 1935, there is stated the position, quite fairly and dispassionately, of those who oppose governmental ownership and control, pointing out that electrical communication "is essentially and most largely an American thing—possibly our greatest and most unique contribution in the field of applied science. Certainly both telegraphy and telephony as arts had their beginnings in the United States, and whatever may be argued about the history of telegraphy, there can be no question as to telephony. Born in America, it has always been and is now the leader and model for other countries." Going into the reasons for this, Dr. Jewett describes "a lack of

tradition and settled modes of life" as having had something to do with it, but states the fact that for 50 years it was free to grow and develop "essentially untrammeled by a too narrow and detailed dominance of political government" as a major influence. Elsewhere, he says it has been subjected to all the restraints "which seem to be a necessary concomitant of such government. In a developing art based on a rapidly growing fundamental science it is fatal to progress and to the fullest fruiting for society to begin setting rigid standards, rules, and regulations before you know what it is you are trying to standardize, rule, and regulate, and before that art has reached the quiet courses of mature life."

In connection with this statement it might be pointed out that governmental action was required in order that telephony, or rather, the Bell System, should enjoy the monopoly that it does, and that while it is generally admitted that we have the best telephone system in the world, the statements that Dr. Jewett made, and similar generalizations, fall to the ground when we apply them to the accomplishments of telegraphy in this country and compare such accomplishments with those of foreign countries where the telegraph is government owned and controlled. In the field of radio, both as to communications and broadcasting, it must be evident to anyone who is at all familiar with its history, that if there had not been Government regulation there would have been little progress and unending chaos.

In addition we should remember that in the entire world outside of the United States, there are only about 6 privately owned telegraph systems, and about 20 privately owned telephone systems in approximately the same number of countries.

THE PROBLEMS OF RADIO

I have left for the last the radio, that division of the activities of the Federal Communications Commission in which, while its problems are no more urgent, the public is most keenly and actively interested. In addition it is the division about which everyone has some opinion and will be the subject of the liveliest discussions.

You all know the history of radio. If you do not, I cannot understand how you have escaped it. The modesty and the reticence of the scientists and inventors of this great development have been in inverse ratio to the self-glorification and self-assertion of those in charge of its commercial exploitation. The art of ballyhoo has never been carried quite so far in this country. There has grown up considerable resentment against the character of the programs and the indifference to cultural standards, but these are perhaps the natural sequence to the rapid development and confusing conditions of the industry and the art.

In his letter of submittal of the preliminary report on communication companies, dated April 18, 1935, Mr. Walter M. W. Splawn called attention to the fact that the people who had most at stake "in gaining early control of the radio industry were those engaged in rendering competitive forms of communications service and those producing materials and appliances essential to the application of the radio art. In this connection the occasionally published prediction heard from research workers to the effect that radio transmission of electrical energy to be consumed in the production of light and mechanical power does not appear too fanciful for at least passing mention as a possible additional reason for concern over radio developments by the aforementioned class of manufacturing interests."

During the early days of radio laissez faire was the prevailing principle. The few known channels were used and abused by anyone who could provide the facilities for transmitting messages over the air. Waves and power were used at will no matter how prejudicial to the operations of other stations. Interference was so common that little practical use could be made of this great new invention. The public interest required that immediate action be taken to regulate operations over the air.

As the radio waves do not respect State lines, the obligation to regulate and control obviously devolved upon the Federal Government. Such control came in due time because the industry and the people demanded it.

The Government went about the business of control hesitatingly, as is natural in the case of any experimental legislation, particularly as the industry was new and novel.

The first radio bill was approved by the President on June 24, 1910. It dealt entirely with the safety of persons at sea, and provided that from July 1, 1911, ocean-going vessels under certain conditions were required to be equipped with the necessary apparatus for radio communication in charge of a person qualified to use it.

On July 23, 1912, the President approved an act "to require apparatus and operators for radio communication on certain ocean steamers." By this act the provisions of the former act were extended and made more stringent in order to provide greater safety to life at sea.

The first real regulative act was approved August 13, 1912. This act practically put all commercial radio under the control of the Secretary of Commerce and Labor, authorizing him to license stations and, under certain conditions, to revoke any license that had been issued. In this act, for the first time, an attempt was made to attack the problem of interference in the air.

A public resolution (H. J. Res. 309), approved July 16, 1918, empowered the President to assume control of the telegraph, telephone, marine cable, and radio in time of war.

Several resolutions were subsequently passed authorizing the participation in international conferences to consider questions concerning international communications, the operation of government-owned radio stations, and covering other matters pertaining to radio.

On February 27, 1927, the Radio Act of 1927, became law. This act for the first time put the regulation of radio into the hands of an independent commission consisting of five members. The next step was the Communications Act of 1934 creating a Federal Communications Commission consisting of seven members, authorized to regulate the electrical communication facilities; that is the telephone, the telegraph, and radio.

THE RADIO SPECTRUM

The services to which radio has been put may be best understood in relation to the complete radio activity by a glance at the spectrum.

The chart of the radio spectrum shows the distribution of frequencies by means of blocks of various colors. This so-called "spectrum" does not actually exist in nature and has been contrived as an aid to the mind. The spectrum shows the various radio frequencies that have been assigned by the Federal Communications Commission for different uses, such as broadcast, fixed point-to-point (which includes the radiotelegraph and the radiotelephone), aviation, Government, amateur, police, television, etc. Assignments of these frequencies have been made so far for 25 different services. The frequencies are limited in number and assignments are largely prompted and controlled by scientific and practical necessity.

Radio waves are identified and distinguished by the frequency with which they vibrate; hence, the term "frequency", which is so often used in radio matters. Frequencies are measured in kilocycles and the waves themselves in meters. Not all frequencies are available for use for all types of service. For example, for broadcasting purposes only the frequencies from 550 kilocycles to 1,500 kilocycles have been allocated in this country.

The number of channels—that is, frequencies—that can be used without interference is more limited than it would seem at first, owing to the fact that frequencies, in order to be useful, must be spaced or separated from each other sometimes by 10, 25, and in some cases as much as 100 kilocycles, depending on the frequency used. As the entire number of frequencies assigned, for instance, in broadcasting, runs from 550 to 1,500 kilocycles, after due allowance is made for the necessary separations, the channels left for actual use are very few in number. At the present time, in the entire broadcast band there are only 96 channels, of which 6 have been reserved for the exclusive use of Canada.

Of the 25 services for which frequencies have been assigned by the Federal Communications Commission, the following may be specifically mentioned as among the most important and interesting. Fixed service—includes the radiotelegraph and the radiotelephone. Numerous frequencies, both high and low, are assigned to this service and are indicated in the spectrum by the color brown, which appears in spots in a number of places. Eight companies in this country are authorized to engage in the commercial radiotelegraph business between the United States and foreign nations, and communications by this method may be had, either directly or through foreign companies, with almost every nation of the world. Although insufficient frequencies are as yet available for the use of domestic radiotelegraph service, this service is being used at the present time more extensively than ever.

The multiple address radiotelegraph service is an interesting development. It is employed largely for the transmission of information destined for use by newspapers. The messages are automatically recorded by printer instruments located in various places in the United States.

Radio is extensively used for foreign telephone and telegraph communications, and the volume of this kind of traffic is constantly increasing, causing a definite loss to the cable companies and creating a problem in the field of cable communication which will have to be met in the near future.

Maritime mobile service includes radiotelegraph and radiotelephone communication between ships at sea and between ships and the shore. Frequencies above 1,500 kilocycles and below 550 kilocycles are assigned to this service. A number of large vessels are now equipped with apparatus for the reception and the transmission of telephone messages as well as telegraph messages by radio. A passenger on a ship thus equipped may lift his telephone and transmit a message to practically any telephone user in this country or in Europe at any time during his voyage.

The great *Titanic* disaster, in which hundreds of lives were lost because of the inability to communicate with other ships, prompted the London Safety of Life at Sea Conference in 1914.

Aviation: Radio is used extensively in aviation. A great deal of the increased safety and efficiency in aviation may be attributed to the use of radio. Airplanes may now be in continual contact with the ground for the reception and the transmission of information essential to their safety.

Police: The use of radio for the transmission of orders by police departments to policemen operating automobiles which patrol the streets and the roads is now familiar to all of us. Metropolitan police departments could hardly function properly without this service. What this particular service means to the average citizen is obvious.

THE AMATEUR CONTRIBUTES

Amateur: One of the most interesting of the radio services is the amateur service. Approximately 47,000 amateur stations are licensed by the Federal Communications Commission. The amateurs are constantly experimenting in frequencies otherwise unassigned, are in communication with similar stations in all parts of the world and are assembling a volume of data that may be of the greatest use in the further development of radio. In the

time of a serious emergency, such as an earthquake, when the commercial services are overburdened with traffic, the amateur stations are of great help. Expeditions to distant points have been able to keep in touch with the civilized world by means of these stations.

According to the records of the Commission, amateur radio operators in this country between the years 1919 and 1933 furnished emergency communication service on 33 different occasions when the wire lines were rendered useless by storm, earthquake, or flood.

On March 12, 1923, wire communication was destroyed by storm in the upper Mississippi Valley and amateur station 9ZN, of Chicago, organized a relay service with the help of other amateur stations, which handled much of the communication business of the Chicago & Great Western Railroad.

The Florida hurricane, occurring in 1926, did much damage in Miami and other cities in Florida. Wire service was completely suspended for several days. During this period two amateur radio stations rendered invaluable help in saving life and property. During a second hurricane in Florida, occurring in 1928, an amateur station located at West Palm Beach maintained the sole contact with the outside world for 3 days.

The California earthquake occurred on March 10, 1933. Many amateur radio stations in the earthquake area and elsewhere established communications for the purpose of relief and for other purposes.

In many of the cases on record, quick relief through the help of the Red Cross or by other means would have been quite impossible without the help of the amateur stations.

The broadcast band with its 96 channels (including the 6 assigned to Canada) is the one in which the public has the greatest and possibly the most direct interest. It is also the one concerning which there is the greatest political activity, if we may so dignify the pulling and hauling, the diplomatic, and the rough approaches to guide public opinion and direct legislation and regulation.

This political activity of broadcasters is a regrettable fact. It would be unfair to place the entire responsibility for the situation on them, for in the early days of chaos possibly it seemed to them the only way of obtaining what they considered their rights. One nevertheless cannot help feeling that the energy that has been put into politics, if devoted to the cultural aspects of the art, would have led to much better programs.

In the year that the present Commission has been in existence there has been a decided improvement, I sincerely believe; although someone has said that, even now, you cannot come out of an office in the Communications Commission without stepping on one or two broadcast lawyers.

The present Commission is cognizant of this intolerable condition and from time to time has taken steps to put relations with this arm of the Government on a higher plane.

It was a man famous in his day, John J. Ingalls, of Kansas, who made the pungent observation that "purity in politics is an irridescent dream." If that is so, it has always been so, but it is also true that the bright pages of the past are those where some dreamer has put his visions into action.

Anyone who believes in a democratic form of government cannot help but welcome gladly the addition of radio to methods of informing the people of the country on their Government and on public questions. Only a week ago there was an extraordinary evidence of its power when members of the Senate were deluged with 50,000 telegrams in 1 day as a result of a speech delivered the night before by Father Coughlin. I do not believe that any harm will come to the American Republic or the American people by the discussion of public questions and whether we are in sympathy or not with the ideas of the person who has the power to express himself with clarity over the radio, we must admit that in our form of Government the greater the number of people that are informed and stirred to take an interest in public questions, the safer are the foundations on which this Government is laid.

It is when we come to the cultural aspects of the radio programs that we find the sharpest differences among those in control of broadcasting and those who believe that it should be improved.

BROADCASTING IN FOREIGN COUNTRIES

To appreciate the situation in our own country it is necessary to survey broadcasting as it is carried on by other governments. In Great Britain, advertising is absolutely prohibited, as it is in Japan. As a matter of fact, advertising over the radio is absolutely unknown in any foreign country except to a very limited extent in France and Spain.

The original British Broadcasting Corporation, organized in 1922 and 1923, made an endeavor to establish an educational foundation by arranging for a series of discussions by the curators and official lecturers of the various national art galleries and museums. A further development was the appointment of a director of education, and in 1926, the appointment of a central council to broadcast adult education. This central council was enlarged later by the addition of five regional similar organizing committees. The subjects discussed are correlated to a central theme in the fields of economics, literature, art, science, politics, religion, and ethics. Teaching of languages was later added and given a prominent place.

Educational broadcasting in Italy is developing rapidly. Talks are given on a large variety of subjects, including agriculture. The broadcasts on agricultural subjects are arranged by a special organization known as "Ente Radio Rurale."

The French Government stations have, during the past 10 years, broadcast lessons and courses given at the Sorbonne and other institutions.

The Japanese broadcasting organization cooperates with the Government and various institutions in the planning of educational programs. Serious efforts are being made to enhance the cause of education by other methods also.

In the Soviet Union systematic talks on a large number of serious subjects are given and the matter of education by radio is treated very seriously. In that country an effort to train leaders for listening groups is being made.

In Germany the report for 1932 shows that 7,792 of the radio talks were instructive, 4,735 informative, 2,363 scientific, 1,059 political, and 3,287 merely entertaining.

As broadcasting is under Government control in most of the foreign countries, the presentation of ideas over the radio opposed to those held by the party in power is practically unknown. Highly controversial subjects of any kind are not permitted on the air. Such speeches as those of Senator Long or Father Coughlin would probably cause a great deal of commotion in almost any country but ours. In foreign countries education by radio in many instances is one of the functions of the minister of propaganda and public information. Radio-receiving sets are maintained in schools, public buildings, and along important thoroughfares, making it possible to reach the public with ease.

On the other hand, radio in foreign countries is used extensively for the purpose of inculcating the ideas and ideals of the party in power, thus leaving the door open to pernicious abuses—a condition that is quite impossible at the present time in this country.

The abuse of the radio, particularly in Germany, for propaganda purposes is well known. The wisdom of our Congress, therefore, in obligating broadcasting stations to allot equal facilities to opposing candidates for political office is apparent.

The fundamental difference between broadcasting in other countries and in America is that here there is free political discussion, the advantage of which we shall all admit, I believe. The second difference is one on which we cannot be so self-congratulatory. The cultural aspects of radio here are made secondary to its commercial aspects. We must freely admit that in this country the commercial broadcasting has given us the best musical programs in the world. While this fact is so, and while the commercial broadcasters are able to contend that their advertising programs enable them to give high-grade musical programs, this country will be very reluctant to have the broadcasting industry taken over as a national activity of the Government. It has been said that the philosophy underlying the program in Great Britain, for instance, seems to be "give the public what it should have", while in the United States the underlying thought is, "give the public what it wants."

Unfortunately, those who decide on what the public wants are in the main interested in the money-making side of radio and have little sense, comparatively, of the obligation that the Government owes to the people in the matter of the regulation of a public utility. As President Sproul pointed out in discussing the experience of the University of California:

"It may be true, as the broadcasters assert, that people are satisfied with what they are getting, but that does not prove hat they would not like something better. The public has been taught to want what it is getting. It has received 12 years of concentrated instruction from an expert corps of teachers."[1]

A radio broadcast station is operated by the Ohio State University, which is supported by State tax funds. The Ohio State University has accomplished more than any other institution in radio broadcasting. Twelve persons are employed at the station. Its work includes the broadcasting of class-room lectures, musical and literary programs, football games, talks on problems of interest to the rural population of Ohio, etc.

The regular audience of this station is believed to be in excess of 90,000, principally composed of rural population.

The University of Wisconsin, a State institution, maintains a broadcast station where good work has been done. Stations are also maintained by the Universities of Illinois, Kansas, North Dakota, South Dakota, and by other similar State institutions.

Good work within limits has been done by all these stations, but every one of them is a low-power station and none can compare with any of the better foreign stations in range, organization, or significant work.

One of the dangers of the present program system is its tendency to crush individuality and individual expression and to extend the dead level of dullness.

I realize that possibly I may seem a pathetic object when I refuse to listen to the man who wants to relate to me in minute detail all that had been said the previous night by "Amos 'n' Andy" and "Madam Queen", but I, too, see something pathetic in the fact that an appetite for more intelligent things is being destroyed by the foisting of programs on millions of defenseless citizens with a capacity for a better grade of humor and more intelligent ideas. It is hardly necessary in this country, or in any civilized country, to point out the value of individuality, but the resistance of individuals to the lower grade of entertainment is bound to be weakened where an entire nation is being fed from a few broadcasting centers under the direction of a group intent on catering to the

[1] Radio: An Instrument of Culture or an Agent of Confusion, by Robert G. Sproul, president University of California, in Radio and Education, 1934. Chicago, 1935.

more unintelligent rather than to the more intelligent, simply because the unintelligent are the more numerous.

One of the problems confronting the American people, and therefore the Communications Commission, is that of the control of the large broadcasting chains and the character of the programs that are given, not only on these chains but by the independent operators.

With regard to the latter condition there have been some very frank statements made, not the least direct being that of Senator WHEELER when the confirmation of the communications commissioners was before the Interstate Commerce Committee of the Senate. The chairman of that committee, Senator WHEELER, went into many phases of the work of the Commission and did not hesitate to discuss abuses of the past and the present with refreshing disregard for the personal feelings of some of the large figures in the radio industry.

As Senator WHEELER said, "more and more, as you pick up your radio now, you find some fellow who is selling boots and shoes or clothes and giving prices, and it seems to me that the programs over all stations have materially deteriorated in the last 2 years. * * * I do not think you ought to censor, for instance, as much as they do some talks that go over the radio, but it is getting to the point where they are just making some of the programs that come over the various stations nothing but advertising schemes and they are selling shoes and old clothes and everything else, like a pawn shop."

I realize that for the first 5 years of radio, from 1920 to 1925, when there was no advertising, the programs were, with few exceptions, far below, in character and merit, the best that we have now. Great credit should be given to those who provided the opera of the Metropolitan of New York, the symphony concerts, and similar entertainment to radio listeners. But all of these instances of fine broadcasting simply go to show that the public will accept and patronize the better type of entertainment.

To understand how serious is the problem and what shall be the character of broadcasting, it is necessary to realize that, as has been said, broadcasting constitutes "the cheapest, speediest, and most ubiquitous mode of communication achieved by man", and it is also necessary to keep in mind that the development of broadcasting was left primarily to the patent owners and the equipment manufacturers.

As the president of the National Broadcasting Co. has stated, very frankly, this company was established "as an indirect sales-promotion agency for the radio-manufacturing industry."

Naturally with such a beginning the character of the program offered was purely commercial, and if really fine things have crept in, it has been largely as a sop to Cerberus, and only because there has been growing, and growing rapidly, a demand that the cultural aspects of radio should be given more consideration.

CONCLUSION

In speaking to the Graduate School of Business Administration of Harvard University I should like to make, in conclusion, one or two observations on the general attitude of business men toward our Government, which may have no value at all, and yet, on the other hand, may be suggestive to some of you. I would not here or on this occasion assume to preach any particular philosophy, but I do say without fear of its propriety being challenged that it would be more helpful to business men and to the country at large if they were to devote more thought to their Government when no emergency exists and not only when they are driven into consideration of government because of the urgency of their own business problems.

Whether a man approach this subject from the attitude of the conservative or the progressive, Republican or Democrat, is of little importance compared to the willingness of approaching it with tolerance. I have quoted John Morley once and I should like to quote him again, this time from his essay "On Compromise." In this connection let me confess that many a time when I have been in doubt as to my own political conclusions I have found an hour or two spent with this great character and this stimulating essay a most clarifying influence.

Morley says:

"* * * it is well to remember the very obvious truth that opinions are at least an extremely important part of character. As it is sometimes put, what we think has a prodigiously close connection with what we are. The consciousness of having reflected seriously and conclusively on important questions, whether social or spiritual, augments dignity while it does not lessen humility. In this sense, taking thought can and does add a cubit to our stature. Opinions which we may not feel bound or even permitted to press on other people, are not the less forces for being latent. They shape ideals, and it is ideals that inspire conduct. They do this, though from afar, and though he who possesses them may not presume to take the world into his confidence. Finally, unless a man follows out ideas to their full conclusion without fear what the conclusion may be, whether he thinks it expedient to make his thought and its goal fully known or not, it is impossible that he should acquire a commanding grasp of principles. And a commanding grasp of principles, whether they are public or not, is at the very root of coherency of character."

A few years ago while travelling to Bermuda, a member of your faculty pressed on me the necessity of reading a book, which has been a continuous delight to me ever since. I refer to F. S. Oliver's "Endless Adventure."

"The Endless Adventure", said this writer in his opening paragraph, "is the endless adventure of governing men."

The endless adventure of governing men! What pages of tragedy in the past might have been left forever unwritten, what happiness and light might be spread among untold millions if that endless adventure were carried on with unflinching devotion to unselfish ideals!

The SPEAKER pro tempore. The gentleman from Texas is recognized for 5 minutes.

NO GROUP LEGISLATION SHOULD BE FORCED BY THREATS

Mr. BLANTON. Mr. Speaker, no honest legislator should ever be compelled to do anything. No selfish group should ever attempt to force Congress to comply with its demands. Legislation coerced by threats is dangerous to the people.

As a true, sincere friend of all labor, organized and unorganized, I feel that our country is seriously alarmed over threats broadcast in this morning's press. The Washington Herald, under the scarry headlines on its front page—Green Sounds A. F. L. General Strike Threat, and the subheadlines, Labor to Lay Down Tools Unless Congress Grants Its Basic Demands, Says Leader—prints the following:

NEW YORK, May 23 (U. S.).—Labor stands ready to tie up the Nation's industry by throwing down its tools in a general strike if Congress fails to grant its basic demands. William Green, president of the American Federation of Labor, warned today.

Addressing a mass meeting of 25,000 workers that crammed every available inch of Madison Square Garden, Mr. Green listed labor's demands as 2-year extension of the N. R. A., passage of the Wagner labor disputes bill and inauguration of a 30-hour week.

CROWD ROARS APPROVAL

The crowd roared its approval as the labor leader threatened:

"If Congress fails us, labor has its economic strength.

"If it comes to the point, we can mobilize our complete strength and refuse to work until we get our rights!"

And when the applause had thundered away, he added grimly:

"That is no idle threat! I mean just what I say!"

In addition, he told the audience, labor must be ready to mobilize its political strength to defeat unfriendly Congressmen when they run for reelection.

CITES PARKER CASE

Labor, he said, had been able to block the confirmation of Judge Parker as a Justice of the United States Supreme Court. Of the Senators who defied labor and voted to confirm Mr. Parker, not one ever went back to the Senate, he asserted.

And on page 10 of this morning's Herald, under large headlines "Strikers Carry Fight Here", is a posed picture of three smiling young ladies picketing our United States Department of Justice, carrying a large banner attacking Gen. Homer Cummings, Attorney General of the United States, stating that their strike has been on since May 13, and that "the Wagner bill would not have made them suffer", and that "Attorney General Cummings refuses to prosecute", and printing underneath their picture the following:

Picket Department of Justice: Strikers at the plant of the Colt Firearms Co., in Hartford, carried their fight to the Capital in their attempt to focus national attention on their grievances. Some of the strikers from the Connecticut city are pictured as they carried their banner in front of the Department of Justice Building.

This posed photograph of these three well-clad, well-groomed, smiling picketing young ladies is shown to have been taken by Underwood & Underwood, the leading photographers of Washington.

OTHER PAPERS CONFIRM PRESIDENT GREEN'S THREAT

I would hesitate to quote anything from the Washington Herald as authentic, were it not for the fact that practically the same news report of said threats is found in today's leading daily newspapers of the East; and, by permission of the House, I will quote in my remarks excerpts from the New York Times, the New York Herald Tribune, the Philadelphia Record, and the Philadephia Inquirer, which was established in 1829, all asserting that such threats were made.

ARE PRESIDENT GREEN'S DEMANDS REASONABLE?

He demands that Congress must extend the N. R. A. 2 more years, must pass the Wagner labor bill, and must pass the Black-Connery 30-hour-week bill. When extending my remarks, I will quote excerpts from the above bills to show that they will be harmful to the best interests of the whole people of the United States, and will quote other excerpts regarding measures that such threats have forced through Congress in past years which time has proven not to have been beneficial.

Mr. Speaker, for our distinguished friends and colleagues, the gentleman from Massachusetts [Mr. CONNERY], the gentleman from Missouri [Mr. WOOD], the gentleman from Ohio [Mr. COOPER], the gentleman from New York [Mr. MEAD], and the other distinguished spokesmen and leaders for organized labor in the House, we all have a high respect, and regard, and a real affection for all of them. They are all able, efficient, sincere representatives of the people, and through their effective fights here have accomplished much for organized labor on this floor, but I cannot believe that they or any other Member of this Congress will subscribe to or endorse the kind of threat that appears in today's press.

What is to become of Congress if we are to be influenced by such threats? Our oath does not require us to faithfully and impartially represent only the three-million-odd members of the American Federation of Labor. Our oath requires us to represent all of the people—the 125,000,000 people of the United States.

With reference to Mr. Green's first demand, that Congress must extend the N. R. A. for 2 more years, the United States Senate has had extensive hearings on that subject, and there has been extensive debate on it in the Senate for a long time, and many distinguished and able Senators were opposed to extending the N. R. A. at all, but by way of compromise they reached a settlement on the controversy, and passed their bill recently extending the N. R. A. until April 1, 1936. Are they by threats to be forced to change their position? Is fear to enter their hearts? Are they to be dominated and controlled by the reminder that organized labor prevented the Senate from confirming Judge Parker on the Supreme Court?

Are United States Senators to be scared with the reminder that organized labor prevented all of the Senators who voted for confirmation of Judge Parker from being reelected? Are Senators to be dominated and controlled by threats of future opposition unless they change their votes and extend the N. R. A. for 2 more years? Have we come to this?

Mr. Green's second demand is that Congress must pass the Wagner labor bill, or there will be a general strike, and Congressmen voting against it will be defeated. There are some provisions in it that no business man would endorse. There are provisions in the Wagner bill that would ruin and put out of business many businesses in the United States, that would wreck many small businesses, and are against the best interests of all of the people in the United States.

And the same thing is true respecting the Black-Connery 30-hour-week bill. It would stifle business. It would ruin many businesses. Yet if Congress does not pass it, we are threatened with a general strike and with defeat for reelection.

Is Mr. Green to frighten Congress by such unreasonable threats? Has it come to pass that our beloved Federation of Labor, with less than 4,000,000 members, can control the Congress of the United States?

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask leave to put in the excerpts that I referred to.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BLANTON. Mr. Speaker, so that there will not be any question about the authenticity of the press reports regarding the threat of President Green that unless Congress extended the N. R. A. for 2 years, and passed the Wagner bill, and the Black-Connery 30-hour-week bill, he would cause a general strike, and defeat for reelection all Senators and Congressmen voting against the said program of the American Federation of Labor, I quote the following excerpts from today's reputable newspapers:

ASSOCIATED PRESS REPORT

The Baltimore Sun carried the report of President Green's speech made by the Associated Press, and under the big headlines on its front page, "General Strike Threat If N. R. A. 2-Year Extension Is Rejected", and the subhead lines "William Green Addresses 50,000 in New York", I quote the following:

[From the Baltimore Sun]

By the Associated Press

NEW YORK, May 23.—A Nation-wide general strike was threatened tonight by William Green, president of the American Federation of Labor, unless Congress extends the N. R. A. for 2 years and passes the Wagner labor-disputes bill and the Black-Connery 30-hour-a-week bill.

Addressing nearly 50,000 members of the Federation, gathered inside and outside Madison Square Garden in a mass demonstration, Green also threatened political retaliation against Members of Congress.

"We will refuse to work and will mobilize our entire economic strength until we get our rights," he said as the vast crowd roared its approval.

"That is no idle statement. I mean just what I say. Furthermore, the workers can mobilize our political strength and order those men who deny us to stay at home when they stand for reelection."

Twenty-three thousand of the workers crowded into the Garden itself; the others thronged in the streets outside, taxing the efforts of several hundred policemen.

[From the Philadelphia Inquirer (established 1829)]

NEW YORK, May 23.—Nation-wide general strike was threatened tonight by William Green, president of the American Federation of Labor, unless Congress extends the N. R. A. for 2 years and passes the Wagner labor-disputes bill and the Black-Connery 30-hour-a-week bill.

Addressing nearly 50,000 members of the Federation, gathered inside and outside Madison Square Garden in a mass demonstration, Green also threatened political retaliation against Members of Congress.

"We will refuse to work and will mobilize our entire economic strength until we get our rights", he said as the vast crowd roared its approval.

NO IDLE STATEMENT

"That is no idle statement. I mean just what I say. Furthermore, the workers can mobilize our political strength and order those men who deny us to stay at home when they stand for reelection."

Twenty-three thousand of the workers crowded into the Garden itself, the others thronged in the streets outside, taxing the efforts of several hundred policemen.

From the Philadelphia Record, which, under the big headlines, "Green Makes Threat of United States General Strike", had the subheads, "A. F. of L. Chief Warns of Action if Congress Ignores Demands", and "50,000 Cheer", and "N. R. A. Extension, Wagner Bill, and 30-Hour Week Urged", I quote the following:

[From the Philadelphia Record]

NEW YORK, May 23.—A Nation-wide general strike was threatened tonight by William Green, president of the American Federation of Labor, if Congress refuses to approve pending legislation demanded by labor.

Green sounded his warning before 50,000 trade unionists, gathered inside and outside Madison Square Garden in a mass demonstration.

He urged specifically extension of the N. R. A. for 2 years and passage of the Wagner disputes bill and the Black-Connery 30-hour-a-week bill.

NO IDLE THREAT

Threatening political retaliation against members of Congress, he declared:

"We will refuse to work and will mobilize our entire economic strength until we get our rights."

The vast crowd roared its approval.

"And that is no idle statement", he continued. "I mean just what I say. The workers can mobilize our political strength and order those men who deny us to stay at home when they stand for reelection."

Who will say, Mr. Speaker, that the New York Times is not reliable. In big headlines "Cheer Green in Threat of Strike", and subheadlines of "A. F. of L. Chief Warns Labor Will Fight to Force Congress to Adopt Bill of Rights", I quote the following:

[From the New York Times]

Organized labor stands ready to mobilize all its economic strength to force the adoption by Congress of what it considers to be its "Bill of Rights", William Green, president of the American Federation of Labor, declared yesterday afternoon at a huge rally in Madison Square Garden called by the trade-unions of the city.

"That is no idle statement. I mean just what I say. Furthermore, the workers can mobilize their political strength and compel those men in Congress who deny us our rights to remain at home when they stand for reelection."

More than 250,000 workers in the needle trades quit their work shortly after 2 p. m. in support of the legislative demands of the American Federation of Labor as voiced at the Garden meeting. Many thousands marched to the Garden in mass formation.

More than 500 policemen under command of Deputy Chief Inspector David J. McAuliffe were on duty inside the Garden and in the adjacent streets.

Mr. Green also denounced those Democrats in the Senate who voted against a 2-year extension of the N. R. A. and warned that Members of the House and Senate who will not support the President and the demands of the American Federation of Labor would be sent into political retirement. As part of this warning he cited the example of Judge Parker, of North Carolina, who failed of confirmation in the Senate when appointed to the United States Sureme Court, and the defeat by labor of Senators who voted for Judge Parker.

"We will not be diverted from our purpose," Mr. Green shouted. "Labor still possesses its economic strength. That can be utilized in an emergency. The workers can also mobilize their political strength and order those men who willfully defy the President to remain at home when they stand for reelection."

He urged all union men to send telegrams to the Members of Congress demanding passage of the Wagner bill and the 30-hour work bill.

"The battle is on", he declared. "It is really on. It is terrific. It is up to every one of you to do your duty."

N. R. A. BENEFITS ORGANIZED LABOR

N. R. A. has been a bonanza for organized labor. It has greatly benefited the less than 4,000,000 members of the American Federation of Labor. But no one will deny that other Americans everywhere have suffered by its drastic codes. It has not hurt big business so much but it has hurt little businesses everywhere. It has caused many sacrifices to be made everywhere. Hence, if Congress should decide that April 1, 1936 is long enough to extend the N. R. A., President William Green and his American Federation of Labor should not think of calling a general strike, after all Congress has done for them. They should be too patriotic.

THE WAGNER-CONNERY BILL

The Wagner bill S. 1958, passed the United States Senate on May 16, 1935, and from it, I quote some provisions:

NATIONAL LABOR RELATIONS BOARD

SEC. 3. (a) There is hereby created in the Department of Labor a board, to be known as the "National Labor Relations Board" * * *.

SEC. 4. (a) Each member of the Board shall receive a salary of $10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. The Board shall appoint, without regard for the provisions of the civil-service laws but subject to the Classification Act of 1923, as amended, an executive secretary, and such attorneys, examiners, and regional directors, and shall appoint such other employees with regard to existing laws applicable to the employment and compensation of officers and employees of the United States, as it may from time to time find necessary for the proper performance of its duties and as may be from time to time appropriated for by Congress. The Board may establish or utilize such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may, at the direction of the Board, appear for and represent the Board in any case in court.

(c) All of the expenses of the Board, including all necessary traveling and subsistence expenses outside the District of Columbia, incurred by the members or employees of the Board under its orders shall be allowed and paid on the presentation of itemized vouchers therefor approved by the Board or by any individual it designates for that purpose.

SEC. 5. The principal office of the Board shall be in the District of Columbia, but it may meet and exercise any or all of its powers at any other place. The Board may, by one or more of its members or by such agents or agencies as it may designate, prosecute any inquiry necessary to its functions in any part of the United States.

RIGHTS OF EMPLOYEES

SEC. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection.

SEC. 8. It shall be an unfair labor practice for an employer—

(1) To interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7.

(2) To dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it: *Provided*, That subject to rules and regulations made and published by the Board pursuant to section 6 (a), an employer shall not be prohibited from permitting employees to confer with him during working hours without loss of time or pay.

(3) By discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization. * * *

(4) To discharge or otherwise discriminate against an employee because he has filed charges or given testimony under this act.

(5) To refuse to bargain collectively with the representatives of his employees, subject to the provisions of section 9 (a).

PREVENTION OF UNFAIR LABOR PRACTICES

SEC. 10. (a) The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice (listed in sec. 8) affecting commerce. This power shall be exclusive, and shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, code, law, or otherwise.

(f) Any person aggrieved by a final order of the Board granting or denying in whole or in part the relief sought may obtain a review of such order in any circuit court of appeals of the United States in the circuit wherein the unfair labor practice in question was alleged to have been engaged in or wherein such person resides or transacts business, or in the Court of Appeals of the District of Columbia, by filing in such court a written petition praying that the order of the Board be modified or set aside.

(1) The Board, or its duly authorized agents or agencies, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any evidence of any person being investigated or proceeded against that relates to any matter under investigation or in question. Any member of the Board shall have power to issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation or in question, before the Board, its member, agent, or agency conducting the hearing or investigation. Any member of the Board, or any agent or agency designated by the Board for such purposes, may administer oaths and affirmations, examine witnesses, and receive evidence. Such attendance of witnesses and the production of such evidence may be required from any place in the United States or any Territory or possession thereof, at any designated place of hearing. * * *

(3) No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to the subpena of the Board, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; * * *.

SEC. 12. Any person who shall willfully resist, prevent, impede, or interfere with any member of the Board or any of its agents or agencies in the performance of duties pursuant to this act shall be punished by a fine of not more than $5,000 or by imprisonment for not more than 1 year, or both.

ENORMOUS EXPENSES TO BE PAID BY PEOPLE

It will be noted, Mr. Speaker, that all of the expenses of this Board, with salaries of $10,000 and all traveling expenses paid and its attorneys and horde of employees, are to be paid by all of the people of the United States.

With every one of the millions of members of labor being given the right to a separate appeal in case they feel aggrieved, our courts everywhere will be cluttered with new suits, and all of this enormous expense is to be borne by all of the people of the United States.

MEN SUMMONED TO FAR-DISTANT TRIBUNALS

Business men from every part of the United States will be summoned by this Board, from the Department of Labor, to hearings far distant from their homes; and they will have to bring their books, private correspondence, and all of their business papers; will have to hire expensive attorneys to represent them; and pay not only their own expenses, but the expenses of their attorneys and witnesses to attend hearings and court trials. And if they inadvertently make some mistake they will be fined $5,000 and imprisoned for 1 year.

WILL CLOSE UP MANY BUSINESSES

Instead of causing capital to invest in new businesses we will find that business houses will close up and go out of business in every part of the United States. Interference with business has done more than anything else to bring about this depression. Business men do not want arrogant, overfed, walking delegates to dictate to them how they shall run every detail of their business. They are not going to stand for it. They will close up and get out of business. And when they do there will be millions of employees out of jobs, and with no chance to get a job.

THE TAIL CANNOT WAG THE DOG

The 125,000,000 people of the United States are not going to be held up and forced to make sacrifices just to pamper and grant special treatment and privileges to the less than 4,000,000 members of the American Federation of Labor.

THE ADAMSON ACT

It will be remembered that during the first term of President Wilson the railroad brotherhoods, through a like threat of strike and of tying up all of the railroads in the United States, passed the Adamson Act, which was the beginning of bad times ultimately for all railroad employees.

SPECIAL ESCH-CUMMINGS PROVISIONS

Then, again in 1919, the railroad brotherhoods again threatened a Nation-wide railroad strike, and forced Congress to grant them special privileges in the Esch-Cummings Act, after Director General McAdoo had granted them a raise in salary of $754,000,000, and then they forced another raise of $67,000,000 out of Director General Hines, and at that time I predicted that eventually it would be hurtful not only to the whole people of the United States who would have to foot the bill through increased freight and passenger tariffs, but that it would put many railroads out of business, and lay off and put out of jobs thousands of splendid railroad employees all over the United States. And that is just what happened.

STARTED THE DEPRESSION

It was just such coerced laws, brought about through threats upon Congress, that have been largely instrumental in bringing about this continued depression. And it will never end until organized labor takes its throttle-hold off of the neck of this Government.

NO INVISIBLE GOVERNMENT CAN EXIST

There must not be any invisible government within greater and more powerful than the Government of the United States itself. The United States Government must be and remain supreme unless we end in chaos.

THE IMPOSSIBLE 30-HOUR-WEEK BILL

Now, let me quote a few paragraphs from the Black-Connery bill:

That no article or commodity shall be shipped, transported, or delivered in interstate or foreign commerce, which was produced or manufactured in any mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment situated in the United States, in which any person, except officers, executives, and superintendents, and their personal and immediate clerical assistants, was employed more than 5 days in any week or more than 6 hours in any day: * * *

SEC. 5. On and after the date this act takes effect it shall be unlawful for any employer subject to any of the provisions of this act to reduce, directly or indirectly, the daily, weekly, or monthly wage rate in effect on such date * * *

SEC. 6. Any person who violates any of the provisions of this act, or who fails to comply with any of its requirements, shall upon conviction thereof be fined not less than $200 or be imprisoned for not more than 3 months, or both.

This bill also will close up thousands of business houses in every part of the United States. After men receive for 5 days' work of 6 hours per day the same pay they formerly received for a full week's work, they will find employment for their idle hours, and make double pay, or else they will eventually become lazy, shiftless, and of no account.

Idleness does not produce happiness. The man who is busy is the happy man. The man who does an honest day's work is the happy man. The man who does his best is the happy man. The man who produces his maximum is the happy man.

IDLENESS IS THE DEVIL'S WORKSHOP

If we pass a law that will induce men to work just a part of their time, idleness will inevitably follow. I have been a worker all of my life. I have gotten happiness out of it. I would be miserable if I did not keep busy. Should we Members of Congress work just 6 hours per day for 5 days only each week? Why not? Why should we work 10, 12, 14, or 16 hours per day? Why should farmers work 10, 12, 14, or 16 hours per day? Why should domestic servants work 10, 12, 14, or 16 hours per day? Why should all of the above be discriminated against? Why should they not have the same privileges that this bill grants to members of organized labor?

NATION-WIDE STRIKE AND DEFEAT OUR ALTERNATIVE

But unless we Members of Congress pass all three of the above measures, Mr. Green threatens that he will precipitate a general strike, and that he will defeat us for reelection, and put us out of Congress. I would rather get out of Congress, Mr. Speaker, than to be such a servile, helpless worm.

The SPEAKER pro tempore. The gentleman from New York [Mr. FISH] is recognized for 5 minutes.

Mr. FISH. Mr. Speaker, I have asked for this time because I was absent when the payment in cash of the adjusted-service certificates to World War veterans was being considered in the House 2 months ago. At that time, as you all know, the Patman bill was passed by a few votes over the so-called "Vinson bill." When we voted on the veto message 2 days ago there was no debate or discussion in the House. A number of years ago I voted to override the veto of President Harding, which was sustained in the Senate.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. FISH. I cannot yield.

Mr. McFARLANE. I just want to correct the gentleman's statement.

Mr. FISH. I do not yield, and there is no statement to correct. Later on I voted to override the veto of President Coolidge, when the present adjusted-service certificate bill was enacted into law. I voted to sustain the President on the veto day before yesterday only because I am opposed to any printing-press method of paying the bonus, no matter in what degree it may be. I am not criticizing my colleagues for voting that way. It may be that it would not bring about inflation. Certainly it is a dangerous principle to invoke, but if it did bring about ruinous inflation, I, for one, would not have to apologize a year or two hence. Printing-press money, once started, is apt to bring economic disaster to the American people, as it has wherever it has been extensively tried, and particularly to the wage earners. There is no more reason to start the printing presses to pay the veterans than to pay for the Army and Navy, salaries of Members of Congress, or even to liquidate the national debt. It is just playing with fire.

I am making this statement because I believe in the immediate cash payment of the bonus before the Congress adjourns, whether it is through the funds appropriated for public works or the Vinson bill or any other bill, as long as it is not an inflationary measure, providing for printing-press money. I am not a prophet, and I have no way of knowing what the Senate proposes to do, or what other Members of Congress propose to do, but I believe it is a relief measure, as most veterans are in debt and in need, and that the ex-service men are right in being apprehensive, if it is not paid now, that in a few years from now the adjusted-service certificates may be paid on the basis of a third of the present value of the dollar, and it may be on the basis of 20 cents on the dollar or less.

The administration by reducing the value of the dollar to 59 cents has already violated the contract made with the veterans in 1925. When the President says that there is no difference between the able-bodied veterans who served at a dollar a day and those employed at home during the war at $10 a day and upward, of course I differ with him. That issue was settled by the Congress 10 years ago. We could not adjust the full compensation, but we passed the adjusted-service certificate bill, and that settled the matter forever. The President goes out of his way to deliberately rebuke and pillory the World War veterans and particularly those who served on the battlefields of France at the risk of their lives. I do not agree with the President's contention that the terms of the contract entered into with the World War veterans must be exacted to the last pound of flesh without modification or change. The President went into great detail regarding the original reason, purpose, and value of the certificates. It is apparent the only contract that the new-deal repudiation administration holds sacred and insists on keeping is that with the veterans.

I am introducing the following resolution, which will go to the Ways and Means Committee, and probably will not be acted on, but at the end of 30 days I propose to file a petition at the desk and ask that the committee be discharged from further consideration and the resolution be reported to the House for action before adjournment of Congress.

House Joint Resolution

Whereas billions of dollars have been doled out of the Treasury of the United States to various groups in the country; and

Whereas the World War veterans are in debt and in need; and

Whereas the veterans are apprehensive that, due to the unstable dollar and indications of inflation, the obligation due them may be paid in further depreciated currency; and

Whereas the new-deal administration has repudiated most of its contracts, obligations, and pledges but insists on singling out the agreement made with the veterans for payment of the adjusted-service certificates as sacred and unchangeable like the laws of the Medes and the Persians; and

Whereas one billion dollars have been allocated out of the public-works fund to Rexford Guy Tugwell to undertake further unsound and socialistic experiments and to put the Government into further competition with private industry: Therefore be it

Resolved, etc., That the adjusted-service certificates shall be paid as a relief measure on or before July 1, 1935, in cash, out of funds heretofore appropriated by the Congress for public works, amounting to $4,000,000,000, and unexpended funds of approximately $1,000,000,000 carried over from the last Congress; and be it further

Resolved, That payment be made in accordance with the provisions of the so-called "Vinson bill" sponsored by the American Legion and reported by the Ways and Means Committee.

[Applause.]

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I reserve the right to object. I am going to object to any further requests after this one.

Mr. DUNN of Pennsylvania. Oh, let me have just 1 minute.

Mr. ZIONCHECK. I shall not object to 1 minute for the gentleman from Pennsylvania [Mr. DUNN].

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Speaker, in connection with the remarks made by the distinguished gentleman from Texas [Mr. BLANTON] about what appeared in the newspapers this morning, Mr. Green, president of the American Federation of Labor, appeared before the Committee on Ways and Means this morning in hearings being conducted on the extension of the N. R. A. I am sure that if the gentleman from Texas and others will read his testimony delivered this morning, they will find that what appears in the newspapers has been fully clarified along the lines we would expect from such a constructive mind as that of President Green of the American Federation of Labor. Naturally, reading the newspaper account of his remarks would have a disturbing effect, as it did upon myself, and my friend, the gentleman from Minnesota [Mr. KNUTSON], interrogated Mr. Green, as did the gentleman from Arkansas [Mr. FULLER] and myself. We asked him several questions, and I think his answers clarified the situation completely.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. KNUTSON. Mr. Green has promised to submit the speech that he made at Madison Square Garden yesterday afternoon and make it a part of the hearings held before the committee this morning.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. BLANTON. The gentleman does not deny that Mr. Green made the statement that he would call a general strike?

Mr. McCORMACK. I do deny that. He says he did not make that statement.

Mr. BLANTON. The metropolitan press this morning, not only the Herald, but the other daily papers, make the statement that he did.

Mr. McCORMACK. I do not think they made that statement. The press, as I noticed it, said it was short of a general strike.

Mr. BLANTON. Did he deny that he said they must mobilize to keep Congressmen from being elected who voted against these measures?

Mr. McCORMACK. Mr. Green did not say anything of that kind.

Mr. BLANTON. Did he say that Judge Parker was not confirmed by the Senate and that every Senator who voted for the confirmation of him failed to come back?

Mr. McCORMACK. I am not going to pass on what Mr. Green said or did not say.

Mr. BLANTON. Of course, we cannot believe much that we see in Hearst's Washington Herald, but when all of the reputable morning newspapers carried practically the identical statement——

Mr. McCORMACK. I do not want the gentleman to put into my time any criticism of a newspaper or anybody else.

Mr. BLANTON. It could not have been wrong in all these particulars.

Mr. McCORMACK. I like to go along the line of not criticizing, but expressing my own views, and if I have a difference with anyone, to express my differences impersonally.

Mr. TREADWAY. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. TREADWAY. With reference to the remark made by the gentleman from Minnesota [Mr. KNUTSON], that Mr. Green intends to make his speech a part of the record before the Ways and Means Committee, it appears in the press that the remarks that are being referred to now in relation to the strike were not in the printed speech. I do not know whether Mr. Green brought that out before the committee or not. I assume that Mr. Green intends to print all he said in New York.

Mr. McCORMACK. Of course, I cannot answer that. All I know is that Mr. Green appeared before the committee in connection with the N. R. A. bill, and he was asked certain questions; and Mr. Green's answers absolutely satisfied me as to what his state of mind was—a state of mind which I was satisfied he was possessed of.

The SPEAKER pro tempore (Mr. O'CONNOR). The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. BLANTON. Reserving the right to object to ask a question——

The SPEAKER pro tempore. Is there objection?

Mr. SCHNEIDER. Mr. Speaker, the regular order.

The SPEAKER pro tempore. The Chair will, if necessary, object himself to such a reservation of objection as that. Is there objection to the request of the gentleman from Massachusetts?

Mr. BLANTON. I ask unanimous consent that the gentleman's time be extended for 2 minutes, as I want to ask him a question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK] as amended, that he may proceed for 2 additional minutes?

There was no objection.

Mr. BLANTON. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BLANTON. Is it not a fact that the press reports indicate that in lieu of his prepared speech, Mr. Green made this speech at Madison Square Garden, which the press reports him to have made; he put his prepared speech down and made his speech and altogether about 50,000 people heard him?

Mr. McCORMACK. I am not going to enter into any controversy whether the press quoted him correctly or not. All I am stating is that Mr. Green's position, expressed before the Committee on Ways and Means, is consistent with what I thought it would be. When I read the papers this morning I felt that either he extemporaneously expressed his thoughts incorrectly or that he was misquoted, quite honestly, by those who were present. In any event, Mr. Green has clarified his situation before the Committee on Ways and Means, which is the important thing, after all. His position is absolutely consistent with the man as I know him, a man who has always conducted himself constructively, particularly during this depression; a man who has evidenced real leadership. I say that impersonally, not to flatter the gentleman, because personally he does not mean anything to me one way or the other, although I have the greatest respect for him. I look the cold facts in the face. If the American Federation of Labor were not following constructive leadership we would have been in trouble long ago. Two

years ago, when some farmers threatening a strike tried to have the American Federation of Labor join with them, the American Federation of Labor refused to do so. Just visualize what would have happened if, instead of that kind of constructive leadership, we had had at that time a leadership of "strike, strike, strike." Instead of trying to resist and trying to prevent strikes and to arbitrate, and using the strike as a last recourse, if the American Federation of Labor had a leadership of engaging in constant strikes, we would have had a chaotic condition in this country during the time of this depression. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Massachusetts [Mr. McCORMACK] has again expired.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts have 1 additional minute in order to answer a question.

Mr. ZIONCHECK. Mr. Speaker, I object.

Mr. McCORMACK. Mr. Speaker, I have no desire for further time.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

Mr. ZIONCHECK. Mr. Speaker, the gentleman from Pennsylvania [Mr. DUNN] had asked unanimous consent to address the House for 1 minute. I do not object to that.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. DUNN] that he adddress the House for 2 minutes?

There was no objection.

Mr. DUNN of Pennsylvania. Mr. Speaker, I want to go on record as saying that I am for the N. I. R. A. to be extended for 10 years if it will benefit the men and women who have to labor for a livelihood. I shall also support the Wagner-Connery Disputes Act and the 5-day, 6-hour bill. I have received letters from people informing me that if I supported the Rayburn utility and holding company bill they would do their utmost to prevent me from being returned to Congress. The officials of the utility companies and holding companies are responsible for those letters of intimidation. I want to say, Mr. Speaker, I am going to support the Rayburn bill and every other bill that is going to benefit mankind, regardless of what will happen to me politically in the future.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania [Mr. DUNN] has expired.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

Mr. ZIONCHECK. Reserving the right to object, Mr. Speaker——

The SPEAKER pro tempore. The Chair will not recognize any reservation of objection to a request for time to address the House.

Mr. ANDREWS of New York. Mr. Speaker, I object.

The SPEAKER pro tempore. The Clerk will report the first bill on the Consent Calendar.

Mr. TREADWAY. Mr. Speaker, I make the point of no quorum.

Mr. ANDREWS of New York. Mr. Speaker, I withdraw my objection to the request of the gentleman from Massachusetts [Mr. TREADWAY].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. TREADWAY] that he be permitted to address the House for 2 minutes?

There was no objection.

Mr. TREADWAY. Mr. Speaker, I have no intention of entering into any dispute relative to the merits or demerits of the testimony of any man appearing before a committee or any man making any address to any audience.

I wish, however, to say, in supplementing what my colleague from Massachusetts [Mr. McCORMACK] said, that I have heard Mr. William Green on several occasions speak before committees. I have heard him deliver addresses. While each of us is entitled to his viewpoint as to whether or not we agree with the views of some other person, I never have contacted a man who seemed to me to be more sincere in the position he assumes, or more fair in the manner in which he states his views. I think any man who has had any contact with Mr. Green before a committee would be justified in this representation, whether he agrees or disagrees with Mr. Green's viewpoint.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. KNUTSON. Mr. Green stated that he thought the reporter's notes would be available, which led me to believe that he spoke extemporaneously. When a man speaks extemporaneously he cannot weigh his words as carefully as he would otherwise.

Mr. TREADWAY. I will say to my friend the gentleman from Minnesota that I think Mr. Green has had sufficient experience in addressing audiences that he will stand by what he says, whether it is on paper or extemporaneous.

[Here the gavel fell.]

CONSENT CALENDAR

The SPEAKER pro tempore. The Clerk will call the first bill on the Consent Calendar.

REPATRIATION OF NATIVE-BORN WOMEN

The Clerk called the first bill on the Consent Calendar, H. R. 4354, to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes.

Mr. McFARLANE objected.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That hereafter no woman born in the United States, who has been living in the United States or under its jurisdiction for at least 3 years immediately preceding the date of this act, shall be deemed to have lost her United States citizenship solely by reason of her marriage, prior to September 22, 1922, to an alien: *Provided*, That the benefits of this act shall not apply to any woman who subsequent to her marriage has personally made an oath of allegiance which would invalidate her citizenship of the United States.

SEC. 2. The benefits granted under section 1 of this act may be shown to have accrued by an appropriate certificate which the Commissioner of Immigration and Naturalization is hereby authorized to issue to any woman who applies for such a certificate by her own affidavit setting forth facts that entitle her to the benefits, together with the affidavits of two disinterested persons who are personally able to certify the facts in support of the application.

SEC. 3. The Commissioner of Immigration and Naturalization, with the approval of the Secretary of Labor, is hereby authorized to prescribe and prepare appropriate forms to administer this act.

Mr. GEARHART. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GEARHART: Strike out all after the enacting clause and in lieu thereof substitute the following language:

"That hereafter a woman, being a native-born citizen, who has or is believed to have lost her United States citizenship solely by reason of her marriage prior to September 22, 1922, to an alien, and who has not acquired any other nationality by an affirmative act, shall be deemed to be a citizen of the United States to the same extent as though her marriage to said alien had taken place on or after September 22, 1922: *Provided, however*, That no such woman shall have or claim any rights as a citizen of the United States until she shall have duly taken the oath of allegiance as prescribed in section 4 of the act approved June 29, 1906 (34 Stat. 596; U. S. C., title 8, sec. 381) at any place within or under the jurisdiction of the United States before either a court of record of general jurisdiction or a United States commissioner or, outside of the jurisdiction of the United States, before a secretary of embassy or legation or a consular officer as prescribed in section 1750 of the Revised Statutes of the United States (U. S. C., title 22, sec. 131); and such officer before whom such oath of allegiance shall be taken shall make entry thereof in the records of his office or in the minutes of the court, as the case may be, and shall deliver to such person taking such oath, upon demand, a certified copy of the proceedings had, including a copy of the oath administered, under the seal of his office or of such court, at a cost not exceeding one dollar ($1), which shall be evidence of the facts stated therein before any court of record or judicial tribunal and in any department of the United States."

Mr. GEARHART. Mr. Speaker, this amendment is merely one in clarification.

Mr. Speaker, the purpose of the bill and the amendment is to extend to American-born women who have lost their citizenship by virtue of their marriage to foreigners prior to September 22, 1922, the same privilege which is enjoyed

by American-born women who have married aliens subsequent to that date.

It will be remembered that by the ancient law of nations a woman, as a consequence of her marriage to an alien, lost the citizenship of her nativity and acquired that of her husband. This is an ancient rule of law. No person now living gave any consent to the enactment of that law; and our American women of today, in line with their character, their training, and their patriotism, have long since objected to it. In response to their wishes the Congress of the United States in 1922 changed the law insofar as it affected women who married aliens after September 22, 1922. Marriages contracted since 1922 no longer affect the citizen-status of native-born American women.

Twelve years have elapsed since the enactment of that corrective law and there has not been during the time intervening a single objection to allowing American women to retain their American citizenship after marriage to aliens. Since there has been no objection to granting this privilege to American women who married after September 22, 1922, it is believed it is now time to extend the same privilege to those who married before that date. That is the situation in a nutshell.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. GEARHART. I yield.

Mr. ZIONCHECK. Has the gentleman submitted his amendment to the committee; is it a committee amendment?

Mr. GEARHART. It has been accepted by the committee, by the author of the bill, and by the gentlewoman from New York [Mrs. O'DAY].

Mr. ZIONCHECK. It was a matter of compromise, was it not?

Mr. GEARHART. Yes; in a sense. But my amendment was readily agreed to by all interested parties as soon as I pointed out the reasons therefor, together with the defects in the reported bill.

Mr. ZIONCHECK. There is only one objection to this bill now, and three objections are required to prevent its consideration. Is it not a little presumptuous on the gentleman's part to ask the House to pass an amendment that entirely changes the bill without an opportunity to study the amendment?

Mr. GEARHART. The gentleman is in error; it does not change the bill; it merely extends it to all women who married prior to September 22, 1922, instead of confining it to that small group who have resided in the United States during 1932, 1933, and 1934.

I go further and add a precautionary feature. My amendment will require all women who would avail themselves of the benefits of the law to take an oath of allegiance and to set forth affirmatively that they have done nothing in the years gone by which would be inconsistent with the retention of American citizenship.

Mr. ZIONCHECK. If the gentleman's amendment is merely a clarifying amendment, and if the part of the bill he wants to clarify is the period of time before 1922, why not offer an amendment to strike out the words "3 years preceding the date of enactment" and insert in lieu thereof 10, 20, or some other figure, instead of changing the entire language of the bill?

Mr. GEARHART. My reason for putting in the requirement that they should take the oath of allegiance is easily understood. I have to take the oath of allegiance almost every day in one way or another, and certainly no American woman who wants to regain her American citizenship would object to taking a simple oath of allegiance to this country. If she is not willing to take the oath, she ought not have citizenship. Certainly not with my consent.

Mr. ZIONCHECK. The language the gentleman puts in by way of amendment has not been studied by the committee, and I am not able to understand it by just listening to a reading of it at this time. I, for one, am going to vote against the amendment for that reason; not because I am opposed to the gentleman's purpose, but because I am opposed to making such a drastic change as to strike out the enacting clause and substitute an entirely different bill.

Mr. GEARHART. Mr. Speaker, I may say that those gentlemen, Members of this House, who scrutinize most closely all bills having to do with citizenship, to whose attention this amendment has been called, have all agreed to it.

[Here the gavel fell.]

Mr. JENKINS of Ohio. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, my objection, may I announce at the start, is only pro forma, but I rise at this time to make an explanation. This bill has been before the House on many occasions and has been on the Consent Calendar, and I have objected to its consideration. I have asked to pass it over. I have stated repeatedly that I did not think this bill was necessary. But out of respect for the committee and on account of the efforts of the gentleman from California and others, I am reluctant to interpose my own personal opinion. It is for that reason I did not object today.

Mr. Speaker, here is what I think should be done with this bill, and I speak for myself only. This refers to some very complicated sections of the law. No one, I care not how smart he is or how well versed he is on immigration and naturalization matters, can take this amendment, or the bill either, and fit it into the law just by discussion here on the floor. At one time I thought we should have the whole matter recommitted to the committee, but the gentleman from California has consulted with the committee chairman and the author of the bill, and they are satisfied with his amendment. The offices of the Secretary of State and Secretary of Labor are very much interested in these sections. They have experts there who can fit these provisions together.

Mr. Speaker, I hope we may pass this bill today, not because I am for it or because I am receding from my position at all, but there may be two, three, or a dozen women who need the benefit of this bill. I understand there are some women who find themselves in foreign countries and whose property in this country is being placed in jeopardy because of failure to clarify this section. If that is the case, I for one would withdraw my objection and let the matter then go to the Senate. The State Department and the Labor Department with their experts may come before the Senate committee and fit these things together and then perhaps we will have something that will do justice to everybody and be a proper and worthy piece of legislation. I do not want to go on record as advocating the passage of the bill on its merits, but in order to be more than fair I am receding from my former position enough to allow this bill to proceed on its way to the Senate where it might be rewritten.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from Washington.

Mr. ZIONCHECK. May I ask the gentleman if he is in favor of the passage of the bill as it is printed here and allow the corrections or perfections to be made in the Senate or in conference between the Senate and House later on?

Mr. JENKINS of Ohio. That is my theory now. I do not want to go on record as being in favor of the bill, because I have stated repeatedly I do not think it is necessary. But why should my own personal opinion keep a bill from passing if a committee of the House has passed upon this matter? The representation is made to me by the gentleman from California that there are some worthy women who might find their property in jeopardy because of failure to clarify this law.

Mr. LESINSKI. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from Michigan.

Mr. LESINSKI. I happen to be a member of that committee, and I do not know anything about this amendment.

Mr. TRUAX. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from Ohio.

Mr. TRUAX. Does the gentleman think we ought to amend the laws to provide protection to million-dollar prin-

cesses, like Barbara Hutton, who might lose their citizenship when they marry foreigners?

Mr. JENKINS of Ohio. I should like the gentleman to know that I have fought against those things long before he became a Member of this House. Several years ago a law was passed for the benefit of one of those princesses who was not deserving. Together with Judge Box, of Texas, I put up a memorable fight against that bill. I have stood up against all laws of that kind, and have been responsible for keeping this bill from passing on several occasions.

Mr. McFARLANE. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from Texas.

Mr. McFARLANE. Why should we approve some measure when we are not sure of the measure we are approving? Does not the gentleman think we better pass it over and have the measure studied rather carefully to see what we are doing?

Mr. JENKINS of Ohio. If the gentleman can do that by unanimous consent, yes; but it is too late now.

Mr. McFARLANE. We can vote down the amendment.

[Here the gavel fell.]

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California [Mr. GEARHART].

The amendment was rejected.

Mr. McFARLANE. Mr. Speaker, I move to recommit the bill to the Committee on Immigration and Naturalization.

The SPEAKER pro tempore. The gentleman offers a preferential motion. The gentleman from Texas moves that the bill be recommitted to the Committee on Immigration and Naturalization.

The question was taken; and on a division (demanded by Mr. McFARLANE and Mr. GEARHART) there were—ayes 52, noes 12.

Mr. LESINSKI. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER pro tempore. Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 142, nays 148, and not voting 141, as follows:

[Roll No. 84]

YEAS—142

Allen	Doxey	Larrabee	Rankin
Arends	Driver	Lea, Calif.	Reed, N. Y.
Arnold	Edmiston	Lloyd	Rich
Ashbrook	Eicher	Lord	Romjue
Bacon	Ekwall	Lucas	Sanders, Tex.
Barden	Engel	Luckey	Schaefer
Beam	Fernandez	McClellan	Short
Binderup	Fiesinger	McFarlane	Smith, Wash.
Blanton	Focht	McGehee	South
Buckler, Minn.	Ford, Miss.	McKeough	Spence
Burch	Fuller	McLean	Starnes
Burdick	Gearhart	McReynolds	Steagall
Burnham	Gifford	Mahon	Sutphin
Carlson	Gilchrist	Maloney	Taber
Carmichael	Guyer	Mapes	Tarver
Carter	Gwynne	Marshall	Taylor, Colo.
Cartwright	Haines	Mason	Taylor, S. C.
Christianson	Hancock, N. Y.	Massingale	Terry
Church	Hess	May	Thomason
Clark, N. C.	Hill, Knute	Meeks	Thompson
Colden	Hill, Samuel B.	Michener	Thurston
Cole, N. Y.	Hoeppel	Millard	Treadway
Collins	Hoffman	Miller	Turner
Cooley	Hollister	Mitchell, Tenn.	Turpin
Cooper, Tenn.	Hope	Mott	Vinson, Ky.
Costello	Houston	Murdock	Walter
Cravens	Jenkins, Ohio	Nelson	Warren
Crawford	Johnson, Okla.	O'Neal	Welch
Darrow	Johnson, Tex.	Parks	Werner
Deen	Jones	Parsons	Whelchel
DeRouen	Kelly	Patman	Williams
Disney	Kimball	Peterson, Ga.	Wolcott
Ditter	Kinzer	Pierce	Wolverton
Dobbins	Knutson	Polk	Woodrum
Dondero	Kocialkowski	Rabaut	
Doughton	Lambeth	Ramspeck	

NAYS—148

Amlie	Beiter	Bland	Brewster
Andresen	Bell	Bloom	Brown, Ga.
Andrews, N. Y.	Berlin	Boileau	Brunner
Ayers	Biermann	Boland	Buckbee
Bacharach	Blackney	Boylan	Cannon, Mo.
Carpenter	Greenway	McLaughlin	Sadowski
Casey	Greever	Martin, Mass.	Sanders, La.
Castellow	Gregory	Maverick	Sandlin
Cavicchia	Hart	Mead	Sauthoff
Chapman	Healey	Merritt, N. Y.	Schneider
Citron	Higgins, Mass.	Mitchell, Ill.	Schulte
Cox	Hildebrandt	Monaghan	Secrest
Crosser, Ohio	Hill, Ala.	Montague	Shanley
Cullen	Hobbs	Moran	Sirovich
Cummings	Hook	Norton	Sisson
Darden	Huddleston	O'Connor	Smith, Conn.
Dear	Hull	Owen	Smith, W. Va.
Dempsey	Imhoff	Palmisano	Stack
Dingell	Jacobsen	Patterson	Stubbs
Dockweiler	Jenckes, Ind.	Patton	Sweeney
Dorsey	Kee	Pearson	Thom
Driscoll	Keller	Peterson, Fla.	Tinkham
Duffey, Ohio	Kenney	Pittenger	Tolan
Duffy, N. Y.	Kleberg	Quinn	Tonry
Dunn, Pa.	Kloeb	Ramsay	Truax
Eagle	Kniffin	Randolph	Utterback
Ellenbogen	Kopplemann	Ransley	Vinson, Ga.
Evans	Kramer	Reed, Ill.	Wallgren
Ferguson	Kvale	Reilly	Wearin
Fitzpatrick	Lemke	Richards	Weaver
Fletcher	Lesinski	Robertson	Whittington
Gehrmann	Lewis, Colo.	Robsion, Ky.	Wilson, La.
Gillette	Lewis, Md.	Rogers, Mass.	Wolfenden
Goodwin	Ludlow	Rogers, N. H.	Woodruff
Granfield	Lundeen	Rogers, Okla.	Young
Gray, Ind.	McAndrews	Russell	Zimmerman
Gray, Pa.	McCormack	Ryan	Zioncheck

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Adair	Dietrich	Holmes	Plumley
Andrew, Mass.	Dirksen	Igoe	Powers
Bankhead	Doutrich	Johnson, W. Va.	Rayburn
Boehne	Drewry	Kahn	Reece
Bolton	Duncan	Kennedy, Md.	Richardson
Brennan	Dunn, Miss.	Kennedy, N. Y.	Robinson, Utah
Brooks	Eaton	Kerr	Rudd
Brown, Mich.	Eckert	Lambertson	Sabath
Buchanan	Englebright	Lamneck	Schueta
Buck	Faddis	Lanham	Scott
Buckley, N. Y.	Farley	Lee, Okla.	Scrugham
Bulwinkle	Fenerty	Lehlbach	Sears
Caldwell	Fish	McGrath	Seger
Cannon, Wis.	Flannagan	McGroarty	Shannon
Carden	Ford, Calif.	McLeod	Smith, Va.
Cary	Frey	McMillan	Snell
Celler	Fulmer	McSwain	Snyder
Chandler	Gambrill	Maas	Somers, N. Y.
Claiborne	Gasque	Mansfield	Stefan
Clark, Idaho	Gassaway	Marcantonio	Stewart
Cochran	Gavagan	Martin, Colo.	Sullivan
Coffee	Gildea	Merritt, Conn.	Sumners, Tex.
Cole, Md.	Gingery	Montet	Taylor, Tenn.
Colmer	Goldsborough	Moritz	Thomas
Connery	Green	Nichols	Tobey
Cooper, Ohio	Greenwood	O'Brien	Umstead
Corning	Griswold	O'Connell	Underwood
Crosby	Halleck	O'Day	Wadsworth
Cross, Tex.	Hamlin	O'Leary	West
Crowe	Hancock, N. C.	Oliver	White
Crowther	Harlan	O'Malley	Wigglesworth
Culkin	Harter	Perkins	Wilcox
Daly	Hartley	Pettengill	Wilson, Pa.
Delaney	Hennings	Peyser	Withrow
Dickstein	Higgins, Conn.	Pfeifer	Wood
Dies			

So the motion to recommit was rejected.

The Clerk announced the following pairs until further notice:

Mrs. O'Day with Mr. Snell.
Mr. Oliver with Mr. Plumley.
Mr. Connery with Mr. McLeod.
Mr. Cochran with Mr. Wadsworth.
Mr. Boehne with Mr. Tobey.
Mr. Buchanan with Mr. Andrew of Massachusetts.
Mr. Lanham with Mr. Cooper of Ohio.
Mr. McSwain with Mr. Fish.
Mr. Bulwinkle with Mr. Crowther.
Mr. Mansfield with Mr. Reece.
Mr. Claiborne with Mr. Lehlbach.
Mr. Corning with Mr. Bolton.
Mr. Martin of Colorado with Mr. Culkin.
Mr. Rayburn with Mr. Dirksen.
Mr. McMillan with Mr. Holmes.
Mr. Drewry with Mr. Eaton.
Mr. Flannagan with Mr. Maas.
Mr. Smith of Virginia with Mr. Stewart.
Mr. Fulmer with Mr. Wigglesworth.
Mr. Goldsborough with Mr. Halleck.
Mr. Griswold with Mr. Wilson of Pennsylvania.
Mr. Johnson of West Virginia with Mr. Merritt of Connecticut.
Mr. Sumners of Texas with Mr. Fenerty.
Mr. Greenwood with Mr. Hartley.
Mr. Gavagan with Mr. Doutrich.
Mr. Sabath with Mr. Englebright.
Mr. Sears with Mr. Perkins.
Mr. Pettengill with Mr. Stefan.
Mr. Dies with Mr. Thomas.
Mr. Cross of Texas with Mr. Withrow.
Mr. Montet with Mr. Taylor of Tennessee.

Mr. Bankhead with Mr. Powers.
Mr. Schuetz with Mr. Lambertson.
Mr. Somers of New York with Mr. Seger.
Mr. Underwood with Mr. Marcantonio.
Mr. West with Mrs. Kahn.
Mr. Wilcox with Mr. Higgins of Connecticut.
Mr. Wood with Mr. Eckert.
Mr. Kerr with Mr. Rudd.
Mr. Dietrich with Mr. O'Malley.
Mr. Crowe with Mr. Pfeifer.
Mr. Daly with Mr. Lamneck.
Mr. Buck with Mr. Adair.
Mr. McGrath with Mr. Brennan.
Mr. Brooks with Mr. Buckley of New York.
Mr. Moritz with Mr. Brown of Michigan.
Mr. Celler with Mr. McGroarty.
Mr. Caldwell with Mr. O'Brien.
Mr. Nichols with Mr. Carden.
Mr. Cary with Mr. O'Leary.
Mr. O'Connell with Mr. Chandler.
Mr. Cole of Maryland with Mr. Delaney.
Mr. Dickstein with Mr. Scrugham.
Mr. Faddis with Mr. Robinson of Utah.
Mr. Duncan with Mr. Farley.
Mr. Gassaway with Mr. Snyder.
Mr. Sullivan with Mr. Gambrill.
Mr. Gasque with Mr. Frey.
Mr. Green with Mr. Hennings.
Mr. Young with Mr. White.
Mr. Kennedy of New York with Mr. Harlan.
Mr. Gildea with Mr. Hamlin.
Mr. Umstead with Mr. Kennedy of Maryland.
Mr. Igoe with Mr. Hancock of North Carolina.

Mr. SCHULTE, Mr. BLAND, Mr. DUFFY of New York, Mr. WOODRUM, Mr. DRISCOLL, and Mr. GRAY of Indiana changed their votes from "aye" to "no."

Mr. BLANTON changed his vote from "present" to "aye."

Mr. PEARSON changed his vote from "present" to "no."

The result of the vote was announced as above recorded.

The doors were opened.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF CERTAIN RIVERS IN TILLAMOOK COUNTY, OREG.

The Clerk called the next bill, H. R. 4077, authorizing a preliminary examination of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the controlling of floods.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent that this bill and the similar bills, Calendar Nos. 50, 51, 52, 53, 54, and 55, be passed over without prejudice.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent that the bills on the calendar numbered from 49 to 55, inclusive, be passed over without prejudice. Is there objection?

There was no objection.

ADDITIONAL CIRCUIT JUDGE FOR THE NINTH JUDICIAL CIRCUIT

The Clerk called the next bill, H. R. 5917, to appoint an additional circuit judge for the ninth judicial circuit.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. ZIONCHECK. Mr. Speaker, I object to that request.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. McFARLANE and Mr. TRUAX objected.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to appoint, by and with the consent of the Senate, an additional circuit judge for the ninth judicial circuit.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE ADOPTION OF THE ORDINANCE OF 1787 AND THE SETTLEMENT OF THE NORTHWEST TERRITORY

The Clerk called the next resolution, House Joint Resolution 208, to provide for the observance and celebration of the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory.

Mr. TRUAX. Mr. Speaker, reserving the right to object, and I shall not object, I have an amendment to offer which has been agreed to by the author of the bill, my colleague, the gentleman from Ohio [Mr. SECREST].

Mr. ZIONCHECK and Mr. JENKINS of Ohio reserved the right to object.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I would like to know what the amendment is.

Mr. TRUAX. Let the clerk read it.

Mr. ZIONCHECK. No; I should like to know what the amendment is.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio. Mr. Speaker, I withdraw my reservation of objection. I am not against the bill, I am for it.

Mr. ZIONCHECK. Mr. Speaker, I withdraw my reservation of objection.

The Clerk read the joint resolution, as follows:

Whereas the famous ordinance known as the "Ordinance of 1787", adopted by the Federal Congress for the government of the territory now embracing the States of Ohio, Indiana, Michigan, Illinois, Wisconsin, and part of Minnesota, and then known as the "Northwest Territory", was so far-reaching in its effects, making such a complete change in the method of governing new communities formed by colonization, that it will always rank as one of the greatest civil documents of all time; and

Whereas the settlement of, and establishment of government in, the Northwest Territory in 1788 marked the beginning of the resistless march of the people of the United States from the eastern seaboard to the Pacific Ocean; and

Whereas the adoption of the Ordinance of 1787 followed by the settlement of the Northwest Territory under the system of government provided by such ordinance vitally shaped and determined the pattern of development of our Nation, its ideals, its Constitution, and its government; and

Whereas there is an indicative analogy between the national problems of 150 years ago and those of the present day, making the study of the accomplishments of those early days of value to our people today; and

Whereas the one hundred and fiftieth anniversary of these two great focal events in American history occurs in 1937 and 1938: Therefore be it

Resolved, etc., That there is hereby established a commission to be known as the "Northwest Territory Celebration Commission" (hereinafter referred to as the "Commission") and to be composed of 17 commissioners, as follows: The President of the United States; 2 Members of the Senate, 1 from each of the two major parties, to be appointed by the President of the Senate; 2 Members of the House of Representatives, 1 from each of the two major parties, to be appointed by the Speaker of the House of Representatives; the regent of the State chapter of the Daughters of the American Revolution of each of the 6 States formed from the Northwest Territory, namely, Ohio, Indiana, Michigan, Illinois, Wisconsin, and Minnesota; and 6 individuals from private life, to be appointed by the President of the United States. The commissioners shall serve without compensation and shall select a chairman from among their number.

SEC. 2. It shall be the duty of the Commission to prepare and carry out a comprehensive plan for the observance and celebration of the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory. In the preparation of such plan, the Commission shall cooperate, insofar as is possible, with the several States and particularly with the States of Ohio, Indiana, Michigan, Illinois, Wisconsin, and Minnesota, and shall take such steps as may be necessary in the coordination and correlation of plans prepared by State commissions, by agencies appointed by the Governors of the several States, and by representative civic organizations.

SEC. 3. (a) Without regard to the civil-service laws or the Classification Act of 1923, as amended, the Commission is authorized to appoint and prescribe the duties and fix the compensation of a director and such other employees as are necessary in the execution of its functions.

(b) The Commission may make such expenditures (including expenditures for rent and personal services at the seat of Government and elsewhere, for office supplies, periodicals, and books of reference, and for printing and binding) as may be necessary in the execution of the functions of the Commission. All expenditures of the Commission, including necessary traveling expenses and subsistence expenses (not in excess of $5 per day) incurred by the commissioners while absent from their places of residence upon the business of the Commission, and by the employees of the Commission while away from their designated posts of duty upon the business of the Commission, shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the Commission.

(c) The Commission shall cease to exist within 180 days after the date of the expiration of the celebration.

SEC. 4. There is authorized to be appropriated the sum of $100,000, or so much thereof as may be necessary to carry out the purposes of this joint resolution.

With the following committee amendments:

On page 2, line 15, strike out the word "six" and insert in lieu thereof the word "three."

On page 3, line 20, after the word "compensation", insert in parentheses "not to exceed $5,000 per annum."

On page 3, beginning in line 24, strike out all of lines 24 and 25 and lines 1, 2, and 3, on page 4, and insert in lieu thereof the words "as are necessary to carry out the intent and purposes of this resolution."

On page 4, line 5, after the word "including", insert the word "all."

On page 4, line 6, after the word "expenses", strike out the remainder of the paragraph.

On page 4, line 14, after the word "within", strike out the words "one hundred and eighty days" and insert in lieu thereof the words "six months."

The committee amendments were agreed to.

Mr. TRUAX. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRUAX: On page 4, after the word "commissioners", in line 7, insert "*Provided*, That $10,000 of the $75,000 herein authorized shall be expended in connection with the 1937 Ohio State Fair, Columbus, Ohio, for the purpose of producing, staging, and presenting an historical pageant depicting the establishment and settlement of the Northwest Territory in an appropriate manner, to be determined by the Northwest Territory Celebration Commission, cooperating with the director of agriculture of Ohio and the State Board of Agriculture of Ohio."

Mr. JENKINS of Ohio. Mr. Speaker, I rise in opposition to the amendment. My opposition is pro forma only.

I am not opposed to the amendment, but I want to inquire whether this amendment is satisfactory to the author of the bill.

Mr. SECREST. This amendment is satisfactory. I think everyone is familiar with the fact that the Federal Government apportions so much to each State, and the States are passing bills of their own with reference to this matter, and if this amount which would come to Ohio is to be devoted to this purpose, it will be all right, and we can use part of the Ohio fund for some other purpose.

Mr. JENKINS of Ohio. The bill provides for $75,000 to be used in the observance of the opening up of the Northwest Territory through the famous Ordinance of 1787, in which six or seven States will participate.

Mr. SECREST. Yes.

Mr. JENKINS of Ohio. And this $10,000 is to be used at the State Fair at Columbus, Ohio, to provide a great educational and historical pageant in which all the States will participate, and this is agreeable to all the parties concerned?

Mr. SECREST. Yes.

Mr. WOLCOTT. I should like to ask the gentleman does this authorize $10,000 to pay the expenses of the Ohio State fair?

Mr. SECREST. No; it is for the purpose of a pageant in connection with the Ohio State fair.

Mr. WOLCOTT. Mr. Speaker, I think the purpose of this bill is to celebrate or commemorate the adoption of the Ordinance of 1787, in which several States are very much interested. With the understanding that the whole sum is to be expended for the general celebration by States involved, none of the other States that were within the Northwest Territory have seen fit to isolate any part of the fund. I do not know why the State of Ohio has asked that a certain portion be set aside for a particular celebration in that State. If that is done Michigan and Indiana and other States might be expected to advance some reason why they should have an allocation.

Mr. SECREST. That would be satisfactory as far as I am concerned.

Mr. TRUAX. My colleague has explained the fact that each State is appropriating a definite amount of money to cooperate in this celebration. The State of Ohio has authorized $25,000 in addition to the State's share in the Federal appropriation.

Now, the Ohio State fair is one of the leading fairs of the country, and it was thought that by taking this pageant in connection with this fair that it would be brought sharply to the attention of 300,000 people.

Mr. WOLCOTT. I presume that under the provisions of the act, the Commission has authority to provide for the distribution of the $100,000. In order to protect the integrity of that act, I am going to oppose this amendment to the best of my ability, because I do not want to create a situation whereby other States that participate in this great celebration will be embarrassed by the fact a certain amount of money has been set aside for a particular State.

Mr. JENKINS of Ohio. I agree with the gentleman from Michigan in the main. It was the intention of the author of the bill and those having charge to make this a celebration between the States. There has been some minor objection to the bill from the beginning. In order to satisfy the particular Member who is objecting, it was thought best to placate him if the same could be done without doing violence to the purpose of the bill. This is one reason for the change that would call for a portion to be set aside for this pageant. It is my understanding that the State legislature is to appropriate much more money than any other State.

Mr. WOLCOTT. I fully appreciate that. I was not a party to the compromise. I took the bill as it was presented to us, and I did not object, because I thought it was meritorious.

Mr. ZIONCHECK. Mr. Speaker, the State of Washington is not getting a dime out of this, and I call for the regular order.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. WOLCOTT] was recognized for 5 minutes in opposition to the amendment.

Mr. WOLCOTT. Mr. Speaker, I do not want to defeat the purposes of this bill by having a certain definite sum allocated to any State. I hope the States of Ohio and Michigan and Illinois and Indiana, and the other States which were part of the Northwest Territory, can get together under this commission and arrange for the celebration without having a commission say that it has to give Ohio $10,000 or Michigan $10,000, and for that reason I oppose the amendment.

Mr. MICHENER. Mr. Speaker, I move to strike out the last word of the amendment. This is one of the bills with which the House is not generally familiar. All I know about it I have heard from the floor. I have not read all the bill, but I have read enough of the bill to know that it sets up another commission. It provides for a celebration and the spending of $100,000 of the people's money in setting up a commission and celebrating a historic event at this time when, in my judgment, we could far better economize. To defeat the bill in no way reflects upon the merit of the occurrence to be celebrated. We might do ourselves honor by celebrating many historic events, but does the financial condition of the country and States warrant any but necessary expenditures at this time?

Establishing of bureaus and commissions seems to be the popular pastime of Congress in recent months. This is just one more, and I am against it.

Section 3 provides:

Without regard to civil-service laws or the Classification Act of 1923, as amended, the Commission is authorized to appoint and prescribe the duties and fix the compensation (not to exceed $5,000 per annum) of a director and such other employees as may be necessary in the execution of its functions.

The country is not asking for more commissions or more bureaus to be established outside of the civil service, where jobs may be created. I tell you, gentlemen, it is all wrong. Every bureau has a small beginning. I come from that section of the country which would participate in this celebration, but I believe I state the sentiment of 95 percent of our people when I say that we are opposed to new commissions.

The time is coming when the American people must become tax-conscious. We have to pay for these things. We can spend easily, but we cannot escape responsibility, because this is a celebration affecting one particular part of our country. When the country becomes tax-conscious we will stop this spending. Why not do it now before the tax load is too great? We are on the way, and economy now is the only thing that will prevent ruinous currency expansion or repudiation. I am surprised at the objector; the gentleman from

Michigan [Mr. LESINSKI], is not interested in the taxpayers' money at this time. I come from the same State that he does. This may affect us, but let us not be sectional.

Mr. LESINSKI. I have not said anything at all.

Mr. MICHENER. And it is time the gentleman did. He objects to other people's bills. He should stand up and show his colors.

Mr. LESINSKI. I shall object to every bill. How does the gentleman like that?

Mr. JENKINS of Ohio. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. JENKINS of Ohio. Mr. Speaker, as I understand it, the parliamentary situation is this: There is no opposition to the immediate consideration of the bill. Certain committee amendments have been agreed to.

The SPEAKER pro tempore. The gentleman is correct.

Mr. JENKINS of Ohio. One amendment is now pending, which provides for $10,000 to be allocated to the State of Ohio.

The SPEAKER pro tempore. That is correct.

Mr. JENKINS of Ohio. Personally I would be glad to have the author of that amendment withdraw it and then the parliamentary situation would be that the bill is up for passage.

The SPEAKER pro tempore. The Chair does not know whether amendments will be offered. An amendment has been offered by the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Speaker, I move to strike out the last two words. The gentleman from Michigan [Mr. MICHENER] says that he favors economy. I wish he would stay on this floor at all times when this Consent Calendar is being considered. I wish he would stay here when we are considering the Private Calendar. Then he himself could help to save the Government millions of dollars.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I refuse to yield now.

Mr. MICHENER. For a correction.

Mr. TRUAX. Mr. Speaker, the gentleman is opposed to this bill. Let me read to him what the Governor of his own State has to say about this project:

> The history of Michigan and of the Northwest Territory is forever closely linked. It seems to me that this proposal comes at a particularly appropriate time, for it ties in with the celebration of Michigan's centennial. That celebration will close in 1937. If the North Territory plan goes through, it will have the happy effect of emphasizing to the rest of the United States how much is owing to Michigan for the leadership she provided in the early years.

I quote that from a statement by Governor Fitzgerald at Lansing, Mich., on May 4, 1935.

Mr. MICHENER. Will the gentleman yield?

Mr. TRUAX. Not now. The gentleman from Michigan objects to my amendment. He is opposed to centralizing power in any commission. So I take it my amendment is offered for that very purpose, to safeguard this governmental expenditure so that we may assure the taxpayers of this country that they are not asked to stomach a commission or bureau with no knowledge whatsoever of this project, with no experience to guide them, but instead of that, we propose to take $10,000 of this $75,000 appropriation and have it expended by this Commission to be appointed by the Speaker of the House, the Vice President, and the President of the United States; that this Commission so appointed and duly qualified, shall cooperate with the Ohio State Board of Agriculture, a nonpartisan, nonpolitical board, and shall cooperate with the director of agriculture, appointed by the Governor of Ohio; so that we could be assured and assure those interested therein that at least $10,000 of this money will be expended properly, wisely, and sanely, and by those who have had years of experience in such matters.

I know it is all well and good for a Member to get up here and say, "I am for economy; I am opposed to the further extension of bureaucracy and bureaucrats", as I am, but here is a project that has received the approval of many hundreds of people interested, not only in Ohio but in six States, and they approve this amendment.

I ask for its adoption.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. TRUAX] has expired.

Mr. HOFFMAN. Mr. Speaker, I rise in opposition to the amendment offered by the gentleman from Ohio. I do this for the purpose of getting information only. Did I understand the gentleman from Ohio [Mr. JENKINS] to state that this amendment providing that Ohio shall be given $10,000 was agreed to in order to obtain withdrawal of the objection of the other gentleman from Ohio [Mr. TRUAX] to the consideration of the bill? Am I correct?

Mr. TRUAX. The gentleman is incorrect.

Mr. HOFFMAN. I am not asking the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. I am telling the gentleman.

Mr. HOFFMAN. Am I correct?

Mr. JENKINS of Ohio. I am sorry to have to admit the gentleman is about correct.

Mr. HOFFMAN. Mr. Speaker, I yield back the balance of my time.

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WOLCOTT. I understood an amendment was pending, upon which we would vote, and that the amendment would not be adopted by unanimous consent. Otherwise I would object.

The SPEAKER pro tempore. The amendment is pending. Without objection, the amendment will be agreed to.

Mr. WOLCOTT. Well, Mr. Speaker, I object.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Ohio.

Mr. RABAUT. Mr. Speaker, I move to strike out the last four words.

When Michigan's rights are being questioned on this floor you may take it from me that she will always have those who raise their voices in her defense. If this resolution applies to five States, as I read from the joint resolution that it does, I see no reason why $10,000 of the sum should be assigned to any individual State listed therein. Accordingly I would ask the Members of this House to pass the resolution in its present form and take no cognizance of the request of the gentleman from Ohio. It appears unfair to me that special recognition should be given any one of the individual States. I feel that the Members of the House will agree in this respect.

I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Ohio [Mr. TRUAX].

The amendment was rejected.

Mr. SECREST. Mr. Speaker, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

> Amendment offered by Mr. SECREST: Page 2, line 6, strike out the word "seventeen" and insert "fourteen."

The SPEAKER pro tempore. Without objection, the amendment will be agreed to.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, may I ask the gentleman what is the purpose of that amendment?

Mr. SECREST. That is to correct a typographical error.

The amendment was agreed to.

Mr. SECREST. Mr. Speaker, I offer a further amendment, which is at the desk.

The Clerk read as follows:

> Amendment offered by Mr. SECREST: Page 4, line 18, strike out "$100,000" and insert in lieu thereof "$75,000."

The SPEAKER pro tempore. Without objection, the amendment will be agreed to.

Mr. MICHENER. Mr. Speaker, I desire to be heard in opposition to the amendment.

I do this to get information. How many of the States affected here have made State appropriations?

Mr. SECREST. The State of Ohio has passed a bill, and it has been signed by the Governor, appropriating $25,000. Governor Fitzgerald, of Michigan, sent a special message to the legislature recommending $15,000, and issued a statement to the press, which is reprinted in the Detroit Free Press, saying there would be no doubt about Michigan's participation. Governor Horner, of Illinois, recommended to the legislature an appropriation of $25,000. The Governor of Indiana, although the legislature had adjourned, made an arrangement with some of the leaders in both parties that an amount should be appropriated or used and taken from some other fund. I do not know the exact arrangement, but I think every State will participate.

Mr. MICHENER. As a matter of fact, the State of Illinois today is having trouble to get money to feed its starving people. As a matter of fact, in the State of Michigan we are having trouble to get money to run the Government, because the taxes are so high and the bottoms of the taxpayers' pockets have been reached. The State of Ohio, it seems, is the only State in the Union which has as yet appropriated this money. I thank God that Ohio has sufficient money and the taxpayers are willing to appropriate money for this purpose.

So far as Michigan is concerned, I am sure that the legislature of the State has not, in these stringent times, appropriated additional money for this purpose, and it is my belief that they will not. Coming from Michigan, I am going to oppose the bill and think that I am representing a large proportion of the taxpayers of my State in taking this stand. I hope the whole thing will be voted down.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. BOILEAU. The gentleman from Ohio a while ago suggested that the States of Ohio, Indiana, Illinois, and Michigan had taken some action. With the gentleman's permission I would ask the gentleman from Ohio if he knows what, if anything, the State of Wisconsin has done.

Mr. SECREST. I cannot tell the gentleman.

Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. SECREST. I wish to point out to the gentleman that this celebration is to take place in 1937, and I am sure we hope that at that time conditions will be somewhat different from what they are now.

Mr. MICHENER. Let us live within our means and not upon our prospects. That has been our trouble in the past. We spend when it is easy to spend; we spend whenever we get the notion, when the urge is upon us; but we think too little of the pay day. If this Congress is subject to one criticism above all others it is that we are spending, just as the gentleman suggests, without thinking of the pay day that ultimately must come.

The amount involved here is not very great. It is true that the Commissioners are to receive no salaries. At the same time they are to receive all expenses and subsistence while engaged in their duties as commissioners. I have heretofore stated that a director and such help as the commission thinks advisable are to be compensated, and all out of the Federal Treasury. You may say this is "kitchen economy", because we are dealing with $100,000 rather than $100,000,000. The time is not far distant when we must begin to practice "kitchen economy." Of course, it is difficult to vote against these appropriations, especially when they affect our respective localities. I am fully mindful of what the Ordinance of 1787 means. It is always well to celebrate occasions of this kind. We cannot, however, financially do the things we would like to do always, and my thought is that our people are more interested in recovery and regaining our normal economic status than they are in celebrating any ordinance or birthday.

Of course, there is always some argument to show that an expenditure is economically sound. In Michigan we have a large tourist trade, as has been suggested. But I do not believe that this commission will be of any value whatever in bringing tourists to Michigan this year.

Again, whenever the Federal Government appropriates sums like this we throw out bait to the State government. The State then ofttimes feels that it is getting something for nothing, and the State legislature makes appropriation out of the State taxpayers' money. The result is that the State taxpayer only contributes a small part in the Federal appropriation, yet they must have an additional tax in the State because of the appropriation.

This bill does not provide for any specific celebration. This commission will have its headquarters in Washington and will furnish literature and advice to those communities desiring to celebrate. Be it understood that this money which we are appropriating is to be expended largely in the headquarters of the commission.

I know that this bill will pass this body, and I ask the Members to keep track of just what happens after the commission is set up and how the money is expended. I shall be greatly surprised if additional appropriations are not to be asked for in connection with this project. All these things have small beginnings. The George Washington celebration had a small beginning but was a real project, and is still functioning. If we get together all the history in connection with the current celebration, this will cost money. And if you believe that such effort will not be made, then I believe you are mistaken. In short, there is just one way to economize, and that is to stop creating new bureaus, commissions, and offices. The people cannot have everything they want under present economic conditions. Let us devote our efforts to getting back on the track rather than creating more debts.

The work of this commission will be advisory only. No specified celebration in Michigan, as in any other of the States, is provided for. This is not an exposition. We are setting up a board to tell us that we may celebrate if we desire, and that convenience is to cost $100,000.

Mr. SECREST. Mr. Speaker, the idea for this celebration originated in the minds of a group of citizens in Marietta, Ohio, citizens who are justly proud of the fact that their city was the first to be settled in the vast territory of the old Northwest. Here was the cornerstone of westward expansion. Here began the real growth of the Nation. Here was planted the outpost from which flew the American flag that had but recently led these same men in the long struggle for independence. The citizens of Marietta hope with all justice that the eyes of this Nation shall gaze upon their many historic shrines and the beautiful city that has now replaced the humble cabins of the city's founders.

Representing in Congress this historical city, I introduced this resolution providing for the celebration of the Ordinance of 1787 and the settlement of the Northwest Territory. No document in American history, except the Constitution itself, has done more to establish our democratic form of government and guarantee the preservation of those ideals upon which this Nation was founded and developed to its present greatness.

The President of the United States, realizing the importance of this ordinance in the growth of the Nation, immediately gave his hearty endorsement to this resolution. I wish at this point to read his public statement.

THE WHITE HOUSE,
Washington, April 20, 1935.

Hon. GEORGE WHITE, *Chairman,*
Marietta, Ohio.

DEAR GOVERNOR: I most heartily endorse the proposal that the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and of the settlement of the Northwest be celebrated by the joint observance of the Federal Government and of the various States concerned.

Rich in the possession of the Declaration of Independence and of the Constitution, those documents which established and gave form to our National Government, we, as a people, have perhaps been less informed with respect to that third great charter—the Northwest Ordinance. I trust that this forthcoming anniversary will be seized as the opportune occasion to instill in American minds and hearts the cherished appreciation of the rank and honor that is the rightful due of the "Great Ordinance."

The principles therein embodied served as the highway, broad and safe, over which poured the westward march of our civilization. As the Constitution provided the Federal frame, so the "Great Ordinance" provided for the States to be born of your region, not only the basis of civil government, but a perpetual security of elemental rights. On this plan was the United States built; on the plan of this ordinance we have, State by State, filled in the geographic frame of our domain; and from it we have had no occasion to depart.

I hope to see the most helpful cooperation, both on the part of the Federal Government and your historic States, in the commemoration of an event so full of meaning both to our past development and to the principles of freedom and progress for which we must ever stand.

Very truly yours,

FRANKLIN D. ROOSEVELT.

The Republican Governor of Michigan gave his wholehearted endorsement to this project and recommended to the legislature of Michigan an appropriation sufficient to insure participation of his State in this great celebration.

It has always been my great pleasure and fortune to count among my loyal friends thousands who are members of the Republican Party. I want to take this opportunity to express my appreciation and thanks to one who is a member of this Congress, Hon. THOMAS A. JENKINS. He has faithfully supported my efforts in behalf of this resolution. I want, also, to thank the members of the Ohio delegation, both Democratic and Republican, every one of whom signed a petition heartily endorsing this resolution.

I have letters of endorsement from every State Historical Society in the six States formed from the Northwest Territory. The legislature of Ohio has appropriated $25,000 as Ohio's contribution. The bill making this appropriation received every vote in the State senate regardless of political affiliation. The vote of the State representatives was 97 to 7.

I have a vast number of editorials and articles collected from newspapers in every section of the six States interested in this celebration. I shall not take the time of the House in reading these but without exception they are unanimous in praise of this resolution and the celebration for which it provides.

As a former teacher of American history, I can see the effect this celebration will have in developing character, understanding, and love of country in the hearts and minds of more than 3,000,000 children who daily attend the schools in these six great States.

The stories of our national heroes and the ideals for which they gave every ounce of their strength and even their lives have inspired you to greater effort in behalf of your constituents, just as they have inspired me. Out of this great celebration, I hope will grow in the minds of boys and girls a love of independence, a strength of character, and a desire to serve faithfully and honestly this Nation and its citizens. For those of us who are older, I hope it will serve to renew our faith and to stimulate our efforts to protect from communism and radicalism every principle embodied in this great civil document passed by another Congress in the year of 1787. Let us glance briefly at the history of this ordinance and the principles embodied in it.

For many years seven of the Original Thirteen States had made claim to all of the Northwest Territory between the Allegheny Mountains and the Mississippi River. Many disputes arose concerning those claims, and in 1780 the State of New York ceded her rights in this territory to the United States. The other States soon adopted the same policy.

Naturally the question came before Congress as to what should be done with these newly acquired national lands, the first to come into the possession of the Federal Government. The question was debated for several years, although final disposition was not made of the matter until 1787. The Congress of the United States in that year held sessions in New York City. At the same time the Constitution was being drafted at a convention in Philadelphia. The eyes of the people were focused on the constitutional body. This permitted the Congress to deliberate in a manner almost wholly free from selfish State interests and petty jealousies.

Already a considerable number of individuals had entered the Territory for exploratory purposes. A great group of Revolutionary soldiers whose personal fortunes had been lost in the war made ready to enter the western lands as soon as a satisfactory government might be authorized by Congress. The Congress had found itself unable to pay the wages of many of these soldiers except in money which was depreciated to approximately 12 cents on the dollar. The soldiers urged that lands in the Northwest Territory be sold them, and that they be permitted to pay the purchase price with the depreciated currency by giving it to the Government at its face value.

Not only were the veterans anxious to enter into the Territory but many Members of Congress felt that the country must be settled to protect it from Great Britain and Spain, neither country of which had truly recognized the territory as belonging to the United States.

Washington, in his farewell orders to his soldiers, had cheered them with these words:

The extensive and fertile region to the west will yield a most happy asylum to those who, fond of domestic enjoyment, are seeking for personal independence.

As early as 1783, 285 officers of the Continental Army had petitioned Congress "to mark out a tract of land in the West as a colony of the United States, in time to be admitted as one of the Confederated States of America." This petition was really the foundation of the "Ohio Company of Association" organized in the "Bunch of Grapes" in Boston, March 3, 1786. The directors of this company sent Gen. S. H. Parsons, of Middleton, Conn., to negotiate the purchase of a tract of land from Congress. Parsons presented his memorial, which was referred to the committee, and returned home. His place was shortly taken by Dr. Cutler, of Ipswich, Mass., to whom goes much of the credit for securing the action of Congress in formulating a policy for the government of the Northwest Territory.

On July 13 the Ordinance of 1787 was passed by Congress. Next to the Constitution itself, which was finally finished a few weeks later, this ordinance stands out as the greatest civil document in American history. It not only formed the basis of government for the Northwest Territory, but for each succeeding territory that was acquired by the United States. It provided for a governor, legislative, and judiciary systems, and further established certain principles and rights which were to be forever guaranteed to the people. Among these was the declaration that "no person who demeans himself in a proper and orderly manner shall ever be molested on account of his mode of worship or religious sentiments in the said territory." It guaranteed to the inhabitants the writ of habeas corpus, trial by jury, proportionate representation in the legislature, and the privilege of common law.

Another article contains words that set forth a philosophy which alone is the chief cornerstone upon which democratic government rests. This article says:

Religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged.

To give full support to that part of the ordinance, it was provided that lot no. 16 in every township was to be dedicated to the support of public schools. The funds derived from the sale of these original school lands form the bulk of the public-school endowments of the five great States wholly formed from the old Northwest Territory.

Not only did this ordinance furnish the basis of government for all new lands acquired by the United States but the wisdom of its provisions encouraged the settlement of this new land by men of courage and self-reliance. The principles enunciated in the Ordinance of 1787, together with the qualities of character possessed by the early settlers, might be presented with excellent effect on the morale of the Nation.

Every effort has been made by local, State, and National Governments to administer to the physical needs of our people, and no one will say that I have not given my full time and strength during this time when the needs of our people are so great. Nevertheless, it is just as essential that we encourage and preserve the moral and spiritual life of

the Nation as it moves through the dark hours of bitter experience and depression.

If communism is to be fought from our shores, we must forever keep alight the fires of patriotism in the hearts of our children. Every cent of this appropriation should be wisely spent for the purposes of increasing our appreciation and knowledge of those men and those events which made the growth of our Nation possible.

Good government and the principles of good government should be made the ambition of every boy and girl and every adult in any democracy. The elements of courage, faith, self-reliance, and spiritual responsibility for ourselves and those who believe in us should be lifted from the hearts of the Nation's heroes of the past and transplanted in the very souls of the youth and men of today.

Those sacred milestones in our march to self-government and national power should be properly marked as the shrines for generations yet to come. If these ends are ever kept in mind, this celebration will repay the Nation many times by giving us for tomorrow's battles greater inspiration, better character, and nobler government. Such addition to our intangible wealth must certainly appeal to farmer, laborer, and merchant alike.

Mr. ZIONCHECK. Mr. Speaker, I offer an amendment to the amendment of the gentleman from Ohio, in view of the fact they are quarreling about money.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK to the amendment offered by Mr. SECREST: Strike out "$75,000" and insert in lieu thereof "$50,000."

Mr. JENKINS of Ohio. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, this bill is one that deserves dignified consideration. I fear that the gentleman from Michigan does not fully understand what it purports to do. It is a bill that does not need to excite or incite anybody's prejudice. Rather it should incite his patriotism. Its purpose is to commemorate one of the greatest events in American history, an event next only to the Declaration of Independence. It is to commemorate the Ordinance of 1787 which stands out as one of the leading accomplishments, political and legislative, of the parliamentary governments of the world. It opened up the great Northwest Territory to settlement. Its preamble carried the greatest guaranty for liberty of action and freedom of conscience to that time ever pronounced. It laid down the principle that religion, morality, and education were necessary to good government and that they should forever be encouraged.

The bill comes to us from probably the most conservative committee of the House, the Committee on the Library, which is always mindful of those things which will tend to spread and intensify Americanism. They favor this bill. They will be sorely disappointed if it is set aside, especially for anything but a good statesmanlike reason.

The question involved is not that of the expenditure of money but of commemorating one of the greatest events in American history. Not to commemorate this great event fittingly would be a blot on the escutcheon of our great country. Under the bill as drawn about $15,000 will go to each of the great States that were carved out of the Northwest Territory. The Northwest Territory ranks next to the Thirteen Colonies in the importance of contributions to the greatness and glory of our Republic.

We want to celebrate this anniversary in a fitting way and I appeal to my colleagues to lay prejudice aside. If Michigan has not yet made her appropriation, we hope and believe she will. Ohio has done nobly. We have already appropriated $25,000. We want this movement to be a great success and we want Michigan with us. We want Wisconsin with us, too. The first settlers came into Ohio in 1788. At Marietta in 1788 a small group of New Englanders who had formed themselves into an organization that they called the "Ohio Co." made the first white settlement in that whole new world and within a dozen years many thriving communities had been settled. From that time on for 100 years the people streamed into the western country. And what kind of people were they? Not the tramp or the bum, but God's finest people. The American pioneer—man and woman—have never been excelled. This movement kept up and people streamed into Ohio from the South, and from the East. From Connecticut, New York, Maine they came; and from Tennessee, Kentucky, and Virginia—why, bless your life, the cream of the earth came into the Ohio Valley. Washington told them of the glories of that land beyond the Ohio River—the beautiful river. They settled up so fast that in 1803 Ohio became a State. The same class of people came to Michigan and to Indiana and to all the other States. Why, certainly we ought to celebrate this great event with dignity. [Applause.]

Mr. MONTAGUE. Mr. Speaker, will the gentleman yield?

Mr. JENKINS of Ohio. It is a pleasure to yield to one of the most distinguished men in America, a former Governor of the great State of Virginia, Mr. MONTAGUE. [Applause.]

Mr. MONTAGUE. Mr. Speaker, I am very much interested in the gentleman's observation. I wonder if the great subject about which this commemoration is to take place recalls to the minds of any who wrote the Ordinance of 1787?

Mr. KELLER. Yes; Jefferson.

Mr. EKWALL. Mr. Speaker, will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. EKWALL. As I understand the purport of the gentleman's argument, he wants the people to come across again; am I right?

Mr. JENKINS of Ohio. Yes. We want this great Government never to fail to do its patriotic duty. The State of Ohio contributes liberally. We contribute more in proportion than we ask from the Government, and we do not ask for ourselves. We want to help the American people realize what religion, morality, and education will do toward establishing a nation.

Mr. Speaker, will not the gentleman from Washington withdraw his amendment?

Mr. ZIONCHECK. Mr. Speaker, the only reason I offered my amendment to the amendment was that the Members from the States interested were quarreling about the amount.

Mr. WOLCOTT. Mr. Speaker, I hope the gentleman will withdraw his amendment.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to withdraw my amendment to the amendment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, with all due respect to my good friend and colleague the gentleman from Michigan [Mr. MICHENER], I do not agree with him that the expenditure by the Federal Government of $100,000 to celebrate this great event is a waste of public money. May I remind the House that in the State of Michigan, next to the automobile industry, the tourist trade is the next largest industry. You people who have come up from the South, out from the East and the West, and down from the North, to see us have made this possible. The State of Michigan has on frequent occasions in years gone by—and we hope it will do the same thing again—appropriated at least $100,000 to two associations organized for the express purpose of selling Michigan to our friends outside the State.

I am sure if they have not already done so, the Governor and the Legislature of the State of Michigan will appropriate their proportionate amount to match this money to carry on this celebration. Fifteen thousand dollars is only too small an amount to be appropriated by any State for a celebration which means millions and millions of dollars to the State, looking at it from the commercial standpoint. It will bring to the Middle West money which has been denied us under other bills, which is needed so much out there for the rehabilitation of one of the richest sections of the United States.

Mr. KELLER. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Illinois.

Mr. KELLER. Is the gentleman aware of the fact that when this proposition was first made President Roosevelt suggested $200,000?

Mr. WOLCOTT. I did not know that.

Mr. KELLER. That is true, and that ought to have been the amount specified here.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Ohio.

The amendment was rejected.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. MICHENER) there were—ayes 80, noes 12.

Mr. MICHENER. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER pro tempore. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 219, nays 35, not voting 177, as follows:

[Roll No. 85]

YEAS—219

Amlie	Duncan	Lea, Calif.	Robsion, Ky.
Arnold	Dunn, Pa.	Lemke	Rogers, Mass.
Ashbrook	Eagle	Lesinski	Rogers, N. H.
Ayers	Eckert	Lewis, Colo.	Rogers, Okla.
Barden	Ellenbogen	Lord	Romjue
Beam	Engel	Luckey	Ryan
Beiter	Englebright	Lundeen	Sadowski
Biermann	Evans	McClellan	Sanders, La.
Blackney	Farley	McCormack	Sanders, Tex.
Blanton	Fernandez	McFarlane	Sandlin
Bloom	Fiesinger	McGehee	Schaefer
Boileau	Fletcher	McLaughlin	Schulte
Boland	Focht	McLean	Secrest
Boylan	Ford, Calif.	McReynolds	Shanley
Brewster	Gearhart	McSwain	Sisson
Brown, Ga.	Gehrmann	Mahon	Smith, Conn.
Buckbee	Gifford	Maloney	Smith, Va.
Buckler, Minn.	Gillette	Mapes	Smith, Wash.
Burdick	Goodwin	Marshall	Smith, W. Va.
Burnham	Granfield	Martin, Colo.	South
Cannon, Mo.	Gray, Ind.	Martin, Mass.	Spence
Carlson	Gray, Pa.	Mason	Starnes
Carmichael	Greenway	Massingale	Stubbs
Cartwright	Greever	Maverick	Sutphin
Castellow	Gregory	Meeks	Sweeney
Cavicchia	Guyer	Merritt, N. Y.	Tarver
Chapman	Haines	Miller	Taylor, Colo.
Citron	Hancock, N. Y.	Mitchell, Ill.	Terry
Claiborne	Healey	Monaghan	Thom
Clark, N. C.	Hess	Moran	Thomason
Coffee	Hildebrandt	Mott	Tinkham
Colden	Hill, Knute	Murdock	Tolan
Cooley	Hill, Samuel B.	Nelson	Tonry
Cooper, Tenn.	Hoeppel	Norton	Truax
Costello	Hook	O'Connor	Turpin
Cox	Hull	O'Neal	Utterback
Cravens	Imhoff	Owen	Vinson, Ga.
Crawford	Jacobsen	Parsons	Vinson, Ky.
Cross, Tex.	Jenckes, Ind.	Patman	Wallgren
Crosser, Ohio	Jenkins, Ohio	Patton	Walter
Crowe	Johnson, Okla.	Peterson, Fla.	Warren
Cummings	Johnson, Tex.	Peterson, Ga.	Wearin
Darrow	Jones	Pierce	Weaver
Dear	Kahn	Pittenger	Welch
Deen	Kee	Polk	Werner
Dempsey	Keller	Powers	Whelchel
DeRouen	Kenney	Quinn	White
Dockweiler	Kerr	Rabaut	Whittington
Dondero	Kimball	Ramspeck	Williams
Dorsey	Kloeb	Rankin	Wilson, La.
Doxey	Kniffin	Ransley	Wolcott
Driscoll	Kocialkowski	Reed, Ill.	Wood
Driver	Kvale	Reilly	Zimmerman
Duffey, Ohio	Lambeth	Richards	Zioncheck
Duffy, N. Y.	Larrabee	Robertson	

NAYS—35

Andresen	Ekwall	Houston	Rich
Bacon	Ford, Miss.	Huddleston	Sauthoff
Binderup	Gilchrist	Ludlow	Short
Carpenter	Gwynne	Michener	Taber
Christianson	Halleck	Millard	Taylor, S. C.
Church	Hill, Ala.	Mitchell, Tenn.	Thurston
Cole, N. Y.	Hobbs	Montague	Treadway
Dobbins	Hoffman	Patterson	Turner
Eicher	Hope	Pearson	

NOT VOTING—177

Adair	Dies	Kennedy, Md.	Rayburn
Allen	Dietrich	Kennedy, N. Y.	Reece
Andrew, Mass.	Dingell	Kinzer	Reed, N. Y.
Andrews, N.Y.	Dirksen	Kleberg	Richardson
Arends	Disney	Knutson	Robinson, Utah
Bacharach	Ditter	Kopplemann	Rudd
Bankhead	Doughton	Kramer	Russell
Bell	Doutrich	Lambertson	Sabath
Berlin	Drewry	Lamneck	Schneider
Bland	Dunn, Miss.	Lanham	Schuetz
Boehne	Eaton	Lee, Okla.	Scott
Bolton	Edmiston	Lehlbach	Scrugham
Brennan	Faddis	Lewis, Md.	Sears
Brooks	Fenerty	Lloyd	Seger
Brown, Mich.	Ferguson	Lucas	Shannon
Brunner	Fish	McAndrews	Sirovich
Buchanan	Fitzpatrick	McGrath	Snell
Buck	Flannagan	McGroarty	Snyder
Buckley, N. Y.	Frey	McKeough	Somers, N. Y.
Bulwinkle	Fuller	McLeod	Stack
Burch	Fulmer	McMillan	Steagall
Caldwell	Gambrill	Maas	Stefan
Cannon, Wis.	Gasque	Mansfield	Stewart
Carden	Gassaway	Marcantonio	Sullivan
Carter	Gavagan	May	Sumners, Tex.
Cary	Gildea	Mead	Taylor, Tenn.
Casey	Gingery	Merritt, Conn.	Thomas
Celler	Goldsborough	Montet	Thompson
Chandler	Green	Moritz	Tobey
Clark, Idaho	Greenwood	Nichols	Umstead
Cochran	Griswold	O'Brien	Underwood
Cole, Md.	Hamlin	O'Connell	Wadsworth
Collins	Hancock, N. C.	O'Day	West
Colmer	Harlan	O'Leary	Wigglesworth
Connery	Hart	Oliver	Wilcox
Cooper, Ohio	Harter	O'Malley	Wilson, Pa.
Corning	Hartley	Palmisano	Withrow
Crosby	Hennings	Parks	Wolfenden
Crowther	Higgins, Conn.	Perkins	Wolverton
Culkin	Higgins, Mass.	Pettengill	Woodruff
Cullen	Hollister	Peyser	Woodrum
Daly	Holmes	Pfeifer	Young
Darden	Igoe	Plumley	
Delaney	Johnson, W. Va.	Ramsay	
Dickstein	Kelly	Randolph	

So the bill was passed.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Doughton with Mr. Ditter.
Mr. Fuller with Mr. Kinzer.
Mr. Kleberg with Mr. Woodruff.
Mr. Steagall with Mr. Culkin.
Mr. Woodrum with Mr. Wolverton.
Mr. Mead with Mr. Reed of New York.
Mr. Fitzpatrick with Mr. Carter.
Mr. Disney with Mr. Bacharach.
Mr. Cullen with Mr. Knutson.
Mr. Burch with Mr. Wolfenden.
Mr. Darden with Mr. Fish.
Mr. Kelly with Mr. Hollister.
Mr. Bland with Mr. Andrews of New York.
Mr. Lewis of Maryland with Mr. Collins.
Mr. Bankhead with Mr. Arends.
Mr. McAndrews with Mr. Lehlbach.
Mr. Brunner with Mr. Allen.
Mr. May with Mr. Schneider.
Mr. Parks with Mr. Scott.
Mr. Duncan with Mr. Rudd.
Mr. Bell with Mr. Dingell.
Mr. Edmiston with Mr. Harter.
Mr. Ramsay with Mr. McKeough.
Mr. Stack with Mr. Young.
Mr. Lloyd with Mr. Sirovich.
Mr. Thompson with Mr. Russell.
Mr. Colmer with Mr. Gingery.
Mr. Higgins of Massachusetts with Mr. Berlin.
Mr. Randolph with Mr. Hart.
Mr. Cannon of Wisconsin with Mr. Ferguson.
Mr. Lee of Oklahoma with Mr. Casey.
Mr. Crosby with Mr. Palmisano.
Mr. Lucas with Mr. Peyser.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

WHITE SWAN SCHOOL DISTRICT 88, WASHINGTON

The Clerk called the next bill, H. R. 4297, to provide funds for cooperation with White Swan School District No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. AYERS. Mr. Speaker, I ask unanimous consent that the bill (S. 1535) may be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of $50,000 for the purpose of cooperating with White Swan School District No. 88, Yakima County, Wash., for extension and improvement of public-school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all Indian children of the district on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 4297) was laid on the table.

PUBLIC SCHOOL BOARD, POPLAR, MONT.

The Clerk called the next bill, H. R. 5207, for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. AYERS. Mr. Speaker, I ask unanimous consent to substitute the bill S. 1528 for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated from any moneys in the Treasury not otherwise appropriated the sum of $25,000 for the purpose of cooperating with the public-school board of district no. 9, town of Poplar, Mont.: *Provided*, That the expenditure of any money so authorized shall be subject to the express conditions that the school maintained by the said school district in the said building shall be available to all Indian children of Fort Peck Indian Reservation, Mont., on the same terms, except as to payment of tuition, as other children of said school district and that accommodations in said enlarged building to the extent of one-half its capacity shall be available for Indian children from the Fort Peck Reservation: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 5207) was laid on the table.

SCHOOL BOARD, BROCKTON, MONT.

The Clerk called the next bill, H. R. 5209, to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. AYERS. Mr. Speaker, I ask unanimous consent that the bill S. 1526 may be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $40,000 for the purpose of cooperating with the public-school board of district no. 55, town of Brockton, and county of Roosevelt, Mont., for the extension and betterment of the public-school building at Brockton, Mont.: *Provided*, That the expenditure of any money so appropriated shall be subject to the express conditions that the school maintained by the said school district in the said building shall be available to all Indian children of the Fort Peck Indian Reservation, Mont., on the same terms, except as to payment of tuition, as other children of said school district, and that accommodations in said enlarged building to the extent of one-half its capacity shall be available for Indian children from the Fort Peck Reservation: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 5209) was laid on the table.

SCHOOL DISTRICT NO. 17–H, BIG HORN COUNTY, MONT.

The Clerk called the next bill, H. R. 5210, to provide funds for cooperation with school district no. 17–H, Big Horn County, Mont., for extension of public-school buildings, to be available to Indian children.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of $158,000 for the purpose of cooperating with School District No. 17–H, Big Horn County, Mont., for the extension and improvement of public-school buildings at Hardin and at Crow Agency: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all Indian children of the school district on the same terms, except as to payment of tuition, as other children of the school district: *Provided further*, That such expenditure shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC HIGH SCHOOL, FRAZER, MONT.

The Clerk called the next bill, H. R. 5212, to authorize appropriations for the completion of the public high school at Frazer, Mont.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. AYERS. Mr. Speaker, I ask unanimous consent that the bill S. 1530 may be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized, out of any funds in the Treasury not otherwise appropriated, the sum of $25,000 for the completion of the public high school at Frazer, Mont., and for necessary equipment in connection therewith for manual, laboratory, and other lines of training.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 5212) was laid on the table.

SCHOOL DISTRICT NO. 27, BIG HORN COUNTY, MONT.

The Clerk called the next bill, H. R. 5213, to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children.

Mr. McFARLANE. Mr. Speaker, I reserve the right to object for the purpose of asking a question. I do not expect to object. The 15 bills we are now considering provide for the construction of school buildings to take care of Indian children, and, as I understand it, without the appropriations being made as provided in these bills, it would cost a considerably larger sum of money to take care of them otherwise, would it not?

Mr. AYERS. The statement from the Indian Bureau is that it would cost about three times as much.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of $80,000 for the purpose of cooperating with School District No. 27, Big Horn County, Mont., for the extension and improvement of public-school buildings: *Provided*, That the expenditure of any money so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all Indian children of the school district on the same

terms, except as to payment of tuition, as other children of said school district: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC-SCHOOL BOARD AT WOLF POINT, MONT.

The Clerk called the next bill, H. R. 5214, to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. AYERS. Mr. Speaker, I ask unanimous consent that a similar bill (S. 1523) be substituted for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $50,000 for the purpose of cooperating with the public-school board of district no. 45, town of Wolf Point, county of Roosevelt, Mont., for construction, extension, and betterment of the public high-school building at Wolf Point, Mont.: *Provided*, That the expenditure of any money so authorized shall be subject to the express conditions that the school maintained by the said district in the said building shall be available to all Indian children of Fort Peck Indian Reservation, Mont., on the same terms, except as to payment of tuition, as other children of said school district, and that accommodations in said enlarged building to the extent of one-half its capacity shall be available for Indian children from the Fort Peck Reservation: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 5214) was laid on the table.

HARLEM SCHOOL DISTRICT NO. 12, BLAINE COUNTY, MONT.

The clerk called the next bill, H. R. 5216, to provide funds for cooperation with Harlem School District No. 12, Blaine County, Mont., for extension of public-school buildings and equipment to be available for Indian children.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of $15,000 for the purpose of cooperating with Harlem School District No. 12, Blaine County, Mont., for equipment, extension, and improvements of public high-school buildings at Harlem, Mont.: *Provided*, That the expenditures of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOINT SCHOOL DISTRICT NO. 28, LAKE AND MISSOULA COUNTIES, MONT.

The Clerk called the next bill, H. R. 5500, to provide funds for cooperation with joint school district no. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. AYERS. Mr. Speaker, I ask unanimous consent to substitute a similar Senate bill for the House bill.

There being no objection, the Clerk read the Senate bill (S. 1525), as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $100,000 for the purpose of cooperating with joint school district no. 28, Lake and Missoula Counties, Mont., for the extension and improvement of public-school buildings, namely, at Arlee in the sum of $40,000, at Roman in the sum of $30,000, and at St. Ignatius in the sum of $30,000: *Provided*, That the expenditure of any money so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all Indian children of the Flathead Indian Reservation, Mont., on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 5500) was laid on the table.

SCHOOL BOARD AT MEDICINE LAKE, MONT.

The Clerk called the next bill, H. R. 6315, to provide funds for cooperation with the school board at Medicine Lake, Mont., in construction of a public-school building to be available to Indian children of the village of Medicine Lake, Sheridan County, Mont.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated the sum of $25,000 for the purpose of cooperating with the public-school board of district no. 7, Sheridan County, Mont., for the construction, extension, and betterment of a public-school building at Medicine Lake, Mont.: *Provided*, That the expenditure of any money so appropriated shall be subject to the express conditions that the school maintained by the said school district in the said building shall be available to all Indian children of the village of Medicine Lake, Sheridan County, Mont., on the same terms, except as to payment of tuition, as other children of said school district: *And provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

MARYSVILLE SCHOOL DISTRICT NO. 325, SNOHOMISH COUNTY, WASH.

The Clerk called the next bill, H. R. 3999, to provide funds for cooperation with Marysville School District No. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. AYERS. Mr. Speaker, I ask unanimous consent to substitute a similar Senate bill (S. 1533) for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of $38,000 for the purpose of cooperating with Marysville School District, No. 325, Snohomish County, Wash., for extension and improvements of school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 3999) was laid on the table.

SCHOOL DISTRICT NO. 23, POLSON, MONT.

The Clerk called the bill (H. R. 5499) to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children.

There was no objection.

Mr. AYERS. Mr. Speaker, I ask that the bill S. 1524 be substituted.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $40,000 for the purpose of cooperating with school district no. 23, Polson, Mont., in the improvement and extension of public-school buildings: *Provided*, That the schools

maintained by the district shall be available to both Indian and white children without discrimination, except that tuition may be paid for Indian children attending in the discretion of the Secretary of the Interior: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

PUBLIC-SCHOOL DISTRICTS IN GLACIER COUNTY, MONT.

The Clerk called the bill (H. R. 5215) to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children.

There being no objection, the bill S. 1522 was substituted, and the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $100,000, of which $60,000 is to be used for the purpose of cooperating with school district no. 9 in Glacier County, Mont., in the improvement and extension of high-school buildings, and $40,000 to be used in the improvement and extension of school buildings in other public-school districts in said Glacier County: *Provided*, That said schools shall be available to both white and Indian children without discrimination, except that tuition may be paid for Indian children attending in the discretion of the Secretary of the Interior: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

PUBLIC-SCHOOL BUILDING, ROUND VALLEY RESERVATION, CALIF.

The Clerk called the bill (H. R. 1395) to provide funds for cooperation with the public-school board at Covelo, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif.

There being no objection, the bill S. 1536 was substituted for the House bill.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any funds in the Treasury not otherwise appropriated, the sum of $50,000 for the purpose of cooperating with the Round Valley Union High School District Board of School Trustees, town of Covelo, and county of Mendocino, Calif., for construction of a new public high-school plant at Covelo, Calif.: *Provided*, That the expenditure of any money so appropriated shall be subject to the express conditions that the school maintained by the said school district in the said building shall be available to all Indian children on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

VOLUNTEER OFFICERS AND ENLISTED MEN WHO SERVED IN THE PHILIPPINE ISLANDS BEYOND THE PERIOD OF THEIR ENLISTMENT

The Clerk called the next bill on the Consent Calendar, H. R. 2024, for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899.

The SPEAKER. Is there objection?

Mr. TRUAX. Reserving the right to object, this bill proposes to refund transportation to these officers, and goes back 37 years. It will affect about 10,000 Spanish War veterans. The Committee on Pensions has just reported favorably a bill known as the "Smith bill", which will affect favorably 250,000 Spanish War veterans and require an annual appropriation by the Federal Government of around $50,000,000.

We are very hopeful that this bill will be enacted into law and signed by the President. Pending the consideration of that legislation, I ask unanimous consent that this bill be passed over without prejudice.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. TRUAX. Yes.

Mr. CHRISTIANSON. Does not this bill cover an entirely different subject matter? The bill the gentleman alludes to is a pension bill, and this is for reimbursing the American soldier who served in the Philippines who did not receive his travel pay, while others received theirs.

Mr. TRUAX. That is true, but the point I make is this. If we pass this bill now, requiring the additional expenditure of $5,000,000 or more, I believe it will prejudice this other bill becoming a law, because it is a question as to the additional expenditures involved in each year, if this bill becomes a law. Therefore I think that we should benefit the greater number of soldiers, 250,000, as against the 10,000, first.

Mr. CHRISTIANSON. Mr. Speaker, I believe we should not prejudice the interest of particular soldiers affected by this bill, by waiting until the other bill comes before us for consideration.

Mr. TRUAX. May I say to the gentleman that the majority of the Spanish-American War veterans are for the pension bill first, and then they hope that this bill will be given consideration next.

Mrs. KAHN. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. Yes.

Mrs. KAHN. This claim is a claim due these soldiers. They did not get their travel pay because of a technicality. These men were in the Philippines. The men who were mustered out were given their travel pay. These men who stayed in the Philippines were not, owing to the fact that they should have been mustered out and sworn in again. It was negligence or an oversight. These men stayed in the Philippines and continued doing their duty there. This has nothing to do with pensions, it has nothing to do with the other bill. These men continued in the Philippines, doing their duty there at the request of their Government, but because of the technicality of mustering them out one minute and swearing them in the next they have been deprived of their travel pay. It is something that we have owed these men for years. It is a just and fair claim. I do not see why it should wait for another bill that affects an entirely different class and is something given to them for an entirely different reason.

Mr. TRUAX. Mr. Speaker, I would say to the gentlewoman from California that I concur in what she has said, but there are also other debts and moral obligations to all of our soldiers, one of which is the payment of the bonus at the present time.

Mrs. KAHN. I voted for the bonus but that has nothing to do with this.

Mr. TRUAX. I believe that we should take care of 250,000 veterans first instead of first taking care of only 10,000.

Mrs. KAHN. Why not take care of 10,000 first and then take care of the rest later?

Mr. WHITE. Mr. Speaker, this bill provides for the payment of a direct obligation on the part of the United States to the veterans who remained in the Philippines. I definitely recall that as an inducement to reenlistment, those who stayed behind and reenlisted were promised that they would receive as a bonus for staying in the Philippines for another enlistment their travel pay. This bill provides for the payment of that obligation and I hope the gentleman from Ohio will not object.

Mr. TRUAX. I am not objecting. I ask that the bill be passed over without prejudice so that we can know more about the status of this pending pension measure.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mrs. KAHN. Mr. Speaker, I object.

The SPEAKER. The question is, Is there objection to the consideration of the bill?

Mr. TRUAX. Mr. Speaker, I object.

INDIAN CHILDREN IN QUEETS, JEFFERSON COUNTY, WASH.

Mr. AYERS. Mr. Speaker, I ask unanimous consent for the consideration of Calendar No. 113, H. R. 6651, to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children in the village of Queets, Jefferson County, Wash. It is another one of those school bills, but is out of order on the calendar. I ask this, so that they may be considered together.

The SPEAKER. The gentleman from Montana asks unanimous consent to consider Calendar No. 113 at the present time. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I object.

ADDITIONAL DISTRICT JUDGE, EASTERN DISTRICT OF VIRGINIA

The Clerk called the bill (H. R. 1414) to provide for the appointment of an additional district judge for the eastern district of Virginia.

The SPEAKER. Is there objection to the present consideration of the bill? This bill requires three objectors.

Mr. McFARLANE. Mr. Speaker, I object. This is a bill creating another additional judge for the eastern district of Virginia. I know of Federal district judges in our State who are doing more work than some of the judges in other parts of the country, and we are more in need of a district judge down there. Under the circumstances I object.

Mr. MAHON. Mr. Speaker, I object.

Mr. TRUAX. Mr. Speaker, I object.

Mr. MONTAGUE. Mr. Speaker, will the gentlemen reserve their objections?

Mr. McFARLANE. Yes.

Mr. MAHON. Mr. Speaker, I reserve my objection.

Mr. TRUAX. Mr. Speaker, I reserve my objection.

Mr. MONTAGUE. Mr. Speaker, at this late hour in the day I fear that any explanation I might make would not change the views of these gentlemen.

Mr. McFARLANE. I will be very glad to ask unanimous consent that the bill be passed over without prejudice, if it would convenience the gentleman.

Mr. MONTAGUE. Mr. Speaker, I would appreciate that very much.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

ADDITIONAL JUDGES, SOUTHERN DISTRICT OF NEW YORK

The Clerk called the next bill, H. R. 7057, to provide for the appointment of 2 additional judges for the southern district of New York and 1 additional judge for the eastern district of New York.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX, Mr. McFARLANE, and Mr. GRANFIELD objected.

CLAIMS OF CHIPPEWA INDIANS OF MINNESOTA

The Clerk called the next bill, H. R. 2049, to amend an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat. L. 555).

The SPEAKER. Is there objection?

Mr. McFARLANE, Mr. BACON, and Mr. TRUAX objected.

COMMEMORATION OF BATTLE OF ACKIA, MISS.

The Clerk called the next bill, H. R. 3003, to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Miss., and the establishment of the Ackia Battleground National Monument, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ZIONCHECK. Reserving the right to object, it is my understanding that the author of this bill voluntarily reduced the amount from $25,000 to $15,000. With that understanding as to the amendment, I will have no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That a national commission to be known as the "Ackia Battle Memorial Commission" and which shall be composed of five commissioners to be appointed by the Secretary of the Interior, one member to represent the Chickasaw Indians and one the French-speaking people of the United States, be, and is hereby, authorized and established to investigate and recommend to said Secretary what lands should be acquired and administered as a national monument to be known as the "Ackia Battleground National Monument", and to prepare plans and programs for the commemoration in May 1936 of the two hundredth anniversary of the Battle of Ackia.

SEC. 2. That the commissioners shall receive no compensation for their services but shall be paid their actual or necessary traveling expenses incurred in the discharge of their duties.

SEC. 3. That the Secretary of the Interior be, and he is hereby, authorized in his discretion to acquire, by purchase or by condemnation and/or accept by donation in behalf of the United States, such lands, easements, and buildings as may be recommended by the said Ackia Battle Memorial Commission, and when title satisfactory to the Secretary of the Interior shall have been vested in the United States such area or areas shall be, upon proclamation of the President, established, dedicated, and set apart as a public monument for the benefit and enjoyment of the people and shall be known as the "Ackia Battleground National Monument": *Provided*, That such area or areas shall include, at least, the site of the Battle of Ackia and the Indian village.

SEC. 4. That there is hereby authorized to be appropriated, out of moneys in the Treasury not otherwise appropriated, the sum of $25,000 to conduct the memorial celebration, erect a memorial to the Chickasaw people, meet the expenses of the commission, and to carry out the provisions of this act.

SEC. 5. The administration, protection, and development of the aforesaid national monument shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes", as amended.

Mr. ZIONCHECK. Mr. Speaker, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: On page 2, line 25, strike out "$25,000" and insert in lieu thereof "$15,000."

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPROPRIATION FOR SIOUX INDIANS

The Clerk called the next bill, H. R. 6771, to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BACON, Mr. COSTELLO, and Mr. TRUAX objected.

Mr. WERNER. Will the gentlemen reserve their objections?

Mr. BACON. Mr. Speaker, the Chairman of the Committee on Expenditures wishes to go into this bill in more detail. At his request I am going to object. It is not personal with me, but he is entitled to look into it more closely. If the gentleman wishes to have it passed over, I will agree to that.

Mr. WERNER. I would rather have the gentleman do that, but this bill merely provides for the payment of sums of money which were ordered audited by the Interior Department in the Seventy-first Congress.

Mr. BACON. As I stated, the Chairman of the Committee on Expenditures desires a little more time to look into this question further. He is necessarily absent on account of illness.

I ask unanimous consent, Mr. Speaker, that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BACON]?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I call the gentleman's attention to the fact that Calendar No. 102 has exactly the same status. The author of that bill is now very busy in a session of the Committee on Ways and Means. In all fairness to him, I suggest that the gentleman from New York make the same request with respect to that bill.

Mr. BACON. But there were three objections to that bill.

The SPEAKER. Is there objection to the request of the gentleman from New York that this bill be passed over without prejudice?

There was no objection.

PUNISHMENT FOR ROBBING CUSTODIANS OF GOVERNMENT MONEYS OR PROPERTY

The Clerk called the next bill, H. R. 5360, providing for punishment for the crime of robbing or attempting to rob custodians of Government moneys or property.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Reserving the right to object——

Mr. LUCKEY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. WOLCOTT. Reserving the right to object, I would like to ask the gentleman if he does not think it would be advisable to recommit this bill to the committee?

Mr. LUCKEY. The committee is working on that now.

Mr. DOBBINS. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. DOBBINS. I do not believe that the recommittal of this bill would accomplish anything. It was rather thoroughly considered. It did not merely receive perfunctory consideration. I think the language to which objection was made the previous day when this bill was considered, while it may be unusual language, it has been in the statute a great many years. Since the objection was made the other day I have taken up the matter with the legal adviser and with the inspection force of the Post Office Department. They feel it would be extremely dangerous to change the language of the statute as it is now. As to new language being incorporated in the act, I see no objection to changing it in the manner suggested by the gentleman from Michigan [Mr. WOLCOTT] at the last hearing of the Consent Calendar.

Mr. WOLCOTT. I stated at that time that I thought it was a very poorly drafted bill, and I had hoped the committee would redraft it and report it out. I do not insist upon my amendment so far as the penalty is concerned. I think it is a very bad way to leave legislation, making it mandatory upon a judge to give a particular sentence, and no more and no less.

If the committee want it that way, however, I have no objection. I think, however, for the purpose of safeguarding the integrity of our work here the language on page 1 should be amended.

Mr. DOBBINS. The amendment the gentleman from Michigan has in mind is acceptable to the committee.

Mr. WOLCOTT. Otherwise I have no objection to the bill.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. TRUAX. I ask the gentleman why we should pass any law placing a penalty of 25 years' imprisonment on someone who attacks a postal employee? Why should we not make it apply also to the criminal, to the burglar who enters a person's home? For instance, we have a law that makes life imprisonment mandatory for anyone who burglarizes a bank.

Mr. WOLCOTT. Replying to the gentleman from Ohio, I doubt whether the Federal Government would have jurisdiction to enact legislation making it a felony to enter a person's home for the purpose of committing burglary or any other offense. This bill is confined to assaults on Federal law-enforcement officers. For that reason, I have no objection to it. I do not want to see them federalize all the criminal laws of the States, and this bill does not do it; it merely amends existing law with respect to assault with intent to commit robbery.

Mr. TRUAX. Does not the gentleman believe such a law would be a good thing to protect the homes of our citizens?

Mr. WOLCOTT. It might be a good law, but I do not think it would be advisable for the Federal Government to pass such a law unless an interstate queston was involved; and I understand the Congress already has passed legislation making it a Federal offense for a fugitive from justice to cross a State line. I think that is as far as we should go.

Mr. ZIONCHECK. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, Is there objection to the request that the bill may be passed over without prejudice?

Mr. DOBBINS. Mr. Speaker, I object.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. WOLCOTT. With the understanding that my amendment will be incorporated in the bill I withdraw my reservation of objection.

Mr. TRUAX. Mr. Speaker, I object.

Mr. DOBBINS. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. TRUAX. Yes.

Mr. DOBBINS. Mr. Speaker, the gentleman from Ohio objects to the 25-year penalty provided in this bill. The penalty clause is not new legislation. If this bill is not passed, the statute will still contain the mandatory 25-year penalty.

The only purpose of the pending bill is to extend the protection of the present law to property of the United States in the custody of its postal officials, the same as it now extends that protection to mail matter in the custody of postal officials. Aside from that, it makes no change in the law. It just includes property of the United States in addition to mail matter which is protected; and let me say there are many custodians of postal stations who have a great amount of money in their custody but little mail; for instance, in those substations where money orders are sold. If a bandit attacks those employees seeking that money, there is no way to prosecute the bandit under the present law, but if he is merely after a postal card or a letter he can be prosecuted.

I think this makes a salutary change in the law. It is advocated by the Post Office Department and it seems to me there ought to be no objection to it.

Mr. TRUAX. Mr. Speaker, I will say to the gentleman from Illinois that I think we ought to have some salutary laws that will protect the Government and its property from the Wall Street bandits.

Mr. DOBBINS. That might be proposed, Mr. Speaker, by way of an amendment and considered on its own merits.

Mr. TRUAX. Will the gentleman offer that as an amendment?

Mr. DOBBINS. I will keep still while the gentleman from Ohio offers it.

Mr. TRUAX. Mr. Speaker, I want to offer that amendment at the next session, and, therefore, I object.

TLINGIT AND HAIDA INDIANS OF ALASKA

The Clerk called the next bill, H. R. 2756, authorizing the Tlingit and Haida Indians of Alaska to bring suit in the United States Court of Claims, and conferring jurisdiction upon said court to hear, examine, adjudicate, and enter judgment upon any and all claims which said Indians may have, or claim to have, against the United States, and for other purposes.

The SPEAKER. This bill requires three objections. Is there objection to its consideration?

Mr. McFARLANE. Mr. Speaker, I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of this act the Tlingit and Haida Indians of Alaska shall be defined to be all those Indians of the whole or mixed blood of the Tlingit and Haida Tribes who were residing in Russian America, now called the Territory of Alaska, on March 30, 1867, in the region known and described as "southeastern Alaska", lying east of the one hundred and forty-first meridian, and their descendants of the whole or mixed blood now living in the Territory of Alaska, or in the United States, or elsewhere.

SEC. 2. All claims of whatever nature, legal or equitable, which the said Tlingit and Haida Indians of Alaska may have, or claim to have, against the United States, for lands or other tribal, community, or individual property rights, taken from them by the United States without compensation therefor, or for the failure or refusal of the United States to compensate them for said lands or other tribal community, or individual property rights, claimed to be owned by said Indians, and which the United States appropriated to its own uses and purposes without the

consent of said Indians, at the time of the purchase of the said Russian America, now Alaska, from Russia, or at any time since that date and prior to the passage and approval of this act, shall be submitted to the said Court of Claims by said Tlingit and Haida Indians of Alaska for the settlement and determination of the equitable and just value thereof, and the amount equitably and justly due to said Indians from the United States therefor; and jurisdiction is hereby conferred upon said Court of Claims to hear the evidence in support of such claims and to render judgment and decree thereon; to dismiss said claim or claims if found to be inequitable and unjust, and to render judgment or decree thereon in favor of said Indians and against the United States for such sum as said court shall find to be equitable and just for the reasonable value of their said property, if any was so taken by the United States without the consent of the said Indians and without compensation therefor; that from the decision of the Court of Claims in any suit or suits prosecuted under the authority of this act an appeal may be taken by either party, as in other cases, to the Supreme Court of the United States.

SEC. 3. That the claim or claims of said Tlingit and Haida Indians of Alaska may be presented and prosecuted separately or jointly in one or more suits, by petition setting out the facts briefly upon which they base their demands for relief and judgment or decree; the petition may be amended when necessary more fully or specifically to set forth their said claim or claims, and said suit or suits shall be filed in said Court of Claims within 5 years after the date of the passage of this act; such suit or suits shall make the said Indians parties plaintiff and the United States party defendant, and the final judgment of decree shall conclude and forever settle the claim or claims so presented; the Court of Claims shall have full authority by proper orders and process to bring in and make parties to such suit or suits any and all persons deemed by it necessary or proper to the final determination of the matters in controversy; such petition or petitions may be verified by any attorney or attorneys employed by said Indians, which verification may be upon information and belief as to the facts alleged; a true copy of the written contract or contracts by which such attorney or attorneys are employed by said Indians to represent them in such suit or suits shall be filed in said Court of Claims, and a copy served upon the Attorney General of the United States, with the filing or service of the original petition or petitions, as their authority by the said attorney or attorneys to so appear in said suit or suits for said Indians and to prosecute their said claim or claims in said Court of Claims.

SEC. 4. That if any claim or claims shall be submitted to said court it shall hear and settle the equitable and just rights therein, notwithstanding lapse of time, or statutes of limitations, or the fact that the said claim or claims have not been presented to any other tribunal, or the fact that said Tlingit and Haida Indians of Alaska may have been made citizens of the United States by the act of Congress of June 2, 1924 (43 Stat. L. 253), or by any other law of the United States, or the fact that the said Indians, or any of them, either individually or collectively, prior to the passage and approval of this act, may have severed their tribal relations with the said Tlingit and Haida Indians. Any payment which may have been made by the United States or moneys heretofore or hereafter expended to date of award for the benefit of the said Tlingit and Haida Indians of Alaska, made under specific appropriations for the support, education, health, and civilization of said Indians, including purchase of lands, shall not be pleaded as an estoppel but may be pleaded by way of set-off.

SEC. 5. Official letters, papers, documents, and public records, or certified copies thereof, from the files and records of the United States, or the Territory of Alaska, and Russian documents and similar records, and historical data and books prepared by American or other standard historians or authors, relating to the subject matter in controversy in said suit or suits, may be used in evidence by either party, and the departments of the United States Government shall give the attorneys for both parties access to such papers, correspondence, and documents, and furnish such certified copies thereof as may be necessary in the premises free of cost.

SEC. 6. That upon filing the petition or petitions of the said Alaska Indians in the Court of Claims, and when the issues are formed by the pleading, the Court of Claims shall appoint a commissioner or commissioners under the provisions of the act of February 24, 1925 (43 Stat. L. 964), who shall have the aid of a stenographer to take the testimony to be used in the investigation of such claims. In addition to the present powers of such commissioner to take such testimony, he is hereby authorized to take the testimony of said Alaska Indians and their witnesses at such place or places in Alaska as are most convenient for said Indians and their witnesses; that the said Alaska Indians shall produce their witnesses in Alaska at such times and places as said commissioner shall direct, at their own expense, but the expenses of said commissioner and stenographer shall be paid by the United States out of the funds provided for such purposes in the said act of February 24, 1925, and no costs shall be assessed against the said Alaska Indian in said suit or suits at any time.

SEC. 7. That for the purpose of determining who are Tlingit or Haida Indians of Alaska and entitled to receive from the United States an equal share of any judgment or appropriation made to pay said claim or claims, in case judgment or decree and appropriation shall finally be made in their favor by the Court of Claims and Congress, the Secretary of the Interior, under such rules and regulations as he may prescribe, shall cause a roll to be made of such Tlingit and Haida Indians of Alaska as he finds from the evidence are entitled to share equally in said compensation claimed for said property so described in said petition or petitions in said suit or suits. Any person claiming to be entitled to receive an equal share of said amount so found in favor of said Indians, if any, may make application in writing to the Secretary of the Interior for enrollment as one of the said Indians defined in section 1 of this act, within 2 years from the date of this act, and his or her right thereto, as a descendant of any such Indian or Indians, may be based upon proof of his or her ancestors' residence in Alaska on March 30, 1867, and it shall not be necessary to establish a marriage except according to the custom of said Indians; such findings and enrollment by the Secretary of the Interior shall be accepted as prima facie proof of the right of such Indian to share equally with all other said Indians on said roll in the distribution of said fund, if any, is adjudged due to said Indians in said suit or suits.

SEC. 8. The amount of any judgment obtained in favor of said Tlingit and Haida Indians of Alaska shall be paid to them in three equal annual installments, the first of which shall become due and payable on the approval of the act of Congress making the first appropriation for paying the same, and the other two installments shall be paid in 1 and 2 years following the first payments, with interest at the rate of 4 percent per annum from the date of judgment until paid; said payments shall be made to said Indians by the Secretary of the Interior, per capita, in equal shares, to all those Tlingit and Haida Indians of Alaska whose names shall appear upon the roll so made by the Secretary of the Interior as hereinabove authorized; in case the name of any other Tlingit or Haida Indian of Alaska, as defined in section 1 of this act, shall be added to the roll after any payment has been made, he or she shall be paid his or her equal share, and the Secretary of the Interior shall be authorized to readjust the fund so that every such authorized Indian shall finally receive an equal share with all others.

SEC. 9. That upon the final determination of any suit or suits instituted under this act, if there is judgment for the plaintiff Indians, the Court of Claims shall inquire into the agreement or contract which said Indians have made with their attorneys for compensation for their services in said suit or suits, and if said Court of Claims shall find that such services have been faithfully performed by said attorneys, it shall make a finding to that effect and adjudge that said attorneys' compensation shall be paid as agreed upon in said contract out of the first appropriation made for the payment of the sum found due to said Indians, but in no case to exceed 10 percent of the amount of the total recovery, and said sum so found to be due to said attorneys shall be paid in full out of the sums so found due to said Indians, at the time of the first payment to the said Indians, and the remainder of said total sum due to said Indians shall be paid to them as provided in section 8 of this act.

SEC. 10. A copy of the petition and other pleadings and briefs in said suit or suits brought under this act shall be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend the interests of the United States in such case or cases.

With the following committee amendments:

Strike the word "were" line 6, page 1, and insert in lieu thereof the word "are"; strike the words "On March 30, 1867" in line 7, page 1.

On page 2, line 2, after the word "meridian", change the comma to a period and strike out the remainder of the section to the end of line 4.

On page 2, line 8, insert the word "or" after the word "tribal"; strike out the comma after the word "community" and strike out the words "or individual".

On page 2, line 11, insert the word "or" after the word "tribal"; strike out the comma after "community".

On page 2, line 12, strike out the words "or individual."

On page 2, line 22, strike out the word "of" after the word "Court."

On page 2, line 23, strike out the word "claims" before the words "to hear."

On page 2, line 23, strike out the words "the evidence in support of."

On page 2, line 24, strike out the semicolon after the word "thereon" and strike out the words "to dismiss said claim." Line 25, page 2, and line 1, page 3, should be stricken out, and in line 2, page 3, strike out the words "against the United States."

Page 3, lines 12 and 14, after the word "petition", insert the words "or petitions."

Page 3, line 13, strike out the word "briefly."

Page 3, line 17, strike the word "five" and insert in lieu thereof the word "seven."

Page 3, line 24, strike out the word "persons" and insert the word "parties."

Page 4, lines 7, 8, and 9, strike out the words "and a copy served upon the Attorney General of the United States with a filing or service of the original petition or petitions."

In section 4, page 4, line 22, strike out the words "either individually or."

In section 5, page 5, line 16, after the word "documents", insert "as are in the files", and in lines 16, 17, and 18, strike out the words "and furnish such certified copies thereof as may be necessary in the premises free of cost."

Section 6, page 5, strike out lines 19 and 20 and the words "the issues are formed by the pleadings" in line 21.

Page 5, line 22, after the word "appoint", insert the words "at the proper time."

Page 5, line 24, before the word "who", insert the words "and acts supplemental thereto."

Page 6, lines 11 and 12, strike out "no cost shall be assessed against the said Alaska Indians in said suit or suits at any time" and insert the words "said supplemental acts."

Strike all of sections 7 and 8 from pages 6, 7, and 8 and insert in lieu thereof revised sections as follows:

"SEC. 7. That Tlingit and Haida Indians of Alaska who are entitled to share in any judgment or appropriation made to pay said claim or claims shall consist of all persons of Tlingit or Haida blood, living in or belonging to any local community of these tribes in the territory described in section 1 of this act. Each tribal community shall prepare a roll of its tribal membership, which roll shall be submitted to a Tlingit and Haida central council for its approval. The said central council shall prepare a combined roll of all communities and submit it to the Secretary of the Interior for approval. Approval of the roll by the said Secretary of the Interior shall operate as final proof of the right of such Indian communities to share in the benefits of this act as set forth in section 8.

"SEC. 8. The amount of any judgment in favor of said Tlingit and Haida Indians of Alaska, after payment of attorneys' fees, shall be apportioned to the different Tlingit and Haida communities listed in the roll provided for in section 7 in direct proportion to the number of names on each roll, and shall become an asset thereof, and shall be deposited in the Treasury of the United States to the credit of each community, and such funds shall bear interest at the rate of 4 percent per annum, and shall be expended from time to time upon requisition by the said communities by and with advice and consent of the Secretary of the Interior, and under regulations as he may prescribe for the future economic security and stability of said Indian groups, through the acquisition or creation of productive economic instruments and resources of public benefit to such Indian communities: *Provided, however,* That the interest on such funds may be used for beneficial purposes such as the relief of distress, emergency relief, and health: *Provided, further,* That none of the funds above indicated or the interest thereon shall ever be used for per capita payments."

Page 8, section 9, line 18, strike out the word "first"; in lines 22 and 23, strike out the words "at the time of the first payment to the said Indians"; line 24, strike out the words "paid to them" and insert the word "expended."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INDIAN BUFFALO HUNT

The Clerk called the next bill, H. R. 5263, to purchase and erect in the city of Washington the group of statuary known as the "Indian Buffalo Hunt."

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

SCHOOL BOARD, QUEETS, WASH.

The Clerk called the next bill, H. R. 6651, to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. AYERS. Mr. Speaker, I ask unanimous consent that the bill (S. 1534) may be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $10,000 for the purpose of cooperating with the public-school board of district no. 20, Jefferson County, Wash., for the construction, extension, and betterment of a public-school building at Queets, Wash.: *Provided,* That the expenditure of any money so appropriated shall be subject to the express conditions that the school maintained by the said school district in the said building shall be available to all Indian children of the village of Queets and Jefferson County, Wash., on the same terms, except as to payment of tuition, as other children of said school district: *Provided further,* That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar bill (H. R. 6651) was laid on the table.

INTERSTATE REFERENCE BUREAU

The Clerk called the next resolution, House Joint Resolution 156, to make available to Congress the services and data of the Interstate Reference Bureau.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. WOLCOTT. Mr. Speaker, I make a point of order against the resolution because it is not accompanied by a report in conformity with subsection 2 of rule XVIII. The report reads:

The Committee on the Library, having had under consideration House Joint Resolution 156, do respectfully report the same with the recommendation that it do pass.

I realize, of course, that the sufficiency of the report is not a question for the Chair. It is always a question for the House, under the precedents of the House. My point of order goes not alone to the sufficiency of the report, but to the fact that the report is not in keeping with the spirit of the rule. The recommendation of the committee does not constitute a report in substantial compliance with the rule. I say this for the reason that the rule undoubtedly was adopted so that the House might be informed on the merits of each bill.

Mr. ZIONCHECK. Mr. Speaker, may I say that we have enough objectors over here to stop this resolution. I for one will object to the resolution, and I understand there are two more objections over here.

The SPEAKER. The gentleman from Michigan has the floor at the present time.

Mr. WOLCOTT. Mr. Speaker, the purpose of this rule was to provide that the House be informed at least in substance on the merits of each bill.

I do not know what the American Legislators' Association is, and I do not know what the Interstate Reference Bureau is, and I do not know what is meant by the language of the bill where it states that the sum of $40,000 is to be hereafter annually expended by the American Legislators' Association for the maintenance of the said Interstate Reference Bureau. I do not know what jurisdiction this Congress has over the American Legislators' Association that would warrant our enacting legislation compelling them to raise that amount of money, or which would permit us to appropriate that money for this purpose.

Mr. Speaker, I therefore renew my point of order that the recommendation of the committee does not constitute a report in compliance with the provisions of subdivision 2 of rule XVIII.

The SPEAKER. The Chair is ready to rule.

This point was raised in 1884 when a bill which provided for the issuance of circulating notes to national-banking associations was called up for consideration. The point of order was made that the report accompanying the bill, containing nothing further than a recommendation for its passage, was not a sufficient compliance with the rule. The Chair understands the same point has been made by the gentleman from Michigan [Mr. WOLCOTT] against the report on this bill, which reads as follows:

The Committee on the Library, having had under consideration House Joint Resolution 156, do respectfully report the same with the recommendation that it do pass.

In ruling upon the point of order in 1884—and the decision may be found in Hinds' Precedents, volume II, section 1339—Speaker Carlisle said:

The Chair can only say what has been frequently said before upon similar points—that it is not within the province of the Chair to decide upon the sufficiency of a report made by a committee of the House. All that the rule requires is that a report shall be submitted in writing, without specifying the nature of the report, and if that provision of the rule is complied with, the Chair must entertain the report.

The argument of the gentleman from Iowa—

Said Speaker Carlisle—

may be a very proper one to address to the House itself upon a motion to recommit the bill for a report containing further and more specific information; but the gentleman will see at once that if the Chair should undertake to decide such questions the reception of all reports would depend upon the judgment of the Chair as to whether they were full or sufficiently explanatory of the measure to which they referred. So that point of order must be overruled.

The Chair therefore overrules the point of order.

Is there objection to the present consideration of the resolution?

Mr. McFARLANE, Mr. TRUAX, and Mr. ZIONCHECK objected.

H. C. BRENNER REALTY & FINANCE CORPORATION

The Clerk called the next bill, H. R. 1855, to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Street, St. Louis, Mo.", approved February 13, 1931.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McFARLANE, Mr. TRUAX, and Mr. ZIONCHECK objected.

PROTECTION OF AMERICAN AND PHILIPPINE LABOR

The Clerk called the next bill, H. R. 7348, to protect American and Philippine labor and to preserve an essential industry, and for other purposes.

Mr. ZIONCHECK. Mr. Speaker, by request of the Chairman of the Insular Affairs Committee, I ask unanimous consent that this bill may be passed over without prejudice. It is my understanding that the chairman is obtaining a rule from the Rules Committee to bring this bill before the House for consideration.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

BRIDGE ACROSS THE MISSOURI RIVER AT BROWNVILLE, NEBR.

The Clerk called the next bill, H. R. 7081, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge authorized by act of Congress approved February 26, 1929, heretofore extended by acts of Congress approved June 10, 1930, March 4, 1933, and June 12, 1934, to be built by the Brownville Bridge Co. across the Missouri River, at or near Brownville, Nebr., are hereby further extended 1 and 3 years, respectively, from June 12, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS WABASH RIVER NEAR MEROM, SULLIVAN COUNTY, IND.

The Clerk called the next bill, H. R. 7083, to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.

Mr. TRUAX. Mr. Speaker, the author of the bill asked that this bill be passed over without prejudice. The gentleman is absent at the moment.

The SPEAKER. Does the gentleman from Ohio submit that request?

Mr. TRUAX. I make the request, Mr. Speaker, that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PUBLIC-BUILDING PROJECTS

The Clerk called the next bill, H. R. 97, to require contractors on public-building projects to name their subcontractors, materialmen, and supply men, and for other purposes.

Mr. COSTELLO. Mr. Speaker, I object.

GEOLOGICAL SURVEY IN PUERTO RICO

The Clerk called the next resolution, House Joint Resolution 27, providing for the extension of cooperative work of the Geological Survey to Puerto Rico.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this joint resolution be passed over without prejudice.

Mr. IGLESIAS. Mr. Speaker——

Mr. TRUAX. Mr. Speaker, I withdraw the request that the joint resolution be passed over.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the provisions of law authorizing the making of topographic and geological surveys and conducting investigations relating to mineral and water resources by the United States Geological Survey in various portions of the United States be, and the same are hereby, extended to authorize such surveys and investigations in Puerto Rico.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS THE SABINE RIVER

The Clerk called the next bill, H. R. 6987, authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 7 meets Texas Highway No. 87.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the Postal Service, and provide for military and other purposes, the State of Louisiana and the State of Texas be, and are hereby, authorized to construct, maintain, and operate a free highway bridge and approaches thereto across the Sabine River, at a point suitable to the interests of navigation, at or near a point where Louisiana Highway No. 7 meets Texas Highway No. 87, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. There is hereby conferred upon the State of Louisiana and the State of Texas all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ABOLISHMENT OF THE PUERTO RICAN HURRICANE RELIEF COMMISSION

The Clerk called the next resolution, Senate Joint Resolution 88, to abolish the Puerto Rican Hurricane Relief Commission and transfer its functions to the Secretary of the Interior.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the Puerto Rican Hurricane Relief Commission, created by joint resolution entitled "Joint resolution for the relief of Porto Rica", approved December 21, 1928, is hereby abolished and all of the functions of the said Commission, together with its employees, records, supplies, equipment, and property of every kind, and unexpended balances of appropriations, are hereby transferred to the Division of Territories and Island Possessions, Department of the Interior, to be administered under the supervision of the Secretary of the Interior: *Provided*, That personnel now temporarily assigned to the Puerto Rican Hurricane Relief Commission from the War Department and from the Department of Agriculture shall, without in any way affecting their permanent status in such Departments, continue to serve in their present capacity, but under supervision of the Secretary of the Interior, until June 30, 1935, unless sooner relieved by the Secretary of the Interior, and that the length of such service shall not be continued

beyond June 30, 1935, except by special agreement between the Secretary of the Interior and the heads of the other Departments concerned.

With the following committee amendment:

Page 1, line 5, strike out the word "Rica" and insert "Rico."

The amendment was agreed to.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTRUCTION OF BUILDINGS FOR UNITED STATES HIGH COMMISSIONER TO THE COMMONWEALTH OF THE PHILIPPINE ISLANDS

The Clerk called the next bill, H. R. 6800, authorizing the construction of buildings for the United States High Commissioner to the government of the commonwealth of the Philippine Islands.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ASSIGNMENT OF LINE OFFICERS OF THE NAVY FOR AERONAUTICAL ENGINEERING DUTY

The Clerk called the next bill, H. R. 6204, to authorize the assignment of officers of the line of the Navy for aeronautical engineering duty only, and for other purposes.

The bill was passed over.

AMENDING SECTION 12 OF THE ACT APPROVED MAY 18, 1920

The Clerk called the bill (H. R. 6629) to amend section 12 of the act approved May 18, 1920 (41 Stat. 604; U. S. C., title 34, sec. 896), as amended.

Mr. VINSON of Georgia. Mr. Speaker, in view of the fact that the language of this bill was incorporated in the corporation bill, I ask that this bill be stricken from the calendar and laid on the table.

The SPEAKER. Is there objection?

There was no objection.

NAVAL RESERVE AND MARINE CORPS RESERVE

The Clerk called the next bill on the calendar, H. R. 5731, to amend in certain particulars the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve, as amended, and for other purposes."

The SPEAKER. Is there objection?

Mr. VINSON of Georgia. Mr. Speaker, in view of the fact that the Naval Affairs Committee has provided for a full investigation, I ask that this bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

THE U. S. S. "OLYMPIA"

The Clerk called the bill (H. R. 7220) to provide for the use of the U. S. S. *Olympia* as a memorial to the men and women who served the United States in the War with Spain.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. VINSON of Georgia. I object.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. TRUAX. I object.

AMENDING SECTION 1383 OF THE REVISED STATUTES OF THE UNITED STATES

The Clerk called the next bill on the Consent Calendar, H. R. 4767, to amend section 1383 of the Revised Statutes of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1383 of the Revised Statutes of the United States is hereby amended to read as follows:

"Every officer of the Supply Corps of the United States Navy shall, before entering upon the duties of his office, give good and sufficient bond to the United States, to be approved by the Secretary of the Navy and in such sum as the Secretary of the Navy may direct, faithfully to account for all public funds and property which he may receive: *Provided*, That such requirement may, in the discretion of the Secretary of the Navy, be waived in the case of officers of the Supply Corps who are not accountable for public funds or public property."

With the following committee amendments:

Page 1, line 4, strike out the words "to read as follows" and insert "by striking out the period at the end of the section, inserting in lieu thereof a colon, and by adding the following:".

Page 1, strike out lines 7, 8, 9, 10, and on page 2, strike out lines 1 and 2 to the colon.

On page 2, line 4, after the word "of", insert the word "such", and in lines 4 and 5, strike out the words "of the Supply Corps."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to call up the bill (S. 1212) to amend section 1383 of the Revised Statutes of the United States, and to strike out all after the enacting clause and substitute the House bill (H. R. 4767), as amended, just passed.

The SPEAKER. The gentleman from Georgia asks unanimous consent to take up for consideration the bill S. 1212, strike out all after the enacting clause, and substitute the House bill just passed. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read as follows:

Be it enacted, etc., That section 1383 of the Revised Statutes of the United States is amended to read as follows:

"SEC. 1383. Every officer of the Supply Corps of the United States Navy shall, before entering upon the duties of his office, give good and sufficient bond to the United States, to be approved by the Secretary of the Navy and in such sum as the Secretary may direct, faithfully to account for all public funds and property which he may receive. The Secretary of the Navy may, in his discretion, waive the requirements of this section in the case of officers of the Supply Corps who are not accountable for public funds or public property."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert:

"That section 1383 of the Revised Statutes of the United States is hereby amended by striking out the period at the end of the section, inserting in lieu thereof a colon, and by adding the following:

"'*Provided*, That such requirement may, in the discretion of the Secretary of the Navy, be waived in the case of such officers who are not accountable for public funds or public property.'"

The amendment was agreed to, and the bill was ordered to be read a third time, was read the third time, and passed.

The SPEAKER. Without objection, the proceedings by which the House bill was passed will be vacated and the bill will be laid on the table.

There was no objection.

ASSIGNMENT OF NAVAL OFFICERS FOR AERONAUTICAL AVIATION DUTY

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to return to Calendar 142, H. R. 6204, to authorize the assignment of officers of the line of the Navy for aeronautical engineering duty only, and for other purposes. The gentleman from Texas has stated that he will withdraw his objection to the favorable consideration of this bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That officers of the line of the Navy, upon application, and with the approval of the Secretary of the Navy, may be designated for the performance of aeronautical engineering duty only. The President of the United States is hereby authorized, by and with the advice and consent of the Senate, to transfer and appoint officers of the Construction Corps of the Navy who are applicants to the corresponding rank and grade in the line of the Navy for the performance of aeronautical engineering duty only. Each officer of the Construction Corps so transferred and appointed shall have the lineal position and precedence in the line which he would have held had he remained in the line or had his original appointment been in the line except that no officer shall have his existing relative rank, precedence, or seniority in the Construction Corps altered by such transfer. Any officer of the Construction Corps so transferred and appointed and any line officer designated for the performance of aeronautical engineering duty only shall be carried as an additional number in the grade

in which he is serving and to which he may hereafter be promoted, and, except as otherwise provided in this act, the performance of duty, succession to command, selection for promotion, examination for promotion, promotion, and retirement of such officers shall be governed by the provisions of existing law and of laws hereafter enacted relating to line officers assigned to engineering duty only.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

LEAVE TO ADDRESS THE HOUSE

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent that on Monday next, after the reading of the Journal and the disposition of matters on the Speaker's table, I may be permitted to address the House for 13 minutes.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. I reserve the right to object. On what subject?

Mr. MONAGHAN. I am going to talk on the power of the Supreme Court to void acts of Congress.

The SPEAKER. Is there objection?

There was no objection.

CONSOLIDATED SCHOOL BUILDING, SHANNON COUNTY, S. DAK.

Mr. WERNER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1537) to provide funds for cooperation with the School Board of Shannon County, S. Dak., in the construction of a consolidated high-school building to be available to both white and Indian children.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $125,000 for the purpose of cooperating with the Public School Board of Shannon County, S. Dak., for the construction and equipment of a consolidated public high-school building at Pine Ridge, S. Dak.: *Provided*, That said school shall be conducted for both white and Indian children without discrimination, and that practical training for vocations and home economics be provided, and that the cost of education of white children shall be defrayed by the State and local public-school authorities, in accordance with such agreement or agreements as may be made between the Secretary of the Interior and State or local officials, and any and all sums of money obtained by reason of such agreement or agreements shall be available for reexpenditure for support and maintenance of said school.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT TO WHEELER-HOWARD BILL

Mr. ROGERS of Oklahoma. Mr. Speaker, I rise at this time to call attention of the House to the bill (H. R. 7781) to define the election procedure under the act of June 18, 1934, and for other purposes. This is an amendment to what is known as the "Wheeler-Howard Reorganization Act", which passed the Seventy-third Congress. It seeks to correct an error in that bill regarding the holding of an election. The Department has endorsed the bill, and the bill has passed the committee unanimously. The amendment will provide that instead of requiring a majority of the adult Indians to vote against the Wheeler-Howard Act before it can be imposed on the Indians, it will require only a majority of those voting to reject the act, provided that 30 percent of the adult Indians vote in such election. The reason the bill should be considered immediately is that unless this amendment is passed, the Department must hold 120 elections before June 18. That is the reason I am so anxious to get consideration of the bill at this time.

I ask unanimous consent for the present consideration of the bill H. R. 7781.

The SPEAKER. Is there objection to the immediate consideration of the bill?

Mr. ZIONCHECK. Reserving the right to object——

Mr. MARTIN of Massachusetts. Mr. Speaker, I object to the consideration of the bill at this time. The minority members of the committee are not present. So, I object.

Mr. BLANTON. Did not the Indian Commissioner approve this bill?

Mr. ROGERS of Oklahoma. The Department of the Interior recommended the bill; the Indian Commissioner has approved the bill; the Secretary of the Interior has approved the bill. The Committee on Indian Affairs passed the bill unanimously.

Mr. BLANTON. Was the ranking minority member present?

Mr. ROGERS of Oklahoma. Every member was present.

Mr. MARTIN of Massachusetts. Where is the bill now?

Mr. ROGERS of Oklahoma. It is on the Union Calendar.

Mr. MARTIN of Massachusetts. Let it come up in its regular order, then. I object to the present consideration of the bill, Mr. Speaker.

CORNERSTONE LAYING, RUTHERFORD, N. J.

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by the executive assistant to the Postmaster General on the occasion of the laying of the cornerstone of the new post-office building at Rutherford, N. J.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KENNEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. Ambrose O'Connell, executive assistant to the Postmaster General, at the cornerstone laying of the United States post-office building at Rutherford, N. J., Saturday, May 18, 1935:

At the outset of my remarks, I wish to express my sincere thanks to the committee of arrangements for the courtesy which they have extended to me in permitting me to address this very delightful gathering. I bring with me the kind regards of Postmaster General James A. Farley, who wishes to extend his greetings to all.

It is a great pleasure to be with you today, to meet your citizens and distinguished guests, and to participate with you in these exercises. The cornerstone laying of a structure that promises to be a beautiful and inspiring edifice is an event in the history of Rutherford. The dream of its citizens, fostered and planned by them for so many years, is now well on the way to fulfillment.

In this connection I cannot speak too highly of the splendid work of your Congressman, the Honorable EDWARD A. KENNEY. He has been alert always in the interests of his constituents and the welfare of the people of his district. He has given constant attention in doing all he can to have the work on this building expedited so that the citizens of Rutherford may have a post office in keeping with the needs of the community. Congresman KENNEY has been one of the most able men in the House of Representatives, and you may well be proud of the manner in which he represents you in the Nation's Capital.

Into this structure will be permanently builded the aspirations, the prayers, and the life work of those good men and women who have devoted their time and who have labored to make Rutherford a happy dwelling place. It will be their monument.

On this occasion there is something in our make-up that brings to mind things of the past and causes us to look into the future. Your oldest inhabitants will reflect upon those early days when the post office here was comparatively small. They watched the growth of your city to its present development. Those who have the opportunity to be present today will look forward and wonder what the future has in store for them, for their homes, and for their country.

As a representative of the Postal Department, it is but natural that I should refer at least to some aspects of the service which we render to you and your fellow Americans. From the foundation of the Republic and even in colonial days the mail has been one of the most helpful factors in our everyday life. Its service is so dependable that it is almost taken for granted. Before I became a member of the administrative staff of the Department the mail service to me was a matter of course. Now and then a letter went astray which impressed me a great deal, while the constant and unfailing service I had received day in and day out seemed never to have made any impression whatever.

In the early 1800's the southern mail consisted of two bags carried from Bergen County to New York by rowboat. In those days the mail communication of the people of Bergen with the outside world was very limited, and what few letters there were, were brought from the offices at Newark or New York by anyone who visited those places. They were distributed as occasion offered, being sometime handed round at the church door on Sunday, and sometime left at the general store until called for. In 1807 General Granger established an office in a store in lower Jersey City, at the corner of York and Washington Streets, from whence the mail was distributed at first in the old way, or else by carriers, who collected the postage and delivery. The amount charged depended upon the distance of the place from which the letter was sent. Some time afterward a substation was established at the

Five Corners, where mail bags from the Jersey City station were left by the stages in passing. The mail for the town of Bergen was called for with considerable regularity by the school boys, who left any letters for the neighborhood at the store on Bergen Square.

The United States Postal Service is not only one of the most efficient organizations in the world but it is also one of its largest business units. We have 47,000 post offices scattered throughout the United States. We have beautiful edifices and impressive structures in the metropolitan centers, and in every city and hamlet throughout the country, and down at the crossroads we have some suitable building for housing the mails for the convenience of the public.

We have a vast army of men and women on our pay roll who are engaged in handling the correspondence and packages that are delivered to your homes and your places of business. To facilitate the work an army of trained men and women is employed, including some 46,000 postmasters, 240,000 clerks, carriers, chauffeurs, and mechanics; 25,000 substitute and 35,000 contractural employees. This gives some idea of the magnitude of our operations.

Our postal revenues last year amounted to approximately $586,000,000, but this year business has so increased that we are looking forward to receipts of approximately $615,000,000, which will readily indicate how conditions are improving. When Mr. Farley assumed office, attention was directed to the stupendous postal deficit of $153,000,000 in 1932. This deficit was a heavy tax on the people.

In the first full fiscal year of the Roosevelt administration this deficit was turned into a surplus of $12,000,000. It was done through the unwavering support of the rank and file of the army of postal employees who carried on despite curtailed salaries, delayed promotions, and lapsed vacations, now all happily restored. It was done through the elimination of wasteful methods and the practice of strict economies, such as any prudent business man would use in his own business. It was done by making certain that for every dollar expended the American public received a dollar's worth of service.

Much has been said and written about the wiping out of the postal deficit by this administration. Some of our friends evidently do not want to believe it was possible, or that it was accomplished. They allege it is a matter of bookkeeping. The fact remains that the method of bookkeeping we employed is that recognized by Congress and is the same which has always been used in the Post Office Department. The fact also remains that the Postal Service, for the first time in years, has balanced its budget.

I do not want to close my remarks today without paying a deserved tribute to President Roosevelt, whose matchless leadership has brought us through the darkest days of the depression and is bringing us back into the sunlight of prosperity.

Did you ever know an executive of definite views whose policies were not criticized, whether he was the President of the United States or the engineer of the train on which you travel? I don't think I ever made a journey where some of my fellow passengers were not complaining that we were going too fast or too slow, or who failed to blame the man in the engine cab for the bumps consequent on the roughness of the road—complaints that even those who uttered them forgot when we had safely reached our destination. It is the same way with our political government. From Washington down, our greatest Presidents functioned under a barrage of complaint frequently reaching the point of defamation, and yet history records their administrations as conspicuous successes; and we rear in grateful memory monuments to those who during their terms of office were called aristocrats or anarchists, despots or defectives. I don't recall seeing any monuments to those who threw the bricks, though they made a lot of noise in their day.

And so I sincerely say that all of the clamor against our administration has in no way dimmed the prestige nor lessened the popularity of the President with the people. Let us all uphold his hands, and we can rest assured that our country will speedily emerge from the distressing effects of the depression and that happiness and contentment will prevail again throughout the Nation.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BUCK, for today, on account of important business.

To Mr. JACOBSEN, for 1 week, on account of important business.

To Mr. WOOD, for 1 week, beginning May 26, on account of important business.

To Messrs. MCGRATH, O'CONNELL, SCOTT, HIGGINS of Connecticut, SEARS, CALDWELL, WILCOX, CARY, SCRUGHAM, and MAAS, on account of important business, to inspect naval base in Florida.

Mr. DALY, at the request of Mr. DORSEY, indefinitely, on account of illness.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 165. An act for the relief of Robert McFarland; to the Committee on Military Affairs.

S. 245. An act for the relief of Charles Wilson; to the Committee on Military Affairs.

S. 317. An act to provide for the appointment of 2 additional judges of the District Court of the United States for the Southern District of California, 1 additional judge for the Circuit Court, Ninth Judicial Circuit, and for other purposes; to the Committee on the Judiciary.

S. 363. An act to increase the efficiency of the Veterinary Corps of the Regular Army; to the Committee on Military Affairs.

S. 381. An act for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico; to the Committee on Indian Affairs.

S. 1383. An act to amend an act entitled "An act to make persons charged with crimes and offenses competent witnesses in United States and Territorial courts", approved March 16, 1878; to the Committee on the Judiciary.

S. 1439. An act amending the postal laws to include as second-class matter religious periodicals publishing local information; to the Committee on the Post Office and Post Roads.

S. 1454. An act to authorize the Secretary of War to furnish certain markers for certain graves; to the Committee on Military Affairs.

S. 1504. An act authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes; to the Committee on Indian Affairs.

S. 1637. An act to extend further the operation of an act of Congress approved January 26, 1933 (47 Stat. 776), entitled "An act relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects"; to the Committee on Indian Affairs.

S. 1696. An act for the relief of Mary Sky Necklace; to the Committee on Claims.

S. 1811. An act providing for the publication of statistics relating to spirits of turpentine and rosin; to the Committee on Agriculture.

S. 2097. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon; to the Committee on Indian Affairs.

S. 2472. An act to pay an annuity to Frances Agramonte, the widow of Dr. Aristides Agramonte, member of the Yellow Fever Commission; to the Committee on Military Affairs.

S. 2533. An act for the relief of the rightful heirs of Tiwastewin or Anna; to the Committee on Claims.

S. 2616. An act for the relief of the estate of Joseph Y. Underwood; to the Committee on Claims.

S. 2625. An act to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishment; to the Committee on the Merchant Marine and Fisheries.

S. 2681. An act to extend the times for commencing and completing the construction of a bridge across Lake Champlain at or near West Swanton, Vt., and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 2688. An act to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended; to the Committee on the Judiciary.

S. 2727. An act to authorize the acquisition of land for military purposes in Bexar County, Tex., for use as an addition to Kelly Field Military Reservation, and to settle certain claims in connection therewith; to the Committee on Military Affairs.

S. J. Res. 92. Joint resolution making final disposition of records, files, and other property of the Federal Aviation

Commission; to the Committee on the Post Office and Post Roads.

S. J. Res. 96. Joint resolution to carry out the intention of Congress with reference to the claims of the Crow Tribe of Indians of Montana and any band thereof against the United States; to the Committee on Indian Affairs.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 6085. An act to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks, the construction and improvement of sewers, and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding $35,000;

H. R. 6114. An act to amend section 128 of the Judicial Code, as amended; and

H. R. 6723. An act to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding $30,000; and to authorize said town to accept grants of money to aid it in financing any public works.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1384. An act to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes; and

S. 2311. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 6085. An act to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks, the construction and improvement of sewers, and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding $35,000; and

H. R. 6723. An act to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding $30,000, and to authorize said town to accept grants of money to aid it in financing any public works.

ADJOURNMENT

Mr. PARSONS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House, pursuant to its order previously entered, adjourned until Monday, May 27, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

354. Under clause 2 of rule XXIV a letter from the assistant to the Secretary of Labor, transmitting report of an accumulation of miscellaneous material in the office of the Secretary of Labor, the Bureau of Labor Statistics, the Children's Bureau, the Women's Bureau, and the Immigration and Naturalization Service of no further use in the transaction of official business, was taken from the Speaker's table and referred to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BREWSTER: Committee on the District of Columbia. House Joint Resolution 280. Joint resolution for the designation of a street or avenue in the Mall to be known as "Maine Avenue"; without amendment (Rept. No. 1014). Referred to the House Calendar.

Mr. ROGERS of New Hampshire: Committee on Military Affairs. S. 2287. An act to authorize the crediting of service rendered by personnel (active or retired) subsequently to June 30, 1932, in the computation of their active or retired pay after June 30, 1935; without amendment (Rept. No. 1015). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on Education. S. 1180. An act to amend section 4865 of the Revised Statutes, as amended; without amendment (Rept. No. 1016). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 5368. A bill to provide for the addition of certain lands to the Chalmette National Monument in the State of Louisiana, and for other purposes; without amendment (Rept. No. 1018). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. EKWALL: Committee on Claims. H. R. 1105. A bill for the relief of Lucy Jane Ayer; with amendment (Rept. No. 988). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 2479. A bill for the relief of Charles G. Johnson, State treasurer of the State of California; without amendment (Rept. No. 989). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 3202. A bill for the relief of W. H. Greene; with amendment (Rept. No. 990). Referred to the Committee of the Whole House.

Mr. STACK: Committee on Claims. H. R. 3546. A bill for the relief of Sarah Elizabeth Ballentyne; with amendment (Rept. No. 991). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 3967. A bill for the relief of Raymond Parramore; with amendment (Rept. No. 992). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 4436. A bill conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon the claims of Alta Melvin and Tommy Melvin; with amendment (Rept. No. 993). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 4619. A bill for the relief of Joseph Salinghi; with amendment (Rept. No. 994). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 4791. A bill for the relief of the Hauser Construction Co.; with amendment (Rept. No. 995). Referred to the Committee of the Whole House.

Mr. ECKWALL: Committee on Claims. H. R. 5090. A bill for the relief of Julius A. Geske; with amendment (Rept. No. 996). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 5122. A bill for the relief of R. C. McCoy, J. L. Garner, C. G. Kauffman, W. G. Smiley, R. A. Burks, C. W. Brazzelton, Jim Hamilton, Otis Hamilton, R. F. Brazzelton, Dave Cash, Mrs. A. W. Dykes, Jim Thereldkeld, R. R. Crain, J. B. Tolson, J. C. Rogers, S. K. Broach, Albert Easterling, J. L. Rivers, F. C. Wilson, J. E. Seymour, E. C. Finley, W. W. Mitchell, J. G. Carey, Carl Graves, Jerome Dupree, J. R. Mitchell, Roxie Anderson, J. L. Mitchell, and J. C. Russell; with amendment (Rept. No. 997). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 5550. A bill for the relief of Malachy Ryan; with amendment (Rept. No. 998). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 5746. A bill to authorize the removal of the bar of the statute of limitations with respect to certain taxes paid by Milton Kasch; with amendment (Rept. No. 999). Referred to the Committee of the Whole House.

Mr. STACK: Committee on Claims. H. R. 6402. A bill for the relief of Julia M. Crowell; without amendment (Rept. No. 1000). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. S. 28. An act for the relief of R. B. Miller; without amendment (Rept. No. 1001). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. S. 170. An act for the relief of Alva A. Murphy; without amendment (Rept. No. 1002). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 659. An act for the relief of Walter J. Bryson Paving Co.; without amendment (Rept. No. 1003). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 684. An act for the relief of Brown & Cunningham, of Port Deposit, Md.; without amendment (Rept. No. 1004). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 685. An act for the relief of the Sanford & Brooks Co.; without amendment (Rept. No. 1005). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 712. An act for the relief of A. H. Marshall; without amendment (Rept. No. 1006). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 872. An act for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims; with amendment (Rept. No. 1007). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. S. 908. An act for the relief of Edwin C. Jenney, receiver of the First National Bank of Newton, Mass.; without amendment (Rept. No. 1008). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 1024. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Hampton & Branchville Railroad Co.; with amendment (Rept. No. 1009). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 1079. An act authorizing the Secretary of the Treasury to execute a certain indemnity agreement; with amendment (Rept. No. 1010). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. S. 1472. An act for the relief of the First Camden National Bank & Trust Co., of Camden, N. J.; without amendment (Rept. No. 1011). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 1781. An act for the relief of George Voeltz; without amendment (Rept. No. 1012). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 921. A bill for the relief of Edgar Sampson; with amendment (Rept. No. 1013). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 5815. A bill for the relief of Bruce Bros. Grain Co.; without amendment (Rept. No. 1017). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOBBS: A bill (H. R. 8206) making it unlawful for any person, firm, association, or corporation not expressly excepted from the operation of the act by the provisions thereof, to use the mails to solicit or effect insurance or collect or transmit insurance premiums in any State without complying with the insurance laws thereof; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 8207) making it unlawful to use the mails to solicit or effect insurance or collect or transmit insurance premiums in any State without first securing a permit from the Securities and Exchange Commission of the United States; to the Committee on the Post Office and Post Roads.

By Mrs. JENCKES of Indiana: A bill (H. R. 8208) to prescribe the qualifications for major and superintendent and others in the Metropolitan Police Department of the District of Columbia; to the Committee on the District of Columbia.

By Mr. KOCIALKOWSKI: A bill (H. R. 8209) temporarily to exempt refunding bonds of the government of Puerto Rico from the limitation of public indebtedness under the Organic Act; to the Committee on Insular Affairs.

By Mr. ROGERS of Oklahoma: A bill (H. R. 8210) to provide for participation by the Indian tribes in the control of their financial assets and to protect such assets from dissipation; to the Committee on Indian Affairs.

By Mr. DISNEY: A bill (H. R. 8211) to provide for the further development of vocational education in the several States and Territories; to the Committee on Education.

By Mr. KENNEY: A bill (H. R. 8212) authorizing an appropriation for the eradication and control of the tent caterpillar; to the Committee on Agriculture.

By Mr. DIMOND: A bill (H. R. 8213) to prohibit the use of traps, weirs, and pound nets for fishing in the waters of the Territory of Alaska, to limit certain types of salmon fishing to residents of the Territory, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. McLAUGHLIN: A bill (H. R. 8214) to incorporate the American National Theater and Academy; to the Committee on the Judiciary.

By Mr. CANNON of Missouri: A bill (H. R. 8215) for the relief of third- and fourth-class postmasters; to the Committee on the Post Office and Post Roads.

By Mr. WALTER: A bill (H. R. 8216) to amend section 118 of the Judicial Code to provide for the appointment of law clerks to United States district court judges; to the Committee on the Judiciary.

By Mr. MONAGHAN: Joint resolution (H. J. Res. 301) providing the number of judges which shall concur in holding an act of Congress unconstitutional; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLLINS: A bill (H. R. 8217) authorizing the filing in the Court of Claim of a petition for a hearing of a claim for damage or loss; to the Committee on Claims.

By Mr. FENERTY: A bill (H. R. 8218) authorizing adjustment of the claim of Schutte & Koerting Co.; to the Committee on Claims.

By Mr. KELLY: A bill (H. R. 8219) for the relief of Frank Coffey; to the Committee on Military Affairs.

By Mr. LORD: A bill (H. R. 8220) for the relief of Helen Mahar Johnson; to the Committee on Claims.

By Mr. PALMISANO: A bill (H. R. 8221) for the relief of Sophia Zeller; to the Committee on Claims.

By Mr. PARSONS: A bill (H. R. 8222) granting a pension to Mary A. Proudfit; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8223) granting an increase of pension to Virginia F. Proudfit; to the Committee on Invalid Pensions.

By Mr. REED of New York: A bill (H. R. 8224) for the relief of Catherine Grace; to the Committee on Foreign Affairs.

By Mr. RYAN: A bill (H. R. 8225) for the relief of Mathilda Carson; to the Committee on Claims.

By Mr. SMITH of Washington: A bill (H. R. 8226) granting a pension to Edna Newland; to the Committee on Invalid Pensions.

By Mr. WOOD: A bill (H. R. 8227) granting pension to Hanie Marshall; to the Committee on Invalid Pensions.

By Mr. WOODRUFF: A bill (H. R. 8228) for the relief of Mrs. W. E. Bouchey; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8605. By Mr. CROSSER of Ohio: Petition of several delegates and officers of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, urging an extension of the Emergency Railroad Transportation Act; to the Committee on Interstate and Foreign Commerce.

8606. By Mr. CULKIN: Petition of 58 residents of Jefferson County, N. Y., urging the extension of the National Recovery Administration for 2 years; to the Committee on Ways and Means.

8607. By Mr. FENERTY: Petition of Branch No. 1, Fleet Reserve Association, of Philadelphia, Pa., urging Congress to enact pending legislation providing for the issuance of a special series of postage stamps in commemoration of the one hundred and fiftieth anniversary (July 9, 1935) of the completion of Commodore John Barry's service in the American Navy of the Revolution (H. J. Res. 193 carries such provision); to the Committee on the Judiciary.

8608. By Mr. JOHNSON of Texas: Petition of A. A. Parker, local agent of the Santa Fe, Midlothian, Tex., favoring House Joint Resolution No. 219; to the Committee on Interstate and Foreign Commerce.

8609. By Mr. LUCKEY: Memorial of the Senate of the State of Nebraska, cooperating with the President's program; to the Committee on Ways and Means.

8610. By Mr. MEEKS: Petition of members of the Pilot Grove Friends Bible School, headed by S. N. Hester, Ridgefarm, Ill., urging support of Congress of House Joint Resolution No. 167, introduced by Hon. LOUIS LUDLOW; to the Committee on the Judiciary.

8611. By Mr. PFEIFER: Petition of the National Knitted Outerwear Association, New York, concerning continuation of the National Recovery Administration; to the Committee on Ways and Means.

8612. Also, petition of the Chamber of Commerce of the State of New York, New York City, concerning regulating freight rates on ships in international trade; to the Committee on Interstate and Foreign Commerce.

8613. By Mr. RUDD: Petition of the Railway Labor Executives' Association, Washington, D. C., favoring the passage of the Crosser-Wagner bills (H. R. 8121 and S. 2862); to the Committee on Labor.

8614. By Mr. TONRY: Resolution of the executive committee of the county committee of the Kings County American Legion, New York City, unalterably opposed to the granting of any clemency whatever to Grover Cleveland Bergdoll; to the Committee on Immigration and Naturalization.

8615. By Mr. TRUAX: Petition of the Supplementary Code Authority for the Electro Plating and Metal Polishing and Metal Finishing Industry, Detroit, Mich., by Hugh Booth, approving the President's recommendations for the continuation of the National Recovery Administration for 2 years; to the Committee on Labor.

8616. Also, petition of members of Lodge 105 of the International Association of Machinists, Toledo, Ohio, by James Russell, urging passage of House Joint Resolution 219; to the Committee on Interstate and Foreign Commerce.

8617. Also, petition of International Brotherhood of Electrical Workers Local Union No. 38, Cleveland, Ohio, by Clayton R. Lee, urging support of House bill 7878; to the Committee on the Civil Service.

8618. Also, petition of the Acme Stamp Co., Cleveland, Ohio, by M. C. Lederer, president, urging extension of the National Industrial Recovery Act for a period of 2 more years as under this act they have been able to increase the wages and salaries of their employees and have also been able to secure a livelihood for themselves on capital invested because of the bringing together under a code all the manufacturers who were competitive and have, therefore, been able to eliminate to a great extent the chiseling and cutthroat competition which has been so ruinous; to the Committee on Labor.

8619. Also, petition of the Preble County Corn-Hog Control Association, Eaton, Ohio, by James A. Campbell, president, favoring and asking support of House bill 6123, which provides additional funds for agricultural extension work; to the Committee on Agriculture.

8620. Also, petition of the Ohio State Grange, Butler County, by Deputy Master V. K. Rahfuse, West Chester, Ohio, urging support of House bill 7160; to the Committee on Agriculture.

8621. Also, petition of the Marion County Farm Bureau, by H. H. Berninger, Prospect, Ohio, urging support of the amendments to the Agricultural Adjustment Act as they believe them to be essential to the welfare of agriculture; to the Committee on Agriculture.

8622. Also, petition of the Royal Stamp Manufacturing Co., Cleveland, Ohio, by R. W. Smith, secretary and treasurer, urging that the National Industrial Recovery Act be extended for another 2 years as under this act they have been able to increase the wages and salaries of their employees and shorten their hours practically 20 percent and have also been able to procure a livelihood for themselves on capital invested, because of the bringing together under a code all who are competitive, eliminating to a great extent the chiseling and cutthroat competition which has been so ruinous on invested capital in their business, reflecting seriously in the wages and salaries which are paid their employees; to the Committee on Labor.

8623. Also, petition of the Ohio State Grange, by C. G. Hoskins, deputy master of Trumbull County, Mesopotamia, Ohio, urging favorable consideration of House bill 7160 which provides for an increase of the appropriation for agricultural and home-economics extension service; to the Committee on Agriculture.

8624. Also, petition of the Zanesville Federation of Labor, Zanesville, Ohio, by their secretary, Joseph A. Bauer, urging favorable consideration and passage of the Wagner labor-disputes bill, also the Black 30-hour-week bill, the Guffey coal bill, and the reenactment of the National Industrial Recovery Act for a period of 2 years; to the Committee on Labor.

8625. Also, petition of Frigidaire Employees' Committee, representing approximately 10,000 workers of the Frigidaire Corporation at Dayton, Ohio, favoring the Wagner labor-disputes bill which is now before Congress; to the Committee on Labor.

8626. Also, petition of Chamber of Commerce, Newark, Ohio, by their manager, Wilbur Willey, opposing that section of House bill 6732, providing for the canalization of the Beaver, Mahoning, and Shenango Rivers; to the Committee on Interstate and Foreign Commerce.

8627. Also, petition of Wayne Council No. 42, Junior Order United American Mechanics, Wooster, Ohio, by their recording secretary, G. G. McKee, favoring House bills 5921, 6367, 7079, and 7223, which will strengthen the immigration and deportation laws; to the Committee on Immigration and Naturalization.

8628. Also, petition of the Brotherhood of Railway and Steamship Clerks, Sixth City Lodge, No. 1106, Cleveland, Ohio, by their secretary, J. F. Smith, favoring House Joint Resolution 219, which has for its purpose the renewal for 1 year of the Emergency Railroad Transportation Act, which expires as of June 16, 1935; to the Committee on Interstate and Foreign Commerce.

SENATE

MONDAY, MAY 27, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, May 24, 1935, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

TRIBUTE TO THE LATE SENATOR CUTTING

The VICE PRESIDENT laid before the Senate resolutions adopted by the House of Assembly of the State of New Jersey, which were ordered to lie on the table, as follows:

Whereas in the death of United States Senator Bronson Cutting, the United States of America has lost an outstanding citizen and a distinguished statesman; and

Whereas Senator Bronson Cutting has served with honor and distinction as a member of the United States Senate from the State of New Mexico for a long period: Now, therefore, be it

Resolved, That the House of Assembly of the State of New Jersey does hereby express its deep sorrow at the passing of United States Senator Bronson Cutting, through whose death the people of the United States have lost an earnest and conscientious servant and distinguished citizen; and be it further

Resolved, That copies of this resolution, duly signed by the speaker of the house of assembly and attested by the clerk of the house of assembly, be forwarded to the President of the United States, the President of the United States Senate, and the family of the deceased Senator Cutting, and that this resolution be spread in full upon the minutes of the house of assembly.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum, and move a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	La Follette	Radcliffe
Ashurst	Copeland	Lewis	Robinson
Austin	Costigan	Logan	Russell
Bachman	Couzens	Lonergan	Schall
Bankhead	Dickinson	McAdoo	Schwellenbach
Barbour	Dieterich	McGill	Sheppard
Barkley	Donahey	McKellar	Shipstead
Bilbo	Fletcher	McNary	Smith
Black	Frazier	Maloney	Steiwer
Bone	George	Metcalf	Thomas, Okla.
Borah	Gerry	Minton	Thomas, Utah
Brown	Glass	Moore	Townsend
Bulkley	Gore	Murphy	Trammell
Bulow	Guffey	Murray	Tydings
Burke	Hale	Neely	Vandenberg
Byrd	Harrison	Norbeck	Van Nuys
Byrnes	Hatch	Norris	Wagner
Capper	Hayden	O'Mahoney	Walsh
Caraway	Johnson	Overton	Wheeler
Carey	Keyes	Pittman	White
Chavez	King	Pope	

Mr. LEWIS. I announce the absence of the Senator from North Carolina [Mr. REYNOLDS], the Senator from Massachusetts [Mr. COOLIDGE], and the Senator from Wisconsin [Mr. DUFFY], being a committee appointed to visit the United States Military Academy.

I also announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Missouri [Mr. CLARK], the Senator from Louisiana [Mr. LONG], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Missouri [Mr. TRUMAN] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON], the Senator from North Dakota [Mr. NYE], and the Senator from Delaware [Mr. HASTINGS] are necessarily absent, and that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

ADDITIONAL CADETS AT UNITED STATES MILITARY ACADEMY

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy, which were, on page 1, line 6, after "Rico", to insert "one to be selected by the Governor of the Panama Canal Zone from among the sons of civilians of the Panama Canal Zone and the Panama Railroad resident on the zone"; on the same page, line 7, after the word "large", to insert "40 of whom shall be appointed on the recommendation of the academic authorities of the 'honor schools' as designated by the War Department"; and on the same page, line 11, to insert:

SEC. 2. The President is hereby authorized to call to active service annually, with their consent upon application to and selection by the War Department, for a period of not more than 1 year for any one officer, not to exceed at any time 1,200 Reserve officers of the combatant arms, Ordnance, and the Chemical Warfare Service for active duty with the Regular Army: *Provided*, That members of the Officers' Reserve Corps so called to active service shall be distributed as nearly as may be practicable among the said combatant arms, Ordnance, and Chemical Warfare Service in proportion to the commissioned strength of such arms and service and shall be apportioned in grades therein so far as possible as follows: Not to exceed 5 percent in the field grade, 15 percent in the grade of captain, 30 percent in the grade of first lieutenant, and 50 percent in the grade of second lieutenant: *And provided further*, That nothing herein contained shall affect the number of Reserve officers that may be called to active duty under existing laws, nor the conditions under and purposes for which they may be called.

The President is hereby and further authorized to commission annually in the Regular Army of the United States in the grade of second lieutenant, upon application to and selection by the War Department, from among those in all grades who have served 1 year with the Regular Army under the prior provisions of this act, not to exceed 75 officers annually who shall take rank from the date of their permanent commissions in the Regular Army.

And to amend the title so as to read: "An act to provide for an additional number of cadets at the United States Military Academy, and for other purposes."

Mr. SHEPPARD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Patrick J. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1522. An act to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children;

S. 1523. An act to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

S. 1524. An act to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children;

S. 1525. An act to provide funds for cooperation with joint school district no. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation;

S. 1526. An act to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation;

S. 1528. An act for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

S. 1530. An act to authorize appropriations for the completion of the public high school at Frazer, Mont.;

S. 1533. An act to provide funds for cooperation with Marysville School District No. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children;

S. 1534. An act to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash.;

S. 1535. An act to provide funds for cooperation with White Swan School District No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation;

S. 1536. An act to provide funds for cooperation with the public-school board at Covelo, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif.; and

S. 1537. An act to provide funds for cooperation with the School Board of Shannon County, S. Dak., in the construction of a consolidated high-school building to be available to both white and Indian children.

The message also announced that the House had passed the following bill and joint resolution of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 1212. An act to amend section 1383 of the Revised Statutes of the United States; and

S. J. Res. 88. Joint resolution to abolish the Puerto Rican Hurricane Relief Commission and transfer its functions to the Secretary of the Interior.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 2756. An act authorizing the Tlingit and Haida Indians of Alaska to bring suit in the United States Court of Claims, and conferring jurisdiction upon said court to hear, examine, adjudicate, and enter judgment upon any and all claims which said Indians may have or claim to have against the United States, and for other purposes;

H. R. 3003. An act to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Miss., and the establishment of the Ackia Battleground National Monument, and for other purposes;

H. R. 4354. An act to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes;

H. R. 5210. An act to provide funds for cooperation with school district no. 17–H, Big Horn County, Mont., for extension of public-school buildings, to be available to Indian children;

H. R. 5213. An act to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children;

H. R. 5216. An act to provide funds for cooperation with Harlem School District No. 12, Blaine County, Mont., for extension of public-school buildings and equipment to be available for Indian children;

H. R. 5917. An act to appoint an additional circuit judge for the ninth judicial district;

H. R. 6204. An act to authorize the assignment of officers of the line of the Navy for aeronautical engineering duty only, and for other purposes;

H. R. 6315. An act to provide funds for cooperation with the school board at Medicine Lake, Mont., in construction of a public-school building to be available to Indian children of the village of Medicine Lake, Sheridan County, Mont.;

H. R. 6987. An act authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 7 meets Texas Highway No. 87;

H. R. 7081. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.;

H. J. Res. 27. Joint resolution providing for extension of cooperative work of the Geological Survey to Puerto Rico; and

H. J. Res. 208. Joint resolution to provide for the observance and celebration of the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1384. An act to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes;

H. R. 2046. An act to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota under the Swamp Land Act; and

H. R. 6114. An act to amend section 128 of the Judicial Code, as amended.

SUPPLEMENTAL ESTIMATE FOR LEGISLATIVE ESTABLISHMENT—CAPITOL POWER PLANT (S. DOC. NO. 64)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, Architect of the Capitol, for the fiscal year 1936, in the sum of $5,500, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

ELECTRIC RATE SURVEY—STATE OF MAINE

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Power Commission, transmitting, pursuant to law, a compilation, completed through the electric rate survey of the domestic and residential rates in effect in the State of Maine on January 1, 1935, which, with the accompanying papers, was referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the Maine Petroleum Industries Committee, memorializing Congress to eliminate the Federal tax on gasoline, which were referred to the Committee on Finance.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate resolutions adopted by the board of governors of the Washington State Bar Association, and the board of trustees of the Seattle (Wash.) Bar Association, favoring the securing of suitable court rooms and chamber facilities for the Federal courts at Seattle, Wash., which were referred to the Committee on Public Buildings and Grounds.

He also laid before the Senate a petition of sundry citizens of Hattiesburg, Miss., praying for the prompt enactment of old-age-pension legislation, which was ordered to lie on the table.

He also laid before the Senate an act of the Legislature of the Territory of Hawaii to amend chapter 54 of title 7 of the Revised Laws of Hawaii, 1935, relating to public lands, by amending sections 1550, 1554, 1555, 1564, 1566, 1567, 1568, 1569, 1571, 1572, 1578, 1584, 1586, 1592, 1594, 1600, 1607, and 1936 thereof, by adding thereto four new sections to be known as "sections 1600–A, 1647–A, 1653, and 1654", and by repealing sections 1582, 1589, and 1599 thereof, which was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate the following joint resolution of the Legislature of the Territory of Hawaii, which was referred to the Committee on Territories and Insular Affairs:

Joint resolution requesting the Congress of the United States to amend the act entitled "An act to provide a government for the Territory of Hawaii", approved April 30, 1900, as amended, and known as the "Hawaiian Organic Act", by amending section 73 thereof, relating to public lands

Be it enacted by the Legislature of the Territory of Hawaii, That the Congress of the United States of America be, and it is hereby, requested to amend the act entitled "An act to provide a government for the Territory of Hawaii", approved April 30, 1900, as amended, and known as the "Hawaiian Organic Act", by amending section 73 thereof, relating to public lands, by enacting a bill in substantially the following form:

"An act to amend 'An act to provide a government for the Territory of Hawaii', approved April 30, 1900, as amended, and known as the 'Hawaiian Organic Act', by amending section 73 thereof, relating to public lands

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled—

"SECTION 1. The fourth paragraph of section 73 of the Hawaiian Organic Act is hereby amended by amending subdivisions (d), (f), (i), (k), and (l) of said paragraph to read as follows:

"'SEC. 73 (4)—

"'(d) No lease of agricultural lands or of undeveloped arid public land which is capable of being converted into agricultural land by the development, for irrigation purposes, of either the underlying or adjacent waters, or both, shall be granted, sold, or renewed by the government of the Territory of Hawaii for a longer period than 15 years. Each such lease shall be sold at public auction to the highest bidder after due notice by publication for a period of not less than 30 days in one or more newspapers of general circulation published in the Territory. Each such notice shall state all the terms and conditions of the sale. The land, or any part thereof, so leased may at any time during the term of the lease be withdrawn from the operation thereof for homestead or public purposes, in which case the rent reserved shall be reduced in proportion to the value of the part so withdrawn. Every such lease shall contain a provision to that effect: *Provided*, That the commissioner may, with the approval of the Governor and at least two-thirds of the members of the land board, omit such withdrawal provision from the lease of any lands suitable for the cultivation of sugarcane whenever he deems it advantageous to the Territory of Hawaii. Land so leased shall not be subject to such right of withdrawal.

"'(f) No person shall be entitled to receive any certificate of occupation, right of purchase, lease, or special homestead agreement who, or whose husband or wife, has previously taken or held more than 10 acres of land under any such certificate, lease, or agreement made or issued after May 27, 1910, or under any homestead lease or patent based thereon; or who, or whose husband or wife, or both of them, owns other land in the Territory the combined area of which and the land in question exceeds 80 acres of agricultural land; or who is an alien, unless he has declared his intention to become a citizen of the United States as provided by law. No person who has so declared his intention and taken or held under any such certificate, lease, or agreement shall continue so to hold or become entitled to a homestead lease or patent of the land unless he becomes a citizen within 5 years after so taking.

"'(i) The persons entitled to take under any such certificate, lease, or agreement shall be determined by the commissioner, with the approval of the land board, after public notice as hereinafter provided; and any lot not taken or taken and forfeited, or any lot or part thereof surrendered with the consent of the commissioner, which is hereby authorized, may be disposed of upon application at not less than the advertised price by any such certificate, lease, or agreement without further notice. The notice of any allotment of public land shall be by publication for a period of not less than 30 days in one or more newspapers of general circulation published in the Territory.

"'(k) The commissioner may also, with such approval, issue, for a nominal consideration, to any church or religious organization, or person or persons or corporation representing it, a patent for church purposes only, for any parcel of public land occupied continuously for not less than 5 years and still occupied by it as a church site under the laws of Hawaii.

"'(l) No sale of lands for other than homestead purposes, except as herein provided, and no exchange by which the Territory shall convey lands exceeding either 40 acres in area or $5,000 in value shall be made, except to acquire lands necessary for national-park purposes or for the national defense. No lease of agricultural lands exceeding 40 acres in area, or of pastoral or waste lands exceeding 200 acres in area, shall be made without the approval of two-thirds of the board of public lands, which is hereby constituted, the members of which are to be appointed by the Governor as provided in section 80 of this act; and until the legislature shall otherwise provide, said board shall consist of six members, and its members be appointed for a term of 4 years: *Provided, however*, That the commissioner shall, with the approval of said board, sell to any citizen of the United States, or to any person who has legally declared his intention to become a citizen, for residence purposes, lots and tracts, not exceeding 3 acres in area, and that sales of government lands may be made upon the approval of said board whenever necessary to locate thereon railroad rights-of-way, railroad tracks, side tracks, depot grounds, pipe lines, irrigation ditches, pumping stations, reservoirs, factories, warehouses, and mills, and appurtenances thereto, including houses for employees, mercantile establishments, theaters, banks, hotels, hospitals, churches, cemeteries, private schools, or other structures required in connection with the economic, industrial, educational, and religious purposes; and all such sales shall be limited to the amount actually necessary for the economical conduct of such business or undertaking: *Provided further*, That no exchange of government lands shall hereafter be made without the approval of two-thirds of the members of said board, and no such exchange shall be made except to acquire lands directly for public uses.'"

Mr. BARBOUR presented a resolution adopted by the New Jersey State Women's Republican Club, opposing title II of House bill 7617, relative to a central banking system, which was referred to the Committee on Banking and Currency.

Mr. FLETCHER presented resolutions adopted by members of the Sarasota County (Fla.) Agricultural Club, favoring the adoption of proposed amendments to the Agricultural Adjustment Administration Act so as to provide more adequate and effective control by the Secretary of Agriculture, which were ordered to lie on the table.

He also presented a petition of sundry citizens, being Spanish War veterans in the State of Florida, praying for the enactment of the so-called "Spanish War Veterans' pension bill", which was referred to the Committee on Pensions.

Mr. COPELAND presented a resolution adopted by the Rochester (N. Y.) Association of Credit Men, opposing the enactment of title 2 of the so-called "Banking Act of 1935", which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Essex County Farm Bureau Association, Westport, N. Y., favoring the imposition of increased tariff duties on imports of iron and ore, which was referred to the Committee on Finance.

He also presented resolutions adopted by Mount Vernon Post, No. 3, the American Legion, of Mount Vernon, N. Y., opposing the granting of clemency to Grover Cleveland Bergdoll, which were referred to the Committee on Immigration.

He also presented resolutions adopted by sundry Councils of the Sons and Daughters of Liberty, in the State of New York, protesting against the enactment of the so-called "Kerr bill", relative to the deportation of aliens, which were referred to the Committee on Immigration.

He also presented a resolution adopted by the Utica Lodge No. 116, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, of Utica, N. Y., favoring the adoption of an amendment to the Constitution authorizing Congress "to make such laws as are necessary for the general welfare of the Nation", which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by Aviators' Post, No. 743, the American Legion, of New York City, N. Y., favoring the furnishing of adequate equipment, hangar, and administrative facilities at Mitchell Field, N. Y., for the exclusive use of the Reserve Flying units of the Second Corps Area, which was referred to the Committee on Military Affairs.

He also presented a petition of members of the Bronx Irish American Civic Association of the Third Assembly District of the Bronx, New York City, praying for the enactment of pending legislation to issue a special commemorative postage stamp in honor of the one hundred and fifth anniversary of Commodore John Barry, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry members of the Presbyterian Church of Webster, N. Y., praying for the enactment of the so-called "Costigan-Wagner antilynching bill", which was ordered to lie on the table.

DECLARATIONS OF WAR

Mr. WAGNER presented a resolution adopted by a national council meeting of the Steuben Society of America at Rochester, N. Y., which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

The Steuben Society of America in national council meeting assembled at the city of Rochester, N. Y., on the 30th and 31st days of March 1935—

"*Resolved*, That the United States of America shall never again engage in any foreign war;

"That in furtherance of such object it advocates the speedy adoption of an amendment to the Constitution as proposed by Congressman LUDLOW, of Indiana, to the effect that before any declaration of war shall be issued by Congress, the people of this country shall have had an opportunity to declare by referendum their decision on the question;

"That pending the adoption of such amendment, the Congress enact legislation laws effective during the continuance of foreign wars, namely:

"To prohibit lending of private funds to belligerents;

"To ban sales and shipments of goods of any sort to any belligerents;

"To ban sailings of American vessels in any disputed area;

"To disavow responsibility as a Nation for loss of property, life, or liberty by any American who disobeys the prohibitions set forth in any law of the United States in such event;

"To take the profits out of war and thereby prevent the transformation of the lifeblood of the young men of our country into a golden flow of dividends.

"We request a positive unequivocal statement from our Government that we are not concerned about the question as to where the blame may lie for the opening of hostilities between foreign countries or even a threat to the continuance of peace between them, and that it shall, in like manner, declare that it refuses to lend its moral or diplomatic support to any such foreign country."

REPORTS OF COMMITTEES

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (H. R. 4665) to authorize the appointment of a district judge to fill the vacancy in the district of Massachusetts occasioned by the death of Hon. James A. Lowell, reported it with amendments and submitted a report (No. 721) thereon.

Mr. BARKLEY, from the Committee on the Library, to which was referred the bill (S. 2899) to provide for increasing the limit of cost for the construction and equipment of an annex to the Library of Congress, reported it without amendment.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 1186. A bill for the relief of Frank P. Ross (Rept. No. 722); and

S. 1490. A bill for the relief of Earl A. Ross (Rept. No. 723).

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 430) for the relief of Anna Hathaway, reported it without amendment and submitted a report (No. 724) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 895) to carry out the findings of the Court of Claims in the case of the Atlantic Works, of Boston, Mass., reported it with amendments and submitted a report (No. 725) thereon.

He also, from the Committee on the Judiciary, to which was referred the bill (S. 11) to repeal section 389 of the United States Code, being section 239 of the United States Criminal Code, reported it with amendments and submitted a report (No. 726) thereon.

He also, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1949. A bill authorizing the President to order David J. Fitzgerald before a retiring board for a hearing of his case, and upon the findings of such board determine whether he be placed on the retired list (Rept. No. 727); and

H. R. 231. An act for the relief of Thomas M. Bardin (Rept. No. 728).

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the joint resolution (H. J. Res. 107) authorizing the President of the United States of America to proclaim October 11, 1935, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, reported it without amendment.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 1577) for the relief of Skelton Mack McCray, reported it with an amendment and submitted a report (No. 729) thereon.

He also, from the same committee, to which was referred the bill (S. 1084) for the relief of W. F. Lueders, reported it with amendments and submitted a report (No. 730) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1527. A bill to provide funds for cooperation with school district no. 17–H, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children (Rept. No. 731); and

S. 1529. A bill to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children (Rept. No. 732) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 2584) to amend the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, by including therein the name of Gustaf E. Lambert, reported it without amendment and submitted a report (No. 733) thereon.

Mr. CAREY, from the Committee on Military Affairs, to which was referred the bill (S. 2589) to authorize the presentation of a Congressional Medal of Honor to Lewis Hazard, reported it with amendments and submitted a report (No. 734) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 1010) for the relief of Fred Edward Nordstrom, reported it without amendment and submitted a report (No. 735) thereon.

He also, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 3285. An act authorizing a preliminary examination of the Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Onondaga, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates, and Ontario Counties, N. Y., with a view to the controlling of floods (Rept. No. 736); and

H. R. 6834. An act to revive and reenact the act entitled "An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn." (Rept. No. 737).

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 2621) to provide funds for cooperation with the public-school board at Devils Lake, N. Dak., in the construction, extension, and betterment of the high-school building at Devils Lake, N. Dak., to be available to Indian children, reported it without amendment, and submitted a report (No. 738) thereon.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 24th instant that committee presented to the President of the United States the enrolled bill (S. 2311) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ASHURST:

A bill (S. 2904) to prohibit the interstate transportation of prison-made products in certain cases; to the Committee on the Judiciary.

By Mr. COPELAND:

A bill (S. 2905) to increase the efficiency of the Coast Guard; to the Committee on Commerce.

By Mr. MOORE and Mr. BARBOUR:

A bill (S. 2906) to provide for exclusive jurisdiction of district courts sitting in equity over reorganization of railroads engaged in interstate commerce, and to vest special authority in the Interstate Commerce Commission relating thereto, and for other purposes; to the Committee on Interstate Commerce.

By Mr. THOMAS of Oklahoma:

A bill (S. 2907) for the relief of E. C. Beaver, who suffered loss on account of the Lawton, Okla., fire, 1917; to the Committee on Claims.

A bill (S. 2908) authorizing an appropriation for payment to the Delaware Tribe of Indians in the State of Oklahoma; to the Committee on Indian Affairs.

(Mr. WALSH introduced Senate bill 2909, which was referred to the Committee on Interstate Commerce, and appears under a separate heading.)

By Mr. BORAH:

A bill (S. 2910) to add certain lands to the Weiser National Forest; to the Committee on Agriculture and Forestry.

By Mr. WAGNER:

A bill (S. 2911) for the relief of Helen Mahar Johnson; to the Committee on Claims.

By Mr. JOHNSON:

A bill (S. 2912) to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes; to the Committee on Immigration.

By Mr. BACHMAN:

A bill (S. 2913) for the relief of Maurice C. Poss; to the Committee on Military Affairs.

By Mr. FLETCHER:

A bill (S. 2914) to provide for the establishment of a corporation known as the "Federal Mortgage Bank" creating a permanent discount and purchase system for mortgages on urban real estate, designed by comprehensive yet conservative action, to fill a gap in the national financial structure to the end of stabilizing mortgage practice, easing mortgage credit, and by the establishment of an adequate agency preventing periodic frozen condition in financial institutions; to the Committee on Banking and Currency.

By Mr. NEELY:

A bill (S. 2915) for the relief of Joseph C. Holley; to the Committee on Post Offices and Post Roads.

By Mr. BARBOUR:

A bill (S. 2916) granting an increase of pension to Mary M. Bartlett; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 2917) authorizing an appropriation to the American Legion for its use in effecting a settlement of the remainder due on, and the reorganization of, Pershing Hall, a memorial already erected in Paris, France, to the Commander in Chief, officers, and men of the expeditionary forces; to the Committee on Military Affairs.

By Mr. ROBINSON:

A bill (S. 2918) to provide for certain alterations in the gallery area of the Senate wing of the Capitol; to the Committee on Rules.

By Mr. THOMAS of Oklahoma (by request):

A bill (S. 2919) to authorize the collection of penalties, damages, and costs for stock trespassing on Indian lands; to the Committee on Indian Affairs.

By Mr. COPELAND:

A joint resolution (S. J. Res. 137) directing the Comptroller General of the United States to correct an error made in the adjustment of the account between the State of New York and the United States, adjusted under the authority contained in the act of February 24, 1905 (33 Stat. L. 777), and appropriated for in the Deficiency Act of February 27, 1906; to the Committee on the Judiciary.

By Mr. WAGNER:

A joint resolution (S. J. Res. 138) relative to inviting the International Statistical Institute to hold its session in the United States in 1939; to the Committee on Foreign Relations.

SALE OR SHIPMENT OF MISBRANDED ARTICLES

Mr. WALSH. Mr. President, I ask consent to introduce a bill to protect the public against fraud by prohibiting the sale or shipment in interstate or foreign commerce of misbranded articles, and for other purposes. In connection therewith I ask to have printed in the RECORD a short statement outlining the nature and purpose of the measure.

The VICE PRESIDENT. Without objection, the bill will be received and appropriately referred, and the statement will be printed in the RECORD.

The bill (S. 2909) to protect the public against fraud by prohibiting the sale or shipment in interstate or foreign commerce of misbranded articles, and for other purposes, was read twice by its title and referred to the Committee on Interstate Commerce.

The statement presented by Mr. WALSH is as follows:

This bill has been drafted after consideration of the provisions of and the procedure and judicial decisions under the Pure Food and Drug Act and the orders of the Federal Trade Commission and the judicial review of such orders relating to misbranding and false advertising.

The main purposes of this bill are threefold:

(1) It defines specifically what is "misbranding";

(2) It reinforces the enforcement powers of the Federal Trade Commission very materially by providing for judicial condemnation of misbranded articles; and

(3) It removes the necessity of applying the test of competition in cases of this kind under the Federal Trade Commission Act, and adopts the policy of protection to the public as well as of protection of one competitor against another.

In order to cover the specific purpose of a bill already before the Senate, subdivision (c) of section 3 of this bill specifically cares for the situation, so far as it is practicable, which the so-called "truth-in-fabric bill" is designed to meet.

The enforcement of this bill is placed in the hands of the Federal Trade Commission. Rather than to adopt the criminal penalties of the Pure Food and Drug Act, with their harsh punishment and consequences, the administrative and civil processes of the Federal Trade Commission Act, reinforced by judicial condemnation, are used.

This bill is designed to put an end to the evil which we all recognize and covers the entire question of misbranding, but does not attempt to settle the brands which shall be used for any article. It is founded on what is known as the "British Merchandise Marks Act", which has been in successful operation now for a good many years. It is a form of legislation which has been tried and has worked well and has prevented misbranding.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. PITTMAN. Mr. President, I desire to introduce a bill and have it referred to the Committee on Finance. I should like also to have the bill printed in the RECORD, together with an explanatory statement of it. I may state that this is a bill introduced for the consideration of the Finance Committee in an attempt to reach a compromise on the bonus question.

I think it has been demonstrated quite clearly—at least it is plain to me—that there will be no so-called "bonus bill" passed at this session of the Congress unless a compromise can be reached which will be satisfactory to the President of the United States. I am satisfied that he has attempted to reach such an agreement through the so-called "Harrison bill", which was, of course, totally unsatisfactory to the ex-service man.

I do not believe, however, that we have gone beyond the point where we can win the President to a very much more liberal bill than the so-called "Harrison bill." For that reason I not only introduce the bill and ask that it be referred to the Committee on Finance, but I ask that it be published in the RECORD, together with a brief statement analyzing it.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The bill (S. 2920) to provide for the payment of veterans' adjusted-service certificates, and for other purposes, was read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

A bill to provide for the payment of veterans' adjusted-service certificates, and for other purposes

Be it enacted, etc., That title V of the World War Adjusted Compensation Act, as amended, is amended by adding at the end thereof the following new sections:

"SEC. 509. (a) Upon the filing of application by any veteran to whom an adjusted-service certificate has been lawfully issued, except a veteran who secures a loan on such certificate after the date of enactment of this section, and the surrender of such certificate and all rights thereunder (with or without the consent of the beneficiary thereof), the Administrator of Veterans' Affairs shall certify to the Secretary of the Treasury the amount of the face value of such certificate less the sum of (1) the amount of any deduction made under subdivision (c) of this section, and (2) 20 percent of the remainder after such deduction.

"(b) No certification shall be made under this section until the certificate is in the possession of the Administrator of Veterans' Affairs, nor until all obligations for which the certificate was held as security have been paid or otherwise discharged.

"(c) If at the time of filing application with the Administrator of Veterans' Affairs under this section, the veteran's certificate is held as security for the unpaid principal or interest on or in respect of a loan made pursuant to section 502, then the Administrator of Veterans' Affairs shall (1) pay or otherwise discharge such unpaid principal and so much of the unpaid interest accrued or to accrue as is necessary to make the certificate available for certification under this section, and (2) for the purpose of computing the sum to be certified under subdivision (a) of this section, deduct from the amount of the face value of the certificate the amount of such principal and so much of such interest, if any, as accrued prior to March 1, 1931.

"(d) An application under this section may be made and filed at any time before the maturity of the adjusted-service certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed by the Administrator.

"SEC. 510. Upon certification by the Administrator of the amount computed as provided in subdivision (a) of section 509, the Secretary of the Treasury shall—

"(1) Issue to the veteran negotiable coupon bonds of the United States bearing interest payable semiannually at the rate of 2½ percent per annum from January 1, 1935, to January 1, 1945, in the amount of the highest multiple of $50 contained in the amount so certified, and pay to the veteran the difference between the amount of such bonds and the amount so certified by check drawn on the Treasurer of the United States; or

"(2) If the President so directs, pay to the veteran in cash or by check the amount so certified.

"SEC. 511. (a) Notwithstanding any other provisions of law, the amounts necessary to make the payments authorized by sections 509 and 510 may be derived from any or all of the following sources in such proportion as the President may in his discretion determine:

"(1) From the proceeds of the sale of bonds, notes, certificates of indebtedness or Treasury bills of the United States issued under the Second Liberty Bond Act, as amended;

"(2) From United States notes issued under the provisions of paragraph (1) of subsection (b) of section 43, as amended, of the Agricultural Relief Act, approved May 12, 1933 (and the purposes for which notes may be issued under such paragraph are hereby extended to include payments under this act);

"(3) From the adjusted-service certificate fund;

"(4) From funds appropriated by the Emergency Relief Appropriation Act of 1935; and

"(5) From silver certificates issued against any silver in the Treasury which is not held as security for silver certificates under the provisions of the Silver Purchase Act of 1934; and the Secretary of the Treasury is hereby authorized to issue such certificates in any amount not in excess of the monetary value (as defined in said act) of the silver not held as such security.

"(b) There are hereby appropriated such amounts as may be necessary for the purposes of this act.

"SEC. 512. If the veteran dies after filing application under section 509 and before payment under section 510, the payment authorized by section 510 shall be made to the estate of the veteran."

SEC. 2. The Secretary of the Treasury is authorized to issue bonds under the Second Liberty Bond Act, as amended, subject to the limitations of this act, in such amounts as may be necessary for the issuance of bonds provided for by section 510 of the World War Adjusted Compensation Act, as amended. The bonds so issued shall be redeemable in lawful money of the United States on January 1, 1945.

SEC. 3. Subdivisions (b) and (c) of section 302, section 311, subdivision (b) of section 312, section 602, and subdivision (b) of section 604 of the World War Adjusted Compensation Act, as amended (U. S. C., Supp. VII, title 38, secs. 612, 621, 622, 662, and 664), are hereby amended, to take effect as of December 31, 1934, by striking out "January 2, 1935" wherever it appears in such subdivisions and sections and inserting in lieu thereof "January 2, 1940."

The statement presented by Mr. PITTMAN is as follows:

PITTMAN COMPROMISE BONUS BILL

This bill proposes to direct the Secretary of the Treasury to pay holders of the adjusted-service certificates by discounting the balance due 20 percent and forgiving the interest accrued since March 1, 1931, on all loans.

Discretion is vested in the President, in making such settlements, to resort to and use any one or all of the following means and in such proportions as he may deem advisable:

(1) By exchanging Government coupon bonds, bearing 2½-percent interest, maturing January 1, 1945;

(2) From the proceeds of the sale of Government bonds under the Second Liberty Bond Act;

(3) By Treasury certificates issued under authority of the Agricultural Adjustment Act of May 12, 1933;

(4) From the adjusted-service certificate fund;

(5) From funds appropriated under the work-relief bill of 1935;

(6) From the seigniorage derived from the profit realized on the purchase of silver.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred or ordered to be placed on the calendar, as indicated below:

H. R. 2756. An act authorizing the Tlingit and Haida Indians of Alaska to bring suit in the United States Court of Claims, and conferring jurisdiction upon said court to hear, examine, adjudicate, and enter judgment upon any and all claims which said Indians may have, or claim to have, against the United States, and for other purposes; to the Committee on Indian Affairs.

H. R. 3003. An act to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Miss., and the establishment of the Ackia Battleground National Monument, and for other purposes; to the Committee on Public Lands and Surveys.

H. R. 4354. An act to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes; to the Committee on Immigration.

H. R. 5917. An act to appoint an additional circuit judge for the ninth judicial district; to the Committee on the Judiciary.

H. R. 5210. An act to provide funds for cooperation with school district no. 17–H, Big Horn County, Mont., for extension of public-school buildings, to be available to Indian children;

H. R. 5213. An act to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children;

H. R. 5216. An act to provide funds for cooperation with Harlem School District No. 12, Blaine County, Mont., for extension of public-school buildings and equipment to be available for Indian children;

H. R. 6204. An act to authorize the assignment of officers of the line of the Navy for aeronautical engineering duty only, and for other purposes; and

H. R. 6315. An act to provide funds for cooperation with the school board at Medicine Lake, Mont., in construction of a public-school building to be available to Indian children of the village of Medicine Lake, Sheridan County, Mont.; to the calendar.

H. R. 6987. An act authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 7 meets Texas Highway No. 87; and

H. R. 7081. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.; to the Committee on Commerce.

H. J. Res. 27. Joint resolution providing for extension of cooperative work of the Geological Survey to Puerto Rico; to the Committee on Territories and Insular Affairs.

H. J. Res. 208. Joint resolution to provide for the observance and celebration of the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory; to the Committee on the Library.

AGRICULTURAL ADJUSTMENT ADMINISTRATION—AMENDMENTS

Mr. METCALF and Mr. MCKELLAR each submitted an amendment, and Mr. BANKHEAD submitted three amendments intended to be proposed by them, respectively, to the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes, which were severally ordered to lie on the table and to be printed.

Mr. BYRD submitted five amendments intended to be proposed by him to the so-called "Smith substitute amendment" to the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes, which were ordered to lie on the table and to be printed.

GOVERNMENT BY BLACKJACK

Mr. ASHURST. Mr. President, I desire to read a brief extract from an article by Mr. Raymond Clapper, in this morning's Washington Post. The headline is "Government by Blackjack Threatened."

Not so long ago many people were fearful that the United States was drifting into a dictatorship. But for the moment at least that fear has subsided. Now we are threatened with something worse—Government by blackjack.

What is happening to Senator CARL HAYDEN, of Arizona? He served in the House and is now in his second Senate term. Intelligent, tireless in working for the interests of his State, he averages well up in the higher senatorial brackets as a desirable legislator. He hasn't distinguished himself as a fanatical "new dealer" nor as a blind reactionary. He has done what an intelligent man would be expected to do, studied the problems as they arose and applied to them his best common sense. So, in the course of events, the soldier bonus came up and he voted to sustain the President's veto.

Within 24 hours after that news hit Arizona, petitions calling for his recall began to circulate. They don't want to wait until the end of his term and vote him in or out on the basis of his whole record. No; the minute he doesn't please one group, out comes the blackjack.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. CAPPER. Mr. President, a very interesting statement by Ernest A. Ryan, adjutant of the Kansas Department of the American Legion, having to do with the President's veto of the bill providing for immediate payment of the adjusted-service certificates, was published recently in full in the Topeka Capital. In the course of his statement Mr. Ryan said:

The Legion has been the last to ask for the payment of these certificates. The State convention of the American Legion in session in Wichita, 1931, specifically stated that such payment should not be made. When President Hoover appeared before the national convention at Detroit in 1931, the Legion voted overwhelmingly to sustain his viewpoint that the National Treasury could not stand the burden of this expense.

It was only when it became the policy of the present administration to spend money to aid in economic recovery that the Legion came out whole-heartedly for this payment. This is a debt that has been contracted, and there is nowhere that public money could go to the grass roots better than to give it to that great cross section of American life who volunteered and were conscripted in the dark days of the war period.

I would like to have the President read, if he has not already done so, one of the messages of Elsie Robinson, noted news correspondent, in connection with the bonus-army march a few years ago.

She said in part as follows:

"There was a day, in 1917, when you and I stood on the edge of a city street and shouted until we were hoarse. Thousands of other Americans were massed beside us—two solid walls of humanity on either side of the street—walls that rocked and heaved and swayed with our hurrahing!

"Streaming down between those walls, like a golden river in their new khaki, with drums booming and trumpets blaring, and flags foaming against the bright blue sky, went our boys! The boys of America, young and eager and gay, going laughing off to war! The youth of America, leaving its home, its school, its proud first job—marching off to fight for you and for me!

"And you and I standing there, shoulder to shoulder, heart to heart, watching them go—shouting our pride!

"There was another day, in 1918, when we stood on the edge of a city pavement, trembling with pity, choking back our tears. Thousands of other Americans standing beside us—dark, watching walls of men and women from which came cheers that were wails, and a silence that was one long groan.

"And crawling down between those dark walls, feet dragging, eyes listless, came our boys. The boys of America, those that were not left behind in Flanders fields, beneath the poppies, boys broken and weary and haunted with horrors they would never forget, crawling back from war!

"The youth of America that would never again be young, crawling back to the home it no longer fitted, to the job that someone else held, to a dream it could not remember, to a love that looked at it with strange and startled eyes!

"But at least they were back! And you and I sobbed our gratitude for that. We touched the soiled khaki and the shattered flesh with pitying hands. And promised—how we promised! Promised that we'd make up for all they had suffered and lost. Promised that we would never forget; that as long as American blood ran red American hearts would remember the boys who had saved our ideals of democracy and freedom."

That is a picture which the American Legion would like to recall to the minds of those who scorn the war veterans today; who call them "chiselers", grafters, and selfish cliques, continually seeking new governmental gifts and gratuities.

RESTORATION OF INTERNATIONAL TRADE—ADDRESS BY SECRETARY HULL

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a most interesting and illuminating address delivered by the Secretary of State on the occasion of Maritime Day and Foreign Trade Week.

There being no objection, the radio address of the Honorable Cordell Hull, Secretary of State, at Washington, Wednesday, May 22, 1935, on the occasion of maritime day and foreign-trade week, was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

RESTORATION OF INTERNATIONAL TRADE INDISPENSABLE TO DOMESTIC WELFARE

To the wide-awake person, Foreign Trade Week is of large significance. I am proud to be one of the tens of thousands who in this week are coming together from coast to coast in an enthusiastic support of the effort, through the reciprocal trade-agreements program, to restore our foreign trade.

The commercial world today is a network of artificial and arbitrary trade discriminations and obstructions. Some $22,000,000,000 of international trade has been destroyed. Tens of millions of wage earners have been made idle. Commercial strife and retaliation render impossible that degree of understanding, friendship, and neighborly spirit on which all normal and necessary international relationships must rest. So long as a large part of the population of the various nations of the world is suffering severely for lack of adequate food or clothing or shelter, or the comforts necessary for reasonable contentment, progress in the ways of peace, or political stability, or disarmament, will be exceedingly difficult, while the sanctity of treaties and international contracts will be jeopardized, as recent years of experience have so clearly demonstrated.

The development of extreme economic nationalism is, in my judgment, the greatest curse of this age. It was the motivating force behind the efforts of every country during past years to seek self-sufficiency as the policy best suited to the requirements of each. In the practical significance of the term, we are all nationalists in the sense that we are all equally desirous of promoting the national welfare. Sensible nationalism contemplates sane and practical international relationships as a necessary means of promoting the national welfare. On the other hand, it was over-assertive nationalism which induced nations to reach out to acquire further territorial and commercial advantages to glorify their strength and satisfy their pride of empire that brought on the war.

When hostilities ceased, what the world needed, second only to peace, was, not the intensification of nationalist hostility, but international cooperation within the limits of national traditions and constitutions, and the greatest possible volume of international trade. For central and eastern Europe, divided into states whose size, position, and resources made them economically dependent upon one another, and whose boundaries cut across the established channels of commerce, and for raw-material and food-producing nations in other parts of the world, international trade was essential to existence. Moreover, between all nations and within all nations the war had created unbalanced and utterly dislocated financial and economic conditions. What was needed to assist in their correction was international trade. Instead of this, however, the commercial and financial policies of the post-war period led to the world-wide depression.

Today the whole world stands on the threshold of a great industrial and commercial revival. We have reached a point at which there is a firm technological basis for a strong substantial recovery in the heavy capital goods industries. The modern economic system, with its vast capital equipment, cannot pass through 6 years of intense depression without developing an immense volume of obsolescence, depreciation, and needed repairs and replacements. The stress of hard times has brought forth an immense volume of cost-reducing improvements requiring large capital outlays. In addition, the inventive spirit is not dead; new products and new processes are under way. Standing as we do on the threshold of this advance, it will, nevertheless, at once be evident to any clear-sighted person that the terrain ahead will not easily be reached. In order to make progress we are compelled to remove the obstacles that stand in the way—to rebuild the economic foundations and structures shattered and broken by the devastating depression.

No sensible person who has the slightest insight into the current economic situation can fail to realize that the international chaos in production, exchange, and distribution in which we now find ourselves is the most serious single obstacle which the world faces. The breakdown of international monetary stability, the utter dislocation of the international price structure, the trade jam, the damming up of surpluses, the artificial canalizing of trade by short-sighted preferential arrangements to which nations have clutched like drowning men in a desperate effort to survive, the destruction of equal trade opportunity in fair international competition, the effort on every hand to choke off every possible driblet of imports and, at the same time, to push exports by subsidies, dumping, and other artificial devices—it is of this stuff that the blockade is erected which holds in check the advance toward eco-

nomic prosperity. There are those who tell us that the way out of this impasse is to take over a complete regimentation of foreign trade; to control rigorously every allotment of foreign exchange; to impose definite quotas on every item imported; and to limit trade more and more to bargaining and bartering transactions. Of one thing we can be certain: any turning away from open channels of trade, or from the functioning of the price system under a system of stable exchanges, will make even the present low level of world trade seem large in comparison. Foreign trade cannot flourish by such methods. What we need is more freedom of enterprise so that individual tradesmen may again have the opportunity to hunt out the new openings and outlets for their merchandise wherever markets are available. No governmental bureaucracy, under a closely regimented foreign trade, could do other than to engage in small driblets of exchange of goods in contrast to the ceaseless energy of hundreds of thousands of merchants operating under an international price and monetary structure with equal opportunity for trade and commerce.

What I have said does not imply a policy of governmental negation in economic affairs. We must, of course, expect and support some measure of collaboration and control by international agreement to facilitate the disposal and orderly marketing of accumulated raw material and foodstuff surpluses. Likewise some measure of governmental regulation of many phases of economic life is under modern conditions indispensable.

The exchange of goods between agricultural countries and industrial countries has suffered a terrific decline in the last few years. Before the depression the six leading European industrial countries enjoyed 25.3 billion dollars of trade and this declined to 9.5 billion dollars in 1933. Similarly, six of the leading agricultural countries have suffered a loss of trade from 9.5 billion dollars to 3.2 billion dollars. Our own trade, both industrial and agricultural in character, declined from 9.6 billions to 3.7 billions last year. The industrial countries have been compelled to substitute inferior raw materials, to make expensive synthetic products at high cost, to pay three- or four-fold prices for food and other agricultural commodities. How long will the countries of the world pursue this wholly uneconomic and ruinous policy? How long will it take us to realize that it is necessary to stop the restrictive policy and develop instead a larger volume of purchasing power, opening up markets for surplus products.

We have seen the drift of country after country into a scheme of close regimentation of foreign trade. Still others will be drawn into these narrow restrictive policies, unless nations cooperate to restore the international price and commercial system. We have seen how in this drift the quantity of foreign trade has declined. Let it be said, in explanation of their action that the countries which have moved in this direction, have done so for the most part under the stress of difficult and intolerable conditions. They have sought by means of these makeshifts to secure a breathing spell. What is incomprehensible is that persons in this country, with the greater freedom which we possess, should deliberately choose to advocate so disastrous a policy. The countries which have moved in the direction of close regimentation of foreign trade have time and again made it clear that the policy they are following is one of desperation and that at the earliest possible moment they desire to pursue saner economic relations.

Confronted with these conditions, this country has embarked upon a trade-agreements program which has elicited splendid response from the nations of the world. This program means that we refuse to accept the defeatist attitude that says nothing can be done except to follow the countries hardest pressed into a scheme of foreign-trade regimentation. The defeatist position assumes that it is hopeless to increase our imports without destroying our domestic industries. The advocates of this position fail to realize what can be achieved by a scientific approach toward our tariff problem. We get a wholly wrong picture of our imports by thinking of them only in large categories. When we think of tariff readjustment we must not think in terms of textiles as a whole, of chemicals as a whole, or steel products as a whole, or any of the other large categories of products. Our imports consist of thousands and thousands of special varieties of products. A close examination of each of these thousands of commodities has already demonstrated, in the careful study that has been made by our trade-agreements committees, that it is perfectly possible for this and other countries to make simultaneously a careful revision of their respective tariffs which will permit a large expansion of mutually profitable trade. The person who attacks this problem by broad categories misses the whole point. What is necessary is the careful study, item by item, of every special classification. When this detailed approach is made toward the tariff, it will be seen that this country is in a position to make substantial trade agreements with foreign countries which will make possible an immense increase in our foreign trade to our national advantage. Only in this way can we develop a foreign market for our agricultural and industrial products. It is feasible by this method to expand our total trade by several billions of dollars. I need only to call your attention to the fact that in 1929 our imports of dutiable commodities were about 1,500 million dollars; last year our imports of dutiable goods were only 650 million dollars. We cannot restore on any sound basis the export markets for our agricultural and industrial surpluses unless we increase our dutiable imports to a volume that would make possible a normal flow of export trade. We should set as our immediate objective the expansion of foreign trade to at least the volume of foreign trade which we had in the predepression period. Contrasted with our present low level of imports of 1,655 million, our imports in 1929 were 4,400 million dollars. By seeking an appropriate balance of imports and exports, service items included, this trade would be placed on a sound financial basis.

This expansion of foreign trade, by opening up new markets and developing purchasing power, will win us not only a marked expansion in quantity of exports and of total output, but is also the only means by which a sound balance can be secured both in our internal and in the international price structure. The expansion of markets and the development of purchasing power means price advances erected not on artificial stilts but on the solid basis of purchasing power based on productive activity and the mutually profitable exchange of goods.

It is of utmost importance that the current artificial trends in foreign commercial policy be reversed. To reach this end requires an advance on many fronts. An effort must be made simultaneously to achieve an improved price-and-cost relationship in the several domestic economies, to reestablish equilibrium in the international price structure, to secure currency and exchange stability, and to remove step by step the current close regulations of foreign trade in form of quota restrictions, import licenses, exchange control, and clearing and compensation agreements.

At this juncture in world affairs, it is of utmost importance to press forward with trade agreements, to open up international markets and thereby improve the general international price situation and to bring the price levels of the various countries into closer relation with each other.

Our trade agreements program is being pushed forward as rapidly as is consistent with careful and thoroughgoing work. Not only is this program designed to bring about an expansion of foreign trade, but, carried forward as it is under the most-favored-nation principle, it is a powerful means of securing the reestablishment of fair competitive methods, of removing trade discriminations, and of reestablishing international good will in commercial relations. There are those who mistakenly believe that the policy of extending the concessions which we make in our trade agreements to countries which accord our commerce equitable and fair treatment is more hurtful than helpful to our own national interests. These people forget that, were we to abandon the most-favored-nation policy, we would at once stand to lose the benefits of the most-favored-nation rates which most foreign countries now accord us. The abandonment of this principle would at once mean a tremendous loss to American exports. It is a wholly mistaken notion that the pursuit of this policy is an act of pure generosity on the part of this country. In return for most-favored-nation treatment we get the benefit of most-favored-nation treatment. It is not true that we get nothing in return. The moment this policy were abandoned, fresh obstacles would arise all around against American exports at a staggering loss to our industries.

We have thus far completed 4 trade agreements and are now negotiating agreements with 14 additional countries. The list includes many of our leading suppliers and many of our best customers. The countries with which we have completed negotiations and with which negotiations are in progress cover 42 percent of our total foreign trade. Our negotiations reach out into all parts of the world—North and South America, Europe, and some of the European possessions in Africa and Asia. The number of countries is almost equally divided between America and Europe.

There are many reasons both in terms of proximity and neighborliness and in terms of distribution of natural resources which point toward a great expansion of trade between the countries of North and South America. This country needs a great variety of the tropical products produced in the Latin American countries, and these countries in turn stand in great need of our highly developed industrial products. We are on the eve of a genuine recovery in mutually profitable exchange of goods on this Western Hemisphere. A very heartening advance is already under way from the extraordinarily low levels to which the trade had fallen in the depression. This desirable trade could be greatly expanded by the conclusion of trade agreements. The benefits thus far received from the Cuban agreement are highly gratifying. This is the first of the agreements with the countries on the American continent.

We are also highly concerned with the expansion of our trade in other directions. Our trade with the European countries is of utmost significance. Our agreement with Belgium is the first with this area and others are on the way. Several of these are in advanced stage of negotiation. It is especially in this area that we must look for a restoration of our agricultural export market.

Washington in his day advised the United States to avoid entangling alliances, but Washington never advocated economic nationalism for his country. In Washington's time the sins of nations were almost wholly the sins of commission. A nation which lived solely unto itself was not a bad neighbor. The economic integration of the world has totally altered that situation. The sins of omission today rank equal with the sins of commission. A nation which now lives solely unto itself is a drag on civilization, increases the dangers of its own position, both economically and politically, stirs up international animosities, and threatens thereby the peace of the world. Economic isolation and self-containment are now the policies of the bad neighbor. Washington's advice against entangling alliances, in being translated into these terms, has been given a meaning which he unquestionably never intended it to have.

The world faces in this crucial hour a momentous decision. It is a choice between enlightened liberalism and selfish economic

nationalism. It is for us to play our part to insure the development of a stable and workable domestic and international structure, to restore economic prosperity, and to promote international good will and world peace.

OLD-AGE SECURITY—ADDRESS BY SENATOR HARRISON

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered over the radio on the 26th instant by the Senator from Mississippi [Mr. HARRISON] on the subject of "Old Age Security."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Among the major hazards of life which the President referred to in his historic message to Congress last June is the possibility of facing a penniless old age. It may happen to any person, no matter how careful he may be of his investments, and it is almost a certainty for many of our fellow citizens with meager incomes.

In response to the President's message, the members of his Committee on Economic Security, together with representatives of various groups of citizens and experts in pension systems, studied this problem for months, and then the Congressional committees entrusted with this legislation held weeks of hearings and thoroughly discussed the matter in extended executive sessions. Many plans have been submitted and subjected to the most painstaking examination.

The result of this careful labor is found in the old-age provisions of the pending social-security bill, which has passed the House of Representatives and is now before the Senate. It is the best solution which these groups of earnest workers can find to the problem of both alleviating, and to a large degree eliminating, the tragic spectacle of destitution among the aged.

The provisions of the bill with respect to security for the aged may be divided according to these two purposes, first, that of alleviating, and second, that of largely eliminating the sad prevalence of poverty in old age.

I shall first talk with you about the provisions intended to largely eliminate old-age dependence. This is a most important part of the bill, and is the part which is of direct interest to younger Americans. It offers them a secure old age, with an assured income built partly by their own efforts.

Beginning in 1937 the employees of the country—the regular workers in industry—will begin paying into the Federal Treasury a very small tax, which will be a minute percentage of their regular pay check. For every nickel that they pay their employers will likewise pay a nickel. Thus funds will be brought into the Federal Treasury which, in the course of time, will make it possible for all those employees to get regular monthly checks of anywhere from $10 to $85, after they reach the age of 65 and retire from regular employment. Under this Federal system the first regular benefits will begin in 1942. The amount which a man will receive will depend, of course, upon the amount of money which he earned during the years when he was employed and upon which he paid these taxes. The taxes that will be paid will gradually build up a sound reserve, which is to be invested, making it possible to continue these regular annuities without having to impose any other taxes to raise the money. If a person dies before reaching 65, his family receives the amount accumulated for him, and this is also true for persons who have contributed too short a time to build up any appreciable annuity.

This plan is expected to take care of a majority of our people in the future, but there are some groups necessarily omitted under this system, because of the fact that they are not employed by industry. It was thought proper, and the measure accordingly provides, that these groups, such as farmers and professional men, be also given the opportunity to build an annuity. Persons who desire, may, in very small installments or by lump-sum payment, purchase annuities from the Treasury, paying them up to $100 per month after they reach 65.

There is yet a third group to consider, those who now, or in the future, face a dependent old age, and have not been able to secure either of the annuities which I have just mentioned. For a complete old-age program this group must also be considered. This is the second part of the plan—providing for those whose old-age dependency cannot be eliminated by these annuities.

As is natural and fitting for such legislation in our country, the movement for old-age pensions began in the several States of the Union. The State legislatures acted and the State governments and county governments administered the laws. Thirty-three States, as well as the Territories of Alaska and Hawaii, have enacted old-age-pension laws. In 1934 over $30,000,000 was spent in these States for 230,000 pensioners, and the average pension paid to an aged person was about $15.50 per month.

Under the social security bill the Federal Government will come to the assistance of the States in making payments under their old-age-pension laws. The average pension now paid by the States is about $15 per person per month. Accordingly, up to $15 a month, the Federal Government will match whatever the States appropriate. This Federal aid will be given immediately to each State with a satisfactory plan for the administration of old-age pensions within its borders. Thus, the Federal Government will share equally in the generous work of helping needy persons above the age of 65 years.

The administration of the State laws will be left to the States, with an absolute minimum of Federal participation other than in the actual granting of the money itself. It is right and proper for the States, where the old-age-pension laws began, to go on administering those laws in their own way, for their own people whom they find to be in need.

To sum up, the social-security bill makes it possible for millions of persons to build a regular income for their old age during their productive period of life, and in addition to this, by matching State funds, assist the States to take care of those so unfortunate as to face old age without the annuities previously mentioned, or any other income of their own.

The necessity of the bill making this twofold attack upon destitution in old age can be readily appreciated when one realizes the terrific cost of trying to meet the problem by merely helping the States to pay gratuitous pensions. The number of needy old people is steadily increasing. The average length of life is getting longer; industrial civilization has made it harder for the young to care for their parents. For these reasons, if all we did was grant aid to the States for old-age pensions, the cost would grow enormously. The actuaries say that if this was the only way of taking care of the aged needy people, by 1960 the total annual cost of pensions, to the State, Federal, and local governments would be as much as $2,000,000,000. In writing the social-security bill, therefore, it was found necessary to look around for additional means of meeting this problem; and the thing that has been proposed and sponsored by the President is the national system of old-age annuities which I have already described, and which will not begin at once, but which will be self-supporting and paid for in large part by the very people who will get the benefits.

By inaugurating this system—and this is very important—we will be saving ourselves a vast amount of money, for this new national system will make it possible to cut in half the costs which we would otherwise have to bear in paying the old-age pensions under the State laws. I have said that the actuaries figured that in the absence of any all-embracing Federal system the cost by 1960 for State old-age pensions would be $2,000,000,000. With the self-supporting Federal system in existence, however, the annual cost by 1960 for the State old-age pensions would almost certainly be less than $1,000,000,000. This Federal system, therefore, would mean a saving of over a billion dollars a year.

It is well worth while to remember this tremendous saving, for it makes insignificant the small burden which industry will have to assume under this uniform national system. The tax on employers, under this system, does not begin until 1937, and even when it reaches its maximum in 1949 it will amount, on the average, to only something like 1 percent of the regular selling price of the employers' product. This is indeed a small amount to pay for a system which will save the country over a billion dollars a year, and will bring assurance of a small but regular income to more than one-half of our working people.

Besides the saving to the Nation as a whole, the annuity system will give to the worker the satisfaction of knowing that he himself is providing for his old age.

The social-security bill is the nearest approach to the ideal that could be reached after months of patient study. It is within the financial ability of our Government and achieves in the largest measure found possible the ideal of our great President of banishing the gaunt specter of need in old age.

President Roosevelt, his Committee on Economic Security, the House of Representatives, and the United States Senate are making these efforts to establish a sound and far-reaching method of dealing with the problem of destitution in old age. In taking this great forward step we cannot expect perfection all at once; but in the social-security bill we have an instrument which inaugurates a program that is at once economical and humane, and which will be a legislative landmark in the history of the efforts of the Congress to carry out its constitutional duty of promoting the general welfare of the men and women of the United States.

SOCIAL SECURITY—ADDRESS BY SENATOR THOMAS OF UTAH

Mr. BACHMAN. Mr. President, on Friday last the distinguished Senator from Utah [Mr. THOMAS] delivered over the radio a brief but very interesting address on the broad phases of the social-security program. I ask unanimous consent that his address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In responding to this invitation of the National Broadcasting Co. to discuss social security it will not be my purpose to defend or talk concerning the social-security act which is pending in Congress. I wish to discuss social security in its broad aspects as a political concept. Anything which will better the condition of the men, women, and children, who live in a given country, and which will enable men, women, and children to live a broader, better, and more abundant life may be justified as a proper governmental function. To justify it under our American Constitution may be relatively difficult, but surely it has a place when consideration is given to the general-welfare clause of our Constitution's preamble.

As a sound economic principle the theory of social security used as a political concept is merely the taking over into politics of the social and economic idea of insurance. The economic theory behind insurance is that many people donate a little for a long time that some few may enjoy the fruits of that donation for a little time. Or to make the theory apply to the individual as it does in case of life insurance, small premiums paid over a long period make it possible for beneficiaries to receive large sums. Insurance is merely finance used socially. Much of our financial organization is socialized finance.

A social-security program is very much larger and more comprehensive than a recovery program. In order to become effective in our country it will be necessary for the program to meet the requirements of our constitutional scheme; that is, it must meet both Federal and State requirements.

This in itself is an aspect of social politics because it develops the partnership idea between the Federal and the State Governments and emphasizes what every citizen of the United States has known since the adoption of the fourteenth amendment, that American citizens have a dual citizenship; that is, they are citizens of the United States and of the State in which they reside.

The social-security program must be all-embracing because each of four great factors related to the social-security program is related to the other three, that is, the old-age-pension idea to become effective, must be thought of as part of the whole scheme instead of a scheme by itself, because the old-age pension must come after years of planning if it is ever to succeed properly. It has the aspect of retirement, and that, too, honorable retirement. The thought is not just to make the aged people independent in their old age; it is also to take the responsibility for caring for the old off the shoulders of the young. This, of course, makes for better and happier young lives as well as better and happier old ones.

The program, too, should provide for early retirement in order that men may fill the responsible positions of life at an earlier time.

You see, therefore, old-age insurance is related to unemployment; it is related to the idea of economic independence not only for those who are insured but also for those related to them, and it makes the insured the agent for his Government in making for better and broader living. That the persons to be benefited must contribute goes without saying, because any good which comes carries with it a responsibility. Then, too, we want old-age benefits to be honorable. The persons who are to receive pensions should be encouraged to feel free in taking them, and free from the thought they are singled out by a paternal state as helpless individuals. Our whole public-school system would fail if a mother of many children ever thought it wrong to send all of them to school because her neighbor, perhaps, has only one or none to be trained. My point there is that no one now questions the right of a child to be educated. Just so, the time must come when no one shall question the right of those who are past the earning age to live a life free from the ordinary economic worries. All must contribute for the good of all. Public attention to social security will result in persons taking for themselves private annuity policies to augment the public ones.

The partnership idea is the one that I would stress. Partnership between the Federal Government and the States; partnership between the old and the young; partnership between the employer and the employee; partnership between those out of a job and those who are working; and partnership between public and private insurance institutions. All will be benefited. The prime fact of man's interdependence with other men should be brought into our political and social life and made part of our thinking. Too long we have left this to the church institutions.

American democracy can be preserved only by preserving the individual in that democracy. An American must remember that he is one in a group of 125,000,000 others. He must never fuse himself into a fraction and think of himself as one-one hundred twenty-five millionth of the whole. The individual as a political entity will last only so long as private property and private ownership last. Social security will teach the individual throughout his whole life the notion of interdependence and in addition to that it will teach the value of ownership. In the past we have tried to attain these ideals by stressing, in our teaching of the children, thrift and competition. The real lesson of life will come when men realize that they cannot be happy while their neighbors are sad.

HOW BUSINESS CAN HELP THE CONGRESS—ADDRESS BY SENATOR DIETERICH

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by the Senator from Illinois [Mr. DIETERICH] on the 24th instant, on the subject of "How Business Can Help the Congress."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow citizens of the radio audience, we are told that business is waiting for Congress to adjourn. Business can hasten the adjournment of Congress by doing its part in speeding up the wheels of industry, by having faith in the future, by manifesting that faith in opening up the sources of employment, and by thus sharing part of the hazards with its Government.

We are told that threatened Government interference is such that business and industry fear to risk the investments necessary to start the machinery of production and distribution moving.

In this business and industry are not altogether at fault. Members of Congress are not insensible to the fears and the difficulties confronting business in these unusual times when the demagogues and the authors of panaceas hold the spotlight and advise the idle.

It must also be observed that business is not altogether blameless. The slow recovery is to some degree due to the stubborn attitude of some industrialists and business men to abandon unfair and unethical practices which are understood and condemned by our people and which are injurious to society.

Promotional and speculative schemes which have for their purpose making easy money have been productive of inestimable harm. As an example, I call your attention to the experiences of our people with the stock market some 5 years ago, which experiences still remain a bitter and sorrowful memory.

While many of the evils have been corrected, a return to some of the old practices is affecting our economic life today.

Among such practices which I have in mind is the periodical dumping of industrial stocks upon the market by those in control of the industry, permitting the industry to become or remain inactive and idle for the purpose of depressing the market prices of such stocks and then when they have reached the desired low level, recapturing them at such depressed prices prior to again operating the industry.

The last dumping of stock took place about a year ago and as usual was an anticipation of business revival.

But with these last dumpings an unusual thing has happened. The stock market for the past few months has told an unusual and strange story. The dumped stocks have been taken up in odd-lot purchases. The record of those purchases shows a wider distribution among the investing public of moderate means than any other period in our industrial history. They clearly indicate that the citizen of average financial ability has confidence that industrial recovery will and is taking place.

This will perhaps be the first time that those who have thrown their stocks upon the market expecting to buy them later on at a reduced price will be obliged to pay more instead of less than the price at which they were sold if they would repossess themselves of such stocks.

The ill-advised attempt to hold back recovery to serve this speculative purpose is only productive of more ills and more so-called "interference."

The stock market has almost always been considered as an indication of whether or not business was good or bad. It should now, with the safeguards that have been thrown around it, serve as a better barometer of business conditions. Anyone who will take the time to study the records of the past few months can come to no other conclusion than that the market points unmistakably to a definite healthy upward trend.

If industry will take its usual hazard and cooperate with the administration in control of the Government, it can do much, not only to hasten the early adjournment of the Congress but also relieve the political witch doctor of his audience.

While it is not for me to place an estimate upon any of the Members of either of the two branches of the Congress, I think I can, without violating the rules of propriety, say that this Congress, like all other legislative bodies, contains both statesmen and politicians; that this Congress, as all other legislative bodies, has within it two prominent types of politicians—the one who is a representative of a certain group and whose sole service consists in securing for the particular group that he represents the enactment of legislation which will give his group an advantage over all the other groups; the other is the politician who has become expert in detecting the trend of popular sentiment, who chameleonlike shapes his legislative course in mimicry of every shade of temporary popularity that sweeps across his constituency, one who can weigh the strength of propaganda much better than he can analyze the effect of legislation.

While the politician may receive the lion's share of advertising by reason of his readiness to make copy for the newspaper boys, his type by no means represents the majority of either branch of the Congress. If I may be so presumptuous as to judge, I am happy that, in my judgment, the vast majority in both branches of Congress are men of intelligence and courage, capable of giving statesmanlike consideration to the measures pending before them and whose regard for their obligations of duty to legislate for the public good is of greater concern to them than their political fortunes.

I make the above observation to assure business that, in my humble judgment, the Congress as a whole is worthy of the confidence of the business men of this country; that the legislative measures which produce in the business man's mind fear and forebodings almost invariably reflect the mind of the author and not the attitude of the Congress or the administration.

While these unusual times have brought to the surface unusual theories as to what would remedy our ills, and while some of these theories have found their expression in legislative measures introduced for the consideration of the Congress, it must be remembered that most of these measures are the result of these unusual times and the sooner that business and industry will aid in bringing to an end these unusual conditions, the sooner business and industry will be safe from such fears and such interference.

The authorization of $4,800,000,000 to be expended in the manner directed in the resolution containing the authorization was appropriated for the purpose of relieving unemployment by carrying out a program which would hasten business and industrial recovery.

The effect of the expenditures under the appropriation should reflect itself in every industry in this country.

If industry will assume the proper spirit and benefit by this help, not treating it as a mere business dole, but regard it as a support to assist in raising business out of its present condition so that it can assume and again regain its normal fields of operation, it will repay our people manifold. Otherwise it will be wasted effort.

American business and industry are directed by the intelligent minds of our country. They should understand that the Congress, as a whole, is concerned in their problems, the hope of the Repub-

lic lies in their recovery, that they can do more to bring this recovery about than the administration or the Congress.

Business and industry should understand that, when they refuse to cooperate whole-heartedly with the administration and Congress, they strengthen the influences at work in this country which have for their object the destruction of all private enterprises.

I wish to thank the National Broadcasting Co. for the courtesy of extending to me its facilities to deliver this message.

ADDRESS BY POSTMASTER GENERAL FARLEY AT DEDICATION OF PHILADELPHIA POST OFFICE

Mr. GUFFEY. Mr. President, the new United States post-office building at Philadelphia, Pa., was dedicated on Saturday last. On that occasion Postmaster General Farley delivered an able and interesting address, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, ladies, and gentlemen; the honor of participating with the citizens of Philadelphia in the dedication of their magnificent new post-office building is one that is greatly appreciated.

This building is more than a beautiful edifice of classic design and splendid proportions. It is the monument between an epoch that has passed and the beginning of a new era that is bringing happiness and prosperity to all.

It is the home of an establishment, owned and managed by the people—an establishment to which they confide their most sacred and personal confidences—an establishment which facilitates the transmission of their business correspondence, their papers, and their merchandise. It is also an institution that safeguards the peoples' earnings, and transmits their money wherever desired.

It is fitting that this building be dedicated to the uses of all the people—dedicated in the presence of the distinguished and representative men and women of Pennsylvania with impressive ceremonies.

It is proper that those who will work within its walls should see today that which will give them higher concepts of public office and a greater realization that as servants of the people a public office is a public trust.

The honesty and the efficiency with which our great postal establishment is conducted reflects itself in the private lives of families and individuals; in the welfare of our great agricultural, industrial, and financial enterprises, and in the political integrity of the Nation.

This has been true from the beginning. There is a beautiful inscription on the new Post Office Department Building in Washington, describing the purposes of the Postal Service and its closeness to the people. It was written by Postmaster General Joseph Holt over 75 years ago when he was confronted with a postal deficit that amounted to 87 percent of the post-office revenues. He was confronted also with demands by special interests that would still further open the Postal Service to exploitation and increase this deficit—a deficit which must always come out of the pockets of the taxpayers.

The Postmaster General, whose words supplied this beautiful inscription, stated concerning the Post Office Department:

"Naturally such an institution has ever been, and still is, a cherished favorite with the American people."

What my predecessor felt does not at all show in the inscription. He stated, in further reference to the Post Office Department:

"The country has constantly manifested the most intense solicitude for the preservation of its purity and the prosperity of its administration, and it cannot now be disguised that the guilty abuse of its ministrations and the reckless waste of its hard-earned revenues, connected with the humiliation to which it has in consequence been exposed, have deeply and sadly impressed the public mind."

I feel I have a thorough understanding of the thoughts of the people. I know that the people now, as they did 75 years ago, constantly manifest a most intense solicitude for the purity and prosperity of the administration of the Post Office Department. We in the Postal Service shall endeavor to continue to interpret the feelings of the American people, as we believe we have for the past 26 months, by providing them a satisfactory Postal Service without waste or extravagance.

Now, I want to say a word to and about the faithful army of post-office employees. I have traveled innumerable miles through every section of the country since I assumed my present place in the Government, and wherever I stopped I visited the local post office to meet the men who were doing the work, so I am proud to claim acquaintance with some thousands of them. I only wish I could know them all, for a more loyal, efficient, square-shooting group could be found nowhere. I came to the Department a stranger. The postal employees did not know me and I did not know them, but I was immediately struck by their conscientious attention to their duties and their sense of responsibility to the public. My success in the post office—if I have had any success—is due not to me but to them—all of them, from those at the top down to the messengers. We went through a period of distress in the Department as elsewhere. It was necessary to give furloughs and make other adjustments, for the volume of business had declined to a point where there was not work for all. They took the situation uncomplainingly and accepted my promise, that conditions would be restored as soon as possible, at its face value—a promise I was able to keep sooner than we anticipated because of the early restoration of business. I am happy and grateful that I can tell you that during the period of hardship there was no let-down anywhere along the line in their devotion to duty. They shouldered their additional tasks cheerfully and did them well. No department head has had more consideration from his staff than I have had from these friends, for I flatter myself that they are my friends—and I owe them much.

It is particularly fitting that the great city of Philadelphia should lead the way in good mail service and good government. Here lived the founder of the North American postal system—Benjamin Franklin, patriot, philosopher, statesman, inventor, newspaperman, postmaster, and Postmaster General under the Continental Congress.

From the days of William Penn, freedom and independence have been in your air—freedom of speech, freedom of religion, and freedom of the press. Franklin provided and developed a mail service for the Colonies which, with a free press and a free people, have made the United States the most respected Nation in the world. The press also became the strongest force in our Government. The checks and balances preventing its freedom from degenerating into license are in the newspapers themselves and in the intelligence of the people as a whole. The radio has added another stabilizing influence.

It is interesting to note that when dictators assume control the first thing they do is to take prompt steps to destroy any freedom the press might have, through the strictest kind of censorship. Thomas Jefferson believed that we would have free government so long as the dissemination of information through the newspapers was unhampered. His judgment has been well vindicated.

We have always had the closest association between the post office and the press in this country. The connection may still be noted in newspaper names such as the "Post", the "Mail", the "News Letter", and so on. Inevitably the press and the post office are linked in the circulation of information, and perhaps this is due to the fact that Franklin was himself a journalist. We have a hint in Washington's Farewell Address, that he, like Jefferson, recognized that freedom could not exist except by seeing to it that the people were kept advised of every step in our history. Said Washington:

"In proportion as the structure of a government gives force to public opinion, it should be enlightened."

It is not only by distributing the news that the post office has contributed to the education of the people. In the days of the stagecoach and the pony express every community gathered at the post office. The arrival and departure of the mails was a community event, for the Postal Service constituted the one regular contact of each town with the rest of the country. So every such day was a sort of convention which brought about an exchange of views. There opinion was formed and disseminated.

It was out of this exchange of ideas that the Congressmen of the early days acquired a knowledge of what their constituents were thinking about—what they wanted in the way of legislation and what they objected to. So when the legislator made his long and arduous journey to the Capital he carried with him a program for his Commonwealth. And when he met his colleagues from the other States, each armed with a similar schedule of the desires of the citizens, one program was rubbed against the others and out of this came the early legislation, the historical debates, the compromises among conflicting sectional needs, as the foundation stones of our great country were laid.

Philadelphia saw the beginnings of the structure that was to become the richest, most powerful Nation in the world. It was here that the site for the District of Columbia was determined—one of the great compromises that served to weld us into the close-knit Nation that has withstood every shock and crisis, of peace or war.

It is more than a century since Philadelphia outgrew the informal citizens' meetings at the post office, but from such buildings as that we are dedicating today there continues to radiate the news and the views of the people. My friend, Governor George H. Earle, guides the destinies of your State, as did Governor Mifflin in the days when President Washington was being scolded for extravagance because he paid $3,000 a year rent for the residence a few blocks from here which housed the Presidents until the Capital was moved to the new District of Columbia.

My friend Senator JOSEPH F. GUFFEY and his colleagues in both Houses of Congress carry the wishes and desires of Pennsylvania to Washington, as did Senators who went to the Senate from the office of Mayor Dallas, of Philadelphia, when it took a week to get over the ruts and rocks of the primitive highway that led to Washington. JOE GUFFEY, if he is in a hurry, hops a plane and is on the job at the Capitol in an hour, and the same plane carries your mail.

The methods change but the old principles remain—the obligation of public service, and the duty to keep faith with your constituents, and truly represent them.

This post office is an instance of just that thing. Your Senators and Congressman brought word to Washington of the necessity of a new and greater post office if the work of handling the mails was to be done efficiently, conveniently, and speedily. Congress listened to them, and behold the result.

You have here a beautiful building of granite and sandstone covering the whole of one of your great commercial blocks. It did not come to you as a favor from your Government, but in a monument to the eminence of your beautiful and enterprising city. Philadelphia got this structure because its growth and progress

had made the old facilities for handling the mails at this imposing center inadequate.

In erecting this building, at a cost of about $7,000,000, the Federal Government acted as one of your own great business men acts. He recognizes that unless his business is to suffer he must keep pace with his expanding activities. In the 20 years preceding the appropriation for your new post office, the receipts nearly trebled. Today the receipts of the Philadephia post office for a single year are more than double the cost of this building.

And it is your building in more than the fact that it is located in this city. The plans for it were prepared by Philadelphia architects, Ranken, Kellogg & Tilden, and another Philadelphia firm, Register & Pepper, served as associate architects.

It is the last word in post-office construction, for into it has gone the experience of a century in the highly specialized business of receiving, forwarding, and distributing the correspondence of the American people. Postmaster Joseph F. Gallagher will have at his command inventions and contrivances undreamed of by even his comparatively recent predecessors. These things contribute largely not only to the saving of time but to the actual saving of money, for the direct, almost automatic transfer of mail to the railroad terminals connected with this institution affects a saving, huge in amount, because of the elimination of truck service for the stupendous Philadelphia mail. I wonder what Mr. Robert Patten, Philadelphia's first postmaster, would have thought of the machine over which his present successor presides—assuming that he had time to think of anything in a a period when the laming of a horse, a big snowstorm, or a bridge-destroying freshet, threw the whole service into confusion and compelled rerouting and all sorts of expedients in order that Uncle Sam's work could be carried on.

Without venturing to guess the reason for it, I want to tell you that a Philadelphian has guided the destinies of the Post Office Department more often than a citizen of any other city. The first Postmaster General you gave to the country was your fellow townsman, Benjamin Franklin. Then there was Richard Bache, the largest of your early-day merchants; Timothy Pickering was the third. James Campbell, born here and living here practically all his life, was another Postmaster General.

Another famous Philadelphian in this post who made a famous record was your great merchant, John Wanamaker, who served under President Harrison in the early nineties.

Following the precedent of Franklin, the journalist, Charles Emory Smith, who conducted the Philadelphia Press for many years, was the Postmaster General under Presidents McKinley and Theodore Roosevelt.

The postal receipts have long been looked upon as a barometer of business conditions throughout the country. I found to my surprise shortly after taking office that while they were a good barometer they were some months late in registering the rise or fall of business. We have improved all that. A modern system has been installed and we now know on the 7th of each month the expenditures for the previous month. Our Comptroller has made continuous improvements in our accounting.

The improved system now enables me to tell you that for the first 10 months of this fiscal year there has been a gain in postal receipts of 10⅓ percent over last year in the smaller offices throughout the United States. The gain in the larger cities is approximately 6 percent over last year.

The Postal Service is on a paying basis now. In fact, there is an annual surplus where in the last year prior to the advent of the present administration we were running over $150,000,000 behind.

Whenever I have referred to this surplus I have been reminded by the critics of the present regime that I had not taken into account such expenditures as the air-mail subsidies and the ship subsidies. That is true; but neither did the $150,000,000 deficit take into account these items, which really have nothing to do with the Post Office beyond the fact that our Department is the disbursing agent of the Government of the large amounts ordered by Congress to build up aviation and the merchant marine. But in the actual business of handling and delivering the people's mail our income is greater than our expenditures, a state of affairs that the country has not witnessed since the administration of Woodrow Wilson. And the best part of it, from my point of view at least, is that we have sacrificed no essential service in effecting this saving.

I am happy to report that the present year—by which I mean the fiscal year ending June 30, 1935—promises to keep up the good report. April 1935, the tenth month of this fiscal year, records the best postal increase of any since April 1930, and only a million dollars below that year. That month's gain is nearly 15 percent over April 1934, which translated into dollars and cents means that April 1935 shows a gain in postal receipts over the same month last year of over $7,000,000. And the receipts for May, to date, show substantially the same corresponding increase over May of last year.

But it is not only the budget of the great, ramified Postal Service that has been balanced. For the normal current expenses of the entire Federal Government the Budget has been balanced as a result of economies in operation and substantial increases in collections by the Bureau of Internal Revenue. Extraordinary disbursements to assist our people to get work and to care for the destitute must be made, and these cannot be met each year. No one would expect them to be, as they are not current expenses.

I shall continue to advocate the use of every cent we receive in revenue over and above the costs of operating the service to be expended for the betterment of employees, through improved working conditions and shorter hours.

There are still many improvements to be made in working conditions, not only in the Postal Service but in private industry. They should be made so far as the Postal Service is concerned as rapidly as the condition of the country and the postal revenues permit. We should not conduct the Postal Service as a profit-making organization. Let us rather call it a public-service establishment. What we receive over and above our expenditures should be returned to the people in improved service, and to the employees in better salaries and shorter hours.

Incidentally, the erection of every post office such as this is a milestone that marks the Nation's path back to prosperity. There is no more accurate index to our economic progress or decline than the post-office figures. When business goes up, the postal activities and, therefore, the post-office revenues, increase. When business goes down, the post-office work declines in almost exact ratio. The present healthy situation of the budget of my department is a direct reflex of the improvement in business conditions. The index points to a vast improvement all along the line. I know, as you know, that for political and other reasons there is a constant clamor deprecating the advance that has been made. I have even heard a distinguished Senator or two of the opposition party deny the fact of any increase at all, or, if admitting the fact, insisting that the Government was in no way responsible for the betterment. The business men of Philadelphia know the facts. Indeed, the business men everywhere have only to consult their ledgers to mark the difference between the state of their affairs today and what they were 2 years ago. This country is getting along pretty well. We are not out of the woods, of course, yet, but we are well on our way. Not only does the substitution of black ink for red in drawing up the balance sheets emphasize the fact, but the contrast between the despair of the depression period and the hopefulness that now exists among our people tell the same story. The carloadings are up, the incomes reported by our taxpayers are up, more people are buying automobiles than ever before. In short, wherever you turn you see the flowering of our business plants. It is an economic spring, preceding the summer of content. And under the guidance of my great chief, President Franklin D. Roosevelt, I hope that you will feel assured that precautions are taken against any unseasonable frost to spoil the harvest.

INFLATION

Mr. BORAH. Mr. President, I ask to have inserted in the RECORD an editorial from the Philadelphia Record of May 21, 1935, on the subject of inflation.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record of May 21, 1935]

THE BOGEY OF INFLATION

All the huffing and puffing of a thousand big bad wolves is but a zephyr compared with the bellowing of the Tories over inflation and the Patman bill.

It appears that some of the President's advisers, as stupid in politics as they are in economics, have induced him to make his veto message on the Patman bonus bill a grand denunciation of inflation—a magnificent reassurance to Tories throughout the land.

In other words, the reactionaries within the new deal are not nearly so much opposed to paying the soldiers their bonus as they are to paying it without the bankers also getting a bonus.

In view of this hue and cry, let us look again and see what inflation really is.

Consider the tires of an automobile. Putting air into them is inflation. Letting air out is deflation.

As an intelligent person, you know that if you put in too much air, you may burst the tire. You know also that if you do not put in enough air, you soon will ruin the tire.

You have got to have enough air in that tire so that it will run efficiently.

That is precisely the case with the money system of this country. If we pump in too much new money or credit, it is dangerous to economic stability. But if we do not put in enough to keep the credit system operating efficiently—it is even more dangerous.

Today the United States of America is running on an economic flat tire.

Twenty billions of our medium of exchange was destroyed in 4 years of deflation. There were no cries from the bankers then about the terrible dangers of deflation—which closed every bank in the country. There were no movements on in Congress to stop deflation at all costs.

But now, when it is proposed to pump back some of that destroyed credit so that our economic system can operate efficiently, the money changers yell "Inflation! Inflation! Inflation!"

That cry is just as absurd as it would be to oppose putting the right amount of air in a flat tire.

Money talks.

And it is the men of money who are making their money talk overtime in Washington today.

Why did these men of money make no objection whatever to deflation, even though it took the country to virtual ruin?

Because deflation increased the value of their dollars, made them richer in terms of the world's goods and services. As the

value of their money went up, the value of your labor and your goods went down.

In other words, deflation made the men of money more powerful.

And they know that inflation, which is the reverse process, will make them less powerful.

They know that just as deflation increased the value of their dollar credits, so inflation will decrease the value of their dollar credits. Their dollars will be worth less in terms of goods, labor, and services.

So the men of money today are making their money talk, louder than ever before, but damned stupidly.

They lacked foresight in 1929 to stop their own private credit inflation, which their bankers created to feed a speculative orgy. Subsequently they failed to realize that while deflation swelled the buying power of their dollars it was ruining the Nation which gave their dollars value.

Now they lack the foresight to recognize that without inflation, without a restoration of a good portion of our lost medium of exchange, we cannot regain prosperity and they cannot share in it.

For many years, the people of this country were fooled by the money changers, because the mechanics of our money system had become so complicated that they were difficult to understand, and few attempted to explain them to the man on the street.

That day is over. The man on the street knows now that inflation is not a nightmare, but simply an increase in the quantity of money or credit in our economic system. The man on the street knows that after twenty billions of our credit has been destroyed, it is absurd to talk about the restoration of two billions through the Patman bill, as dangerous, menacing, etc.

The man on the street has learned to distrust the yelp of "Wolf! Wolf!" from Wall Street.

He knows that yelp is a cry of fear from the money changers—not fear for the welfare of this Nation, but fear for their own wallets and the power of their own money hoards.

This Nation is in no more danger of reckless inflation, at this moment, from the Patman bill, than it is of inundation by lava from Mount Fujiyama.

FIXING OF GASOLINE PRICES IN INTRASTATE COMMERCE

Mr. BORAH. Mr. President, I ask to have printed in the RECORD a copy of a letter addressed to the Attorney General on the subject of oil in intrastate commerce, and a letter addressed to me by an attorney in Arizona, which I think may be of interest when we come to consider certain phases of legislation now pending.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

APRIL 13, 1935.

Hon. HOMER CUMMINGS,
Attorney General, Department of Justice,
Washington, D. C.

DEAR SIR: As attorney for several of the independent gasoline dealers in the State of Arizona, I have recently had occasion to seek the opinion of the United States attorney at San Francisco relative to the matter of price fixing under the National Recovery Act by the major oil companies in Arizona. In a letter under date of April 10, Robert L. McWilliams, first assistant, suggested that perhaps your office would feel at liberty to consider the matter of my complaint. I therefore address you for the purpose of making inquiry whether the Department of Justice takes the position that the oil companies may, under the National Industrial Recovery Act, agree among themselves to fix the price of gasoline after it has come to rest and is no longer a commodity of interstate commerce.

The several major oil companies doing business in this territory are operating under a decree of the Federal court entered in the Northern District of California, southern division, September 15, 1930. A Pacific coast petroleum agency agreement was prepared by the major companies about June 1934, conditioned that it should not become effective until proceedings were had in the case of *United States of America* v. *Standard Oil Co. et al.*, No. 2542–S in equity in said court. On June 30, 1934, United States attorney, the Honorable Henry H. McPike, on behalf of the Government, entered into a stipulation, the fourth clause of which reads as follows:

"Fourth. Without limiting or abridging the full force and effect of section 12 (a) of said refiners' agreement said section shall be construed as including the agreement of each of the parties not to permit gasoline, engine distillate or motor fuel, sold by it, or marketed by it indirectly, to be resold, at wholesale or retail, except for the same price for the identical product as such party manufacturing the same shall post for direct sale, whether such product be sold or resold without brand or under the same brand or under a different brand. Such posted price shall be an actual published price at which sales are being actually made in the open market and in regular course of business and free from collusion, collusive or fictitious nominal posting made or published for the purpose of defeating the foregoing provisions or the provisions of said section 12 (a)."

This same stipulation also provides that the parties shall conduct their operations so as to eliminate unfair competitive practices, prevent monopolies and monopolistic practices.

It is difficult to reconcile the fourth condition in the stipulation above quoted, with the provision providing that the company shall not engage in monopolistic practices. In fact, since the advent of the N. R. A. our State law has been overridden entirely, and the major oil companies who control the supply in this State not only fix the price at which the retailer must sell but enforce the law themselves by cutting off the supply of any dealer who refuses to sell at the price they establish and then, by reason of an agreement among themselves, no other company will sell such dealer gasoline.

It should be made clear, I think, that the dealers who are thus penalized have in no instance been guilty of violating any of the provisions of the code, except that of maintaining the price. In fact, competition is entirely destroyed in this State by price control. There is no fair competition. Conditions became so flagrant that the last legislature appointed a committee for the purpose of investigating whether the oil companies were violating our State antimonopoly law. After a hearing, a resolution was unanimously adopted directing the attorney general of the State to enforce the law of this State. There seems to be some hesitancy whether the Department of Justice takes the position that the National Industrial Recovery Act supersedes the constitution of our State in the matter of price fixing. An opinion from your office will clarify the matter.

The testimony taken at the hearing before the House investigating committee disclosed in one instance that the Federal California Administrator of the code of fair competition, acting on behalf of the Government, notified the major oil companies not to deliver gasoline in Arizona to a dealer who would not meet the price requirements fixed by the major companies. From the testimony taken before the House committee it appeared that the independent dealer thus cut off was not charged with violating any of the conditions of the code in the matter of wages or hours of labor or otherwise. It also appeared that he was buying a supply from the major companies and was netting 3 cents profit a gallon, and the major companies were insisting that he increase his price by 5 cents so as to enable him to make a larger profit per gallon. This practice has enabled the major oil companies to divert millions of dollars from our State alone during the operation of the N. R. A. by price fixing under the guise of "fair" competition.

Under rule 4 of article V of the code of fair competition, as promulgated by the President August 19, 1933, as modified September 13, 1933, the requirement is that a dealer must not sell for less than actual cost, plus expenses as therein enumerated. The major oil companies here take the position that the fourth clause in the stipulation above set forth abrogates rule 4 in the code of fair competition, and that they have a right to fix prices even after the intrastate character of the commodity is fixed.

I would appreciate your interpretation of this matter in reference to the right of major oil companies to collectively conspire to eliminate fair competition by refusing to sell gasoline to one who does not maintain the price fixed, and the right of the petroleum administrator in California to so order the companies, after the commodity becomes intrastate commerce.

Very respectfully,

R. G. LANGMADE.

PHOENIX, ARIZ., *May 22, 1935.*

Hon. WILLIAM E. BORAH,
Senate Office Building, Washington, D. C.

DEAR SENATOR: In the early part of April complaint was made to the Attorney General of the United States concerning the monopolistic practices by the major oil companies in Arizona. Under the guise of N. R. A. they engage in the practice of fixing prices at which retailers might sell gasoline.

There is a retail sales tax, payable to the State of Arizona, of 5 cents per gallon. We think we have a right to assume, after this tax is paid, that the commodity is intrastate commerce. The State would have no right to tax interstate commerce. After the State sales tax is paid, and after gasoline becomes intrastate, they govern the price at which it may be sold by refusing to supply dealers who do not maintain the price fixed.

This matter was investigated and reported upon by a committee of the house of representatives of our State, and a resolution was adopted in reference thereto. I enclose a copy of the action of the house of representatives, together with a copy of my letter to the Attorney General. He has not acknowledged nor advised me concerning my inquiry.

Respectfully,

R. G. LANGMADE.

GOVERNMENT GRADING OF TOBACCO

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Lexington Herald, the leading newspaper published in the city of Lexington, Ky., the title of the editorial being "A Service the Farmers Do Not Need Is Proposed in the Flannagan Bill."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Lexington (Ky.) Herald of May 22, 1935]

A SERVICE THE FARMERS DO NOT NEED IS PROPOSED IN THE FLANNAGAN BILL

Tobacco farmers as a rule are opposed to the Flannagan bill now pending in Congress, because it proposes the expenditure of a million dollars or more by the Government for something they neither need nor wish. Although it is proposed simply to grade tobacco for the benefit of the farmers and buyers, it is the belief

of the farmers that the bill really has for its purpose the eventual destruction of the open-auction system of marketing. This might be substituted by some kind of Government-controlled cooperative or other such method of selling. While the auction method is not perfect, the farmers of the Burley Belt feel that they do not wish to see it junked until a far more effective method of sale than has yet been proposed has been developed.

The bill, as originally drawn and later amended, provides for Government grading and inspection of all tobacco sold at auction anywhere in the country, the cost of the grading service to be placed on the Government and the grading to be inaugurated whenever farmers, by a referendum vote, express their willingness to submit to its features. The bill further gives to the Secretary of Agriculture the power to designate markets which will be permitted to sell tobacco at auction.

Tobacco farmers have a well-established reputation for asking in no uncertain terms for what they want and what they believe will be beneficial to their interests. When in 1921 they wanted a pool, they were heard throughout the entire territory and got their pool; when in 1926 they tired of the pool system and wanted it relegated to the scrap heap, they let their desires be known in no uncertain fashion and the pool broke up; when in 1933 they wanted a tobacco holiday declared because they felt it would later aid in the sale of their crop, they loudly asked for and received the sales holiday in every tobacco-producing State of importance in the country.

There has been no audible cry from the tobacco farmers either for a Government grading service or for any change in the present marketing system. The Flannagan bill calls for Government grading of tobacco. Supporters of the bill make much of the claim that tobacco can be graded. Of course it can. Tobacco has been graded ever since tobacco has been commercially marketed, and will continue to be so graded, but what is the need for telling a farmer his tobacco is a C2F or an X3L or a B4R when he already knows it as a certain quality lug, granulator, or leaf?

To say that farmers who have been producing tobacco for years, and whose forebears produced it for many years, need the advice of a Government expert when time comes to grade their production is unfair to the producers of one of the most highly specialized crops produced in the United States. As Judge Henry Prewitt, of Montgomery County, said in effect before a House committee at a hearing on the Flannagan bill last winter: "If you'll spend your time and your money telling us how we can keep the bugs off our plants in the summertime, we'll grade it ourselves in the winter."

It is argued by those supporting the bill that cotton is graded and wheat is graded, and so tobacco, too, should be graded. And tobacco is graded. Who is there in Kentucky or any other tobacco-producing State, who has not heard of flyings, trash, lugs, bright, red, and tips? Cotton is graded by length and wheat by weight, but tobacco can be graded by neither.

Farmers grade their tobacco by seven general classifications, and these seven classifications—flyings, trash, lugs, bright leaf, red leaf, tips, and damaged and nondescript—fit the producers' convenience and purpose far better than any alphabetical-numerical arrangement that can be devised. Can you imagine a farmer asking his neighbor, "John, how much did you get for your X2F?"

Nor is there any more logic in the contention that Government grading will aid farmers in knowing when and what to reject. If anything, Goernment grades will only make him even more confused than the Flannagan bill advocates now contend he is. What better guide to rejections could a producer ask than the privilege to compare the price paid for a basket from his crop with a basket the same purchaser paid for the identical grade from his neighbor's crop?

Tobacco farmers have no need whatever for Government grading. They already know vastly more about tobacco and tobacco grades than do those who are trying to push the Flannagan bill through Congress. They do not want the Government to go too far in controlling what they do.

AUTHORIZATION OF CERTAIN PUBLIC-WORKS PROJECTS

Mr. SMITH obtained the floor.

Mr. JOHNSON. Mr. President, I ask the Senator from South Carolina to yield to me for the purpose of having considered an emergency measure which will require neither debate nor time, but will enable us to pass, I hope, Senate bill 2811, being Calendar No. 678, designed to correct what has transpired because of the decision which was rendered in the case of the United States against Arizona.

I have consulted with the Senators from Arizona in respect to the matter. They have an amendment which they have prepared and which I am willing to accept, which I will send to the desk, if I am permitted to have the bill considered.

The VICE PRESIDENT. Does the Senator from South Carolina yield for that purpose?

Mr. SMITH. I yield, Mr. President, for that purpose, but if it is going to lead to any debate, of course, I should like to proceed with the pending unfinished business.

The VICE PRESIDENT. Is there objection to the consideration of the bill referred to by the Senator from California?

There being no objection, the Senate proceeded to consider the bill (S. 2811) to authorize and adopt certain Public Works projects for controlling floods, improving navigation, regulating the flow of certain streams in the United States, and for other purposes, which was read, as follows:

Be it enacted, etc., That for the purpose of controlling floods, improving navigation, regulating the flow of the streams of the United States, providing for storage and for the delivery of the stored waters thereof, for the reclamation of public lands and Indian reservations and other beneficial uses, and for the generation of electric energy as a means of financially aiding and assisting such undertakings, the projects known as "Parker Dam" on the Colorado River and "Grand Coulee Dam" on the Columbia River are hereby authorized and adopted, and all contracts and agreements which have been executed in connection therewith are hereby validated and ratified, and the President, acting through such agents as he may designate, is hereby authorized to construct, operate, and maintain dams, structures, canals, and incidental works necessary to such projects, and in connection therewith to make and enter into any and all necessary contracts, including contracts amendatory of or supplemental to those hereby validated and ratified.

SEC. 2. All projects planned or undertaken to accomplish the purposes specified in section 1 for which allotments have been made pursuant to the provisions of title II of the act approved June 16, 1933, entitled the "National Industrial Recovery Act", are hereby authorized and adopted, and all contracts and agreements which have heretofore been executed in connection therewith are hereby validated and ratified, and the President, acting through such agents as he may designate, is hereby authorized to construct, operate, and maintain dams, structures, canals, and incidental works necessary to such projects, and in connection therewith to make and enter into any and all necessary contracts, including contracts amendatory of or supplemental to those hereby validated and ratified.

Mr. JOHNSON. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 2, after line 24, it is proposed to add a new section, as follows:

SEC. 3. For the purposes specified in section 1, the Secretary of the Interior is authorized to construct a dam in and across the Colorado River at or near Headgate Rock, Ariz., and structures, canals, and incidental works necessary in connection therewith.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. KING. Mr. President, I should be very glad to have the Senator from California explain the terms of the bill and its purpose, for the reason that, as the Senator knows, not only my State but the upper Colorado River Basin States are vitally interested in the waters of the Colorado River, and if this bill affects in any way the rights of the upper States in the waters of the Colorado River, I certainly should not favor its consideration.

Mr. JOHNSON. In a word, I think I can make plain what the bill proposes. It has no such purpose, no such intent, and accomplishes no such design as that suggested by the Senator from Utah. The bill is intended to permit the work to proceed on what are known as "Parker Dam" on the Colorado River and the "Grand Coulee Dam" on the Columbia River and construction of a like character where the decision in the case of United States against Arizona stopped the work. It is an emergency measure to which I think there can be no objection whatsoever.

Mr. KING. May I ask the Senator why, in the light of the decision to which he refers, namely, the Arizona case, it is deemed necessary to include other dams or prospective dams on other streams?

Mr. JOHNSON. Because there may be others similarly situated.

Mr. ROBINSON. I understand that the work has been suspended or discontinued on these dams for the present?

Mr. JOHNSON. Exactly.

Mr. ROBINSON. And that the passage of the measure is necessary in order that operations may be resumed?

Mr. JOHNSON. That is it exactly.

Mr. WHEELER. Mr. President, may I ask the Senator from California whether or not the bill includes also the Fort Peck Dam in Montana?

Mr. JOHNSON. Only in general language, relating to projects under the Recovery Act.

Mr. WHEELER. The reason I asked the question was because of the fact that my understanding is that a suit has recently been started in the courts of Montana for the purpose of holding up that work, the contention being that the Government was without authority to go ahead to build that dam.

Mr. JOHNSON. This bill, if enacted, will cure that situation if the Montana project comes within its purview.

Mr. KING. Mr. President, may I inquire of the Senator whether the terms of this bill are so broad as that authority may be expressly or impliedly considered to have been granted by it to construct dams and reservoirs upon any stream in the United States?

Mr. JOHNSON. That is not the objective of the bill at all. It is intended to validate those projects where the decision referred to has interfered with the continuance of the work.

Mr. KING. Does the Senator believe that it does not operate in futuro and does not comprehend all streams which in the future may be regarded by the Federal Government as worthy of consideration and upon which the Federal Government may desire to construct dams and reservoirs? I would object, I will say very frankly to the Senator, to granting plenary authority to the Federal Government or the Department of the Interior or any other department to enter upon the streams of the United States at any time or at any place where they may desire without a special grant of Congress. If this is a general bill designed not only to validate past trespasses, if we may call them trespasses, but to grant prospective rights for invasion of the streams or to enter upon streams for the construction of reservoirs, I am opposed to it.

Mr. JOHNSON. It validates the constructions which have been undertaken.

Mr. KING. If the Senator is sure it is limited to that purpose, I shall make no objection. I do not approve of that policy, I will say frankly; but I shall not object to consideration of the bill if it is limited to that purpose.

Mr. JOHNSON. Let us read it and see exactly what it does. It reads as follows:

> That for the purpose of controlling floods, improving navigation, regulating the flow of the streams of the United States, providing for storage and for the delivery of the stored waters thereof, for the reclamation of public lands and Indian reservations, and other beneficial uses, and for the generation of electric energy as a means of financially aiding and assisting such undertakings, the projects known as "Parker Dam" on the Colorado River and "Grand Coulee Dam" on the Columbia River are hereby authorized and adopted, and all contracts and agreements which have been executed in connection therewith are hereby validated and ratified, and the President, acting through such agents as he may designate, is hereby authorized to construct, operate, and maintain dams, structures, canals, and incidental works necessary to such projects, and in connection therewith to make and enter into any and all necessary contracts, including contracts amendatory of or supplemental to those hereby validated and ratified.
>
> SEC. 2. All projects planned or undertaken to accomplish the purposes specified in section 1 for which allotments have been made pursuant to the provisions of title II of the act approved June 16, 1933, entitled the "National Industrial Recovery Act", are hereby authorized and adopted, and all contracts and agreements which have heretofore been executed in connection therewith are hereby validated and ratified, and the President, acting through such agents as he may designate, is hereby authorized to construct, operate, and maintain dams, structures, canals, and incidental works necessary to such projects, and in connection therewith to make and enter into any and all necessary contracts, including contracts amendatory of or supplemental to those hereby validated and ratified.

That is the language of the bill. It is perfectly plain, and the Senator can understand it perhaps even better than can I.

Mr. KING. I have never seen the bill and did not know it was to be presented for consideration. As a matter of fact, I did not know that such a bill was under consideration. As I have said, if it is limited only to those projects to which reference has been made, as explained by the Senator, I shall not object, although I am not in favor of the bill.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

The Senate resumed the consideration of the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes.

The VICE PRESIDENT. The question is on the amendment in the nature of a substitute offered by the Senator from South Carolina [Mr. SMITH].

Mr. SMITH. Mr. President, the amendment in the nature of a substitute which I have offered is to the original law. I presume Senators are familiar with the law as well as with the amendments proposed thereto. I have offered the text of the House bill in the form of an amendment in the nature of a substitute for the Senate bill.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Nebraska?

Mr. SMITH. I yield.

Mr. NORRIS. As the Senator knows, I am familiar with the Senate bill, but I am not familiar with the text of the House bill. I am wondering what the parliamentary situation will be if we adopt the text of the House bill, and what will be the effect on the proposed amendments recommended by the Committee on Agriculture and Forestry. Are they about the same?

Mr. SMITH. In my opinion, the text of the House bill is an improvement over the Senate committee proposal. I took occasion to interview the departments and they acquiesced in the House text.

Mr. NORRIS. I am glad to have that statement.

Mr. SMITH. Mr. President, there has been considerable comment in the press as to my attitude as chairman of the committee toward the amendments and much speculation as to my attitude not only toward those amendments but as to the law itself which the amendments are supposed to implement.

The attempt on the part of the administration to have enacted this legislation and to put it into operation is not in its essential features an emergency proposition. It is an attempt to do that which has been tried to be accomplished from time immemorial—namely, to provide some means by which the disorganized farmers may be made the recipients of a just proportion of the wealth which they produce.

The diversity of their financial standing, their mental equipment, their varied personalities, the difference in the things they produce, make it impossible for the farmers to organize. They never have organized. In the very nature of the case they cannot organize in the sense that industry organizes or in the sense that labor organizes. They are so widely scattered, so occupied individually, so segregated from their fellows, employ such varied equipment, and work under such differing conditions that it is impossible for them to organize.

A representative of one of the great packing houses came before our committee. He took up these amendments and discussed them; and I must say that in my opinion he was intellectually honest. He displayed intellectual integrity in discussing the amendments. From his standpoint as a packer, he had just cause to criticize the restrictions implied in the licensing feature and in the marketing agreements of the farmer. After he had argued the question and the amendments which pertained to his business he wound up by saying that when everything was said and done the law of supply and demand ultimately controlled the market.

I said to him, "I do not intend to question the operation of the law of supply and demand. Ultimately, it exacts its sanction"; but I asked him if he had considered the law of least resistance. I said, "You equip your plant. You invest your capital. You hire your employees and your technicians, such as you use. You calculate the finished product, the output of your plant, and what you must sell the finished units for in order to bring in a return sufficient to take care of obsolescence, pay dividends on your stock, and meet your financial obligations; and you find sales resistance which upsets your calculations, and there has to be a readjustment. Do you lessen the wages of your employees? No.

Do you lessen the salary you are paid as a technician? No. Do you lessen any of the fixed charges? No; you lessen the price of the finished product you sell, and you march through the back door and recoup out of the man who produces the livestock. You know you do that. It is the line of least resistance; and not only that but because of the inventive genius of this country you have been able to convert a product which is perishable in the hands of the cattle raiser so that it becomes imperishable when processed by you.

"The cattle raiser is subject not only to the law of least resistance but to the law of increasing and diminishing returns. When the cattle and the hog reach a certain stage, if not marketed they become corpses, and there is subtracted from their value a certain amount each day. Therefore, under that natural law, and also under the law of his disorganized condition, the cattle raiser is compelled to sell at your price. He is hedged about by the law of increasing and diminishing returns, the perishable nature of his product, and the law of least resistance."

Mr. President, I have studied this bill and these amendments. This may be a crude attempt, but it is an attempt on the part of the Government, in behalf of those who feed us and those who produce the raw material out of which we are clothed, to create some resistance in the markets in favor of the producer of the raw material.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. SMITH. I yield.

Mr. BORAH. Will the Senator explain more in detail the difference between the original bill and the substitute?

Mr. SMITH. Does the Senator mean the original House bill or the Senate bill?

Mr. BORAH. I mean the Senate bill.

Mr. SMITH. The difference between the Senate bill and the amendment now pending?

Mr. BORAH. Yes; what are the changes?

Mr. SMITH. Mr. President, I thought I would explain that after stating my attitude toward these amendments. There are some of them which I think perhaps could be bettered by being amended; but I desire to state to the Senate that we have no right to fail to attempt to aid the producer of the raw material, who has no voice in fixing the price of the commodity he sells and no voice in fixing the price of the articles he buys.

We tried the Farm Board. It failed, not because the law itself was not a splendid piece of legislation, but because of its administration, and because of attacks from outsiders with whose business it interfered. For my part, I thought it was incumbent on me, as chairman of the committee, to state that I think it is our duty to make these marketing agreements enforceable by law, if carried out in justice and in fairness, and to restrict the exploitation of the producer of the raw material by organized industry.

There are some provisions in this measure which perhaps need modification; but I desire to state here and now that in the present state of our organized society it is not fair to leave the millions of those who produce raw material wholly at the mercy of those who process it for the benefit of the consumer; and the House provisions, modified as they are, I think are preferable to the Senate provisions.

In answer to the Senator from Idaho, I will now read the different sections and state how they differ from the provisions of the Senate bill.

Mr. KING. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. KING. Some of us perhaps have forgotten—at least, I have forgotten—the important provisions of the act to which this measure is supplemental. Before proceeding to the course just indicated, will the Senator state in a few words, or as many words as he desires, the nature of the amendments and the difference between the original act and the pending measure, and the additional powers which are sought to be conferred upon bureaucrats, as found in the new bill?

Mr. SMITH. Mr. President, in reply to the Senator from Utah let me state that I do not consider that any additional power is granted by these amendments. I will read the amendments as they occur in the text of the House bill and as they are related to the organic law. I will take them up in their order and read them, so that anyone having the original law and the amendments may understand how the House amendments differ from the Senate amendments, and how they modify the existing law.

Mr. BORAH. Mr. President, did I understand the Senator to say that these amendments confer no powers additional to those granted by the original law?

Mr. SMITH. Practically none at all.

Mr. BORAH. I wish the Senator would amplify that statement.

Mr. SMITH. Very well; I will.

Mr. McNARY. Mr. President——

Mr. SMITH. I yield to the Senator from Oregon.

Mr. McNARY. I have experienced some difficulty in the study of the House bill which has been offered as a substitute for the Senate amendments. The House bill is very complicated in comparison to the original act and the recent Senate bill proposing amendments. It refers to sections, subsections, paragraphs, and clauses to an extent which I find it very difficult to follow.

I am not so much interested in the Senate proposal, because I understand that in the present parliamentary situation that is eliminated, and so we have no reason to think about the amendments which the Senator from South Carolina reported from the Senate committee. What I am interested in is the effect the House amendments have upon the original law in the matter of its modification, alteration, or change.

I wish the Senator would arrange to have the original act printed in parallel columns with the House amendments, so that we could take up these sections, subsections, subdivisions, paragraphs, and clauses, and, by comparison, see just what we are doing in the way of changing the original act by this bill.

I was struck by the statement made by the Senator from South Carolina in response to an inquiry by the Senator from Idaho, that this bill of a dozen pages does not in any way modify the organic law.

Mr. SMITH. I did not say it did not modify it. I do not think it appreciably increases the power of the Secretary of Agriculture.

Mr. McNARY. Does it decrease the power of the Secretary?

Mr. SMITH. In some respects it does.

Mr. BORAH. Let us have information as to those respects.

Mr. SMITH. Very well; I will come to that in due time.

Mr. McNARY. Mr. President, I have no desire to obstruct or delay legislation. I am very anxious, as I think my whole attitude has shown, to terminate the session as quickly as possible. However, I like to legislate intelligently, and would it not be an intelligent thing to have the organic law printed in one column and the House amendment in another, so that we may at a glance know just what we are doing?

Mr. SMITH. I shall attempt, in the résumé of the proposed amendments I am about to present, to refer to the original law, so that as I come to each paragraph the provision of the original law may be read in connection with it. It is not as complicated as the Senator seems to suggest. There are a great many subdivisions and divisions lettered and numbered, and it is a little tedious; but, when we actually get down to it, it is not so very difficult to understand.

Mr. McNARY. Has the Senator prepared notes in order to carry out what he has just stated he would do, namely, give a comparison of the amendments with the present law?

Mr. SMITH. That is what I am trying now to do.

Mr. FLETCHER. Mr. President, let me ask a question as to the parliamentary situation. I understood on Friday that the Senator moved to substitute the House bill for the Senate committee bill.

Mr. SMITH. Yes.

Mr. FLETCHER. Is that motion still pending?

Mr. SMITH. The motion is still pending, and I am addressing myself to the motion.

Mr. FLETCHER. I think the Senator ought to have a chance to proceed.

Mr. SMITH. I desire to proceed. Let us take the first amendment. Section 1, subdivision (a) of House bill 8052 does not appear in our bill, but that is neither here nor there. It is a part of the so-called "Shipstead amendment." The Senator from Minnesota would alter the method of calculating the parity price and increase the rate of processing taxes so as to take account of increased interest payments on farm indebtedness and increased tax payments on farm real estate. This amendment may be considered to raise parity standards by approximately 5 percent.

The Senator from Minnesota [Mr. SHIPSTEAD] called the attention of the Department and of the Senate committee to the fact that in fixing parity prices they had not considered the interest the farmer had to pay on mortgage indebtedness or his taxes, and therefore, when they were figuring up his costs those elements of cost should be included in determining the parity price. I do not think anyone would object to that.

Mr. McNARY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Oregon?

Mr. SMITH. I yield.

Mr. McNARY. Is the Senator now reading from the language found on page 1, lines 4 to 10, inclusive?

Mr. SMITH. If the Senator will turn to House bill 8052, page 1, beginning with line 3, he will find this language:

> That (a) the first sentence of subsection (1) of section 2 of the Agricultural Adjustment Act, as amended, is amended by inserting before the period at the end thereof a semicolon and the following: "and in the case of all commodities for which the base period is the pre-war period, August 1909 to July 1914, will also reflect current interest payments per acre on farm indebtedness secured by real estate and tax payments per acre on farm real estate, as contrasted with such interest payments, and tax payments during the base period."

Mr. McNARY. Will not the Senator illustrate that proposition?

Mr. SMITH. The Senator from Minnesota came before the committee and said that in calculating the parity price there had been left out the amount farmers had to pay in the form of interest during the base period when their real estate was mortgaged, and the amount of taxes; that those elements of their expense had been left out of the calculation of the parity price.

Mr. McNARY. Would that affect the general principle of payment of interest and taxes, or would it apply solely to each specific farmer?

Mr. SMITH. It would apply to the general parity price. The average of such expenses in the form of interest on mortgages and taxes is easily ascertainable for each section of the country.

Mr. McNARY. Suppose one farmer carried indebtedness on his farm of $10,000 and another indebtedness of $3,000. Would the one having a mortgage on his place of $10,000 receive larger processing taxes than the one with the $3,000 mortgage?

Mr. SMITH. Oh, no.

Mr. McNARY. I want to know how it would work.

Mr. SMITH. It would be impossible to follow out each one; but in calculating the price current for the thing the farmer sold, whether wheat or cotton or hogs, the amount of taxes paid would be estimated in the parity price. It may cost me more to raise wheat than it costs my neighbor, and may cost me more to raise cotton than it costs my neighbor, but the parity price is uniform. We could not pass a law which would adjust itself to the varying and incidental costs of production.

Mr. McNARY. This is what I have in mind. When we considered the original Agricultural Adjustment Act it was provided that the parity price should be the difference between the current market price and the base period price, the base period being 1909 to 1914.

Mr. SMITH. That is correct.

Mr. McNARY. Now, the Senator has introduced another factor, namely, what does this person or that pay in the way of interest and taxes?

Mr. SMITH. But the Senator mistakes the object of having a parity price fixed. The original law provided that the return to the farmer should be equal to what he had to pay. We left out what he has to pay in the form of taxes and in the form of interest, and therefore we have incorporated those costs, just as we incorporated the average price he had to pay during the base period.

Mr. McNARY. Perhaps I do not make myself clear. In the old law, with which I am conversant, it was provided that the parity price should be reached by figuring the base period price and the current market price, the two things wholly discoverable at any particular time.

Mr. SMITH. Yes.

Mr. McNARY. Now the Senator has introduced another factor, taking into the calculation interest and taxes. Do the interest and taxes apply to each farmer, or to a group of farmers, and how are the facts ascertained?

Mr. SMITH. In fixing the basic price and the current price there was calculated so much for wheat and so much a pound for cotton as a just return base in the particular period, the average price the farmer received, but the parity price during that period was not made high enough to take care of the various factors which were pointed out by the Senator from Minnesota.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. ROBINSON. The difficulty which arises under this amendment is involved in the calculation which the Department will necessarily have to make in order to arrive at what constitutes the tax and what constitutes the interest payments which must be taken into consideraion in fixing the parity price. Manifestly it would be impossible to consider the tax paid by each individual farmer and the interest paid by each individual farmer, because some farmers pay no interest whatever and some lands are taxed very much higher than are other lands.

Mr. SMITH. Certainly.

Mr. ROBINSON. So that there is involved a complicated problem of arriving at an average.

Mr. KING. Mr. President, will the Senator yield?

Mr. SMITH. I will yield in a moment, but before I yield I read from the report of the House committee, where it is said:

> The present method of calculation is composed of an index of prices of goods which farmers buy in relation to the pre-war level and does not cover expenditures for taxes and for debt service. At the present time taxes per acre and mortgage interest per acre are probably about 160 to 170 percent of the pre-war level.

As the Senator from Arkansas has said, it would be impossible to go into each individual case, but it would be necessary to arrive at an aggregate; and then, in whatever bepefit payments made it would be necessary to figure the total the farmer must pay and use that in determining the price the Department is attempting to get for him.

Mr. KING. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. KING. I think the statement made by the able Senator from Arkansas removes some of the uncertainty which has existed in my mind; but, in order that I may be assured, may I invite attention to a situation which perhaps, by concrete example, may clarify the matter?

Take, for instance, the State of Pennsylvania. I am somewhat familiar with farmers there. Most of the farmers there have no obligations whatever upon their property. Perhaps only 40 percent of the farms in the United States are mortgaged. Assume for the purpose of my illustration that the farmers in the State of Pennsylvania have no mortgages at all, and their taxes are lighter than are those paid by farmers in the State of New York or in the State of South

Carolina. Are we to lump together all the interest charges upon all the farmers who have mortgages upon their farms—all the interest which they have to pay—and then, assuming those charges amount to, say, a billion dollars, raise the parity price $1,000,000,000, and give the farmers of Pennsylvania or any State where they have no indebtedness and where they have light taxes the benefits by reason of throwing into one pot all the indebtedness of farmers throughout the United States?

Mr. SMITH. The Senator from Utah is too good a lawyer to question the fact that we cannot legislate for exceptions. We have to have general rules, and there are always inequalities under any of them. According to the terms of this bill, the processing tax on wheat applies to the wheat grower, on cotton to the cotton grower, and so forth. It is not a processing tax for the benefit of all the farmers, but a processing tax, or an adjusted compensation, if I may use that obnoxious word in this body, for the farmers in the regions in which a given commodity is produced. There is one processing tax applicable to wheat, one to hogs, one to each of the basic commodities, but they are applied according to the pre-war base parity.

Mr. KING. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. KING. Then, if I understand the Senator—and I agree with him that we cannot legislate to meet exceptions—the bill does mean, however, that those farmers who have no indebtedness, who have no interest to pay, who have light taxes, are going to receive the benefits which result from the augmentation of the aggregate amount which goes to establish the basic price.

Mr. SMITH. Does the Senator think they will seriously object?

Mr. KING. No; they will not, of course; but does the Senator think that is fair and just?

Mr. SMITH. I think it is as fair and just as it can be made.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. ROBINSON. What will probably happen will be that a tax level compared with the basic period tax level will be arrived at, and an interest level will be arrived at comparable with the pre-war or basic period level; and no effort, of course, will be made to work out a tax level based on the amount that each individual farmer pays. That would be impossible. An index figure will be arrived at. It will not be accurate, but it will be approximately accurate.

Mr. SMITH. I call the attention of Senators to the fact that a going concern does not pay taxes; it simply charges them to the consumer. It does not pay interest; it charges it to the consumer. Every Senator knows that the farmers of this country pay the interest and pay the taxes. There is nobody below them to whom they can pass the buck. This bill is an attempt to incorporate into the agricultural program some plan by which the taxes which the farmer pays, and the interest which he pays, shall be shared by those for whom he produces the raw material.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. GEORGE. I should like to ask a question, because this bill is a very important one, and it is important to understand it.

Under the provisions of the bill it is simply intended to give to the Secretary of Agriculture the power to increase the parity price. Is not that all?

Mr. SMITH. That is all.

Mr. GEORGE. In other words, it is an additional amount between the fair market or the market value and the parity price, as fixed in the original act by which the Secretary of Agriculture would be empowered to increase the amount of the tax which he may impose upon the product?

Mr. SMITH. That is right.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. McNARY. The Senator from Georgia has made no new discovery. That is patent on the face of the bill. I am questioning the practicability and workability of the provision. I wish to know what the mechanics is. I do not desire to see anything in this bill which will complicate its operation or embarrass its administration. Of course, we know what the purpose is.

Mr. SMITH. The purpose is to increase the parity price of each commodity in accordance with the average interest and taxes the farmers paid during the base period.

Mr. McNARY. That is very, very simple indeed; but the Senator has not as yet explained how it is going to be worked out, or whether it is practicable. We have not as yet had any analysis of it at all. It is very easy to make a general statement of that kind, but how is it going to be done? I should like to have the Senator give an illustration.

Mr. SMITH. Suppose the parity price of wheat should be determined at 98 cents a bushel, but that figure should be found not to be adequate because it did not take care of the items of expense, and the parity price should be 98½ cents or 98¼ cents. That is an illustration of how it would work.

Mr. McNARY. Take the case of a man who has a farm without any mortgage on it, whose taxes are lower than those of a farmer in another community. Is it fair to give him a greater benefit than in the case of the man who has a mortgage on his farm, and a higher tax to pay?

Mr. SMITH. The only way I can answer that question is to answer it as I answered the question of the Senator from Utah [Mr. KING]. Such cases are so infinitesimally few that the Senator need not concern himself with them.

Mr. McNARY. That may be so in South Carolina.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. SHIPSTEAD. In the original Agricultural Adjustment Act there was written into the bill the formula to be followed in determining the parity of the agricultural dollar with the industrial dollar, with the objective in view of getting those two dollars as near together as could be done to achieve the relation which existed from 1909 to 1914. Certain factors were to be taken into consideration in figuring out the parity. Those factors were enumerated in the bill. After the bill had been passed, in a meeting of the Agricultural Committee the fact was called to the attention of the Secretary of Agriculture that there had been a change in two items in the cost of production of agricultural commodities—the greatly increased amount of mortgages on farm lands and the greatly increased taxes. These two items had not been included in the category of factors which were to be taken into consideration.

When that point was called to the attention of the Secretary, he said in the committee—and it is a matter of record—that he thought the omission of those two items was a mistake. He said they should have been included.

As a result of that testimony, we adopted an amendment substantially identical with the first section of the pending bill. The amendment was agreed to unanimously in both the House and the Senate a year ago. However, the President was advised that it was tax legislation, and, being a Senate bill, he felt compelled to veto it. The question now arises in my mind, if we should pass this bill as a Senate bill, should we not meet that objection again?

Mr. SMITH. We are now considering the House bill.

Mr. SHIPSTEAD. The House bill is now before us?

Mr. NORRIS. That is the one we are considering.

Mr. SHIPSTEAD. I thought this was a separate amendment. I was called from the Chamber when the discussion began, and I did not hear what has taken place.

Mr. SMITH. Now, Mr. President, I desire to take up the next amendment.

Mr. GORE. Mr. President——

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from South Carolina yield to the Senator from Oklahoma?

Mr. SMITH. I yield.

Mr. GORE. There is one point I should like to have the Senator clear up for my benefit.

The Senator from Arkansas [Mr. ROBINSON] stated that under the proposed measure a new tax rate would be worked out as compared with or as contrasted with the tax rate which prevailed during the base period. Taxes undoubtedly have increased, and I can see some point in that suggestion; but interest rates are lower now than they were during the base period 1909 to 1914, each year of which was prior to the establishment of the Federal land-bank system. During that period interest rates were much higher than they are now. So I do not quite see the point of including the item of interest in this provision when interest rates now are less than they were then.

Mr. SMITH. I presume those who calculate the tax will give due consideration to what extra burden has been placed upon the farmer. If it appears that the interest rate is lower, of course, that will not be included, but in case it is higher it will be included. If taxes are higher and are an increased burden, that question will be considered.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. ROBINSON. It is probably true, as I was just about to state, that the prevailing interest rate is lower now than it was during the base period, but it is also true that the aggregate amount of the indebtedness has increased since the base period, and, as I said before, it will involve a somewhat complex computation; but an interest-payment level may be arrived at in the nature of an index figure showing the amount of interest that is paid as compared with that which was paid during the base period.

I must recognize the difficulties that inhere in a computation of that nature. Nevertheless, it is practicable to work it out to comparative accuracy. If the total effect of the computation respecting interest is to reduce the level as compared with the prewar period constituting the base period, the processing tax would be reduced thereby. On the other hand, it would be increased by the new tax level which is arrived at in comparison with the prewar tax level or the base period tax level. No one can tell exactly what the total net result would be as affecting the processing tax; but the question that is to be determined by the Senate is whether these elements, taxes and interest paid on farm mortgages, are fairly to be taken into consideration in arriving at the parity price.

Mr. SMITH. That is all.

Mr. ROBINSON. That is the question.

Mr. GORE. That is the point I was trying to develop. The Senator from Arkansas in his first statement said it was a question of arriving at a new rate as compared——

Mr. ROBINSON. Not necessarily a rate, but a tax level.

Mr. GORE. I think the Senator used the word "rate."

Mr. ROBINSON. No; I did not; I used the words "tax level." It would involve, of course, a comparison of interest rates and tax rates.

Mr. GORE. What I was trying to get at was whether it was a question of rates or levels now as compared to the base period or whether it is a question of the total interest burden borne by the farmers in general now as compared with the burden borne by the farmers in the base period.

Mr. SMITH. I think the whole question, Mr. President, was expressed by the Senator from Arkansas, for it is obvious that if the farmer's dollar is to be on a parity with the dollar of industry, and it is found that the charge for taxes—let us use that as an illustration—is now so much greater than it was during the base period that when subtracted from his income it reduces the purchasing power of his dollar, that factor should be computed in the arriving at parity price.

Mr. GEORGE. In other words, Mr. President, if I understand correctly, the Secretary of Agriculture is of the opinion that the provision in the original act was not sufficiently broad to include the taxes paid as articles which the farmer must buy. Now it is proposed to add to the articles which the farmer must buy in arriving at the parity price the items of interest and taxes.

Mr. SMITH. Which he purchases just as he purchases any other goods.

Mr. GORE. Mr. President, undoubtedly the interest rate is less now than it was during the base period, but the mortgage indebtedness is greater now than it was during the base period. Forty-two percent of the farmers now have their farms mortgaged, according to the last census, while 58 percent of the farmers do not have their farms mortgaged. Would not this element included in the pending amendment operate as a bounty to the 58 percent of farmers who have no mortgage indebtedness at all?

Mr. SMITH. It might, but what are we going to do with the 48 percent who are about to pass out?

Mr. GORE. That is the point I want to get at; namely, if there is some way to take care of the farmers who are entitled to it. Assuming that the element referred to ought to be included at all, is there any way to accomplish that result?

Mr. SMITH. That is getting back to the share-the-wealth plan of the Senator from Louisiana [Mr. LONG]; that is bringing us all down to the same level.

Mr. GORE. Perhaps that is so.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Minnesota?

Mr. SMITH. I yield.

Mr. SHIPSTEAD. As I understand, only part of the taxes and interest taken into consideration in calculating the parity of the agricultural dollar is the increase, if any, in those items.

Mr. SMITH. Over the base period.

Mr. SHIPSTEAD. Yes; over the base period.

Mr. SMITH. That is correct.

Mr. SHIPSTEAD. I wonder if this thought does not apply, for instance, in the case of cotton: Referring to the difficulty of some farms being mortgaged and others not being mortgaged; take, for instance, the benefit payments paid for reduction of acreage in the case of cotton. Some acres are not so fertile as others; some land may produce a bale per acre while it may require 2 or 3 acres of other land to produce a bale; but the farmers are paid the same price. It might be said that that is paying a bounty to the farmer who is a poor farmer, who has poor land, and raises an inferior grade of cotton; but in order to have uniformity of legislation they are all paid the same price per acre for retiring acreage. Of course, the man who is a poor farmer and has very poor land, if he gets as much per acre for such land as the man who has kept his farm in fertile condition and is a good farmer and raises good cotton, it might be said that that places a penalty upon the good farmer; but in order to have uniformity of legislation or in order to have any legislation at all, it seems to me that those things cannot be taken into consideration if we are going to have this kind of legislation.

Mr. SMITH. I may say, by way of explanation to the Senator, that when they are estimating the benefit payments the farmer indicates his production per acre, and they pay him the same price per pound as is paid to others; so that the difference in value of the land productivity is taken care of, because there is a uniformity in the price per pound, and they ascertain how many pounds the farmer has made on a given acre.

Mr. ADAMS. Mr. President——

Mr. SMITH. I yield to the Senator from Colorado.

Mr. ADAMS. I desire to make an inquiry to ascertain if I understand the amendment correctly. As I read it, it is proposed to distribute the aggregate interest payments of all the farmers over the entire area of the productive land, regardless of whether the farms are mortgaged or not. In other words, it is not based upon the rate of interest; it is not based upon the total amount; but it is designed to reflect the current interest payment per acre. In other words, if today 42 percent of the farms are mortgaged and 30 percent were mortgaged at the base period, the problem will be worked out upon the aggregate payment of interest, regardless of the rate, distributed over the entire farming area, because what it is sought to ascertain is a basis; that is, a certain unit of a farm commodity in 1909 would purchase a certain quantity

of those things which the farmer bought, and it is desired to give to him today the same purchasing power for that unit which he produces. It is figured that the farmers' aggregate payments of interest and taxes—that is, of all farmers—have reduced to a certain extent today his unit purchasing power, and the effort is being made to correct that deficiency in purchasing power.

Mr. SMITH. Yes; that is all.

Mr. FLETCHER. Mr. President——

Mr. SMITH. I yield to the Senator from Florida.

Mr. FLETCHER. Mr. President, I think there is a great deal of force in the suggestion made by the Senator from Oklahoma [Mr. GORE]. In the base period the interest rate paid by the farmers of the country was all the way from 8 to 20 percent. When the Farm Loan Act was passed in the year 1916 the interest rate became from 4½ to 5 percent. It was estimated at that time that the farmers of the country would save $450,000,000 a year in interest alone after the passage of that act. So after 1916 the farmer has been paying much less interest than he paid prior to that time, even though his mortgages have increased. I doubt very much if he would benefit by the arrangement planned in this bill.

Mr. SMITH. Mr. President, that suggestion answers itself; because if in calculating the difference between what the farmer had to pay during the base period in buying interest the Department found that the rate was higher then than now, it would be left out; but in the case of taxes, if it is found that the farmer is paying more then than now, in order to equalize his dollar with the dollar during that period, that extra expense must be taken into consideration.

Mr. GORE. Mr. President——

Mr. SMITH. I yield to the Senator from Oklahoma.

Mr. GORE. I think the explanation given by the Senator from Minnesota is not quite in accordance with the practice of the Department. He stated, in order to secure uniformity of rental payments, that the farmer who had poor land was paid as much as the farmer who had good land, notwithstanding the difference between the quality of the land; that, in the interest of uniformity, equal payments were made. I do not understand that to be the rule or the practice.

Mr. SMITH. It is not.

Mr. GORE. The production records of each tract of land are taken into account, and benefits or rental payments are based on those records, the rule being one of equity rather than of uniformity, I should say.

Mr. SMITH. The facts are easily ascertainable.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. SHIPSTEAD. I am glad to be corrected as to the error. I assumed that benefit payments for cotton land were made according to the region where the crop was produced, as they are made in the case of corn.

Mr. SMITH. No. Each individual farmer is contacted, his record per acre for 5 years is taken, and the pounds per acre are considered as a basis of his benefit.

Mr. SHIPSTEAD. I am glad to stand corrected. So far as benefit payments to corn growers are concerned, they are figured out by regions. A farmer in Illinois receives more than a farmer in Minnesota; but that is because he produces more. However, the farmers in Minnesota get the same general price, whether or not one produces more corn than another. I assumed that the payment of cotton acreage was based upon the same formula.

Mr. SMITH. Mr. President, if I may recur to the next amendment, I will say to those who are interested in section 1 (b) of House bill 8052 that it makes the base period for wool and mohair 1919 to 1929 instead of 1909 to 1914.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Oregon?

Mr. SMITH. Certainly.

Mr. McNARY. What was the reason why wool and mohair were inserted and incorporated in this amendment? Did any wool growers appear before the committee?

Mr. SMITH. I really should like to state that the amendment was inserted in the House. I do not recall whether we had any of the processors or growers of wool before us, but I understand that the House inserted the amendment.

Mr. McNARY. Is the policy and purpose of Congress to be that this shall be its attitude regarding the insertion of commodities, the inclusion of which is not sought by the producers thereof?

Mr. SMITH. I am not in a position to state what occurred in the House, but I do not recall that any wool producers or processors appeared before the Senate committee. I do not know what occurred in the House.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Maine?

Mr. SMITH. I yield.

Mr. WHITE. The provision is, however, put in the bill on the basis of testimony offered elsewhere rather than before the Senate committee?

Mr. SMITH. This is the text of the House bill which we are discussing.

Mr. WHITE. Can the Senator tell us why the post-war period was taken rather than the period from 1909 to 1914, which is the base period for everything else?

Mr. SMITH. The testimony incorporated in the House report was to the effect that the price of wool and mohair at that period was extremely low, far below the parity of the basic price.

Mr. WHITE. Is it not true, as a matter of fact, that using the post-war period of 1919 to 1929 gives a price pretty nearly 100 percent above the price for many years in the past? Is it not a higher price than at least from 1895 on?

Mr. SMITH. It may be, but the basis upon which it was calculated was what the return would be to the producer of these two articles from 1909 to 1914 as compared to what was the return for wheat and cotton and cattle. It was found that the returns for those articles were far below that average base.

Mr. WHITE. Was any data given to the Senate committee which would justify an approximately 100 percent increase, as I understand will be the result of this provision?

Mr. SMITH. I do not think the percentage would have anything to do with trying to ascertain what would be the proper period to take in order to determine the purchasing power of the wool producer's dollar. After considerable search it was found that the ante-war period named approximated the post-war period for the other articles. That is my information. Whether it is a 100-percent increase or 50 percent or 200 percent, the object was to get the period which would be nearest to approximating the purchasing power of the producer's dollar.

Mr. WHITE. The practical result is that it is increasing the price of wool to the manufacturer by nearly 100 percent, I understand.

Mr. SMITH. As I said in my opening remarks, the object of the bill is to try to secure for the producer of the raw material a return comparable to what he has to pay for the articles which he buys.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. SMITH. Certainly.

Mr. VANDENBERG. Would not the Senator agree that it is possible artificially to put these prices so high that manufacturing users are inevitably driven to substitutes?

Mr. SMITH. As I understand the purpose of the bill, wherever there is a danger of that happening, a compensating tax is placed upon the competing article so as to keep them on a parity.

Mr. VANDENBERG. So that the authority under the bill finally seeps out into almost any undefined field of trade in the Nation?

Mr. SMITH. Yes; if that undefined field of trade directly and pertinently affects the price of the product, the basic article.

Mr. VANDENBERG. Let us personify the point. Wool and mohair are used to a large extent in connection with the production of automobiles, let us say, in the upholstery. By taking the post-war period and determining that as the base price for wool and mohair, according to the statement just

made by the Senator from Maine [Mr. WHITE] we would increase the cost of wool and mohair in the production of an automobile about 100 percent. My expectation would be that the automobile manufacturer would immediately search for a substitute, and he is very effective usually in seeking substitutes. He has produced some amazing substitutes in many fields.

As I understand the Senator from South Carolina, whatever that substitute might be which may be subsequently discovered, though unknown to us today, it would fall within the jurisdiction of a compensating tax.

Mr. SMITH. Yes; just as the Senator's party applied the same principle exactly in its high protective tariff policy——

Mr. VANDENBERG. Oh, no!

Mr. SMITH. Whereby they placed a compensatory tax on all competing articles so the highly protected commodities had the right-of-way.

Mr. VANDENBERG. There is the very substantial difference that, up to within a few months, we have at least permitted Congress to write the tariffs, whereas in this instance it is proposed to permit the great Secretary of Agriculture to write his own tariffs as he sees fit at any time.

Mr. SMITH. I do not know; but wherever there happened to be a competing article a compensatory tax automatically went on it under the law enacted by the Senator's party. When we come here to try to do for the farmer what the Senator's party so abundantly did for the manufacturer, we begin to hear it said that the authorities can go into all sorts of undefined territory. It is undefined until it defines itself as a serious competitor of the article being produced.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. LEWIS. With the consent of the Senator from South Carolina, I take the liberty of addressing an interrogatory to my neighbor and colleague, speaking of the State of Michigan, to the Senator from Michigan [Mr. VANDENBERG], in view of his observation to the Senator from South Carolina as to mohair and wool and the statement of the able Senator from Michigan that the operation of this measure, as I gather, means an increase of price to all manufacturers. Did the able Senator from Michigan mean all manufacturers using any commodity covered by this bill, or did he mean any manufacturer that has to do only with mohair and wool?

Mr. VANDENBERG. I am afraid I did not follow the Senator's question. I am sure it is my fault.

Mr. LEWIS. Oh, no. It is possible there is something involved in my sentence.

When the Senator from Michigan stated a moment ago to the Senator from South Carolina that the operation of the bill meant an increase to the manufacturer, following the remarks of the Senator from Maine [Mr. WHITE], did the Senator from Michigan mean to intimate that as to every commodity covered by the bill it means an increase to the manufacturer having to do with such commodities, or did the Senator limit himself to mohair and wool, to which he referred?

Mr. VANDENBERG. I am discussing mohair and wool at the moment, and I think as we come further down into the bill we shall discover there is the same unlimited jurisdiction in respect to compensatory taxes upon substitutes throughout the entire scheme.

Mr. LEWIS. Is it the idea of the Senator from Maine and the Senator from Michigan that the operation of the bill, generally speaking, will increase the prices to the manufacturer, which necessarily would reflect themselves upon the consumer?

Mr. VANDENBERG. That would be my view. I have no quarrel with that insofar as it is necessary to provide a reasonable cost of production to the farmer. I quite agree with the Senator from South Carolina that that is absolutely essential. I am simply inquiring into the physical fact whether the Senator from South Carolina may not so zealously seek to do that thing that he may drive the manufacturer to seek a substitute and thus nullify the purpose we are trying to accomplish.

Mr. LEWIS. I thank the Senator from South Carolina.

Mr. SMITH. I call the attention of the Senator from Michigan to the fact that all these amendments seek to do, according to the proponents of the bill, is to fix the purchasing power of the farmer's dollar at exactly the same point as the purchasing power of the dollar of the man whose product he has to buy. None of us could quarrel with that. It may be necessary to do some very startling things in order to bring that about; but would we not prefer to do the very radical things necessary, rather than to leave the farmers in the defenseless and helpless condition in which they now find themselves? That is the object of the measure before us today, and that is the matter we now have to consider.

It is notorious that, so far as the farmer is concerned, he never knows what he is going to get for his product. He has no voice in the price of what he has to sell. He has no voice in the price of what he has to buy. The Government now is attempting to step in and take the place of an organization, and, in justice and equity, say to the farmer, "We are going to try so to organize the marketing process that you shall receive a just return for the products you contribute to organized society."

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. SMITH. I yield.

Mr. AUSTIN. May I call the Senator's attention to page 7, lines 16, 17, and 18?

Mr. SMITH. Will the Senator bear with me for a little while? I desire to read through the proposed amendments, so that each Senator may be familiar with what they are, and to what part of the bill they pertain.

Mr. AUSTIN. Very well.

Mr. CAREY. Mr. President, will the Senator yield for a question?

Mr. SMITH. Yes.

Mr. CAREY. As I understand, the object of the amendment affecting mohair and wool is to make them basic commodities.

Mr. SMITH. That is correct.

Mr. CAREY. They will be subject to a processing tax?

Mr. SMITH. Yes.

Mr. President, section 2 (a), the next amendment of House bill 8052, is purely a technical change. It makes no change in the law.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Oregon?

Mr. SMITH. I yield.

Mr. McNARY. My attention has been distracted a great many times. Before leaving the subject of wool and mohair, is the base period for ascertaining the parity price for wool and mohair changed from the base period for the other commodities mentioned in the original act?

Mr. SMITH. To arrive at the base period, the years had to be ascertained when the prices received for the units of wool and mohair most closely approximated the parity of the other commodities during the pre-war period. That is the reason why the post-war period years were adopted, because the pre-war prices for these two articles were so very low that they were just impossible. Therefore, in order to get anything like parity, it was necessary to search for years that really represented an equitable base period. If the pre-war period had been accepted as the base, it would not have been any benefit at all to the wool or mohair grower. The bill, therefore, takes the years from 1919 to 1929.

Mr. BYRD. The same years as in the case of tobacco.

Mr. SMITH. In this case the post-war period has been substituted for the pre-war period.

Mr. WHITE. And in so doing, a period has been selected when wool was higher than it has been within a period of 40 years or so.

Mr. SMITH. It is not a question of how high wool has been. It is a question of whether the purchasing power of the wool grower was on a parity with that of the man whose product he had to buy. An effort has been made to ascertain what period that was; and there has been taken the post-war period from 1919 to 1929 as a time when the prices

of wool and mohair were approximately on a parity with the prices of corn and meat and cotton and wheat in the pre-war period.

Mr. President, I now come to sections 2 (b) and 2 (c) of the bill we have before us. They are identical with sections 1 and 2 (a) of the Senate bill, and simply substitute the word "production" for the word "reduction", and put in the word "adjustment." The reason for that is that it was found that in certain regions no reduction might be needed, but an increase; and, regionally, it was desired to have the power to adjust rather than to just to have the word "reduction" used.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BYRD. I should like to ask the Senator if that would permit a benefit payment to a farmer who increases his crop as well as to the one who reduces his crop?

Mr. SMITH. For certain purposes of the bill that will be found to be true, and I will show the Senator the reason when we get to it.

Section 2 (d) of House bill 8052 does not appear in the Senate bill. That does not concern us. It amends section 8 (1) of the Agricultural Adjustment Act by empowering the Secretary to make, in addition to rental or benefit payments for acreage adjustment, which are already authorized in section 8 (1), payments on any basic commodities for expansion of domestic or foreign markets, for removal of surpluses, and in connection with the production of that part of a commodity required for domestic consumption. The real object of this section is to authorize and require the levy of a processing tax in order to finance the making of such payments. In other words, the processing tax now results in an extra price for the wheat and cotton consumed here. It is now proposed to attempt a payment on the exportable part, and this is what this provision seeks to do.

Mr. BYRD. Mr. President, I should like to ask the Senator from South Carolina whether his analysis now refers to Senate bill 1807 or to the present law.

Mr. SMITH. I am referring to the House amendment.

Mr. BYRD. The Senator is speaking of the differences between the two bills. Is he speaking of the differences between the House bill which has been offered as a substitute and the old Senate bill 1807, or is he speaking of the difference between this bill and the present legislation?

Mr. SMITH. I am speaking of the differences between this bill and the present legislation, because I take it that the Senate will agree to the substitution of the House bill for the Senate bill.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. VANDENBERG. Do I understand that the paragraph which the Senator has just described is an approach to the two-price system for agricultural commodities?

Mr. SMITH. It is an approach to an effort to eliminate the two-price system.

Mr. VANDENBERG. No; on the contrary, is it not substantially the theory of the old McNary-Haugen bill, which is a two-price system—a high price at home, and whatever price can be obtained abroad?

Mr. SMITH. No, no. The old McNary-Haugen bill tried to make the price uniform by the payment of rebates on all exported articles, so that the price to the American producer would be uniform.

Mr. VANDENBERG. Yes; but by two-price system I mean a higher price in the home market than abroad.

Mr. SMITH. But compensating for the lower export price.

Mr. VANDENBERG. Exactly. This is an approach to the two-price system as I now describe it?

Mr. SMITH. Yes; as the Senator now describes it.

Mr. VANDENBERG. And that is substantially the McNary-Haugen theory as we used to understand it; but I assume that this language would not permit the application of an equalization fee.

Mr. SMITH. Oh, no.

Mr. WHITE. Mr. President, will the Senator recur to subparagraph (c), at line 14, and explain to me just what that seeks to accomplish? I understand that it permits the Government to make rental payments or benefit payments, not alone in cash but in commodities of other kinds.

Mr. SMITH. The bill specifically permits the Secretary to pay the wool producer in wool. He cannot pay him in any other kind of commodity. Later on in the bill that is specifically defined.

Mr. WHITE. It proposes to insert these words:

Or to be made in quantities of one or more agricultural commodities acquired by the Secretary of Agriculture pursuant to this title.

Mr. SMITH. Yes.

Mr. WHITE. I thought that was broad enough to permit the Secretary to make the payment in any one of the many agricultural commodities in the possession of the Government.

Mr. SMITH. No. The bill later on—I shall come to that directly—specifically provides that where payment in kind is made, it has to be in kind to the producer of the particular article. For instance, in lieu of cash payment for the wool producer, he may be paid in wool; the cotton producer may be paid in cotton; the corn producer may be paid in corn. The bill later on specifically defines that.

Mr. WHITE. These are matters with which I am not familiar; but why should the cotton producer, who produces cotton that he wishes to sell, desire to be paid in cotton, the very crop of which he is undertaking to dispose?

Mr. SMITH. To get rid of the surplus. He takes that in lieu of production.

Mr. BYRD. What would the cotton producer do with cotton?

Mr. SMITH. He would use it in lieu of production, just as he did under the law we passed which Mr. Hoover failed to sign.

Mr. BYRD. He could not eat it. He would have to sell it; would he not?

Mr. SMITH. He would keep it in lieu of production next year. It is the only method we can find that will take care of overproduction. For instance, suppose we were to produce so much wheat that we would have practically a 2-year supply: Instead of sacrificing the whole thing, under this bill when the price got down to a point where it meant starvation and ruin for the wheat grower, the Government would be authorized to purchase wheat and resell it to the farmer in lieu of next year's production, so that the speculator would not get the benefit of the farmer's acreage reduction, but the farmer would get the benefit of it.

Mr. BYRD. Does the Senator think that the farmer would rather have cotton than cash?

Mr. SMITH. Thousands would, and I would, if in taking cotton I could borrow on it and substitute it for next year's production. When the price goes up I have made a crop, virtually speaking, without producing.

Mr. BYRD. Suppose the price does not go up?

Mr. SMITH. If the price does not go up it is not profitable for me to make a crop.

Mr. BYRD. In other words, the Senator thinks the farmer would rather have a hundred dollars' worth of cotton than to have a hundred dollars in cash?

Mr. SMITH. That is the option.

Mr. BYRD. I understand it is optional with the Secretary of Agriculture.

Mr. SMITH. No; it is optional with the farmer, under this bill.

Mr. HATCH. Mr. President, a question was propounded a few moments ago regarding wool and mohair, and I did not understand the answer. There has been some opposition in my State to this amendment, and I think there is a misapprehension about it. I desire to ask whether the bill changes anything concerning the wool and mohair industry except the base period. Is that the only effect it would have?

Mr. SMITH. It puts them under license.

Mr. HATCH. Permits the industry to be licensed?

Mr. SMITH. Yes.

Mr. HATCH. It does not make wool and mohair basic commodities?

Mr. SMITH. No.

Mr. VANDENBERG. Mr. President, I am sure the Senator from New Mexico is seeking to clarify the situation.

Mr. HATCH. I am seeking information.

Mr. VANDENBERG. In reply to previous questions, I understood the Senator from South Carolina to tell the Senator from Wyoming a few moments ago that this does make wool a basic commodity and that it does permit the levying of a processing tax on wool.

Mr. SMITH. It permits the levying of a processing tax on wool, but it puts the two products in that class because the base period is a different one.

Mr. VANDENBERG. I understand the difference in periods, but this does grant the power to make wool a basic commodity and assess a processing tax against it. Is not that correct?

Mr. SMITH. Not under this bill.

Mr. VANDENBERG. Was not that the Senator's statement to the Senator from Wyoming a little while ago?

Mr. SMITH. Let us look on page 6 of the House text, under section 4, line 17, where it is provided:

> Except in the case of milk and its products, tobacco, and sugar beets, no license issued under such clause (3) shall be effective with respect to any commodity (or product thereof) which on April 1, 1935, is defined, under section 11, as a basic agricultural commodity, nor shall any such license be effective with respect to any nonbasic agricultural commodity (or product thereof) except wool, mohair, fruits, and vegetables.

Those are nonbasic.

Mr. CAREY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. CAREY. Why would they set up a base period if it were not for the thought of the processing tax? The base period is set up so that a price may be fixed on any commodity.

Mr. SMITH. Let me explain to the Senator. Wherever a product is considered a basic commodity no license whatever is applied to it. The producer is remunerated by the processing tax. Where it is taken out of the class of basic commodities, then the processors and distributors are licensed, and they have trade or marketing agreements.

Mr. CAREY. The Senator is talking about a different part of the bill. Under the bill, as I read it, wool becomes a basic commodity and subject to the processing tax. I do not say that a wool dealer or producer would be licensed.

Mr. SMITH. Under the terms of the House text the wool is removed from the operation of the processing tax, and processors and distributors are put under a license in accordance with marketing agreements arrived at by the producers.

Mr. CAREY. A base price is set up, and how could that base price be obtained if there were not a processing tax to raise the price? How would it be done?

Mr. SMITH. I presume that through the licenses, and marketing agreements of the producers, they will be allowed a price equal to the base price. But wool has been taken out on the ground, it is said, that there are so few purchasers and producers of wool that it has been wholly impossible to levy a processing tax with any degree of success.

Mr. CAREY. I cannot understand the mechanics, because on any other commodity, under this measure, there will be a processing tax and the producer will be paid the difference. If they are not agricultural commodities, where will the money come from to raise the price?

Mr. SMITH. I understand from the Department that through the marketing agreements there would be fixed a price at which the producers would sell, and the processors and distributors would be required, under their licenses, to pay that price.

Mr. CAREY. Suppose there were no market demand for the wool, and suppose the price should be so high that wool would come in from abroad?

Mr. SMITH. Under the marketing details, all those things are worked out under the marketing agreements.

Mr. CAREY. This is price fixing, then.

Mr. SMITH. It has those features in it, yes; just as the manufacturer has to fix his price in order to take care of overhead.

Mr. CAREY. In other words, the Department will say, "You must have so much for wool, and we will fix the price."

Mr. SMITH. It approximates that; yes. That is frank.

Mr. O'MAHONEY. Mr. President, if I understand correctly, it does not go that far.

Mr. SMITH. It approximates that.

Mr. O'MAHONEY. If a marketing agreement is made, its objective, of course, will be to raise the price.

Mr. SMITH. To the parity.

Mr. O'MAHONEY. And this provision is designed to substitute, as a guide for the Secretary in entering these marketing agreements, the price from 1919 to 1929, after the war, for the extremely low price range of the pre-war period.

Mr. SMITH. Yes; it is just to bring the price to the parity.

Mr. O'MAHONEY. As I read the language to which the Senator has just alluded, it seems to be a very clear declaration that wool, mohair, fruits, and vegetables are not basic commodities.

Mr. SMITH. That is correct.

Mr. O'MAHONEY. And not only is that true but in the report which was filed by Mr. JONES, from the Committee on Agriculture in the House of Representatives, I find, on page 6, this statement referring to the new licensing provision:

> They cannot apply to any basic agricultural commodity (or its products), as now defined, except that they can apply to milk and its products, tobacco, and sugar beets.

That is a list of basic commodities.

Mr. SMITH. Things which were basic commodities.

Mr. O'MAHONEY. And still are.

Mr. SMITH. Yes; in a way.

Mr. O'MAHONEY. Then we read the next sentence:

> Nor can these licenses apply to any nonbasic agricultural commodity or product thereof except wool, mohair, fruits, and vegetables.

In other words, here is a distinct statement in the report affirming the language of the bill that wool, mohair, fruits, and vegetables are nonbasic commodities.

I wanted to ask the chairman of the committee this question: Is my understanding correct that there is no provision in the bill now before us amending that section of the Agricultural Adjustment Act which names the basic commodities?

Mr. SMITH. That is correct.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BYRD. It is unquestionably true that wool and mohair and fruits and vegetables are not made basic commodities, but I should like to correct the statement of the Senator from South Carolina when he said that no license can be issued for basic commodities, because limitations on page 6 refer to clauses 2 and 3, and there is another licensing section known as clause 1 which would be made effective. There are three separate and distinct licensing clauses in the bill, 1, 2, and 3, which provide a universal licensing system for all farm products and competing products if the Secretary desires to put it into execution.

Mr. HATCH. Mr. President, the particular section referred to by the Senator from Virginia only authorizes licensing in cases of unfair practices.

Mr. BYRD. Let me answer that suggestion. Not only unfair practices, but the effectuation of the declared policy of the act, which is to restore normal economic conditions in agriculture.

Mr. SMITH. The Senator from Virginia understands that on page 4, line 23, this language is used:

> To eliminate unfair practices or charges that prevent or tend to prevent the effectuation of the declared policy.

Mr. BYRD. Let the Senator read a little further, " and the restoration of normal economic conditions " to agriculture.

Mr. SMITH. I understand, but that is just the sequence of the unfair practices. If there are fair practices, then the processing tax applies and no license shall be applied, and the Senator will find further on in the bill a provision that there must be due diligence in ascertaining what are unfair practices.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BANKHEAD. In answer to the Senator from Virginia, I wish to call attention to the fact that this is limited to unfair practices. It reads:

To eliminate unfair practices or charges that prevent or tend to prevent the effectuation—

And so forth.

Mr. SMITH. I said it was predicated on that.

Mr. BANKHEAD. Unfair practices only.

Mr. SMITH. I wish now to consider the next amendment. Section 3 of H. R. 8052 corresponds to section 2 of Senate bill 1807. In the House bill it has been altered to conform to the changes heretofore referred to, which authorize the levying of processing taxes in connection with the expansion of markets and removal of surpluses of agricultural commodities.

Mr. ROBINSON. Mr. President, may I ask the Senator where the amendment appears in his amendment in the nature of a substitute?

Mr. VANDENBERG. On page 3, line 14.

Mr. SMITH. As I said, the House bill has been altered to conform to the changes heretofore referred to, which authorize the levying of processing taxes in connection with the expansion of markets and removal of surpluses of agricultural commodities. The major result of these alterations is to deprive the administration of the authority which it has under the present act to expand domestic and foreign markets for and remove surpluses of nonbasic commodities.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. McNARY. As much as I should like to have done so I have not been able to follow the Senator consecutively, on account of interruptions. Did the Senator discuss the amendment on page 2 to strike out the word " reduction " and to insert in lieu thereof " adjustment? "

Mr. SMITH. The Secretary of Agriculture and his assistants claim that in the operation of the law they already have found that it might be necessary, in place of reducing, to increase, or to adjust the conditions, rather than be restricted by the word " reduction."

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. GEORGE. Where it is found necessary to increase production, is it not reasonable to expect that the price of the commodity, the production of which needs to be increased in order to supply a market demand, will enhance, without putting it in the power of the Secretary of Agriculture to pay benefits to a farmer either to reduce or to increase his production? Are we now abandoning the whole theory on which the Agricultural Adjustment Act was first promulgated, and making the Secretary of Agriculture the complete guardian of the farmer, paying the farmer when he needs to have him increase, and paying him when he desires him to reduce?

Mr. SMITH. I shall enter into the philosophy of this measure only to the extent of saying that the farmer has not been able to do those things for himself up to the present time. However, in answer to the Senator from Georgia, I will say that I think what they have in mind is that there are certain commodities, perhaps, which may be advantageously used in export, but the price of which might not be up to the parity; and the Senator will find in this bill that an effort is made to incorporate some of the features of the McNary-Haugen bill namely, the adjustment for the farmer on his exported commodities as well as paying a farmer on his domestically consumed commodities.

Mr. GEORGE. I appreciate that and I think I thoroughly understand that. However, that has not anything to do, as I see it, with this provision.

The bill proceeds on to two theories. There is a conscious, definite, well-defined purpose to make it possible for the Secretary of Agriculture to increase the processing tax, to impose and collect more taxes to pay out greater benefits, and he is desirous of being relieved of all restrictions, so that he can pay out the proceeds of that tax to increase production or reduce production, or to reduce acreage or to increase acreage. It is the purpose to give him a perfectly free hand, as I understand. The amendment is difficult to understand as it is drawn, but undoubtedly that is what is meant; and I cannot interpret it in any other way. It has not anything to do with export, as I understand it.

Mr. SMITH. Mr. President, I think the basic principle underlying it is an adjustment of our production to whatever volume our export and domestic consumption may require.

Mr. GEORGE. I grant that; but the Agricultural Adjustment Act was predicated upon one thought and one theory and one fact, which is that we were accumulating and had accumulated surpluses in this country to the point where the market price had broken down. We had accumulated them in the domestic market, and, of course, our domestic price went down. So an effort was made to devise some means by which we could control the production so as to raise the parity price. In the meantime the power to impose a tax was given to the Secretary of Agriculture, and the power to pay benefits was given to the Secretary of Agriculture, to induce reduction in acreage or reduction in production. Now we throw it wide open, so that the Secretary of Agriculture may do much as he pleases with the money raised through the taxes which he imposes.

Mr. SMITH. I desire to call the Senator's attention to the fact that getting rid of the surplus, which was one of the potent causes in breaking the price, is only one of the objectives which have been sought by the Government since I have been a Member of the Senate, namely, devising some plan, some way, somehow by which the farmer would not be at the mercy of an uncontrolled market.

Mr. VANDENBERG. Mr. President, will the Senator yield for a further question?

Mr. SMITH. I yield.

Mr. VANDENBERG. Does the word " reduction " have to be changed to the word " adjustment " in order to justify the approaching wheat policy, which continues the reduction benefits without requiring any reduction in order to obtain the benefits?

Mr. SMITH. I think perhaps that is one of the objects in view.

Mr. VANDENBERG. That is the new adjustment which the Senator has in mind.

Mr. SMITH. The Senate report says:

In connection with many of the commodity benefit programs, it has frequently been found desirable to require a larger reduction in acreage from the base period during the first year covered by such programs than is required during the second or later years. Thus, while the provisions with reference to the later years require a reduction in acreage in comparison to that which obtained during the base period, they allow an increase in acreage over that which is permitted during the first year of the reduction program.

So that is just along the line to which the Senator has called my attention; and I presume the price which the farmer is to receive must be the level of the market, or it must be supplemented by funds derived from a special tax or from the regular income received by the Government.

Mr. VANDENBERG. However, is not the Senator from Georgia precisely correct when he says we are departing from the original purpose of the act when we now propose to license benefit payments without requiring any reduction in return for those benefit payments?

Mr. SMITH. It may be as necessary to increase production for a definite and specific purpose, for the benefit of agriculture, as it was to decrease production.

Mr. VANDENBERG. I am not inquiring into the justification for it. I simply am asking whether we are not departing entirely from the original formula.

Mr. SMITH. I do not think the original intent was for the purpose of reduction alone. We started out, under the Hoover administration, to try to bring about some kind of an organization which would insure a reasonable price to the producer. Now, if it is found that in some instances an increase of production is desirable, for whatever purpose it is required, it might be necessary that the grower be compensated.

Mr. VANDENBERG. What is the theory upon which benefits are paid to wheat farmers without requiring any reduction in acreage on their part? What theory defends that procedure?

Mr. SMITH. I did not know of any difference until now.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BANKHEAD. I am glad to have the Senator yield at just this moment, because of the argument of the Senator from Georgia [Mr. GEORGE] and the Senator from Michigan [Mr. VANDENBERG].

The original act, as we all understand, used the word "reduction." What is the base upon which the reduction is to be made? Under the language of the act we could not make any change and pay any benefit payments unless a reduction had been made over the preceding year. A base is established, as in 1934; and then we come to 1935, and we do not make a reduction, but authorize an increase in acreage. Under those circumstances, at least it is questionable whether we can make benefit payments without making a reduction over the fixed period.

In the case of wheat we had a period of reduction which was fixed, based on previous experience. Then came the drought. Then came in large measure the disappearance of the surplus. The provision in this measure authorizes the payment of benefits without requiring a further reduction of acreage, or without requiring at least the same reduction previously provided, though there are those who contend that under the language of the original act there can be no benefit payment without a reduction over the previous reduction. The word "adjustment" eliminates that questionable phase or that construction.

Besides, we must bear in mind, in answer to the question of the Senator from Michigan, that there will be two methods under this program. The one objective is to secure a parity price. That is the declared policy of the act. There are more ways, Mr. President, to accomplish that result than merely by resorting to a reduction in acreage in order to make applicable the law of supply and demand. The other method, the one authorized by this bill, is in addition to the reduction in acreage, namely, the payment of benefit payments to help lift the price of the agricultural commodity above the level to which it is lifted by the acreage reduction.

We may not do so merely by an acreage reduction in the case of cotton. In that instance we know that we have not adjusted the supply to the reasonable requirements of the market. Therefore a mere reduction in acreage in itself in 1 year, in 2 years, or even 3 years may not adjust the supply to the demands of the market. So the original act contemplated and authorized benefit payments in addition to the payment of acreage rental under a reduction program.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. TYDINGS. I was wondering if the Senator from Alabama had finished. If so, I wish to ask the Senator from South Carolina a question.

Mr. BANKHEAD. I have concluded.

Mr. TYDINGS. I did not wish to interrupt the Senator from Alabama.

Mr. BYRD. Mr. President——

Mr. SMITH. I yield to the Senator from Virginia.

The PRESIDING OFFICER (Mr. LEWIS in the chair). May the Chair suggest that Senators desiring to interrupt address the Chair so that the Chair may ask the Senator having the floor to which Senator he desires to yield?

Mr. SMITH. I yield to the Senator from Virginia to ask a question of the Senator from Alabama.

The PRESIDING OFFICER. The Senator from South Carolina yields to the Senator from Virginia.

Mr. BYRD. I should like to ask the Senator from Alabama if in his judgment the change from the word "reduction" to "adjustment" would permit the payment to a farmer directly for increasing his crop, whatever that crop might be?

Mr. BANKHEAD. I think it would authorize the payment of benefit payments if that were necessary to help give the farmer a parity price for his crop.

Mr. BYRD. Will the Senator explain how the price of a particular commodity can be increased by increasing its production?

Mr. BANKHEAD. If the benefit payments are related to and added to the price for that production it indirectly gives the farmer an additional price.

Mr. BYRD. But that is not the conception of the act, is it?

Mr. BANKHEAD. I think so. That is just the argument I have made, that it authorizes not only payment for acreage reduction but, where that is not sufficient to give the parity price, it authorizes also benefit payments in addition thereto. One is rentals and the other benefit payments. They are both authorized.

Mr. BYRD. Then, it is the policy of the Department of Agriculture to pay farmers for increasing their crops, if it is necessary to do so in order to obtain the parity price?

Mr. BANKHEAD. I do not think an increase in the crop ever increases the price.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. SMITH. I do.

Mr. TYDINGS. I understand the Supreme Court now is passing on the N. R. A.; I do not know what the decision is; but I am wondering if the N. R. A. Act, particularly its intrastate features, should be declared unconstitutional, how far that same philosophy would make unconstitutional this bill as it is now conceived.

Mr. SMITH. I think the difference beween this bill and the N. R. A. law is that this is largely voluntary; it provides for contracts between certain parties and the Government.

Mr. TYDINGS. Let me interrupt the Senator, if I may. As I understand, the Secretary of Agriculture is given the power to license in certain categories and under certain conditions. If he is given that power, and he should refuse to license a particular farmer dealing wholly in intrastate business——

Mr. SMITH. The Senator means a processor and not a farmer.

Mr. TYDINGS. That is correct; yes. In that case if the N. R. A. should be held to be unconstitutional because of its intrastate provisions, would not the same objection apply to the pending measure?

Mr. SMITH. I do not think this bill would be valid. I do not think the Secretary under the law could arbitrarily license any man doing wholly an intrastate business.

Mr. TYDINGS. That answers my question. Then, as I understand the Senator's conception of this bill, the licensing power will affect only producers or processors who are engaged in interstate commerce.

Mr. SMITH. Necessarily.

Mr. TYDINGS. That is the conception of the bill?

Mr. SMITH. I think so.

Mr. BYRD. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Virginia?

Mr. SMITH. First, let me define clearly the distinction, and then I will yield. I do not think we have any right or power to interfere with business transactions wholly intrastate. I do not think there is any way for us to reach them. The only approach of which I know was in stretching the commerce clause in the railroad cases, where the Interstate Commerce Commission declared that a railroad wholly intrastate might indirectly affect interstate commerce, and therefore would be subject to rates, fares, and charges as a road that was interstate. But there will be found in the

proposed amendment a clause setting forth almost the identical language that was used in the case of the railroads, namely, "affecting or modifying in any way interstate commerce."

Mr. TYDINGS. Mr. President, may I ask the Senator another question?

Mr. SMITH. Yes.

Mr. TYDINGS. In certain parts of Maryland there are a great many milk producers. They generally supply not only Washington but Baltimore, of course. Suppose the Secretary of Agriculture, under some marketing agreement, should define an area, as provided in this bill, which would allow, we will say, shippers of another State to ship milk into Baltimore under certain conditions. I do not see how he could regulate in any way the business of the shippers who produce milk in Maryland and sell it in Baltimore.

Mr. SMITH. Neither do I.

Mr. TYDINGS. So that the same criticism which was made as to the difficulty of enforcing the N. R. A. would apply, namely, that there would be one class of people supplying milk unregulated while the other class of people who were outside the State would be regulated.

Mr. SMITH. My idea of this bill, reading the text, is that those located within the territory described by the Senator would enter into a marketing agreement, and then the interstate shipper who wanted to avail himself of that market would have to subscribe within that zone to the agreement perfected by those in the vicinage where the business is carried on.

Mr. TYDINGS. But the Senator will concede, will he not, that the Secretary of Agriculture has nothing to do with an agreement made between the producers and the distributors of a commodity all within a State?

Mr. SMITH. Certainly; except voluntarily. If they set up a marketing agreement, then the processor who has interstate relations can be licensed in order to make him carry out and effectuate the policy of the marketing agreement entered into by all the milk producers. That is the object of this bill.

Mr. TYDINGS. Mr. President, let me say to the Senator from South Carolina that I have just been advised that the Supreme Court generally has held the whole N. R. A. to be unconstitutional, and I take it for granted that information is accurate. If that be true, it strikes me that we have to a large extent the philosophy of the N. R. A. insofar as intrastate control is concerned written into the pending bill, because there is no exception made in the bill which I hold in my hand as to intrastate commerce.

Mr. SMITH. If the Senator will read carefully the provisions for marketing agreements, he will find they are entered into as a form of voluntary contracts.

Mr. TYDINGS. Suppose 70 percent of those interested voted to become parties to one of these voluntary contracts and 30 percent vote not to do so, and the business is all intrastate, what can the Secretary of Agriculture do about it?

Mr. SMITH. I do not think he can do anything about it.

Mr. TYDINGS. What good will an agreement do if it does not apply to everybody?

Mr. SMITH. I think if the marketing agreement shall be demonstrated to be beneficial, others will seek to enter into it. All that I can say is, as the Senator from Maryland and every other Senator here knows, that if the business is conducted wholly within a State—if, in other words, it is intrastate—we cannot do anything with it by Federal law. That is all there is to it.

Mr. TYDINGS. Then there is nothing in this bill which provides that any such thing can be done?

Mr. SMITH. No; and if there were, the provision would be just idle words.

Mr. BYRD. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Virginia?

Mr. SMITH. I yield.

Mr. BYRD. I am very much interested to learn what the Senator has said with respect to the intrastate feature; but, as a matter of fact, this bill has new language in it which the original legislation did not contain. I refer to the words "in competition with or so as to burden, obstruct, or in any way affect interstate or foreign commerce."

Mr. SMITH. I just called attention to that.

Mr. BYRD. Then, if reference be made to the report of the House committee, it will be found that it is intended to control intrastate shipments where intrastate shipments affect interstate shipments.

Mr. SMITH. Yes; that is the language that was used.

Mr. BYRD. In other words, the effort has been made to control intrastate shipments just as completely as it is possible by law to control interstate shipments.

Mr. SMITH. As Chairman of the Interstate Commerce Committee, I did not subscribe at the time to the absurd length to which they went in interpreting the law to which I have referred, nor do I subscribe to it now; but where the intrastate condition does affect the interstate condition it ought to be subject to the same regulation as is the interstate. If the Senator means to define where one begins and the other leaves off, it is all right.

Mr. BYRD. In other words, if it does affect interstate commerce, it would be controlling intrastate commerce, if the amendment should be constitutional.

Mr. SMITH. If intrastate commerce affects disastrously interstate commerce, it then becomes subject to the interstate commerce law because it is affecting the instrumentalities of the Federal Government.

Mr. BYRD. I understood the Senator stood upon the principle that we should not control intrastate commerce.

Mr. SMITH. I do.

Mr. BYRD. This amendment certainly attempts to control it.

Mr. SMITH. I do not like the language here any more than I liked it in our Transportation Act, but I maintain that if an intrastate business in its relation to interstate business is affecting interstate business disastrously, then by the very terminology used it is interstate and is no longer intrastate. For instance, in the child-labor law it was attempted to forbid the shipment in interstate commerce of any goods from a factory which employed child labor. The Supreme Court held that it was not vested with an interstate interest until it was actually offered in interstate transportation. The Senator and I can conceive of conditions where an intrastate transaction may be for the purpose of affecting interstate business. In that case, the moment it does affect interstate business, and it can be substantiated that the intrastate business is affecting disastrously interstate business, it immediately becomes invested with an interstate character.

Mr. BYRD. There could not be any broader language than that which is contained in the amendment, because it says:

> In any way affects interstate or foreign commerce.

That is all the territory it is possible to include. It is all included in that language.

Mr. SMITH. I do not know but that a fair interpretation of that language would be permissible, such as "or affecting interstate commerce."

Mr. BANKHEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Alabama?

Mr. SMITH. I yield.

Mr. BANKHEAD. On this point I beg to call the Senator's attention in a very direct way to two decisions of the Supreme Court of the United States.

In *Stafford* v. *Wallace* (258 U. S. 495), which was a grain futures case, the Supreme Court sustained the provisions of the packers and stockyards act which, among other things, regulated practices and charges of commission merchants and dealers. In *Chicago Board of Trade* v. *Olsen* (262 U. S. 1), the Court sustained the constitutionality of the grain-futures act regulating futures contracts on the boards of trade. In both cases the transactions regulated were entirely intrastate in character. The legislation was sustained, however, on the grounds that the conduct regulated bur-

dened and affected interstate commerce in wheat and livestock. In the Stafford case the Supreme Court announced the principle as follows:

> * * * Whatever amounts to more or less constant practice and threatens to obstruct or unduly to burden the freedom of interstate commerce is within the regulatory power of Congress under the commerce clause, and it is primarily for Congress to consider and decide the facts of the danger and meet it.

Another case was *United States* v. *Ferger* (250 U. S. 199), where, in upholding the constitutionality of a Federal act making it a crime to utter counterfeit bills of lading purporting to represent interstate shipments, the Court said:

> Thus both in the pleadings and in the contention as summarized by the court below, it is insisted that as there was and could be no commerce in a fraudulent and fictitious bill of lading, therefore the power of Congress to regulate commerce could not embrace such pretended bill. But this mistakenly assumes that the power of Congress is to be necessarily tested by the intrinsic existence of commerce in the particular subject dealt with, instead of by the relation of that subject of commerce and its effect upon it. We say "mistakenly assumes", because we think it clear that if the proposition were sustained it would destroy the power of Congress to regulate, as obviously that power, if it is to exist, must include the authority to deal with obstructions to interstate commerce and with a host of other acts which, because of their relation to and influence upon interstate commerce, come within the power of Congress to regulate, although they are not interstate commerce in and of themselves.

Mr. SMITH. It is not necessary for me to go any further into that question. The application of the principle in the railroad case was carried to an absurd extent in affecting a railroad wholly within a State. In other words, the application of that policy practically nullified all State railroad commissions.

Mr. BORAH. Mr. President——

Mr. SMITH. I yield to the Senator from Idaho.

Mr. BORAH. The Shreveport case was referred to. The Supreme Court rendered an opinion in the Wisconsin case in which they distinguished the Shreveport case so as to limit the incident in which the intrastate business substantially interfered with the actual regulation of interstate commerce. In fact, the Shreveport case does nothing more than apply perfectly well-established principles to a particular state of facts. It in no sense holds that interstate commerce is subject to the control of regulation of Congress, unless as has always been true, it so interferes as to prevent the regulation of interstate commerce.

Mr. SMITH. Yes; but it went further. The policy, which was never, so far as I know, adversely passed upon by the Supreme Court, was that the revenues from interstate commerce were affected by the charges on intrastate commerce, and, therefore, they had a right to go within the States.

Mr. BORAH. I should like to see such a decision if one has been rendered.

Mr. SMITH. I said the Supreme Court never has passed upon that question so far as I know, and yet it is practiced by the Interstate Commerce Commission.

Mr. BORAH. Of course, if we are going to say that they have control of anything which affects interstate commerce, we must remember that all intrastate commerce affects interstate commerce. It is not sufficient that it shall affect interstate commerce, but it must affect it in such way as to interfere with the power to regulate interstate commerce before it becomes subject to control.

Mr. SMITH. That is my interpretation of what is meant by this very language. That was my idea when the Interstate Commerce Commission held that if it affects it, it ought to be made manifest that it was adversely affecting or obstructing interstate commerce. I take it that the administrators of the provisions of the bill would be subject to that very kind of conclusion. I would expect them to be. I change that expression. I hope they would be.

Mr. BORAH. Does the Senator say he expects it?

Mr. SMITH. No; I do not expect anything these days. I have gotten clear beyond that point now.

Mr. BORAH. The true rule is that Congress has the power to regulate interstate commerce, and it has no other power. If, in its effort to regulate interstate commerce, anything gets in its way, in the way so as to interfere with interstate commerce, it may remove it, but wholly for the purpose of exercising the power to regulate interstate commerce.

Mr. SMITH. That is true. I think that is sound, and I think that is the intent and purpose of this amendment, because in the interlacing of all business now, in the highly standardized condition of our organized society, the Senator knows and I know that there can be operated within a State things which would violently affect interstate commerce.

Mr. BORAH. Certainly; and when they do violently affect it, Congress may regulate that violence so as to remove it.

Mr. SMITH. Exactly. This bill gives someone the power to do that, and the courts are still here. If an attempt is made to go beyond those things that do affect interstate commerce so as to obstruct it, so as to make it inoperative, or so as to modify its operation, surely the courts are here to determine the matter.

Mr. BORAH. Yes; and they have just done so.

Mr. SMITH. Yes; so I hear.

Mr. BORAH. I expect to discuss this matter later, so I will not interfere with the Senator.

Mr. BYRD. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Virginia?

Mr. SMITH. I yield.

Mr. BYRD. Before the Senator leaves the ever-normal granary plan I should like to ask him a question about it. I do not think he has explained it fully. I should like to know to what extent it is anticipated that the Government will become the owner of large quantities of agricultural products.

Mr. Chester Davis said in his testimony that it is further recognized that the Government is likely to come into possession of substantial amounts of commodities, especially when a season of high yields, when loans are made, is followed by another season of high yields. As I recall, the Democratic Party and the Democratic platform severely condemned Mr. Hoover and the Republican Party because they purchased agricultural products. Is it the information of the Senator that it is the policy of the Department of Agriculture to hold large quantities of agricultural products, to be taken in through loans, I may say, that are made on such products in excess of the market value?

Mr. SMITH. Mr. President, I think there might come a time when that would be a very beneficial policy on the part of the Government, especially since we have launched out upon finding employment for people, creating jobs. I think it is very essential that when the price of our standard agricultural products manifestly falls below the cost of production the Government shall be able to acquire these products and substitute them in lieu of production. Whenever there is a surplus and the price goes below the cost of production, I think it would be pretty good policy to have established a reservoir into which the product could find its way for the benefit of the producer, and then be resold to him in lieu of production. When the season, over which the producer has no control, produces a greater amount than ordinarily is needed, instead of the speculator taking advantage of it and becoming the beneficiary, I think the Government could very well step in.

Mr. BYRD. The Senator a short while ago stated that no producer or farmer could be compelled to take a commodity in kind unless he voluntarily agreed to do so. I should like the Senator to show me that provision in the bill.

Mr. SMITH. It is implied rather than expressed.

Mr. BYRD. I made the statement that the Secretary of Agriculture absolutely controlled the matter. The Senator denied it, and said that a farmer could not be compelled to accept cotton for raising less cotton.

Mr. SMITH. I do not think he can.

Mr. BYRD. Where in the bill is it provided that the Secretary of Agriculture may pay a farmer in kind, without his consent, instead of paying him in cash?

Mr. SMITH. Under the form of the farmer's contract, he can specify his option.

Mr. BYRD. The Secretary can write any kind of a contract he wishes to write.

Mr. SMITH. And the farmer can reject any contract.

Mr. BYRD. The Senator knows that the farmer is not going to reject a contract with respect to getting benefit payments, so the entire matter is in the control of the Secretary of Agriculture.

Mr. SMITH. The Senator from Virginia has contradicted himself. If a farmer does not want payment in kind, but wants payment in money, and says, "I refuse to sign except for payment in money", and another farmer says, "I will take payment in kind", they are both at liberty to do so.

Mr. BYRD. The Senator well knows that the Secretary of Agriculture may prepare a contract in which he may say that benefit payments are to be made, not mentioning how, and the farmers will sign the contracts, because that is the only way in which they can get any benefit payments at all. The contention I make, and what I desire to have made clear, is that if it is the policy of the Government to pay the farmers in cotton, for example, instead of in cash, that can be done without the consent of the individual farmers.

Mr. SMITH. I do not think so.

Mr. BYRD. What is in the bill to prevent it, and will the Senator agree to an amendment to prevent it?

Mr. SMITH. What is in the bill is the refusal of the farmer to sign the contract.

Mr. BYRD. If he refuses to sign, then he will get nothing.

Mr. SMITH. Exactly; if he prefers having nothing to having cotton.

Mr. BYRD. That places the farmer in a very awkward position. If the Senator says the farmer should have the choice as to whether to receive cash or cotton, why not write into this proposed law an amendment to that effect?

Mr. SMITH. If the Senator will prepare such an amendment, I shall be very glad to have it incorporated in the bill, so as to make it distinct and clear that the farmer can receive payment in kind or in cash.

Mr. BYRD. The House bill authorizes the Secretary to pay the benefit either in kind or in cash.

Mr. SMITH. Yes. His contract would depend upon whether he was paid one or the other. Therefore the Secretary has to be authorized to do either. If he were restricted to cash, he could not pay in kind. If he were restricted to kind, he could not pay in cash; but he is authorized to pay in cash or in kind, as the farmer elects to take one or the other. If, however, the Senator desires an amendment to the effect that the farmer may accept cash or kind, I shall be very glad to have it incorporated in the bill.

Mr. BYRD. That is not the amendment I desire, Mr. President. I desire an amendment that a farmer shall not be compelled to accept payment in kind unless he so desires.

Mr. SMITH. I say, if the Senator from Virginia will write an amendment providing that the option shall be left with the farmer as to whether he shall accept payment in kind or in cash, I shall be very glad to accept it.

With respect to section 4, except for the fact that the House bill has paragraphed its amendments, the language is identical in both bills through line 16, on page 6, of the House bill, and the end of the sentence in line 1 on page 5 of the Senate bill.

Mr. BYRD. Mr. President, the Senator is now referring to section 4?

Mr. SMITH. Yes.

Mr. BYRD. It is my understanding that the Senator is comparing this bill not to the former bill but to the existing legislation?

Mr. SMITH. That is what I am doing.

Mr. BYRD. I think the Senator should make clear, as I suppose he will, that as compared to existing legislation the bill adds these words:

> In competition with or so as to burden, obstruct, or in any way affect——

Mr. SMITH. Yes.

Mr. BYRD. Those are new words, which are not in the existing legislation with regard to licensing.

Mr. SMITH. Let me find that provision in the original law.

Mr. BYRD. It is at the bottom of page 7, section 3, of the original law.

Mr. SMITH. The original language says:

> To issue licenses permitting processors, associations of producers, and others to engage in the handling, in the current of interstate or foreign commerce, of any agricultural commodity or product thereof, or any competing commodity.

No; this language is new, and it is in accordance, as I said a moment ago, with the language that was incorporated in the Transportation Act.

Mr. BYRD. I am not a lawyer, and neither, as I understand, is the Senator from South Carolina.

Mr. SMITH. No.

Mr. BYRD. But, in the Senator's opinion, does not this provision tremendously strengthen the licensing clause, because it says?—

> In competition with or so as to burden, obstruct, or in any way affect, interstate commerce.

Mr. SMITH. Oh, yes; unhesitatingly, I think so. I think it gives the Secretary the power, wherever he finds intrastate business burdening or affecting interstate business, so to declare.

Mr. BYRD. Let us take a concrete example. Suppose, for instance, a man raised a thousand baskets of strawberries, and sent them into a nearby city that happened to be within his State. That would be affecting interstate shipments of strawberries, because strawberries would be shipped into that city from out of the State. Is not that correct?

Mr. SMITH. I do not know that that could be considered as burdening or affecting interstate commerce. It would be so entirely within the right of an individual in a State, or a community within a State, that I do not think it could be so considered.

I cannot think of an illustration just now, but I presume there are plenty of intrastate transactions that do burden and obstruct interstate commerce. The Senator and I, in passing this legislation, if it shall pass, are going to leave to the courts and to the common sense and discretion of the Secretary of Agriculture and his assistants—I said "the common sense and discretion"—the extent to which this will go.

Mr. BYRD. But, regardless of that, there are certain fundamental principles on which the Senator and I should still stand.

Mr. SMITH. There are, and I stand on them.

Mr. BYRD. Would not the Senator be willing to modify that language? It now reads, "in any way affect." No language could be stronger than that—"in any way affect." It does not say that the handling of the commodity shall injure, necessarily, but that it shall "in any way affect interstate or foreign commerce."

Mr. SMITH. Mr. President, I think perhaps the language "in any way affect" is rather too liberal. I frankly admit that. If the language could be so framed as to indicate that the transaction must interfere with or obstruct interstate commerce, it would be better for us all.

Mr. BYRD. Will the Senator consider an amendment along that line?

Mr. SMITH. I will.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. SMITH. I yield.

Mr. BORAH. I have before me the opinion of the Supreme Court rendered today, some paragraphs of which bear directly on this matter. It says:

> In determining how far the Federal Government may go in controlling intrastate transactions upon the ground that they "affect" interstate commerce, there is a necessary and well-established distinction between direct and indirect effects. The precise line can be drawn only as individual cases arise.

In other words, when we use the words "interstate commerce" it does not add anything to the law to add to it the words "any commerce which affects interstate commerce", because each case must be determined as it arises, and the Court will determine for itself whether a given transaction affects interstate commerce to such an extent as to interfere with the regulation of interstate commerce.

In other words, if the term "all matters in interstate commerce" were employed, the idea would be expressed just as fully as by the use of the additional term which is inserted.

Mr. SMITH. Mr. President, as I said to the Senator, it is going to be left, as the National Recovery Act was left, to the final decision of the Court, and each individual case arising will be determined by the degree to which it does interfere with interstate commerce.

Mr. BORAH. When it gets before the Court the fact that we have used the term "and affects interstate commerce" will add nothing to the strength of the law.

Mr. SMITH. I agree with the Senator. I think that is correct.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. SMITH. I yield.

Mr. VANDENBERG. In connection with section 4, which the Senator has been explaining, may I inquire what latitude is involved in the licenses which are to be issued to processors? Can the Secretary of Agriculture control all phases of the processor's business and operation under the licenses?

Mr. SMITH. What does the Senator mean by "all phases"?

Mr. VANDENBERG. I was challenged by a circular which comes to hand from the law committee of the American Newspaper Publishers Association, for example, which says that under this authority the Secretary of Agriculture can pass upon all the advertising campaigns of a processor, that he can decide that a processor is not entitled to include advertising expense within a legitimate market price. Does the Senator believe that the power to license a processor is an all-inclusive power, which the Secretary can use in respect to all of the activities of the processor?

Mr. SMITH. As I contemplate it, if we attribute to the Secretary of Agriculture and his assistants common decency, we would think that he would license processors for the purpose of carrying out the marketing agreements entered into by producers, and beyond that, have nothing to do with his license restrictions.

Mr. VANDENBERG. I do not want the Senator to leave me in the position of having suggested that the Secretary would go beyond common decency. In the Secretary's view of the ordered and regimented society, which he conscientiously believes, apparently, to be essential to the welfare of American life, he might decently, from his viewpoint, go infinitely further than the able Senator from South Carolina would want to go.

Mr. SMITH. I may explain the object as I see it. Let us assume a marketing agreement entered into by producers. They go into the details and have a meeting with the processors, which I understand has been done in nearly every case; and they work out a program, as was done in the case of tobacco, by which the processor or distributor conforms to the terms of the marketing agreement entered into by the producers. He has to pay them a certain price, or come within certain rules. What he does with the product after he gets it, or how he goes about disposing of that which he has brought from the producer is, as I understand, beyond the purview of license. That enters into another phase which does not concern the producer and the processor and distributor. The object here is to get for the producer, as near as may be, a just return for what he sells in terms of what he buys, and beyond that there is no concern.

Mr. VANDENBERG. I understand that to be the objective.

Mr. SMITH. Yes.

Mr. VANDENBERG. But textually I am asking the Senator whether, under the language which he is asking the Senate to approve, the license which the Secretary of Agriculture can put upon any processor is a license so broad that he can virtually exercise any power or authority he wants to over the processor in respect to the merchandising of the particular commodity which is processed.

Mr. SMITH. No; I do not so understand. In the first place, I do not think the Secretary of Agriculture would want to burden himself with following up what the processor does after he has conformed to the contract implied in the license and in the marketing agreement.

Mr. VANDENBERG. Suppose the Secretary of Agriculture should move on to some other high position in the Government and the Under Secretary should become Secretary?

Mr. SMITH. We will not discuss that question.

Mr. VANDENBERG. How would the Senator like to have these powers administered then?

Mr. SMITH. I turn over all my interest to the Senator from Michigan. He is welcome to draw any deduction or induction or abduction. [Laughter.]

Mr. VANDENBERG. Does the Senator think that hazard is sufficiently imminent so that we ought to protect against it in this bill?

Mr. SMITH. I noticed that some of the Senators were willing to take the hazard in the first place, and they are welcome to take it in the second place.

Mr. VANDENBERG. I should like to ask the Senator one other question in regard to this section. I should like to know why sugar beets are chosen as one of the specific commodities which are not exempted from the license language on page 6?

Mr. SMITH. I think the Secretary and his assistants have taken out those raw materials which were notoriously below the parity price, where the producers were not getting the parity price, and where a processing tax could not be so readily available as when applied to the standard articles, such as cotton, and corn, and wheat.

Mr. VANDENBERG. We have the Jones-Costigan Act to deal with the sugar situation, and I am wondering why it is not left to the Jones-Costigan Act. I see one of the able authors of that act upon his feet. Perhaps he might be permitted to respond.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from South Carolina yield to the Senator from Colorado?

Mr. SMITH. I yield.

Mr. COSTIGAN. I did not rise to respond to that inquiry, but to supplement the question of the able Senator from Michigan by asking why sugarcane is not included with sugar beets in the clause mentioned by the Senator from Michigan?

Mr. SMITH. I am not prepared to make a statement, save to refer to just what was brought out before the committee. My understanding is that the prices of the sugar beets and wool were so far below anything like parity that a processing tax was not indicated as being easily executed. They could adjust the difference more satisfactorily than through an attempt to put on a processing tax, because it must be evident to the Senator that if they were as far below the parity as indicated by the report, a processing tax would practically eliminate them.

Mr. COSTIGAN. My suggestion to the able Senator from South Carolina is that either sugar beets be eliminated from line 16, page 5, of the House bill or sugarcane be added. It is evident that sugar produced from cane and sugar produced from beets are not distinguishable.

Mr. SMITH. No.

Mr. COSTIGAN. It is also well known that in marketing sugar produced from diverse sources, beet and cane, natural marketing areas are frequently invaded, so that sugar produced from cane is frequently sold in beet-sugar regions, and vice versa. Therefore, marketing agreements are especially desirable to eliminate needless and wasteful cross-transportation charges.

I wish at this early stage in the consideration of the bill to suggest to the able Senator from South Carolina that sugarcane be added or sugar beets omitted, particularly since the courts under known commercial conditions may reasonably hold any such classification, distinguishing between closely allied basic commodities, to be an arbitrary, unwarranted, and illegal discrimination.

Mr. SMITH. Let me suggest to the Senator that he prepare an amendment to that effect, and I shall ask the Department to give me a specific statement as to what they have found in trying to administer the law.

Mr. COSTIGAN. I thank the Senator. That is precisely my intention.

Mr. VANDENBERG. Mr. President, if the Senator will permit me, I am still without an answer to my question as to why sugar beets should be in the bill at all, in view of the existence of the Jones-Costigan Act, and I am wondering whether the Senator will not permit the Senator from Colorado to give me his judgment upon that question?

Mr. SMITH. I shall be glad to yield for that purpose.

Mr. COSTIGAN. I had nothing to do with the preparation of the bill before us. My attention has been directed only to the clause about which I have expressed myself. I prefer at this time to reserve any further answer to the question of the Senator from Michigan.

Mr. SMITH. Mr. President, I wish to call attention to another phase of the matter. The Senator from Michigan and the Senator from Colorado were speaking about articles being licensed rather than being brought under the processing tax provision. These articles are produced in a territory so limited in extent, and in a volume so small, comparatively, that it is more convenient, according to the statement made by the Department, to handle them by marketing agreements and licenses than by a processing tax.

The fifth clause provides that no license can be issued except in aid of an executed or proposed marketing agreement. Since from line 19 on page 4 through the end of the sentence in line 1 on page 5 of the Senate bill there is already imposed a similar restriction with respect to clause (2) and clause (3) licenses, this new sentence affects only the clause (1) licenses, which deal solely with unfair trade practices and charges.

The sixth clause exempts retailers—with the exception of retailers of milk—from the compulsory licensing provisions.

There was considerable propaganda to the effect that under the terms of the original law and the first proposed amendment, the Secretary should license anyone handling agricultural products, wherever they went. The proposed amendment does not permit a retailer to be licensed unless the retailer assumes the function of a wholesaler—that is, a retailer selling to a retailer—but so long as he sells in retail no license shall be applied.

Mr. VANDENBERG. Mr. President, may I ask the Senator whether the phrase "unfair practices" is defined anywhere in the bill?

Mr. SMITH. No; I think not.

Mr. VANDENBERG. What does the phrase "unfair practices" mean?

Mr. SMITH. The Senator can answer his own question just as well as I can. It is a pretty broad expression. If it were capable of definition, I think it should be incorporated in the bill; but the Senator recognizes that whenever we begin to enumerate the specific things to be exempted or included we cannot go beyond them, so are obliged to leave it to the judgment of those who are to administer this law to decide whether practices are manifestly unfair in common honesty and in common dealing.

Mr. VANDENBERG. Does the Senator think we have constitutional authority to delegate to the Secretary of Agriculture the right to define an unfair practice and then deal with it by way of penalty through a license?

Mr. SMITH. Yes; I think we have the power of creating a court, and we come very near doing it in this bill. Congress has the power to create inferior courts and invest them with all the power necessary.

Mr. VANDENBERG. This will not be an inferior court.

Mr. SMITH. Mr. President, the paragraph designated as (B), beginning in line 1, page 8, of House bill 8052, is identical with the paragraph constituting lines 4, through 18, on page 5 of Senate bill 1807.

I do not think that needs any explanation.

Section 5 of House bill 8052 corresponds to and is substantially identical with section 4 of Senate bill 1807, and constitutes the so-called "books and records section."

There has been a good deal of comment about that. The Senate bill provided for an examination of books and papers pertinent to the question. I think synonymous provision is made in the House bill so that the two are practically the same in this respect.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. LEWIS. I should like the judgment of the Senator from South Carolina, as Chairman of the Committee on Agriculture and Forestry, who, as we all know, has been watching all legislation touching agriculture, and also the judgment of the Senator from Alabama [Mr. BANKHEAD] on this question:

Is it not now worthy of consideration whether we should go farther in our consideration of this bill at the present time? The Supreme Court of the United States seems to have rendered an opinion which, from what we learn of it, indicates that the foundation on which this proposed legislation is based is open to the serious question of unconstitutionality, certain features of it coming wholly within the decision as we now know it to have been rendered. Would it not be well, before we go farther with this bill, that it be recommitted to the committee, or for a while suspended, until complete consideration by the Committee on Agriculture and Forestry can be given as to how far the provisions of this bill are within the opinion of the Supreme Court, or how far they are without it, and thus avoid the possible passage in this body of a measure which may in a very short while be under question, under suspicion, under charge, under great doubt, and possibly come within the maledictions of the Supreme Court in declaring it invalid? Would it not be well for us now to consider those phases of the subject?

Mr. SMITH. Mr. President, now that this bill has been reported, individually I prefer to have this august body of lawyers consider it in all its legal and constitutional phases rather than send it back to the committee with its limited knowledge of legal lore. I make no reflection on the lawyers on the committee, but while there are some of us on the committee who make assault with intent to be lawyers, and some of us may be lawyers, I think it is better, now that we have the bill before us and have the decision of the Supreme Court before us, to test each one of the provisions of the substantive law as well as these implementing amendments. I prefer, for the sake of the agricultural interests of America, to go on, and, so far as we can, intervene and give them some hope that from now on they will be enabled under law to participate to some degree at least in the wealth they produce and not to continue to be in the line of least resistance and to be exploited by all the profiteers and manufacturers who handle the farmers' products.

Mr. McNARY. Mr. President, the Senator from Illinois has made a proposal which I thought of making, twice within the last hour. A number of Senators spoke to me about the advisability of recommitting the bill to the committee for its study in connection with the decision handed down by the Supreme Court today in connection with the N. R. A.

With the slight knowledge I have of the decision of the Supreme Court, if I have been correctly informed, it is my judgment that the delegation of power without any proper definition is just as apparent in the agricultural-adjustment bill as in the N. R. A. Act. I have not had time to read the decision, and I may be mistaken.

Would it not be helpful and fair to Congress and fair to the farmers of the country to recommit the bill to the committee for the purpose of study? Would we not gain time thereby?

Mr. SMITH. I think we will gain time if we shall continue to consider the bill on the floor of the Senate, and, in the light of the decision of the Supreme Court, either amend or eliminate those parts of the bill which in the opinion of a majority of the Senators are unconstitutional, rather than send the bill back to the committee for its discussion, because the same questions will again be gone over when the bill comes back to the floor.

Mr. McNARY. I think there is question whether the pending measure does not come within the provisions of the decision handed down today; and, inasmuch as there is other pending legislation which may take the place of that which is now before us, I believe it is in the interest of the farmers of the country and of Congress that this bill be recommitted to the committee for its study, in the light of the decision of the Supreme Court. I do not wish to take it away from the chairman of the committee. If I were chairman of the committee I should do it voluntarily, and I should feel almost under the necessity of moving in that direction; but, in justice to the chairman, I hesitate at this time to do so.

Mr. SMITH. Mr. President, I desire to state that I do not think the terms of this bill are comparable to the terms of the N. R. A. Act.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. SMITH. I yield.

Mr. BORAH. Would not the Senator be willing to have the Senate take a recess until tomorrow, so as to give us a chance to study the bill in the light of the decision of the Supreme Court, instead of sending the bill back to the committee?

Mr. SMITH. Mr. President, I should be perfectly willing to take that course.

Mr. ROBINSON. Mr. President, why not let the Senator from South Carolina proceed with his explanation of the amendments? When he shall have concluded that explanation—which will give the Senate, if Senators will listen to it, some understanding of the purposes and effect of the bill—it will be time enough to discuss taking a recess or an adjournment.

I think the Senator should have an opportunity to conclude his discussion of the amendments. He has been interrupted—properly, of course—a great many times. When he shall have concluded his explanation of the bill we can then decide whether or not we wish to take a recess or an adjournment.

Mr. SMITH. Mr. President, I think perhaps the suggestion of the Senator from Arkansas is the better plan; and, if I am permitted, I will go through the amendments, so that they will be in the RECORD, with the explanation which has been prepared, and those who desire to examine the decision of the Supreme Court will be prepared tomorrow.

Mr. BORAH. Mr. President, the questions involved in some of these amendments were decided by the Supreme Court.

DECISIONS OF SUPREME COURT IN N. R. A. AND FRAZIER-LEMKE LAW CASES (S. DOC. NO. 65)

Mr. BLACK. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BLACK. It has been suggested by a number—but I do not know that the suggestion has as yet been carried out—that the opinions should be placed in the RECORD, and, if the Senator from South Carolina will yield for that purpose, I will ask unanimous consent to have inserted in the RECORD both opinions of the Supreme Court of the United States in the N. R. A. cases.

Mr. BANKHEAD. Were there two opinions?

Mr. BLACK. I might state that there were two opinions, the opinion of the Court and concurring opinions by Mr. Justice Cardozo and Mr. Justice Stone, who added some views to those of the other justices of the Court. I ask that both opinions may be inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KING. Mr. President, will the Senator from South Carolina yield?

Mr. SMITH. I yield.

Mr. KING. Does the request of the Senator from Alabama also include the decision of the Court on the so-called "Frazier-Lemke Act"?

Mr. BLACK. I did not include that in my request, but I think it would be wise to do so, and I shall be glad to add also the request that the opinion of the Court on the Frazier-Lemke Act be inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBINSON. What was the opinion of the Court in that case?

Mr. KING. The act was declared unconstitutional.

Mr. BLACK. Mr. President, it has been suggested—I do not know whether it would be desirable or not, but I suggest it for consideration—that there will be so many requests for the opinion of the Supreme Court in the N. R. A. case that it ought also to be printed as a public document, and I make that request, in order to test whether Senators think that is proper. I may add that the estimate of cost of printing the opinions in the RECORD, as required by the rules of the Joint Committee on Printing, has been furnished to the committee.

Mr. BYRD. Is the opinion a long one?

Mr. BORAH. Mr. President, as I understand, there will be plenty of copies printed by the Supreme Court itself.

Mr. BLACK. If copies will be available from that source, then, I will withdraw that part of my request.

Mr. BYRD. Is the opinion a long one, I should like to ask the Senator? I was just wondering whether it would not be well to have the opinion read by the clerk, if it is not too long.

Mr. BLACK. It would probably take an hour or more to read it.

Mr. ROBINSON. It would take, perhaps, 2 hours.

Mr. BYRD. Very well.

Mr. BLACK subsequently said: Mr. President, since I was on my feet a few moments ago, it has been ascertained that the number of printed copies of the opinions relative to the N. R. A. law available to the Supreme Court are very limited, and a number of Senators desire that the Supreme Court opinions to which I have referred be made a Senate document. I therefore ask unanimous consent that it be so done.

The PRESIDING OFFICER. Without objection, it is so ordered.

The opinions of the Supreme Court of the United States which were ordered to be printed in the RECORD are as follows:

[Supreme Court of the United States. Nos. 854 and 864. October term, 1934. 854. *A. L. A. Schechter Poultry Corporation, Schechter Live Poultry Market, Joseph Schechter, Martin Schechter, Alex Schechter, and Aaron Schechter, petitioners,* v. *The United States of America,* 864. *The United States of America, petitioner,* v. *A. L. A. Schechter Poultry Corporation, Martin Schechter, Alex Schechter, and Aaron Schechter.* On writs of certiorari to the United States Circuit Court of Appeals for the Second Circuit]

Mr. Chief Justice Hughes delivered the opinion of the Court.

Petitioners in no. 854 were convicted in the District Court of the United States for the Eastern District of New York on 18 counts of an indictment charging violations of what is known as the "Live Poultry Code",[1] and on an additional count for conspiracy to commit such violations.[2] By demurrer to the indictment and appropriate motions on the trial the defendants contended (1) that the code had been adopted pursuant to an unconstitutional delegation by Congress of legislative power; (2) that it attempted to regulate intrastate transactions which lay outside the authority of Congress; and (3) that in certain provisions it was repugnant to the due process clause of the fifth amendment.

The circuit court of appeals sustained the conviction on the conspiracy count and on 10 counts for violation of the code, but reversed the conviction on 2 counts which charged violation of

[1] The full title of the code is Code of Fair Competition for the Live Poultry Industry of the Metropolitan Area in and About the City of New York.

[2] The indictment contained 60 counts, of which 27 counts were dismissed by the trial court, and on 14 counts the defendants were acquitted.

requirements as to minimum wages and maximum hours of labor, as these were not deemed to be within the congressional power of regulation. On the respective applications of the defendants (no. 854) and of the Government (no. 864) this court granted writs of certiorari April 15, 1935.

New York City is the largest live-poultry market in the United States. Ninety-six percent of the live poultry there marketed comes from other States. Three-fourths of this amount arrives by rail and is consigned to commission men or receivers. Most of these freight shipments (about 75 percent) come in at the Manhattan Terminal of the New York Central Railroad, and the remainder at one of the four terminals in New Jersey serving New York City. The commission men transact by far the greater part of the business on a commission basis, representing the shippers as agents, and remitting to them the proceeds of sale, less commissions, freight, and handling charges. Otherwise, they buy for their own account. They sell to slaughterhouse operators, who are also called market men.

The defendants are slaughterhouse operators of the latter class. A. L. A. Schechter Poultry Corporation and Schechter Live Poultry Market are corporations conducting wholesale poultry slaughterhouse markets in Brooklyn, New York City. Joseph Schechter operated the latter corporation and also guaranteed the credits of the former corporation which was operated by Martin, Alex, and Aaron Schechter. Defendants ordinarily purchase their live poultry from commission men at the West Washington Market in New York City or at the railroad terminals serving the city, but occasionally they purchase from commission men in Philadelphia. They buy the poultry for slaughter and resale. After the poultry is trucked to their slaughterhouse markets in Brooklyn, it is there sold, usually within 24 hours, to retail poultry dealers and butchers, who sell directly to consumers. The poultry purchased from defendants is immediately slaughtered, prior to delivery, by shochtim in defendants' employ. Defendants do not sell poultry in interstate commerce.

The live-poultry code was promulgated under section 3 of the National Industrial Recovery Act.[3] That section—the pertinent provisions of which are set forth in the margin[4]—authorizes the President to approve "codes of fair competition." Such a code may be approved for a trade or industry, upon application by one or more trade or industrial associations or groups, if the President finds (1) that such associations or groups "impose no inequitable restrictions on admission to membership therein and are truly representative", and (2) that such codes are not designed "to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them, and will tend to effectuate the policy" of title I of the act. Such codes "shall not permit monopolies or monopolistic practices." As a condition of his approval, the President may "impose such conditions (including requirements for the making of reports and the keeping of accounts) for the protection of consumers, competitors, employees, and others, and in furtherance of the public interest, and may provide such exceptions to and exemptions from the provisions of such code as the President in his discretion deems necessary to effectuate the policy herein declared." Where such a code has not been approved, the President may prescribe one, either on his own motion or on complaint. Violation of any provision of a code (so approved or prescribed) "in any transaction in or affecting interstate or foreign commerce" is made a misdemeanor punishable by a fine of not more than $500 for each offense, and each day the violation continues is to be deemed a separate offense.

The "live-poultry code" was approved by the President on April 13, 1934. Its divisions indicate its nature and scope. The code has eight articles entitled (1) purposes, (2) definitions, (3) hours, (4) wages, (5) general labor provisions, (6) administration, (7) trade-practice provisions, and (8) general.

The declared purpose is "to effect the policies of title I of the National Industrial Recovery Act." The code is established as "a code for fair competition for the live poultry industry of the metropolitan area in and about the city of New York." That area is described as embracing the five boroughs of New York City, the counties of Rockland, Westchester, Nassau, and Suffolk in the State of New York, the counties of Hudson and Bergen in the State of New Jersey, and the county of Fairfield in the State of Connecticut.

The "industry" is defined as including "every person engaged in the business of selling, purchasing for resale, transporting, or handling and/or slaughtering live poultry, from the time such poultry comes into the New York metropolitan area to the time it is first sold in slaughtered form", and such "related branches" as may from time to time be included by amendment. Employers are styled "members of the industry", and the term employee is defined to embrace "any and all persons engaged in the industry, however compensated", except "members."

The code fixes the number of hours for workdays. It provides that no employee, with certain exceptions, shall be permitted to work in excess of forty (40) hours in any one week, and that no employee, save as stated, "shall be paid in any pay period less than at the rate of fifty (50) cents per hour." The article containing "general labor provisions" prohibits the employment of any person under 16 years of age, and declares that employees shall have the right of "collective bargaining", and freedom of choice with respect to labor organizations, in the terms of section 7 (a) of the act. The minimum number of employees, who shall be employed by slaughterhouse operators, is fixed, the number being graduated according to the average volume of weekly sales.

Provision is made for administration through an "industry advisory committee", to be selected by trade associations and members of the industry, and a "code supervisor" to be appointed, with the approval of the committee, by agreement between the Secretary of Agriculture and the Administrator for Industrial Recovery. The expenses of administration are to be borne by the members of the industry proportionately upon the basis of volume of business, or such other factors as the advisory committee may deem equitable, "subject to the disapproval of the Secretary and/or Administrator."

The seventh article, containing "trade practice provisions", prohibits various practices which are said to constitute "unfair methods of competition." The final article provides for verified reports, such as the Secretary or Administrator may require, "(1) for the protection of consumers, competitors, employees, and others, and in furtherance of the public interest, and (2) for the determination by the Secretary or Administrator of the extent to which the declared policy of the act is being effectuated by this code." The members of the industry are also required to keep books and records which "will clearly reflect all financial transactions of their respective businesses and the financial condition thereof", and to submit weekly reports "showing the range of daily prices and volume of sales" for each kind of produce.

The President approved the code by an Executive order in which he found that the application for his approval had been duly made in accordance with the provisions of title I of the National Industrial Recovery Act, that there had been due notice and hearings, that the code constituted "a code of fair competition" as contemplated by the act and complied with its pertinent provisions, including clauses (1) and (2) of subsection (a) of section 3 of title I; and that the code would tend "to effectuate the policy of Congress as declared in section 1 of title I".[5] The Executive order

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[3] Act of June 16, 1933, c. 90 (48 Stat. 195, 196; 15 U. S. C. 703).

[4] Codes of Fair Competition:

"SEC. 3. (a) Upon the application to the President by one or more trade or industrial associations or groups, the President may approve a code or codes of fair competition for the trade or industry or subdivision thereof, represented by the applicant or applicants, if the President finds (1) that such associations or groups impose no inequitable restrictions on admission to membership therein and are truly representative of such trades or industries or subdivisions thereof, and (2) that such code or codes are not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them, and will tend to effectuate the policy of this title: *Provided*, That such code or codes shall not permit monopolies or monopolistic practices: *Provided further*, That where such code or codes affect the services and welfare of persons engaged in other steps of the economic process, nothing in this section shall deprive such persons of the right to be heard prior to approval by the President of such code or codes. The President may, as a condition of his approval of any such code, impose such conditions (including requirements for the making of reports and the keeping of accounts) for the protection of consumers, competitors, employees, and others, and in furtherance of the public interest, and may provide such exceptions to and exemptions from the provisions of such code, as the President in his discretion deems necessary to effectuate the policy herein declared.

"(b) After the President shall have approved any such code, the provisions of such code shall be the standards of fair competition for such trade or industry or subdivision thereof. Any violation of such standards in any transaction in or affecting interstate or foreign commerce shall be deemed an unfair method of competition in commerce within the meaning of the Federal Trade Commission Act, as amended; but nothing in this title shall be construed to impair the powers of the Federal Trade Commission under such act, as amended.

"(c) The several District Courts of the United States are hereby invested with jurisdictions to prevent and restrain violations of any code of fair competition approved under this title; and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations.

"(d) Upon his own motion, or if complaint is made to the President that abuses inimical to the public interest and contrary to the policy herein declared are prevalent in any trade or industry or subdivision thereof, and if no code of fair competition therefor has theretofore been approved by the President, the President, after such public notice and hearing as he shall specify, may prescribe and approve a code of fair competition for such trade or industry or subdivision thereof, which shall have the same effect as a code of fair competition approved by the President under subsection (a) of this section.

"(f) When a code of fair competition has been approved or prescribed by the President under this title, any violation of any provision thereof in any transaction in or affecting interstate or foreign commerce shall be a misdemeanor and upon conviction thereof an offender shall be fined not more than $500 for each offense, and each day such violation continues shall be deemed a separate offense."

[5] The Executive order is as follows:

"EXECUTIVE ORDER

"Approval of code of fair competition for the live-poultry industry of the metropolitan area in and about the city of New York.

"Whereas, the Secretary of Agriculture and the Administrator of the National Industrial Recovery Act having rendered their

also recited that the Secretary of Agriculture and the Administrator of the National Industrial Recovery Act had rendered separate reports as to the provisions within their respective jurisdictions. The Secretary of Agriculture reported that the provisions of the code "establishing standards of fair competition (a) are regulations of transactions in or affecting the current of interstate and/or foreign commerce and (b) are reasonable", and also that the code would tend to effectuate the policy declared in title I of the act, as set forth in section 1. The report of the Administrator for Industrial Recovery dealt with wages, hours of labor, and other labor provisions.[6]

Of the 18 counts of the indictment upon which the defendants were convicted, aside from the count for conspiracy, 2 counts charged violation of the minimum-wage and maximum-hour provisions of the code and 10 counts were for violation of the requirement (found in the "trade-practice provisions") of "straight killing." This requirement was really one of "straight" selling. The term "straight killing" was defined in the code as "the practice of requiring persons purchasing poultry for resale to accept the run of any half coop, coop, or coops, as purchased by slaughterhouse operators, except for culls."[7] The charges in the 10 counts, respectively, were that the defendants in selling to retail dealers and butchers had permitted "selections of individual chickens taken from particular coops and half coops."

Of the other 6 counts, 1 charged the sale to a butcher of an unfit chicken; 2 counts charged the making of sales without having the poultry inspected or approved in accordance with regulations or ordinances of the city of New York; 2 counts charged the making of false reports or the failure to make reports relating to the range of daily prices and volume of sales for certain periods; and the remaining count was for sales to slaughterers or dealers who were without licenses required by the ordinances and regulations of the city of New York.

First: Two preliminary points are stressed by the Government with respect to the appropriate approach to the important questions presented. We are told that the provision of the statute authorizing the adoption of codes must be viewed in the light of the grave national crisis with which Congress was confronted. Undoubtedly, the conditions to which power is addressed are always to be considered when the exercise of power is challenged. Extraordinary conditions may call for extraordinary remedies. But the argument necessarily stops short of an attempt to justify action which lies outside the sphere of constitutional authority. Extraordinary conditions do not create or enlarge constitutional power.[8] The Constitution established a national government with powers deemed to be adequate, as they have proved to be both in war and peace, but these powers of the National Government are limited by the constitutional grants. Those who act under these grants are not at liberty to transcend the imposed limits because they believe that more or different power is necessary. Such assertions of extraconstitutional authority were anticipated and precluded by the explicit terms of the tenth amendment: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people."

The further point is urged that the national crisis demanded a broad and intensive cooperative effort by those engaged in trade and industry, and that this necessary cooperation was sought to be fostered by permitting them to initiate the adoption of codes. But the statutory plan is not simply one for voluntary effort. It does not seek merely to endow voluntary trade or industrial associations or groups with privileges or immunities. It involves the coercive exercise of the law-making power. The codes of fair competition which the statute attempts to authorize are codes of laws. If valid, they place all persons within their reach under the obligation of positive law, binding equally those who assent and those who do not assent. Violations of the provisions of the codes are punishable as crimes.

Second. The question of the delegation of legislative power. We recently had occasion to review the pertinent decisions and the general principles which govern the determination of this question (*Panama Refining Co.* v. *Ryan* (293 U. S. 388)). The Constitution provides that "All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives" (art. I, sec. 1). And the Congress is authorized "to make all laws which shall be necessary and proper for carrying into execution" its general powers (art. I, sec. 8, par. 18). The Congress is not permitted to abdicate or to transfer to others the essential legislative functions with which it is thus vested. We have repeatedly recognized the necessity of adapting legislation to complex conditions involving a host of details with which the National Legislature cannot deal directly. We pointed out in the *Panama Co.* case that the Constitution has never been regarded as denying to Congress the necessary resources of flexibility and practicality, which will enable it to perform its function in laying down policies and establishing standards, while leaving to selected instrumentalities the making of subordinate rules within prescribed limits and the determination of facts to which the policy as declared by the legislature is to apply. But we said that the constant recognition of the necessity and validity of such provisions, and the wide range of administrative authority which has been developed by means of them, cannot be allowed to obscure the limitations of the authority to delegate, if our constitutional system is to be maintained (id., p. 421).

Accordingly, we look to the statute to see whether Congress has overstepped these limitations; whether Congress in authorizing "codes of fair competition" has itself established the standards of legal obligation, thus performing its essential legislative function, or, by the failure to enact such standards, has attempted to transfer that function to others.

The aspect in which the question is now presented is distinct from that which was before us in the case of the *Panama Co.* There the subject of the statutory prohibition was defined. (National Industrial Recovery Act, sec. 9 (c).) That subject was the transportation in interstate and foreign commerce of petroleum and petroleum products which are produced or withdrawn from storage in excess of the amount permitted by State authority. The question was with respect to the range of discretion given to the President in prohibiting that transportation (id., pp. 414, 415, 430). As to the "codes of fair competition", under section 3 of the act, the question is more fundamental. It is whether there is any adequate definition of the subject to which the codes are to be addressed.

What is meant by "fair competition" as the term is used in the act? Does it refer to a category established in the law, and is the authority to make codes limited accordingly? Or is it used as a convenient designation for whatever set of laws the formulators of a code for a particular trade or industry may propose and the President may approve (subject to certain restrictions), or the President may himself prescribe, as being wise and beneficent provisions for the government of the trade or industry in order to accomplish the broad purposes of rehabilitation, correction, and expansion which are stated in the first section of title I?[9]

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separate reports and recommendations and findings on the provisions of said code, coming within their respective jurisdictions, as set forth in the Executive Order No. 6182 of June 26, 1933, as supplemented by Executive Order No. 6207 of July 21, 1933, and Executive Order No. 6345 of Oct. 20, 1933, as amended by Executive Order No. 6551 of Jan. 8, 1934;

"*Now, therefore,* I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do hereby find that:

"1. An application has been duly made, pursuant to and in full compliance with the provisions of title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a code of fair competition for the live-poultry industry in the metropolitan area in and about the city of New York; and

"2. Due notice and opportunity for hearings to interested parties have been given pursuant to the provisions of the act and regulations thereunder; and

"3. Hearings have been held upon said code, pursuant to such notice and pursuant to the pertinent provisions of the act and regulations thereunder; and

"4. Said code of fair competition constitutes a code of fair competition, as contemplated by the act and complies in all respects with the pertinent provisions of the act, including clauses (1) and (2) of subsection (a) of section 3 of title I of the act; and

"5. It appears, after due consideration, that said code of fair competition will tend to effectuate the policy of Congress as declared in section 1 of title I of the act.

"Now, therefore, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do hereby approve said Code of Fair Competition for the Live Poultry Industry in the metropolitan area in and about the city of New York.

"FRANKLIN D. ROOSEVELT,
"*President of the United States.*"

"THE WHITE HOUSE, *April 13, 1934.*"

[6] The Administrator for Industrial Recovery stated in his report that the code had been sponsored by trade associations representing about 350 wholesale firms, 150 retail shops, and 21 commission agencies; that these associations represented about 90 percent of the live poultry industry by numbers and volume of business; and that the industry as defined in the code supplied the consuming public with practically all the live poultry coming into the metropolitan area from 41 States and transacted an aggregate annual business of approximately $90,000,000. He further said that about 1,610 employees were engaged in the industry; that it had suffered severely on account of the prevailing economic conditions and because of unfair methods of competition and the abuses that had developed as a result of the "uncontrolled methods of doing business"; and that these conditions had reduced the number of employees by approximately 40 percent. He added that the report of the Research and Planning Division indicated that the code would bring about an increase in wages of about 20 percent in this industry and an increase in employment of 19.2 percent.

[7] The prohibition in the code (art. VII, sec. 14) was as follows: "Straight killing: The use, in the wholesale slaughtering of poultry, of any method of slaughtering other than 'straight killing' or killing on the basis of official grade. Purchasers may, however, make selection of a half coop, coop, or coops, but shall not have the right to make any selection of particular birds."

[8] See *Ex parte Milligan* (4 Wall. 2, 120, 121); *Home Building & Loan Association* v. *Blaisdell* (290 U. S. 398, 426).

[9] That section, under the heading "Declaration of Policy", is as follows:

"SECTION 1. A national emergency productive of wide-spread unemployment and disorganization of industry, which burdens interstate and foreign commerce, affects the public welfare, and under-

The act does not define "fair competition." "Unfair competition", as known to the common law, is a limited concept. Primarily, and strictly, it relates to the palming off of one's goods as those of a rival trader (*Goodyear Manufacturing Co.* v. *Goodyear Rubber Co.*, (128 U. S. 598, 604); *Howe Scale Co.* v. *Wyckoff, Seamans & Benedict* (198 U. S. 118, 140); *Hanover Milling Co.* v. *Metcalf* (240 U. S. 403, 413)). In recent years its scope has been extended. It has been held to apply to misappropriation as well as misrepresentation, to the selling of another's goods as one's own—to misappropriation of what equitably belongs to a competitor (*International News Service* v. *Associated Press* (248 U. S., 215, 241, 242)). Unfairness in competition has been predicated of acts which lie outside the ordinary course of business and are tainted by fraud, or coercion, or conduct otherwise prohibited by law[9] (*id.*, p. 258). But it is evident that in its widest range, "unfair competition", as it has been understood in the law, does not reach the objectives of the codes which are authorized by the National Industrial Recovery Act. The codes may, indeed, cover conduct which existing law condemns, but they are not limited to conduct of that sort. The Government does not contend that the act contemplates such a limitation. It would be opposed both to the declared purposes of the act and to its administrative construction.

The Federal Trade Commission Act (sec. 5)[11] introduced the expression "unfair methods of competition", which were declared to be unlawful. That was an expression new in the law. Debate apparently convinced the sponsors of the legislation that the words "unfair competition", in the light of their meaning at common law, were too narrow. We have said that the substituted phrase has a broader meaning, that it does not admit of precise definition, its scope being left to judicial determination as controversies arise (*Federal Trade Commission* v. *Raladam Co.* (283 U. S. 643, 648, 649); (*Federal Trade Commission* v. *Keppel* (291 U. S. 304, 310–312)). What are "unfair methods of competition" are thus to be determined in particular instances, upon evidence, in the light of particular competitive conditions and of what is found to be a specific and substantial public interest (*Federal Trade Commission* v. *Beech-Nut Co.* (257 U. S. 441, 453); *Federal Trade Commission* v. *Klesner* (280 U. S. 19, 27, 28); *Federal Trade Commission* v. *Raladam Co., supra; Federal Trade Commission* v. *Keppel, supra; Federal Trade Commission* v. *Algoma Co.* (291 U. S. 67, 73)). To make this possible, Congress set up a special procedure. A commission, a quasi-judicial body, was created. Provision was made for formal complaint, for notice and hearing, for appropriate findings of fact supported by adequate evidence, and for judicial review to give assurance that the action of the commission is taken within its statutory authority (*Federal Trade Commission* v. *Raladam Co., supra; Federal Trade Commission* v. *Klesner*, supra).[12]

In providing for codes, the National Industrial Recovery Act dispenses with this administrative procedure and with any administrative procedure of an analogous character. But the difference between the code plan of the Recovery Act and the scheme of the Federal Trade Commission Act lies not only in procedure but in subject matter. We cannot regard the "fair competition" of the codes as antithetical to the "unfair methods of competition" of the Federal Trade Commission Act. The "fair competition" of the codes has a much broader range and a new significance. The Recovery Act provides that it shall not be construed to impair the powers of the Federal Trade Commission, but, when a code is approved, its provisions are to be the "standards of fair competition" for the trade or industry concerned, and any violation of such standards in any transaction in or affecting interstate or foreign commerce is to be deemed "an unfair method of competition" within the meaning of the Federal Trade Commission Act (sec. 3 (b)).

For a statement of the authorized objectives and content of the "codes of fair competition" we are referred repeatedly to the "declaration of policy" in section 1 of title I of the Recovery Act. Thus, the approval of a code by the President is conditioned on his finding that it "will tend to effectuate the policy of this title" (sec. 3 (a)). The President is authorized to impose such conditions "for the protection of consumers, competitors, employees, and others, and in furtherance of the public interest, and may provide such exceptions to and exemptions from the provisions of such code as the President in his discretion deems necessary to effectuate the policy herein declared" (id.). The "policy herein declared" is manifestly that set forth in section 1. That declaration embraces a broad range of objectives. Among them we find the elimination of "unfair competitive practices." But even if this clause were to be taken to relate to practices which fall under the ban of existing law, either common law or statute, it is still only one of the authorized aims described in section 1. It is there declared to be "the policy of Congress to remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; and to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate governmental sanctions and supervision, to eliminate unfair competitive practices, to promote the fullest possible utilization of the present productive capacity of industries, to avoid undue restriction of production (except as may be temporarily required), to increase the consumption of industrial and agricultural products by increasing purchasing power, to reduce and relieve unemployment, to improve standards of labor, and otherwise to rehabilitate industry and to conserve natural resources."[13]

Under section 3, whatever "may tend to effectuate" these general purposes may be included in the "codes of fair competition." We think the conclusion is inescapable that the authority sought to be conferred by section 3 was not merely to deal with "unfair competitive practices" which offend against existing law, and could be the subject of judicial condemnation without further legislation, or to create administrative machinery for the application of established principles of law to particular instances of violation. Rather, the purpose is clearly disclosed to authorize new and controlling prohibitions through codes of laws which would embrace what the formulators would propose, and what the President would approve, or prescribe, as wise and beneficent measures for the government of trade and industries in order to bring about their rehabilitation, correction, and development, according to the general declaration of policy in section 1. Codes of laws of this sort are styled "codes of fair competition."

We find no real controversy upon this point, and we must determine the validity of the code in question in this aspect. As the Government candidly says in its brief: "The words 'policy of this title' clearly refer to the 'policy' which Congress declared in the section entitled 'declaration of policy'—section 1. All of the policies there set forth point toward a single goal—the rehabilitation of industry and the industrial recovery which unquestionably was the major policy of Congress in adopting the National Industrial Recovery Act." And that this is the controlling purpose of the code now before us appears both from its repeated declarations to that effect and from the scope of its requirements. It will be observed that its provisions as to the hours and wages of employees and its "general labor provisions" were placed in separate articles, and these were not included in the article on "trade practice provisions" declaring what should be deemed to constitute "unfair methods of competition." The Secretary of Agriculture thus stated the objectives of the live-poultry code in his report to the President, which was recited in the Executive order of approval:

"That said code will tend to effectuate the declared policy of title I of the National Industrial Recovery Act as set forth in section 1 of said act in that the terms and provisions of such code tend to: (a) Remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; (b) to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups; (c) to eliminate unfair competitive practices; (d) to promote the fullest possible utilization of the present productive capacity of industries; (e) to avoid undue restriction of production (except as may be temporarily required); (f) to increase the consumption of industrial and agricultural products by increasing purchasing power; and (g) otherwise to rehabilitate industry and to conserve natural resources."

The Government urges that the codes will "consist of rules of competition deemed fair for each industry by representative members of that industry—by the persons most vitally concerned and most familiar with its problems." Instances are cited in which Congress has availed itself of such assistance; as, for example, in the exercise of its authority over the public domain, with respect to the recognition of local customs or rules of miners as to mining claims,[14] or, in matters of a more or less technical nature, as in designating the standard height of drawbars.[15] But would it be seriously contended that Congress could delegate its legislative

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mines the standards of living of the American people, is hereby declared to exist. It is hereby declared to be the policy of Congress to remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; and to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate governmental sanctions and supervision, to eliminate unfair competitive practices, to promote the fullest possible utilization of the present productive capacity of industries, to avoid undue restriction of production (except as may be temporarily required), to increase the consumption of industrial and agricultural products by increasing purchasing power, to reduce and relieve unemployment, to improve standards of labor, and otherwise to rehabilitate industry and to conserve natural resources."

[9] See cases collected in Nims on Unfair Competition and Trade Marks, ch. I, sec. 4, p. 19, and ch. XIX.

[11] Act of September 26, 1914, c. 311, 38 Stat. 717, 719, 720.

[12] The Tariff Act of 1930 (sec. 337, 46 Stat. 703), like the Tariff Act of 1922 (sec. 316, 42 Stat. 943), employs the expressions "unfair methods of competition" and "unfair acts" in the importation of articles into the United States, and in their sale, "the effect or tendency of which is to destroy or substantially injure an industry, efficiently and economically operated, in the United States, or to prevent the establishment of such an industry, or to restrain or monopolize trade and commerce in the United States." Provision is made for investigation and findings by the Tariff Commission, for appeals upon questions of law to the United States Court of Customs and Patent Appeals, and for ultimate action by the President when the existence of any "such unfair method or act" is established to his satisfaction.

[13] See note 9.

[14] Act of July 26, 1866 (ch. 262, 14 Stat. 251); *Jackson* v. *Roby* (109 U. S. 440, 441); *Erhardt* v. *Boaro* (113 U. S. 527, 535); *Butte City Water Co.* v. *Baker* (196 U. S. 119, 126).

[15] Act of Mar. 2, 1893 (ch. 196, 27 Stat. 531); *St. Louis & Iron Mountain Railway Co.* v. *Taylor* (210 U. S. 281, 286).

authority to trade or industrial associations or groups so as to empower them to enact the laws they deem to be wise and beneficent for the rehabilitation and expansion of their trade or industries? Could trade or industrial associations or groups be constituted legislative bodies for that purpose because such associations or groups are familiar with the problems of their enterprises? And, could an effort of that sort be made valid by such a preface of generalities as to permissible aims as we find in section 1 of title I? The answer is obvious. Such a delegation of legislative power is unknown to our law and is utterly inconsistent with the constitutional prerogatives and duties of Congress.

The question, then, turns upon the authority which section 3 of the Recovery Act vests in the President to approve or prescribe. If the codes have standing as penal statutes, this must be due to the effect of the Executive action. But Congress cannot delegate legislative power to the President to exercise an unfettered discretion to make whatever laws he thinks may be needed or advisable for the rehabilitation and expansion of trade or industry. See *Panama Refining Co.* v. *Ryan, supra*, and cases there reviewed.

Accordingly we turn to the Recovery Act to ascertain what limits have been set to the exercise of the President's discretion. First, the President, as a condition of approval, is required to find that the trade or industrial associations or groups which propose a code, "impose no inequitable restrictions on admission to membership" and are "truly representative." That condition, however, relates only to the status of the initiators of the new laws and not to the permissible scope of such laws. Second, the President is required to find that the code is not "designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them." And to this is added a proviso that the code "shall not permit monopolies or monopolistic practices." But these restrictions leave virtually untouched the field of policy envisaged by section 1, and in that wide field of legislative possibilities the proponents of a code refraining from monopolistic designs may roam at will, and the President may approve or disapprove their proposals as he may see fit. That is the precise effect of the further finding that the President is to make—that the code "will tend to effectuate the policy of this title." While this is called a finding, it is really but a statement of an opinion as to the general effect upon the promotion of trade or industry of a scheme of laws. These are the only findings which Congress has made essential in order to put into operation a legislative code having the aims described in the Declaration of Policy.

Nor is the breadth of the President's discretion left to the necessary implications of this limited requirement as to his findings. As already noted, the President in approving a code may impose his own conditions, adding to or taking from what is proposed, as "in his discretion" he thinks necessary "to effectuate the policy" declared by the act. Of course, he has no less liberty when he prescribes a code on his own motion or on complaint, and he is free to prescribe one if a code has not been approved. The act provides for the creation by the President of administrative agencies to assist him, but the action or reports of such agencies, or of his other assistants—their recommendations and findings in relation to the making of codes—have no sanction beyond the will of the President, who may accept, modify, or reject them as he pleases. Such recommendations or findings in no way limit the authority which section 3 undertakes to vest in the President with no other conditions than those there specified. And this authority relates to a host of different trades and industries, thus extending the President's discretion to all the varieties of laws which he may deem to be beneficial in dealing with the vast array of commercial and industrial activities throughout the country.

Such a sweeping delegation of legislative power finds no support in the decisions upon which the Government especially relies. By the Interstate Commerce Act, Congress has itself provided a code of laws regulating the activities of the common carriers subject to the act, in order to assure the performance of their services upon just and reasonable terms, with adequate facilities and without unjust discrimination. Congress from time to time has elaborated its requirements, as needs have been disclosed. To facilitate the application of the standards prescribed by the act, Congress has provided an expert body. That administrative agency, in dealing with particular cases, is required to act upon notice and hearing, and its orders must be supported by findings of fact which in turn are sustained by evidence (*Interstate Commerce Commission* v. *Louisville & Nashville Railroad Co.*, 227 U. S. 88; *Florida* v. *United States*, 282 U. S. 194; *United States* v. *Baltimore & Ohio Railroad Co.*, 293 U. S. 454). When the Commission is authorized to issue, for the construction, extension or abandonment of lines, a certificate of "public convenience and necessity", or to permit the acquisition by one carrier of the control of another, if that is found to be "in the public interest", we have pointed out that these provisions are not left without standards to guide determination. The authority conferred has direct relation to the standards prescribed for the service of common carriers and can be exercised only upon findings, based upon evidence, with respect to particular conditions of transportation (*New York Central Securities Co.* v. *United States*, 287 U. S. 12, 24, 25; *Texas & Pacific Railway Co.* v. *Gulf, Colorado & Santa Fe Railway Co.*, 270 U. S. 266, 273; *Chesapeake & Ohio Railway Co.* v. *United States*, 283 U. S. 35, 42).

Similarly, we have held that the Radio Act of 1927[16] established standards to govern radio communications and, in view of the limited number of available broadcasting frequencies, Congress authorized allocation and licenses. The Federal Radio Commission was created as the licensing authority, in order to secure a reasonable equality of opportunity in radio transmission and reception. The authority of the Commission to grant licenses "as public convenience, interest, or necessity requires" was limited by the nature of radio communications, and by the scope, character, and quality of the services to be rendered and the relative advantages to be derived through distribution of facilities. These standards established by Congress were to be enforced upon hearing, and evidence, by an administrative body acting under statutory restrictions adapted to the particular activity (*Radio Commission* v. *Nelson Brothers Co.* (289 U. S. 266)).

In *Hampton & Co.* v. *United States* (276 U. S. 394) the question related to the "flexible tariff provision" of the Tariff Act of 1922.[17] We held that Congress had described its plan "to secure by law the imposition of customs duties on articles of imported merchandise which should equal the difference between the cost of producing in a foreign country the articles in question and laying them down for sale in the United States, and the cost of producing and selling like or similar articles in the United States." As the differences in cost might vary from time to time, provision was made for the investigation and determination of these differences by the executive branch so as to make "the adjustments necessary to conform the duties to the standard underlying that policy and plan (id., pp. 404, 405). The Court found the same principle to be applicable in fixing customs duties as that which permitted Congress to exercise its rate-making power in interstate commerce "by declaring the rule which shall prevail in the legislative fixing of rates" and then remitting "the fixing of such rates" in accordance with its provisions "to a rate-making body" (id., p. 409). The Court fully recognized the limitations upon the delegation of legislative power (id., pp. 408–411).

To summarize and conclude upon this point: Section 3 of the Recovery Act is without precedent. It supplies no standards for any trade, industry, or activity. It does not undertake to prescribe rules of conduct to be applied to particular states of fact determined by appropriate administrative procedure. Instead of prescribing rules of conduct, it authorizes the making of codes to prescribe them. For that legislative undertaking, section 3 sets up no standards, aside from the statement of the general aims of rehabilitation, correction, and expansion described in section one. In view of the scope of that broad declaration, and of the nature of the few restrictions that are imposed, the discretion of the President in approving or prescribing codes, and thus enacting laws for the government of trade and industry throughout the country, is virtually unfettered. We think that the code-making authority thus conferred is an unconstitutional delegation of legislative power.

Second. The question of the application of the provisions of the live-poultry code to intrastate transactions. Although the validity of the codes (apart from the question of delegation) rests upon the commerce clause of the Constitution, section 3 (a) is not in terms limited to interstate and foreign commerce. From the generality of its terms, and from the argument of the Government at the bar, it would appear that section 3 (a) was designed to authorize codes without that limitation. But under section 3 (*f*) penalties are confined to violations of a code provision "in any transaction in or affecting interstate or foreign commerce." This aspect of the case presents the question whether the particular provisions of the live-poultry code, which the defendants were convicted for violating and for having conspired to violate, were within the regulating power of Congress.

These provisions relate to the hours and wages of those employed by defendants in their slaughterhouses in Brooklyn and to the sales there made to retail dealers and butchers.

(1) Were these transactions "in" interstate commerce? Much is made of the fact that almost all the poultry coming to New York is sent there from other States. But the code provisions, as here applied, do not concern the transportation of the poultry from other States to New York, or the transactions of the commission men or others to whom it is consigned, or the sales made by such consignees to defendants. When defendants had made their purchases, whether at the West Washington Market in New York City or at the railroad terminals serving the city, or elsewhere, the poultry was trucked to their slaughterhouses in Brooklyn for local disposition. The interstate transactions in relation to that poultry then ended. Defendants held the poultry at their slaughterhouse markets for slaughter and local sale to retail dealers and butchers who in turn sold directly to consumers. Neither the slaughtering nor the sales by defendants were transactions in interstate commerce (*Brown* v. *Houston* (114 U. S. 622, 632, 633); *Public Utilities Commission* v. *Landon* (249 U. S. 236, 246); *Industrial Association* v. *United States* (268 U. S. 64, 78, 79); *Atlantic Coast Line* v. *Standard Oil Co.* (275 U. S. 257, 267)).

The undisputed facts thus afford no warrant for the argument that the poultry handled by defendants at their slaughterhouse markets was in a "current" or "flow" of interstate commerce and was thus subject to congressional regulation. The mere fact that there may be a constant flow of commodities into a State does not mean that the flow continues after the property has arrived and has become commingled with the mass of property within the State and is there held solely for local disposition and use. So far as the poultry here in question is concerned, the flow in interstate commerce had ceased. The poultry had come to a permanent rest

[16] Act of Feb. 23, 1927, c. 169, 44 Stat. 1162, as amended by the act of March 28, 1928, c. 263, 45 Stat. 373.

[17] Act of Sept. 21, 1922, c. 356, title III, sec. 315, 42 Stat. 858, 941.

within the State. It was not held, used, or sold by defendants in relation to any further transactions in interstate commerce and was not destined for transportation to other States. Hence, decisions which deal with a stream of interstate commerce—where goods come to rest within a State temporarily and are later to go forward in interstate commerce—and with the regulations of transactions involved in that practical continuity of movement, are not applicable here. See *Swift & Co.* v. *United States* (196 U. S. 375, 387, 388); *Lemke* v. *Farmers Grain Co.* (258 U. S. 50, 55); *Stafford* v. *Wallace* (258 U. S. 495, 519); *Chicago Board of Trade* v. *Olsen* (262 U. S. 1, 35); *Tagg Bros. & Moorhead* v. *United States* (280 U. S. 420, 439).

(2) Did the defendants' transactions directly "affect" interstate commerce so as to be subject to Federal regulation? The power of Congress extends not only to the regulation of transactions which are part of interstate commerce but to the protection of that commerce from injury. It matters not that the injury may be due to the conduct of those engaged in intrastate operations. Thus, Congress may protect the safety of those employed in interstate transportation "no matter what may be the source of the dangers which threaten it" (*Southern Railway Co.* v. *United States*, 222 U. S. 20, 27). We said in *Second Employers' Liability cases* (223 U. S. 1, 51), that it is the "effect upon interstate commerce", not "the source of the injury" which is "the criterion of congressional power." We have held that, in dealing with common carriers engaged in both interstate and intrastate commerce, the dominant authority of Congress necessarily embraces the right to control their intrastate operations in all matters having such a close and substantial relation to interstate traffic that the control is essential or appropriate to secure the freedom of that traffic from interference or unjust discrimination and to promote the efficiency of the interstate service (*the Shreveport case*, 234 U. S. 342, 351, 352; *Wisconsin Railroad Commission* v. *Chicago, Burlington & Quincy R. R. Co.*, 257 U. S. 563, 588). And combinations and conspiracies to restrain interstate commerce, or to monopolize any part of it, are none the less within the reach of the Antitrust Act because the conspirators seek to attain their end by means of intrastate activities (*Coronado Coal Co.* v. *United Mine Workers*, 268 U. S. 295, 310; *Bedford Co.* v. *Stonecutters Association*, 274 U. S. 37, 46).

We recently had occasion, in *Local 167* v. *United States* (291 U. S. 293), to apply this principle in connection with the live-poultry industry. That was a suit to enjoin a conspiracy to restrain and monopolize interstate commerce in violation of the Antitrust Act. It was shown that market men, teamsters, and slaughterers (shochtim) had conspired to burden the free movement of live poultry into the metropolitan area in and about New York City. Market men had organized an association, had allocated retailers among themselves, and had agreed to increase prices. To accomplish their objects, large amounts of money were raised by levies upon poultry sold, men were hired to obstruct the business of dealers who resisted, wholesalers and retailers were spied upon and by violence and other forms of intimidation were prevented from freely purchasing live poultry. Teamsters refused to handle poultry for recalcitrant market men and members of the shochtim union refused to slaughter. In view of the proof of that conspiracy, we said that it was unnecessary to decide when interstate commerce ended and when intrastate commerce began. We found that the proved interference by the conspirators "with the unloading, the transportation, the sales by market men to retailers, the prices charged and the amount of profits exacted" operated "substantially and directly to restrain and burden the untrammeled shipment and movement of the poultry" while unquestionably it was in interstate commerce. The intrastate acts of the conspirators were included in the injunction because that was found to be necessary for the protection of interstate commerce against the attempted and illegal restraint (id., pp. 297, 299, 300).

The instant case is not of that sort. This is not a prosecution for a conspiracy to restrain or monopolize interstate commerce in violation of the Antitrust Act. Defendants have been convicted, not upon direct charges of injury to interstate commerce or of interference with persons engaged in that commerce, but of violations of certain provisions of the live-poultry code and of conspiracy to commit these violations. Interstate commerce is brought in only upon the charge that violations of these provisions—as to hours and wages of employees and local sales—"affected" interstate commerce.

In determining how far the Federal Government may go in controlling intrastate transactions upon the ground that they "affect" interstate commerce, there is a necessary and well-established distinction between direct and indirect effects. The precise line can be drawn only as individual cases arise, but the distinction is clear in principle. Direct effects are illustrated by the railroad cases we have cited, as, e. g., the effect of failure to use prescribed safety appliances on railroads which are the highways of both interstate and intrastate commerce, injury to an employee engaged in interstate transportation by the negligence of an employee engaged in an intrastate movement, the fixing of rates for intrastate transportation which unjustly discriminate against interstate commerce. But where the effect of intrastate transactions upon interstate commerce is merely indirect, such transactions remain within the domain of State power. If the commerce clause were construed to reach all enterprises and transactions which could be said to have an indirect effect upon interstate commerce, the Federal authority would embrace practically all the activities of the people and the authority of the State over its domestic concerns would exist only by sufferance of the Federal Government. Indeed, on such a theory, even the development of the State's commercial facilities would be subject to Federal control. As we said in the *Minnesota Rate cases* (230 U. S. 352, 410): "In the intimacy of commercial relations, much that is done in the superintendence of local matters may have an indirect bearing upon interstate commerce. The development of local resources and the extension of local facilities may have a very important effect upon communities less favored and to an appreciable degree alter the course of trade. The freedom of local trade may stimulate interstate commerce, while restrictive measures within the police power of the State enacted exclusively with respect to internal business, as distinguished from interstate traffic, may in their reflex or indirect influence diminish the latter and reduce the volume of articles transported into or out of the State." See also *Kidd* v. *Pearson* (128 U. S. 1, 21); *Heisler* v. *Thomas Colliery Co.* (260 U. S. 245, 259, 260).

The distinction between direct and indirect effects has been clearly recognized in the application of the Anti-Trust Act. Where a combination or conspiracy is formed, with the intent to restrain interstate commerce or to monopolize any part of it, the violation of the statute is clear (*Coronado Coal Co.* v. *United Mine Workers*, 268 U. S. 295, 310). But where that intent is absent, and the objectives are limited to intrastate activities, the fact that there may be an indirect effect upon interstate commerce does not subject the parties to the Federal statute, notwithstanding its broad provisions. This principle has frequently been applied in litigation growing out of labor disputes (*United Mine Workers* v. *Coronado Coal Co.*, 259 U. S. 344, 410, 411; *United Leather Workers* v. *Herkert*, 265 U. S. 457, 464–467; *Industrial Association* v. *United States*, 268 U. S. 64, 82; *Levering & Garrigues Co.* v. *Morrin*, 289 U. S. 103, 107, 108). In the case last cited we quoted with approval the rule that had been stated and applied in *Industrial Association* v. *United States*, supra, after review of the decisions, as follows: "The alleged conspiracy and the acts here complained of spent their intended and direct force upon a local situation, for building is as essentially local as mining, manufacturing, or growing crops, and if, by resulting diminution of the commercial demand, interstate trade was curtailed either generally or in specific instances, that was a fortuitous consequence so remote and indirect as plainly to cause it to fall outside the reach of the Sherman Act."

While these decisions related to the application of the Federal statute, and not to its constitutional validity, the distinction between direct and indirect effects of intrastate transactions upon interstate commerce must be recognized as a fundamental one, essential to the maintenance of our constitutional system. Otherwise, as we have said, there would be virtually no limit to the Federal power, and for all practical purposes we should have a completely centralized government. We must consider the provisions here in question in the light of this distinction.

The question of chief importance relates to the provisions of the code as to the hours and wages of those employed in defendants' slaughterhouse markets. It is plain that these requirements are imposed in order to govern the details of defendants' management of their local business. The persons employed in slaughtering and selling in local trade are not employed in interstate commerce. Their hours and wages have no direct relation to interstate commerce. The question of how many hours these employees should work and what they should be paid differs in no essential respect from similar questions in other local businesses which handle commodities brought into a State and there dealt in as a part of its internal commerce. This appears from an examination of the considerations urged by the Government with respect to conditions in the poultry trade. Thus the Government argues that hours and wages affect prices; that slaughterhouse men sell at a small margin above operating costs; that labor represents 50 to 60 percent of these costs; that a slaughterhouse operator paying lower wages or reducing his cost by exacting long hours of work translates his saving into lower prices; that this results in demands for a cheaper grade of goods; and that the cutting of prices brings about a demoralization of the price structure. Similar conditions may be adduced in relation to other businesses. The argument of the Government proves too much. If the Federal Government may determine the wages and hours of employees in the internal commerce of a State because of their relation to cost and prices and their indirect effect upon interstate commerce, it would seem that a similar control might be exerted over other elements of cost, also affecting prices, such as the number of employees, rents, advertising, methods of doing business, etc. All the processes of production and distribution that enter into cost could likewise be controlled. If the cost of doing an intrastate business is in itself the permitted object of Federal control, the extent of the regulation of cost would be a question of discretion and not of power.

The Government also makes the point that efforts to enact State legislation establishing high labor standards have been impeded by the belief that unless similar action is taken generally commerce will be diverted from the States adopting such standards, and that this fear of diversion has led to demands for Federal legislation on the subject of wages and hours. The apparent implication is that the Federal authority under the commerce clause should be deemed to extend to the establishment of rules to govern wages and hours in intrastate trade and industry generally throughout the country, thus overriding the authority of the States to deal with domestic problems arising from labor conditions in their internal commerce.

It is not the province of the Court to consider the economic advantages or disadvantages of such a centralized system. It is sufficient to say that the Federal Constitution does not provide for it. Our growth and development have called for wide use of the com-

merce power of the Federal Government in its control over the expanded activities of interstate commerce and in protecting that commerce from burdens, interferences, and conspiracies to restrain and monopolize it. But the authority of the Federal Government may not be pushed to such an extreme as to destroy the distinction, which the commerce clause itself establishes, between commerce "among the several States" and the internal concerns of a State. The same answer must be made to the contention that is based upon the serious economic situation which led to the passage of the Recovery Act—the fall in prices, the decline in wages and employment, and the curtailment of the market for commodities. Stress is laid upon the great importance of maintaining wage distributions which would provide the necessary stimulus in starting "the cumulative forces making for expanding commercial activity." Without in any way disparaging this motive, it is enough to say that the recuperative efforts of the Federal Government must be made in a manner consistent with the authority granted by the Constitution.

We are of the opinion that the attempt through the provisions of the code to fix the hours and wages of employees of defendants in their intrastate business was not a valid exercise of Federal power.

The other violations for which defendants were convicted related to the making of local sales. Ten counts, for violation of the provision as to "straight killing", were for permitting customers to make "selections of individual chickens taken from particular coops and half coops." Whether or not this practice is good or bad for the local trade, its effect, if any, upon interstate commerce was only indirect. The same may be said of violations of the code by intrastate transactions consisting of the sale "of an unfit chicken" and of sales which were not in accord with the ordinances of the city of New York. The requirement of reports as to prices and volumes of defendants' sales was incident to the effort to contral their intrastate business.

In view of these conclusions, we find it unnecessary to discuss other questions which have been raised as to the validity of certain provisions of the code under the due-process clause of the fifth amendment.

On both the grounds we have discussed, the attempted delegation of legislative power, and the attempted regulation of intrastate transactions which affect interstate commerce only indirectly, we hold the code provisions here in question to be invalid and that the judgment of conviction must be reversed.

No. 854—reversed.

No. 864—affirmed.

[Supreme Court of the United States. Nos. 854 and 864. October Term, 1934. 854. *A. L. A. Schechter Poultry Corporation, Schechter Live Poultry Market, Joseph Schechter, Martin Schechter, Alex Schechter, and Aaron Schechter, petitioners,* v. *The United States of America.* 864. *The United States of America, petitioner,* v. *A. L. A. Schechter Poultry Corporation, Martin Schechter, Alex Schechter, and Aaron Schechter.* On writs of certiorari to the United States Circuit Court of Appeals for the Second Circuit. (May 27, 1935)]

Mr. Justice Cardozo concurring.

The delegated power of legislation which has found expression in this code is not canalized within banks that keep it from overflowing. It is unconfined and vagrant, if I may borrow my own words in an earlier opinion (*Panama Refining Co.* v. *Ryan*, 293 U. S. 388, 440).

This court has held that delegation may be unlawful though the act to be performed is definite and single, if the necessity, time, and occasion of performance have been left in the end to the discretion of the delegate (*Panama Refining Co.* v. *Ryan*, supra). I thought that ruling went too far. I pointed out in an opinion that there had been "no grant to the Executive of any roving commission to inquire into evils and then, upon discovering them, do anything he pleases" (293 U. S. at p. 435). Choice, though within limits, had been given him "as to the occasion, but none whatever as to the means" (ibid). Here, in the case before us, is an attempted delegation not confined to any single act nor to any class or group of acts identified or described by reference to a standard. Here in effect is a roving commission to inquire into evils and upon discovery correct them.

I have said that there is no standard, definite or even approximate, to which legislation must conform. Let me make my meaning more precise. If codes of fair competition are codes eliminating "unfair" methods of competition ascertained upon inquiry to prevail in one industry or another, there is no lawful delegation of legislative functions when the President is directed to inquire into such practices and denounce them when discovered. For many years a like power has been committed to the Federal Trade Commission with the approval of this Court in a long series of decisions. (Cf. *Federal Trade Commission* v. *Keppel & Bro.*, 291 U. S. 304, 312; *Federal Trade Commission* v. *Raladam Co.*, 283 U. S. 643, 648; *Federal Trade Commission* v. *Gratz*, 253 U. S. 421). Delegation in such circumstances is born of the necessities of the occasion. The industries of the country are too many and diverse to make it possible for Congress, in respect of matters such as these, to legislate directly with adequate appreciation of varying conditions. Nor is the substance of the power changed because the President may act at the instance of trade or industrial associations having special knowledge of the facts. Their function is strictly advisory; it is the imprimatur of the President that begets the quality of law (*Doty* v. *Love*, 294 U. S. —). When the task that is set before one is that of cleaning house, it is prudent as well as usual to take counsel of the dwellers.

But there is another conception of codes of fair competition, their significance and functions, which leads to very different consequences, though it is one that is struggling now for recognition and acceptance. By this other conception a code is not to be restricted to the elimination of business practices that would be characterized by general acceptation as oppressive or unfair. It is to include whatever ordinances may be desirable or helpful for the well-being or prosperity of the industry affected. In that view, the function of its adoption is not merely negative, but positive; the planning of improvements as well as the extirpation of abuses. What is fair, as thus conceived, is not something to be contrasted with what is unfair or fraudulent or tricky. The extension becomes as wide as the field of industrial regulation. If that conception shall prevail, anything that Congress may do within the limits of the commerce clause for the betterment of business may be done by the President upon the recommendation of a trade association by calling it a code. This is delegation running riot. No such plenitude of power is susceptible of transfer. The statute, however, aims at nothing less, as one can learn both from its terms and from the administrative practice under it. Nothing less is aimed at by the code now submitted to our scrutiny.

The code does not confine itself to the suppression of methods of competition that would be classified as unfair according to accepted business standards or accepted norms of ethics. It sets up a comprehensive body of rules to promote the welfare of the industry, if not the welfare of the Nation, without reference to standards, ethical or commercial, that could be known or predicted in advance of its adoption. One of the new rules, the source of 10 counts in the indictment, is aimed at an established practice, not unethical or oppressive, the practice of selective buying. Many others could be instanced as open to the same objection if the sections of the code were to be examined one by one. The process of dissection will not be traced in all its details. Enough at this time to state what it reveals. Even if the statute itself had fixed the meaning of fair competition by way of contrast with practices that are oppressive or unfair, the code outruns the bounds of the authority conferred. What is excessive is not sporadic or superficial. It is deep-seated and pervasive. The licit and illicit sections are so combined and welded as to be incapable of severance without destructive mutilation.

But there is another objection, far-reaching and incurable, aside from any defect of unlawful delegation.

If this code had been adopted by Congress itself, and not by the President on the advice of an industrial association, it would even then be void unless authority to adopt it is included in the grant of power "to regulate commerce with foreign nations and among the several States" (United States Constitution, art. I, sec. 8, clause 3).

I find no authority in that grant for the regulation of wages and hours of labor in the intrastate transactions that make up the defendants' business. As to this feature of the case little can be added to the opinion of the Court. There is a view of causation that would obliterate the distinction between what is national and what is local in the activities of commerce. Motion at the outer rim is communicated perceptibly, though minutely, to recording instruments at the center. A society such as ours "is an elastic medium which transmits all tremors through its territory; the only question is of their size." Per Learned Hand, J., in the court below. The law is not indifferent to considerations of degree. Activities local in their immediacy do not become interstate and national because of distant repercussions. What is near and what is distant may at times be uncertain. (Cf. *Board of Trade* v. *Olsen* (262 U. S. 1).) There is no penumbra of uncertainty obscuring judgment here. To find immediacy or directness here is to find it almost everywhere. If centripetal forces are to be isolated to the exclusion of the forces that oppose and counteract them, there will be an end to our Federal system.

To take from this code the provisions as to wages and the hours of labor is to destroy it altogether. If a trade or an industry is so predominantly local as to be exempt from regulation by the Congress in respect of matters such as these, there can be no "code" for it at all. This is clear from the provisions of section 7 (a) of the act with its explicit disclosure of the statutory scheme. Wages and the hours of labor are essential features of the plan, its very bone and sinew. There is no opportunity in such circumstances for the severance of the infected parts in the hope of saving the remainder. A code collapses utterly with bone and sinew gone.

I am authorized to state that Mr. Justice Stone joins in this opinion.

[Supreme Court of the United States. No. 717.—October term, 1934. *Louisville Joint Stock Land Bank, petitioner,* v. *William W. Radford, Sr.* On certiorari to the United States Circuit Court of Appeals for the sixth circuit. (May 27, 1935)]

Mr. Justice Brandeis delivered the opinion of the Court.

This case presents for decision the question whether subsection (s) added to section 75 of the Bankruptcy Act[18] by the Frazier-Lemke Act, June 28, 1934, chapter 869, 48 Statute 1289, is consistent with the Federal Constitution. The Federal court for western Kentucky (8 F. Supp. 489) and the Circuit Court of

[18] Section 75 had been added to the Bankruptcy Act on Mar. 3, 1933, by c. 204, 47 Stat. 1470.

Appeals for the sixth circuit (74 F. (2d) 576) held it valid in this case; and it has been sustained elsewhere.[19] In view of the novelty and importance of the question, we granted certiorari (294 U. S. —).

In 1922 (and in 1924) Radford mortgaged to the Louisville Joint Stock Land Bank a farm in Christian County, Ky., comprising 170 acres, then presumably of the appraised value of at least $18,000.[20] The mortgages were given to secure loans aggregating $9,000, to be repaid in installments over the period of 34 years with interest at the rate of 6 percent. Radford's wife joined in the mortgages and the notes. In 1931 and subsequent years, the Radfords made default in their covenant to pay the taxes. In 1932 and 1933, they made default in their promise to pay the installments of interest and principal. In 1933, they made default, also, in their covenant to keep the buildings insured. The bank urged the Radfords to endeavor to refinance the indebtedness pursuant to the provisions of the Emergency Farm Mortgage Act, May 12, 1933, chapter 25, 48 Statute 41.[21] After they declined to do so, the bank having declared the entire indebtedness immediately payable, commenced, in June 1933, a suit in the Circuit Court for Christian County against the Radfords and their tenant to foreclose the mortgages; and, invoking a covenant in the mortgage expressly providing therefor, sought the appointment of a receiver to take possession and control of the premises and to collect the rents and profits.

The application for the appointment of a receiver was denied, and all proceedings in the suit were stayed, upon request of the conciliation commissioner for Christian County appointed under section 75 of the Bankruptcy Act, as he stated that Radford desired to avail himself of the provisions of that section. Proceeding under it, Radford filed in the Federal court for western Kentucky a petition praying that he be afforded an opportunity to effect a composition of his debts. The petition was promptly approved, and a meeting of the creditors was held. But Radford failed to obtain the acceptance of the requisite majority in number and amount to the composition proposed. Then the bank offered to accept a deed of the mortgaged property in full satisfaction of the indebtedness to it and to assume the unpaid taxes. Radford refused to execute the deed, and on June 30, 1934, the State court entered judgment ordering a foreclosure sale.

Meanwhile the Frazier-Lemke Act had been passed on June 28, 1934; and on August 6, 1934, and again on November 10, 1934, Radford filed amended petitions for relief thereunder. The second amended petition prayed that Radford be adjudged a bankrupt; that his property, whether free or encumbered, be appraised; and that he have the relief provided for in paragraphs 3 and 7 of subsection (s) of the Frazier-Lemke amendment. That act provides, among other things, that a farmer who has failed to obtain the consents requisite to a composition under section 75 of the Bankruptcy Act may, upon being adjudged a bankrupt, acquire alternative options in respect to mortgaged property:

1. By paragraph 3, the bankrupt may, if the mortgagee assents, purchase the property at its then appraised value, acquiring title thereto as well as immediate possession, by agreeing to make deferred payments as follows: 2½ percent within 2 years, 2½ percent within 3 years, 5 percent within 4 years, 5 percent within 5 years, the balance within 6 years. All deferred payments to bear interest at the rate of 1 percent per annum.

2. By paragraph 7, the bankrupt may, if the mortgagee refuses his assent to the immediate purchase on the above basis, require the bankruptcy court to—

"Stay all proceedings for a period of 5 years, during which 5 years the debtor shall retain possession of all or any part of his property, under the control of the court, provided he pays a reasonable rental annually for that part of the property of which he retains possession; the first payment of such rental to be made within 6 months of the date of the order staying proceedings, such rental to be distributed among the secured and unsecured creditors, as their interests may appear, under the provisions of this act. At the end of 5 years, or prior thereto, the debtor may pay into court the appraised price of the property of which he retains possession: *Provided*, That upon request of any lien holder on real estate the court shall cause a reappraisal of such real estate and the debtor may then pay the reappraised price, if acceptable to the lien holder, into court, otherwise the original appraisal price shall be paid into court and thereupon the court shall, by an order, turn over full possession and title of said property to the debtor and he may apply for his discharge as provided for by this act: *Provided, however*, That the provisions of this act shall apply only to debts existing at the time this act becomes effective."

Answering the amended petition, the bank duly claimed that the Frazier-Lemke Act is, and the relief sought would be, unconstitutional. It prayed that Radford's amended petition be dismissed, that the bank be permitted to pursue its remedies in the State court, and that it be allowed to proceed with the foreclosure sale in accordance with the judgment of that court. It refused to accept the composition and extension proposal offered by Radford, declined to consent to the proposed sale of that property to Radford at the appraised value or any value on the terms set forth in paragraph 3, and also objected to his retaining possession thereof with the privilege of purchasing the same provided by paragraph 7. The Federal court overruled the bank's objections, denied its prayers, adjudged Radford a bankrupt within the meaning of the Frazier-Lemke Act, and appointed a referee to take proceedings thereunder. There was no claim that the farm was exempt as a homestead or otherwise.

The referee ordered an appraisal of all of Radford's property, encumbered and unencumbered. The appraisers found that "the fair and reasonable value of the property of the debtor on which Louisville Joint Stock Bank has a mortgage" and also the "market value of said land" was then $4,445.[22] The referee approved the appraisal, although the bank offered in open court to pay $9,205.09 in cash for the mortgaged property; and counsel for the bankrupt admitted that the bank had a valid lien upon it for the amount so offered to be paid, and that, under the law, if the bank's offer to purchase the property were accepted all the money paid in in cash would be immediately returned to it in satisfaction of the mortgage indebtedness.

The bank refused to consent to a sale of the mortgaged property to Radford at the appraised value and filed written objections to such sale and to the manner of payments prescribed by paragraph 3 of subsection (s). Thereupon the referee ordered that for the period of 5 years all proceedings for the enforcement of the mortgages be stayed; and that the possession of the mortgaged property, subject to liens, remain in Radford, under the control of the court, as provided in paragraph 7 of subsection (s). The referee fixed the rental for the first year at $325, and ordered that for each subsequent year the rental be fixed by the court. It was stipulated that the annual taxes and insurance premium amount to $105, and admitted that administration charges said to amount to $22.75 must be paid from the rental. All the orders of the referee were, upon a petition for a review, duly approved by the district court, and its decree was affirmed by the Circuit Court of Appeals on February 11, 1935.

Since entry of the judgment of the court of appeals, this Court has held unconstitutional provisions of State legislation in some respects comparable to the Frazier-Lemke Act (*W. B. Worthen Co.* v. *Kavanaugh* (294 U. S. —)). There we said: "With studied indifference to the interests of the mortgagee or to his appropriate protection they have taken from the mortgage the quality of an acceptable investment for a rational investor"; and, "So viewed they are seen to be an oppressive and unnecessary destruction of nearly all the incidents that give attractiveness and value to collateral security." The bank insists, among other things, that the Frazier-Lemke Act has been here applied with like result; that the provisions of the act, even if applied solely to mortgages thereafter executed, would transcend the bankruptcy power; and that, in any event, to apply them to preexisting mortgages violates the fifth amendment of the Federal Constitution. Radford contends that the Frazier-Lemke Act is valid because it is a proper exercise of the power conferred by article I, section 8, of the Constitution, which declares: "Congress shall have power * * * to establish * * * uniform laws on the subject of bankruptcies throughout the United States." Before discussing these conten-

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[19] *Bradford, Jr.*, v. *Fahey* (— F. (2d) —, 4 C. C. A.); *In re Cope* (D. C. Colo., 8 F. Supp. 778); *Galloway* v. *Union Trust Co.* (D. C. E. D. Ark., 9 F. Supp. 575); *In re Plumer* (D. C. S. D. Cal., 9 F. Supp. 923); *In re Cyr* (D. C. N. D. Ind., 9 F. Supp. 697); *In re Jones* (D. C. W. Mo., 10 F. Supp. 165). Compare *In re Bradford* (7 F. Supp. 665, rev. in *Bradford Jr.*, v. *Fahey*); *In re Moore* (8 F. Supp. 393); *Paine* v. *Capital Freehold Land & Trust Co.* (8 F. Supp. 500); *In re Miner* (9 F. Supp. 1); *In re Duffy* (9 F. Supp. 166); *In re Doty* (10 F. Supp. 195); *In re Payne* (D. C. Tex., May 9, 1935) (holding the act unconstitutional).

[20] The bank was organized under the Federal Farm Loan Act of July 17, 1916, c. 245, 39 Stat. 360. Section 12 of the act provided that loans should not exceed 50 percent of the value of the land mortgaged and 20 percent of the value of permanent insured improvements thereon. The bank loaned the Radfords $8,000 in 1922 and an additional $1,000 in 1924. The stocks and bonds of the bank are privately owned. The bonds "being instrumentalities of the Government of the United States" are tax exempt. Compare *Smith* v. *Kansas City Title Co.* (255 U. S. 180); *Federal Land Bank of New Orleans* v. *Crosland* (261 U. S. 374); Act of May 12, 1933, c. 25, sec. 29, 48 Stat. 46.

[21] That act empowered the Federal land banks and the land bank Commissioner to lend farmers 75 percent of the normal value of their land at 4½-percent interest for the first 5 years and 5 percent thereafter; no repayment of principal to be required for 5 years (act of May 12, 1933, c. 25, secs. 24, 32, 48 Stat. 43, 48); (act of June 16, 1933, c. 98, sec. 80, 48 Stat. 273); (act of Jan. 31, 1934, c. 7, sec. 10, 48 Stat. 347). Mortgage loans made to farmers by the institutions subject to the Farm Credit Administration outstanding June 30, 1934, aggregated $2,029,305,081. As of Mar. 31, 1935, the loans had been increased to $2,661,558,017. Farm Credit Administration, monthly reports on loans and discounts, March 1935. "The proceeds of the loans closed [in 1933–34] both by the land banks and by the land bank commissioner were used principally to refinance existing indebtedness. Of the loans closed by the land banks, approximately 86.8 percent were used for this purpose, and of those closed by the Commissioner, 92 percent were so used." The Farm Real Estate Situation, 1933–34 (Circular No. 354 of U. S. Department of Agriculture, April 1935, p. 5).

[22] The appraisal dated Dec. 1, 1934, recited originally that $4,445 was the "fair and reasonable value", without mentioning the market value. It was, by leave of court, amended on Dec. 4, 1934, to read as stated in the text. Besides the mortgaged property, Radford had a one-half interest in a half-acre lot and house thereon appraised at $150, exempt personal property appraised at $568, and nonexempt personal property at $831.50. The amount of the indebtedness other than to the bank and the terms of the composition offered do not appear.

tions it will be helpful to consider the position occupied generally by mortgagees prior to the enactment here challenged.

First. For centuries efforts to protect necessitous mortgagors have been persistent. Gradually the mortgage of real estate was transformed from a conveyance upon condition into a lien; and failure of the mortgagor to pay on the day fixed ceased to effect an automatic foreclosure. Courts of equity, applying their established jurisdiction to relieve against penalties and forfeitures, created the equity of redemption. Thus the mortgagor was given a reasonable time to cure the default and to require a reconveyance of the property. Legislation in many States carried this development further, and preserved the mortgagor's right to possession, even after default, until the conclusion of foreclosure proceedings.[24] But the statutory command that the mortgagor should not lose his property on default had always rested on the assumption that the mortgagee would be compensated for the default by a later payment, with interest, of the debt for which the security was given; and the protection afforded the mortgagor was, in effect, the granting of a stay. No instance has been found, except under the Frazier-Lemke Act, of either a statute or decision compelling the mortgagee to relinquish the property to the mortgagor free of the lien unless the debt was paid in full.[25]

This right of the mortgagee to insist upon full payment before giving up his security has been deemed of the essence of a mortgage. His position in this respect was not changed when foreclosure by public sale superseded strict foreclosure or when the legislatures of many States created a right of redemption at the sale price. To protect his right to full payment or the mortgaged property, the mortgagee was allowed to bid at the judicial sale on foreclosure.[26] In many States other statutory changes were made in the form and detail of foreclosure and redemption.[27] But practically always the measures adopted for the mortgagor's relief, including moratorium legislation enacted by the several States during the present depression,[27] resulted primarily in a stay; and the relief afforded rested, as theretofore, upon the assumption that no substantive right of the mortgagee was being impaired, since payment in full of the debt, with interest, would fully compensate him.

Statutes for the relief of mortgagors, when applied to preexisting mortgages, have given rise from time to time to serious constitutional questions. The statutes were sustained by this Court when, as in *Home Building and Loan Association* v. *Blaisdell* (290 U. S. 398), they were found to preserve substantially the right of the mortgagee to obtain, through application of the security, payment of the indebtedness. They were stricken down, as in *W. B. Worthen Co.* v. *Kavanaugh* (294 U. S. —) when it appeared that this substantive right was substantially abridged. Compare *W. B. Worthen Co.* v. *Thomas* (292 U. S. 426).

Second. Although each of our National Bankruptcy Acts followed a major or minor depression[28], none had, prior to the Frazier-Lemke amendment, sought to compel the holder of a mortgage to surrender to the bankrupt either the possession of the mortgaged property or the title so long as any part of the debt thereby secured remained unpaid. The earlier bankruptcy acts created some exemptions of unencumbered property[29], but none had attempted to enlarge the rights or privileges of the mortgagor as against the mortgagee. The provisions of the acts, so far as concerned the debtor, were aimed to "relieve the honest debtor from the weight of oppressive indebtedness and permit him to start afresh free from the obligations and responsibilities consequent upon business misfortunes", and to give him "a new opportunity in life and a clear field for future effort, unhampered by the pressure of discouragement and preexisting debt" (*Local Loan Co.* v. *Hunt*, 292 U. S. 234, 244). No bankruptcy act had undertaken to supply him capital with which to engage in business in the future. Some States had granted to debtors extensive exemptions of unencumbered property from liability to seizure in satisfaction of debts; and these exemptions were recognized in the Bankruptcy Act of 1867 as well as that of 1898. But unless the mortgagee released his security, in order to prove in bankruptcy for the full amount of the debt, a mortgage even of exempt property was not disturbed by bankruptcy proceedings (*Long* v. *Bullard*, 117 U. S. 617).[30]

No bankruptcy act had undertaken to modify in the interest of either the debtor or other creditors any substantive right of the holder of a mortgage valid under Federal law. Supervening bankruptcy had, in the interest of other creditors, affected in some respects the remedies available to lien holders. In *Continental Illinois National Bank & Trust Co.* v. *Chicago, Rock Island & Pacific Ry.* (294 U. S. —), where, in a proceeding for reorganization of a railroad under section 77 of the Bankruptcy Act, the district court was held to have the power to enjoin temporarily the sale of pledged securities, this Court said: "The injunction here in no way impairs the lien, or disturbs the preferred rank of the pledgees. It does no more than suspend the enforcement of the lien by a sale of the collateral pending further action. It may be, as suggested, that during the period of restraint the collateral will decline in value; but the same may be said in respect of an injunction against the sale of real estate upon foreclosure of a mortgage; and such an injunction may issue in an ordinary proceeding in bankruptcy (*Stratton* v. *New*, 283 U. S. 318, 321, and cases cited" (p. —)). "The injunction here goes no further than to delay the enforcement of the contract. It affects only the remedy" (p. —).

Bankruptcy acts had, either expressly, or by implication, as was held in *Van Huffel* v. *Harkelrode* (284 U. S. 225, 227), authorized the court to direct, in the interest of other creditors, that all liens upon property forming a part of the bankrupt's estate be marshalled; that the property be sold free of encumbrances; and that the rights of all lien holders be transferred to the proceeds of the sale—a power which "had long been exercised by Federal courts sitting in equity when ordering sales by receivers or on foreclosure" (*First National Bank* v. *Shedd* (121 U. S. 74, 87); *Mellen* v. *Moline Malleable Iron Works* (131 U. S. 352, 367)). Compare *Ray* v. *Norseworthy* (23 Wall. 128, 135). But there had been no suggestion that such a sale could be made to the prejudice of the lienor, in the interest of either the debtor or of other creditors. By the settled practice, a sale free of liens will not be ordered by the bankruptcy court if it appears that the amount of the encumbrance exceeds the value of the property.[31] And the sale is

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[24] See Pomeroy's Equity Jurisprudence, secs. 162–163, 376, 381–382, 1180, 1186–1190, 1219; H. W. Chaplin, The Story of Mortgage Laws, 4 Harv. Law Rev. 4; William F. Walsh, Development of the Title and Lien Theories of Mortgages, 9 New York University Law Quarterly Rev. 280.

[25] It is the general rule that a holder of the equity of redemption can redeem from the mortgagee only on paying the entire mortgage debt (*Collins* v. *Riggs*, 14 Wall. 491; *Jones* v. *Van Doren*, 130 U. S. 684, 692; *American Loan & Trust Co.* v. *Atlanta Electric Ry. Co.*, 99 Fed. 313, 315, 316; *Lomas & Nettleton Co.* v. *Di Francesco*, 116 Conn. 253, 258; *Polk* v. *Lord Clinton*, 12 Ves. Jr. 48, 58). The rule is for the protection of the mortgagee, and unless waived by him, applies even when the redeemer has an interest in only part of the mortgaged property (*Bank of Luverne* v. *Turk*, 133 So. 52 (Ala. 1931); *Quinn Plumbing Co.* v. *New Miami Shores Corp.*, 100 Fla. 413; *Shinn* v. *Barrie*, 182 Ark. 366). Recognized exceptions to the rule are based on the action of the mortgagee in himself causing the lien on a part of the mortgaged property to be extinguished (*Dexter* v. *Arnold*, 1 Sumner, 109, 118; *Welch* v. *Beers*, 8 Allen, 151; *George* v. *Wood*, 11 Allen, 41; *Meachem* v. *Steele*, 93 Ill. 135; *Coffin* v. *Parker*, 127 N. Y. 117); or on the right of eminent domain (*Dows* v. *Cogden*, 16 How. Pr. 571; *Mutual Insurance Co.* v. *Eastern & Amboy R. R.*, 38 N. J. Eq. 132). Where the right of redemption after foreclosure sale is based entirely on statute, a different rule may be prescribed. Compare *Northwestern Mutual Life Ins. Co.* v. *Hansen*, 205 Iowa 789; *Tuttle* v. *Dewey*, 44 Iowa, 306; *State* v. *Carpenter*, 19 Wash. 378; see *Dougherty* v. *Kubat*, 67 Nebr. 269, 273. For collections of cases, see 2 Jones, Mortgages (8th ed. 1928) secs. 1370–1377; 2 Wiltsie, Mortgage Foreclosure (4th ed. 1927) secs. 1196–1213, 1071.

[26] Compare *Pewabic Mining Co.* v. *Mason* (145 U. S. 349, 361, 362); *Easton* v. *German-American Bank* (127 U. S. 532); *Twin Lick Oil Co.* v. *Marbury* (91 U. S. 587, 590); *Buchler* v. *Black* (226 Fed. 703); *Caldwell* v. *Caldwell* (173 Ala. 216); *Felton* v. *Le Breton* (92 Calif. 457); *Chillicothe Paper Co.* v. *Wheeler* (68 Ill. App. 343); *Kock* v. *Burgess* (176 Iowa, 493); *McNair* v. *Biddle* (8 Mo. 257); *Stover* v. *Stark* (61 Nebr. 374); *Paulson* v. *Oregon Surety Co.* (70 Oreg. 175); *Blythe* v. *Richards* (10 Serg. & R. 261); *Archambault* v. *Pierce* (46 R. I. 295). Some States have abolished by statute the general rule that a mortgagee, exercising a power of sale conferred in the mortgage, may not purchase at his own sale. See *Heighe* v. *Sale of Real Estate* (164 Atl. 671, 676 (Md. 1933)); *Ten Eyck* v. *Craig* (62 N. Y. 406, 421); *Galvin* v. *Newton* (19 R. I. 176, 178); 2 Wiltsie, Mortgage Foreclosure (4th ed. 1927), sec. 869.

In England the power conferred upon the court in foreclosure proceedings to order a sale, instead of strict foreclosure (15 & 16 Vict., c. 86, sec. 48; 44 & 45 Vict., c. 41, sec. 25), will not be exercised over the mortgagee's objection when the property is not likely to bring the full amount of the mortgage debt (*Merchant Banking Co.* v. *London & Hanseatic Bank* (55 L. J. ch. 479); *Provident Clerks' Mutual Ass'n* v. *Lewis* (62 L. J. ch. 89); at least, not unless security is put up to protect the objecting mortgagee (*Cripps* v. *Wood* (51 L. J. ch. 584)); or a bidding reserved sufficient to cover the amount due the mortgagee (*Whitfield* v. *Roberts* (5 Jur. N. S. 113)). Compare *Corsellis* v. *Patman* (L. R. 4 Eq. 156); *Wooley* v. *Colman* (L. R. 21 ch. div. 169); *Hurst* v. *Hurst* (16 Beav. 372).

[27] See 3 Jones, Mortgages (8th ed. 1928), c. 30.

[27] See A. H. Feller, Moratory Legislation (1933) (46 Harv. Law Rev. 1061, 1081); Commerce Clearing House, Bank Law Federal Service—"L." Unit (128 C. C. H., pp. 7802–7809).

[28] See John Hanna, Agriculture and the Bankruptcy Act (1934) (19 Minn. Law Review 1). The first Bankruptcy Act, Apr. 4, 1800 (c. 19, 2 Stat. 19), followed the minor depression of 1798. The second Bankruptcy Act, Aug. 19, 1841 (c. 9, 5 Stat. 440), followed the severe depression of 1837. The third Bankruptcy Act, Mar. 3, 1867 (c. 176, 14 Stat. 517), followed the financial disturbances incident to the Civil War. The fourth Bankruptcy Act, July 1, 1898 (c. 541, 30 Stat. 544), followed the depression of 1893. Farmers were first brought within the scope of our bankruptcy laws by the act of 1841, which made voluntary bankruptcy available to all. In the act of 1867, farmers were not, as in the act of 1898, excluded from involuntary bankruptcy.

[29] Act of 1800 (c. 19, secs. 34, 35, 2 Stat. 19, 30, 31); act of 1841 (c. 9, sec. 3, 5 Stat. 440, 443); act of 1867 (c. 176, sec. 14, 14 Stat. 517, 522).

[30] Compare Hook, Does the Frazier-Lemke Amendment Grant Relief as to Debts Secured by Liens on Exempt Property? (1934) (11 American Bankruptcy Review 21).

[31] *Federal Land Bank of Baltimore* v. *Kurtz* (70 F. (2d) 46); *New Liberty Loan & Savings Ass'n* v. *Nusbaum* (70 F. (2d) 49); *In re American Magnestone Co.* (34 Fed. (2d) 681); *In re Fayetteville Wagon-Wood & Lumber Co.* (197 Fed. 180); *In re Foster* (181 Fed. 703; *In re Gibbs* (109 Fed. 627); *In re Cogley* (107 Fed. 73); *In re Shaeffer* (105 Fed. 352); *In re Styr* (98 Fed. 290); *In re Taliafero* (Fed. Case No. 13736 (Chief Justice Waite)); see *Kimmel* v. *Crocker*

always made so as to obtain for the property the highest possible price. No court appears ever to have authorized a sale at a price less than that which the lien creditor offered to pay for the property in cash.[32] Thus a sale free of liens in no way impairs any substantive right of the mortgagor, and such a sale is not analogous to the sale to the bankrupt provided for by paragraph 7 of the Frazier-Lemke Act.

Nor do the provisions of the bankruptcy acts concerning compositions afford any analogy to the provisions of paragraph 7. So far as concerns the debtor, the composition is an agreement with the creditors in lieu of a distribution of the property in bankruptcy—an agreement which "originates in a voluntary offer by the bankrupt, and results, in the main, from voluntary acceptance by his creditors" (*Nassau Smelting & Refining Works, Ltd.* v. *Brightwood Bronze Foundry Co.*, (265 U. S. 269, 271); *Myers* v. *International Trust Co.* (273 U. S. 380, 383)). So far as concerns dissenting creditors, the composition is a method of adjusting among creditors rights in property in which all are interested. In ordering the adjustment, the bankruptcy court exercises a power similar to that long exercised by courts of law (*Head* v. *Amoskeag Manufacturing Co.* (113 U. S. 9, 21)); and of admiralty (*The Steamboat Orleans* v. *Phoebus* (11 Pet. 175, 183)). It is the same power, which a court of equity exercises when it compels dissenting creditors, in effect, to submit to a plan of reorganization approved by it as beneficial and assented to by the requisite majority of the creditors (*Shaw* v. *Railroad Co.* (100 U. S. 605); *Kansas City Terminal Ry. Co.* v. *Central Union Trust Co.* (271 U. S. 445). Compare *National Surety Co.* v. *Coriell* (289 U. S. 426); *First National Bank of Cincinnati* v. *Flershem* (290 U. S. 504)). In no case of composition is a secured claim affected except when the holder is a member of a class; and then only when the composition is desired by the requisite majority and is approved by the court.[33] Never, so far as appears, has any composition affected a secured claim held by a single creditor. Compositions are comparable to the voluntary adjustment with the mortgagee provided for in paragraph 3 of the Frazier-Lemke amendment. They are not analogous to the so-called "adjustment" compelled by paragraph 7.

Third. The bank contends that the Frazier-Lemke Act is void, because it is not a law "on the subject of bankruptcies"; that it does not deal with that subject; and hence that it is in contravention of the tenth amendment, which declares: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people." The argument is that the essential features of a bankruptcy law are these: The surrender by the debtor of his property for ratable distribution among his creditors, except so far as encumbered or exempt, and the discharge by his creditors of all claims against the debtor; that, on the other hand, the main purpose, and the effect, of the Frazier-Lemke Act is to prevent distribution of the farmer-mortgagor's property; to enable him to remain in possession despite persisting default; to scale down the mortgage debt; and to give the mortgagor the option to acquire the full title to the property upon paying the reduced amount. Thus, it is urged, the act effects a fundamental change in the relative rights of mortgagor and mortgagee of real property as determined by the law of the State in which the property is located. The bank argues that if the bankruptcy clause were construed to permit the making of such fundamental changes Congress could deal with every phase of the relations between an insolvent or nonpaying debtor and his creditors; that it might, among other things, divest State courts of jurisdiction over suits upon promissory notes between citizens of the same State; that commercial controversies arising from breach of contract might be brought under like control; that the obtaining of goods or credits by false pretenses, for example, could be made a crime against the United States despite the rule declared in *United States* v. *Fox* (95 U. S. 670); that the commercial and financial life of each State would be in large measure subject to Federal regulation; and that the lines between State and Federal Government could thus be redrawn by Congress.

It is true that the original purpose of our bankruptcy acts was the equal distribution of the debtor's property among his creditors; and that the aim of the legislation was to do this promptly.[34] But the scope of the bankruptcy power conferred upon Congress is not necessarily limited to that which has been exercised. The first act provided only for compulsory proceedings against traders, bankers, brokers, and underwriters. The operation of later ones has been gradually extended so as to include practically all insolvent debtors; to provide for voluntary petitions; and to permit compositions with creditors, even without an adjudication of bankruptcy. The discharge of the debtor has come to be an object of no less concern than the distribution of his property (*Hanover National Bank* v. *Moyses* (186 U. S. 181)). As was said in *Continental Illinois National Bank & Trust Co.* v. *Chicago, Rock Island & Pacific Ry. Co.* (294 U. S. —): "The fundamental and radically progressive nature of these extensions becomes apparent upon their mere statement; but all have been judicially approved or accepted as falling within the power conferred by the bankruptcy clause of the Constitution."[35]

It is true that the position of a secured creditor, who has rights in specific property, differs fundamentally from that of an unsecured creditor, who has none; and that the Frazier-Lemke Act is the first instance of an attempt, by a bankruptcy act, to abridge, solely in the interest of the mortgagor, a substantive right of the mortgagee in specific property held as security. But we have no occasion to decide in this case whether the bankruptcy clause confers upon Congress generally the power to abridge the mortgagee's rights in specific property. Paragraph 7 declares that "the provisions of this act shall apply only to debts existing at the time this act becomes effective." The power over property pledged as security after the date of the act may be greater than over property pledged before; and this act deals only with preexisting mortgages. Because the act is retroactive in terms and as here applied purports to take away rights of the mortgagee in specific property, another provision of the Constitution is controlling.

Fourth. The bankruptcy power, like the other great substantive powers of Congress, is subject to the fifth amendment.[36] Under the bankruptcy power Congress may discharge the debtor's personal obligation, because, unlike the States, it is not prohibited from impairing the obligation of contracts. Compare *Mitchell* v. *Clark* (110 U. S. 633, 643). But the effect of the act here complained of is not the discharge of Radford's personal obligation. It is the taking of substantive rights in specific property acquired

(72 F. (2d) 599, 601); *In re National Grain Corp.* (9 F. (2d) 802, 803); *In re Franklin Brewing Co.* (249 Fed. 333, 335); *In re Roger Brown & Co.* (196 Fed. 758, 761); *In re Pittelkow* (92 Fed. 901, 903); *Citizens Savings Bank of Paducah* v. *City of Paducah* (259 Ky. 583, 585); *Dugan* v. *Logan* (229 Ky. 512). Compare *In re Sloterbeck Chevrolet Co.* (8 F. Supp. 1023); *In re Carl* (5 F. Supp. 215); *In re Civic Center Realty Co.* (26 F. (2d) 825). Where the mortgaged property is sold free of liens for less than the amount of the liens, the bankrupt estate and not the lienholders must bear the costs of the sale (*In re Harralson* (179 Fed. 490); *In re Holmes Lumber Co.* (178, 181)). Compare *Rubenstein* v. *Nourse* (70 F. (2d) 482); *In re Dawkins* (34 F. (2d) 581).

[32] In English bankruptcy proceedings, where mortgaged property is sold under order of the commissioners, the mortgagee is permitted to bid, to prevent a sacrifice of the property, sometimes even without previous leave of court (*Ex parte Ashlay* (3 Deac. & C. 510); *Ex parte Pedder* (3 Deac. & C. 622)). Compare *Ex parte Davis* (3 Deac. & C. 504); *Ex parte Bacon* (2 Deac. & C. 181); *Ex parte Du Cane* (1 Buck. 18); *Ex parte Marsh* (1 Madd. 89).

[33] The principle of composition was first applied to the interests of secured creditors in their security, by sec. 74, added to the Bankruptcy Act by act of Mar. 3, 1933, ch. 204, sec. 1, 47 Stat. 1467 (individual debtors); by sec. 75, act of Mar. 3, 1933, ch. 204, sec. 1, 47 Stat. 1470 (agricultural compositions); by sec. 77, act of Mar. 3, 1933, ch. 204, sec. 1, 47 Stat. 1474 (railroads engaged in interstate commerce); by sec. 77B, act of June 7, 1934, ch. 424, sec. 1, 48 Stat. 912 (corporations); and by sec. 80, act of May 24, 1934, ch. 345, 48 Stat. 798 (public debtors). The constitutionality of such provision in sec. 74 was considered in *In re Landquist* (70 F. (2d) 929, 933).

[34] See *Bailey* v. *Glover* (21 Wall. 342, 346); *Mayer* v. *Hellman* (91 U. S. 496, 501); *Wiswall* v. *Campbell* (93 U. S. 347, 350); *Hanover National Bank* v. *Moyses* (186 U. S. 181, 186); *Acme Harvester Co.* v. *Beekman Lumber Co.* (222 U. S. 300, 307); *Williams* v. *U. S. Fidelity & Guaranty Co.* (236 U. S. 549, 554); *Straton* v. *New* (283 U. S. 318, 320). Also *In re California Pacific R. R. Co.*, Fed. Cas. No. 2315; *In re Jordan*, Fed. Cas. No. 7514; *In re Reiman*, Fed. Cas. No. 11673; *In re Vogle*, Fed. Cas. No. 16986; *Leidigh Carriage Co.* v. *Stengel* (95 Fed. 637, 647); *In re Swofford Bros. Dry Goods Co.* (180 Fed. 549, 556); Story on the Constitution (4th ed.), sec. 1106; Olmstead, Bankruptcy, a Commercial Regulation (15 Harv. Law Rev. 829); Levinthal, the Early History of Bankruptcy Law (66 U. of Pa. Law Rev. 223, 225).

[35] The oft-quoted definitions of the bankruptcy power indicate its broad scope. When in *In re Klein* (reported in a note to *Nelson* v. *Carland* (1 How. 265, 277)) the constitutionality of the Bankruptcy Act of 1841 was challenged because it brought within its scope insolvent debtors other than traders and provided for voluntary proceeding, Mr. Justice Catron, sitting in circuit, said: "I hold it [the bankruptcy power] extends to all cases where the law causes to be distributed the property of the debtor among his creditors; this is its least limit. Its greatest is a discharge of the debtor from his contracts. And all intermediate legislation, affecting substance and form, but tending to further the great end of the subject—distribution and discharge—are in the competency and discretion of Congress." Judge Blatchford, when sustaining the provision for composition in *In re Reiman* (Fed Cas. No. 11673, p. 496), said that the subject of bankruptcy cannot properly be defined as "anything less than the subject of the relations between an insolvent or nonpaying or fraudulent debtor and his creditors, extending to his and their relief." And Mr. Justice Hunt, sitting in that case, on appeal to the Circuit Court said that "whatever relates to the subject of bankruptcy is within the jurisdiction of Congress" (Fed. Cas. No. 11675, p. 501).

[36] For instance, the war power, *Ex parte Milligan* (4 Wall. 2, 119; *Ochs* v. *Hernandez*, 230 U. S. 139, 153–4; *Hamilton* v. *Kentucky Distilleries Co.*, 251 U. S. 146, 155). The power to tax (*United States* v. *Railroad Co.*, 17 Wall. 322; *Boyd* v. *United States*, 116 U. S. 616; *Nichols* v. *Coolidge*, 274 U. S. 531, 542; *Blodgett* v. *Holden*, 275 U. S. 142, 147; *Barclay & Co.* v. *Edwards*, 267 U. S. 442, 450; *Heiner* v. *Donnan*, 285 U. S. 312, 326). The power to regulate commerce (*Monongahela Navigation Co.* v. *United States*, 148 U. S. 312, 336; *United States* v. *Joint Traffic Association*, 171 U. S. 505, 571; *Carrol* v. *Greenwich Insurance Co.*, 199 U. S. 401 410; *United States* v. *Lynah*, 188 U. S. 445, 471; *United States* v. *Crecs*, 243 U. S. 316, 326). The power to exclude aliens (*Wong Wing* v. *United States*, 163 U. S. 228, 236, 237–8). Compare *Perry* v. *United States* (294 U. S. 330).

by the bank prior to the act. In order to determine whether rights of that nature have been taken, we must ascertain what the mortgagee's rights were before the passage of the act. We turn, therefore, first to the law of the State.

Under the law of Kentucky, a mortgage creates a lien which may be foreclosed only by suit resulting in a judicial sale of the property (Civil Code of Practice, secs. 375, 376; *Insurance Co. of North America* v. *Cheatham*, 221 Ky. 668, 672). While mere default does not entitle the mortgagee to possession (*Newport & Cincinnati Bridge Co.* v. *Douglass*, 12 Bush 673, 705), section 299 of the Code provides that, in an action for the sale of mortgaged property a receiver may be appointed if it appears "that the property is probably insufficient to discharge the mortgage debt", (*Mortgage Union of Penn.* v. *King*, 245 Ky. 691); and where there is (as here) a pledge in the mortgage of rents, issues, and profits, and provision for appointment of a receiver, the mortgagee is entitled as of right to have a receiver appointed to collect them for his benefit (*Brasfield & Son* v. *Northwestern Mutual Life Insurance Co.*, 233 Ky. 94; *Watt's Adm'r* v. *Smith*, 250 Ky. 617, 630). Under section 374 of the Code a sale may be ordered at any time after default. Under Carroll's Statute (1930) (secs. 2362, 2364), there must be an appraisal before the sale; and if the sale brings less than two-thirds of the appraised value the mortgagor may redeem within a year by paying the original purchase money and interest at 10 percent. But inadequacy of price is not alone ground for setting aside a sale (*Kentucky Joint Land Bank of Lexington* v. *Fitzpatrick*, 237 Ky. 624). No provision permits the mortgagor to obtain a release or surrender of the property before foreclosure without paying in full the indebtedness secured. Nor does any provision prohibit a mortgagee from protecting his interest in the property by bidding at the foreclosure sale. Thus, the controlling purpose of the law of Kentucky was and is that mortgaged property shall be devoted primarily to the satisfaction of the debt secured; and the provisions of its law are appropriate to ensure that result.

For the rights acquired and possessed by the mortgage under the law of Kentucky, the act substituted only the following alternatives:

(A) Under paragraph 3, the mortgagee may, if the bankrupt so requests, assent to a so-called "sale" by the trustee to the bankrupt at a so-called "appraised value"; and upon such assent an implied promise arises to purchase the property on the terms prescribed in that paragraph. But, the transaction would not confer upon the mortgagee the ordinary fruits of an immediate sale; nor would the agreement of sale, if performed by the bankrupt, result in payment of the appraised value. The mortgagee would not get the ordinary fruits of an immediate sale on deferred payments; for the bankrupt would make no down payment at the time of taking possession and would give no other assurance that payments promised would in fact be made. And, if all such payments were duly made, the sale would not be at the appraised value; for the value of money (even if there were no risk) is obviously more than 1 percent.[37] By restricting, throughout the period of 6 years, the annual interest on the deferred payments to 1 percent, a sale at much less than the appraised value is prescribed. The aggregate payments of principal and interest prescribed would in no year before the end of the sixth be as much as 6 percent on the appraised value.[38] Moreover, before any deferred payment of the purchase price is made, there is serious danger that the bank's investment might be further impaired. The mortgaged property might be lessened in value by waste. It might become burdened with the liens for accruing unpaid taxes;[39] for, while interest at the rate of 1 percent of the appraised value of the Radford farm is $44.45, the present annual taxes (plus insurance premium) are, as stipulated, $105. Thus, if the alternative offered by paragraph 3 were accepted, the transaction would result merely in a transfer of possession to the bankrupt for 6 years with an otherwise unsecured promise to purchase at the end of the period for a price less than the appraised value.

[37] In no State of the Union, in 1921, was the maximum lawful rate of interest less than 6 percent per annum; and in only two States was the legal rate as low as 5 percent (Ryan, Usury and Usury Laws (1924), pp. 28–31). In Kentucky 6 percent is both the legal and the lawful rate (Carroll's Kentucky Statute (1933), secs. 2218, 2219).

[38] The prescribed payment (interest) for the first year is 1 percent on the appraised value. The prescribed payment for the second year is 3½ percent thereof (1 percent for interest, 2½ percent on account of principal). The prescribed payment for the third year is 2½ percent of the principal and as interest 1 percent on 97½ percent of the principal. The prescribed payment for the fourth year is 5 percent on account of the principal and as interest, 1 percent on 95 percent of the principal. The prescribed payment for the fifth year is 5 percent on account of principal, and as interest, 1 percent on 90 percent of the principal. The prescribed payment at the end of the sixth year is 85 percent of the principal, and as interest 1 percent of 85 percent of the principal. The present value calculated on a 6-percent basis of all deferred payments (principal and interest) would be only 76.6 percent of the appraised value. In other words, the agreement to sell if assented to by the mortgagee would require him to relinquish his security, not for its appraised value in cash, but for deferred payments, which, if met, would yield (on a 6-percent basis) only 76.6 percent of the appraised value.

[39] When the decree complained of was issued there had already been defaults in tax payments continuing more than 2 years.

(See p. 1.)

(B) If the mortgagee refuses to consent to the agreement to sell under paragraph 3, he is compelled by paragraph 7 to surrender to the bankrupt possession of the property for the period of 5 years; and during those years the bankrupt's only monetary obligation is to pay a reasonable rental fixed by the court. There is no provision for the payment of insurance or taxes, save as these may be paid from the rental received. During that period the bankrupt has an option to purchase the farm at any time at its appraised, or reappraised, value.[40] The mortgagee is not only compelled to submit to the sale to the bankrupt, but to a sale made at such time as the latter may choose. Thus the bankrupt may leave it uncertain for years whether he will purchase; and in the end he may decline to buy. Meanwhile the mortgagee may have had (and been obliged to decline) an offer from some other person to take the farm at a price sufficient to satisfy the full amount then due by the debtor. The mortgagee cannot require a reappraisal when, in its judgment, the time comes to sell; it may ask for a reappraisal only if and when the bankrupt requests a sale. Thus the mortgagee is afforded no protection if the request is made when values are depressed to a point lower than the original appraisal. While paragraph 7 declares that the bankrupt's possession is "under the control of the court", this clause gives merely supervisory power. Such control leaves the court powerless to terminate the option unless there has been the commission of waste or failure to pay the prescribed rent.

Fifth. The controlling purpose of the act is to preserve to the mortgagor the ownership and enjoyment of the farm property. It does not seek primarily a discharge of all personal obligations—a function with which alone bankruptcy acts have heretofore dealt. Nor does it make provision of that nature by prohibiting, limiting, or postponing deficiency judgments, as do some State laws.[41] Its avowed object is to take from the mortgagee rights in the specific property held as security; and to that end "to scale down the indebtedness" to the present value of the property.[42] As here applied it has taken from the bank the following property rights recognized by the law of Kentucky:

1. The right to retain the lien until the indebtedness thereby secured is paid.

2. The right to realize upon the security by a judicial public sale.

3. The right to determine when such sale shall be held, subject only to the discretion of the court.

4. The right to protect its interest in the property by bidding at such sale whenever held, and thus to assure having the mortgaged property devoted primarily to the satisfaction of the debt, either through receipt of the proceeds of a fair competitive sale or by taking the property itself.

5. The right to control meanwhile the property during the period of default, subject only to the discretion of the court, and to have the rents and profits collected by a receiver for the satisfaction of the debt.

Strong evidence that the taking of these rights from the mortgagee effects a substantial impairment of the security is furnished by the occurrences in the Senate which led to the adoption there of the amendment to the bill declaring that the act "shall apply only to debts existing at the time this act becomes effective." The bill as passed by the House applied to both preexisting and future mortgages. It was amended in the Senate so as to limit it to existing mortgages, and as so amended was adopted by both Houses pursuant to the report of the conference committee.[43] This was done because in the Senate it was pointed out that the bill, if made applicable to future mortgages, would destroy the farmer's future mortgage credit.[44]

[40] This is the construction given to paragraph 7 by both of the lower courts, by both of the parties in their briefs and oral arguments here, and, so far as appears, by all other courts and judges that have passed upon the act, except District Judge Lindley, who, in *In re Miner* (9 F. Supp. 1), held that paragraph 7, as well as paragraph 3, was conditioned upon the mortgagee's consent to a sale to the debtor at the appraised value. See also John Hanna, Agriculture and the Bankruptcy Act (19 Minn. L. Rev. 1, 19, 20; Report of Judiciary Committee, No. 370, p. 2, 74th Cong., 1st sess., Apr. 1, 1935, on H. R. 5452). We refrain from discussing this question of construction as well as some others raised which are deemed unfounded.

[41] This has been done by recent State legislation. Compare Arizona, 1933, ch. 88; Arkansas, 1933, Act No. 57; see *Adams* v. *Spillyards* (61 S. W. (2d) 686); California, 1933, ch. 793; Idaho, 1933, ch. 150; Kansas, 1935, H. B. 299; Louisiana, 1934, Act No. 26; Minnesota, 1933, ch. 339; Montana, 1935, H. B. 16; Nebraska, 1933, ch. 41; New Jersey, 1933, ch. 22; see *Vanderbilt* v. *Brunton Piano Co.*, 169 A. 177; New York, 1933, ch. 794—1934, ch. 277—1935, ch. 2; North Carolina, 1933, ch. 36; North Dakota, 1933, ch. 155; South Carolina, 1933, Act No. 264; South Dakota, 1933, ch. 136—1935 H. B. 109; Texas, 1933, ch. 92; see *Langever* v. *Miller*, 76 S. W. (2d) 1025.

[42] See Senate Report No. 1215 on S. 3580, May 28, 1934, p. 3; House Report No. 1898 on H. R. 9865, June 4, 1934, p. 4, incorporating as a part thereof a memorandum of Representative LEMKE.

[43] See conference report, June 18, 1934 (CONGRESSIONAL RECORD, 73d Cong., 2d sess., vol. 78, pp. 12376, 12491).

[44] Senator BANKHEAD said: "If it applied only to existing mortgages, I should be glad to support it; but here is a program presented, not limited to existing mortgages but a permanent program for the composition of mortgages. When a farmer goes to his advancing merchant, or goes to his banker, or applies to an insurance company for a loan under this bill, I want to know—and I am inquiring with earnest anxiety about it—what effect is it going to

Sixth. Radford contends that these changes in the position of the bank wrought pursuant to the act, do not impair substantive rights, because the bank retains every right in the property to which it is entitled. The contention rests upon the unfounded assertion that its only substantive right under the mortgage is to have the value of the security applied to the satisfaction of the debt. It would be more accurate to say that the only right under the mortgage left to the bank is the right to retain its lien until the mortgagor, sometime within the 5-year period, chooses to release it by paying the appraised value of the property. A mortgage lien so limited in character and incident is, of course, legally conceivable. It might be created by contract under existing law.[46] If a part of the mortgaged property were taken by eminent domain a mortgagee would receive payment on a similar basis.[46] But the Frazier-Lemke Act does not purport to exercise the right of eminent domain; and neither the law of Kentucky nor Radford's mortgages contain any provision conferring upon the mortgagor an option to compel, at any time within 5 years, a release of the farm upon payment of its appraised value and a right to retain meanwhile possession, upon paying a rental to be fixed by the bankruptcy courts.

Equally unfounded is the contention that the mortgagee is not injured by the denial of possession for the 5 years, since it receives the rental value of the property.[47] It is argued that experience has proved that 5 years is not unreasonably long, since a longer period is commonly required to complete a voluntary contract for the sale and purchase of a farm; or to close a bankruptcy estate; or to close a railroad receivership. And it is asserted that Radford is, in effect, acting as receiver for the bankruptcy court. Radford's argument ignores the fact that in ordinary bankruptcy proceedings and in equity receiverships, the court may in its discretion, order an immediate sale and closing of the estate; and it ignores, also, the fundamental difference in purpose between the delay permitted in those proceedings and that prescribed by Congress. When a court of equity allows a receivership to continue, it does so to prevent a sacrifice of the creditor's interest. Under the act, the purpose of the delay in making a sale and of the prolonged possession accorded the mortgagor is to promote his interests at the expense of the mortgagee.

Home Building and Loan Association v. *Blaisdell* (290 U. S. 398), upon which Radford relies, lends no support to his contention. There the statute left the period of the extension of the right of redemption to be determined by the court within the maximum limit of 2 years. Even after the period had been decided upon, it could, as was pointed out, "be reduced by order of the court under the statute, in case of a change in circumstances. * * *" (p. 447); and at the close of the period, the mortgagee was free to apply the mortgaged property to the satisfaction of the mortgage debt. Here the option and the possession would continue, although the emergency which is relied upon as justifying the act ended before November 30, 1939.[48]

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have upon those credit facilities for the farmers of this country." (id. p. 12074.)

Senator Fess: "It does seem to me that we might destroy the credit which he insists the farmers have, because everyone realizes that by the passage of this bill we may be making it impossible for the farmer in the future to borrow money" (id. p. 12075).

Representative PEYSER expressed the same view: "I believe that many of the Members are overlooking a very vital point in connection with this legislation; that is, the fact that you are removing from the farmer the possibility of securing any mortgage assistance in the future. I believe in the enactment of this law and the scaling down of values you are going to take away the possibility of help that may be needed by these farmers in the future" (id. p. 12137).

[45] Many instances can be found of mortgages which provide that parcels of the mortgaged property shall be released upon payment of fixed amounts or upon payment of their value upon an appraisal therein provided for. See 1 Jones, Mortgages (8th ed., 1928), sec. 98. Compare *Clarke* v. *Cowan* (206 Mass. 252).

[46] See 2 Jones, Mortgages (8th ed., 1928), sec. 843.

[47] Counsel for the debtor suggests that the reasonable rental provided for in par. 7, is more than the secured creditor ordinarily receives in bankruptcy, since interest on secured as well as unsecured claims ceases with the filing of the petition. But the rule relied upon applies only when the secured creditor, having realized upon his security, is seeking as a general creditor to prove for the deficiency against the bankrupt estate (*Sexton* v. *Dreyfus*, 219 U. S. 339). It has no application when the mortgagee has a preferred claim against proceeds realized by the trustee from a sale of the security free of liens (*Coder* v. *Arts*, 213 U. S. 223, 228, 245, affirming 152 Fed. 943, 950; *People's Homestead Association* v. *Bartlette*, 33 F. (2d) 561; *Mortgage Loan Co.* v. *Livingston*, 45 F. (2d) 28, 34).

[48] As by sec. 75 the petition of the farmer-mortgagor may be filed at any time within 5 years after March 3, 1933, and the period of the possession and of the option extends for 5 years, the provision might bar enforcement of an existing mortgage until 1943.

Counsel for Radford contends that the 5-year provision of paragraph 7 is not inflexible because, under the rule of *Chastleton Corporation* v. *Sinclair* (264 U. S. 543) it would cease to be effective on the termination of the emergency which is relied upon to justify the act. But the act does not make the 5-year option period dependent upon the continuance of a national emergency; and the options conferred upon the farmer-owner show that it was the needs of the particular debtor to which consideration was given.

Seventh. Radford contends further that the changes in the mortgagee's rights in the property, even if substantial, are not arbitrary and unreasonable, because they were made for a permissible public purpose. That claim appears to rest primarily upon the following propositions: (1) The welfare of the Nation demands that our farms be individually owned by those who operate them. (2) To permit wide-spread foreclosure of farm mortgages would result in transferring ownership, in large measure, to great corporations; would transform farm owners into tenants or farm laborers; and would tend to create a peasant class. (3) There was grave danger at the time of the passage of the act that foreclosure of farms would become wide-spread. The persistent decline in the prices of agricultural products, as compared with the prices of articles which farmers are obliged to purchase, had been accentuated by the long-continued depression and had made it impossible for farmers to pay the charges accruing under existing mortgages. (4) Thus had arisen an emergency requiring congressional action. To avert the threatened calamity the act presented an appropriate remedy. Extensive economic data, of which in large part we may take judicial notice, were submitted in support of these propositions.

The bank calls attention, among other things, to the fact that the act is not limited to mortgages of farms operated by the owners; that the finding of the lower courts that Radford is a farmer within the meaning of the act does not necessarily imply that he operates his farm; and that at least part of it must have been rented to another, since a tenant is joined as defendant in the foreclosure suit. Section 75 of the Bankruptcy Act (to which this act is an amendment) provides, in subsection (r), that "the term 'farmer' means any individual who is personally bona fide engaged primarily in farming operations or the principal part of whose income is derived from farming operations." Thus the act affords relief not only to those owners who operate their farms but also to all individual landlords the principal part of whose income is derived from the farming operations of share croppers or other tenants; and, among these landlords, to persons who are merely capitalist absentees.[49]

It has been suggested that the number of farms operated by tenants was very large before the present depression;[50] that the increase of tenancy had been progressive for more than half a century;[51] that the increase has not been attributable, in the main, to foreclosures;[52] and that, in some regions, the increase in tenancy has been marked during the period when farm incomes were large and farm values, farm taxes, and farm mortgages were rising rapidly.[53]

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[49] In 1930, only 56 percent of the farm-mortgage debt of the country rested on farms operated by their owners (the Farm Debt Problem, letter from the Secretary of Agriculture, House Doc. No. 9, p. 9, 73d Cong., 1st sess.). Of the landlords of farms throughout United States: "More than a third are engaged in agricultural occupations, nearly another third are retired farmers, and the remaining third are in nonagricultural occupations, mostly country bankers, merchants, and professional men in the country towns and villages who have either come into farm ownership through inheritance or marriage, or have purchased farms for purposes of investment or speculation" (Yearbook of Agriculture (1923), p. 538). "Furthermore, the percentage of cases in which landlords were remote from their farms is higher in some of the more recently developed farming regions than in some of the older farming regions. Thus, in eastern North Dakota 40 percent of the tenant farms were owned by landlords not residing in the same county, and the proportion is nearly as large in central Kansas and in Oklahoma" (id., p. 535).

[50] Of the 6,288,648 farms in 1930, 42.4 percent were operated by tenants. The percentage in Kentucky operated by tenants was 35.9 percent; in Iowa, 47.3 percent; in Georgia, 68.2 percent. In the South, 1,790,783 families were working as tenant farmers. See Hearings, March 5, 1935, on S. 2367, the bill to create the Farm Tenant Homes Corporation, pp. 6, 14, 15, 16, 18, 39, 70, 72, 75, and S. Rept. 446, 74th Cong., 1st sess., April 11, 1935.

[51] During the half century prior to the present business depression, every decennial census recorded a progressive increase in farm tenancy. Of the 4,008,907 farms in the United States in 1880, 25.6 percent were operated by tenants; of the 6,448,343 farms in 1920, 38.1 percent were operated by tenants (Farm Tenure, Census of 1920, Agriculture, vol. V, p. 133, t. 11). The percentage of improved farm land operated by owners in 1920 was only 46.8 (Farm Ownership and Tenancy, Yearbook of Agriculture (1928), p. 609).

[52] "Causes underlying this upward trend of tenancy are complex and obscure. The trend has apparently continued through the various shades of adversity and prosperity. Farms operated by managers are not classed with tenancy. As has been pointed out before, the best, most productive lands have the greatest tenancy. Apparently tenancy does not thrive on poor lands. It is hardly thinkable that high productiveness is a result of tenancy. It is a fact, however, that the largest up-trend in the yield of corn per acre is in the area of greatest tenancy" (Iowa Yearbook of Agriculture (1931), p. 349). In Iowa, 1927, tenant-operated acres were 53.9 percent of the total acres in farms. In 1930 the percentage was 54.8; in 1931, it was 55.4. In 1932 it was 57.7; in 1933, 58.6. Id. (1932) p. 168; (1933) p. 213. See also Yearbook of Agriculture (1923), pp. 539–547; Turner, Ownership of Tenant Farms in the United States Bull. No. 1432; and Ownership of Tenant Farms in North Central States, Bull. No. 1433, U. S. Dept. of Agriculture (1926).

[53] "The increase in tenancy in the West North Central States is without doubt the result of the price situation. Land bought in the period of high prices could not be paid for, with the result

We have no occasion to consider either the causes or the extent of farm tenancy; or whether its progressive increase would be arrested by the provisions of the act. Nor need we consider the occupations of the beneficiaries of the legislation. These are matters for the consideration of Congress; and the extensive provision for the refinancing of farm mortgages which Congress has already made shows that the gravity of the situation has been appreciated.[4] The province of the Court is limited to deciding whether the Frazier-Lemke Act as applied has taken from the bank without compensation, and given to Radford, rights in specific property which are of substantial value. Compare *Ochoa v. Hernandez* (230 U. S. 139, 161); *Loan Association v. Topeka* (20 Wall. 655, 662, 664); *In re Dillard* (Fed. Cas. No. 3912, p. 706). As we conclude that the act as applied has done so, we must hold it void. For the fifth amendment commands that, however great the Nation's need, private property shall not be thus taken even for a wholly public use without just compensation. If the public interest requires, and permits, the taking of property of individual mortgagees in order to relieve the necessities of individual mortgagors, resort must be had to proceedings by eminent domain; so that, through taxation, the burden of the relief afforded in the public interest may be borne by the public.

Reversed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1023) to provide for the payment of a military instructor for the high-school cadets of Washington, D. C.

The message also announced that the House insisted upon its amendment to the bill (S. 2276) to authorize participation by the United States in the Interparliamentary Union, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. McREYNOLDS, Mr. BLOOM, and Mr. FISH were appointed managers on the part of the House at the conference.

PUERTO RICAN HURRICANE RELIEF COMMISSION

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 88) to abolish the Puerto Rican Hurricane Relief Commission, and transfer its functions to the Secretary of the Interior, which was, on page 1, line 5, to strike out "Rica" and insert "Rico."

Mr. TYDINGS. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

The Senate resumed the consideration of the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes.

Mr. SMITH. Mr. President, section 7 of House bill 8052, which I have offered as an amendment in the nature of a substitute, merely authorizes the Secretary to hold hearings in order to determine whether or not to refer an alleged violation of a license to the Attorney General for appropriate action.

Mr. BYRD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Virginia?

Mr. SMITH. I yield.

Mr. BYRD. I have not heard the Senator explain fully the licensing clause in section 4, subsection 3. There is considerably more to it than the Senator has covered.

Mr. SMITH. I think the text of the subsection explains itself fully.

Mr. BYRD. I should like to ask the Senator if I am correct in my interpretation that under clause 2, 50 percent of the handlers of any given product may impose licenses on the producers providing the producers prepare their own products for marketing?

Mr. SMITH. The provision reads:

(2) To make effective any marketing plan set forth in any marketing agreement (or appendix thereto) signed by the persons handling not less than 50 percent of the volume of the business done in the respective classes of industrial or commercial activity specified in such agreement.

Mr. BYRD. A producer must have handlers, of course, in order to handle his product; and would not the effect of that provision be that 50 percent of the handlers can in effect license the producers?

Mr. BANKHEAD. Let me call the attention of both Senators to the provision at the bottom of page 7, in line 22, which reads:

No license issued under this title shall be applicable to any producer in his capacity as a producer.

Mr. BYRD. But, Mr. President, the Senator has not stated that a producer who prepares for market his products becomes a processor under the terms of the original act.

Mr. SMITH. No. I should like to call the Senator's attention to the language on page 7, lines 22 and 23, quoted by the Senator from Alabama [Mr. BANKHEAD]:

No license issued under this title shall be applicable to any producer in his capacity as a producer.

Where a producer processes and distributes his own products and is restricted to the processing and the distribution of his own products, I do not think he should be required to be licensed.

Mr. BYRD. Will the Senator accept an amendment to clarify that provision?

Mr. SMITH. I will.

Mr. BYRD. I think it should be changed, because, under the regulation as now proposed, any producer who prepares for market his own product becomes subject to a license.

Mr. SMITH. I think I ought unhesitatingly to say that, in my opinion, it is nothing but fair, where a producer processes and distributes his products and his alone, that he should not be subject to a license.

Mr. BYRD. Mr. President, in addition to that I am very doubtful of the wisdom of permitting 50 percent of the handlers of a given product to license the producers in the entire industry. I should like to have the judgment of the Senator on that point, and as to the advisability of providing that at least 75 percent of the producers shall agree when any license is placed on certain agricultural products.

Mr. SMITH. I think the percentage is a question that should be considered, not only as to the percentage of the producers, but the volume of the product. I can recall cases where 50 percent of the producers might represent but 25 percent of the volume.

Mr. BYRD. This measure as now written proposes to permit 50 percent of the handlers to license a given product, and I ask the Senator if he will not accept an amendment to the effect that no license shall be imposed on any given agricultural product unless approved by 75 percent of the producers thereof?

Mr. SMITH. I would be willing to accept such an amendment; I think that would be fair.

Mr. BYRD. Both in quantity and in number.

Mr. SMITH. I think there should be a provision that the volume should be connected with the number of producers.

Mr. BYRD. But the Senator agrees with me that under the pending measure that is not done, for 50 percent of the handlers may now license a given product and, in effect, license all the producers of that product?

Mr. KING. Mr. President, may I inquire of the Senator from Virginia upon what theory—and I am asking the question for information—can we defend a legislative declaration by Congress, if 75 percent or 80 percent or 60 percent or 81 percent of people engaged in any activity shall vote one way, that all the other persons engaged in such activity shall be subject to their decision, affecting their

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that it is now operated by tenants" (Yearbook of Agriculture, 1932, p. 494). From 1910 to 1920, farm mortgage debt increased from $3,320,470,000 to $7,857,700,000. See The Farm Debt Problem, H. Doc. No. 9, p. 5, 73d Cong., 1st sess. In 1910 the total acreage of farm land was 878,798,325; in 1920, it was 955,883,715 (Census of 1920, Agriculture, vol. V, p. 32, t. 3). The greatly increased local tax rate, in connection with increased land values, has been suggested as being an important cause of increasing farm tenancy (hearings on S. 2367, p. 16). The average value of farm property per acre in 1880, was $22.72; in 1920, $81.52; in 1930, $58.01 (Census of 1930, Agriculture, vol. II, p. 10, t. I). Farm property taxes in 1910 amounted to approximately $268,000,000; in 1920, to $452,000,000; in 1932, to $629,000,000. See The Farm Debt Problem, supra, p. 21.

[4] See Note 4.

personal rights, their individual rights, and their property rights?

Mr. SMITH. I am surprised to hear that question asked by the Senator from Utah, because the very genius of our Government is majority rule. I think the Senator from Utah is in this body because a majority selected him to come here. I do not know that I would have joined them, but I say he is here as a result of a majority vote. I do not know what right the minority who did not vote for him have in the premises.

Mr. KING. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. KING. I am surprised that the Senator from South Carolina, who is a man of great perspicacity and a great deal of wisdom, although he is frequently wrong, cannot distinguish between the political right to vote for officials and the right to control one's own product, subject, of course, to reasonable rules and regulations and to the power of the Government for tax purposes. Obviously there is such a wide distinction that I am amazed the Senator does not comprehend it.

Mr. SMITH. The right to vote was exercised by both the majority and the minority, but the minority had to acquiesce in the will of the majority. In the exercise of the voting privilege to determine a marketing system, a 75-percent majority vote is generally a high ratio, for 25 percent can almost always be depended upon to go contrary, even though it is to their detriment to do so. I think the principle is found in the result and not in the exercise of the right. The producers have a right to vote if we adopt the system, although I am not particularly enamored of it, I will say.

Mr. CAREY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Wyoming?

Mr. SMITH. I yield.

Mr. CAREY. I note that the vote is not based on the number who are engaged in the business but on the volume of business.

Mr. SMITH. Yes.

Mr. CAREY. Does not that mean that a few men who might be doing a greater part of the business could dictate to the smaller fry in a particular line?

Mr. SMITH. No. The bill reads:

thereto) signed by the persons handling not less than 50 percent of the volume of the business done in the respective classes of industrial or commercial activity specified by such agreement.

Now:

(3) To make effective the marketing plan set forth in any proposed marketing agreement (or appendix thereto), on which a hearing has been held, whenever the Secretary, with the approval of the President, determines—

(a) That the refusal or failure to sign such proposed agreement by the persons handling more than 50 percent of the volume of business done in any class of industrial or commercial activity specified therein tends to prevent the effectuation of the declared policy with respect to the commodity.

Mr. CAREY and Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from South Carolina yield; and if so, to whom?

Mr. SMITH. I yield first to the Senator from Wyoming.

Mr. CAREY. Say, for example, that in the packing industry three or four packers handle 51 percent of the business. This provision of the bill, if adopted, would mean that they could control as against perhaps a hundred other packers who were doing a smaller amount of business. The control is not based on numbers; it is based on the volume of business done. So a few who are doing a large amount of business could control the industry through this provision making the basis the amount of business done.

Mr. SMITH. I had in mind, in answering the Senator from Virginia, another paragraph which pertains to marketing agreements where a certain number must come in as well as a certain volume. In my conception, the point the Senator from Wyoming makes is well taken, because two or three or four may control 51 percent of the volume of a given business, and 75 or 80 percent of the smaller ones may not be able to subscribe to the conditions that affect the 51 percent.

Mr. CAREY. I think that is entirely possible.

Mr. SMITH. I suggest that the Senator offer an amendment along that line.

Mr. President, sections 8, 9, and 10 all amend section 9 of the Agricultural Adjustment Act.

Mr. BYRD. Mr. President, before the Senator proceeds to that point I should like to have him explain the regional marketing area provision and exactly what it means, and whether it is proposed to prevent one section of the country shipping into another section.

Mr. SMITH. No; I think not. I think the marketing agreements and the conditions under which producers are willing to market their products vary with different sections of the country. In order not to do the injustice that is done by a blanket arrangement, where conditions might impose hardships on one and benefits on another, districts could be formed where the conditions are almost identical. Then the marketing agreement and the licensing could be more advantageously carried out, with the thought always in mind that there must be provision made that a given article in a certain section shall not be discriminated against as compared to that article in another region.

Mr. BYRD. But will the given article in another region be prohibited from coming into the other marketing area?

Mr. SMITH. I think not.

Mr. BYRD. Then, what is the advantage of the provision?

Mr. SMITH. It may be incidental, but I take it districts are going to be created where the freight and the consumption and the other elements which affect the trade would not make it advantageous for someone outside to ship into that district. The Senator knows, as I know, that it is a common practice for a man in one section, in order to get into a market, to go there and sell at a price with which the local people cannot possibly compete, and he does that until such time as he gets a foothold in the market and can compete with the local people under normal and ordinary conditions.

Mr. BYRD. Is it the purpose to establish zones over the country and give those zones to certain producers, or are we going to have free trade such as we now have?

Mr. SMITH. We will have free trade, as I understand, to the extent that the best interests of all those within the zone will be protected.

Mr. BYRD. The Senator would favor the principle of establishing zones and prohibiting the producers of the West from shipping to the markets of the East?

Mr. SMITH. If it is an advantage to the farmer, I am willing to do so.

Mr. BYRD. To the advantage of which farmer?

Mr. SMITH. The producer.

Mr. BYRD. The farmer within the particular zone or outside the particular zone?

Mr. SMITH. If it should be advantageous to him under the zone plan I would vote "yea", and if it should be disadvantageous I would vote "nay."

Mr. BYRD. But the Senator speaks of the farmer. What farmer? Does he mean the farmer within the zone or the farmer outside the zone?

Mr. SMITH. They will all be in a zone. Each man will ship in his own bailiwick. The Senator must not think that anybody would be left out.

Mr. BYRD. But they will be left out if they cannot ship to other zones than their own.

Mr. SMITH. I do not think there will be any marginal producers. We have marginal lands, but I do not think we will have marginal producers.

Mr. BYRD. Is it the purpose of the legislation to establish zones and prohibit shipment into a particular zone by anybody living outside of the particular zone in order to give the advantage to the farmers within such zone?

Mr. SMITH. I think not.

Mr. BANKHEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Alabama?

Mr. SMITH. I yield.

Mr. BANKHEAD. In the first place, this particular feature of the bill is not one which has been sponsored by the Department. It was incorporated in the bill by the House committee in response to criticism of the broad area which might be included under the terms of the original bill. Of course the Senator understands this was originally limited to a few special crops. It was apparently the desire to get agreements with a certain percentage of the producers, but the argument was made that it might include producers from the Atlantic to the Pacific Ocean in the case of milk, for instance, in order to have a marginal agreement to supply the New York milk shippers. In response to that argument, to show that nothing of that kind was contemplated, the House committee wrote this limitation providing that a certain area would be included.

Mr. BYRD. Would anyone outside of that particular area be prohibited from shipping into that area?

Mr. BANKHEAD. Naturally they would not ship in there.

Mr. BYRD. Suppose it was an area around Washington for vegetables and milk; then the farmers outside of such area could not ship into Washington, could they?

Mr. BANKHEAD. If it should be a proper and economic market, they would be in the area.

Mr. BYRD. Suppose it was a product coming into Washington from west of the Mississippi River, it could not be within this area, could it?

Mr. BANKHEAD. Then, of course, this would not be the proper market for it.

Mr. BYRD. Then the Senator would prohibit that product from coming into this area?

Mr. BANKHEAD. Oh, no. If this is a proper and reasonable market for that particular article, it could come into this area.

Mr. BYRD. The language of the bill is "small areas of distribution." The Senator would not construe an area 2,000 miles from here as being a small area, would he? Therefore, he would prohibit shipment into this particular zone.

Mr. BANKHEAD. If it is in the Senator's mind to make the whole United States into a milk-market zone, he would destroy the purposes of the bill.

Mr. BYRD. Does the Senator favor and does the proposed legislation permit the establishment of zones, and is it the purpose to prohibit producers outside of those zones shipping into them? If that is the purpose of the bill and if that is what the bill does, we have started a procedure that is something new in this country.

Mr. BANKHEAD. The Senator may not be familiar with what has been done, but the marketing agreements which have been entered into under the act of last year carry out and accomplish that exact purpose.

Mr. BYRD. But they do not prohibit shipment, and under the licensing clause much broader powers are granted.

Mr. SMITH. I think the whole provision should have been restricted, perhaps, to the milk problem. It is the most vexatious and aggravated question in the whole category. In answer to the suggestion of the Senator from Virginia that we are entering upon a new project in the matter of zoning, the Senator must be familiar with the matter of freight rates and the zones which are created for the application of freight rates.

Mr. BYRD. We are zoned as to freight rates by reason of our location, whereas it is proposed here to zone us according to our markets. We are not zoned by legislative enactment, and we are not prohibited from shipping directly into a given area.

Mr. SMITH. I do not think this does that, either.

Mr. BYRD. That is the purpose of it, as I happen to know.

Mr. SMITH. The purpose of this provision, I think, is to regulate more particularly the distribution of milk. I am not familiar with that matter, but the Department explains that the most aggravated profiteering and racketeering that has gone on in the country has been in connection with the supply and distribution of milk.

Mr. BYRD. Why, then, does not the Senator amend the bill and confine its provisions to milk?

Mr. SMITH. There might be some other commodities involved.

Mr. BYRD. The bill applies now to every agricultural product.

Mr. SMITH. Oh, no.

Mr. BYRD. When this country undertakes to establish 48 zones and then to prohibit by legislative enactment shipments into one zone from any of the other zones, we have begun a new process of business.

Mr. McKELLAR. Would it not be unconstitutional?

Mr. BYRD. Assuredly it would be.

Mr. GEORGE. Yes; it would be clearly unconstitutional.

Mr. SMITH. As we have had the decision of the Supreme Court, when I get through explaining these unconstitutional provisions I think I shall call upon the constitutional lawyers to explain. I am talking seriously.

Mr. GEORGE. So am I. One of the difficulties about our legislation is that we have been willing to take it without any real consideration of whether it would stand the test in the courts or ought to stand up in the courts. If it is intended to establish zones which would restrict shipments, clearly it is unconstitutional. That power could not be granted. We have no authority to grant it. The Congress has no such power.

Mr. SMITH. From a layman's standpoint I have been amazed and shocked at the conduct of lawyers in this body, those who went up to the Vice President's desk and took the oath of office, those who said they had devoted their life's work to interpretation of the Constitution and the law, those who called the courthouse a temple of "justice"—God help them—who sat right here in this body with a measure so palpably unconstitutional that it almost said so, and then voted for it. Let him who is without sin cast the first stone at me. Lawyers in this body who had cut their wisdom teeth in the profession of the law, in the case of serious legislation which, outside the Senate, they would say "the damned thing is unconstitutional", yet voted for it here. God knows I should like to go back and vote in such a way that each one of us would do his duty as he saw it, regardless of any outside interference or influence.

Mr. KING. Mr. President, will the Senator permit an interruption?

Mr. SMITH. I should like to finish this thought.

The Departments are criticized for sending here propositions that are unconstitutional. What did we do when we formulated laws in our committee rooms which already the Supreme Court has said are unconstitutional? God grant that the action of the Supreme Court may bring us to a realization of our duty under the Constitution, so that each and every one of us, according to his conception, will vote his convictions as to the right or wrong of the measures before him. We do not do it, however, and yet we come in here and criticize those who, in their zeal to aid a desperate condition—because the condition of agriculture is desperate—endeavor to aid it. Immediately a host of critics rise up and meticulously point out what they believe to be directly or indirectly unconstitutional; and yet, without any kind of criticism, we pass bills carrying billions of dollars for purposes of doubtful constitutionality.

Mr. BANKHEAD. Mr. President——

Mr. SMITH. I wish the farmers of the country could understand just what we consciously and subconsciously think of them in this body. They are the line of least resistance—yes. Other Senators know, as I know, that the minute we begin to talk about doing anything for the farmer, it falls on deaf ears, or encounters sickening indifference. We eat the farmer's food; we wear the product of his toil; but we consider him not in our legislation.

We come in here and talk about trying to expand the currency in order to lift the price of commodities. My God, unless we tie a gold block on one end and a banker on the other end, we cannot have any currency. Why should we consider a farmer or his commodity?

What is our currency based on today? We say we have $5,000,000,000 in circulation. What is it based on? Our gold is neutralized. Our silver is subsidiary. What is the volume of our currency based on today? If one of us says

"I have a gold certificate", he will be put in jail; and yet we sit here on this floor and demand "a sound currency". What is it based on now? We have $5,000,000,000 of circulation, based on what? On bonds from which the bankers are clipping the coupons, bonds based on the good faith and honor of America; and yet we come here and quibble and say, "Oh, we cannot risk fiat money." I wish the people would quit risking fiat Senators. We talk about printing-press money, but we have printing-press Senators. You know it and I know it.

God grant that the Court decision of today will bring about a recognition on the part of the voters of the country that from now on we will use the Constitution which has brought us to the glorious position we now occupy, and is thoroughly competent to take care of us in all the future.

We can relieve the depression without going outside the Constitution. We can reflate our currency without violating the Constitution as we are now doing. We never had a right to delegate the issuance of currency to anybody outside of the Congress; and yet we sit here and talk wisely—God knows, we sit here and assume to talk wisely—and contradict ourselves in every practice. We must not have fiat money, printing-press money, but what have we today? Sterilized gold and subsidiary silver, and yet we have paper money to the amount of some $4,000,000,000, based on what? On what?

Mr. BANKHEAD. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Alabama?

Mr. SMITH. Yes.

Mr. BANKHEAD. Before we leave the discussion which has followed the remarks of the Senator from Virginia and the Senator from Georgia, I wish to say that, so far as I have been able to read and analyze the bill, there is no prohibition in it against the shipment of the commodities specified which may be licensed into an area covered by a marketing agreement. It seems to have been assumed in the discussion that there was such a prohibition; but, as I construe the bill, it applied only when a local area is used for a marketing agreement, to be enforced through a license to those within the area covered by the signers of the marketing agreement. It could have no extraterritorial operation where producers were not in the area and therefore were not subject to the marketing agreement; and, on the other hand, it could have no extraterritorial effect upon handlers outside of that area. In other words, they must be under license before the provision will operate on them. So I think there is a misunderstanding, and we do not want any misunderstanding about it.

Mr. BYRD. But suppose the Secretary should refuse a license to any producer outside of a particular area: Would he then be permitted to ship into it?

Mr. BANKHEAD. He would not have to have any license if he was not in the area. He could ship where he pleased. There would be no restriction on him.

Mr. BYRD. Then, exactly what will these regional marketing agreements mean?

Mr. BANKHEAD. Naturally, the producers who are within the area will be a part of the marketing agreement, and those who are handling the product will come under the license agreement; but it applies only to those producers or handlers who are within a particular marketing-agreement area.

Mr. GEORGE. Mr. President, I desire to say for the benefit of my friend, the Senator from Alabama, that I did not venture any guess as to what the provision meant. I merely made an inquiry as to whether it did have the effect stated.

Mr. BANKHEAD. I so understood the Senator, and that is the reason why I was anxious to develop the thought before we got away from it, because I am quite clear that no construction of that sort is permissible under the bill.

Mr. BYRD. I should like to ask the Senator a question. The bill, under section 2, permits a majority of the handlers to impose licenses. Under the imposition of those licenses, quota systems can be provided for, and the flow of commerce, according to the testimony of Mr. Davis, can be regulated. Let us assume that we have a regional marketing agreement for a certain product, and that there is a national marketing agreement for the same product which is imposed by 50 percent of the handlers: Could not the Secretary, in the exercise of his discretion, prohibit shipment into the regional territory?

Mr. BANKHEAD. I assume, naturally, there would not be both a local agreement and a national agreement for the same commodity.

Mr. BYRD. There may be under the terms of the bill.

Mr. BANKHEAD. It is possible, but it is not probable or practicable. There is no reason for it. We must not assume that the Department will do an unnecessary and a foolish thing.

Mr. SMITH. Mr. President, I discussed this matter earlier in the day, not alone with those who favored the bill but with those who opposed it; and it is my judgment that this particular portion of the bill needs more definite limitations and definitions as to just what it does mean and what will be its effect on a general market.

Mr. McKELLAR. Mr. President, before the Senator goes to another subject, will he yield to me?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Tennessee?

Mr. SMITH. Yes.

Mr. McKELLAR. I call the Senator's attention to a sentence beginning in line 17, on page 16:

> The Secretary, in the administration of this title, shall accord such recognition and encouragement to producer-owned and producer-controlled cooperative associations as will be in harmony with the policy toward cooperative associations set forth in existing acts of Congress, and as will tend to promote efficient methods of marketing and distribution.

I have not any objection to that so far as it goes; but so far as the cotton trade is concerned, the Senator knows that that trade now is largely controlled by three firms—I believe their names are Anderson, Clayton & Co., McFadden & Co., and the Weil Co.—together with the so-called "cooperative associations", which are no longer cooperative associations, but are just other handlers of cotton.

I wonder if the Senator would not be willing to accept an amendment which would treat all legitimate dealers in cotton fairly and justly and not undertake to put them out of business for the benefit of the cooperative associations, which are now simply dealers in cotton. I have prepared an amendment of that kind, which I showed the Senator yesterday or day before yesterday; and I am wondering if he would not be willing to accept the amendment, which I will read:

> No such association shall handle the products of nonmembers in excess of the amount necessary to handle member products and in any case not exceeding 25 percent in value of the products handled for members, and there shall be included in nonmember business every transaction in which the association as such, or any agency thereof, can make a profit to which the contracting producer is not entitled, or incur a loss for which the contracting producer is not liable and every transaction in commodities delivered by persons having no legal or equitable right in their production.

Such an amendment would prevent, through the Government's attitude toward cooperative associations, doing away with the small-business cotton dealer.

Mr. SMITH. Mr. President, I think that the cooperative associations ought to deal with the products of their members, and not become organizations for the handling of products of those who are not members, and therefore gradually become another element marketing purely for individual benefit. I would be very glad to accept the amendment.

Mr. McKELLAR. Mr. President, I will offer the amendment now, if the Senator will accept it, and let it go into the bill. I offer the amendment which I have just read.

Mr. SMITH. Let it lie on the table as presented until we get to individual amendments.

Mr. McKELLAR. Let it be printed and lie on the table, and I will offer it later. I thank the Senator very much.

Mr. BYRD. Mr. President, will the Senator permit me to ask him another question?

Mr. SMITH. I yield.

Mr. BYRD. In the original bill, Senate bill 1807, there is a provision, in section 5, which would prohibit the imposition of quotas unless two-thirds of the producers approved them. That has been stricken out of the House bill. Certainly if we establish a quota system in this country the producers ought to approve it, and I ask the Senator whether he will agree to an amendment to restore the provision of the original bill, so that no quotas can be adopted without the approval of two-thirds of the producers of a particular commodity.

Mr. SMITH. It is in the pending measure now. Let the Senator turn to page 5, subsection (b), which provides:

That the issuance of such license is the only practical means of advancing the interests of the producers of such commodity pursuant to the declared policy, and is approved or favored by at least two-thirds of the producers.

Mr. BYRD. Yes, Mr. President; but they can still license under section 2, which is a section entirely independent of section 3, and can impose quotas under that section.

Mr. McKELLAR. Mr. President, any effort to restrict the free intercourse of products between the States or between the various areas is manifestly unconstitutional.

Mr. BYRD. I so understand.

Mr. McKELLAR. And no provision looking to that end ought to go into the bill, and if the Senator will offer an amendment to strike it out I am quite sure it will be agreed to.

Mr. SMITH. But the Senator must not lose sight of the section of the bill to which I have just referred.

Mr. BYRD. Section 3 does not qualify section 2. Section 2 stands alone, and provides that 50 percent of the handlers can license a given product.

Mr. SMITH. I have already said to the Senator that if he desires to offer an amendment increasing that number I will be glad to accept it.

Mr. BYRD. Fifty percent of the handlers of a product should not be able to put a quota on the producers of a commodity without at least two-thirds of them approving it.

Mr. SMITH. I do not think they can under the pending bill.

Mr. BYRD. They could do it under the pending bill.

Mr. SMITH. No.

Mr. BYRD. Yes; they could. The provision to which I refer was in the original bill, but for some reason was stricken out, and I do not see why the Senator should not agree to reinsert in the pending bill the provision he had in his original measure.

Mr. SMITH. It reads:

That the issuance of such license is the only practical means of advancing the interests of the producers of such commodity pursuant to the declared policy, and is approved or favored by at least two-thirds of the producers.

Mr. BYRD. Mr. President, that is only operative providing they fail under section 2 to have a license.

Mr. SMITH. Precisely, but it goes back to the producer as to what he is going to agree to.

Mr. BYRD. Mr. President, I differ with the Senator, and to make it clear, if he will offer an amendment to reinsert the provision which he had in his original bill, that no quotas may be established without approval of two-thirds of the producers, that will be all right.

Mr. SMITH. This is identically the same thing.

Mr. BYRD. Mr. President, section 2 stands alone. If the pending bill should be enacted, 50 percent of the handlers could license any agricultural product in this country, and the growers would not have any vote at all. I stand upon that statement as a Member of the Senate. That is in the bill.

Mr. SMITH. It reads:

To make effective the marketing plan set forth in any proposed marketing agreement.

The precedent upon which section 2 is established is the marketing agreement.

Mr. BYRD. I understand that, but handlers can establish a marketing agreement.

Mr. SMITH. Oh, no.

Mr. BYRD. It is provided in the bill just as clearly as can be that they can do it.

Mr. SMITH. Who makes the marketing agreement?

Mr. BYRD. There are two ways of making one. One way is for 50 percent of the handlers to make it, and if they fail to do it, the President can promulgate it, subject to approval by 75 percent.

Mr. SMITH. Oh, no; the President cannot promulgate it unless it is to eliminate an unfair practice. It reads:

To make effective the marketing plan set forth in any proposed marketing agreement.

Mr. BYRD. If the Senator will read at the bottom of page 5 the report of the House committee, he will find that it states:

The new provision adds to the present law a new class of licenses, herein called "clause (2) licenses." These licenses are to be issued to make effective a marketing plan set forth in a marketing agreement which relates to any agricultural commodity or product thereof and which is signed by the handlers of 50 percent or more of the volume of business done by the respective classes of business or industrial activity specified in the license.

That stands alone.

Mr. SMITH. Back of it is a marketing agreement which is precedent to any license or any processing and distribution. There must be incorporated in the marketing agreement what the producers desire. Then these others come in, and only them.

Mr. BYRD. Does the Senator contend that no licenses can be issued unless 75 percent of the producers approve it?

Mr. SMITH. Whatever percentage is incorporated in the law.

Mr. BYRD. Will the Senator agree to an amendment to clarify that so that it will be beyond question?

Mr. SMITH. Certainly.

Mr. President, section 13 provides the means by which State authorities and Federal authorities may get together to work in harmony, especially those in Virginia.

Section 15 appropriates 30 percent of the annual receipts from duties collected under the customs laws to the Secretary of Agriculture for certain named purposes. I hope that that will be unanimously agreed to.

Mr. BYRD. Mr. President, what is the amount of that in dollars?

Mr. SMITH. I do not know; I have not ascertained. It provides for the appropriation of 30 percent of the customs receipts. It is for the purpose of meeting the expenses.

Section 16 constitutes a restriction upon the use of receipts from processing taxes. A reading of the provision explains it.

Section 17 amends section 15 (d) of the Agricultural Adjustment Act, which authorizes the imposition of compensating taxes, so as to take account of the interests of producers as well as processors. That has been in the law. Why it was never enforced I have never been able to understand.

Section 18 corresponds roughly to section 3 (e) of the National Industrial Recovery Act, and authorizes the President, under certain specified conditions, to impose quotas or taxes upon the importation of agricultural commodities. I desire to say here for the RECORD that individually I myself do not agree to that amendment.

Mr. BYRD. What is that?

Mr. SMITH. Section 18 corresponds, roughly, to section 3 (e) of the National Industrial Recovery Act, and authorizes the President, under certain specified conditions, to impose quotas or taxes upon the importation of agricultural commodities. I wish to state here and now that I am not in favor of that paragraph in this bill.

As to section 19, the administration has no objection to its inclusion. It corresponds to Senate bill 2753, introduced by the Senator from Wisconsin [Mr. DUFFY], with reference to which the Senate Agricultural Committee has recently requested a report on the part of the Department of Agriculture.

Mr. President, I am now through giving the definitions of the amendments proposed in the House bill.

The parliamentary situation is rather confusing. I have made a motion to substitute the House bill for the Senate bill, and that motion is now pending. I should like to have a vote on substituting the House bill for the Senate bill, so that we will know definitely that we are from now on discussing directly the provisions of the House amendments as related to the organic law.

Mr. McKELLAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McKELLAR. Before that is done, must not the amendments first be adopted, if there are amendments?

Mr. SMITH. It is just one amendment.

Mr. McKELLAR. I know it is just one amendment, but many amendments are to be offered to that amendment. Should not the amendment be perfected first and then adopted? That is my understanding of the proper procedure. However, I am not a parliamentarian, and I am asking the Presiding Officer.

The PRESIDING OFFICER. The Chair is advised that the amendment should be perfected before being voted on.

Mr. McKELLAR. I was quite sure that was true.

Mr. McNARY. Mr. President, I think there was a common understanding earlier in the day when I suggested that the bill should be recommitted to the Committee on Agriculture, that at the conclusion of the explanation by the Senator from South Carolina [Mr. SMITH] the Senate should recess until tomorrow. Therefore, I should not wish to see any action whatsoever taken on the amendment today.

Mr. SMITH. Mr. President, if it is agreeable to the other Members of the Senate, I have no objection to a recess being taken now until 12 o'clock tomorrow, when we shall continue the consideration of this amendment.

RIO GRANDE COMPACT

Mr. ADAMS. Mr. President, I ask unanimous consent to lay aside, if necessary, the unfinished business temporarily, and to have considered House bill 7873, Calendar No. 745. It is a bill which has been passed by the House to extend a compact entered into between the States of Colorado, New Mexico, and Texas.

Congress authorized the compact 2 years ago. The compact is about to expire on June 1 of this year. The three States have ratified an extension, and they now ask the Congress to grant consent to further extension. The House, as I say, has already passed the bill.

Mr. McKELLAR. Mr. President, are the Senators from the other two or three States mentioned in favor of the extension?

Mr. ADAMS. A similar bill was introduced by the Senators from Texas, and one by myself; and I know that is true of the Senators from New Mexico.

Mr. McKELLAR. If the other Senators do not object to it, I shall not object to it.

Mr. McNARY. Mr. President, is this a request for an extension of time?

Mr. ADAMS. A 2-year compact was entered into. The compact will expire on the first of June of this year. The three States, by their legislature, have already acted to renew the compact, and they now ask Congress to concur in its extension.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 7873), to give the consent and approval of Congress to the extension of the terms and provisions of the present Rio Grande compact signed at Santa Fe, N. Mex., on February 12, 1929, and heretofore approved by act of Congress dated June 17, 1930 (Public, No. 370, 71st Cong., 46 Stat. 767), which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent and approval of Congress is hereby given to the extension of the provisions of said Rio Grande compact, and all the terms thereof for the period of 2 years from June 1, 1935, to June 1, 1937, as heretofore ratified by the Legislature of the State of Colorado by act approved April 13, 1935, by the Legislature of the State of New Mexico by act approved February 25, 1935, and by the Legislature of the State of Texas by act approved April 18, 1935.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The preamble was agreed to, as follows:

Whereas the duly accredited commissioners representing the States of Colorado, New Mexico, and Texas, respectively, signed the Rio Grande compact at Santa Fe, N. Mex., on the 12th day of February 1929, and which said compact was thereafter duly ratified by the legislature of each of the aforesaid States and approved by act of Congress on June 17, 1930 (Public, No. 370, 71st Cong., 46 Stat. 767); and

Whereas the legislature of each of the aforesaid States has by appropriate legislation, and pursuant to the express provisions of article 14 of said compact, extended the said compact for the term of 2 years from June 1, 1935, to June 1, 1937: Now, therefore

ROAD WORK ON INDIAN RESERVATIONS

Mr. FRAZIER. Mr. President, I ask unanimous consent for the present consideration of Senate Joint Resolution 130, Calendar No. 659, making immediately available the appropriation for the fiscal year 1936 for the construction, repair, and maintenance of Indian reservation roads. Some $4,000,000 for the purpose was included in the Interior Department appropriation, which ordinarily becomes available on the 1st of July. This joint resolution is to make it immediately available, as in the case of a number of Indian reservations no money is on hand to carry on work for the Indians who so badly need work; and especially in the Northern States, where the season is short, it is desired to get to work on the roads as soon as possible, before the 1st of July.

Mr. ROBINSON. The sum is carried in the appropriation bill?

Mr. FRAZIER. Yes.

Mr. ROBINSON. The fact is, that this joint resolution merely makes the amount immediately available?

Mr. FRAZIER. That is correct. The Department of the Interior is in favor of it.

Mr. McNARY. The Senator from Arkansas has indicated a desire to go on with the calendar in the morning. Of course, in this instance, everyone is aware of the proceedings, and what will be before the Senate. Would not the Senator be willing to wait until tomorrow, if such an order shall be entered?

ORDER FOR CONSIDERATION OF CALENDAR TOMORROW

Mr. ROBINSON. Mr. President, I ask unanimous consent that immediately following the convening of the Senate tomorrow the Senate proceed to the consideration of unobjected bills on the calendar.

Mr. McNARY. That covers the matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER. (Mr. MOORE in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. BURKE, from the Committee on the Judiciary, reported favorably the nomination of George H. Moore, of Missouri, to be United States district judge, eastern district of Missouri, to succeed Charles B. Faris, appointed to the circuit court of appeals.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered, and the nominations are confirmed en bloc.

IN THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that nominations in the Army on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered, and the nominations are confirmed en bloc.

That completes the calendar.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 3 o'clock and 57 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, May 28, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 27 (legislative day of May 13), 1935

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

George A. Gordon, of New York, now a Foreign Service officer of class 1 and counselor of embassy at Rio de Janeiro, Brazil, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Haiti.

FEDERAL HOME LOAN BANK BOARD

John H. Fahey, of Massachusetts, to be a member of the Federal Home Loan Bank Board for the term of 6 years from July 22, 1935. (Reappointment.)

MISSISSIPPI RIVER COMMISSION

Harry N. Pharr, of Arkansas, for appointment as a member of the Mississippi River Commission, provided for by the act of Congress approved June 28, 1879, entitled "An act to provide for the appointment of a Mississippi River Commission, for the improvement of said river from the Head of the Passes near its mouth to its headwaters", vice Charles H. West, deceased.

UNITED STATES MARSHAL

Edward L. Burke, of Vermont, to be United States marshal for the district of Vermont, to succeed Albert W. Harvey, term expired.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 27 (legislative day of May 13), 1935

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

First Lt. James Roy Andersen to Ordnance Department.

Second Lt. Christian Frederick Dreyer to Quartermaster Corps.

PROMOTIONS IN THE REGULAR ARMY

Don Gilmore Shingler to be captain, Corps of Engineers.

Thomas Lawson Thurlow to be first lieutenant, Air Corps.

Harry Dumont Offut to be lieutenant colonel, Medical Corps.

George Davies Chunn to be lieutenant colonel, Medical Corps.

Charles Mallon O'Connor to be lieutenant colonel, Medical Corps.

Augustus Benjamin Jones to be lieutenant colonel, Medical Corps.

Robert Hilliard Mills to be colonel, Dental Corps.

Frank Leonard Kemner Laflamme to be colonel, Dental Corps.

Frederick Herbert Moehlmann to be chaplain with the rank of captain.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES

GENERAL OFFICERS

William Armistead Gayle to be brigadier general, Adjutant General's Department, National Guard of the United States.

William Remsen Taylor to be brigadier general, National Guard of the United States.

REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS

Frank Thomas Hines to be brigadier general, Reserve.

POSTMASTERS

CALIFORNIA

Emma B. Baily, Corte Madera.
George W. McMurry, Loma Linda.
Rodney McCormick, Napa.
Bertha Rooker Dal Porto, Oakley.
Mary M. Wilson, Rio Linda.
William C. O'Donnell, San Luis Obispo.
Joyce J. Hunter, Willowbrook.

IOWA

Jurgen B. Boldt, Jesup.
Thomas J. Hood, Mallard.
Anna B. Berry, Marquette.
Reva M. White, Olin.
Chris G. Wiemer, Radcliffe.
Florence M. White, Riceville.

KANSAS

Elsie J. Fuller, Alton.
Everett A. Stephenson, Little River.

NEVADA

Mabel L. Andrews, Hawthorne.
Helen C. Franklin, Wells.

NEW HAMPSHIRE

Gustave A. Lanoix, Gonic.
Joseph O. George, Gorham.
Elizabeth J. Varney, Littleton.

NEW MEXICO

Antonio F. Martinez, Santa Fe.

NEW YORK

Edward A. Rice, Freeport.
J. Frank Lackey, Tannersville.

VERMONT

Martha G. Kibby, Randolph Center.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 27, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We fervently invoke Thy blessing, O God, upon our President, our Speaker, the Congress, and all their advisers. O Spirit of Truth, move upon us, that under all circumstances we may be God-fearing men, always abounding in good works. Take from us everything that is false or insincere and that which is alien to the divine will. Bind us together by the holy sanctions of religion, and may we increase in knowledge and in power. Heavenly Father, open our eyes that we may understand that whenever we have failed to be loving we have also failed to be wise, whenever we have been blind to our neighbor we have been blind to ourselves, and when we have pained others we have hurt our own souls. Thou who art our repose in labor and our comfort in affliction, let those blessings that make heaven rich and the earth musical be with all Members who are detained through illness. In the holy name of Jesus. Amen.

The Journal of the proceedings of Friday, May 24, 1935, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 2046. An act to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota under the Swamp Land Act.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7672. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. BYRNES, Mr. COPELAND, Mr. TRAMMELL, Mr. HALE, and Mr. KEYES to be the conferees on the part of the Senate.

HOUR OF MEETING TOMORROW

Mr. CULLEN. Mr. Speaker, I ask unanimous consent that when the House adjourn today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. CULLEN. In connection therewith, also, I ask unanimous consent that business in order on Calendar Wednesday of this week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

LEO P. KELLY, SON OF COLORADO AND HERO OF THE WORLD WAR, WHO SLEEPS AT ARLINGTON

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to insert in the RECORD a brief eulogy delivered by me at Arlington Cemetery.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, under leave granted by the House, I submit for preservation in the CONGRESSIONAL RECORD a brief eulogy delivered by me at Arlington Cemetery, May 25, 1935:

LEO P. KELLY

Leo P. Kelly was a native Coloradoan, born in 1890. He was a graduate of Colorado State university and a lawyer by profession. He was a first lieutenant in the Ninth Infantry, A. E. F., and major in the Reserves. He was twice department commander American Legion, Colorado.

At the time of his death he was on the legal staff of the Reconstruction Finance Corporation. He died at Washington, D. C., May 20, leaving a widow, Gertrude, and a son, Robert, aged 7.

The veil over the face of futurity is woven by the hand of mercy. I saw our Comrade Leo Kelly in the uniform of a young lieutenant, won in an officers' training camp, as he was preparing to leave for France. I saw him on his return, the modest possessor of the Distinguished Service Cross, awarded him by his Government for extraordinary bravery in action at Chateau Thierry.

How young and fair and full of promise life looked then. A university graduate, gifted as a lawyer, a hero of the Great War, universally beloved and popular, life was still in its glorious dawn, with promise of a long, full day. This seems but yesterday, and now, at not yet noon, we are here to lay him to rest in this necropolis of the Nation's most honored dead.

I am in no sense a militarist, but I hold firmly the conviction that among all the forces that have contributed to the making and the preservation of this great Nation, the soldier holds incontestably the first place. The sword of Washington the soldier first carved out the Nation whose destinies were later guided and molded by Washington the statesman; and the soil on which we stand, if I may borrow from the noble words of Lincoln, was dedicated as a final resting place for those who gave their lives and their service that that Nation might live.

And he would be blind to the lessons of all history who would have his country shape its policies upon the assumption that the American soldier has answered his last call to arms, has performed his last deeds of valor, and made his last sacrifice on the field of battle.

A world in which the war drum is heard no longer and the battle flags are furled is the vision of the poet and the dream of the philosopher. We pray that that day may dawn. But until that day has dawned the final safety of America will still rest in the valiant hearts of the type of man to whom we pay these sad honors here today.

Here on the commanding brow of historic Arlington, overlooking the Capital of the Nation, he will sleep surrounded by thousands of his comrades in the wars of his country. And here in Arlington, a national shrine and mecca of patriotism, on the Nation's memorial days, the men who wore the uniform, the men who carry on the tradition, and citizens from all walks of life, will pause in reverent silence and lay upon these resting places of our heroic dead the sweet flowers of patriotic homage and remembrance.

The sorrow of the widow, herself a veteran, of the aged father and mother, of the brothers and sisters, must be sweetened by solemn pride in the thought that their soldier dead so richly earned the right to an abode in this distinguished place.

The closing words of this brief eulogy shall be his, taken from a recently completed manuscript of his war recollections.

"Whenever I go now to Arlington Cemetery and pause before the Tomb of the Unknown Soldier, I feel a link with him, for he may be a buddy of mine. He may be one of three who sleep in nameless graves."

He has come again to Arlington.

JUSTICE FOR THE SOLDIERS

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, I am one of those who have all along believed in paying what is more or less incorrectly called the bonus. I regret that on this point I must differ with our President and the head of the party to which I belong, but I have strong convictions on the subject. With all due respect to the Chief Executive, his high position, and his sincerity, it seems to me that he is greatly in error.

I say this, moreover, as one who deprecates war. Today, in the light of the developments and disclosures of recent years, there are few who have a good word to say for American participation in the World War. Those who, in the dark days of that fearful conflict, were called "unpatriotic" and "pro-German" and "slackers", and other even less complimentary names, are now vindicated. Practically nobody at the present time contends that any benefit resulted from the World War. On the other hand, it is almost universally admitted that much evil came of it. It is equally certain that great harm would follow participation in any other war—unless our country were actually invaded, which is highly improbable.

The foes of war in general are among the most earnest defenders of paying adequate compensation to the men who served in 1917 and 1918. They regret that we ever entered that conflict. They see the dreadful price in human lives, suffering, and tremendous expense that we had to pay—and are still paying. But they feel that the participants were entitled to generous consideration and that no technicalities should be invoked to avoid payment to them.

It is not answer to say that the bonus certificates are not yet due. They should be due. They never should have been post-dated.

When American citizens were drafted to fight to save the loans of Wall Street bankers to the Allies, there was no way of post-dating the obligation. Conscription meant immediate service. The conscript could not wait until 1935 or 1945, or even a single day—unless temporarily excused by the draft board, and when excused, it was only for a short time at the most. Eventually, the drafted man had to go to the front and risk his life in a conflict that, it is now only too obvious, we ought to have kept out of.

It is a poor rule that does not work both ways. "What is sauce for the goose is sauce for the gander." A Government that demands immediate, unhesitating obedience to a command to engage in military conflict thousands of miles away on foreign territory ought to be immediate and unhesitating in recognizing its obligation to the men who so unselfishly bowed to the summons. Governments ought to play fair with their people. As a matter of fact, they often fail to. Personally, I should like to see my own Government observe a better standard of ethics in this regard than some of the autocratic and tyrannical governments of Europe observe.

A child sometimes must get its fingers burned before it learns to stay away from the stove. The same rule ought to apply to a nation. Maybe it is well for the American people that the last war cost us so severely. Maybe it would be well for it to cost us still more. If it proves expensive

enough, possibly we shall be more sensible next time and stay out of another war in which we have no genuine stake.

I believe in honestly, frankly, and without evasion meeting the obligation of discharging an undeniable obligation to the veterans of the World War. I believe in it because the money is, as a matter of conscience and fairness, due them. I believe in it also because we let the profiteers get theirs, and it is little enough to allow the ex-soldiers the bonus. I believe in it, too, because I should like to see the last war made so expensive and odious that we shall not permit ourselves to be misled into another trap of that kind.

AIR BASES ON THE CANADIAN BORDER

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I have just introduced a bill which reads as follows:

Be it enacted, etc., That it shall be unlawful for any officer of the Army, Navy, or Marine Corps to give expression to views touching international questions in an address, interview for publication, articles written for publication, or in testimony before any committee of Congress or other legislative body unless such statement has first been submitted to the President of the United States and his approval thereof has been obtained.

SEC. 2. Any violation of this Act shall be punished by a fine of not more than $5,000.

The bill I have introduced is intended to strengthen the President in his worthy purpose to keep the United States from becoming involved in international complications, and perhaps war, by the provocative utterances of officers of the armed forces. The passage of this bill would be a fitting finale of the recent incident when the President found it necessary to counteract with a stirring rebuke the testimony of two high ranking Army officers who appeared before the House Military Committee and advocated camouflaged air bases along the Canadian border.

In my opinion the passage of this bill would have a tremendously beneficial effect on our international relations, besides being most reassuring to the President by way of showing to him that the law-making body, composed of the representatives of the people of the Nation, indorses the extraordinary and unprecedented action he was forced to take in this matter. Undoubtedly when he issued his rebuke he reflected the will of the people of America, but so far his is the only voice in authority that has spoken. If, now, the Congress of the United States, representing all the people, will pass the bill I have introduced it will complete the action, so that in this visual way not only Britain but the whole world may know that the will of America is for peace and for upholding the ancient traditions of confidence and good faith between us and the other members of the family of nations.

My action in introducing this bill carries with it no criticism, expressed or implied, of the motives of anyone. Certainly I have no criticism for that grand patriot and soldier, JOHN J. MCSWAIN, Chairman of the House Committee on Military Affairs, who freely and gladly offered his life to his country in the World War, entering the first training camp and serving with the Infantry overseas. His has been a life of service and sacrifice that does not call for defense but for universal adulation. Nor am I one of those who think that he did any wrong in authorizing the publication of the testimony which the officers gave before his committee. I think he did exactly right. If such terrible testimony must be given—terrible in its implications and in its potentialities for harm—it were better to bring it out into the open where the whole world could see it.

Nor do I criticize the purposes that motivated Brig. Gen. Charles E. Kilbourne, the Assistant Chief of Staff, and Brig. Gen. F. M. Andrews, the officers who gave this startling testimony. I can disagree violently with the propriety of giving such testimony without challenging their motives. I can praise them as highly trained and efficient military men and at the same time deplore the fact that they are always looking at things from a military and not from a peace viewpoint.

With the best of intentions they have committed the major error of the century. No one doubts that their aim was to serve their country, but if they had plunged a dagger into her heart, they could not have hurt her more. Let us consider General Kilbourne's testimony when he said:

> We cannot go out in the military line along the Canadian border but we can legitimately extend the advantages of landing fields and commercial fields to the people who are on the border. I think we could do that without attracting any attention. * * * I would have been very glad to put in the bill the Great Lakes area, but I could not put it in the bill because of the Canadian situation. You will notice No. 7 in my bill is camouflaged. It is called "intermediate" stations for transcontinental flights, but it means the same thing.

In other words, here was a proposal to establish what was to be, for all essential purposes, a military air base, but camouflaged so that its real purpose would be obscured.

Think for a moment the consequences to which such testimony as this might lead if we had a volatile, excitable nation at the north. The natural reaction would be:

> So you propose to establish a camouflaged air base on the Canadian border. Well, we will go you one better and we will actually establish one, and it will not be camouflaged, either. If you establish two we will establish four and if you establish a dozen we will establish two dozen.

Thus the heartbreaking, soul-crushing race of armaments would be on and what at first would appear to be a small apple of discord might grow and grow, until it would forever banish peace and understanding. Mind you, I do not expect any such result in this instance because I rely on British sanity and charity to overlook the incident, especially after the timely and emphatic repudiation by our President, but I think the President's hands should be upheld by the effective measure of legislation I have proposed so that America may rest assured that such things shall never occur again.

One hundred and eighteen years ago on the 29th day of last month the Rush-Bagot agreement for the delimitation of armaments on the Canadian border was signed in the city of Washington on the site of what was then the British Legation, only a short distance from where we now are. This agreement began a friendly association between the United States and Canada that has existed uninterrupted for 118 years, bringing with it the inestimable blessings of amity and peace. The friendship welded by this indissoluble bond has been so strong that by mutual consent the old forts were long since allowed to lapse into decay and the old cannon to accumulate rust, and all doubt and distrust was banished from the minds of those dwelling on the North American Continent by this splendid Anglo-American concord.

Away back in 1816, John Quincy Adams, then United States Minister to London, struck the dominant note of this happy entente when he wrote to Viscount Castlereagh, who was in charge of the British negotiations:

> It is the sincere wish and, so far as depends upon them, the determined intention of the American Government, that the peace so happily restored between the two countries should be cemented by every suitable measure of conciliation and by that mutual reliance upon good faith far better adapted to the maintenance of national harmony than the jealous and exasperating defiance of complete armor. The increase of naval armaments on one side upon the Lakes, during peace, will necessitate the like increase on the other, and besides causing an aggravation of useless expense to both parties must operate as a continual stimulus of suspicion and of ill will upon the inhabitants and local authorities of the borders against those of their neighbors. The moral and political tendency of such a system must be to war, and not to peace.

In view of the matchless harmony that has enabled two Nations with 3,000 miles of common border to dwell side by side in perfect peace for 118 years, there is something tragically pathetic in the testimony given before Chairman MCSWAIN's committee by the two general officers. In God's name let us not do anything to disturb this arrangement which means so much to the peace and happiness of the English-speaking people. Let the forts continue to decay and the cannon to rust. In that direction and not in the direction of camouflaged air bases lies the road to security and happiness.

There may be some doubt as to whether the President, in time of peace, has the authority to compel Army officers to

submit their statements on international affairs to him for his approval before they are given publicity. Let us pass this bill so that he undeniably may have that authority. Let us pass it to sponge completely out of existence the evil effects of the testimony about camouflaged air bases, and as a reaffirmation of the complete and unsuspecting trust and confidence which the people of the United States and the people of Canada have each for the other.

It seems to me there is one lesson the jingoists and the military enthusiasts never learn, and that is that there is more strength for the cause of peace in the divine command "Thou shalt love thy neighbor as thyself" than there is in all the cannon and fortifications and air bases with which a nation may surround itself. The ordinances that fell from the Throne of God at Mount Sinai are still the rules of conduct that should govern human relations. I am one of those who believe that the low estate into which we have fallen, with suffering and misery indescribable, is due in part, at least, to the fact that we have lost contact with the spiritual values. There is, if we could only find it, a moral strength that makes armaments look petty and insecure. With rare spiritual insight Longfellow described it when he wrote:

> Were half the power that fills the world with terror,
> Were half the wealth bestowed on camps and courts,
> Given to redeem the human mind from error,
> There were no need of arsenals or forts.

COMMITTEE ON RULES

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until midnight tonight to file a report.

The SPEAKER. Without objection it is so ordered.

There was no objection.

INTERPARLIAMENTARY UNION

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2276) to authorize participation by the United States in the Interparliamentary Union, insist on the House amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. McREYNOLDS, BLOOM, and FISH.

LEAVE OF ABSENCE

Mr. BUCKBEE. Mr. Speaker, I ask unanimous consent that because of illness my colleague the gentleman from Illinois [Mr. DIRKSEN] may have an indefinite leave of absence.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. EKWALL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. There is a special order pending. The Chair asks the gentleman to withhold his request until the special order is carried out.

Mr. EKWALL. Mr. Speaker, I withhold my request.

THE SUPREME COURT

The SPEAKER. Under the special order previously entered by the House, the gentleman from Montana [Mr. MONAGHAN] is recognized for 13 minutes.

Mr. MONAGHAN. Mr. Speaker, at the outset, permit me to tell a very amusing story regarding my very dear friend the late Senator Thomas J. Walsh, of Montana, who was such a fearless and outstanding champion and advocate of the people's rights. It was on an occasion when Senator Walsh was trying a case in Helena, Mont. Senator Walsh, in his scholarly manner, had gone to much trouble to look up the authorities in the case and brought the books to counsel's table. Opposing counsel in the case happened to be a man of less scholarly attitude and had given less time to the consideration of the case. He went to the janitor of the courthouse and tipped him to move a 3- or 4-foot shelf of law books to his side of the table. When time for argument came, Senator Walsh made a very scholarly presentation of his side of the case, consuming about 2 hours. Opposing counsel, in arguing his side of the case, said: "In the presentation of my side of this case I shall not take so much of the time of the court as did my distinguished and learned opponent." Reading a citation from one of the cases, he said, with a sweep of the arm indicating the long row of books before him: "All these cases bear me out." It is amusing to note that Senator Walsh was defeated in that particular case.

Permit me to say that I have gone to the trouble and taken the time of looking up authorities. I have not bluffed the Congress, by any means, and I hope I may be afforded sufficient time to give the Congress the advantage of the research I have done on this very vital question: Whether or not 9 men in these United States shall be permitted to negative the voice of the people, the Congress of the United States. Were I to propose today that 9 men in this Congress, or selected from both the Senate and the House, be given the power to nullify an act of this Congress, signed by the Speaker, the Vice President, and the President of the United States, I would be considered and regarded, and rightly so, as mad. Yet the Congress of the United States, back in the time of John Marshall, silently acquiesced to just such a proposal when John Marshall, in the case of *Madison* v. *Marbury* (1 Cr. 137), decided that an act of the Congress, under the authority of the Constitution, providing that the Supreme Court should have the power to issue a writ of mandamus, was unconstitutional, that the Congress had no such power.

Before pursuing this matter further by a citation from Elliott's Debates on the Federal Constitution, quoting John Marshall's language, I shall read to you the provisions of the Constitution on this point.

> In all cases affecting Ambassadors, other public ministers, and consuls, and those in which a State shall be a party, the Supreme Court shall have original jurisdiction. In all the other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions and under such regulations as the Congress shall make.

John Marshall himself said:

> What is the meaning of the term "exception"? Does it not mean an alteration and diminution? The Congress is empowered to make exceptions to appellate jurisdiction, as to law and fact, of the Supreme Court. These exceptions certainly go as far as the legislature may think proper for the interest and liberty of the people.

That aristocratic reactionary even used the words:

> In the interest and liberty of the people of the United States.

Yet in the case of *Fletcher* v. *Peck* (6 Cr. 87), where the Georgia Legislature without due and adequate consideration sold to four land companies 40,000,000 acres of land in Georgia, and the people, outraged and incensed, drove the legislature from public office and elected a new legislature in its place, which legislature passed a statute repealing the contract that had been given for no consideration to the four land companies, John Marshall said that the legislature of that State, and the people of that State indirectly, therefore, had no power to nullify that act of the Georgia Legislature, a corrupt legislative body, which gave the 40,000,000 acres of land to the four land companies, and stated it was unconstitutional and impaired the obligation of contract extended in the Constitution.

Fortunately, since then a common law has grown up where fraud vitiates a contract ab initio, but in that case, as in the other cases, John Marshall usurped a power which rightly belonged to the people of this Nation through their duly elected and selected representatives.

I read from the Washington Post of today, May 27, first column, left-hand corner:

> Friends and foes of the N. R. A. were hoping alike that the Court would decide to act today. If it does not, there will be a week of argument in Congress, argument that may prove to be a sham battle. Whatever Congress does this week may be changed completely by the ruling if it comes next Monday. If it comes today congressional leaders would have an opportunity to rewrite legislation to conform. House debate on the N. R. A., always providing the program is not upset by a Supreme Court ruling, will be held Tuesday. With the cooperation of Speaker BYRNS and other Democratic leaders this debate will be pushed to a conclusion immediately. It has been restricted to 4 hours. There

appears to be little doubt that the House will pass the measure reported by the committee. This measure is expected to be one substantially approved by President Roosevelt.

And so forth. Yet the Supreme Court of the United States, a Court composed of men with no greater learning, with no greater knowledge of the law, with no greater sense of integrity, and with no responsiveness to the people of this Nation, can declare that act today unconstitutional and the people have no recourse.

In a very brilliant speech, which was directed to my attention through the brilliant memory of Ed Cannon, one of my constituents from Anaconda, Mont., who through John Kerrigan of the same city conveyed to me the information regarding its delivery, Senator Owen very learnedly pointed out that the Congress of the United States should have impeached John Marshall for his action in the Marbury against Madison case. However, he rightly points to the case and states that the Congress no doubt at that time did not want to act arbitrarily and destroy the good name of that man whom they thought was acting under a mistaken notion of the Constitution.

Read through the Constitution of the United States. You will find page upon page dedicated to the rights which Congress shall enjoy. The first article of the Constitution gives power to Congress. The power of the Executive is circumscribed only by the Congress, and the power of the Supreme Court is limited by specific language by the Congress. As I have before quoted, the powers of Congress are sweeping and all-inclusive. Those that are not granted to the Congress are reserved to the people and to the States, respectively. The reason for the American Revolution was taxation without representation. Can you conceive of a greater perversion of the principle of liberty which the fathers intended to preserve and promote than nine men, not representing the people, not selected by them, not responsible to them for whatever mistakes they make, with greater power than a king of old? The Congress of the United States was intended as the sovereign, the supreme governing power of our land; and yet the article which I have read from the Washington Post this morning forcibly brings home to us the fact that we, the sovereign representatives of the people of the United States, elected to declare their will, which they may reject by defeating us at the next election, must await upon the decision of nine men, whose tyrannical power is no greater nor no less than that of a king in his mighty castle of old. To those who are worried and have been worried about the fact that taking any of this power away from the Supreme Court as in the resolution which I have submitted to the Congress, which provides:

That from and after the passage of this act Federal judges are forbidden to declare any act of Congress unconstitutional.

No appeal shall be permitted in any case in which the constitutionality of act of Congress is challenged, the passage by Congress of any act being deemed conclusive presumption of the constitutionality of such act.

Any Federal judge who declares any act passed by the Congress of the United States to be unconstitutional is hereby declared to be guilty of violating the constitutional requirement of good behavior upon which his tenure of office rests and shall be held by such decision ipso facto to have vacated his office.

SEC. 2. That the President of the United States is hereby authorized to nominate a successor to fill the position vacated by such judicial officer.

To those who fear that this might destroy liberty, let me say they lack knowledge of the liberties that have been destroyed in such cases as the minimum wage law of the District of Columbia, where a law to protect women from being worked excessive hours was declared unconstitutional; the case of Lochner against New York, where an act of the Legislature of the State of New York was declared unconstitutional which forbade bakers from being employed more than 10 hours a day. Child labor laws and other similar cases have proven that economic liberty has been destroyed. The Hitchman Coal & Coke Co. against Mitchell and others, Coppage against Kansas, the American Tobacco case, the Standard Oil Co. case, the Bank of the United States case, and the Income Tax case all prove conclusively that the Supreme Court has done more to destroy our liberty than has any other single agency.

Jefferson said in substance: Like a thief in the night it has been constantly, consistently encroaching upon the liberties of our country, until eventually there may grow up a judicial oligarchy in our land.

In the Majority Rule and the Judiciary, by William L. Ransom, in the preface Ransom says:

The people have been most reluctant to admit that either their constitutions or any instrumentality of government created by their constitutions should bar them permanently from any pathway of progress and justice which is pointed out by the experience and called for by the conscience of this and other civilized nations.

And on page 4 of the introduction by Theodore Roosevelt, in the same book, he says:

From this standpoint judges and lawyers are merely instruments for securing the right solution of certain questions in which all good citizens are equally concerned. How completely the self-styled Republican leaders of today have wandered from the principles of Abraham Lincoln is shown by their refusal to apply to this question the principles which Lincoln laid down in discussing the Dred Scott case. He scornfully refused to treat the decision of the Supreme Court in that case as permanently binding on the people, or as a matter only for judges and lawyers; and he explicitly laid down the doctrine that the people were the masters of the courts, and that it was for the people and not for the courts to determine the principles and policies in accordance with which our Constitution was to be interpreted and our Government administered.

We find in The Judicial Veto, reported by Horace A. Davis the following on page 2:

How did the courts get the right to declare a law unconstitutional and void? No such power is in terms granted by the Federal Constitution itself, or by the State constitutions; nor is there any logical necessity why the opinion of the judiciary, one of the three branches of the Government, should override the action of another, the legislature, and bind a third, the executive (as well as the whole people), for all time. Nor has such a result always been acquiesced in. Declarations by colonial courts that laws were unconstitutional led to riots in New York and Rhode Island; and when the United States Supreme Court in 1832 declared a statute of Georgia to be unconstitutional, because it contravened a treaty of the United States with the Cherokee Indians, Andrew Jackson remarked, "John Marshall has made his decision; now let him enforce it"; and declined to interfere with the State's actions."

In the Standard Oil Co. case referred to previously, the Court held:

The combination of the defendants in this case is an unreasonable and undue restraint of trade in petroleum and its products moving in interstate commerce, and falls within the prohibitions of the act as so construed.

The Senate committee reporting upon this used the following language (Senate Journal, July 1832, pp. 438–439):

The Antitrust Act makes it a criminal offense to violate the law, and provides a punishment applied by fine and imprisonment. To inject into the act the question of whether an agreement or combination is reasonable or unreasonable would render the act, as a criminal or penal statute, indefinite and uncertain, and hence to that extent utterly nugatory and void, and would practically amount to a repeal of that part of the act * * *. And while the same technical objections do not apply to civil prosecutions, the injection of the rule of reasonableness or unreasonableness would lead to the greatest variableness and uncertainty in the enforcement of the law. The defense of reasonable restraint would be made in every case, and there would be as many different rules of reasonableness as cases, courts, and juries * * *. To amend the Antitrust Act, as suggested by this bill, would be to entirely emasculate it, and for all practical purposes render it nugatory as a remedial statute.

About the income-tax case above referred to, permit me to quote that outstanding champion of the people who so illustriously served the people of the United States in the Senate. Senator Robert L. Owen, who in a masterful speech delivered at the auditorium in Oklahoma City, Okla., January 27, 1917, said:

Just look at this income-tax case and look at the dogma of the Supreme Court on the question of deciding an act unconstitutional only when the unconstitutionality is overwhelmingly established, and only when there is no doubt about the unconstitutionality of the act. The professional dogma of the Court is to give all benefits of the doubt in favor of the constitutionality. The trouble about the dogma is they never pay any vital attention to it. It is only a theoretical dogma; it is not real; I will show you why. Here is the income-tax case. For a hundred years the Supreme Court had sustained the right of Congress to pass an income-tax law. Here was the income-tax law, passed by the House of Representatives, they said it was constitutional; passed by the Senate, they said it

was constitutional; approved by the President of the United States, he said it was constitutional. Here are the decisions of the Supreme Court of the United States for a hundred years, and they said it was constitutional; and here were five Judges on the bench, on the first vote they said it was constitutional, and then Judge Blank reversed himself overnight and joined the other four, which made them five, and then they decided in spite of this dogma that there was no doubt whatever about its unconstitutionality. Now, that is quite a remarkable thing. Here is Judge Blank in that case who, when he first voted it was constitutional, judicially ascertained the fallibility of the other four minority members of the Court; and then when he changed his mind and joined the four minority members and made them five, he judicially ascertained the fallibility of the four he had just left, and since he was on both sides he must have been fallible. And there was a demonstration of the fallibility of every Judge on the Court by the action of Judge Blank.

And he further says regarding the Standard Oil and American Tobacco cases:

Look at this great case known as the "Standard Oil case." Here was a case where the people of this country, after years of struggling, finally had their Representatives in Congress, in the Senate and in the House, both agree upon the Sherman antitrust law (1890), making it a criminal offense to commit an act in restraint of trade, vital if the principle of competition is to survive, vital if the monopolies are not to be permitted to kill off every competitor and have a masterful control over the market and over the price which shall be paid for that which you produce and for that which you are compelled to buy. That law it took you years to get on the statute book. It finally, by the slow, dragging, wearisome process of the court, came before the Supreme Court in the Trans-Missouri and Joint Traffic cases, and there, in three different decisions, that Court declared that Congress meant what it said and that it was the law, that any act in restraint of trade was criminal.

Senator Robert M. La Follette, that man whose name will always be associated with justice, who ran for the Presidency of the United States on a program of social justice and the broad principles of progress, with that other fearless champion of the people, Senator BURTON K. WHEELER, of Montana, had the following to say in his introduction to that splendid book by Roe entitled "Our Judicial Oligarchy", introduction, page 6:

In a self-governing nation, neither courts nor their decisions can properly remain above and beyond the control of the sovereign citizens. Judges cannot perform their high function in the public interest unless they are made acquainted with public needs and are responsive to the public will. * * * Evidence abounds that, as constituted today, the courts pervert justice almost as often as they administer it. Precedent and procedure have combined to make one law for the rich and another for the poor.

It is further worthy of note that no nation in the world but the United States—the United States, the land of liberty, of equality—permits the few to nullify and negative an act of the Parliament or of the Congress. England forbids it, France and Denmark forbid it. Italy by written law forbids it. Likewise by written statute Austria, Australia, Germany, Belgium, and New Zealand forbid it.

What has the Supreme Court of the United States done to the due-process clause of the Constitution? The due-process clause was designed to prevent the taking of life, liberty, and property without due process of law—without court action or proper procedure. The Supreme Court of the United States has twisted this very phrase in the opposite direction and has made it more the right of the few to crush the many under their iron heels, and the Constitution of the United States does not allow it, yet we passively sit back and permit it.

Mr. Speaker, I would far rather place the people's welfare in the hands of 9 Members of this Congress or 9 Members of the Senate, responsive to the people of America, and elected by them, who can be changed if they do not voice the sentiment of the people of America, than to place it in the hands of 9 autocratic rulers, selected for life, like the kings of old, and give them the power to nullify the people's will. Going back into history, we find citation after citation of cases where the Supreme Court should not have had this power and where the Presidents of the United States have decried their usurpation of the same.

Going back to Elliott's debates again on the Federal Constitution, we find where a man by the name of Wilson three times presented an amendment to the resolution considered by Gerry. Mr. Gerry's amendment was to give the President the power to veto the acts of Congress. The amendment of Wilson was as follows:

It was moved by Mr. Wilson, and seconded by Mr. Madison, that the following amendment be made to the last resolution—after the words "National Executive", to add the words "a convenient number of the national judiciary."

This was merely a mild form of veto. Yet the statement is made:

It was then moved and seconded to proceed to the consideration of the ninth resolution, when on motion to agree to the first clause, it passed in the affirmative.

This language occurs on pages 160, 164, 214, and 243 of volume 1 of Elliott's Debates on the Federal Constitution. This mild form of judicial veto by the fathers of the Constitution was defeated in the Constitutional Convention and was only acquiesced in by the passivity of Congress.

Mr. Speaker, permit me to quote for you some statements of very illustrious men. Andrew Jackson sent a message to the Congress of the United States in which he said, referring to the case of the banks of the United States:

It is maintained by the advocates of the bank that its constitutionality in all its features ought to be considered as settled by precedent and by the decision of the Supreme Court.

He further said:

The authority of the Supreme Court must not, therefore, be permitted to control the Congress or the Executive when acting in their legislative capacities, but to have only such influence as the force of their reasoning may deserve.

[Here the gavel fell.]

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

Mrs. NORTON. Mr. Speaker, reserving the right to object, this is District day. We have 14 bills on the calendar which are very important to the District.

I regret to say that I shall have to refuse to yield any further time. I shall not object to the 5 minutes requested by the gentleman, but I shall refuse to yield any further time to anyone.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MONAGHAN. This is a very brilliant statement and measures up so well and is so similar to the statement of President Roosevelt on inauguration day that I am going to read it in toto. In concluding, Andrew Jackson said:

If we cannot at once, in justice to interests vested under improvident legislation, make our Government what it ought to be, we can, at least, take a stand against all new grants of monopolies and exclusive privileges, against any prostitution of our Government to the advancement of the few at the expense of the many, and in favor of compromise and gradual reform in our code of laws and system of political economy.

I have now done my duty to my country. If sustained by my fellow citizens, I shall be grateful and happy; if not, I shall find, in the motives which impel me, ample grounds for contentment and peace. In the difficulties which surround us, and the dangers which threaten our institutions, there is cause for neither dismay nor alarm. For relief and deliverance let us firmly rely on that kind Providence which, I am sure, watches with peculiar care over the destinies of our Republic, and on the intelligence and wisdom of our countrymen. Through His abundant goodness, and their patriotic devotion, our liberty and Union will be preserved.

Note the language used by Andrew Jackson—"Old Hickory"—a man after my own heart, one who is not afraid to say that nine men are not infallible, and especially after the chosen representatives of the people and their President declared their faith in the constitutionality of a measure. Note carefully his language. In other words, the will of the people of America will always preserve intact if allowed to function the Constitution of the United States.

Mr. DRISCOLL. Mr. Speaker, will the gentleman yield?

Mr. MONAGHAN. I yield.

Mr. DRISCOLL. What does the gentleman think of this proposition? The Constitution of the United States forbids the enactment by Congress of an ex post facto law. Such a law was passed by the Congress of the United States in 1862, and again in 1865. For the violation of this law, Agustus H. Garland, of Arkansas, was refused the right to practice his profession, and on appeal to the United States

Supreme Court by Mr. Garland, the Supreme Court of the United States, by a 5-to-4 decision, and the first 5-to-4 decision in the history of the United States, declared the law unconstitutional. What would the gentleman do or how would he remedy the enactment of an ex post facto law and the punishment of a citizen of the United States under an ex post facto law if the power were not exercised by the Supreme Court of the United States?

Mr. MONAGHAN. In answer to my distinguished colleague from Pennsylvania [Mr. DRISCOLL] I may say that in the Garland case the unconstitutionality resulted from the administration of the act and not from a lack of judgment or a lack of faith in the Constitution by the Congress of the United States. I have sufficient confidence in the Congress of the United States that it will uphold its Constitution; that our magnanimous Speaker, Mr. BYRNS, an outstanding leader of this administration in Congress, will live up to his constitutional duties; and that the President of the United States, who loves the Constitution dearly and guards it well, will also defend and support it, more so, perhaps, than nine lifetime members of a Court who declare an act of Congress protecting children against child labor, men and women against minimum wages, providing that men cannot be thrown out on the scrap heap after business concerns in the railroad business get throught with them, or in other business. I say that action of a Supreme Court in this respect is actually stamping the Congress as being derelict in its duty to support, defend, maintain, and preserve that great document of liberty. [Applause.]

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman from Montana may have the privilege of putting in his speech the citations he has looked up. While I do not agree with the gentleman in the argument he is making, I realize that he has spent a lot of time looking up various citations, and I think the gentleman should have the privilege of putting them in his speech.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OF THE WHEELER-HOWARD ACT

Mr. ROGERS of Oklahoma. Mr. Speaker, I first wish to thank the gentlewoman from New Jersey, the Chairman of the District of Columbia Committee, for yielding to me at this time.

Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 7781) to define the election procedure under the act of June 18, 1934, and for other purposes.

I may say for the benefit of the Members who are not familiar with this bill that its purpose is to amend the Wheeler-Howard Indian Act. There is no new legislation in it whatever. It is very important that this bill be passed immediately because, unless it is passed soon, the Department will have to hold 120 elections before June 18 of this year. For this reason I ask unanimous consent for the consideration of the bill at this time.

The Clerk read the title of the bill.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, may I ask the gentleman what is embraced in the bill?

Mr. ROGERS of Oklahoma. It is an amendment to the Wheeler-Howard Reorganization Act that was passed during the Seventy-third Congress.

Mr. WOLCOTT. To what does that apply?

Mr. ROGERS of Oklahoma. This bill applies to the holding of elections under the Wheeler-Howard Act, which requires that a majority of the adult Indians of a tribe must vote against the Wheeler-Howard Act or the provisions of the act will be imposed upon them. This was not the intent of Congress or the Department or the Indian Commissioner, but the law has been so interpreted. This bill corrects that default and provides that a majority of the Indians voting in an election shall be all that is necessary to determine the matter.

Mr. WOLCOTT. With the gentleman's explanation, I withdraw my objection.

Mr. ROGERS of Oklahoma. The bill was reported unanimously by the committee.

Mr. NICHOLS. Mr. Speaker, reserving the right to object—and I shall not object if I understand the bill correctly—I would like to ask the Chairman of the Committee on Indian Affairs if there is anything in this bill which will bring the Indians of Oklahoma under the provisions of the Wheeler-Howard Act where such provisions are not now imposed on them?

Mr. ROGERS of Oklahoma. Absolutely nothing, Mr. Speaker.

Mr. NICHOLS. Then I shall not object.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BURDICK. Mr. Speaker, reserving the right to object, is it not a fact today that if the Indian roll shows 800 Indians enrolled and 380 of them vote not to go under the act and 2 vote for it, the 2 so voting win the election?

Mr. ROGERS of Oklahoma. The gentleman is right.

Mr. BURDICK. And this amendment clarifies that situation?

Mr. ROGERS of Oklahoma. Clarifies the law and makes it necessary to have a majority of those voting in order to have the law imposed upon them.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in any election heretofore or hereafter held under the act of June 18, 1934 (48 Stat. 984), on the question of excluding a reservation from the application of the said act or on the question of adopting a constitution and bylaws or amendments thereto or on the question of ratifying a charter, the vote of a majority of those actually voting shall be necessary and sufficient to effectuate such exclusion, adoption, or ratification, as the case may be: *Provided, however*, That in each instance the total vote cast shall not be less than 30 percent of those entitled to vote.

SEC. 2. The time for holding elections on the question of excluding a reservation from the application of said act of June 18, 1934, is hereby extended to June 18, 1936.

SEC. 3. If the period of trust or of restriction on any Indian land has not, before the passage of this act, been extended to a date subsequent to December 31, 1936, and if the reservation containing such lands has voted or shall vote to exclude itself from the application of the act of June 18, 1934, the periods of trust or the restrictions on alienation of such lands are hereby extended to December 31, 1936.

SEC. 4. All laws, general and special, and all treaty provisions affecting any Indian reservation which has voted or may vote to exclude itself from the application of the act of June 18, 1934 (48 Stat. 984), shall be deemed to have been continuously effective as to such reservations, notwithstanding the passage of said act of June 18, 1934.

With the following committee amendment:

Page 2, line 19, after the figures "1934" insert "Nothing in the act of June 18, 1934, shall be construed to abrogate or impair any rights guaranteed under any existing treaty with any Indian tribe, where such tribe voted not to exclude itself from the application of said act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE BATTLESHIP "OREGON"

Mr. EKWALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. EKWALL. Mr. Speaker, this is the thirty-seventh anniversary of the completion of the greatest naval cruise in modern history. Thirty-seven years ago yesterday morning the bulldog of the American Navy, the battleship *Oregon*, dropped anchor at Key West, Fla., after a cruise of 14,000 miles from San Francisco Bay, to participate in the Battle of Santiago during the Spanish-American War.

I am introducing a bill to appropriate enough money to provide a permanent berth for the battleship *Oregon* in the harbor of my home city, Portland, Oreg., as a patriotic shrine for all time to come.

The battleship *Oregon* has one of the most glorious records of any ship in our Navy.

I ask unanimous consent to extend my remarks and include therein a poem dedicated to the battleship *Oregon* by Ruth Coffey Hillis, Forest Grove, Oreg.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. EKWALL. Mr. Speaker, on this anniversary of the completion of the most famous and daring cruise of modern naval history, I ask the indulgence of my colleagues while I briefly recall to memory this marvelous feat. I refer to the cruise in 1898 of the U. S. S. *Oregon*, bulldog of the United States Navy, named in honor of my adopted State. This battleship, which was destined to fill some of the most glorious pages of our modern naval history, was built by the Union Iron Works at San Francisco, Calif., at a cost of $3,180,000. The keel was laid November 19, 1891, and she was launched October 26, 1893. The sponsor at her launching was Miss Daisy Ainsworth, daughter of Capt. J. C. Ainsworth, president of the Oregon Steam Navigation Co., and a pioneer of river navigation in Oregon and Washington and in the development of the entire Northwest. Miss Eugenia Shelby pressed the button which released the vessel and started her down the ways.

You will remember that on February 15, 1898, the U. S. S. *Maine* was blown up in Habana harbor, and the diplomatic relations with Spain were considerably strained from that time until the actual declaration of war between the two nations on April 20, 1898.

On March 17, 1898, Capt. Charles Edgar Clark assumed command of the *Oregon* at San Francisco, Calif., and she sailed under sealed orders on March 19, 1898, for Callao, Peru, on the first lap of her famous cruise. After coaling at Callao, with all possible haste for 50 hours, the *Oregon* proceeded at top speed, through unusually rough seas, some 2,600 miles to the Straits of Magellan. There she expected to encounter the Spanish torpedo boat *Temerario*, which was reported to have proceeded from Montevideo to intercept the *Oregon* in the Straits. With all lights screened, the *Oregon*, averaging 15½ knots per hour for 11 hours, plowed through terrific storms until the straits were cleared, and she entered the Atlantic.

On April 30, the *Oregon* steamed into Rio de Janeiro, and there learned that since she was last in contact with the Navy Department, war had been declared with Spain. While refueling in that port on May 2 came the news of Dewey's thrilling victory at Manila Bay. On May 4 the *Oregon* steamed out of the harbor of Rio in the face of rumors that the Spanish fleet from Cape de Verde Islands, under command of Admiral Cervera, was awaiting to destroy her, in the immediate vicinity. On May 8 she anchored in the harbor of Bahia for a day's wait, and for further orders from home. During the night of May 9 she again sailed to sea, standing well off the coast, in order to make a wide sweep around Cape St. Roque, where Admiral Cervera's fleet was again reported to be awaiting her. In the event of meeting the Spanish fleet, Captain Clark's plan was to go ahead at full speed, under forced draft, and head away from the enemy. The purpose of this maneuver was to string out the enemy's vessels in their chase. When their leading vessel should approach within necessary range, the *Oregon* was to turn on her and attempt to destroy her, and then devote her attention to the others in succession.

Only two of the Spanish warships were rated to be as speedy as the *Oregon*, and by making a running fight, it was expected to eliminate the possibility of being surrounded or rammed or torpedoed. How well this plan would have succeeded is clearly shown by the *Oregon's* work on July 3, for on that historic day this very maneuver was, by chance, executed, with the difference that the *Oregon* chased and overtook, in turn, each of the enemy vessels instead of their chasing the *Oregon*. On the evening of May 12, when off Cape St. Roque, a number of lights, which had the appearance of a fleet sailing in double column, was sighted—the *Oregon* without a light burning, passed through the midst of the vessels undetected, with every man of the crew at his post ready for instant action. On May 15 the *Oregon* made her best run of 375 miles, and on the 18th, anchored at the harbor of Bridgetown, Barbados. There the rumor reached Captain Clark that a Spanish fleet of 16 vessels was at Martinique, 90 miles away, and once again the *Oregon* set forth for Key West. She passed to the north of the Bahamas, and after dark on May 24 anchored off Jupiter Inlet, Fla., where news of her safe arrival was flashed to the Navy Department at Washington. This information sent a thrill of joy and pride throughout the Nation, and the relatives of the 550 officers and men breathed sighs of relief from the anxiety which they had experienced through this epoch-making voyage. On orders to proceed to Key West, anchors were once more hauled, and on the morning of May 26, just 37 years ago yesterday morning, this gallant ship, the pride of our Navy, reached her destination and anchored off Sand Key, having made the run of 14,000 miles in 68 days' actual time, but in 53 days steaming time. She had passed through two oceans, circumnavigated a continent; had endured oppressive heat and incessant toil, and demonstrated to the European skeptics that heavy battleships of its class could cruise with safety in all conditions of wind and sea, and what was more remarkable, report at the end of such a tremendously long journey in first-class fighting condition, ready at a moment's notice, with decks cleared, to meet the enemy ships.

She immediately joined Admiral Sampson's fleet, and on June 1 took her position in the line in front of Santiago Bay. After waiting a little more than a month for the Spanish fleet to steam forth, on July 3, 1898, the hoped-for event took place. Here let me quote Lt. Edward W. Eberle, who commanded the forward turret of the *Oregon* during the ensuing battle:

> No artist could do justice to that fascinating and awe-inspiring scene, when, led by the *Maria Teresa*, the Spanish fleet majestically swept out of the narrow harbor. Their large red-and-yellow ensigns stood out brilliantly against the dark-green background of the Morro and Socapa headlands, and their massive black hulls, with great white waves piled under their bows, seemed veritable things of life. At the call to general quarters, the *Oregon* charged ahead at full speed under forced draft, and the fleet headed in to meet the enemy. The *Teresa* was just abreast the Morro as we opened fire with an 8-inch gun, to which she and the forts replied with a shower of shell. She turned sharply to the westward, and was followed by the *Viscaya*, *Colon*, and *Oquendo*, in the order named. As soon as they cleared the harbor their speed was increased and their fire became furious. Our ships opened a heavy fire, and then the *Oregon* turned more to the westward, in order to head off the rapidly moving column.
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> For some minutes Captain Clark stood on the bridge, giving orders, and studying the situation; and the thought that was then uppermost in his mind is clearly expressed in the words of his official report to Admiral Sampson: "As soon as it was evident that the enemy's ships were trying to break through and escape to the westward, we went ahead full speed, with the determination of carrying out to the utmost your order, 'If the enemy tries to escape, the ships must close and engage as soon as possible, and endeavor to sink his vessels or force them to run ashore.'" The Spaniards passed rapidly to the westward, and the firing being at long range, we sent our 6-pounder crews behind the turrets for protection. Our turret crews soon settled down to steady and deliberate work, and as the ship's increasing speed enabled us to close in on the enemy, our gunfire became very effective. The engineer force was doing magnificent work, and the *Oregon* was fairly jumping out of the water; and at 10 minutes to 10 she dashed between the *Iowa* and the *Texas*, passing within 100 yards of the *Iowa*, and continued her destructive gunfire. This wonderful burst of speed, which enabled the *Oregon* to pass all the ships except the *Brooklyn*, excited the astonishment and admiration of the officers of the *Iowa*. One of them described it thus: "The *Oregon* came racing across the *Iowa's* bows, and charged right down on the Spanish fleet, letting go first at one vessel, then at the other, and all the time carrying a great white bone in her teeth, that told of her engine power and wonderful speed." By this time Admiral Cervera's ships were in a well-defined column, steaming parallel with the coastline, at high speed. The gunfire of both fleets was rapid and furious, but most of the enemy's shells passed over us.
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> As we swept past the *Iowa* Captain Clark was standing in his favorite place on top of the forward 13-inch turret, when word came to him that the torpedo boats were coming out. The 6-pounder crews were immediately ordered to their guns, and in less time than it takes to write it they were peppering away at the two destroyers. As the leading vessel, the *Pluton*, came out, she appeared to hesitate for a moment, and then turned to the westward and followed in the wake of the others. Our after guns were also turned upon the torpedo boats, and the fire of these guns, together with the fire of all the ships astern of us, simply overwhelmed them. There was a perfect hail of pro-

jectiles and the water about the boats was whipped into a mass of foam, but the plucky little vessels fought their guns until a shell (which, it is claimed, was fired by our after 6-inch gun) struck the *Furor* amidships and caused an explosion. This torpedo boat was literally torn to pieces and in her death agony circled round and round before disappearing beneath the waves. Her rudder had been jammed hard over, and with the last steam in her boilers her propellers continued to turn, mangling those who had life enough left to jump overboard. With her consort destroyed, and herself a battered wreck, the *Pluton* crept inshore and sank in shoal water, about 4 miles west of Morro Castle. Just 12 minutes of gunfire had accomplished their destruction.

While our after guns were firing on the torpedo boats our forward guns were hammering away at the third and fourth armored vessels, which were now on our starboard bow, in a broken column. The *Brooklyn* was on our port bow engaging the two leading ships. The *Teresa* was farther off shore than the other three vessels and was being passed by them. We brought her sharp on our starboard bow, and, as we gained on her, our forward guns engaged her at 2,000 yards' range when (about 10 minutes after 10) we discovered her to be on fire. The *Teresa* was soon left behind by the other vessels. Smoke and flames were pouring from her upper works, and the sight of her hopeless condition served to double the energy of our ships, for their fire became more rapid and deadly than ever. The *Oregon*, *Texas*, and *Iowa* hurled their terrific broadsides into her as she turned inshore and steamed slowly for the beach at Juan Gonzales, 6 miles from Santiago. Only 40 minutes had elapsed since the stately *Teresa* had led the column out of the harbor. She boldly went to her death, fighting her guns until overwhelmed by fire and shell.

The *Oregon* now charged on after the *Oquendo* and opened on her with the forward guns and also with all the guns of the starboard battery as soon as they could be brought to bear. For a while the enemy's vessels appeared badly bunched. The *Colon* was just passing inshore of the *Vizcaya*, and the *Oquendo* was in a direct line between us and those two ships. We closed rapidly on the *Oquendo* and, at a range of 900 yards, poured into her the hottest and most destructive fire of that eventful day. Each gun captain fought his guns as if victory depended upon him alone, and within 12 minutes after the *Teresa* had given up the fight the *Oquendo* was burning fiercely. She, too, turned inshore, with port helm heading slightly to the eastward; and as we drew her abeam, our guns raked her unmercifully. The *Oquendo* made the pluckiest fight and suffered the most severe punishment, as is attested by her torn and battered hull, which rested upon the beach half a mile west of the *Teresa*. When flames burst from the *Oquendo*, and she turned inshore, Captain Clark, who was standing on top of the forward 13-inch turret, called out to me, "We have settled another; look out for the rest." This was answered by a mighty cheer, which was repeated through the ammunition passages and magazines and down among the heroes of the boiler and engine rooms.

With bulldog determination, the *Oregon* continued on in her mad race after the *Vizcaya*, now 2 miles away, and opened with the forward guns. The *Brooklyn*, still on our port bow, was apparently about 2 miles off the *Vizcaya's* port beam, and all three vessels were firing furiously. The *Colon*, now far ahead and close inshore, was increasing her lead. The *Brooklyn* signaled to the fleet, "Close up", and we repeated the signal to the ships astern, but the clouds of smoke and the long distance prevented their seeing it. In fact, the only vessels that we could distinguish astern were the *Texas*, on our starboard quarter, and the *Vixen*, on our port quarter. Our speed steadily increased, and when we were about 3,000 yards from the *Vizcaya*, that vessel swung off shore and headed across our bow, firing her forward guns at the *Brooklyn* and her port ones at us. By this maneuver the *Vizcaya* exposed her broadside to us, and a big shell from one of our turret guns seemed to strike her in the port bow, when she immediately resumed her former course.

A few minutes later, at about a quarter to 11, the man in the fighting top reported that a 13-inch shell had struck her amidships, heeling her to starboard, and sending up a volume of steam and smoke. Cheer after cheer rang through the ship, and our gunfire increased in rapidity. The *Vizcaya* was on fire and heading for the shore. Captain Clark, who had been moving about the decks commending officers and men for their good work, and telling his "children" not to expose themselves needlessly, was at this instant standing on top of the after 13-inch turret, conversing with the officer of that turret. The turret officer was deploring the fact that his guns would not bear on the enemy's remaining ships, when suddenly the burning *Vizcaya* was seen off our starboard bow, heading for the beach, and the captain exclaimed, "There's your chance. There's your chance", and in another moment the after turret was thundering away with awful effect. The close range enabled our 6-pounders to play havoc with the *Vizcaya's* upper works, and our fire was very heavy until she drew abaft our starboard beam, when, at 11 o'clock she hauled down her colors and ran ashore at Aserraderos, 18 miles from the Morro. This made the third large burning wreck within 90 minutes.

When the *Vizcaya* gave up the fight and headed for the shore, the *Brooklyn* hoisted the signal "Well done, *Oregon*", and then began the grandest chase in naval history. The *Colon* was now 6 miles ahead, and for a time it looked as if she might escape, but our efficient engineer department proved equal to the occasion, and our speed increased to more than 16 knots. The *Brooklyn*, now broad off our port bow, was steering for the distant headland to cut off the *Colon*, while we were steadily edging in on her and forcing her nearer the shore. We sent our men to dinner by watches; but after getting a bite, they returned on deck to follow the exciting chase and take a pull at their pipes. The *Brooklyn* signaled, "She seems built in Italy", and Captain Clark told the signal officer to answer with the following message: "She may have been built in Italy, but she will end on the coast of Cuba." As we dashed onward, slowly gaining, and soon to be within range, the enthusiasm was at high pitch. An old boatswain's mate stationed in the fighting top gave way to his excited feelings and yelled through a megaphone, "Oh, captain, I say, can't you give her a 13-inch shell, for God's sake." The men in the engineer force, ever unmindful of the frightful heat, were straining every muscle to its utmost, and their heroic officers were assisting the exhausted firemen to feed the roaring furnaces.

Several times the *Colon* turned in as if looking for a good place to run ashore, but each time changed her mind and continued to run for her life. It was 10 minutes to 1 when Captain Clark gave me orders to try a 13-inch shell on her, and soon a 1,100-pound projectile was flying after her. The chief engineer was just coming on deck to ask the captain to fire a gun in order to encourage his exhausted men; and when they heard the old 13-inch roar, they knew that we were within range, and made the effort of their lives.

The scene on the *Oregon's* decks at this time was most inspiring. Officers and men were crowded on top of the forward turrets, and some were aloft, all eager to see the final work of that great day. The *Brooklyn* fired a few 8-inch shells and we fired two 8-inch, but all fell short, and the 8-inch guns ceased firing. The *Colon* also fired a few shots, but they fell far short of their mark. Our forward 13-inch guns continued to fire slowly and deliberately, with increasing range, and the sixth shot, at a range of 9,500 yards (nearly 5 miles), dropped just ahead of the *Colon*, whereupon she headed for the shore. Our men were cheering wildly, and a few minutes later, at 12 minutes after 1 o'clock, a 13-inch shell struck under the *Colon's* stern. Immediately her colors dropped in a heap at the foot of her flagstaff. The bugle sounded "Cease firing." The *Colon* had surrendered and the last shot of July 3 had been fired.

From the date of the battle of Santiago the *Oregon* served in the seven seas of the world honorably and well. She was commanded successively by officers whose names rank high in the records of American naval history. After such a glorious record of war- and peace-time service she was finally placed out of commission at Puget Sound Navy Yard in 1919. Time and later inventions had taken their toll, and the once proud bulldog of the Navy was rendered obsolete for modern fighting. On July 14, 1925, she was delivered to the State of Oregon in the harbor of Portland, my home city, to be preserved for all time as an object of historic and sentimental interest. In order to fully accomplish this purpose, I am introducing a bill which will provide for a permanent landlocked berth in Portland Harbor and an appropriation to finance the work of placing this pride of the Navy where she will be accessible for all time to come to all who wish to visit her. She is serving now as a meeting place for Sea Scouts, Boy Scouts, Girl Scouts, Camp Fire Girls, 4-H club members, Naval Reserves, Navy Mothers of America, Navy Post, V. F. W., and other educational and patriotic groups; thus in peace time serving as a shrine to patriotism and devotion to the highest ideals of our country. It is important to hold in sacred honor such a memorial and to continue the teachings of our forefathers. They may from time to time build bigger and more powerful battleships than the *Oregon*, but they will never build a better one. May I close by quoting the poem by Ruth Coffee Hillis, of Forest Grove, Oreg., dedicated to the *Oregon:*

THE "OREGON"

Morning, off the coast of Cuba;
Ships at anchor, lying tense;
Waiting for some sign or signal
That would break the long suspense.

Since the fall of Santiago
And the coming of our fleet,
Spanish ships within the harbor
Saw no way of safe retreat.

Then Cervera, under orders,
Took his only chance to win;
Made a noble dash for freedom
Past the ships that hemmed them in.

"Speed to westward", cried Cervera,
"Sink the *Brooklyn* and we've won."
But Cervera hadn't reckoned
With the brave ship *Oregon*.

Through fourteen thousand miles of water
Came the *Oregon* for this;
Sprang to action like a demon,
Not a target did she miss.

Racing on to aid the *Brooklyn*,
Leaping like a thing possessed,
Passed the *Iowa* and *Texas*,
Far outdistanced all the rest.

Racing while her guns were speaking;
Spanish ships were falling back,
Powerless to withstand the fury
Of the *Oregon's* attack.

Still one ship was left, the *Colon*;
But the *Oregon* sped on,
Overtook and turned her backward,
And the victory was won.

Modest when her task was finished,
Giving honor to the rest,
Ready when her country called her,
Oregon had stood the test.

Home at last in quiet waters
Of the State whose name she bore
When she clothed herself with glory
Off that distant Cuban shore.

Shall we grudge her care and shelter,
Now her fighting days are done?
Rather, let us bow before her,
Ship of pride, the *Oregon*.

OLD-AGE PENSIONS

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 6623) to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age wants, and I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the lady from New Jersey?

Mr. BLANTON. Reserving the right to object, I would like to ask a question. Does this bill conform to the provisions of the national bill we passed here in the House recently?

Mrs. NORTON. It does.

The SPEAKER. Is there objection to the request to consider this in the House as in Committee of the Whole?

There was no objection.

The Clerk read the bill, as follows:

[H. R. 6623, 74th Cong., 1st sess.]

A bill to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age want

Be it enacted, etc., That the care and assistance of aged persons who are in need and whose physical or other condition or disabilities seem to render permanent their inability to provide properly for themselves is hereby declared to be a special matter of public concern and a necessity in promoting the public health and welfare. To provide such care and assistance at public expense a system of old-age assistance is hereby established for the District of Columbia. The terms "assistance" whenever used in this act shall be construed to include relief, aid, care, or support. The pronoun "he" or "his" when used herein shall be construed to include persons of either sex.

SEC. 2. Assistance may be granted only to an applicant who (a) is a citizen of the United States; (b) has attained the age of 65 years or upward; (c) has resided in the District of Columbia for 5 years or more within the 10 years immediately preceding application for assistance; (d) is not at the time of making application an inmate of any prison, jail, workhouse, insane asylum, or any other public reformatory or correctional institution; (e) is not a habitual tramp or beggar; (f) has no child or other person financially able to support him and legally responsible for his support; and (g) has not made a voluntary assignment or transfer of property for the purpose of qualifying for such assistance.

During the continuance of the old-age assistance no recipient shall receive any other relief from the District of Columbia except for medical and surgical and nursing care.

SEC. 3. The Board of Commissioners of the District of Columbia shall administer old-age assistance under this act through such agent or agency as it may designate. It shall prescribe the form of and print and supply the blanks for applications, reports, and affidavits, and such other forms as it may deem advisable, and shall make rules and regulations necessary for the carrying out of the provisions of this act. The amount of the assistance which any such person shall receive, and the manner of providing it, shall be determined by the Board of Commissioners or its designated agency, with due regard to the conditions existing in each case. Any applicant for old-age assistance whose claim for initial relief or modification of relief is denied may apply to the agency designated by the Commissioners for the administration of this act for review of said claim and the determination of the designated agency on such appeal shall be final except that the Commissioners of the District of Columbia in their discretion may grant a further review of the matters embraced in the aforesaid application.

If, in the opinion of the Board of Commissioners or its designated agency, the recipient is incapable of taking care of himself or his money, it may direct the payment to any responsible person for the benefit of the pensioner, or may suspend payment if deemed advisable.

SEC. 4. All assistance given under this act shall be inalienable by any assignment or transfer and shall be exempt from levy or execution under the laws of the United States and the District of Columbia.

SEC. 5. On the death of a recipient of old-age assistance such reasonable funeral expenses as the Board of Commissioners or its designated agency may deem necessary may be paid for the burial of such person.

SEC. 6. A person requesting assistance under this act shall make his application therefor to the Board of Commissioners or its designated agency. The person requesting assistance may apply in person, or the application may be made by another in his behalf. The application shall be made in writing and under oath.

SEC. 7. Upon the receipt of an application for assistance an investigation and record shall be promptly made of the circumstances of the applicant. The object of such investigation shall be to ascertain the facts supporting the application made under this act and such other information as may be required by the rules hereunder formulated.

SEC. 8. All relief under this act shall be considered from time to time as frequently as may be required by the rules hereunder formulated. After such further investigation as may be deemed necessary the amount and manner of assistance may be changed or the assistance may be withdrawn if it is found that the recipient's circumstances have changed sufficiently to warrant such action, and all cases in which relief is being extended shall be reviewed every 6 months. It shall be within the power of the Board of Commissioners or its designated agency at any time to cancel and revoke assistance, and it may suspend payments for such periods as it may deem proper.

SEC. 9. If at any time the Board of Commissioners or its designated agency has reason to believe that any assistance has been improperly obtained, it shall cause special inquiry to be made. If, on inquiry, it appears that it was improperly obtained, it shall be canceled.

SEC. 10. Any person, who by means of a willfully false statement or representation, or by impersonation, or other fraudulent device, obtains or attempts to obtain, or aids or abets any person to obtain (a) assistance to which he is not justly entitled: (b) a larger amount of assistance than that to which he is justly entitled; (c) payment of any forfeited installment grant; (d) or aids or abets in the buying or in any way disposing of the property of an old-age assistance recipient, without the consent of the Board of Commissioners or its designated agency, shall be guilty of a misdemeanor and upon conviction thereof shall be sentenced to pay a fine of not more than $500 or imprisoned for a period not to exceed 6 months, or both.

SEC. 11. At the death of recipient of old-age assistance, or of the last survivor of a married couple, the total amount of assistance since the first grant, together with 3-percent interest, shall be deducted and allowed by the proper courts out of the proceeds of his property as a preferred claim against the estate of the person so assisted, and refunded to the Treasurer of the United States to the credit of the District of Columbia, leaving the balance of distribution among the lawful heirs in accordance with law: *Provided*, That upon sufficient cause, such as mismanagement, failure to keep in repair, or the inability of any recipient of assistance properly to manage his property, the designated agency of the Commissioners may demand the assignment or transfer of such property, or a proper part thereof, upon the first grant of such security, or at any time thereafter that it deems advisable for the purpose of safeguarding the interest of an applicant or for the protection of the funds of the District of Columbia. Such agency shall establish such rules and regulations regarding the care, management, transfer, and sale of such property as it deems advisable and shall provide for the return of the balance of the claimant's property into his hands whenever the assistance is withdrawn or the claimant ceases to request it.

SEC. 12. Congress shall annually appropriate and make available to the order of the Board of Commissioners of the District of Columbia such a sum as may be needed for old-age assistance, together with a sufficient sum to defray administrative expenses to be incurred in connection therewith, and include such sums in the annual appropriation act. Should the sum so appropriated, however, be expended or exhausted during the year and for the purpose for which it was appropriated, additional sums shall be appropriated by Congress as occasion demands to carry out the provisions of this act.

SEC. 13. All necessary expenses incurred by the District of Columbia in carrying out the provision of this act shall be paid in the same manner as other expenses of the District of Columbia are paid.

SEC. 14. This act shall take effect 90 days after its passage.

With the following committee amendments:

Page 3, line 5, after the word "case", insert "The Board of Commissioners may in lieu of the assistance herein provided refer any applicant to the Board of Public Welfare for admission to the Home for the Aged and Infirm whenever, in the judgment of the said Commissioners, such action may be in the public interest or in the best interest of the applicant."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE PENNSYLVANIA RAILROAD CO. TO BUILD AN OVERHEAD BRIDGE ACROSS NEW YORK AVENUE

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 6656) to authorize the Pennsylvania Railroad Co., by means of an overhead bridge, to cross New York Avenue NE., in the District of Columbia, and I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the lady from New Jersey that the bill be considered in the House as in Committee of the Whole?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Pennsylvania Railroad Co., operating lessee of all of the railroads and appurtenant properties of the Philadelphia, Baltimore & Washington Railroad Co. in the District of Columbia, be, and it is hereby, authorized to establish switch and siding connections with its existing siding tracks in square no. 4263 (also known as parcel 154/44) to cross West Virginia Avenue into and through squares nos. 4105, 4104, and 4099 crossing New York Avenue by means of a suitable overhead bridge, thence to and through the parcels of land known and identified on the plat books of the surveyor's office of the District of Columbia as parcels 153/44, 143/25, and 142/28, and squares 4099 and 4098, to and through the squares known as and numbered 4038 (portions of which are included in parcel 142/28, 4093, south of 4093, and 4098, with all switches, crossing, turnouts, extensions spurs, and sidings as may be or become necessary for the development of the squares and parcels of land above indicated for manufacturing, trading, industrial, and commercial enterprises, and the adequate service thereof by railroad.

SEC. 2. Before any of the work above authorized shall be begun on the ground or a plan or plans thereof shall be prepared and submitted to the Commissioners of the District of Columbia for their approval and only to the extent that such plans shall be so approved shall said work or any portion thereof be permitted or undertaken.

SEC. 3. Subject only to the approval of the Commissioners of the District of Columbia the crossing of any public street or alley other than New York Avenue, within the limits of the total area above noted, may be at or on grade.

SEC. 4. Nothing herein contained shall be construed as limiting or abridging the authority of the Commissioners of the District of Columbia under the act of Congress approved March 3, 1927 (44 Stat. L. 1353), entitled "An act to provide for the elimination of grade crossings of steam railroads in the District of Columbia, and for other purposes."

SEC. 5. That Congress reserves the right to amend, alter, or repeal this act.

With the following committee amendment:

Page 2, line 1, after the word "through", strike out down to and including the word "Railroad", in line 13, and insert the following: "square no. 4105 along and adjacent to the existing main line tracks, thence into and through square no. 4104 and 4099 crossing New York Avenue by means of a suitable overhead bridge thence to and through square no. 4099 and the parcels of land known and identified on the plat books of the Surveyor's Office of the District of Columbia as parcels 153/44, 143/25, 142/25, and 142/28, to and through the square known as and numbered 4038 (portions of which are included in parcel 142/28), 4093, south of 4093, and 4098, with all switches, crossings, turnouts, extensions, spurs, and sidings as may be or become necessary for the development of the squares and parcels of land above indicated for such uses as may be permitted in the district or districts in which said squares and parcels of land are now or may hereafter be included as defined in the zoning regulations of the District of Columbia and shown in the official atlases of the Zoning Commission."

On page 3, line 15, after the word "grade", insert "The said railroad shall, when and as directed by the Commissioners of the District of Columbia, construct at its entire cost and expense, an additional overhead bridge for the track hereby authorized to be established over such other street located between Montello Avenue and New York Avenue as such street may now or may hereafter be shown on the Plan of the Permanent System of Highways."

Page 3, line 2, after the word "the", insert the word "use."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

TO AMEND ACT PROVIDING FOR UNION RAILROAD STATION, DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 7447) to amend an act to provide for a Union Railroad Station in the District of Columbia, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentlewoman from New Jersey calls up the bill H. R. 7447 and asks unanimous consent that it be considered in the House as in Committee of the Whole. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That so much of section 5 of an act of Congress entitled "An act to provide for a Union Railroad Station in the District of Columbia, and for other purposes", approved February 28, 1903 (Public, No. 122, 32 Stat. 909), which reads:

"No streets or avenues, except Ninth, Twelfth, and Fifteenth Streets, and New York Avenue, shall be opened across the railroads constructed under authority of this act between Florida and Montana Avenues, and said Ninth, Twelfth, and Fifteenth Streets, when and as opened, shall be carried above the railroads by suitable viaduct bridges, the cost whereof, with their approaches within the limits of the right-of-way, shall be paid by the terminal company, but shall be maintained as in the case of other public highways in the District of Columbia", be, and the same is hereby, amended to read as follows:

"No streets or avenues shall be opened across the railroads constructed under the authority of this act between Florida Avenue and an extension of the west line of Twenty-second Street NE. from Bryant Street to New York Avenue, except New York Avenue and except as hereinafter provided; the Baltimore & Ohio Railroad Co. and the Philadelphia, Baltimore & Washington Railroad Co. shall construct, within 2 years after being directed so to do by the Commissioners of the District of Columbia, a suitable viaduct bridge above the said railroads and above New York Avenue connecting the intersection of Brentwood Road and T Street NE., with the extension of Mount Olivet Road NE., at its intersection with New York Avenue, as the same may be shown on the plan of the permanent system of highways at the time the said Commissioners direct the construction of said viaduct bridge; the terminal company shall pay the entire cost and expense of the bridge structure, including the necessary retaining walls in connection therewith, north of the southerly line of New York Avenue, and, in addition thereto, so much of the approaches to said viaduct bridge as lie between the southerly line of Brentwood Road and the northerly line of New York Avenue NE. as now publicly owned, the terminal company shall dedicate or cause to be dedicated to the District of Columbia such land lying between the southerly line of Brentwood Road and the northerly line of New York Avenue NE., as now publicly owned, as may be necessary for the location of such bridge structure and the approaches thereto in accordance with the plan of the permanent system of highways as said plan may be established at the time the Commissioners direct the construction of said viaduct bridge; the cost of maintenance of said viaduct bridge, retaining walls, and approaches is to be borne entirely by the District of Columbia; and said viaduct bridge, retaining walls, and approaches shall be constructed in accordance with plans and specifications and at a location approved by the Commissioners of said District; and the Baltimore & Ohio Railroad Co. and the Philadelphia, Baltimore & Washington Railroad Co. shall construct, within 2 years after being directed so to do by the Commissioners of the District of Columbia, a suitable subway or underpass beneath the tracks of said companies within the lines of the street connecting the intersection of New York Avenue and West Virginia Avenue NE., as the same may be shown on said plan of the permanent system of highways at the time said Commissioners direct the construction of said subway or underpass; the said railroad companies shall pay in equal shares the entire cost and expense of the subway or underpass structure, exclusive of all roadway and sidewalk paving, including the necessary retaining walls in connection therewith, and in addition thereto, so much of the approaches to said subway or underpass as lie within the limits of the said railroad companies' properties; exclusive of all roadway and sidewalk paving; each of said railroad companies shall dedicate or cause to be dedicated to the District of Columbia such land lying within the limits of said railroad companies' properties as may be necessary for said street in accordance with the plan of the permanent system of highways as said plan may be established at the time the Commissioners direct the construction of said subway or underpass; the cost of maintenance of said subway or underpass structure, retaining walls, and approaches is to be borne entirely by the District of Columbia; and the said subway or underpass and the retaining walls and approaches shall be constructed in accordance with the plans and specifications and at a location approved by the Commissioners of said District."

SEC. 2. Congress reserves the right to alter, amend, or repeal this act.

With the following committee amendments:

Page 2, line 24, after the word "bridge", strike out the rest of line 24 and all of line 25, and on page 3, strike out all of lines 1, 2, 3, 4, 5, and 6 down to and including the word "company", and insert in lieu thereof the following: "the Baltimore & Ohio Railroad Co. and the Philadelphia, Baltimore & Washington Railroad Co. shall pay in equal shares the entire cost and expenses of the bridge structure, including the necessary retaining walls and approaches in connection therewith, between the southerly line of New York Avenue as now publicly owned, and the southerly line of Brentwood Road as now publicly owned; the Baltimore & Ohio Railroad Co. and the Philadelphia, Baltimore & Washington Railroad Co."

Page 4, line 16, after the word "structure", strike out "exclusive of all roadway and sidewalk paving"; and in line 20, after the

word "properties", strike out "exclusive of all roadway and sidewalk paving."

Page 5, after line 11, add the following:

"SEC. 3. If this amendatory act or any part thereof shall be declared invalid, so much of this act as forbids the opening of Ninth, Twelfth, and Fifteen Streets shall be void, and the duty of the terminal company referred to in said act of Congress approved February 28, 1903, to construct suitable viaduct bridges and the approaches thereto to carry said streets over the railroads as required by said section 5 of said act of February 28, 1903, as originally enacted, shall remain in full force and effect and unimpaired by this amendatory act."

The committee amendments were severally reported and severally agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

GERMAN ORPHAN HOME OF THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 7874) to change the name of the German Orphan Asylum Association of the District of Columbia to the German Orphan Home of the District of Columbia.

The SPEAKER. The gentlewoman from New Jersey calls up a bill, which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That the name of the German Orphan Asylum Association of the District of Columbia, which was created a body politic and corporate by the act entitled "An act to reincorporate and preserve all the corporate franchises and property rights of the de facto corporation known as the 'German Orphan Asylum of the District of Columbia'," approved February 6, 1901, is hereby changed to the "German Orphan Home of the District of Columbia"; but this act shall not be construed to affect any obligations, rights, or privileges of said corporation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

UNEMPLOYMENT COMPENSATION IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 7167) to provide for unemployment compensation in the District of Columbia, to authorize appropriations, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentlewoman calls up the bill H. R. 7167 and asks unanimous consent that it be considered in the House as in Committee of the Whole. Is there objection?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. Does this bill conform to the provisions of the social-security bill recently passed by the House?

Mrs. NORTON. It conforms except in one particular.

Mr. BLANTON. In what particular is there a change?

Mrs. NORTON. This bill applies to the employment of 4 people, whereas the Federal bill as passed by the House calls for 10 people. As I understand it, however, the security bill has been changed in the Senate to four.

Mr. BLANTON. It meets the sentiment of the Senate as expressed in that amendment?

Mrs. NORTON. Yes.

The SPEAKER. Is there objection to considering the bill in the House as in Committee of the Whole?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the pending bill at this point in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

THE ELLENBOGEN BILL FOR UNEMPLOYMENT COMPENSATION FOR THE DISTRICT OF COLUMBIA

Mr. ELLENBOGEN. Mr. Speaker, I want to discuss H. R. 7167, the bill to provide unemployment compensation in the District of Columbia.

The subcommittee on fiscal affairs of the Committee on the District of Columbia, of which I have the privilege of being chairman, and the entire membership of the Committee on the District of Columbia has given the subject of unemployment compensation for the District of Columbia very thorough study and consideration. It was felt that the bill for the District of Columbia should be most carefully drawn.

It would not only provide for unemployment compensation for the employees in the District of Columbia, but by virtue of the key position enjoyed by the District of Columbia, and because of the fact that it was an enactment of the National Congress, this bill could serve as a model bill for the States of the Union. We felt that we should enact a measure that would bring credit to the Congress and could serve as a beacon light which the States in the Union could safely follow.

I may be permitted to point out, Mr. Speaker, that the Committee on the District of Columbia, and I myself as its author and as chairman of the subcommittee which was in charge of the bill, were proud of its provisions. We feel that it is a good bill, a bill which deserves to be well considered by the various State legislatures when they come to draft their own unemployment compensation laws.

THE NEED FOR UNEMPLOYMENT INSURANCE

As to the need for unemployment compensation, economists, manufacturers, and businessmen were united in their belief that an unemployment compensation act was needed for the District of Columbia.

While the District has been in a more favorable position than the country as a whole there has been considerable unemployment in the District of Columbia. The unemployment census of 1930 showed 4.9 percent of the gainful workers of the District unemployed. Unemployment increased, until the average unemployment in 1933 reached 21 percent of the gainful workers. If Federal and District employees are included in our calculations as they should be, we find an even larger unemployment percentage in the District. It is estimated in 1930 there was an average of 14,000 unemployed in the District; in 1931 there were 31,000; in 1932, 47,000; in 1933 there were 37,000; and in 1934 we estimate unemployment at 42,000.

In the report on this bill (Rept. No. 858) you will find detailed data as to relief for the District of Columbia. It appears that from August 1932 to January 1935 a total of $9,093,715.01 was paid out for relief in the District of Columbia.

Recently an analysis was made of 6,631 relief cases in the District of Columbia. It appears that out of these cases 817, or 12.9 percent, had been employed less than 6 months, which is the maximum normal duration of benefits under this bill.

In the unemployment census of 1930 only 10.1 percent of the unemployed in the District of Columbia had been out of employment for a period longer than 26 weeks. At that time 91 percent of the unemployed would have received unemployment insurance benefits, if this bill had been in force. Thus it is clear that during prosperous times and in the early stages of a depression most unemployed would be cared for under the provisions of this bill; but further, even during severe depressions a substantial number of the unemployed would be cared for under a system of unemployment compensation set up in this bill.

THE ADVANTAGES OF UNEMPLOYMENT INSURANCE OVER UNEMPLOYMENT RELIEF

Before the depression unemployment insurance in Great Britain was often criticized as being a "dole." During the last 5 years, as millions of unemployed in the United States have been forced to go on relief, it is gradually being understood that the United States actually has a dole system, and that Great Britain has been able to provide for unemployment insurance in a much superior way. Unemployment insurance is superior to relief in many respects. Here are some of them:

First. It provides more adequate financial support to the unemployed than relief.

Second. It prevents heavy drains upon the resources of municipal, State, and Federal Governments by resorting to reserves built up during previous periods of employment.

Third. It encourages the stabilization of employment by the employer.

Fourth. It maintains the purchasing power of the unemployed, aids in the stabilizing of consumption, and thus prevents the deepening and the prolonging of depressions.

Fifth. It is sufficient to assure a definite income to the jobless during periods of unemployment resulting from seasonal and other variations in the use of the products of an industry and from technological causes. It takes care of the employee during all periods of unemployment except those of a long-continued depression.

Sixth. It maintains the self-respect and the morale of the unemployed by paying him unemployment-compensation benefits on a contractual basis, to which he is entitled as a matter of right.

HISTORICAL DEVELOPMENT OF UNEMPLOYMENT INSURANCE

Out-of-work benefit payments were instituted by trade unions in Europe as early as 1850. Beginning in 1890 municipalities initiated unemployment-insurance plans. In 1901 the city of Ghent, in Belgium, instituted the payment to the unemployed of subsidies in addition to the payments paid them by their unions. This system spread rapidly throughout Europe. The method of paying subsidies to trade unions, municipalities, and provincial unemployment-benefit plans at present is followed in 10 of the smaller European countries, as shown in the following table:

TABLE III.—*Countries in which voluntary insurance laws have been enacted and number of workers covered in each*

Country	Date of law	Number insured
Belgium	Dec. 30, 1920	1,058,000
Czechoslovakia	July 19, 1921	1,500,000
Denmark	Apr. 9, 1907	337,000
Finland	Nov. 2, 1917	15,000
France	Sept. 9, 1905	192,000
Netherlands	Dec. 2, 1916	502,000
Norway	Aug. 6, 1915	47,000
Spain	May 25, 1931	50,000
Sweden	Jan. 1, 1935	330,000
Switzerland (11 cantons)	Oct. 17, 1924	195,000
Total number insured		4,096,000

The first compulsory unemployment-insurance law was passed in Great Britain in 1911. At first, limited to a few industries, it was extended to practically all workers in 1920. Italy passed a law in 1919, Austria in 1920, and Germany in 1927. At present there are eight countries in Europe, and Queensland in Australia, with compulsory laws covering about 38,000,000 workers, as shown in table IV.

TABLE IV.—*Countries in which compulsory insurance laws have been enacted and number of workers covered in each*

Country	Date of law	Number insured
Australia (Queensland)	Oct. 18, 1922	175,000
Austria	Mar. 24, 1920	969,000
Bulgaria	Apr. 12, 1925	280,000
Germany	July 16, 1927	17,920,000
Great Britain and Northern Ireland	Dec. 16, 1911	12,960,000
Irish Free State	Aug. 9, 1920	359,000
Italy	Oct. 19, 1919	4,000,000
Poland	July 18, 1924	954,000
Switzerland (13 cantons)		325,000
Total number insured		37,942,000

GREAT BRITAIN

The British system of unemployment insurance was instituted in 1911. At first is covered only six industries which had a high rate of unemployment. During the war the system was extended to the munitions industry, and in 1920 it was extended to practically the entire industrial population.

GERMANY

After almost 10 years of experience with unemployment relief following the war, Germany enacted an unemployment-insurance system in 1927 covering approximately 18,000,000 workers. Almost immediately thereafter unemployment began to increase so that the fund rapidly fell into debt. Benefits had to be restricted in 1932. The benefit rates were reduced and benefits were shortened to a duration of 20 weeks, with a needs test after 6 weeks of benefits. Since then the benefit rates have been slightly raised and the system extended to several new classes of workers.

THE HISTORY OF UNEMPLOYMENT COMPENSATION LAWS IN THE UNITED STATES

In 1932 Wisconsin passed an unemployment compensation law which is based on the individual reserve system and not on a State-wide pool.

It is widely contended by authorities that the Wisconsin plan is designed primarily for the purpose of stabilizing employment and not for the purpose of making the worker secure against the financial hazard of unemployment. It is clear that the Wisconsin plan is not unemployment insurance. Insurance is based upon the distribution of risks and the pooling of reserves, a principle which is not employed in the so-called "Wisconsin plan." It is my belief that the system employed in the unemployment compensation law passed in Wisconsin is not a good one, in that it fails to give reasonable security to workers, and it is my fond hope that it will not be followed in other States.

I believe that the State-wide-pool fund is far superior in every respect to the Wisconsin plan. Unemployment insurance should be a State-wide pool system. It should contain a credit rate so that employers who are able to stabilize their employment should enjoy cheaper rates than employers whose employment is not stabilized and who contribute a very large part of the unemployment.

In the course of this year the States of New York, of Washington, of Utah, and of New Hampshire have already passed unemployment insurance laws. In a number of other States laws are now pending for the enactment of unemployment compensation.

THE DEMOCRATIC PLATFORM OF 1932 PLEDGED THE ENACTMENT OF UNEMPLOYMENT INSURANCE LAWS

In the Democratic platform of 1932 we find a pledge for the enactment of unemployment compensation laws in the States of the Union. That pledge is as follows:

We advocate unemployment and old-age insurance under State laws.

In two messages President Franklin D. Roosevelt asked the Congress to pass a Federal social-security law to carry out that pledge, and he appointed the Committee on Economic Security for the purpose of carrying on such studies and making such recommendations as would be necessary to give social security to the people of the United States. This Committee on Economic Security presented a report to the President, which was submitted to Congress, and which is the basis of the Federal social security bill as well as the various bills which have been passed or proposed in the States.

A TRIBUTE TO THE COMMITTEE ON ECONOMIC SECURITY

I want to pause for a moment to pay tribute to the President's Committee on Economic Security. It has performed its duties admirably well. Its report and the other studies and tables which it submitted to the Congress are well considered, carefully thought out, and logically constructed documents. While the efforts of the Committee on Economic Security have been but little noticed by the American people, I want to state emphatically that without the efforts and the painstaking labor of the Committee on Economic Security it would have been impossible to formulate, at this time, the Federal social-security bill and the various State bills.

I want to pay particular tribute to Dr. Edwin E. Witte, executive director of the Committee on Economic Security. Dr. Witte is an outstanding social economist. He has guided, directed, and supervised the Committee on Economic Security with great skill and devotion. He has labored day and night in order to formulate a program of social security which the Congress of the United States and the various State legislatures would be willing to pass. He and his splendid coworkers have collected and presented in an illuminating way the great amount of historical, statistical, and other material bearing upon social security.

I also want to pay a high tribute to Dr. Merrill G. Murray, an associate consultant of the Committee on Economic Security. Dr. Murray collaborated in drafting H. R. 5534, which I introduced, the first unemployment law for the

District of Columbia. His assistance was of immeasurable benefit in redrafting the bill and to put it in the form in which it is now before you, H. R. 7167.

Dr. Murray also aided in the preparation of the report on this bill; a report which contains valuable data and which deserves to be widely studied.

I say without hesitation that without the continuous services of Dr. Murray this bill could not have been what it is. The citizens of the District of Columbia, the Committee on the District of Columbia, its subcommittee on fiscal affairs, and particularly I, myself, the chairman of that subcommittee, owe a deep debt of gratitude to Mr. Murray for his invaluable aid in presenting a satisfactory unemployment compensation law for the District of Columbia and for the devotion and love which he has brought to that work.

PROVISIONS OF THE BILL

Under this bill, Mr. Speaker, an unemployment compensation system will be established covering all employees of private establishments in the District of Columbia which employs four persons for at least 13 weeks in a year. Federal employees are exempted and also employees of the District of Columbia who are employed on an annual salary basis, including officers and teachers. Workers employed by the District of Columbia on a per diem basis are included.

The funds for unemployment compensation will be raised through contributions of employers and of the District. Employers will be required to contribute an amount equal to 3 percent of their pay roll, and the District will contribute an amount equal to 1 percent of the contribution of the employers. Contributions will commence January 1, 1936. Benefits for total unemployment will be paid at the rate of 40 percent of former wages plus 10 percent for a dependent spouse and 5 percent for each other dependent, except that not more than 65 percent of the wage, or $15 per week, will be paid. If an employee becomes partially unemployed and fails to earn at least $2 more than the benefits he would receive if wholly unemployed, he will be paid the difference in partial benefits. For example, if a married man with no dependents other than his wife has been earning $20 per week, he would be entitled to 50 percent of his wages in benefits, or $10 a week, if wholly unemployed. If partially unemployed, his earnings must fall below $12 per week before he can draw any benefits. If his earnings fell to $10 per week, he would be entitled to $2 in partial benefits; if his earnings fell to $8 per week, he would be entitled to $4 in partial benefits per week.

An employee will be limited to 1 week of benefits for each 4 weeks of employment in the preceding 3 years up to a maximum of 26 weeks of benefits in a year. In addition, if he has been steadily employed without drawing benefits for more than 2 years, he will be eligible for an additional week of benefits for each 20 weeks of employment in the third, fourth, fifth, and sixth years preceding his unemployment, so that if he has been steadily employed for 6 years he can receive approximately 11 additional weeks of benefits.

In order to be eligible for benefits an employee must have worked at least 13 weeks in the preceding year, must be able to work and available for work, must have served a waiting period of 3 weeks of unemployment before benefits commence, and must not be engaged in a strike or jurisdictional labor dispute. If he voluntarily quit without good cause or was discharged for misconduct, he will be disqualified from benefits for from 1 to 6 weeks. If he refuses to accept suitable employment offered him, he will be disqualified from benefits for 4 weeks. Provision is made for a fair hearing of claims for benefits. If an employee is denied benefits he may appeal to a local committee with employer and employee representatives sitting on it and, finally, to the administrative board. He will have access to the courts on points of law.

The act would be administered by the Social Security Board appointed by the President to administer the Federal act (H. R. 7260). However, a commission of three members, representing employers, employees, and the public, and appointed by the Commissioners of the District of Columbia, must be consulted by the Board before it selects a director, makes regulations, or determines policies. This commission will also have authority to study the operation of the act and make recommendations for changes in the law, which must be submitted to the Congress by the Social Security Board. Claims for benefits will be filed and paid through the public employment offices in the District.

The Board is authorized to enter into arrangements with the surrounding States whereby employees moving from the District can carry their benefit rights with them to the unemployment compensation fund of another State and vice versa.

The bill authorizes an appropriation of $750,000 for the contributions of the District during the fiscal year ending 1936 and directs the Commissioners of the District to submit annual estimates as to needed future appropriations.

Since unemployment, particularly in a period of depression, is to a very considerable extent due to change of economic conditions and not to individual employers, and since unemployment benefits will materially reduce the relief burden on the community, it is considered socially and economically desirable that part of the cost of unemployment benefits should be levied on the entire community through taxation.

Society is in a large way responsible for the cycles of prosperity and depression, and therefore society should certainly bear a part of the costs of unemployment compensation.

It is contended, in some quarters, that the entire amount necessary for the payment of unemployment compensation benefits should be raised through graduated income and inheritance taxes, respectively. There is considerable force and logic in that argument. This bill, which provides for the payment of the costs of unemployment insurance, by the District of Columbia, by general taxation to the extent of 25 percent of the entire cost, meets that argument to a limited extent.

THE CASE AGAINST EMPLOYEE CONTRIBUTION

Some of the employers who appeared at the hearings on this bill endorsed the bill and the principle of the contribution from the District of Columbia, but also argued in favor of additional contributions from employees.

The arguments in favor of employee contribution are fallacious. In fact, I am convinced that to exact employee contribution, in a time of a general and deep depression, for the purpose of building up reserves to pay unemployment compensation benefits at a later date, would be nothing short of economic folly, and a blunder of the first magnitude. Employees should not be required to contribute to the unemployment reserves to be built up under this bill for the following reasons:

First. In a time of a far-reaching depression, such as we are now having, we should do everything within our power to encourage consumption and to discourage the building up of unused capital reserves. Employees covered by provisions of unemployment-compensation laws spend all, or practically all, of their wages and salaries for the purchase of the necessities of life. If we were to exact contributions from them we would to that extent reduce their purchasing power and therefore reduce consumption. Their contributions would be paid into unemployment-insurance reserves, which under the terms of the Federal law could not be touched for 2 years. (Under the terms of the District law payment of benefits start in 1 year.) These unemployment-insurance reserves, therefore, could not be used or paid out for consumption for a period of at least 2 years.

To exact employee contributions, therefore, means the transfer of funds currently used for consumption, into reserves which are to remain unused and unexpended for at least 2 years. Thus, it must be clear to everyone who has given this problem any thought, that to exact employee contribution would be to reduce current purchasing power and current consumption to the extent of such employee contributions.

If employees' contributions at the rate of 1 percent of wages were generally exacted in all the 48 States, they would

amount to approximately $250,000,000 a year, or $500,000,000 in 2 years, before the payment of unemployment compensation benefits could begin in the various States under the provisions of the Federal bill.

We would therefore take $500,000,000 out of the current purchasing power and put it into unused reserves. This would clearly be deflationary and would tend to deepen the depression, instead of bringing about recovery.

It would be distinctly contrary to the policy of public works and spending of the Roosevelt administration to the extent of $250,000,000 a year or $500,000,000 for the next 2 years. It would nullify a similar amount of money spent under the public-works program.

It would be folly for this administration to try and prime the pump by the expenditure of public-works funds and to cut down current purchasing power and current consumption by the collection of employee contribution toward unemployment-insurance funds.

Second. Unemployment contributions are a logical part of the cost of production and therefore should be paid by the employer like other costs of production.

(a) The employer must pay interest charges on the bonded indebtedness, whether his plant is working or not. His overhead costs continue, regardless of the rate of operation. He calculates interest on machinery as a part of the cost of production, regardless of whether the machinery is idle or working. The cost of keeping the unemployed should be at least on the same level as the cost of amortizing costs of machinery.

(b) Unemployment compensation is on the same level as workmen's compensation, which was bitterly opposed when it was first proposed and is in some quarters still being opposed. Workmen's compensation is now universally deemed to be a part of the cost of production and so should be unemployment compensation.

Third. Without requiring a definite contribution the employee in fact contributes much more than the employer in the following ways:

(a) He contributes as a consumer in purchasing goods carrying higher prices, since the employer will in most cases pass on his contribution in higher prices of his products.

(c) When he is unemployed and receives compensation benefits, if he is a single man, he only gets 40 percent of his wages, and he thereby contributes 60 percent of his wages. If he is a married man with three children, he receives 65 percent of his wages, and therefore he still contributes 35 percent of his wages.

(d) After the period during which he is entitled to unemployment-compensation benefits he receives no unemployment-compensation benefits at all, and therefore contributes the entire amount of his wages or salary.

THE STANDARD OF BENEFITS

Benefits may be paid at a flat rate with the design of maintaining the worker at a subsistence level, or benefits may be paid as a percentage of his normal earnings so that he may, to some extent, be able to maintain his former standard of living. This bill is a compromise between these alternatives. Benefits are based on normal earnings but at a very low rate for the single man, which may be supplemented if an employee is married or has dependents.

MERIT RATING OF EMPLOYER CONTRIBUTIONS

The representatives of employers appearing at the hearings on this bill all argued for varying the rates of contribution by employers in relation to the degree that they stabilize their employment. I believe that an unemployment-compensation bill should provide not only for the payment of unemployment compensation to the jobless, but it should also endeavor to bring about stabilization of employment as far as it is possible. I believe that we must find a way to give a definite financial incentive to the employer to stabilize employment so as to reduce seasonal and other unemployment. The problem is how to reward the employer for giving steady employment and at the same time to protect adequately the workers in firms that did not give regular employment.

An extreme form of rewarding the employer for giving steady employment is embodied in the Wisconsin unemployment-reserves law. This law allows each employer to have a separate reserve account out of which benefits are paid only to his own former employees. This account may be kept in the State fund, or an employer may have his own trust fund or merely maintain a bookkeeping reserve. When an employer's reserve reaches an average of $50 per employee, his contribution may be reduced; and when it reaches an average of $75 per employee, the contribution may entirely cease. If the employer is compelled to shut down his factory entirely, the reserve would be wholly inadequate to pay the benefits promised to his employees. Furthermore, if he only maintains a bookkeeping reserve and becomes bankrupt, his employees will receive little or nothing in benefits.

I believe that the Wisconsin plan is unsound and that the principle of pooling the risks of unemployment throughout the States or in this case the District of Columbia is far superior and should be retained, so as to make a genuine insurance measure. Since unemployment is largely an economic problem beyond the control of the individual employer, and since the policies of one industry often cause unemployment in another, it was considered that to a considerable extent the employers should be required to share one another's burden. Recognizing, however, that unemployment is also due to the policies of the individual employer and that to some extent he can stabilize his employment, the bill provides for a variation in contributions within certain limits.

The Federal bill as it passed the House makes a tax of 3 percent mandatory, and, therefore, we could not reduce the contribution from the employers under 3 percent of his pay roll as we had intended to do and as H. R. 7167 originally provided for. But in order to provide an incentive for the employer to stabilize his employment, as much as possible, or if you prefer to call it "impose a penalty on the employer who fails to stabilize his employment conditions", the bill provides that an employer who has a higher rate of unemployment than the average unemployment should pay a higher tax rate, viz, up to 5 percent of his payroll.

PREVENTIVES OF MALINGERING

One of the fears voiced by opponents to unemployment insurance is that it will encourage malingering so that workers will prefer to draw benefits instead of working. The experience in foreign countries belies this fear, however; repeatedly, investigations of charges that there was malingering have resulted in producing little evidence of it.

It is probable that some persons will abuse unemployment compensation, just as they now abuse fire or accident insurance. The bill, however, establishes many safeguards against any misuse of unemployment benefits. In the first place, the rate of benefits provided is so modest that few persons would prefer the benefits to the much higher amounts they could earn through employment.

More specifically, the bill requires each person receiving benefits to register regularly at a public employment office and to apply for and accept any suitable employment offered him. Although, during times of unemployment, the employment office will be unable to offer jobs to all recipients of benefits, it will have sufficient jobs at its command to offer to those whom it suspects are work shy. The worker will also be ineligible for benefits for a number of weeks if he quits without good cause or is discharged for cause.

WHEN SHOULD THE SYSTEM START?

Because of the large increase in the number of Federal employees, the District of Columbia is in a much more prosperous condition than other parts of the country. The employers in the District can well afford to have the system go into full operation by the first of next year. I believe that the gradual stepping up of the tax from 1 to 3 percent, as proposed in the social-security bill, is not necessary for the District, because of its favorable economic condition, and that a tax of 3 percent should be levied in the District. The bill so provides.

ACTUARIAL BASIS FOR THE BILL

With the exception of the State of Wisconsin, no State has had actual experience with unemployment compensation in this country, and the Wisconsin act has been in effect too short a time to yield any actuarial experience. In lieu of such experience, it is necessary to estimate the benefits which could be paid in the District of Columbia in the future under the provisions of the bill. The best method of arriving at such an estimate of possible future benefits would be to assume that an unemployment-insurance plan, on the order of that proposed in the bill, had been in effect in the District for a period of years, construct estimated experience tables for such a plan, and then study the behavior of such hypothetical experience as a guide to the future. Unfortunately, the dearth of statistics for the District of Columbia pertinent to the unemployment problem makes such calculations for the District very difficult. The only recourse when District statistics are wholly inadequate is to estimate behavior in the District in terms of United States figures. Such estimates have been worked out by the actuarial staff of the Committee on Economic Security and have been adjusted as well as may be to the particular situation in the District of Columbia.

The District unemployment-compensation bill provides that 1 year elapse between the initiation of collections of contributions and the initial payment of the benefits. Employment records will, of course, have to be instituted for administrative purposes when the plan goes into effect, and these records will furnish some data which should be analyzed before benefit payments get under way, since the estimates presented herein are of dubious value due to the present paucity of statistics pertinent to unemployment compensation. Such an analysis would probably indicate that corrections should be made in the estimates included herein.

EMPLOYMENT AND UNEMPLOYMENT STATISTICS

In constructing statistics for the use of the District, a survey of all available statistics on unemployment and employment has been made. Virtually no data on unemployment for the District is available except those in the United States Census of Unemployment of April 1930.

The compilation of employment statistics prior to 1930 was very limited. No indexes of general employment are known for these years.

During the last 4 or 5 years more complete and reliable employment statistics have been gathered. The United States Bureau of Labor Statistics has been compiling national employment indexes, month by month, since 1929, for the following industrial groups: Manufacturing, wholesale trade, retail trade, mining, transportation, telephone and telegraph, light and power, and hotels. In 1933 the scope of the field covered was enlarged by the addition of real estate, banking, insurance, and canning and preserving industries. Since 1932 these indexes have been broken down by political divisions resulting in the first monthly indicators of employment for the District of Columbia.

Utilizing the Bureau of Labor Statistics indexes, the United States Censuses of Occupation and Unemployment of April 1930, the actuarial staff of the Committee on Economic Security made estimates of yearly average employment and unemployment for the District for each year, 1930 through 1933, the results of which are shown in table VI.

TABLE VI.—*Estimated average, nonagricultural employment and unemployment in the District of Columbia, 1930–33*

Year	Gainful workers	Employed workers	Unemployed workers	
			Number	Percent of gainful workers
1930	243,000	229,000	14,000	5.8
1931	245,000	214,000	31,000	12.7
1932	246,000	199,000	47,000	19.1
1933	247,000	210,000	37,000	15.0

The dependability of these estimates is subject to question, at least for part of the period, because of the inadequacy of the data upon which they were based, and also because of the unrefined statistical methods by which they were treated due to the limited time available for study. Several checks with other information indicate, however, that these estimates are at least fair approximations of what probably existed. They, therefore, may be used as a guide in the absence of better data.

COVERAGE

The coverage of the District of Columbia unemployment-insurance bill includes all gainful workers employed in private establishments having four or more employees. This excludes the self-employed—independent hand tradesmen, professional people, owners, proprietors, and operators; employees engaged in public service; and employees working in establishments having three or less employees. The latter exclusion results in a virtual elimination of all employees in professional and domestic service.

A rough approximation of the number of gainful workers who would have been covered in April 1930 by a plan of this sort had one been in operation for some years in the District is 98,000.

This figure indicates the total number of workers (the employed plus the unemployed) who would have come within the scope of the plan at that date. If adjusted to account for natural growth of the working population, it would approximate the maximum number of gainful workers who could be covered by the plan in the District of Columbia at any time. This indicates that the District of Columbia would have had a maximum of about 40 percent of its working population covered. It should be borne in mind, however, that the groups included in that coverage are those which suffer the largest burden of unemployment. For the United States as a whole, three-fourths of all unemployment is estimated to occur within the group which would be covered by the plan, although that group represents only one-half of the working population.

The number of workers who would be covered if a plan were initiated now in the District of Columbia is approximately 80,000. A plan initiated now would, of course, exclude from immediate participation the vast number of unemployed, many of whom will eventually be covered through reemployment in employments that would be covered by the plan until the maximum of 98,000 might be reached. The speed with which this may happen depends largely upon the swiftness with which recovery takes place.

INCOME THROUGH CONTRIBUTIONS

The funds for the District of Columbia unemployment-insurance-system bill are to be raised by a 4-percent contribution based upon the pay rolls of those employed in the covered employments.

The total income that would have been collected in 1930 by such a levy within the District had a plan been in operation for some time is approximately $4,400,000. Because of the lack of data, estimates for other years could not be obtained. The income in 1930 is probably a fair guide, however, since 1930 was an average year characterized by neither prosperous nor extremely depressed business conditions.

The income under the plan will vary year by year according to fluctuations in the number of covered persons employed as well as in the pay received by them. Both factors will have an important bearing on the total amount raised. Tracing the estimated income through the years 1922–33 for the United States as a whole, a peak in yearly amounts collected appeared in 1929 which was about 80 percent greater than the low reached in 1933. Since low rates of pay tend to go hand in hand with high rates of unemployment, the years when incomes raised are smallest will also be the years when the number of unemployed eligible for benefits will be the greatest. And, unless reserves had accrued during less adverse times to meet depression emergencies, drastic measures would then have to be taken to maintain the system on a solvent basis.

BENEFITS

The scarcity of data on employment and unemployment statistics in the District of Columbia makes it impossible to accurately calculate the extent of benefits which can be allowed within it. Estimates for the United States as a whole have been utilized and such estimates have been roughly adjusted for the District of Columbia according to the variation in their unemployment experience from the average in the United States.

The bill proposes (1) a rate of weekly benefits of 40 percent of full-time wages, an additional 10 percent for a dependent spouse, and 5 percent for each dependent relative, not to exceed a $15 maximum; (2) compensation of partial unemployment only to the extent that an employee's wages and benefits combined will not exceed by more than $2 the weekly benefit to which he would be entitled if totally unemployed; (3) a ratio of 1 week of benefits to every 4 weeks of employment; (4) certain disqualifications or penalties for unemployment caused by strikes, voluntary quitting, or discharge for misconduct; and other minor provisions all of which affect the maximum number of weekly benefits that may be paid in any year to an unemployed worker. Even if the above provisions are not changed the maximum duration of benefits that may be provided is still contingent on what decision is reached as to (1) the contribution rate imposed and (2) the length of waiting period required.

EFFECT OF THE CONTRIBUTION RATE ON DURATION OF BENEFITS

With a 3-week waiting period, a 3-percent contribution would roughly have permitted the payment of 16 weeks of benefit for the District of Columbia, a 4-percent contribution rate would have increased the duration of benefits to about 24 weeks, and a 5-percent contribution would have made the payment of about 40 weeks of benefits possible based on estimated experience through the years 1922–30. Thus the increase in the length of benefits is greater in proportion than the increase in the contribution rate. This is explained by the distribution of the unemployed according to the duration of their unemployment taken from surveys or censuses of unemployment, which show that a larger proportion of the idle are unemployed for short periods of time than are unemployed for long periods. For example, on the basis of records of about 5,000,000 unemployed, 21 percent were unemployed 4 weeks or less, 13 percent were unemployed 5 to 8 weeks, while only 5 percent were unemployed from 17 to 20 weeks.

Therefore, as the duration of benefits is increased, each additional week added will require a proportionately smaller addition to the rate of contributions necessary to finance the benefits.

As a result, an additional 1- or 2-percent contribution will make possible an extension of benefits to a duration that will more adequately protect the unemployed against long periods of unemployment. The estimated effect of a higher rate of contributions on the maximum duration of benefits that the District of Columbia can pay—with other variable factors—is shown later in table VII.

EFFECT OF THE WAITING PERIOD ON DURATION OF BENEFITS

As previously stated, the cost of compensating the earlier weeks of unemployment is greater than compensating the later weeks. It follows, therefore, that the length of the waiting period has a considerable effect upon the duration for which benefits can be paid. According to actuarial estimates for the United States as a whole, a change of 1 week either way from a 3-week waiting period would result in a corresponding change of from 1 to 5 weeks in the length of benefits permissible.

The estimated effect of different lengths of waiting period on the maximum duration of benefits that can be paid in the District of Columbia—with other variable factors—is given in table VII.

TABLE VII.—*Estimated maximum number of weeks of benefit possible in the District of Columbia*

[Based on the standards of the District of Columbia unemployment-insurance bill]

Rate of contribution	Waiting period (in weeks)	Estimated maximum duration of benefits
3 percent	2	14
Do	3	16
Do	4	17
4 percent	2	21
Do	3	24
Do	4	27
5 percent	2	35
Do	3	40
Do	4	43

This bill has been carefully considered and we believe is well constructed. We hope that it will exercise a profound influence upon the type and character of unemployment compensation laws which will be passed in the States. The fact that this bill will be passed by the Congress—a National Legislature which has Representatives from every part of the United States—should give to the bill a unique position among the State unemployment compensation laws.

We hope that this bill will be passed by the Congress in substantially the same form in which it now is and that it will serve as a model to every State of the Union. For sincerely we believe that its passage in this liberal form will bring honor and distinction to the Congress of the United States.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill as follows:

Be it enacted, etc.,

SHORT TITLE

SECTION 1. This act shall be known and may be cited as the "District of Columbia Unemployment Compensation Law."

DECLARATION OF PUBLIC POLICY OF THE DISTRICT

SEC. 2. As a guide to the interpretation and application of this act, the public policy of the District of Columbia is declared to be as follows: Economic insecurity due to unemployment is a serious menace to the health, morals, and welfare of the people of the District of Columbia. Involuntary unemployment is, therefore, a subject of general interest and concern which requires appropriate action by the Congress to prevent its spread and to lighten its burden, which now so often falls with crushing force upon the unemployed worker and his family. Social security requires protection against this greatest hazard of our economic life. This can be provided only by application of the insurance principle of sharing the risks, and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment, thus limiting the serious social consequences of poor relief assistance. The Congress, therefore, declares that in its considered judgment, the public good, and the general welfare of the employees in the District of Columbia, require the enactment of this measure for the compulsory payment of contributions as unemployment reserves to be used for the benefit of persons unemployed through no fault of their own.

DEFINITIONS

SEC. 3. The following words and phrases, as used in this act, shall have the following meanings unless the context clearly requires otherwise:

(1) "Benefit" means the money payable to an employee as compensation for his wage losses due to unemployment as provided in this act.

(2) "Board" means the Social Security Board established by act of Congress or its authorized representative.

(3) "Contributions" means the money payments to the District of Columbia Unemployment Compensation Account required by this act.

(4) "District" means the District of Columbia.

(5) "Eligibility." An employee shall be deemed "eligible" for benefits for any given week of his partial or total unemployment, occurring subsequent to any required waiting period, only when he is not disqualified by any provision of this act from receiving benefits for such week of unemployment.

(6) "Employee" means any person employed by an employer subject to this act and in employment subject to this act.

(7) "Employer" means any person, partnership, association, joint-stock company, corporation, whether domestic or foreign, or the legal representative, trustee in bankruptcy, receiver, or trustee thereof, or the legal representative of a deceased person, including the District, but excluding the Federal Government and Members of Congress, who or whose agent or predecessor in interest has employed at least four persons in employment subject to this act within each of 13 or more calendar weeks in the year 1935 or any subsequent calendar year: *Provided*, That such employment in 1935 shall make an employer subject on January 1, 1936, and such employment in any subsequent calendar year shall make a newly subject employer subject for all purposes as of January 1, of the calendar year in which such employment occurs. In determining whether an employer of any person within the District employs enough persons to be an "employer" subject hereto, and in determining for what contributions he is liable hereunder, he shall, whenever he contracts with any contractor or subcontractor for any work which is part of his usual trade, occupation, profession, or business, be deemed to employ all persons employed by such contractor or subcontractor on such work, and he alone shall be liable for the contributions measured by wages paid to such persons for such work; except as any such contractor or subcontractor, who would in the absence of the foregoing provisions be liable to pay said contributions, accepts exclusive liability for said contributions under an agreement with such employer made pursuant to general Board rules. All persons thus employed by an employer of any person within the District, in all of his several places of employment maintained within the District, shall be treated as employed by a single "employer" for the purposes of this Act: *Provided, however*, That where any person, partnership, association, joint-stock company, corporation, whether domestic or foreign, or the

legal representative, trustee in bankruptcy, receiver, or trustee thereof, or the legal representative of a deceased person, either directly or through a holding company or otherwise, has a majority control or ownership of otherwise separate business enterprises employing persons within the District, all such enterprises shall be treated as a single "employer" for the purposes of this act. Any employer subject to this act shall cease to be subject hereto only upon a written application by him and after a finding by the Board that he has not within any calendar week within the last completed calendar year employed four or more persons in employment subject hereto. Any employer of any person within the District not otherwise subject to this act shall become fully subject hereto, upon filing by such employer with the Board of his election to become fully subject hereto for not less than 3 calendar years, subject to written approval of such election by the Board.

(8) "Employment" means any employment in which all or the greater part of the person's work within the United States and its territories and possessions is or was customarily performed within the District, under any contract of hire, oral or written, express or implied, whether such person was hired and paid directly by the employer or through any other person eemployed by the employer, provided the employer had actual or constructive knowledge of such contract. Such employment shall include the person's entire employment within the United States and its territories and possessions. In the case of all other persons employed partly in the District and partly in the United States or its territories and possessions the term "employment" shall include the employment of such persons to the extent prescribed by general rules adopted by the Board. Except as provided in any reciprocal benefit arrangement made pursuant to this act, employment shall include employment in interstate commerce until such employment is included in another unemployment compensation system established by an act of Congress.

Nor shall the term "employment" apply to—

(a) Employment as an elected or appointed public officer;

(b) Employment by the District on an annual salary basis;

(c) Employment as a teacher in a public school.

(9) "Employment office" means such free public employment office or branch thereof in the District, operated by the United States Employment Service, as may be designated by the Board.

(10) An employee's "full-time weekly wage" means the weekly earnings such employee would average from his employment if employed at the "hourly rate of earnings" and for the "full-time weekly hours" applicable to such employee.

(a) The applicable "hourly rate of earnings" shall be determined by averaging the employee's actual earnings for at least 100 hours of employment by his most recent employers.

(b) An employee's "full-time weekly hours" shall mean the standard maximum weekly hours which can lawfully be worked by the employee under law or the applicable code of fair competition. Where there is no code or law applicable, the Board shall determine the employee's full-time weekly hours by averaging his weekly hours for all calendar weeks in at least the past 3 months in which he worked 30 hours or more, or by such equitable method as the Board may by general rule prescribe for determining a full-time standard of not less than 30 weekly hours for benefit purposes. In the case of any employee who is found by the Board, at the time he becomes eligible for benefits, to have worked regularly half or less than half the full-time weekly hours which prevail in such establishment for full-time employees, the Board shall determine his full-time weekly hours for benefit purposes by averaging his weekly hours for all weeks in at least the past 3 months in which he worked.

(11) "Account" means the District of Columbia unemployment compensation account established by this act, to which all contributions and from which all benefits required under this act shall be paid.

(12) "Partial unemployment." An employee shall be deemed "partially unemployed" in any calendar week of partial work if he fails to earn in wages and/or any other pay for personal services, including net earnings from self-employment for such week at least $2 more than the amount of weekly benefits for total unemployment he might receive if totally unemployed and eligible.

(13) "Pay roll" means the total amount of all wages received by or due to the employees of an employer, commencing with wages payable for employment occurring after the employer becomes newly subject to this act.

(14) "Total unemployment." An employee shall be deemed "totally unemployed" in any calendar week in which he performs no wage-earning services whatsoever, and for which he earns no wages and no other pay for personal services, including net earnings from self-employment, and in which he cannot reasonably return to any self-employment in which he has customarily been engaged.

(15) "Unemployment administration account" means the District of Columbia unemployment compensation administration account established by this act.

(16) "Wages" means every form of remuneration for employment received by a person from his employer, whether paid directly or indirectly by the employer, including salaries, commissions, bonuses, and the reasonable money value of board, rent, housing, lodging, payments in kind, and similar advantages. Whenever gratuities are received by the employee in the course of his employment from a person other than his employer, the customary value of such gratuities shall be determined by the Board and be deemed and included as part of his wages received from his employer.

(17) "Waiting-period unit" means a period for which no benefits are payable but during which the employee is in all other respects eligible, consisting of either 1 week of total unemployment or 2 weeks of partial unemployment, required as a condition precedent to the receipt of benefits for subsequent unemployment, as prescribed in this act.

(18) "Week" means calendar week.

(19) "Week of employment" means each calendar week, occurring after contributions first become generally due under this act, within which the person in question performed any employment subject to this act for any employer subject to this act: *Provided, however,* That any week occurring within the customary school vacation periods in which an employer employed an employee who attended a school, college, or university in the last preceding school term, and returns to school, college, or university at the end of such vacation period shall not be counted as a "week of employment" in determining the benefit rights of such employee under this act.

(20) "Dependent relative" means a child under 16 years of age, a mother or stepmother, a father or stepfather, a brother or sister who, because of age or physical disability, is unable to work and is wholly or mainly supported by the employee.

UNEMPLOYMENT COMPENSATION ACCOUNT

SEC. 4. (1) Accounts: There is hereby created the District of Columbia unemployment compensation account in the Treasury of the United States.

(2) Deposit: All contributions paid under this act shall, upon collection, be credited to the account and deposited in the unemployment trust fund created by the Social Security Act. The Secretary of the Treasury shall from time to time cause to be transferred from the unemployment trust fund to the account such amounts as are necessary for the payment of benefits.

(3) Method of paying benefits: The Board shall from time to time certify to the Secretary of the Treasury the name and address of each person entitled to receive a payment of benefits under this act, the amount of such payment, the time, and public employment office or branch thereof at which it should be made, and the Secretary of the Treasury through the Division of Disbursement of the Treasury Department, and prior to audit and settlement by the General Accounting Office, shall make payment in accordance with the certification by the Board.

CONTRIBUTIONS

SEC. 5. (1) Payments: On and after the 1st day of January 1936, contributions shall accrue and become payable by each employer then subject to this act and by the District. Thereafter contributions shall accrue and become payable by any new employer on and after the date on which he becomes newly subject to this act. The contributions required hereunder shall be paid by each employer except the District to the Treasury of the United States in such manner and at such times as the Secretary of the Treasury may prescribe. The contributions of the District shall be transferred from time to time from the funds of the District appropriated for this purpose and placed to the credit of the account.

(2) Rate of contributions: The contributions regularly payable by each employer shall be an amount equal to 3 percent of his pay roll, except as provided in subsection (3).

(3) Future rates, based on benefit experience: Based on the actual contribution and benefit experience of employers under this act, the Board shall, for the year 1940 and in each calendar year thereafter, classify employers in accordance with said experience, and shall determine for each employer the rate of contributions which shall apply to him throughout the calendar year, pursuant to said experience and classification. The contributions thus payable to the fund shall in no case amount to less than 1½ percent nor more than 5 percent on the employer's pay roll, and the average contribution rate of all employers shall be approximately 3 percent of all pay rolls for any calendar year. An employer's contribution rate shall in no case be reduced or increased until there have been at least 3 calendar years throughout which his employees received or could have received benefits when and if unemployed and eligible. The Board shall investigate and classify industries, employers, and/or occupations with respect to the degree of unemployment hazard in each, taking due account of any relevant and measurable factors, and shall have power to apply such form of classification or rating system which in its judgment is best calculated to rate individually the unemployment risk most equitably for each employer or group of employers and to encourage the stabilization of employment. The general basis of classification proposed to be used for any calendar year shall be subject to discussion, adoption, and publication in the manner prescribed in this act for all general Board rules.

(4) Contribution by District of Columbia: The District of Columbia shall regularly contribute, in addition to its contribution as an employer, an amount equal to 1 percent of the pay roll of all employers subject to this act.

BENEFITS

SEC. 6. (1) Payment of benefits: (a) After contributions have been due under this act for 1 year benefits shall become payable from the fund to any employee who thereafter is or becomes unemployed and eligible for benefits, based on his weeks of employment as defined in this act, and shall be paid through the employment offices at such times and in such manner as the Board may prescribe.

(b) Section 1003 (a) (2) of the Social Security Act is hereby amended to read as follows:

"(1) The first period with respect to which compensation may be payable shall begin, except in the District of Columbia, exactly 2 years after the first day of the first period with respect to which contributions are required."

(2) Weekly benefits for total unemployment: An employee totally unemployed and eligible in any week shall be paid benefits, computed to the nearest half-dollar, at the following rate: 40 percent of his full-time weekly wage, an additional 10 percent if he has a dependent spouse, and an additional 5 percent for each dependent relative who is a member of his household; but in no case shall his total benefits exceed $15 per week or 65 percent of his full-time weekly wage, whichever is the lower.

(3) Weekly benefits for partial unemployment: An employee partially unemployed and eligible in any week shall be paid sufficent benefits so that his week's wages and/or any other pay for personal services, including net earnings from self-employment and his benefits combined will be $2 more than the weekly benefit to which he would be entitled if totally unemployed in that week.

(4) One-to-four ratio of benefits to employment: The aggregate amount of benefits an employee may at any time receive shall be limited by the number of his past weeks of employment against which benefits have not yet been charged hereunder. Each employee's benefits shall be thus charged against his earliest weeks of employment in the 156 weeks preceding the close of his most recent week of employment. Each employee shall receive benefits in the ratio of one-quarter week of total unemployment benefits (or an equivalent amount, as determined by general Board rules, of benefits for partial unemployment or for partial and total unemployment combined) to each week of employment of such employee occurring within the 156 weeks preceding the close of the employee's most recent week of employment.

(5) Maximum weeks of benefit in any year: Benefits shall be paid each employee for the weeks during which he is totally or partially unemployed and eligible for benefits, based on his past weeks of employment as provided in subsection (4) and (6); but not more than 26 weeks of total unemployment benefits (or an equivalent total amount, as determined by Board rules, of benefits for partial unemployment or for partial and total unemployment combined) shall be paid any employee for his weeks of unemployment occurring within any 52 consecutive weeks, except as provided in subsection (6).

(6) Additional benefits (1-to-20 ratio): An eligible employee who has received the maximum benefits permitted under subsection (5) shall receive additional benefits in the ratio of 1 week of total unemployment benefit (or its equivalent) to each unit of 20 aggregate weeks of employment occurring within the 312 weeks preceding the close of the employee's most recent week of employment, and against which benefits have not already been charged under this act. Such additional benefits shall be charged against the employee's most recent weeks of employment available for this purpose.

BENEFIT ELIGIBILITY CONDITIONS

SEC. 7. (1) Employment requirement: An employee shall be deemed eligible for benefits for any given week of his unemployment only if he has accumulated 17 weeks of employment subject hereto within the 52 weeks immediately preceding the close of his most recent week of employment.

(2) Availability and registration for work: An employee shall not be eligible for benefits in any week of his partial or total unemployment unless in such week he is physically able to work and available for work, whenever duly called for work through the employment office. To prove such availability for work, every employee partially or totally unemployed shall file claim for benefits at the employment office, and shall register for work within such time limits and with such frequency and in such manner (in person or in writing) as the Board may by general rule prescribe. No employee shall be eligible for benefits for any week in which he fails without good cause to comply with such registration and filing requirements. A sufficient number of copies of the Board's rules covering such requirements shall be furnished by it to each employer, who shall post a copy of the same on the premises in a conspicuous and easily accessible place and who shall furnish a copy to each employee, when he becomes unemployed.

(3) Waiting period: Benefits shall be payable to an employee only for his weeks of unemployment occurring subsequent to a "waiting period" of three waiting-period units; such waiting-period units need not be continuous, but may be accumulated over the 52 weeks preceding the close of the employee's most recent week of employment.

There shall not be counted toward an employee's required waiting period or periods any week of total or partial unemployment in which he is ineligible for benefits under this section.

(4) During trade disputes: An employee shall not be eligible for benefits for any week in which his total or partial unemployment is directly due to a strike or jurisdictional labor dispute still in active progress in the establishment in which he is or was last employed.

(5) Voluntary leaving: An employee who has left his employment voluntarily without good cause shall be ineligible for benefits for the week in which such leaving occurred and for not exceeding the 3 next following weeks in the discretion of the Board; such weeks shall be charged, as if benefits for total unemployment had been paid therefor, against the employee's earliest weeks of employment against which benefits have not previously been charged hereunder.

(6) Discharge for misconduct: An employee who has been discharged for proved misconduct connected with his employment shall thereby become ineligible for benefits for the week in which such discharge occurred and for not less than the 1 nor more than the 6 next following weeks, in the discretion of the Board; the ineligible weeks thus determined shall be charged, as if benefits for total unemployment had been paid therefor, against the employee's earliest weeks of employment against which benefits have not previously been charged hereunder, and shall also be counted against his maximum weeks of benefit per year.

(7) Refusal of suitable employment: If an otherwise eligible employee fails, without good cause, either to apply for suitable employment when notified by the employment office, or to accept suitable employment when offered him, he shall thereby become ineligible for benefits for the week in which such failure occurred and for the three next following weeks; such weeks shall be charged, as if benefits for total unemployment had been paid therefor, against the employee's weeks of employment against which benefits have not previously been charged hereunder, and shall also be counted against his maximum weeks of benefit per year: *Provided, however,* That the period thus charged shall not exceed the period of actual unemployment.

"Suitable employment" shall mean any employment for which the employee in question is reasonably fitted, which is located within a reasonable distance of his residence or last employment, and which is not detrimental to his health, safety, or morals. No employment shall be deemed suitable, and benefits shall not be denied under this act to any otherwise eligible employee for refusing to accept new work under any of the following conditions: (a) If the position offered is vacant due directly to a strike, lockout, or other labor dispute; (b) if the wages, hours, and other conditions of the work offered are less favorable to the employee than those prevailing for similar work in the locality; (c) if acceptance of such employment would either require the employee to join a company union or resign from or refrain from joining any bona fide labor organization.

(8) Vocational education: An otherwise eligible employee, under 21 years of age, shall be ineligible for benefits in any week in which he fails without good cause to attend courses at a vocational or other school when it is so recommended by the manager of the employment office or the board and such courses are available at public expense. Any such week shall be charged, as if benefits had been paid therefor, against the employee's earliest weeks of employment against which benefits have not been charged hereunder, and shall also be counted against his maximum weeks of benefit per year.

SETTLEMENT OF BENEFIT CLAIMS

SEC. 8. (1) Filing: Benefit claims shall be filed at the employment office, pursuant to general Board rules.

(2) Initial determination: A deputy designated by the Board shall promptly determine whether or not the claim is valid and the amount of benefits apparently payable thereunder, and shall duly notify the employee and his most recent employer of such decision. Benefits shall be paid or denied accordingly, unless either party requests a hearing within 10 calendar days after such notification was delivered to him or was mailed to him at his last known address.

(3) Appeals: Unless such request for a hearing is withdrawn, the claim thus disputed shall be promptly decided, after affording both parties reasonable opportunity to be heard by such appeal tribunal as the Board may designate or establish for this purpose. The parties shall be duly notified of such tribunal's decision, which shall be deemed a final decision by the Board except in cases where the Board acts on its own motion, or, pursuant to general rules, initiates further appeal or review.

(4) Appeal tribunals: To hear and decide disputed claims the Board shall establish one or more appeal tribunals, consisting in each case of one full-time salaried examiner or Board member, who shall serve as chairman, and of two other members appointed by the Board, namely, an employer or representative of employers and an employee or representative of employees, who shall each be paid a fee of not more than $10 per day of active service on such tribunal and shall serve until replaced by the Board, except that no person shall hear any case in which he is an interested party. With the written consent of both parties, the chairman of such appeal tribunal may act for it at any session in the absence of one or both other members, provided they have had due notice of such session.

(5) Procedure: The manner in which claims shall be presented, the reports thereon required from the employee and from employers, and the conduct of hearings and appeals shall be governed by general Board rules, without regard to common law or statutory rules of evidence and other technical rules of procedure, for determining the rights of the parties. A full and complete record shall be kept of all proceedings in connection with a disputed claim. All testimony at any hearing shall be taken down by a stenographer, but need not be transcribed unless the disputed claim is further appealed.

(6) Board review: The Board shall have the power to transfer for hearing by the Board the proceedings on any claim pending before a deputy, appeal tribunal, or Board member; and may on its own motion, within 10 days after the date of any decision by a deputy, appeal tribunal, Board member, or by the Board as a body, affirm, reverse, change, or set aside any such decision on the basis of the evidence previously submitted in such case, or direct the taking of additional testimony.

(7) Appeal to courts: Except as thus provided, any decision shall, unless appealed pursuant to general Board rules, 10 days after the date of such decision, become the final decision of the Board, and all findings of fact made therein shall, in the absence of fraud, be conclusive; and such decision shall then be subject to judicial review solely on questions of law. Such judicial review shall be barred unless the party plaintiff has used and exhausted the remedies provided hereunder and has commenced action for judicial review within 30 days after notice of the final decision; notice of such action for judicial review shall be served upon the Board by the party taking such action.

(8) Oaths and witnesses: In the discharge of their duties under this section, any deputy, any member of an appeal tribunal, and any examiner, Board member, or duly authorized representative of the Board shall have power to administer oaths to persons appearing before them, take depositions, certify to official acts, and by subpenas (served in the manner in which subpenas of the Supreme Court of the District of Columbia are served) to compel attendance of witnesses and the production of books, papers, documents, and records necessary or convenient to be used by them in connection with any disputed claim. Witness fees and other expenses involved in proceedings under this section shall be paid to the extent necessary, at rates specified by general Board rules, from the unemployment administration fund.

COURT REVIEW

SEC. 9. Within 30 days after notice of a final decision, the employee or any other party affected may appeal questions of law involved in such decision to the Supreme Court of the District of Columbia. The Board may also, in its discretion, certify to such court questions of law involved in its decisions. Such appeals and the questions so certified shall be heard at the earliest possible date and shall have precedence over all other civil cases in such court except cases arising under the workmen's compensation law. An appeal may be taken from the decision of such court to the Court of Appeals of the District of Columbia in the same manner as is provided for other civil cases. It shall not be necessary to enter exceptions to the rulings of the Board, and no bond shall be required for entering an appeal. Upon final determination of an appeal the Board shall enter an order in accordance with such determination: *Provided, however,* That no appeal shall act as a supersedeas.

ADMINISTRATION

SEC. 10. (1) Duties and powers of Board: It shall be the duty of the Board to administer this act; and it shall have power and authority to adopt and enforce all reasonable rules and orders necessary or suitable to that end, and to employ any persons, make any expenditures, require any reports, and take any other action, within its means and consistent with the provisions of this act, necessary or suitable to that end. Annually, not later than the 1st day of February, the Board shall submit to the Congress and the Commissioners of the District of Columbia a report covering the administration and operation of this act during the preceding calendar year, and making such recommendations as the Board deems proper. Whenever the Board believes that a change in contribution and/or benefit rates will become necessary to protect the solvency of the fund, it shall at once make its recommendations to the Congress, if in session.

(2) General Board rules: General rules for the administration of this act shall be adopted by the Board after deliberation with the District Unemployment Insurance Commission (hereinafter created). Such general Board rules shall, upon adoption by a majority of the Board, be duly recorded in its minutes and be filed with the Secretary of State, and shall thereupon take legal effect. Such rules may be amended, altered, or repealed in the same manner as herein provided for their adoption.

(3) Publication: The Board may cause to be printed for distribution to the public this act, the Board's general rules, and its annual report.

(4) Personnel: The Board shall select, from lists submitted by the District Unemployment Insurance Commission (hereinafter created), a director to administer this act. The Board is authorized to appoint such officers, accountants, attorneys, experts, and other persons as are necessary for the administration of this act, and fix their salaries. The Board shall fix the duties and powers of all persons thus employed, and may authorize any such person to do any act or acts which could lawfully be done by a Member of the Board. The Board may, in its discretion, require bond from any of its employees.

(5) District Unemployment Insurance Commission: The Commissioners of the District shall appoint a commission of 3 members to be known as the "District Unemployment Insurance Commission", composed of 1 representative of the employers of the District, 1 representative of the employees of the District, and 1 representative of the District, who shall serve as the chairman. The members of the commission shall be residents of the District. The term of the members of the commission shall be for 1, 2, and 3 years, respectively, from the date of their appointment, and they shall serve until their successors are appointed. Thereafter their successors shall be appointed for a term of 3 years. The commission shall be provided by the Board with the necessary clerical and stenographic assistance. Such commission shall assist the Board in selecting a director to administer this act, in drafting rules for the administration of this act, and in formulating policies relating to its administration. It shall have authority to recommend to the Board such changes in the act as it deems necessary or desirable, which recommendations shall be transmitted by the Board to the Congress in the annual report to be filed by the Board. Each member of the commission shall be paid at the rate of $10 per day for each day of service.

(6) Employment stabilization: It shall be one of the purposes of this act to promote the regularization of employment in the District. The Board, with the advice and aid of the District Unemployment Insurance Commission, shall take all appropriate steps within its means to reduce and prevent unemployment; to encourage and assist in the adoption of practical methods of vocational training, retraining, and vocational guidance; to investigate, recommend, advise, and assist in the establishment and operation, by the District, of reserves for public works to be used in times of business depression and unemployment; to promote the reemployment of unemployed workers throughout the District in every other way that may be feasible; and to these ends to employ experts and to carry on and publish the results of investigations and research studies.

(7) Records and reports: Every person employing one or more persons in the District shall keep true and accurate employment records of all persons employed by him, and of the weekly hours worked for him by each, and of the weekly wages paid by him to each such person. Such records shall be open to inspection by the Board or its authorized representatives at any reasonable time and as often as may reasonably be necessary. The Board may require from any such person employing one or more persons in the District any reports covering persons employed by him, on employment, wages, hours, unemployment, and related matters, which the Board deems necessary to the effective administration of this act. Information thus obtained shall not be published or be open to public inspection in any manner revealing the employer's identity, and any Board employee guilty of violating this provision shall be subject to the penalties provided in this act.

(8) Representation in court: On request of the Board the United States District Attorney shall represent the Board in any court action relating to this act or to its administration and enforcement, except as special counsel may be designated by the Board.

RECIPROCAL BENEFIT ARRANGEMENTS WITH THE STATES

SEC. 11. The Board is hereby authorized to enter into reciprocal arrangements with the proper authorities, in the case of any other unemployment-compensation system established by any State law or by an act of Congress, as to persons who have, after acquiring rights to benefits under this act, come under such other system or after acquiring rights to benefits under such other system come under this act, whereby liability to pay benefits (or substantially equivalent benefits) shall be assumed by the fund of the unemployment-compensation system last applicable to such person. Such reciprocal arrangements shall be adopted and published by the Board in the same manner as its general rules.

PROTECTION OF RIGHTS AND BENEFITS

SEC. 12. (1) Waiver of rights void: No agreement by an employee to waive his right to benefit or any other right under this act shall be valid. No agreement by an employee or by employees to pay all or any portion of the contributions required under this act from employers shall be valid. No employer shall make, permit, or require any deduction from wages to finance the contributions required of him, or require any waiver by an employee of any right hereunder. Any employee claiming a violation of this section may have recourse to the method set up in this act for deciding benefit claims; and the Board shall have power to take any steps necessary or suitable to correct and prosecute any such violation.

(2) Limitation of fees: No employee shall be charged fees of any kind by the Board or its representatives, in any proceeding under this act. Any employee claiming benefits in any proceeding or court action may be represented by counsel or other duly authorized agent; but no such counsel or agents shall together charge or receive for such services more than 10 percent of the maximum benefits at issue in such proceeding or court action.

(3) No assignment or garnishment of benefits: No assignment of any benefits which are or may become due or payable under this act shall be legal or enforceable. Benefits when awarded, adjudged, or paid shall be exempt from all claims of creditors, and from levy, execution, and attachment or other remedy now or hereafter provided for the recovery or collection of debt. This exemption may not be waived.

COLLECTION OF CONTRIBUTIONS

SEC. 13. (1) Interest on tardy payments: If any employer fails to make promptly, by the date it becomes due hereunder, any payment required to be made by him under this act, he shall pay to the account interest on such payment at the rate of 1 percent per month from the date such payment became due until paid, pursuant to general Board rules.

(2) Bankruptcy: In the event of an employer's dissolution, bankruptcy, adjudicated insolvency, receivership, assignment for benefit of creditors, judicially confirmed extension proposal or composition, or any analogous situation, contribution payments then or thereafter due under this act shall have priority over all other claims, except taxes due the United States and wage claims due for the last 6 months not exceeding, however, $250 for any individual employee.

(3) Court action: Upon complaint of the Board the United States district attorney shall institute and prosecute the necessary actions or proceedings for the recovery of any contributions or other payments due hereunder and shall institute and prosecute such criminal action, as is authorized by this or any other act.

PENALTIES

SEC. 14. (1) Whoever willfully makes a false statement or representation to obtain or increase any benefit or other payment under this act, either for himself or for any other person, shall upon conviction be punished by a fine of not less than $20 nor more than $100 or by imprisonment for not longer than 60 days, or by both such fine and imprisonment, and each such false statement or representation shall constitute a separate and distinct offense.

(2) Any employer of any person within the District or his agent, who willfully makes a false statement or representation to avoid becoming or remaining subject to this act or to avoid or reduce any contribution or other payment required of such employer under this act, or to deny or reduce payments of benefits to any employee, or who willfully refuses to make any such contribution or other payment or to furnish any reports duly required hereunder or to appear or testify or produce records as lawfully required hereunder, or who makes, permits, or requires any deduction from wages to pay all or any portion of the contributions required from employers, or who attempts to induce any employee to waive any right under this act, shall upon conviction be punished by a fine of not less than $100 nor more than $1,000 or by imprisonment for not longer than 6 months, or by both such fine and imprisonment; and each such false statement or misrepresentation, and each day of such failure or refusal, and each such deduction from wages, and each such attempt to induce shall constitute a separate and distinct offense. If the employer in question is a corporation, the president, the secretary, and the treasurer, or officers exercising corresponding functions, shall, in addition to the corporation, each be subject to the aforesaid penalties.

(3) Any violation of any provision of this act, for which a penalty is neither prescribed in this act nor provided by any other applicable statute, shall be punished by a fine of not less than $20 nor more than $200 or by imprisonment for not longer than 90 days, or by both such fine and imprisonment.

(4) On complaint of the Board the fines specified or provided in this section may be collected in an action for debt. All fines thus collected shall be paid to the account.

UNEMPLOYMENT ADMINISTRATION ACCOUNT

SEC. 15. (1) Administration account: There is hereby created the District of Columbia unemployment compensation administration account in the Treasury of the United States to consist of all moneys received or allocated by the Board for the administration of this act. This administration account shall be expended solely for the purposes herein specified, and its unexpended balances shall not lapse at any time but shall remain continuously available to the Board for expenditure consistent herewith.

APPROPRIATIONS

SEC. 16. There is hereby authorized to be appropriated to the District of Columbia unemployment compensation account from the funds of the District of Columbia not otherwise appropriated for the fiscal year ending June 30, 1936, the sum of $750,000, or so much thereof as is necessary, for the contribution of the District of Columbia to said account, as provided in this act; and annually thereafter the commissioners of the District of Columbia shall include in the estimate of appropriations for said District of Columbia such amount as may be necessary for the payment of the contributions of the District of Columbia to said fund.

SAVING CLAUSE

SEC. 17. All the rights, privileges, or immunities conferred by this act and/or by acts done pursuant hereto shall exist subject to the power of the Congress to amend or repeal this act at any time.

SEPARABILITY OF PROVISIONS

SEC. 18. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 19. This act shall take effect upon passage.

With the following committee amendments:

Page 3, line 21, after the word "Government", insert "and Members of Congress."

Page 6, line 8, after the word "board", strike out "except as provided in any reciprocal benefit arrangement made pursuant to this act, employment" and insert "employment."

Page 6, line 14, strike out "nor shall the term 'employment' apply to" and insert "The term 'employment' shall not apply to——"

Page 7, line 22, after the word "the", strike out "full time" and in line 23, strike out "full-time employees" and insert "the majority of the employees in the particular division or department."

Page 8, line 2, strike out the word "full time."

Page 10, line 12, after the word "act", strike out the period, insert a colon and the words "*And provided further*, That the weeks during which benefits are paid shall not be counted."

Page 12, line 18, after the word "than", strike out "1½" and insert "3"; and in line 19, after the word "roll", strike out the comma and the words, "and the average contribution rate of all employers shall be approximately 3 percent of all pay rolls for any calendar year."

Line 23, after the word "be", strike out the words "reduced or."

Page 13, after line 17, insert:

"(5) In payment of any contribution, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to 1 cent."

Page 14, lines 5 and 6, strike out "(b) Section 1003 (a) (2) of the Social Security Act is hereby amended to read as follows", and insert:

"(b) Section 903 (a) (2) of the Social Security Act (H. R. 7260) is hereby amended by striking out at the end thereof the semicolon and inserting in lieu thereof 'except in the District of Columbia.'"

Page 14, strike all of lines 11, 12, 13, 14, and 15.

Page 15, line 5, strike out the word "earings" and insert "earnings."

Page 16, line 25, strike out "17" and insert "13."

Page 19, line 19, after the word "unemployment" insert "subsequent to such failure to accept suitable employment."

Page 21, line 15, after the word "where", insert "either party appeals to", and in line 16, strike out the word "act" and insert "or the Board."

Page 28, at the bottom of the page insert:

"(8) Upon request the Board shall make available to any agency of the United States or of the District of Columbia, charged with the administration of public works or assistance through public employment, the name, address, ordinary occupation, and employment status of each recipient of unemployment compensation under this act."

Page 29, line 5, strike out "(8)" and insert "(9)".

Page 32, line 2, correct the spelling of the word "willfully".

Page 32, line 11, strike out "willfully" and insert "wilfully furnishes a false record".

The amendments were severally reported and severally agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MILITARY INSTRUCTOR FOR HIGH-SCHOOL CADETS, WASHINGTON, D. C.

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 1023) to provide for the payment of a military instructor for the high-school cadets of Washington, D. C., and ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the lady from New Jersey?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That, notwithstanding any other provisions of law, one retired officer of the United States Army, acting as professor of military science and tactics at the public high schools of Washington, D. C., shall be permitted to receive, in addition to his retired pay, the pay of a teacher in the public high schools of Washington, D. C., not to exceed $1,800 per annum, under appointment by the Board of Education of the District of Columbia and payable from the appropriation for the expenses of the public schools of the District of Columbia.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAINE AVENUE

Mrs. NORTON. Mr. Speaker, I call up House Joint Resolution 280, for the designation of a street or avenue in the Mall to be known as "Maine Avenue."

The Clerk read the House joint resolution, as follows:

Joint resolution for the designation of a street or avenue in the Mall to be known as "Maine Avenue"

Whereas in that portion of the "Mall", so-called, in the city of Washington, D. C., constituting the approach to the Capitol as it is now being developed, there has long been located Maine Avenue, named in honor of the State of Maine; and

Whereas in the creation of said Mall carrying out the plans of the Federal Government for the improvement of the National Capital the avenue heretofore known as "Maine Avenue" is being eliminated and discontinued; and

Whereas a new avenue is being created running practically parallel to the former Maine Avenue and located at a short distance from the long-known Maine Avenue, being at one of the termini coincident and being the southerly of the two center avenues in the said proposed Mall development; and

Whereas the people of the State of Maine respectfully pray that the name of their State be perpetuated among the other States so honored in the National Capital: Now, therefore, be it

Resolved, etc., That in honor of the State of Maine the southerly of the two center avenues extending east and west in the Mall between Third Street and Fourteenth Street and south of the National Museum and north of the Smithsonian Institution in the National Capital, the city of Washington, D. C., shall be known as "Maine Avenue."

Mr. SHORT. Mr. Speaker, will the lady yield?

Mrs. NORTON. I yield.

Mr. SHORT. I would like to ask the lady from New Jersey a question. I would like to ask why a similar resolution introduced by myself to name the northern avenue "Missouri Avenue" is not on the calendar today? As I understand from my colleagues the two resolutions were reported out of the committee at the same time.

Mrs. NORTON. My understanding is the report has not been submitted with regard to Missouri Avenue, and just as soon as it is reported we shall be very glad to report it favorably.

Mr. SHORT. The resolution was voted out, was it?

Mrs. NORTON. It was.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPORT FROM COMMITTEE ON WAYS AND MEANS

Mr. CULLEN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a committee report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

NATIONAL ENCAMPMENT, GRAND ARMY OF THE REPUBLIC

Mrs. NORTON. Mr. Speaker, I call up House Joint Resolution 201, giving authority to the Commissioners of the District of Columbia to make special regulations for the occasion of the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in the month of September 1936, and for other purposes, incident to said encampment; and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the lady from New Jersey?

There was no objection.

The Clerk read the House resolution, as follows:

[H. J. Res. 201, 74th Cong., 1st sess.]

Joint resolution giving authority to the Commissioners of the District of Columbia to make special regulations for the occasion of the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in the month of September 1936, and for other purposes, incident to said encampment

Whereas at the close of the Civil War the Grand Army of the Republic marched up historic Pennsylvania Avenue while the spirited tramp, tramp, tramp of their feet became the Nation's marching song, and again in 1915, when their ranks were beginning to thin, the Capital City once more welcomed the Boys in Blue as their footsteps again resounded to the old battle tunes; and

Whereas the ranks of the 300,000 have dwindled away to hundreds, most of whom are in their ninetieth year; and

Whereas it is the greatest desire of their hearts to hold their seventieth national encampment in the Capital of their country in 1936, and march, for the last time, up Pennsylvania Avenue; and it should be our pleasure and privilege to invite them here and show respect to the last of our Civil War veterans, who, as our President in his last message to them said, "have lived to see the end of sectionalism and the final healing of the scars of conflict and the achievement of a true unity of national purposes": Therefore be it

Resolved, etc., That the Commissioners of the District of Columbia are hereby authorized and directed to make such special regulations for the occasion of the encampment of the Grand Army of the Republic, which will take place in the District of Columbia from September 21 to September 27, 1936, as they shall deem advisable for the preservation of public order and the protection of life and property, to be in force 1 week prior to said encampment, during said encampment, and 1 week subsequent thereto. Such special regulations shall be published in one or more of the daily newspapers of the District of Columbia, and no penalty prescribed for the violation of such regulations shall be enforced until 5 days after such publication; and said Commissioners are authorized and directed to establish a special schedule of fares, applicable to public conveyances in said District, during the period aforesaid. Any person violating any of the aforesaid regulations or the aforesaid schedule of fares shall, upon conviction thereof in the police court of the said District, be liable for such offense to a fine not to exceed $100, and in default of payment of such fine to imprisonment in the workhouse (or jail) of said District for not longer than 60 days. This resolution shall take effect immediately upon its approval, and the sum of $11,000, or as much thereof as may be necessary, payable from any money in the Treasury not otherwise appropriated and from the revenues of the District of Columbia, in equal parts, is hereby appropriated to enable the Commissioners of the District of Columbia to carry out the provisions of section 1 of this joint resolution, $1,000 of which shall be available for the construction, maintenance, and operation of public comfort stations and information booths, under the direction of said Commissioners.

SEC. 2. That the Commissioners of the District of Columbia are hereby authorized to permit the committee on illumination of the citizens' executive committee for the entertainment of the seventieth national encampment of the Grand Army of the Republic to stretch suitable conductors, with sufficient supports wherever necessary, for the purpose of effecting the said illumination within the District of Columbia: *Provided*, That the said conductors shall not be used for the conveying of electrical currents after September 27, 1936, and shall, with their supports, be fully and entirely removed from the streets and avenues of the said city of Washington on or before the 16th of October 1936: *Provided further*, That the stretching and removing of the said wires shall be under the supervision of the Commissioners of the District of Columbia, who shall see that the provisions of this resolution are enforced; that all needful precautions are taken for the protection of the public; and that the pavement of any street, avenue, or alley disturbed is replaced in as good condition as before entering upon the work herein authorized: *Provided further*, That no expense or damage on account of or due to stretching, operation, or removing of the said temporary overhead conductors shall be incurred by the United States or the District of Columbia: *And provided further*, That if it shall be necessary to erect wires for illumination purposes over any park or reservation in the District of Columbia that the work of erection and removal of said wires shall be under the supervision of the official in charge of said park or reservation.

SEC. 3. That the Secretary of War and the Secretary of the Navy be, and they are hereby, authorized to loan to the chairman of the subcommittee in charge of street decorations, or his successor in said office, for the purpose of decorating the streets of the city of Washington, District of Columbia, on the occasion of the encampment of the Grand Army of the Republic, 1936, such of the United States ensigns, flags (except battle flags), signal numbers, and so forth, belonging to the Government of the United States, as in their judgment may be spared and are not in use by the Government at the time of the encampment. The loan of the said ensigns, flags, signal numbers, etc., to said chairman shall not take place prior to the 11th day of September and shall be returned by him by the 16th of October 1936.

SEC. 4. That for the protection and return of said ensigns, flags, signal numbers, etc., the said chairman, or his successor in office, shall execute and deliver to the President of the United States, or to such officer as he may designate, a satisfactory bond in the penalty of $50,000, to secure just payment for any loss or damage to said ensigns, flags, and signal numbers not necessarily incident to the use specified.

SEC. 5. That the Director of Public Buildings and Public Parks of the District of Columbia is hereby authorized to grant permits to the citizens' executive committee for the entertainment of the Grand Army of the Republic for the use of any reservation or other public spaces in the city of Washington on the occasion of the seventieth national encampment, in the month of September 1936, which, in his opinion, will inflict no serious or permanent injuries upon such reservations or public spaces, or statuary therein; and the Commissioners of the District of Columbia may designate for such and other purposes on the occasion aforesaid such streets, avenues, and sidewalks in said city of Washington as they may deem proper and necessary: *Provided, however*, That all stands and platforms that may be erected on the public spaces aforesaid shall be under the supervision of the said citizens' executive committee and in accordance with plans and designs to be approved by the Architect of the Capitol, the Commissioner of Public Buildings and Grounds, and the building inspector of the District of Columbia.

SEC. 6. That the Secretary of War is hereby authorized to loan to the chairman of the medical department of the seventieth national encampment of the Grand Army of the Republic, or his successor in said office, for the purpose of caring for the sick, injured, and infirm on the occasion of the encampment of the Grand Army of the Republic in the month of September 1936, such hospital tents and camp appliances and other necessaries, hospital furniture, and utensils of all descriptions, ambulances, drivers, stretchers, attendants, and Red Cross flags and poles belonging to the Government of the United States as in his judgment may be spared and are not in use by the Government at the time of the encampment: *Provided*, That the said chairman, or his successor in said office, shall indemnify the War Department for any loss to such hospital tents and appliances as aforesaid not necessarily incident to such use.

With the following committee amendments:

On page 2, line 15, after the word "publication", strike out the semicolon and "and said Commissioners are authorized and directed to establish a special schedule of fares, applicable to public conveyances in said District, during the aforesaid"; page 3, line 8, strike out "$11,000" and insert in lieu thereof "$15,000"; Page 5, line 19, strike out the words "Director of Public Buildings and Public Parks of the District of Columbia" and insert in lieu thereof "Superintendent of National Capital Parks, subject to the approval of the Director of National Park Service."

Page 7, line 7, insert a new section, as follows:

"SEC. 7. The Public Utilities Commission of the District of Columbia is authorized and directed to establish a special schedule

of fares, applicable to public conveyances in said District, during the period aforesaid."

The committee amendments were agreed to.

The resolution as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESIDENCE OF MEMBERS OF FIRE DEPARTMENT

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 3641) to amend section 559 of the Code of the District of Columbia, as to restriction on residence of members of the fire department; and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the lady from New Jersey?

There being no objection, the Clerk read as follows:

A bill to amend section 559 of the Code of the District of Columbia as to restriction on residence of members of the fire department

Be it enacted, etc., That section 559 of the Code of the District of Columbia be amended to read as follows:

"Restrictions of members of department leaving District; leaves of absence: No member of the fire department shall, unless on leave of absence, go beyond the confines of the District of Columbia, or be absent from duty without permission, except that nothing in this act shall be construed to limit the right of members of the department to reside anywhere within the Washington, D. C., metropolitan district; and leaves of absence exceeding 20 days in any 1 year shall be without pay and require the consent of the Commissioners, and such year shall be from January 1 to December 31, both inclusive, and 30 days shall be the term of total sick leave in any year without disallowance of pay; and leave of absence with pay of members of the fire department of the District of Columbia may be extended in cases of illness or injury incurred in line of duty, upon recommendation of the board of surgeons approved by the Commissioners of the District of Columbia, for such period exceeding 30 days in any calendar year as in the judgment of the Commissioners may be necessary."

With the following committee amendment:

On page 2, after line 15, insert the following: "*Provided*, That for the purposes of this act, Washington, D. C., metropolitan district, shall be held to include the District of Columbia and the territory adjacent thereto within a radius of 12 miles from the United States Capitol Building: *And provided further*, That any member of the fire department living outside the District of Columbia shall have and maintain a telephone at all times in his residence."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESIDENCE OF MEMBERS OF POLICE DEPARTMENT

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 3642) to amend section 483 of the Code of the District of Columbia as to residence of members of the police department.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 483 of the Code of the District of Columbia be amended to read as follows:

"Residence of members of police force: There shall be no limitation of restriction of place of residence to any member of the police force, other than residence within the Washington, D. C., metropolitan district."

With the following committee amendment:

Page 1, line 9, after the word "district" insert: "*Provided*, That for the purposes of this act, Washington, D. C., metropolitan district, shall be held to include the District of Columbia and the territory adjacent thereto within a radius of 12 miles from the United States Capitol Building: *And provided further*, That any member of the police department living outside of the District of Columbia shall have and maintain a telephone at all times in his residence."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALCOHOLIC BEVERAGE CONTROL ACT

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 6510) to amend the District of Columbia Alcoholic Beverage Control Act; and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the lady from New Jersey?

There was no objection.

The Clerk read as follows:

A bill to amend the District of Columbia Alcoholic Beverage Control Act

Be it enacted, etc., That subsection (c) of section 3 of the act of Congress entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934, be amended by adding at the end thereof the following sentence: "The word 'champagne' means any effervescent wine."

SEC. 2. That subsection (q) of section 3 of said act be amended so as to read as follows:

"(q) The word 'tavern' means a suitable space in a suitable building approved by the Board, including such suitable space outside of the building and adjoining it, as may be approved by the Board, kept, used, maintained, advertised, or held out to the public to be a place where sandwiches or light lunches are prepared and served for consumption on the premises in such quantities as to satisfy the Board that the sale of beer and light wines intended is no more than an incident to and not the prime source of revenue of such 'tavern'."

SEC. 3. That section 6 of said act be amended so as to read as follows:

"The right, power, and jurisdiction to issue, transfer, revoke, and suspend all licenses under this act shall be vested solely in the Board, and the action of the Board on any question of fact shall be final and conclusive; except that, in case a license is revoked or is suspended for a period of more than 30 days by the Board, the licensee may, within 10 days after the order of revocation, or the order of suspension for a period of more than 30 days is entered, appeal in writing to the Commissioners to review said action of the Board, the hearings on said appeal to be submitted either orally or in writing at the discretion of the Commissioners, and the Commissioners shall not be required to take evidence, either oral, written, or documentary. The decision of the Commissioners on any question of fact involved in such appeal shall be final and conclusive. Pending such appeal the license shall stand suspended unless the Commissioners shall otherwise order.

"That the right and power be vested in the Board, for good cause shown, to issue permits for the sales of stocks of beverages located in the District of Columbia by individuals, corporations, or associations, partnerships, executors, administrators, being owners thereof, to persons licensed under this act.

"Said Board shall have other authority and perform such other duties as the Commissioners may, by regulation, prescribe."

SEC. 4. That subsection (a) of section 11 of the said act be amended so as to read as follows:

"(a) Manufacturers' license, class A: To operate a rectifying plant, a distillery, or a winery. Such a license shall authorize the holder thereof to operate a rectifying plant for the manufacture of the products of rectification by purifying or combining alcohol, spirits, wine, or beer; a distillery for the manufacture of alcohol or spirits by distillation or redistillation; or a winery for the manufacture of wine; at the place therein described, but such license shall not authorize more than one of said activities, namely, that of a rectifying plant, a distillery, or a winery, and a separate license shall be required for each such plant. Such a license shall also authorize the sale from the licensed place of the products manufactured under such license by the licensee to another license holder under this act for resale or to a dealer licensed under the laws of any State or Territory of the United States for resale. It shall not authorize the sale of beverages to any other person except as may be provided by regulations promulgated by the Commissioners under this act. The annual fee for such license for a rectifying plant shall be $3,500; for a distillery shall be $3,500; and for a winery shall be $500: *Provided, however*, That if a manufacturer shall operate a distillery only for the manufacture of alcohol and more than 50 percent of such alcohol is sold for beverage purposes, the annual fee shall be $1,000. If said manufacturer holding a license issued at the rate last mentioned shall sell during any license period 50 percent or more of said alcohol for beverage purposes, he shall pay to the collector of taxes the difference between the license fee paid and the license fee for a distiller of spirits."

SEC. 5. That subsection (b) of section 11 of said act be amended so as to read as follows:

"(b) Manufacturers' license, class B: To operate a brewery. Such a license shall authorize the holder thereof to operate a brewery for the manufacture of beer at the place therein described. It shall also authorize the sale from the licensed place of the beer manufactured under such license to another license holder under this act for resale or to a dealer licensed under the laws of any State or Territory of the United States for resale, or to a consumer. Said manufacturer may sell beer to the consumer only in barrels, kegs, and sealed bottles and said barrels, kegs, and bottles shall not be opened after sale, nor the contents consumed, on the premises where sold. The annual fee for such license shall be $2,500."

SEC. 6. That subsection (c) of section 11 of the said act be amended so as to read as follows:

"(c) Wholesalers' license, class A: Such a license shall authorize the holder thereof to sell beverages from the place therein described to another license holder under this act for resale or to a

dealer licensed under the laws of any State or Territory of the United States for resale, and, in addition, in the case of beer or light wines, to a consumer, said beverages to be sold only in barrels, kegs, sealed bottles, and other closed containers, which said barrels, kegs, sealed bottles, and other closed containers shall not be opened after sale, nor the contents consumed, on the premises where sold. It shall not authorize the sale of beverages to any other person except as may be provided by regulations promulgated by the Commissioners under this act.

"No holder of such a license except a wholesale druggist or a wholesale grocer shall be engaged in any business on the premises for which the license is issued other than the sale of alcoholic and nonalcoholic beverages.

"The annual fee for such license shall be $1,500."

SEC. 7. That subsection (d) of section 11 of the said act be amended so as to read as follows:

"(d) Wholesalers' license, class B: Such a license shall authorize the holder thereof to sell beer and light wines from the place therein described to another license holder under this act for resale or to a dealer licensed under the laws of any State or Territory of the United States for resale, or to a consumer in barrels, kegs, sealed bottles, and other closed containers, which said barrels, kegs, sealed bottles, and other closed containers shall not be opened after sale nor the contents consumed on the premises where sold.

"The annual fee for such license shall be $750."

SEC. 8. That subsection (h) of section 11 of the said act be amended so as to read as follows:

"(h) Retailers' license, class D: Such a license shall be issued only for a bona fide restaurant, tavern, hotel, or club, or a passenger-carrying marine vessel serving meals, light lunches, or sandwiches, or a club car or a dining car on a railroad. Such a license shall authorize the holder thereof to sell beer and light wines at the place therein described for consumption only in said place. Except in the case of clubs and hotels, no beer or light wines shall be sold or served to a customer in any closed container. In the case of restaurants, taverns, and passenger-carrying marine vessels and club cars or dining cars on a railroad, said beer and light wines shall be sold or served only to persons seated at public tables or at bona fide lunch counters, except that beer and light wines may be sold or served to assemblages of more than six individuals in a private room when such room has been previously approved by the Board. In the case of hotels, beer and light wines may be sold and served only in the private room of a registered guest or to persons seated at public tables or at bona fide lunch counters or to assemblages of more than six individuals in a private room when such room has been previously approved by the Board. And in the case of clubs, beer and light wines may be sold and served in the private room of a member, or guest of a member, or to persons seated at tables. No license shall be issued to a club which has not been established for at least 3 months immediately prior to the making of the application for such license.

"The annual fee for such a license shall be $200; except that in the case of a marine vessel the fee shall be $20 per month or $200 per annum, and in the case of each railroad dining car or club car $1 per month or $10 per annum."

SEC. 9. That section 13 of the act be amended so as to read as follows:

"SEC. 13. Every license shall particularly describe the place where the rights thereunder are to be exercised, and beverages shall not be manufactured or kept for sale or sold by any licensee except at the place so described in his license: *Provided, however,* That the holder of a manufacturer's or wholesaler's license or the holder of a retailer's license, class C and class D, issued for a passenger-carrying marine vessel or club car or a dining car on a railroad may store beverages, with the consent of the Board, upon premises other than the premises designated in the license. Every annual license shall date from the 1st day of February in each year and expire on the 31st day of January next after its issuance, except as hereinafter provided. Licenses issued at any time after the beginning of the license year shall date from the first day of the month in which the license was issued and end on the last day of the license year above described, and payments shall be made of the proportionate amount of the annual license fee. Every monthly license shall date from the first day of the month in which it is issued and expire on the last day of the month named in the license. Monthly licenses shall not be issued for periods exceeding 6 months."

SEC. 10. That section 17 of the act be amended so as to read as follows:

"If any licensee violates any of the provisions of this act or any of the rules or regulations promulgated pursuant thereto or fails to superintend in person, or through a manager approved by the Board, the business for which the license was issued, or allows the premises with respect to which the license of such licensee was issued, to be used for any unlawful, disorderly, or immoral purpose, or knowingly employs in the sale or distribution of beverages any person who has, within 5 years prior thereto, been convicted of a misdemeanor under the National Prohibition Act, as amended and supplemented, or, within 10 years prior thereto, been convicted of any felony, or such licensee otherwise fails to carry out in good faith the provisions of this act, the license of said licensee may be revoked or suspended by the Board after the licensee has been given an opportunity to be heard in his defense, subject to review by the Commissioners in case of revocation or in case of suspension for a period of more than 30 days, as herein provided. In case a license issued hereunder shall be revoked or suspended, no part of the license fee shall be returned, and the Board may, in its discretion, subject to review by the Commissioners, as a part of the order of revocation provide that no license shall be granted for the same place for the period of 1 year next after such revocation, and in case such order shall be made no license shall, during said year, be issued for said place or to a person or persons whose license is so revoked for any other location.

"That in the event the Board at any time shall order the suspension of any license a notice shall be posted by the Board in a conspicuous place on the outside of the licensed premises, at or near the main street entrance thereto; which notice shall state that the license theretofore issued to the licensee has been suspended and shall state the time for which said license is suspended, and state that the suspension is ordered because of a violation of the District of Columbia Alcoholic Beverage Control Act, or of the Commissioners' regulations adopted under authority of said District of Columbia Alcoholic Beverage Control Act."

SEC. 11. That section 20 of the act be amended so as to read as follows:

"SEC. 20. Licenses issued hereunder shall not authorize the sale or delivery of beverages, with the exception of beer and light wines, to any person under the age of 21 years, or beer or light wines to any person under the age of 18 years, either for his own use or for the use of any other person; or the sale, service, or delivery of beverages to any intoxicated person, or to any person of notoriously intemperate habits, or to any person who appears to be intoxicated; and ignorance of the age of any such minor shall not be a defense to any action instituted under this section. No licensee shall be liable to any person for damages claimed to arise from refusal to sell such alcoholic beverages."

SEC. 12. That section 23 of the said act be amended by the addition of a new subsection, to be designated (k) and to read as follows:

"(k) No taxing provision of subsections (a), (c), (e), and (l) of this section shall apply in the case of a passenger-carrying marine vessel operating in and beyond the District of Columbia, or a club car or a dining car on a railroad operating in and beyond the District of Columbia, for which a retailer's license, class C or class D, has been issued under this act, except as set forth in this subsection.

"The tax as specified in subsection (a) of this section shall be paid on all such beverages as are sold and served by said licensee while passing through or when at rest in the District of Columbia, in the following manner: A record shall be made and kept by the licensee for each passenger-carrying marine vessel operating in and beyond the District of Columbia, and for each club car or dining car on a railroad operating in and beyond the District of Columbia, for which a retailer's license, class C or class D, has been issued under this act, of all alcoholic beverages sold and served in the District of Columbia, which record shall be subject to inspection by the Board. Each holder of such a license shall, on or before the 10th day of each month, forward to the Board on a form to be prescribed by the Commissioners, a statement under oath showing the quantity of each kind of beverage, except beer and nontaxable light wines, sold under such license in the District of Columbia during the preceding calendar month, to which said statement shall be attached stamps denoting the payment of the tax imposed under this act upon the beverages set forth in said report."

SEC. 13. That section 25 of the act be amended so as to read as follows:

"No licensee under this act shall allow any person who has, within 5 years prior thereto, been convicted of a misdemeanor under the National Prohibition Act, as amended and supplemented, or, within 10 years prior thereto, been convicted of any felony, to sell, give, furnish, or distribute any beverage, nor allow any minor under the age of 21 years of age to sell, give, furnish, or distribute any beverage, except beer and light wines, or any minor under the age of 18 years to sell, give, furnish, or distribute beer and light wines."

SEC. 14. That subsection (a) of section 28 of the said act be amended so as to read as follows:

"(a) No person shall in the District of Columbia drink any alcoholic beverage in any street, alley, park, or parking, or in any vehicle in or upon the same, or in any place to which the public is invited for which a license has not been issued hereunder permitting the sale and consumption of such alcoholic beverage upon such premises, or in any place to which the public is invited (for which a license under this act has been issued) at a time when the sale of such alcoholic beverage on the premises is prohibited by this act or by the regulations promulgated thereunder. No person shall be drunk or intoxicated in any street, alley, park, or parking, or in any vehicle in or upon the same or in any place to which the public is invited or at any public gathering and no person anywhere shall be drunk or intoxicated and disturb the peace of any person."

SEC. 15. That subsection (b) of section 28 of the said act be amended so as to read as follows:

"(b) Any person violating the provisions of this section shall be punished by a fine of not more than $100 or by imprisonment for not more than 30 days or by both such fine and imprisonment in the discretion of the court for the first offense; by a fine of not more than $200 or by imprisonment for not more than 60 days or by both such fine and imprisonment in the discretion of the Court for the second offense, or by a fine of not more than $500 or by imprisonment for not more than 6 months or by both such fine and imprisonment in the discretion of the court for each subsequent offense."

With the following committee amendments:

On page 2, line 13, insert "Sec. 6" at the beginning of the paragraph, before the words "The right."

On page 3, line 9, insert the words "receivers or other representatives of a court" after the word "thereof,".

On page 3, line 11, insert the word "such" between the words "have" and "other."

On page 4, line 14, strike out the word "beverage" and insert in lieu thereof the word "nonbeverage."

On page 9, line 7, insert the words "Sec. 17" at the beginning of the paragraph, before the words "if any licensee."

On page 12, line 17, insert the words "Sec. 25" at the beginning of the paragraph, before the words "No licensee."

On page 13, line 7, change the two commas in that line to semicolons.

On page 13, line 10, change the comma at the end of that line to a semicolon.

The committee amendments were agreed to.

The Clerk read the following further committee amendment:

Page 14, after line 8, insert:

SEC. 16. That section 18 of the said act is amended to read as follows:

"SEC. 18. If any manufacturer of beverages, whether licensed hereunder or not, by direct ownership, stock ownership, interlocking directors, mortgage, or lien, or by any other means shall have such a substantial interest, whether direct or indirect, in the business of any wholesale or retail licensee or in the premises on which said business is conducted as in the judgment of the Board may tend to influence such licensee to purchase beverages from such manufacturer, the Board may, in its discretion, revoke the license issued in respect of the business in which such manufacturer is interested, subject to review by the Commissioners as herein provided. No such manufacturer of beverages shall loan or give any money to any wholesale or retail licensee or sell, rent, loan, or give to such licensee any equipment, furniture, fixtures, or property, or give or sell any service to such licensee: *Provided, however,* That, with the prior approval of the Board, a manufacturer may sell, give, rent, or loan to a wholesale or retail licensee any service or article of property costing such manufacturer not more than $10. No wholesale or retail licensee shall receive or accept any loan or gift of money from any such manufacturer or purchase from, rent from, borrow, or receive by gift from such manufacturer any equipment, furniture, fixtures, or property, or accept or receive any service from such manufacturer: *Provided, however,* That, with the prior approval of the Board, a wholesale or retail licensee may purchase from, rent from, borrow, or receive by gift from such manufacturer any service or article of property costing such manufacturer not more than $10. Nothing herein contained, however, shall prohibit the sale of alcoholic and nonalcoholic beverages and the reasonable extension of credit therefor by a manufacturer to a wholesale or retail licensee. When used in this section, the word "manufacturer" shall include any stockholder holding directly or indirectly 25 percent or more of the common stock or any officer of a manufacturer of beverages, if a corporation, whether licensed hereunder or not. This section shall not apply to retail licenses, class E, or to the wholesale license held by a person not licensed as a manufacturer hereunder owning an establishment for the manufacture of beverages outside of the District of Columbia."

SEC. 17. That section 19 of the said act is amended to read as follows:

"SEC. 19. If any wholesaler of beverages, whether licensed hereunder or not, by direct ownership, stock ownership, interlocking directors, mortgage, or lien, or by any other means shall have such a substantial interest either direct or indirect in the business of any retail licensee or in the premises on which said business is conducted as in the judgment of the Board may tend to influence such licensee to purchase beverages from such wholesaler, the Board may, in its discretion, revoke the license issued in respect of the business in which such wholesaler is interested, subject to review by the Commissioners as herein provided. No such wholesaler of beverages shall lend or give any money to any retail licensee or sell to such licensee, any equipment, furniture, fixtures, or property, except merchandise sold at the fair market value for resale by such licensee, or rent, loan, or give to such licensee any equipment, furniture, fixtures, or property, or give or sell any service to such licensee: *Provided, however,* That with the prior approval of the Board, a wholesaler may sell, give, rent, or loan to such licensee any service or article or property costing such wholesaler not more than $10. No retail licensee shall receive or accept any loan or gift of money from such wholesaler or purchase from any such wholesaler any equipment, furniture, fixtures, or property, except merchandise purchased at the fair market value for resale, or rent from, borrow, or receive by gift from such wholesaler any equipment, furniture, fixtures, or property, or receive any service from such wholesaler: *Provided, however,* That with the prior approval of the Board, a retail licensee may purchase from, rent from, borrow, or receive by gift from such wholesaler any service or article of property costing such wholesaler not more than $10. Nothing herein contained, however, shall prohibit the reasonable extension of credit by a wholesaler for merchandise sold to a retail licensee for resale as herein permitted. When used in this section the word "wholesaler" shall include any stockholder holding directly or indirectly 25 percent or more of the common stock or any officer of a wholesaler of beverages, if a corporation, whether licensed hereunder or not. This section shall not apply to retail licenses, class E."

SEC. 18. That section 23 of the said act is amended by striking therefrom the words "35 cents" immediately preceding the words "for every wine gallon of wine", and inserting in lieu thereof the words "10 cents".

SEC. 19. That section 25 of the said act is amended to read as follows:

"SEC. 25. No licensee under this act shall allow any person who has, within 10 years prior thereto, been convicted of any felony, to sell, give, furnish, or distribute any beverage, nor allow any minor under the age of 21 years of age, to sell, give, furnish, or distribute any beverage, except beer, or any minor under the age of 18 years of age to sell, give, furnish, or distribute beer."

Mrs. NORTON. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mrs. NORTON to the committee amendment: Page 17, line 20, after the word "cents", insert "and by striking therefrom the words '50 cents' immediately preceding the words 'for every 1 gallon of champagne or any wine artificially carbonated' and insert in lieu thereof '15 cents'".

Mrs. NORTON. Mr. Speaker, I offer a further committee amendment.

The Clerk read as follows:

Page 18, line 4, after the word "beer", insert a new section:

"SEC. 20. No licensee holding a retailer's license, classes A, B, C, D, or E as provided for in the act entitled 'An act to control the manufacture, control, transportation, possession, and sale of alcoholic beverages in the District of Columbia, approved January 24, 1934', shall transport in any manner whatsoever into the District of Columbia or cause to be transported in any manner whatsoever into the District of Columbia any alcoholic beverages, except beer."

The amendments to the committee amendment were agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed, read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mrs. NORTON. Mr. Speaker, there are two other bills on the calendar, but because the author of the bills is not present I have promised to reserve them until the next District day.

This seems to finish the business of the committee for the day.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2046. An act to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota under the Swamp Land Act.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President for his approval bills of the House of the following titles:

H. R. 2046. An act to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota under the Swamp Land Act.

H. R. 6114. An act to amend section 128 of the Judicial Code, as amended.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 34 minutes p. m.) the House, in accordance with its previous order, adjourned until tomorrow, May 28, 1935, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

355. A communication from the President of the United States, transmitting a list of judgments rendered by the

Court of Claims which require an appropriation for their payment, amounting to $245,156.21 (H. Doc. No. 199); to the Committee on Appropriations and ordered to be printed.

356. A communication from the President of the United States, transmitting schedule of a claim allowed by the General Accounting Office against a former collector of customs, amounting to $1,488.62 (H. Doc. No. 200); to the Committee on Appropriations and ordered to be printed.

357. A communication from the President of the United States, transmitting drafts of proposed provisions pertaining to the appropriations for the United States Tariff Commission, 1936 (H. Doc. No. 201); to the Committee on Appropriations and ordered to be printed.

358. A communication from the President of the United States, transmitting an estimate of appropriation for the Navy Department, in the sum of $291, to pay claims for damages by collision with naval vessels (H. Doc. No. 202); to the Committee on Appropriations and ordered to be printed.

359. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, House of Representatives, for the fiscal year 1935, in the sum of $15,000 (H. Doc. No. 203); to the Committee on Appropriations and ordered to be printed.

360. A communication from the President of the United States, transmitting draft of a proposed provision pertaining to an existing appropriation of the Department of Agriculture for the fiscal year 1935 (H. Doc. No. 204); to the Committee on Appropriations and ordered to be printed.

361. A communication from the President of the United States, transmitting records of judgments rendered against the Government by the United States district courts, as submitted by the Attorney General through the Secretary of the Treasury, and which require an appropriation for their payment, as follows: Department of Labor, $2,664.60; Navy Department, $118,175.24; Treasury Department, $2,500; War Department, $21,871.64; total, $145,211.48 (H. Doc. No. 205); to the Committee on Appropriations and ordered to be printed.

362. A communication from the President of the United States, transmitting an estimate of appropriation for the Treasury Department, for the payment of claims which may be settled and certified by the Comptroller General of the United States under the provisions of the act entitled "An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes", approved June 16, 1934 (H. Doc. No. 206); to the Committee on Appropriations and ordered to be printed.

363. A communication from the President of the United States, transmitting deficiency estimates of appropriations for the fiscal years 1933 and 1934 in the sum of $1,039.21, and supplemental estimates of appropriations for the fiscal years 1935 and 1936 in the sum of $385,000, amounting in all to $386,039.21, for the Department of Justice (H. Doc. No. 207); to the Committee on Appropriations and ordered to be printed.

364. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department for the fiscal year ending June 30, 1936, pertaining to the Bureau of the Budget, amounting to $43,000 (H. Doc. No. 208); to the Committee on Appropriations and ordered to be printed.

365. A communication from the President of the United States transmitting estimates of appropriations submitted by the several executive departments and independent offices to pay claims for damages to privately owned property, in the sum of $16,024.81, which have been considered and adjusted, and which require appropriations for their payment (H. Doc. No. 209); to the Committee on Appropriations and ordered to be printed.

366. A communication from the President of the United States, transmitting schedules of claims amounting to $184,588.87, allowed by the General Accounting Office (H. Doc. No. 210); to the Committee on Appropriations and ordered to be printed.

367. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting a report of the activities and expenditures of the Corporation for April 1935, including statements of authorizations made during that month, and showing the name, amount, and rate of interest or dividend in each case (H. Doc. No. 211); to the Committee on Banking and Currency and ordered to be printed.

368. A letter from the Federal Power Commission, transmitting three copies of the report for the State of Maine, pursuant to Public Resolution No. 18, Seventy-third Congress (S. J. Res. 74), approved April 14, 1934 (rate series no. 2, State report no. 2); to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 7926. A bill to repeal the limitation on the sale price of the Federal Building at Main and Ervay Streets, Dallas, Tex.; without amendment (Rept. No. 1019). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 7235. A bill to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes; with amendment (Rept. No. 1020). Referred to the Committee of the Whole House on the state of the Union.

Mr. DUFFY of New York: Committee on the Judiciary. S. 2688. An act to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended; without amendment (Rept. No. 1021). Referred to the Committee of the Whole House on the state of the Union.

Mr. MONTAGUE: Committee on the Judiciary. Senate Joint Resolution 42. Joint resolution to amend section 289 of the Criminal Code; without amendment (Rept. No. 1022). Referred to the House Calendar.

Mr. STARNES: Committee on Immigration and Naturalization. H. R. 7120. A bill to provide for the exclusion and expulsion of alien Fascists and Communists; without amendment (Rept. No. 1023). Referred to the Committee of the Whole House on the state of the Union.

Mr. PLUMLEY: Committee on War Claims. Senate Joint Resolution 89. Joint resolution directing the Comptroller General to readjust the account between the United States and the State of Vermont; without amendment (Rept. No. 1024). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOEPPEL: Committee on War Claims. S. 672. An act for the relief of the city of Baltimore; without amendment (Rept. No. 1025). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BEITER: Committee on War Claims. H. R. 7727. A bill to confer jurisdiction on the Court of Claims to hear and determine the claim of George B. Marx, Inc.; without amendment (Rept. No. 1026). Referred to the Committee of the Whole House.

Mr. GILLETTE: Committee on Foreign Affairs. H. R. 5646. A bill for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature and other causes; with amendment (Rept. No. 1027). Referred to the Committee of the Whole House.

Mr. BEITER: Committee on War Claims. H. R. 6297. A bill for the relief of Leon Frederick Ruggles; without amendment (Rept. No. 1028). Referred to the Committee of the Whole House.

Mr. DEEN: Committee on War Claims. H. R. 3147. A bill for the relief of Will A. Helmer; without amendment (Rept. No. 1029). Referred to the Committee of the Whole House.

Mr. GILLETTE: Committee on Foreign Affairs. S. 39. An act for the relief of the estate of William Bardel; without amendment (Rept. No. 1030). Referred to the Committee of the Whole House.

Mr. HOEPPEL: Committee on War Claims. H. R. 8236. A bill for the relief of sundry claimants and for other purposes; without amendment (Rept. No. 1031). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARMICHAEL: A bill (H. R. 8229) to amend the act approved June 12, 1934, relating to the granting of the consent of Congress to certain bridge construction across the Tennessee River at a point between the city of Sheffield, Ala., and the city of Florence, Ala.; to the Committee on Interstate and Foreign Commerce.

By Mr. COCHRAN: A bill (H. R. 8230) to authorize the construction and maintenance of garages for employees of Veterans' Administration facilities; to the Committee on World War Veterans' Legislation.

By Mr. COLLINS: A bill (H. R. 8231) to authorize the distillation of brandy from dates; to the Committee on Ways and Means.

Also, a bill (H. R. 8232) to provide for the manufacture of apricot brandy and the use of such brandy in the fortification of apricot wines, and for other purposes; to the Committee on Ways and Means.

By Mr. TOBEY: A bill (H. R. 8233) to authorize the Administrator of Veterans' Affairs to pay compensation to the dependents of incompetent veterans who disappear; to the Committee on World War Veterans' Legislation.

By Mr. REED of Illinois: A bill (H. R. 8234) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the founding of the city of Elgin, Ill., and the erection of a heroic pioneer memorial; to the Committee on Coinage, Weights, and Measures.

By Mr. HILL of Alabama: A bill (H. R. 8235) authorizing an appropriation to the American Legion for its use in effecting a settlement of the remainder due on, and the reorganization of, Pershing Hall, a memorial already erected in Paris, France, to the commander in chief, officers, and men of the American Expeditionary Forces; to the Committee on Military Affairs.

By Mr. WHITE: Joint Resolution (H. J. Res. 302) to provide for the designation of the road (truck trail) being constructed by Civilian Conservation Corps forces along the Salmon River, traversing a primitive area and crossing central Idaho, as the "Robert Fechner Trail"; to the Committee on Roads.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Hawaii, proposing certain amendments to the land laws of the Territory; to the Committee on the Territories.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HOEPPEL: A bill (H. R. 8236) for the relief of sundry claimants, and for other purposes; to the Committee on War Claims.

By Mr. COSTELLO: A bill (H. R. 8237) extending the benefits of the Emergency Officers' Retirement Act to Cornelius O. Bailey; to the Committee on Pensions.

By Mr. EATON: A bill (H. R. 8238) granting a pension to Sarah Hannah Allison; to the Committee on Invalid Pensions.

By Mr. KNIFFIN: A bill (H. R. 8239) granting a pension to Catherine Goodrich; to the Committee on Pensions.

By Mr. McSWAIN: A bill (H. R. 8240) granting the Distinguished Service Medal to James E. Martin; to the Committee on Military Affairs.

By Mr. ROBSION of Kentucky: A bill (H. R. 8241) granting a pension to Ollie Cassada; to the Committee on Pensions.

By Mr. TOBEY: A bill (H. R. 8242) authorizing the President to order Louis U. LaBine before a retiring board for a hearing of his case and upon the findings of such board to determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his discharge; to the Committee on Military Affairs.

Also, a bill (H. R. 8243) granting an increase of pension to Ianthe S. Webber; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8629. By Mr. BELL: Resolution of the board of governors of the Automobile Club of Missouri, protesting against the enactment of excise-tax measures on motor cars, accessories, and parts; to the Committee on Ways and Means.

8630. Also, petition of the Southwestern Bell Telephone Co. employees, Kansas City, Mo., against enactment of Wagner labor-relations bill; to the Committee on Labor.

8631. Also, petition of the Southwestern Bell Telephone Co. Employees' Association, Joplin, Mo., protesting against the enactment of the Wagner labor-relations bill; to the Committee on Labor.

8632. Also, petition of a committee of employees, representatives of the Sheffield Steel Corporation Employees Congress, Kansas City, Mo., protesting against the enactment of the Wagner labor-relations bill; to the Committee on Labor.

8633. Also, petition of employees of the Southwestern Bell Telephone Co., at Sedalia, Mo., protesting against the enactment of the Wagner labor-relations bill; to the Committee on Labor.

8634. By Mr. BRUNNER: Petitions of approximately 2,200 residents of the Second Congressional District, New York (Queens County), protesting against the religious persecution in Mexico, and requesting the passage of the resolution presented by Representative JOHN P. HIGGINS, of Massachusetts; to the Committee on Foreign Affairs.

8635. By Mr. GINGERY: Petition of the Shirt Workers Union, Amalgamated Clothing Workers of America, Curwensville, Pa., urging extension of the National Industrial Recovery Act for 2 years, and favoring the Wagner labor bill; to the Committee on Labor.

8636. By Mr. GOODWIN: Petition of 48 farmers of Copake, Columbia County, N. Y., opposing the Wheeler-Eastman bill (S. 1629); to the Committee on Interstate and Foreign Commerce.

8637. By Mr. KVALE: Petition signed by 620 farmers and businessmen of Yellow Medicine County, Minn., urging adoption of the proposed amendments to the Agricultural Adjustment Act and House bill 6977; to the Committee on Agriculture.

8638. By Mr. PFEIFER: Petition of the Railway Labor Executives Association, Washington, D. C., favoring the Crosser bill (H. R. 8121) and the Wagner bill (S. 2862); to the Committee on Interstate and Foreign Commerce.

8639. By Mr. TRUAX: Petition of the Toledo Photo Engravers' Union, No. 15, Toledo, Ohio, by their corresponding secretary, Ralph Ollivier, urging support of the Wagner labor-disputes bill as the need for a board with power to enforce its decisions is obvious, and the reenactment of the National Industrial Recovery Act in which are included codes limiting work hours in industries; to the Committee on Labor.

8640. Also, petition of the Pilsener Brewing Co., Cleveland, Ohio, by their manager, James C. Wolf, urging favorable endorsement of the continuance of the National Industrial Recovery Act; to the Committee on Labor.

8641. Also, petition of the general subcommittee of the Switchmen's Union of North America, representing the employees of the New York Central Railroad, lines west, by John W. Wolf, general chairman, asking for support for an early passage of House Joint Resolution 219, which provides for an extension of the Emergency Railroad Transportation Act, which expires on June 16, 1935; to the Committee on Interstate and Foreign Commerce.

8642. Also, petition of 50 Alameda County clubs, 6,000 members, Oakland, Calif., by Glen J. Hudson, asking favorable action on the McGroarty bill (Townsend plan); to the Committee on Ways and Means.

8643. Also, petition of Massillon Trades and Labor Assembly, Massillon, Ohio, by their corresponding secretary, Robert J. Siffrin, asking assistance in a move to prevent the building of the proposed Beaver Mahoning Canal, as they are opposed to the building of this canal as they believe it will eventually mean the removal of the steel mills from the Massillon-Canton district, and requesting a favorable vote for the Wagner-Connery bill; to the Committee on Labor.

8644. By the SPEAKER: Petition of the board of governors of the Washington State Bar Association and the board of trustees of the Seattle Bar Association, requesting that there be constructed a new judicial building at Seattle, Wash.; to the Committee on Public Buildings and Grounds.

SENATE

TUESDAY, MAY 28, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, May 27, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lewis	Robinson
Ashurst	Costigan	Logan	Russell
Austin	Couzens	Lonergan	Schall
Bachman	Dickinson	McAdoo	Schwellenbach
Bankhead	Dieterich	McGill	Sheppard
Barbour	Donahey	McKellar	Shipstead
Barkley	Fletcher	McNary	Smith
Bilbo	Frazier	Maloney	Steiwer
Black	George	Metcalf	Thomas, Okla.
Bone	Gerry	Minton	Thomas, Utah
Borah	Glass	Moore	Townsend
Brown	Gore	Murphy	Trammell
Bulkley	Guffey	Murray	Truman
Bulow	Hale	Neely	Tydings
Burke	Harrison	Norbeck	Vandenberg
Byrd	Hastings	Norris	Van Nuys
Byrnes	Hatch	Nye	Wagner
Capper	Hayden	O'Mahoney	Walsh
Caraway	Johnson	Overton	Wheeler
Carey	Keyes	Pittman	White
Chavez	King	Pope	
Connally	La Follette	Radcliffe	

Mr. LEWIS. I announce the absence of the Senator from North Carolina [Mr. BAILEY], the Senator from Missouri [Mr. CLARK], the Senator from Louisiana [Mr. LONG], and the Senator from Nevada [Mr. MCCARRAN], who are unavoidably detained from the Senate.

I also announce the absence of the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Wisconsin [Mr. DUFFY], and the Senator from North Carolina [Mr. REYNOLDS], in attendance at West Point as members on the part of the Senate of the Board of Visitors to the United States Military Academy.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is unavoidably absent, and that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 3641. An act to amend section 559 of the Code of the District of Columbia as to restriction on residence of members of the fire department;

H. R. 3642. An act to amend section 483 of the Code of the District of Columbia as to residence of members of the police department;

H. R. 6510. An act to amend the District of Columbia Alcoholic Beverage Control Act;

H. R. 6623. An act to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age want;

H. R. 6656. An act to authorize the Pennsylvania Railroad Co., by means of an overhead bridge, to cross New York Avenue NE., to extend, construct, maintain, and operate certain industrial side tracks, and for other purposes;

H. R. 7167. An act to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes;

H. R. 7447. An act to amend an act to provide for a Union Railroad Station in the District of Columbia, and for other purposes;

H. R. 7781. An act to define the election procedure under the act of June 18, 1934, and for other purposes;

H. R. 7874. An act to change the name of the German Orphan Asylum Association of the District of Columbia to the German Orphan Home of the District of Columbia;

H. J. Res. 201. Joint resolution giving authority to the Commissioners of the District of Columbia to make special regulations for the occasion of the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in the month of September 1936, and for other purposes, incident to said encampment; and

H. J. Res. 280. Joint resolution for the designation of a street or avenue in the Mall to be known as "Maine Avenue."

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1522. An act to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children;

S. 1523. An act to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

S. 1524. An act to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children;

S. 1525. An act to provide funds for cooperation with joint school district no. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation;

S. 1526. An act to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation;

S. 1528. An act for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

S. 1530. An act to authorize appropriations for the completion of the public high school at Frazer, Mont.;

S. 1533. An act to provide funds for cooperation with Marysville School District, No. 325, Snohomish County,

Wash., for extension of public-school buildings to be available for Indian children;

S. 1534. An act to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash.;

S. 1535. An act to provide funds for cooperation with White Swan School District, No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation;

S. 1536. An act to provide funds for cooperation with the public-school board at Covelo, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif.;

S. 1537. An act to provide funds for cooperation with the School Board of Shannon County, S. Dak., in the construction of a consolidated high-school building to be available to both white and Indian children; and

S. 2105. An act to provide for an additional number of cadets at the United States Military Academy, and for other purposes.

THE CALENDAR

The VICE PRESIDENT. Under the special order of the Senate unobjected bills on the calendar are now to be considered. The clerk will call the first bill on the calendar.

BILLS AND RESOLUTION PASSED OVER

The bill (S. 944) to amend section 5 of the Federal Trade Commission Act was announced as first in order.

Mr. McKELLAR. I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909 (35 Stat. 1109; U. S. C., title 18, sec. 203), and for other purposes, was announced as next in order.

Mr. KING. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam was announced as next in order.

Mr. BACHMAN. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1878) conferring jurisdiction upon the Court of Claims to hear and determine the claims of the Mack Copper Co. was announced as next in order.

Mr. KING. I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

Mr. McKELLAR and Mr. BARBOUR asked that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 35) authorizing the Committee on the Judiciary to investigate certain phases of the National Recovery Act was announced as next in order.

Mr. KING. Let the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

The bill (S. 875) for the relief of Michael F. Calnan was announced as next in order.

Mr. KING. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

AMOS D. CARVER ET AL.

The bill (S. 2119) for the relief of Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard, and/or the widows of such of them as may be deceased was announced as next in order.

Mr. KING. Mr. President, I have heretofore objected to this bill, but upon examination of the report and an investigation of the case I find that the claim has merit and I withdraw my objection.

Mr. ROBINSON. I note that the Senator from Alabama [Mr. BLACK] reported the bill. Is the Senator prepared to give a brief explanation concerning it?

Mr. BLACK. Mr. President, this is identical with the bill which I reported from the Committee on Claims about 2 years ago. The claim involves a great deal more than the amount the Senate committee recommends be paid. As a matter of fact, after careful and painstaking investigation extending over weeks in connection with the evidence, we reached the conclusion that it would be to the interest of the Government to make the settlement provided in this bill rather than send the claim to the Court of Claims, where it was our opinion the Government would have a judgment rendered against it for a great deal more than the settlement agreed on in the Claims Committee. That was my opinion after careful consideration of the measure, and the committee agreed to it.

Mr. ROBINSON. Having in mind the statement just made by the Senator from Alabama, I make no objection to the bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with an amendment, on page 2, line 10, after the date "April 5, 1918", to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, jointly to Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard, owners of the schooner *Betsy Ross* and/or to the widows of any of said owners as may be deceased at the time of payment, each to receive of the amount hereby appropriated the portion thereof to which her husband would be entitled if living, the sum of $35,916.68, in full and final settlement of all claims against the United States for loss or losses which they may have suffered by reason of the interference with, the delays to, the enforced cancelation of the private charter of, and the appropriation of the use of, the schooner *Betsy Ross* by the United States Shipping Board or other governmental agencies at the port of Melbourne, Australia, on or about April 5, 1918: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Mr. President, I should like to ask the Senator from Alabama if the claimants are willing to accept this measure, or are they going to put in future claims?

Mr. BLACK. The claimants agreed to accept it, and there will be found in the report the statement that it is to be accepted in full settlement of the claim.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1162) to regulate the business of making small loans in the District of Columbia, and to amend an act to regulate the business of loaning money, etc., approved February 4, 1913, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 509) to prevent the use of Federal offices or patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends was announced as next in order.

Mr. McKELLAR. I also ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 164) for the relief of Donald L. Bruner was announced as next in order.

Mr. KING. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1453) to create a board of shorthand reporting and for other purposes was announced as next in order.

Mr. KING. Mr. President, it is understood that there is to be an amendment offered to that bill.

Mr. McKELLAR. Let the bill go over today.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes, was announced as next in order.

Mr. SMITH. I ask that the bill go over.

Mr. COPELAND. Mr. President, I hope the Senator will withhold his objection for a moment. This bill has been reprinted according to the instructions given the other day, and I think we can dispose of it in 10 minutes if there are no serious objections to any particular amendment.

Mr. SMITH. Mr. President, let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act was announced as next in order.

Mr. KING. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1589) authorizing the purchase of the United States Supreme Court Decisions and Digest was announced as next in order.

Mr. VANDENBERG. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 5599) to regulate the strength and distribution of the line of the Navy, and for other purposes, was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

NAVAJO INDIAN RESERVATION, N. MEX.

The bill (S. 2213) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes, was announced as next in order.

Mr. ROBINSON. Mr. President, I understood the Senator from Utah [Mr. KING] to desire that the bill go over. Am I in error?

Mr. KING. Mr. President, I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2213) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes.

The VICE PRESIDENT. When the bill was previously under consideration the amendment was agreed to.

Mr. HATCH. Mr. President, I desire to suggest several amendments to the amendment of the committee involving correction of typographical errors.

The VICE PRESIDENT. It will be necessary first to reconsider the vote by which the amendment was agreed to heretofore.

Mr. HATCH. I ask unanimous consent that that may be done.

The VICE PRESIDENT. Without objection, the vote by which the amendment was agreed to is reconsidered. The clerk will state the amendments offered by the Senator from New Mexico to the amendment.

The amendments to the amendment were, on page 11, line 17, before the word "thence", to insert "to the southeast corner of township 22 north, range 12 west"; on page 13, line 10, after the words "to the", to strike out "southeast" and insert "southwest"; in line 11, before the word "thence", to insert "thence north 1 mile to the northwest corner said section 29; thence east one-half mile to the north quarter corner said section 29; thence north 1 mile to the north quarter corner section 20, said township 2 north, range 5 west; thence east one-half mile to the northeast corner said section 20"; on the same page, line 12, after the word "north", to strike out "four" and insert "two"; on page 14, line 9, after the word "corner", to strike out "hereof" and insert "thereof"; on page 15, line 1, before the word "All", to insert:

Provided as to the area described: Beginning at the intersection of the west boundary of the Fort Wingate Military Reservation on the north line of section 3, township 13 north, range 17 west; thence east to the east boundary line of said military reservation; thence north along said boundary line 6 miles; thence west 3 miles; thence south 3 miles; thence west to intersection of the west boundary of said military reservation on the north line of section 22, township 14 north, range 17 west; thence south 3 miles to point of beginning; that to afford opportunity to terminate existing grazing use without unreasonable hardship to forest grazing permittees, said elimination from the Cibola National Forest and inclusion in the Navajo Indian Reservation shall not be effective until 5 years from the date hereof or such earlier date as may be fixed by Executive order: *And provided further*, That nothing herein shall in anywise affect the validity or the carrying out of the provisions of a certain timber-sale agreement executed by Arlo D. Squires on the 3d day of May 1933 and approved by the acting regional forester at Albuquerque, N. Mex., on the 12th day of May 1933, and that the administration of said timber sale shall continue to be handled by the United States Forest Service and the proceeds from said sale deposited in accordance with the provisions of said contract during the lifetime of the contract or its extension under the provisions contained therein.

And on page 18, line 6, after the word "and", to insert "the", so as to read:

That the exterior boundaries of the Navajo Indian Reservation in New Mexico be, and they are hereby, defined as follows:

Beginning at a point common to the States of New Mexico, Arizona, Colorado, and Utah; thence south along the Arizona-New Mexico State boundary line to the southwest corner of fractional section 15, township 11 north, range 21 west, New Mexico principal meridian, New Mexico; thence east to the southeast corner of section 13, township 11 north, range 20 west; thence north 15 miles to the northwest corner of section 6, township 13 north, range 19 west; thence east 6 miles; thence south 12 miles; thence east 6 miles; thence north 6 miles; thence east 6 miles; thence north to the south boundary of the Fort Wingate Military Reservation; thence west to the southwest corner of Fort Wingate Military Reservation; thence north along the west boundary of the said military reservation to the township line between townships 13 and 14 north; thence east to the intersection of the township line between townships 13 and 14 north with the east boundary of the said military reservation; thence north 9 miles along said boundary line; thence east to the range line between ranges 14 and 15 west; thence south to the north right-of-way of the Atchison, Topeka & Santa Fe Railroad; thence eastward following said north right-of-way line to its intersection with the township line between townships 13 and 14 north; thence east along that township line to the northeast corner of section 4, township 13 north, range 11 west; thence south 2 miles; thence east 1 mile; thence south 1 mile; thence east 1 mile; thence south 1 mile; thence east 1 mile; thence south 2 miles; thence east 3 miles; thence north 24 miles along a line bisecting townships 13, 14, 15, and 16 north, range 10 west; thence west to the southeast corner of township 17 north, range 11 west; thence north 6 miles; thence west 6 miles; thence north 3 miles; thence east 1 mile; thence north 1 mile; thence west 1 mile; thence north along the range line between ranges 11 and 12 west; to the southeast corner of township 22 north, range 12 west; thence east 6 miles; thence north 6 miles; thence west 6 miles; thence north 2 miles; thence west 9 miles; thence north 2 miles; thence west 3 miles; thence north along the east boundary of Navajo Indian Reservation to the San Juan River; thence down said river to where it crosses the east line of the Navajo Reservation as established by the treaty of June 1, 1868; thence north to the crest of Hogback Ridge; thence in a northeasterly direction, following the crest of Hogback Ridge to its intersection with range line between ranges 15 and 16 west; thence north to the northwest corner of township 30 north, range 15 west, New Mexico principal meridian; thence west to the east boundary of the treaty reservation; thence north along said treaty east boundary line to its intersection with the New Mexico-Colorado State line; thence west along the New Mexico-Colorado State line to the point of beginning; also the following:

Beginning at the corner of townships 20 and 21 north ranges 8 and 9 west, New Mexico principal meridian; thence south 6 miles;

thence west 3 miles; thence south 6 miles; thence west 1 mile; thence south 6 miles; thence east 16 miles; thence south 6 miles; thence east 18 miles; thence north 6 miles; thence east 1 mile; thence north 12 miles; thence west 22 miles; thence north 6 miles; thence west 9 miles to the place of beginning; and beginning at the township corner of townships 10 and 11 north, ranges 15 and 16 west, New Mexico principal meridian; thence east to the northeast corner of township 10 north, range 15 west; thence south to the northwest corner of section 19, township 9 north, range 14 west; thence east 6 miles; thence south to the southeast corner of township 6 north, range 14 west; thence west to the southwest corner of said township; thence north 3 miles; thence west 6 miles; thence north to the northeast corner of township 6 north, range 16 west; thence west to the southwest corner of township 7 north, range 16 west; thence north 6 miles; thence east 3 miles; thence north 8 miles; thence west 1 mile; thence north 7 miles along the east boundary of the Zuni Indian Reservation to the northwest corner of section 21, township 10 north, range 16 west; thence east 1 mile; thence north 1 mile; thence east 1 mile; thence north 1 mile; thence east 2 miles; thence north to the point of beginning; also beginning at the southwest corner of section 30, township 2 north, range 6 west; thence east to the southwest corner of section 29, township 2 north, range 5 west; thence north 1 mile to the northwest corner said section 29; thence east one-half mile to the north quarter corner said section 29; thence north 1 mile to the north quarter corner section 20, said township 2 north, range 5 west; thence east one-half mile to the northeast corner said section 20; thence north 2 miles; thence west 1 mile; thence north 1 mile; thence west to the corner of townships 2 and 3 north, ranges 5 and 6 west; thence north 4 miles; thence west 6 miles; thence north 1 mile; thence west 1 mile; thence north 1 mile; thence west 3 miles; thence south 7 miles; thence east 2 miles; thence south 2 miles; thence east 1 mile; thence south 1 mile; thence east 1 mile; thence south to place of beginning; also beginning at the southwest corner of section 6, township 9 north, range 3 west; thence east to southeast corner of section 1, township 9 north, range 2 west; thence north to the northeast corner of township 10 north, range 2 west; thence west to the southwest corner of section 35, township 11 north, range 3 west; thence north to the intersection of the south boundary of the Canada de los Alamos Grant; thence west to the southwest corner of the said Canada de los Alamos Grant; thence north along the west boundary of the said Canada de los Alamos Grant to its intersection with the township line between townships 11 and 12 north; thence west along the line between townships 11 and 12 north to its intersection with the east boundary of the Cebolletta Grant; thence south to the southeast corner of said grant; thence east along the north boundary of the Paguate Purchase to the northeast corner thereof; thence south along the east boundary of said purchase to the southeast corner thereof; thence west along the south boundary of the Paguate Purchase to its intersection with the range line between ranges 3 and 4 west; thence south along said range line to the place of beginning; also the east half northwest quarter northeast quarter and the west half northeast quarter northeast quarter section 33, township 26 north, range 11 west: *Provided*, That all vacant, unreserved, and unappropriated public lands within the boundaries above defined, except township 15 and the south half of township 16 north, range 18 west and township 15 and the south half of township 16 north, range 19 west, New Mexico principal meridian, New Mexico, are hereby permanently withdrawn from all forms of entry or disposal for the benefit of the Navajo Tribe of Indians. All lands of the Cibola National Forest within the above defined boundaries are also hereby eliminated from said forest and permanently added to the Navajo Reservation: Provided as to the area described: Beginning at the intersection of the west boundary of the Fort Wingate Military Reservation on the north line of section 3, township 13 north, range 17 west; thence east to the east boundary line of said military reservation; thence north along said boundary line 6 miles; thence west 3 miles; thence south 3 miles; thence west to intersection of the west boundary of said military reservation on the north line of section 22, township 14 north, range 17 west; thence south 3 miles to point of beginning; that to afford opportunity to terminate existing grazing use without unreasonable hardship to forest-grazing permittees, said elimination from the Cibola National Forest and inclusion in the Navajo Indian Reservation shall not be effective until 5 years from the date hereof or such earlier date as may be fixed by Executive order, and: *Provided further*, That nothing herein shall in anywise affect the validity or the carrying out of the provisions of a certain timber sale agreement executed by Arlo D. Squires on the 3d day of May 1933, and approved by the acting regional forester at Albuquerque, N. Mex., on the 12th day of May 1933, and that the administration of said timber sale shall continue to be handled by the United States Forest Service and the proceeds from said sale deposited in accordance with the provisions of said contract during the lifetime of the contract or its extension under the provisions contained therein. All valid rights and claims of individuals initiated prior to approval hereof under the public-land laws or by purchase involving any lands within said boundaries shall not be affected by this act.

SEC. 2. The State of New Mexico may relinquish to the United States in favor of the Navajo Indians such tracts of school or other State-owned lands, surveyed or unsurveyed, within the reservation boundary defined by section 1 of this act as it may see fit, reserving, however, to said State such rights as it may now possess to any and all minerals underlying State lands so relinquished; and said State shall have the right to make selections in lieu thereof equal in value to those relinquished from the vacant, unreserved, nonmineral public lands contiguously or noncontiguously located within the State of New Mexico. Such lieu selections shall be made in the same manner as is provided for in the Enabling Act pertaining to said State, except as to the payment of fees or commissions, which are hereby waived.

SEC. 3. The provisions in the act of March 3, 1921 (41 Stat. 1225–1239), authorizing the acceptance of relinquishments by the Secretary of the Interior, including Indian allotment selections for the purpose of effecting exchanges and consolidations of privately owned lands within San Juan, McKinley, and Valencia Counties, N. Mex., be, and the same is hereby, amended so as to apply to lands within Socorro, Bernalillo, and Sandoval Counties, N. Mex.: *Provided*, That in determining the values and areas of lieu lands to which private landowners and the State of New Mexico are entitled under the said act of March 3, 1921, as hereby amended, the value of improvements privately owned or owned by the State on lands to be conveyed or relinquished to the United States for Indian benefit shall be taken into consideration and, in the discretion of the Secretary of the Interior, full credit in the form of lands may be allowed therefor. All areas within the above-defined reservation boundaries heretofore and hereafter consolidated in the Government under the provisions of the act of March 3, 1921, as hereby amended, shall be held for the exclusive tribal use and benefit of the Navajo Indians.

In consideration of the foregoing reservation additions, no applications made by Navajo Indians for allotments on the public domain under section 4 of the act of February 8, 1887 (24 Stat. 388; U. S. C., title 25, sec. 334), or Indian homesteads under the act of July 4, 1884 (23 Stat. 96; U. S. C., title 43, sec. 190), shall be allowed for lands in the above-mentioned counties, unless filed prior to July 8, 1931.

SEC. 4. For the purpose of purchasing privately owned lands, together with the improvements thereon, within or without the boundaries above defined, and also within the areas in San Juan County, Utah, added to the Navajo Indian Reservation by the act of March 1, 1933 (47 Stat. 1418), there is hereby authorized to be appropriated, from any funds in the Treasury not otherwise appropriated, the sum of $482,136.22, which sum shall be reimbursable from funds accruing to the Navajo tribal funds, as and when such funds accrue, and shall remain available until expended: *Provided*, That title to the land so purchased may, in the discretion of the Secretary of the Interior, be taken for the surface only: *Provided further*, That said funds may be used in purchasing improvements of lessees on leased State school land within the said boundaries, provided the State of New Mexico agrees to the assignment of said leases to the Navajo Tribe of Indians on a renewable and preferential basis, and provided the legislature of said State enacts such laws as may be necessary to avail itself of the exchange provisions contained in section 2 of this act, and disclaims any right, title, or interest in and to any improvements on said lands. The title to all lands acquired under this section is hereby declared to be in the United States in trust for the benefit of the Indians of the Navajo Tribe.

SEC. 5. Individuals owning lands and improvements within the above boundary extension shall be compensated for their holdings and improvements at a just figure. In the event an agreement as to values cannot be amicably reached by interested parties, then an appraising committee shall be appointed, consisting of 3 men, 1 representing the Department of the Interior, 1 representing the owner of the property, these 2 representatives selecting a third member. However, in the event that the Interior Department and the property owner representatives cannot agree on the third member, such third member shall be appointed by the county commissioners of the respective counties involved and the report of the committee so created shall be final. Also the non-Indian owners of land and improvements within the extension shall, after they are paid for their land and improvements, have 3 months within which to vacate.

SEC. 6. The Secretary of the Interior is directed to make rules and regulations to restrict the number of livestock grazed on the entire Navajo Indian Reservation to the safe carrying capacity of the ranges, and to promulgate such other rules and regulations as may be necessary to protect the ranges from deterioration, to check the erosion of the soil, and to make possible the restoration of vegetative cover on the ranges.

The amendments to the amendment were agreed to.

The amendment as amended was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. HATCH subsequently said: Mr. President, a few moments ago the Senate passed a bill (S. 2213) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes. The junior Senator from New Mexico [Mr. CHAVEZ] was not in the Chamber at the time. He desires an opportunity to familiarize himself with the bill. Therefore I ask unanimous consent that the votes by which the bill was ordered to be engrossed for a third reading, read the third time, and passed may be reconsidered, that the bill may be restored to the calendar, and may be passed over.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

INCLUSION OF HOPS UNDER AGRICULTURAL ADJUSTMENT ACT

The Senate proceeded to consider the bill (S. 626) to amend the Agricultural Adjustment Act so as to include hops as a basic agricultural commodity, which had been reported from the Committee on Agriculture and Forestry without amendment.

Mr. McNARY. Mr. President, I desire to offer an amendment to perfect the bill, and then I shall ask that it go over.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert a new section, as follows:

SEC. 2. Subsection (b) of section 9 of the Agricultural Adjustment Act, as amended, is amended by adding at the end thereof the following: "In the case of hops the rate of the processing tax shall not exceed 2 cents per pound, and no processing tax shall be imposed except with respect to hops harvested during the marketing years 1935 and 1936."

The amendment was agreed to.

The VICE PRESIDENT. The bill will be passed over at the request of the Senator from Oregon.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 2481) to stabilize the bituminous coal mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States and to establish a national bituminous-coal reserve; to provide for the general welfare; and for other purposes, was announced as next in order.

Mr. BYRD. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. J. Res. 38) for the adjustment and settlement of losses sustained by the cooperative marketing associations, was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The resolution will be passed over.

The bill (S. 1460) to fix standards for till baskets, climax baskets, round-stave baskets, market baskets, drums, hampers, cartons, crates, boxes, barrels, and other containers for fruits or vegetables, to consolidate existing laws on this subject, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

INCLUSION OF POULTRY UNDER PACKERS AND STOCKYARDS ACT

The Senate proceeded to consider the bill (S. 12) to amend the Packers and Stockyards Act, which was read, as follows:

Be it enacted, etc., That the act to regulate interstate and foreign commerce in livestock, livestock products, dairy products, poultry, poultry products, and eggs, and for other purposes, approved August 15, 1921 (U. S. C., title 7, secs. 181–229), is hereby amended by the addition of the following title:

"TITLE V. LIVE POULTRY DEALERS AND HANDLERS

"SECTION 501. The handling of the great volume of live poultry required as an article of food for the inhabitants of large centers of population is attendant with various unfair, deceptive, and fraudulent practices and devices, resulting in the producers sustaining sundry losses and receiving prices far below the reasonable value of their live poultry in comparison with prices of other commodities and in unduly and arbitrarily enhancing the cost to the consumers. Such practices and devices are an undue restraint and unjust burden upon interstate commerce and are a matter of such grave concern to the industry and to the public as to make it imperative that steps be taken to free such commerce from such burden and restraint and to protect producers and consumers against such practices and devices.

"SEC. 502. (a) The Secretary of Agriculture is authorized and directed to ascertain from time to time and to designate the cities where such practices and devices exist to the extent stated in the preceding section and the markets and places in or near such cities where live poultry is received, sold, and handled in sufficient quantity to constitute an important influence on the supply and price of live poultry and poultry products. On and after the effective date of such designation, which shall be publicly announced by the Secretary by publication in one or more trade journals or in the daily press or in such other manner as he may determine to be adequate for the purpose approximately 30 days prior to such date, no person other than packers as defined in title II of said act and railroads shall engage in, furnish, or conduct any service or facility in any such designated city, place, or market in connection with the receiving, buying, or selling, on a commission basis or otherwise, marketing, feeding, watering, holding, delivering, shipping, weighing, unloading, loading on trucks, trucking, or handling in commerce of live poultry without a license from the Secretary of Agriculture as herein authorized valid and effective at such time. Any person who violates any provision of this subsection shall be subject to a fine of not more than $500 or imprisonment of not more than 6 months, or both.

"(b) Any person desiring a license shall make application to the Secretary, who may by regulation prescribe the information to be contained in such application. The Secretary shall issue a license to any applicant furnishing the required information unless he finds after opportunity for a hearing that such applicant is unfit to engage in the activity for which he has made application by reason of his having at any time within 2 years prior to his application engaged in any practice of the character prohibited by this act or because he is financially unable to fulfill the obligations that he would incur as a licensee.

"SEC. 503. Sections 202, 401, 402, 403, and 404 of said act are amended by the addition of the words 'or any live poultry dealer or handler' after the word 'packer' wherever it occurs in said sections. The term 'live poultry dealer' means any person engaged in the business of buying or selling live poultry in commerce for purposes of slaughter either on his own account or as the employee or agent of the vendor or purchaser.

"SEC. 504. The provisions of sections 305 to 316, both inclusive, 401, 402, 403, and 404 of said act shall be applicable to licensees with respect to services and facilities covered by this title and the rates, charges, and rentals therefor except that the schedules of rates, charges, and rentals shall be posted in the place of business of the licensee as prescribed in regulations made by the Secretary.

"SEC. 505. Whenever the Secretary determines, after opportunity for a hearing, that any licensee has violated or is violating any of the provisions of this title, he may publish the facts and circumstances of such violation and by order suspend the license of such offender for a period not to exceed 90 days and if the violation is flagrant or repeated he may by order revoke the license of the offender."

Mr. ROBINSON. Mr. President, there should be an explanation of the bill.

Mr. COPELAND. Mr. President, the bill has not anything to do with the poultry business as we heard of it yesterday. The bill is merely to change the Packers and Stockyards Act to include poultry as that act now includes cattle, sheep, and other livestock, and to do away with certain evils which exist in cities such as New York and Jersey City, where poultry is received in one city and by certain devices interference is interposed to the passage of the poultry across the line into New York. That practice brings about a very material increase in the cost of poultry. It costs $350 to get a carload of poultry from the West to Jersey City, taking 5 days. It costs $560 to get that same car across the river in 5 hours to New York City. The purpose of the bill is to give the Government the same supervision over poultry and its shipment that it now has over sheep, cattle, and other animals.

Mr. ROBINSON. On that statement I should like to see the bill passed, but there should be an explanation of the provisions of the bill.

Mr. COPELAND. It seems to be a long bill, but, as a matter of fact, that is because the entire existing law had to be repeated in order to include poultry at various places in the act where other animals are included.

Mr. ROBINSON. The only effect of the bill is to place poultry in the same situation as cattle, sheep, and so forth?

Mr. COPELAND. That is correct.

Mr. KING. Mr. President, undoubtedly the Senator is advised of the effect as well as the necessary interpretation of the important measure passed on by the Supreme Court yesterday.

Mr. COPELAND. It has no effect on this measure whatever. This is purely interstate business and has nothing to do with poultry after it gets within a State. It has to do largely with poultry crossing the Hudson River between New Jersey and New York. It has been thought by all those who have investigated the situation that it would do away with many of the evils which now exist, which go so far as murder, in connection with the transportation of poultry across the Hudson River at New York City.

Mr. McKELLAR. Mr. President, I notice that it provides for a system of licensing. Is it the same system as is applied to cattle and other products of that kind?

Mr. COPELAND. That is correct. It simply includes poultry within the act as other animal products are now included.

Mr. KING. Mr. President, I am so much opposed to the bureaucratic methods of many of the departments that I am very much afraid this is an attempt to usurp the authority which belongs to the State and should remain within the State.

Mr. COPELAND. I shall be very glad to have the Senator further consider the matter, and if he shall conclude that we should reconsider the action by which the bill is passed, I shall be willing to have that done.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COMPENSATION OF REGISTERS OF DISTRICT LAND OFFICES

The Senate proceeded to consider the bill (S. 2361) to fix the compensation of registers of district land offices, which had been reported from the Committee on Public Lands and Surveys without amendment, as follows:

Be it enacted, etc., That the act entitled "An act to fix the compensation of registers of local land offices, and for other purposes", approved May 21, 1928 (45 Stat. L., ch. 661, p. 684), is hereby amended to read as follows: "That from and after the 1st day of the month following the approval of this act the compensation of registers of district land offices shall be a salary of $2,000 per annum each, and all fees and commissions now allowed by law to such registers, but the salary, fees, and commissions of such registers shall not exceed $3,600 each per annum: *Provided*, That the salary of the register of the Juneau land district, Alaska, shall be $3,600 per annum."

Mr. ROBINSON. Mr. President, I think the bill should be discussed. It appears that it provides for an increase in the salaries of registers of district land offices. I think there should be an explanation why it is proposed to increase all those salaries.

Mr. O'MAHONEY. Mr. President, the bill merely increases the minimum salary which is paid to registers of land offices. Under the present law the salaries of registers are derived chiefly from fees for the filing of applications arising out of claims upon the public domain. A minimum salary of $1,000, however, is fixed. By reason of the withdrawal of public lands from entry and by reason of the passage of the Taylor Grazing Act, the fees have been practically cut off. This bill merely means a guarantee of $2,000 instead of $1,000 to approximately nine officials, so it does not involve any great amount of money at all.

Mr. ROBINSON. Does the Senator find any difficulty in securing officers to hold these positions?

Mr. O'MAHONEY. Of course, these officers were appointed before the Executive withdrawals and before the passage of the Taylor Grazing Act.

Mr. ROBINSON. What will be the total cost of the increase?

Mr. ADAMS. Mr. President, may I say that the total increase in cost will be practically nothing. Registers of land offices are having imposed upon them under the Taylor Grazing Act many additional duties for which they will receive no compensation. The performance of all duties heretofore was paid for. There will be no increase, with the possible exception of a few land offices where the fees were not sufficient heretofore to reach the $2,000 point. I think there is an aggregate increase of probably $4,000 to all the land offices.

Mr. ROBINSON. It is difficult to understand why it is necessary to raise the minimum salary of registers from $1,000 to $2,000 and then to limit their total compensation to $3,600.

Mr. HATCH. Mr. President, that is the limitation in the present law.

Mr. ROBINSON. If the total effect of the increase is to cost the Government only about $4,000, I shall not object.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1227) to authorize the issuance and sale to the United States of certain bonds of municipal governments in Puerto Rico, and for other purposes, was announced as next in order.

Mr. VANDENBERG and Mr. McKELLAR. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2228) to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges and agricultural experiment stations was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1689) for the relief of Frank Fisher was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1861) to incorporate the National Association of State Libraries was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes, was announced as next in order.

The PRESIDENT pro tempore. This bill, being the unfinished business, will be passed over.

The bill (S. 2644) for the relief of the estate of Harry F. Stern was announced as next in order.

Mr. KING. I should like to have an explanation of that bill.

The PRESIDENT pro tempore. The Senator from Utah asks for an explanation of the bill.

Mr. McKELLAR. Let it go over.

The PRESIDENT pro tempore. The bill will be passed over.

CUSTODY OF FEDERAL DOCUMENTS

The bill (H. R. 6323) to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof was considered, ordered to a third reading, read the third time, and passed.

Mr. BARKLEY subsequently said: Mr. President, I desire to inquire what disposition was made of House bill 6323, Calendar No. 576?

The PRESIDENT pro tempore. The bill was passed.

Mr. BARKLEY. I ask unanimous consent to reconsider the votes by which that bill was ordered to a third reading and passed, and that it be left on the calendar. One of the departments has made a suggestion about an amendment which I do not happen to have at my desk. I therefore ask that the bill be restored to the calendar.

The PRESIDENT pro tempore. Without objection, it is so ordered.

BILL PASSED OVER

The bill (S. 166) for the relief of Jack Doyle was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

PAYMENT OF NON-INDIAN CLAIMANTS UNDER ACT OF JUNE 7, 1924

The Senate proceeded to consider the bill (S. 2608) to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933, which was read, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sum to compensate white settlers or non-Indian claimants whose claims have been extinguished under the act of June 7, 1924 (43 Stat. L. 636), but who have been found by the Secretary of the Interior, in conformity with the proviso to section 3

of the act of May 31, 1933 (48 Stat. L. 108, 109), to be entitled to increased compensation by reason of errors in the amount of award previously allowed, or entitled to original awards by reason of errors in the omission of legitimate claimants. The non-Indian claimants, or their successors, as found and reported by the Secretary of the Interior, to be compensated out of said appropriation to be disbursed under the direction of the Secretary of the Interior in the amounts found to be due them, as follows:

Within the pueblo of Isleta, $1,876.72; within the pueblo of San Ildefonso, $9,371.52; within the pueblo of San Juan, $23,122.83; within the pueblo of Santa Clara, $2,810.69; within the pueblo of Pojoaque, $2,474.13; within the pueblo of Nambe, $1,985; within the pueblo of Sandia, $368.90; within the pueblo of Picuris, $278.64; within the pueblo of Cochiti, $1,088.90; within the pueblo of Jemez, $2,000; in all, $45,377.33.

Mr. McKELLAR. May we have an explanation of that bill?

Mr. HATCH. Mr. President, I can best explain the bill by reading a letter from the Acting Secretary of the Interior, which is printed in the report.

Mr. McKELLAR. Is the bill in accordance with the recommendation of the Department?

Mr. HATCH. It is. The matter was thoroughly gone into, and the Department recommends the passage of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELECTION PROCEDURE UNDER ACT OF JUNE 18, 1934

The bill (S. 2655) to define the election procedure under the act of June 18, 1934, and for other purposes, was announced as next in order.

Mr. ROBINSON. Mr. President, I shall ask the senior Senator from Oklahoma [Mr. THOMAS] to explain this bill.

Mr. THOMAS of Oklahoma. Mr. President, the last Congress passed what is known as the "Wheeler-Howard Act" for the benefit of Indians throughout the United States. That act provided a method for holding elections. The method is not clear so far as counting is concerned. It has been construed by some that a majority of the Indians on the entire reservation must vote a certain way in order to do anything; so this bill is intended to clarify the election provision of the so-called "Wheeler-Howard Act." It provides that all that is necessary is a majority of 30 percent voting. Thirty percent must vote; then a majority of that percentage can act under the Wheeler-Howard Act.

Yesterday the House passed a similar bill with a slight amendment. The amendment attached to the bill by the House provides that no treaty rights shall be abrogated by the passage of the bill. There is no objection to the bill, and I ask that the House bill be substituted for the Senate bill.

Mr. KING. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. KING. I notice that a recommendation is made by the Interior Department for various amendments. Have those amendments been incorporated in the bill now before us?

Mr. THOMAS of Oklahoma. There probably are other amendments pending before the committee; but this bill deals only with the matter of holding elections, the votes to be cast for and against proposals affecting the Indians themselves.

Mr. KING. One further question: Does the Senator think it is fair to impose upon a tribe the control which might be exercised by 30 percent only of the voters?

Mr. ROBINSON. Mr. President, I point out to the Senator from Utah, and also to the Senator from Oklahoma, that under this bill 15 percent plus one Indian will exercise control. The total number who must vote is 30 percent of the number of members of the tribe; and of that number a majority, which would be 15 percent plus one Indian, would have the power to control the policy of the tribe.

Mr. THOMAS of Oklahoma. That is about the percentage that controls in our general elections.

Mr. KING. May I say to the Senator that I think it is a little more than that. My recollection is that in one Presidential year which is not very remote the proportion was 48 or 49 percent.

Mr. THOMAS of Oklahoma. I will say to the Senator from Utah that that was an unusually large number.

Mr. KING. From the plentitude of the Senator's experience, and having lived in a State where there are a large number of Indians, does he think it is just and fair to permit 15 percent plus one, as indicated by the able Senator from Arkansas [Mr. ROBINSON], to dominate the tribe and control the financial and other policies of the tribe?

Mr. THOMAS of Oklahoma. Let me say to the Senator that the bill does not apply to my State. My State does not have reservation Indians. The Indians of my State are all allotted Indians. We have no reservations left. The bill applies only to the Western States where there are vast reservations. The Senator from Montana [Mr. WHEELER] is the author of the bill, and I therefore defer to him in that respect.

Mr. ROBINSON. May I ask the Senator a question in that connection? Under existing law, I understand that a majority of the members of the tribe must vote.

Mr. THOMAS of Oklahoma. Under existing law the attorneys have held that if a proposal was put before the Indians, unless a majority of the Indians went to the polls and voted against the proposal it should be declared adopted. Of course, that was not in accordance with any sort of good government, in the opinion of the committee, so we changed the procedure and provided that 30 percent must go to the polls. Then a majority of the 30 percent voting in favor of the proposal would carry it.

Mr. ROBINSON. Under the existing statute and practice, does every Indian eligible to vote have the opportunity of voting, and is he notified of the election, and how is he notified?

Mr. THOMAS of Oklahoma. Yes, Mr. President. The Secretary is presumed to give notice of the elections. As I understand, during the next few months there are to be a large number of elections throughout the Western States, and the Department is very much interested in having this bill passed to clarify the question of voting before the elections are called. The bill is a departmental measure. Of course, if the Senate should think that 30 percent is too small, it is entirely within the prerogative of the Senate to increase the percentage; but that is about the percentage that the Secretary thinks usually vote in general elections throughout the country.

Mr. ROBINSON. It does not seem to me that one who has not studied the subject matter would be in a position to have a very definite opinion as to what the provision should be in regard to the number of Indians that must vote. I content myself with pointing out the fact that 15 percent plus one would be able to impose on the tribe any policy that was involved in the election, and it does seem to me that that is rather a small number.

Mr. THOMAS of Oklahoma. As chairman of the committee, I shall be glad to consent to a motion to strike out 30 percent and substitute a larger percentage.

Mr. ROBINSON. Let the bill go over for the present.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. LEWIS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LEWIS. Does the rule as to 5 minutes' discussion prevail on the bills before the Senate at this time?

The PRESIDENT pro tempore. It does.

Mr. LEWIS. And the limitation of 5 minutes applies to each bill? Senators have only 5 minutes on each bill?

The PRESIDENT pro tempore. Five minutes is allowed to each Senator on each question pending.

BILLS PASSED OVER

The bill (S. 1697) providing old-age pensions for Indian citizens of the United States was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. NORBECK. Mr. President, do I understand that this bill is objected to?

Mr. McKELLAR. It has gone over on my objection.

Mr. NORBECK. I should to like to make a statement about the bill.

Mr. McKELLAR. I shall be glad to withhold the objection until the Senator can make a statement. I desire, how-

ever, to call the Senator's attention to the following statement in the report of the Secretary, which interested me:

If the economic security bill now pending becomes law and it is found feasible to bring the Indians under the provision of that legislation, appropriate recommendations can be made at a later date. I do not believe it feasible, however, to extend the provisions of that legislation to the Indians until further studies have been made and more definite information is available as to the number of beneficiaries involved.

For that reason I made the objection, and asked that the bill go over.

Mr. NORBECK. Exactly so. The Secretary says he does not believe it feasible to bring Indians under the provisions of the security bill; therefore, this bill. That is it exactly.

Are Indians included in the security bill, or are they omitted from it?

Mr. McKELLAR. I do not know.

Mr. NORBECK. I am told that they are omitted, and, therefore, this bill.

Mr. McKELLAR. But the Secretary says:

I do not believe it feasible, however, to extend the provisions of that legislation to the Indians——

Mr. NORBECK. That legislation, the security bill; yes.

Mr. McKELLAR (continuing):

until further studies have been made and more definite information is available as to the number of beneficiaries involved.

Mr. NORBECK. I agree absolutely with the Secretary. It is difficult to bring the Indian question under the provisions of the security bill; therefore, this bill. Read what the Secretary says:

Enactment of S. 1697 will insure the minimum care for numerous individuals not eligible for participation in relief provided by county and State agencies and now inadequately provided through annual Federal appropriations.

Mr. McKELLAR. Yes; but following that he says:

The Acting Director of the Bureau of the Budget, on April 12, advised that—

"Since the pending economic security bill would apply to Indian as well as other citizens of the United States, it is not believed that, pending action on that bill, this bill, S. 1697, should be considered as in accord with the financial program of the President."

It seems to me the bill ought to go over until we ascertain what should be done.

Mr. NORBECK. May I ask if there would be any objection to offering this bill as an amendment to the security bill, in order that we may be treating all persons alike?

Mr. McKELLAR. I have no objection.

Mr. ROBINSON. I think the Senator would be entitled to offer the bill as an amendment to the security bill, if he should find it necessary to do so; but it would be essential to give more time to the consideration of a bill of this important nature than is available under the rule under which we are now proceeding.

The PRESIDENT pro tempore. Objection is made, and the bill will be passed over.

PROCEDURE AND PRACTICE IN CONDEMNATION PROCEEDINGS

The Senate proceeded to consider the bill (S. 1943) to prescribe the procedure and practice in condemnation proceedings brought by the United States of America, including acquisition of title and the taking of possession under declarations of taking, which had been reported from the Committee on the Judiciary with an amendment.

COMMENT UPON DECISION OF SUPREME COURT ON N. R. A.

Mr. LEWIS. Mr. President, I depart from the subject before the Senate to address myself briefly to another topic, and I ask indulgence for not to exceed the 5 minutes limited under the rule.

Public information directs us to the fact that the Supreme Court of the United States on yesterday issued its decision, of rather sweeping character, condemning as unconstitutional a large volume of the legislation which has been inaugurated by Congress to the object of reforming and reconstructing the Republic under the theory of the present administration as commanded by the necessities as judged by the President and officers of the Government.

The opinion of the Supreme Court does much wholly to destroy one of the essential bases upon which the legislation is predicated. This fact is generally conceded. It is conceded that the necessity arises to reform much of that which was the repudiated standard. It is now we are to rebuild on a new foundation under the Constitution.

I rise at this moment to invite the attention of the Senate to the deplorable truth that but a short while ago there were those busy in this Nation accusing the legislative bodies, the President, and his aids of being in some combination to destroy the Constitution, to assert a dictatorship, and to achieve it by preparing to pack the Supreme Court with chosen judges. It was charged that Congress, under orders from the Executive, was to ignore all forms in the fundamental processes of the Republic for the maintenance of the Union and that which is constructed and preserved for freedom and justice to the citizen.

These accusations went all over the world. They would have deprived the Republic of all respect of intelligent mankind should they have been adopted and believed. They terrorized and frightened those who had not paused to note the prejudice that incited the impeachment. They could not see nor realize the injury borne in the slanders.

The opinions of the Supreme Court have now been delivered with such potency as wholly to destroy, surely to shatter, all the basis of that which was erected upon the theory of being at the time necessary to the welfare of the Republic and to the salvation of the citizenry of America.

I invite attention, sirs, to the present situation. There has come no condemnation or threat from anyone in this Government, neither from this honorable Senate, of either side of its politics, nor from any official source has there been expressed one single protest against the Supreme Court as having authority or privilege under the Constitution and laws to declare against the legislation of Congress. Not one voice of dissent has been raised as to the right of the Court to render the decision. Note, sirs, the absence from all sources of one single utterance intimating a disobedience to the opinion or an unwillingness to follow it.

I call the attention of the country to the fact that the distinguished President of the United States, who, within the time that has elapsed, has had full opportunity to express, if there was such an attitude of mind ever possessing him, any revolt against the Court, or any protest against its decision, has shown no wish to do so or desire to disobey the mandate. To the contrary, rather than an ignoring of the mandate of the Court, the President ordered immediate obedience.

In the Senate never from any Member, of any politics, came a murmur of disrespect to the Court. There was not heard one expression that could weaken respect for its jurisdiction, nor the threat of any Member of this body in opposition to the authority of the Court. In all and wholly, there are expressions of complete obedience on the part of this honorable body, words of great respect for the judges from every official, including the President of the United States and the officers of the Government under the President, every one and all proclaiming the Constitution with respect.

Here, again, in all conduct we affirm that this is a constitutional republic. The Constitution is not destroyed. It lives in the hearts of our countrymen, in the respect of the officials of the Government, in the obedience of the legislators; and before the country we present this Republic as a constitutional republic, maintained by its officials and officers in the true doctrine and spirit of the founders, the fathers and the sons, proclaiming America ever as the land of liberty, a country of justice under President and Congress of any politics, a people who ever live and serve for God and country.

I thank the Senate.

Mr. ROBINSON. Mr. President, there can be no question that the decisions of the Supreme Court in the Schechter cases, involving the National Industrial Recovery Act, are important and far-reaching.

The decisions rest upon two conclusions: First, that the rule or standard fixed in the act for the government of the

Executive, charged with the enforcement of the statute, is not sufficiently definite, and that it constitutes an attempt to delegate legislative authority. Second, that in the particular case the acts questioned related to intrastate commerce, to transactions which did not directly affect or injure interstate commerce, and for that additional reason the statute in its application in that case was held invalid.

The effect of the decision is to impair and embarrass the administration of the act, but not to destroy the act. It is entirely practicable to revise the statute so as to conform to the decision.

It should be remarked, in this connection, that the speaker now addressing the Senate does not see how maximum hours or minimum wages relating to workers engaged in purely intrastate transactions can be regulated or controlled by the Congress under the power to regulate interstate commerce.

Mr. BLACK. Mr. President, I regret taking up any time from the consideration of the calendar for even 5 minutes on the subject which has just been discussed. However, having read the opinion of the Supreme Court very carefully, I believe that it is impossible to revive or resuscitate the National Recovery Act in the form in which it has heretofore been presented, and do so within constitutional limitations as set out by the Supreme Court.

It is my belief that the Court has very clearly said that not only was the enactment of the National Industrial Recovery Act an attempt to delegate legislative power, but the Court has clearly demonstrated in its opinion that it is impossible to set limitations and bounds within which any code authority composed of business men can legislate in accordance with the ideas heretofore carried out by the N. R. A.

I believe, however, as I believed 2 years ago, and as I expressed myself in the argument I made upon this floor, that the Congress has the right to protect the workers of this country, who are included in the bill which I have offered, against the imposition of more than maximum hours declared by the Congress with reference to the businesses included in the bill. I believed at the time I offered that bill that it was within constitutional limitations. I believe so yet.

In my judgment, there is absolutely not one sentence and not one word in the opinion written by the Supreme Court, and which was handed down yesterday, which stands as an obstacle against the enactment of the 30-hour-a-week bill, or a bill of similar nature, fixing any hours the Congress may see fit to fix.

Mr. President, that measure invokes constitutional powers which are well recognized. It does not attempt indirectly to do that which could not be done directly. Where the Constitution gives to Congress the power to perform an act, it has been uniformly decided that the mere fact that the exercise of that power may accomplish other purposes incidentally will not deprive the Congress of the right of exercising the power given it by the Constitution.

It is not my intention at this time to discuss this question at length, and, of course, I could not do so, but I simply wished to state that, in my judgment, Congress has the right to legislate along the lines set forth in the bill known as the "30-hour-a-week bill", and that the bill invokes constitutional powers which are well recognized.

It is my further belief that if some action of a constitutional nature is not taken, and taken quickly, there will be several million men and women thrown out of employment in this country. Therefore I believe that Congress at the earliest possible time, recognizing the supremacy of the opinion rendered by the Supreme Court under the Constitution, should proceed to legislate in a direction in which it does have the power, along lines such as those provided in the bill which was favorably reported by the Committee on the Judiciary, and which is pending here today.

It will be my intention to insist, therefore, not that we attempt to do a vain and futile thing and turn over to business to do something voluntarily which we know it cannot do, but to exercise the powers of the Congress if we attempt to regulate hours, as I believe we should, and to do it in a constitutional manner.

Mr. HASTINGS. Mr. President, I merely wish to state that, in my judgment, the bill referred to by the distinguished Senator from Alabama [Mr. BLACK] is very much more clearly unconstitutional than the act which was declared to be so by the Supreme Court on yesterday.

In response to what was said by the distinguished Senator from Arkansas [Mr. ROBINSON], I desire to read to the Senate a memorandum presented to the Committee on Finance by the legal department of the N. R. A. shortly before the resolution introduced by the distinguished Senator from Missouri [Mr. CLARK] was reported to the Senate. The memorandum is as follows:

The following language of the joint resolution, "(2) no code of fair competition shall be applicable to any person whose business is wholly intrastate," means that no industry in the United States can be subjected to regulation by code. It is unquestionably unconstitutional for lack of due process to require one member of an industry to meet certain standards while his competitor in the same industry, selling the same goods on the same basis to the same potential customers, is left free of those requirements. The above language would mean that within each trade those competitors who cared to organize their business by States could compete with the other competitors free of any limitations or requirements of fair competition. Irrespective of illegality, it would be the most absurdly impossible injustice to require any interstate person to meet fixed requirements in competition with any person whose business is wholly intrastate, the latter being subject to no such requirements.

All competing members of an industry must be regulated or none. The power of Congress to do this is perfectly clear—see, for example, the Shreveport cases.

The above is cited merely as an example of the faults of the proposed resolution, but since it is a vital example it was thought necessary to point it out irrespective of other considerations.

Mr. President, my judgment is that we must return once more to the American principle and permit industries which desire codes of fair competition to be permitted to enter into such codes with the approval of the Federal Government, but, in my opinion, in doing that we cannot compel any single minority member to come into it. The majority, or the three-fourths, or the 80 percent, or the 90 percent of the industries which desire to enter into codes of fair competition approved by the Government must in the end carry the load of the 10 percent chiselers that will always exist in the country. That is a part of America, and we cannot get rid of it, and the Supreme Court has made it very definite to every thinking person.

Mr. KING. Mr. President, I am sure Senators were gratified at the remarks just made by my friend from Illinois, Mr. LEWIS, to the effect that the decisions of the Supreme Court handed down yesterday would be respected and followed not only by the executive and legislative departments but generally by the people of the United States.

The founders of this Republic gave to the New World a form of government superior to any that the world had ever had, and which, it was hoped and believed, would result in the establishment of an enduring Federal Republic dedicated to the cause of liberty and justice. The authority of the three governmental departments was circumscribed, and the functions of each clearly marked out. They knew that the executive branch of most governments had not infrequently exercised autocratic power, and that legislative departments of governments had too often been indifferent to the rights and liberties of the people. They set up the judicial department and conferred upon the Supreme Court of the United States the authority to weigh the acts of the executive and legislative branches, and to restrain them within legitimate and constitutional limits.

The N. R. A. was regarded by many American citizens as an encroachment upon the rights of States and an infringement upon the rights of individuals. Others looked upon its activities and the codes which were formulated, and the methods of their enforcement, as unwarranted efforts to regiment industry and the people of the United States and to compel a course of conduct which would menace our form of government and prove injurious to industrial development and to labor.

I have believed that the act creating N. R. A. would not stand the test of judicial opinion, and I was constrained to believe that it would arrest the forces making for progress and business and financial recuperation. I have believed that when cases were brought to the Supreme Court which squarely presented the question of the constitutionality of the law, the decision would be adverse to those who were contending that it was constitutional.

It is known that when the act was under consideration large industrial interests favored it because they regarded with disfavor the Federal antitrust laws. They saw in the proposed N. R. A. a modification, if not a repeal, of these salutary and imperatively needed laws, which denounced monopolies and monopolistic practices in restraint of trade and commerce. Many selfish interests regarded our antitrust laws as obstacles to their monopolistic control of industry, and therefore they were not adverse to, and, indeed, many of them welcomed, the N. R. A. with the codes which they were permitted to write and enforce.

That big business has been enabled to increase its monopolistic control of industry, I think must be admitted, and it is certain that in every part of the United States the small business man has felt the oppressive and powerful hand of monopoly resulting in severe mortality in many of the fields of trade and industry.

Unfortunately, Mr. President, there have been too many "brain trusters", many of whom have been selected from clever, subtle, and legalistic groups, indifferent to constitutional limitations and to the rights of sovereign States. Certain it is that policies have been favored and measures prepared which tended to aggrandize the power of the Federal Government at the expense of States, of local self-government, and of individual rights.

Reference has too frequently been made to legislation and policies of other countries in which there were not written constitutions and dual forms of government. There have been those whose influence has been exerted to compound the States into one powerful national government, whose authority was to be unrestricted. There have been apostles who urged socialism, and also voices raised in behalf of a centralized government whose authority was not to be challenged.

Mr. President, the American people should be thankful that we have a written Constitution; that the authority of the Federal Government is limited, and that it may exercise only the powers written into the Constitution. We should rejoice that the Constitution expressly declares that there are "reserved to the States respectively, or to the people", all the powers (which includes all the authority) not delegated to the United States by the Constitution nor prohibited by it to the States.

Mr. President, it is quite likely that the decision of the Supreme Court may bring some temporary disappointments and industrial uncertainties; but the American people under the Constitution—and not by regimentation or unauthorized Federal control—developed the strongest Nation in the world—one which has brought wealth and happiness to the American people and advanced high the standard of justice and civilization. The Constitution still lives, thank God, and our republican form of government will be maintained.

Mr. BORAH. Mr. President, I understood the Senator from Delaware [Mr. HASTINGS] to read an opinion from some legal authority connected with the N. R. A. to the effect that codes could not be imposed upon those engaged in interstate commerce unless at the same time codes were imposed upon those engaged in intrastate commerce, because it would be an arbitrary and capricious classification in contravention to certain well-established principles.

I do not think that is a sound position at all. Other things being equal, and complying with the rules which the Supreme Court has laid down, if that is practicable, I think codes may be imposed upon those engaged in interstate commerce, leaving out those who are engaged in intrastate business, because it would be absurd to say that the Congress was discriminating when it was leaving out that with which under the Constitution it had no power to deal.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. ROBINSON. I agree with the Senator from Idaho, and cite the reference in the Supreme Court's decision of yesterday to the fact that heretofore in other cases the Court has held that when the action of those engaged in intrastate commerce is of such a nature as directly to affect interstate commerce or interfere with it or injure it, their conduct comes within the power of Congress to regulate. In other words, the position taken by the Senator from Delaware is that those engaged in intrastate commerce may do anything they please, and they cannot be reached by national action. The Court has never gone that far. It has never held if intrastate industry undertakes to racketeer with respect to interstate commerce that those so operating cannot be reached.

Mr. BORAH. As I understood the opinion which the Senator from Delaware was reading, it was to the effect that if interstate business was dealt with, as contradistinguished from intrastate business upon a different line, it would be arbitrary and capricious, and therefore subject to certain opinions which the Supreme Court has rendered; but it could not be arbitrary and capricious when we were making the discrimination which the Constitution itself makes.

The Constitution gives to Congress the power to do one thing. It takes away from Congress the power to do another thing. If the Congress passes its control over the principle which is embodied in the Constitution, it could in no sense be considered as capricious or arbitrary; in other words, making a classification based entirely upon an arbitrary and capricious principle.

Mr. ROBINSON. Mr. President, will the Senator permit one more interruption?

Mr. BORAH. I yield.

Mr. ROBINSON. The Senator might cite the fact that for many years Congress in the exercise of its power to regulate interstate commerce, with respect to transportation, has recognized the principle of the decision in the N. R. A. case, and that has not resulted in the destruction of those who were engaged in interstate transportation.

Mr. BORAH. Mr. President, I think the difficulty which we have to encounter comes from a different source than that of separating intrastate and interstate business. That difficulty is very great. I should like to offer some views on that feature of the decisions.

What time have I left, Mr. President?

The PRESIDENT pro tempore. About a minute.

Mr. BORAH. I shall wait for another opportunity to conclude my remarks on this subject. Manifestly I cannot discuss the subject in the time now remaining.

Mr. GEORGE. Mr. President, in view of the fact that the decision of the Supreme Court has been brought before the Senate I wish to say that I see nothing in the decision which has not been well-recognized law from the beginning. It lays down absolutely no new principle. It is simply a straight-forward, clear-cut application of existing law to an act of the Congress.

The difficulty has been, Mr. President, that we have tried to circumvent in too many instances the very clear application of well-decided constitutional principles, and that has led us into some difficulty.

I do not think this is an hour for great excitement. The striking down of the N. R. A. in its entirety will not destroy America, nor will it greatly disturb the business of this country. After a few days I am not at all sure that the country will not breathe easier.

There is no difficulty in allowing business to function in the sphere of business. The difficulty has been upon the part of those who wish to stretch the plain provisions of the Constitution and to nullify the plain principles and implications of decided cases, so that the hand of the Federal authority might reach into the remotest hamlet and so disturb the citizen until he could not know what to expect tomorrow morning.

I am not condemning the N. R. A. in its purpose or in its objective. It accomplished good—I may say great good.

However, my judgment is that the act has spent itself substantially, and any effort upon the part of Congress to renew it, unless within clearly defined constitutional limitations, will be a great mistake, because the backbone of this depression, Mr. President, is broken; it is over, and the American people are ready to govern themselves without any attempt upon the part of the Congress to circumvent the plain and salutary and necessary provisions of our Constitution.

Mr. President, undoubtedly the N. R. A. can be renewed, but it can only be renewed by the Congress itself writing the code or writing the formula which will be definite enough to meet the test laid down by the Supreme Court, and it must be applied only to interstate commerce. That is all the Supreme Court has said. The Congress has not the power to go beyond that declaration. It may limit its codes if made by the Congress or made under a formula actually prescribed by the Congress, to interstate commerce and to interstate commerce alone. We have juggled language and talked about currents of commerce and something affecting commerce. All that the Supreme Court has held is that, in the exercise of power to regulate foreign and interstate commerce, when anything within intrastate commerce stood in the way, it could be stricken down as an undue hindrance, and beyond that Congress cannot go. That is all that is meant by the direct effect of any intrastate action on interstate commerce so far as the power of Congress to control interstate commerce is concerned. When we juggle words and manipulate language and try to write saving clauses in legislation, the decision of the Court means only one thing, and that is that we can regulate interstate commerce and we can strike down intrastate commerce when it is an undue impediment, an undue burden on interstate commerce, when it prevents Congress from exercising its powers. That is what the Supreme Court held yesterday, and that is exactly what the Supreme Court has held from the beginning.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BARKLEY. The Supreme Court in its decision yesterday emphasized the facts in the case.

The PRESIDENT pro tempore. The time of the Senator from Georgia has expired. The Chair recognizes the Senator from Kentucky.

Mr. McNARY. Regular order.

Mr. BARKLEY. Mr. President, in my time, I will ask the Senator a question. In the decision yesterday the Supreme Court emphasized the facts in a particular case and held that if they affected interstate commerce at all they only affected it in such an indirect way as to make it impossible for Congress to take jurisdiction over it, leaving a plain implication that if a case should be presented where some form of intrastate commerce affected interstate commerce directly the decision of the Court might be different. On the basis of the Shreveport case, where they held, as the Senator so well knows, which holding has been carried out in the Transportation Act, that Congress has the power to nullify the regulations of State commissions or intrastate carriers where they operated as an undue hindrance on interstate carriers, can the Senator visualize any situation, in view of the decision yesterday, pertaining to intrastate business or interstate commerce that would bring itself within the rule laid down somewhat broadly in the Shreveport case which was hinted at yesterday in the decision of the Supreme Court?

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Idaho?

Mr. BARKLEY. I yield first to the Senator from Georgia to answer the question.

Mr. GEORGE. I think the Shreveport case is simply an application of well-recognized principles and states the definite limitation as laid down in the Wisconsin case, and the Wisconsin case, in my opinion, is in line with the decision of the Court in the case decided yesterday. Wherever State regulation or law or intrastate commerce so burdens interstate commerce as to interfere with the congressional power——

Mr. McNARY. Mr. President, I rise to a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McNARY. I think we are all interested in this discussion and the argument, but most of us, I think, are familiar with the decision and its implications. This is the morning hour, and we are considering the calendar for unobjected bills, of which there are a large number. I think the rule plainly provides that such a debate as is now going on can only be had by unanimous consent; and I appeal to Senators to let us finish the calendar, and if they want to start at 2 o'clock and consume the rest of the day in discussing the decision of the Court, it will meet with my approval.

Mr. BARKLEY. Of course, I am not seeking to delay measures on the calendar, but I wanted to inquire of the Senator from Georgia his reaction, in view of the discussion in which he was already engaged when I came into the Chamber after being temporarily absent.

Mr. GEORGE. If I may finish my sentence, I do so by simply adding, interstate commerce is affected thereby.

Mr. McNARY. Mr. President, if the Senator will pardon me, I submit again that the debate is out of order.

Mr. GEORGE. I appeal to the Senator to let me finish my sentence.

Mr. McNARY. I invoke the rule that a Senator may speak only once and not longer than 5 minutes.

Mr. GEORGE. I was answering a question in the time of the Senator from Kentucky.

Mr. BARKLEY. I yielded to the Senator from Georgia to answer a question, which he probably would have answered before this time if the Senator from Oregon had not interrupted.

The PRESIDENT pro tempore. The Senator from Georgia has spoken once on this question.

Mr. AUSTIN. Mr. President, I feel compelled to make a brief statement, which will not take, at most, more than a moment, in connection with the remarks regarding the application of the decision of the Supreme Court yesterday to the 30-hour bill.

I quote from the opinion:

> We are of the opinion that the attempt through the provisions of the code to fix the hours and wages of employees of defendants in their intrastate business was not a valid exercise of Federal power.

I quote further the following as bearing upon what is intrastate commerce.

> In the case last cited—

That is the case of *Levering & Garrigues Co.* v. *Morrin* (289 U. S. 103)—

> In the case last cited we quoted with approval the rule that had been stated and applied in *Industrial Association* v. *United States*, supra, after review of the decision as follows:
>
> "The alleged conspiracy and the acts here complained of spent their intended and direct force upon a local situation—for building is as essentially local as is mining, manufacturing, or growing crops."

And so forth. All I wish to say at this time is when and if the 30-hour bill comes up for consideration, I shall take a view that is contrary to that of the learned Senator from Alabama, for I believe that it is well settled, as reiterated in the opinion of the Court yesterday, that manufacturing and mining and all such pursuits are local and intrastate, and any effort by the Federal Congress to regulate hours and wages in such enterprises is without constitutional authority.

PROCEDURE AND PRACTICE IN CONDEMNATION PROCEEDINGS

The Senate resumed the consideration of the bill (S. 1943) to prescribe the procedure and practice in condemnation proceedings brought by the United States of America, including acquisition of title and the taking of possession under declarations of taking.

The PRESIDENT pro tempore. The amendment reported by the committee will be stated.

The amendment of the Committee on the Judiciary was, in section 2, page 3, line 8, after the word "the", to strike out "officer or agent of the United States charged with the administration of the law authorizing the project or purpose

for which such property is desired may deem sufficient" and insert "court before which such proceedings are pending may deem sufficient", so as to make the section read:

SEC. 2. Whenever any corporation, municipal or private, or any State, or any reclamation, flood-control, or drainage district, or any other public agency, created by any State or by the United States, shall desire to acquire any lands or any easements or other interest therein, in connection with, or for the furtherance of, any project or purpose authorized by Congress, or for the purpose of conveying such land or other property to the United States, and the officer or agent of the United States charged with the administration of the law authorizing the project or purpose for which such property is desired, shall, upon investigation, determine the acquisition of such property by the United States to be necessary or desirable in connection with, or for the furtherance of, any purpose or project authorized by Congress for public use, and shall so certify to the Attorney General with a request that proceedings be instituted for the acquisition of such property, the Attorney General shall cause such proceedings in condemnation to be instituted in the District Court of the United States for the district wherein such property, or any part thereof, is situate, in the name of the United States of America, to acquire title to and possession of such land, easement, or other property therein: *Provided*, That any court costs and expense of said proceedings and any award that may be made thereunder shall be paid by the corporation or agency requesting the condemnation, and that, before any such proceedings are commenced, the payment of such costs and expense shall be secured in such manner and amount as the court before which such proceedings are pending may deem sufficient.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMERICAN NATIONAL THEATER AND ACADEMY

The bill (S. 2642) to incorporate the American National Theater and Academy was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Leopold Stokowski, of Philadelphia, Pa.; Evelyn Price (Mrs. Eli Kirk Price), of Philadelphia, Pa.; George W. Norris, of Philadelphia, Pa.; Samuel S. Fleisher, of Philadelphia, Pa.; Amory Hare Hutchinson, of Philadelphia, Pa.; Ellen D. Cleveland (Mrs. Richard F. Cleveland), of Baltimore, Md.; Otto T. Mallery, of Philadelphia, Pa.; Roland S. Morris, of Philadelphia, Pa.; Mrs. George H. Lorimer, of Philadelphia, Pa.; Hugh Hampton Young, of Baltimore, Md.; Richard F. Cleveland, of Baltimore, Md.; J. Howard Reber, of Philadelphia, Pa.; Mary Stewart French, of Philadelphia, Pa.; Clara R. Mason, of Philadelphia, Pa.; Katharine Dexter McCormick (Mrs. Stanley McCormick), of Chicago, Ill.; Evangeline Stokowski (Mrs. Leopold Stokowski), of New York, N. Y.; Elsie Jenkins Symington (Mrs. Donald Symington), of Baltimore, Md.; B. Howell Griswold, of Baltimore, Md.; Ann Morgan, of New York, N. Y.; John Hay Whitney, of New York, N. Y.; Otto H. Kahn, of New York, N. Y.; Harriet Barnes Pratt (Mrs. Harold I. Pratt), of New York, N. Y.; Mrs. W. Murray Crane, of New York, N. Y.; A. Conger Goodyear, of New York, N. Y.; Alice Garrett (Mrs. John W. Garrett), of Baltimore, Md.; John W. Garrett, of Baltimore, Md.; Joy Montgomery Higgins, of New York, N. Y.; Arthur Woods, of New York, N. Y.; Helen Woods (Mrs. Arthur Woods), of New York, N. Y.; C. Lawton Campbell, of New York, N. Y.; John H. Finley, of New York, N. Y.; Cass Canfield, of New York, N. Y.; Katharine E. Canfield (Mrs. Cass Canfield), of New York, N. Y.; William Rhinelander Stewart, of New York, N. Y.; Dorothea Blagden (Mrs. Linzee Blagden), of New York, N. Y.; John W. Davis, of New York, N. Y.; Francis Anita Crane, of New York, N. Y.; Frank L. Polk, of New York, N. Y.; Edward M. M. Warburg, of New York, N. Y.; William Green, of Washington, D. C.; Mary Chichester du Pont (Mrs. Felix du Pont), of Wilmington, Del.; Betty Hawley, of New York, N. Y.; Isabelle Anderson (Mrs. Larz Anderson), of Washington, D. C.; Mabel Boardman, of Washington, D. C.; Huibertje Lansing Pryn Hamlin (Mrs. Charles Hamlin), of Washington, D. C.; their associates and successors, duly chosen, are hereby incorporated, constituted, and declared to be a body corporate. The name of this corporation shall be "The American National Theater and Academy."

SEC. 2. The corporation shall be nonprofit and without capital stock. Its purposes shall embrace:

(a) The presentation of theatrical productions of the highest type;

(b) The stimulation of public interest in the drama as an art belonging both to the theater and to literature and thereby to be enjoyed both on the stage and in the study;

(c) The advancement of interest in the drama throughout the United States of America by furthering in the production of the best plays, interpreted by the best actors at a minimum cost;

(d) The further development of the study of drama of the present and past in our universities, colleges, schools, and elsewhere;

(e) The sponsoring, encouraging, and developing of the art and technique of the theater through a school within the National Academy.

SEC. 3. That the corporation created by this act shall have the following powers:

To have perpetual succession with power to sue and to be sued in the courts of law and equity; to receive, hold, own, use, mortgage, and dispose of such real estate and personal property as shall be necessary for its corporate purposes; to adopt a corporate seal and alter the same at pleasure; to adopt a constitution, bylaws, and regulations to carry out its purposes not inconsistent with the laws of the United States or any States; to establish and maintain offices and buildings for the conduct of its business; to establish State and Territorial organizations and local branches; and generally to do all such acts and things as may be necessary and proper in carrying into effect the purposes of the corporation.

SEC. 4. That the organization shall be nonpolitical, nonsectarian, as an organization shall not promote the candidacy of any persons seeking public office. There shall be no honorary members.

SEC. 5. That said corporation and its State and local branches and subdivisions shall have the sole and exclusive right to have and to use in carrying out its purposes the name "The American National Theater and Academy."

SEC. 6. That said corporation be, and is hereby, authorized to have its headquarters and hold its meetings at such places within or without the District of Columbia as it from time to time may deem best.

SEC. 7. The corporation is hereby authorized and empowered to receive by devise, bequest, donation, or otherwise, either real or personal property, and to hold the same absolutely or in trust and to invest, reinvest, and manage the same in accordance with the provisions of its constitution and to apply said property and the income arising therefrom to the objects of its creation and according to the instructions of its donors.

SEC. 8. That said corporation shall on or before the 1st day of January in each year make and transmit to Congress a report of its proceedings for the preceding calendar year, including a full and complete report of its receipts and expenditures: *Provided, however*, That said report shall not be printed as a public document. ment.

SEC. 9. That as a condition precedent to the exercise of any power or privilege herein granted or conferred, the American National Theater and Academy shall file in the office of the Secretary or the properly designated officer of each State or Territory or the District of Columbia in which is located either its headquarters or branches or subdivisions thereof the name and post-office address of an authorized agent upon whom legal process or demand against the American National Theater and Academy may be served.

SEC. 10. That the right to repeal, alter, or amend this act is hereby expressly reserved.

BILLS PASSED OVER

The bill (S. 2027) to regulate commerce in petroleum and for other purposes was announced as next in order.

Mr. McKELLAR. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2652) to authorize the President to attach certain possession of the United States to internal-revenue collection districts for the purpose of collecting processing taxes was announced as next in order.

Mr. McKELLAR. May we have an explanation of that bill?

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

BOARD OF SHORTHAND REPORTING

Mr. CONNALLY. Mr. President, I ask unanimous consent to recur to Calendar No. 354, being the bill (S. 1453) to create a Board of Shorthand Reporting, and for other purposes. I may say that the Senator from Texas was not in the Chamber when the bill was reached on the calendar. I am confident it will take only a moment or two to act upon it.

The PRESIDENT pro tempore. Is there objection?

Mr. McNARY. Mr. President, I inquire what is the request?

The PRESIDENT pro tempore. The Senator from Texas asks unanimous consent to recur to the consideration of Calendar No. 354, being Senate bill 1453.

Mr. CONNALLY. Let me say to the Senator from Oregon that the Senator from Texas was not present when the bill was reached earlier and was objected to. I have assurance that it will probably not be objected to at this time.

Mr. McKELLAR. Will the Senator explain what the bill proposes?

Mr. CONNALLY. Mr. President, this bill involves no expenditure on the part of the Treasury or the Government. It is simply a bill to provide for a board to examine and certify expert court reporters who practice before the Fed-

eral departments and bureaus of the Government. The fees for the examination will pay all the expenses of the board, and I hope the Senator will allow the bill to pass.

Mr. KING. Mr. President, I understood that an amendment was to be offered cutting down the fee from $40 to $10.

Mr. CONNALLY. The bill now provides for a fee of $25, and it is proposed to cut it to $15. I shall not object to such an amendment.

Mr. ROBINSON. Mr. President, may I ask the Senator from Texas whether the bill forbids the employment in Federal departments or bureaus of persons who have not stood the test provided by the board?

Mr. CONNALLY. Section 9 provides:

> On and after January 1, 1936, no person shall be employed for shorthand reporting in the judicial or executive branch of the Government—

And so forth.

Mr. ROBINSON. May I ask the Senator why the bill is made applicable to the judicial and executive departments and not to the legislative department? I would not be willing to consent that the stenographers in my office be required to come under the provisions of the bill.

Mr. CONNALLY. Mr. President, this is not a stenographer's bill; it is a court reporter's bill. It has to do with the reporters who take the hearings before the committees. It does not refer to stenographers at all; it refers only to court reporters who take hearings before the committees and before the Interstate Commerce Commission and other public bodies. It has no reference whatever to stenographers.

Mr. ROBINSON. What would be the advantages of the bill if it should be passed?

Mr. CONNALLY. I will say to the Senator that a number of the Interstate Commerce Commission members particularly are in favor of some act of this kind, because, under the present law, they have to let out by contract their reporting work, and the result is that firms get it that are not efficient but are incompetent. Under this measure no one could be so employed unless he had a certificate of efficiency. It does not in any wise affect compensation; it does not require the payment of any particular rate. It simply sets up an agency for determining the competency and efficiency of those who engage in shorthand reporting before the departments.

Mr. McKELLAR. Would not the effect be rather to create a monopoly in the shorthand reporting business?

Mr. CONNALLY. It would, in a way, but no more so than in the case of other professions. Lawyers are licensed; doctors are licensed; chiropractors are licensed; even corn doctors are licensed.

Mr. ROBINSON. The provision of section 9, which the Senator cites, is, in full, as follows:

> On and after January 1, 1936, no person shall be employed for shorthand reporting in the judicial or executive branch of the Government unless said person is the holder of a certificate provided for in this act.

My interpretation of that language would be that the President, the executive departments and bureaus, and the judicial departments could not employ a stenographer unless that stenographer had a certificate from the proposed board. I know that the language "shorthand reporting" is used, but it does not seem to me that that language would limit to judicial proceedings or quasijudicial proceedings the provisions of the bill.

Mr. CONNALLY. Shorthand reporting is defined in another section of the bill, I will say to the Senator.

Mr. ROBINSON. Yes. That provision reads as follows:

> When used in this act the term "shorthand reporting" means the making, by use of symbols or abbreviations of a verbatim record of any oral statement or deposition, proceeding of any court, commission, coroner's inquest, grand jury, master, referee, convention, deliberative assembly, or proceedings of like character.

Undoubtedly that language does somewhat limit the term "shorthand reporting."

Mr. CONNALLY. It limits it absolutely and does not include ordinary stenographers such as are employed in our offices.

Mr. ROBINSON. I wish to say to the Senator from Texas that in more than 30 years' experience in the two Houses of Congress I have never found inefficiency in the shorthand reporters who have reported the proceedings of the bodies in whose work I have participated. I doubt the necessity for the proposed legislation.

Mr. KING. Mr. President, I should like to ask the Senator from Texas a question. In the Judiciary Committee a few days ago we approved a bill which permits, as it ought to, the Federal Government, through the Department of Justice, to take depositions and to permit dependents to take depositions in the various States. Under the terms of the pending bill, if I understand its implications, if the Attorney General or an Assistant Attorney General sent someone to California to take the deposition of an important witness for use in the trial of a case he would have to find some stenographer who had a certificate from the proposed board before he could proceed to take the deposition.

We know there are hundreds of roving commissions, and I do not use the term opprobriously, sent from bureaus and boards of the United States, such as the Interstate Commerce Commission, to take testimony. Obviously, in many of the districts to which they go they could not find stenographers who had the certificate which is to be required under the terms of this bill. The result is that in the past they have taken stenographers with them or have relied upon getting efficient stenograpers, State court reporters, or others in the district to which they went. They did not fail, so far as I know, to obtain competent stenographers.

It seems to me the bill is a proposal to superimpose upon the Government additional expense. We are going to interrupt some of its activities and the functions of some of its agencies in their attempts to discharge their duties. I shall vote against the bill, though I shall not object to its present consideration.

Mr. McKELLAR. Mr. President, if it is a good bill as applied to the executive and judicial branches of the Government, why not apply it to the legislative branch? Manifestly it would work quite a hardship upon the legislative branch, as I believe it will upon the executive and judicial branches of the Government. I hope the Senator will let it go over.

Mr. CONNALLY. Of course, the Senator from Texas has no control as to the bill going over if the Senator from Tennessee objects to its present consideration.

Mr. McKELLAR. I do not want to let it proceed further at this time. I should like to have further opportunity to look into it.

Mr. CONNALLY. The Senator from Texas has had the bill up on three different occasions, and it has gone over to enable Senators to look into it. If Senators are not in favor of the bill I do not care to press it at this time.

The PRESIDENT pro tempore. The question is, Shall the bill be engrossed for a third reading, read the third time, and passed?

The motion was not agreed to.

Mr. CONNALLY. Mr. President, I ask unanimous consent that the vote by which the bill was rejected may be reconsidered and that the bill may be restored to the calendar.

Mr. McKELLAR. I have no objection.

The PRESIDENT pro tempore. The Senator from Texas asks unanimous consent that the vote by which the bill was rejected may be reconsidered, and that the bill may be restored to the calendar.

Mr. McNARY. To what bill does the Senator refer?

The PRESIDENT pro tempore. Calendar No. 354, the bill (S. 1453) to create a board of shorthand reporting, and for other purposes. Is there objection to the request of the Senator from Texas? The Chair hears none, and the bill will be again placed on the calendar.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 212) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm

Credit Administration, the Federal Reserve Banking System, and creating a Board of Agriculture to supervise the same was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1476) to provide for unemployment relief through development of mineral resources, to assist the development of privately owned mineral claims, to provide for the development of emergency and deficiency minerals, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 112) extending the effective period of the Emergency Railroad Transportation Act, 1933, was announced as next in order.

Mr. LOGAN. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

FARM-PRICE AMENDMENT TO AGRICULTURAL ADJUSTMENT ACT

The bill (S. 2313) to amend the Agricultural Adjustment Act, as amended, with respect to farm prices was announced as next in order.

Mr. SHIPSTEAD. Mr. President, this is the subject matter which was involved in the amendment which was discussed yesterday.

Mr. McKELLAR. Mr. President, let the bill go over and be considered at the time the Agricultural Adjustment Act comes before the Senate for amendment.

Mr. SHIPSTEAD. Yes; it should not be passed now. However, I desire to invite the attention of Senators to the fact that when this amendment was discussed yesterday it was discussed as a part of the House bill. I should like to know whether or not it is intended to pass that bill before it passes the House, if we are going to pass it at all. This bill was passed by both Houses of Congress last year; and because it passed the Senate first, it was vetoed. I could not understand how a House bill could appear before the Senate without having first passed the House. I understand since the debate yesterday that the House bill had not passed the House, and yet it is being considered by the Senate. Is it the intention to pass the House bill before it passes the House?

Mr. ROBINSON. Mr. President, the Senator from South Carolina [Mr. SMITH] is absent at this moment. In view of the decision of the Supreme Court in the National Industrial Recovery Act case and its application to some features of the A. A. A. Act and the amendments thereto which are pending, it is expected, when the call of the calendar shall have been completed under the order now in progress, that a motion will be made to recommit that bill to the Committee on Agriculture and Forestry.

In explanation, however, of how it is that the House amendments are pending in the Senate, let me state that the Senator from South Carolina [Mr. SMITH] offered the bill reported by the House committee as an amendment to the Senate bill in the nature of a substitute for the Senate bill. The bill which he offered as a substitute has not passed the House of Representatives, but it was thought that the substitution proposed would facilitate the disposition of the legislation and bring the two Houses closer together, because the House committee had reported the amendments which the Senator from South Carolina has offered in the form of a substitute for the Senate committee bill.

However, the entire matter of revision of the Agricultural Adjustment Act will be abated for the present, so as to afford an opportunity for the Senate Committee on Agriculture and Forestry to consider a revision of the pending amendments to make them conform to the decision of the Supreme Court in the National Industrial Recovery Act case. It will probably require several days to accomplish that purpose. It is not intended that the bill shall be abandoned, but that it shall be proceeded with when the Committee on Agriculture and Forestry of the Senate shall have had an opportunity to consider the necessary amendments and submit its report to the Senate.

Mr. SHIPSTEAD. Does the Senator consider the bill to be a tax bill?

Mr. ROBINSON. The bill which the Senate considered yesterday?

Mr. SHIPSTEAD. Yes.

Mr. ROBINSON. It may have some relation to the processing tax, but I think it is not a tax bill within the constitutional limitation providing that revenue bills must originate in the House. In any event, however, the question is academic since, for the time being at least, it is expected that the issue pertaining to the A. A. A. amendments will be abated pending further study and revision of the amendments.

COAST GUARD STATION, HOG ISLAND, VA.

The bill (H. R. 65) to provide for the establishment of a Coast Guard station on the coast of Virginia, at or near the north end of Hog Island, Northampton County, was considered, ordered to a third reading, read the third time, and passed.

COAST GUARD STATION, CAPE COD CANAL, MASS.

The bill (H. R. 2015) for a Coast Guard station at the eastern entrance to Cape Cod Canal, Mass., was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. COPELAND subsequently said: Mr. President, I ask unanimous consent to revert to House bill 2015, to which objection was made by the Senator from Utah [Mr. KING].

Mr. KING. Mr. President, I have no objection to returning to the bill; but unless an adequate explanation is made I shall object to its passage.

The PRESIDENT pro tempore. Without objection, the Senate will return to House bill 2015.

Mr. KING. I may state to the Senator that a large appropriation was made for the acquisition of the so-called "Cape Cod Canal." I voted against it. I thought it was an improper appropriation of the public money. It seems now that this is merely an additional burden that the Government has assumed in the acquisition of the canal. I should like to know the reason why it is important that there should be a Coast Guard station there when there are now a number on the Massachusetts coast.

Mr. COPELAND. The answer is that, of course, we did take over the Cape Cod Canal; and the report of the Senate Committee on Commerce, following the report of the House committee, is that—

> It is highly essential that the present auxiliary boat and apparatus house be designated a full Coast Guard station and enlarged to meet the demands upon it which will inevitably result from the increase in shipping which will pass through the Cape Cod Canal in the immediate future.

And, of course, the purpose of the station is not to relieve any private interest, but to give protection to American citizens and others who make use of the canal.

I may say that usually the Treasury Department reports against all such measures; but in this case, as the Senator will see on page 2 of the report, the Secretary of the Treasury recommends the passage of the bill.

Mr. KING. Let me ask the Senator whether there is any substantial trade there now?

Mr. COPELAND. Oh, yes; there is an increasing trade through the canal, but the waters there are dangerous, and it is important that there should be safety for the persons who use them.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 7205) to amend the Ship Mortgage Act, 1920, otherwise known as "section 30" of the Merchant

Marine Act, 1920, approved June 5, 1920, to allow the benefits of said act to be enjoyed by owners of certain vessels of the United States of less than 200 gross tons was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. COPELAND subsequently said: I ask unanimous consent to return to House bill 7205, Calendar No. 624, in order that I may say a word about it.

The PRESIDENT pro tempore. Is there objection?

Mr. BLACK. I object, Mr. President. I shall not object after we get a little further along with the calendar.

Mr. COPELAND. Very well.

The PRESIDENT pro tempore. Objection is made at the present time.

CONSTRUCTION OF BUILDINGS IN THE PHILIPPINE ISLANDS

The bill (S. 2278) authorizing the construction of buildings for the United States High Commissioner to the Government of the Commonwealth of the Philippine Islands was announced as next in order.

SEVERAL SENATORS. Let that bill go over.

Mr. TYDINGS. Mr. President, I should like to make a very brief explanation of this bill. The bill has more importance than perhaps Senators are wont to ascribe to it.

I desire to state, first of all, that the Philippines are our eighth best customer—not our fifteenth or twentieth, but our eighth best customer. Our trade with them aggregate about $200,000,000 a year. We have embassies in many countries which rank fifteenth or sixteenth in trade.

When the new Commonwealth Government takes over the Philippines in November of this year there will be no place for the high commissioner to live, because he is now living in Philippine property—a palace or a castle or a fortress, whatever it may be called, at Malacanan—and he will have to move. Options have been taken on ground there at a very reasonable figure; and it is proposed to erect a building so that there will be some place in which to house the administration for the next 10 years. After that our minister or ambassador to the Philippines will need a place in which to conduct business. In my judgment it would be unwise to have the American high commissioner, charged as he is with representing the United States in the islands, live in some temporary quarters and have his offices in some temporary place in the Philippines.

I therefore ask that this bill be not delayed, because if we are to have embassies and ministries over the world I believe our trade relations with the Philippines at present, and as contemplated, will more than justify the construction of this proposed building.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TYDINGS. Yes; I yield to the Senator.

Mr. VANDENBERG. In the law providing for the transfer of property from the American Government to the Commonwealth is there no provision for the retention of any land there which is owned by the United States?

Mr. TYDINGS. There is. I may say to the Senator that places such as Corregidor will be dismantled, in all probability, and much of the war material removed. I do not know that, but that is my supposition. The camps we have in the islands can likewise be torn down. As the Senator knows, many of the camps are but temporary buildings, judged by the standard adopted in colder climates, and I doubt whether it would be feasible to do other than to sell them to the highest possible bidder on the ground, and to realize as much money as possible from such procedure.

Mr. VANDENBERG. Who owns the Governor's Palace at Baguio?

Mr. TYDINGS. The Governor's Palace at Baguio, according to my understanding, is owned by the Philippine government.

Mr. VANDENBERG. Has the Senator any idea of the total value of the land which the American Government is presenting to the government of the commonwealth in connection with the transfer of sovereignty?

Mr. TYDINGS. I did have the figures; but it is my impression that the total value of the land is not nearly so large as most of us had in mind at the time we discussed the Philippine-independence bill. I inquired about it while I was in the Philippines, but at the moment I have not the figures available.

Mr. VANDENBERG. If the Senator will permit the bill to go over for one more calendar day, I think they can be obtained.

Mr. FLETCHER. Mr. President, I desire to call attention to the fact that the bill does not provide for acquiring land.

Mr. VANDENBERG. Oh, yes, it does. I beg the Senator's pardon. There is an estimate along with the bill for the purchase of land. I asked about the matter the last time the calendar was called, and $150,000 of this money is to buy land after we have presented the commonwealth of the Philippines with millions upon millions of dollars' worth of land.

Mr. FLETCHER. I was not looking at the body of the bill, but the title of it is—

A bill authorizing the construction of buildings—

And so forth.

Mr. VANDENBERG. Regardless of the title, the Senator will find that the report contemplates the purchase of land, which is rather a shocking thing to me.

Mr. TYDINGS. In order to clear up that point, I will state that we could locate a building in the Philippines on much cheaper land, but I am familiar with this site proposed to be acquired, and in my judgment, it is about as finely located as it is possible to obtain, and certainly I do not want the United States Government to have a building on some back street. If we are to do this, I think it would be good economy to put this building where it would really be in line with the dignity of our country.

Mr. VANDENBERG. I agree with the Senator's analysis of the situation.

Mr. ROBINSON. Mr. President——

Mr. TYDINGS. I yield to the Senator from Arkansas.

Mr. ROBINSON. I thought the Senator had concluded.

Mr. TYDINGS. I do not desire to delay the Senator from Arkansas, but the Senator from Tennessee [Mr. McKELLAR] rose to ask me a question, and I should like to dispose of as many objections as I can in the short time that is available today.

The PRESIDENT pro tempore. The 5 minutes of the Senator from Maryland have expired. The Senator from Arkansas is recognized.

Mr. ROBINSON. Mr. President, as I understand, the bill is to go over. My suggestion to the Senator from Maryland is that as many as possible of the objections which are likely to be made be disposed of now, so that they will not arise when the bill shall again be taken up.

Mr. President, I rise for the purpose of making a brief statement in response to inquiries which have been made by a number of Senators.

Yesterday, at my request, the following agreement was entered into:

Ordered, That immediately following the convening of the Senate on Tuesday, May 28, 1935, it proceed to the consideration of unobjected bills on the calendar.

There was no adjournment. A recess was taken. Consequently, there has been no morning hour; and my construction of the agreement is that the Senate should proceed with the present order until the conclusion of the call of the calendar for unobjected bills, when necessarily the unfinished business will be laid before the Senate.

I make the statement now because I am compelled, in order to fulfill an engagement pertaining to the public business, to leave the Senate for a time.

The PRESIDENT pro tempore. There being no objection, Senate bill 2278 will be passed over.

REGISTRATION AND REGULATION OF LOBBYISTS

The Senate proceeded to consider the bill (S. 2512) to define lobbyists, to require registration of lobbyists, and provide regulation thereof, which had been reported from the Com-

mittee on the Judiciary with an amendment to strike out all after the enacting clause and to insert:

That any person who shall engage himself for pay, or for any consideration, to attempt to influence legislation, or to prevent legislation, by the National Congress, or to influence any Federal bureau, agency, or Government official, or Government employee, to make, modify, alter, or cancel any contract with the United States Government, or any United States bureau, agency, or official, as such official, or to influence any such bureau, agency, or official in the administration of any governmental duty, so as to give any benefit or advantage to any private corporation or individual, shall before entering into and engaging in such practice with reference to legislation as herein set out register with the Clerk of the House of Representatives and the Secretary of the Senate, and shall give to those officers his name, address, the person, association, or corporation, one or more, by whom he is employed, and in whose interest he appears or works as aforesaid. He shall likewise state how much he has been paid, and is to receive, and by whom he is paid, or is to be paid, and how much he is to be paid for expenses, and what expenses are to be included, and set out his contract in full.

SEC. 2. Any person, before he shall enter into and engage in such practices as heretofore set forth, in connection with Federal bureaus, agencies, governmental officials, or employees, shall register with the Federal Trade Commission, giving to the Federal Trade Commission the same information as that required to be given to the Clerk of the House and Secretary of the Senate in section 1 of this act.

SEC. 3. At the end of each month each person engaged in such practices as aforesaid shall file, either with the Federal Trade Commission or the Clerk of the House or the Secretary of the Senate, as required herein, a detailed report of all moneys received and expended by him during such month in carrying on his work as aforesaid, to whom paid, and for what purpose, and the names of any papers, periodicals, or magazines in which he has caused any articles or editorials to be published.

SEC. 4. All reports required under this bill shall be made under oath before an officer authorized by law to administer oaths.

SEC. 5. Any person who may engage in the practices heretofore set out without first complying with the provisions of this act shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine of not more than $5,000 or imprisoned for not more than 12 months, or by both such fine and imprisonment.

SEC. 6. Any person who shall make a false affidavit, where an affidavit is required in this act, shall be guilty of perjury, and upon conviction shall be punished by imprisonment for not more than 2 years.

SEC. 7. A new registration shall be required each calendar year on or before January 15.

Mr. O'MAHONEY. Mr. President, may I ask that a statement be made as to the effect this bill would have upon the ordinary practice of law before the departments?

Mr. BLACK. The bill would have no effect in the world on the practice of law or the practice of any other profession. It prohibits nothing. It simply requires those who receive compensation for services in order to influence legislation, or to influence the making of contracts, or action by the departments, to register. The bill imposes no prohibition of any kind or type.

Mr. O'MAHONEY. I have in mind the fact that in the public-land States numerous claims are constantly coming before the Interior Department particularly having to do with homesteads, with oil and gas prospecting permits, with leases, and the like. Residents of these Western States necessarily are dependent to a considerable extent upon the services of attorneys in Washington, for which only moderate fees are paid. Such attorneys are not engaged in influencing legislation, but they are engaged in representing their clients before the departments in the making of contracts. Do I understand that they would be governed by this bill?

Mr. BLACK. The Senator is absolutely correct. I will give him an example of what would be covered.

Some time ago a controversy came up in the Shipping Board over the purchase of some ships. A lawyer was employed, and received a fee of $100,000 for aiding in having those ships sold to his client. During the time of his employment he engaged in services both with the Department and with the executive branch of the Government, writing letters even to the President. Lawyers are constantly in Washington engaged in influencing contracts. Of course, if we exempted lawyers it would simply give them a monopoly on lobbying, which I am sure no one would want to do.

Mr. O'MAHONEY. I quite agree with the Senator. No monopoly should be extended to any class.

Mr. BLACK. I see no injury that could come to any lawyer anywhere in the United States.

Mr. O'MAHONEY. Does not the Senator believe that the provision in section 3 that every person affected by the bill shall make a report at the end of each month of all moneys received and expended would be a little onerous on those lawyers who are not engaged in lobbying and who are merely handling routine law business?

Mr. BLACK. It refers to one who makes money for the purposes specified. If no money were made along those lines, the man would not have to make any report. It is simply intended to impose upon the man who is engaged in influencing contracts, in influencing legislation, and activities of that kind, the necessity of making a report showing what pay he has received.

I may say to the Senator that investigation has shown that frequently men receive thousands and thousands of dollars in fees. For instance, a man came here from the State of Ohio and stayed 3 days, according to the record, and received $3,000 for services, supposedly as a lawyer. The record showed, when we finally obtained the facts, that he had been employed to expedite the passage of the air mail bill. He was a lawyer, and if he had been representing the particular firm down through the months he would have had to make a monthly report of his expenses, but he would not have had to make any monthly report of receipts from his ordinary practice of the legal profession.

Mr. O'MAHONEY. Of course we all are familiar with examples of the kind to which the Senator alludes; but there are also a great many lawyers who are not lobbyists whose practice is altogether beyond criticism, and I am a bit fearful that by this provision they would be subjected to undue restrictions. Therefore, I ask the Senator whether he does not believe that a report every 6 months would cover all that he desires, and at the same time perhaps protect other lawyers who do not try to influence legislation and who are not engaged in any reprehensible practice at all.

The PRESIDING OFFICER (Mr. POPE in the chair). The time of the Senator from Wyoming has expired.

Mr. BLACK. In my own time, then, I may say to the Senator that I do not call all of that business reprehensible at all. It is perfectly legitimate for a lawyer or anyone else to represent someone in connection with legislation. Under the Constitution the right of petition is made secure, and this bill is not intended to deprive anyone of that right.

So far as the feature to which the Senator calls attention is concerned, personally I think it is a mere matter of detail. It had never occurred to me that there would be anything wrong in having a report made monthly. It was not suggested in the committee. The Senator from New Mexico is a member of the Senate committee which considered the measure, and he will bear me out that no one ever made a suggestion as to a change of the kind suggested.

Mr. O'MAHONEY. Mr. President, may I make inquiry as to whether or not the Senator would accept such an amendment?

Mr. BLACK. If the Senator thinks once a month would be too frequent for reports, I suggest that he offer an amendment making the time 3 months, which would accomplish the purpose desired, and I shall not object to it. I am interested in the bill from its major and broader standpoint, and I will accept an amendment to make it 3 months, in line with the Senator's suggestion.

Mr. O'MAHONEY. I offer the amendment to the committee, on page 5, line 14, after the word "each", to strike out the word "month" and to insert the words "3-month period."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. KING. Mr. President, in my own time I ask the Senator from Alabama whether cases of the character to which I shall refer would come within the terms of the bill.

We have appropriated $4,000,000,000 for public works. There are coming to Washington from every State in the Union mayors of cities, representatives of school districts,

representatives of irrigation districts, and representatives of the various corporations and organizations which would be entitled to make application for and to receive a part of the $4,000,000,000. Would this measure require them to register, though they are paid for coming here, though we invite them to come and make a presentation of the claims of their respective organizations? Would they come within the terms of the bill and have to file reports and make the statement that they are lobbyists whether they are representatives of the city of Butte, or of the city of Boise, or of some municipality in Alabama?

Mr. BLACK. I may state to the Senator that we discussed that matter in the committee, as the Senator will recall.

Mr. KING. I was away most of the time, and I did not know it had been discussed.

Mr. BLACK. The Senator was there for a time and raised the question, and it was our judgment that the bill would not require the mayor or the representatives of a city to file a report.

Mr. KING. Suppose it were the attorney for a city, or the attorney for some school district, a man who was employed to come for that purpose. Would he have to register?

Mr. BLACK. Anyone who is employed for such a purpose would be required to register, but the bill would not require the mayor or the regular city attorney or other official of a city to register. It simply is intended to bring about a registration of those who serve for pay in an effort to influence legislation or contracts or things of that character.

Mr. BORAH. Mr. President, would the bill include such gentlemen as those who appeared here a few days ago purporting to represent industry, those who were on the pay roll of the N. R. A. who appeared here for the purpose of seeking an extension of the N. R. A.? Would the bill include them?

Mr. KING. I hope so.

Mr. BLACK. It would include anyone receiving pay for the purpose of influencing legislation or contracts.

Mr. BORAH. They were receiving pay, and they were here to see that their pay continued. They were advocating the extension of the N. R. A. and they were receiving compensation. I think they would come within the terms of the bill. If it would not cover them, it ought to.

Mr. BLACK. As the Senator well knows, so far as I am concerned, I would have been glad to have a far broader bill not only in the connection the Senator mentions but in many other directions. But in order to initiate the legislation we have worked this measure out in committee, seeking to meet the objections of various Senators.

Mr. BORAH. I am not objecting to the bill at this time. I only say that in my opinion it would include those gentlemen, and it ought to.

Mr. McKELLAR. It is certainly a step in the right direction.

Mr. BLACK. I may say to the Senator that I shall not be pained if it does include them.

Mr. BORAH. I shall be fearfully pained if it does not.

The PRESIDING OFFICER. The Chair calls attention to the fact that an amendment similar to that offered by the Senator from Wyoming [Mr. O'MAHONEY] should be inserted in the bill on page 5, line 18.

Mr. BLACK. That is all right. I will accept an amendment at that place.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. In the committee amendment, on page 5, line 18, after the word "such", it is proposed to strike out the word "month" and to insert the words "3-month period."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to require registration of persons engaged in influencing legislation or Government contracts and activities."

FARMERS' HOME CORPORATION

The bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes, was announced as next in order.

Mr. KING. Let that bill go over.

Mr. BANKHEAD. Mr. President, if the Senator will withhold his objection for a moment, I desire to say that I have had numerous requests from Members of the Senate and from other sources seeking information as to when this bill would be again considered by the Senate.

It will be recalled that when the bill was recommitted to the Committee on Agriculture and Forestry the Senate ordered that the bill be reported back by May 14, and that action clearly implied that it was the purpose of the Senate again to consider the bill.

I understand that the Copeland pure-food bill and the Wheeler utility bill will probably be taken up. I do not wish to resist in any way the program of the leadership of the Senate, but I desire to give notice that after those two bills shall have been disposed of I intend to move that the Senate take this bill up for action, unless, of course, the leader of the Senate objects.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

ART METAL CONSTRUCTION CO.

The bill (S. 1138) for the relief of Art Metal Construction Co., with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period, was announced as next in order.

Mr. KING. Let that bill go over.

Mr. COPELAND. Mr. President——

Mr. KING. I withhold the objection, but would like to have an explanation.

Mr. COPELAND. This is a bill which would give the Art Metal Construction Co. the right to present its claim to the Court of Claims.

Any Senator who is interested will find on page 2 of the report that there has been no lack of diligence on the part of the corporation involved to have its day in court. The case was tried in the United States District Court for the Western District of New York, and on September 24, 1929, judgment was rendered by the court in favor of the plaintiff for the recovery of the overpayment. The Government appealed the case, and the plaintiff lost on review of the case by the United States circuit court of appeals. Immediately after that several cases with identical issues were brought before the Supreme Court and the issues sustained; so, on the strength of the later decisions, the Art Metal Co. applied for a writ of certiorari. I think—and it was the feeling in the House when a similar bill was previously passed there, and of the Senate committee when it was given further consideration—that this company should have the opportunity to go to the Court of Claims.

Mr. KING. Mr. President, may I ask the Senator upon what ground the relief was denied? I understand from the Senator from New York that appeal was taken to the courts; after, I assume, a fair trial, the court decided adversely to the plaintiff.

Mr. COPELAND. On appeal to the Supreme Court the case was decided adversely to the plaintiff; and then later, in identical cases, in cases involving precisely the same question—namely, whether a timely claim for refund in general terms could be amended—this language appears in the middle of page 2 of the report the Supreme Court granted that right in those other cases; and the feeling of this company was that for some reason or other there was a failure to recognize the merits of the case, which was identical with the other ones.

Mr. KING. May I ask the Senator whether the Treasury Department has recommended favorable or unfavorable action on the bill?

Mr. COPELAND. The Secretary of the Treasury said that he saw no reason why any special treatment should be accorded this taxpayer. He said in his letter:

If, without regard to whether a timely claim may be amended, the claim filed in this case was not a claim in praesenti, as held by the Court, but one which was to become effective as such at some future date, there is no more reason for making an exception to the statute of limitations in this case than there is in numerous other cases.

However, the contention of my constituents is that the courts did, in cases which were identical with this case, grant the same relief asked for in their case, and therefore they feel that they are entitled to it.

Mr. KING. What is the amount involved?

Mr. COPELAND. I am sorry I cannot answer that question off-hand. The amount is indefinite; the amount of $1, or such greater amount as may be refunded.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1138) for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period, which had been reported from the Committee on Claims with an amendment, on page 2, line 13, after the word "overpayment", to strike out "with interest at 6 percent per annum from the date of payment", so as to make the bill read:

Be it enacted, etc., That the time within which suits may be instituted by Art Metal Construction Co., a corporation organized under the laws of Massachusetts, having its principal place of business in Jamestown, N. Y., against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for said period be, and the same is hereby, extended to October 1, 1935, and jurisdiction is hereby conferred upon the Court of Claims of the United States, and it is hereby authorized and directed to hear and determine on the merits any suit commenced therein against the United States prior to October 1, 1935, for the recovery of any overpayment of such taxes, any finding, determination, judgment, rule of law, or statute to the contrary notwithstanding.

And if it shall be found in any such suit that such tax has been overpaid, the court shall render final judgment against the United States and in favor of said taxpayer for the amount of such overpayment, such judgment to be subject to review by the Supreme Court of the United States as in other cases.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 738) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof was announced as next in order.

Mr. AUSTIN. Mr. President, at the request of the Senator from Wyoming [Mr. CAREY], I ask that the bill be passed over.

The VICE PRESIDENT. The bill will be passed over.

PUBLIC-SCHOOL BUILDING, WORLEY, IDAHO

The bill (S. 2462) to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county of Kootenai, Idaho, was announced as next in order.

Mr. KING. May I ask the Senator from Idaho [Mr. BORAH] whether the bill will take Indian children from Indian schools and give them an opportunity to attend public schools?

Mr. BORAH. The bill is designed to cooperate with the school board in building a school building in which Indian children may attend school. At the present time the school facilities are insufficient to accommodate both the white children and the Indian children, and this bill is designed to erect a structure which will accommodate all.

Mr. KING. Are a number of Indian children involved?

Mr. BORAH. The white children are considerably in excess of the Indian children, but the amount of taxable property is about the same.

Mr. KING. Will the building cost more than $101,000?

Mr. BORAH. Yes.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $101,000 for the purpose of cooperating with the public-school board of district no. 57, Kootenai County, Idaho, for the construction and equipment of a public-school building at Worley, Idaho: *Provided*, That the expenditure of any money so appropriated shall be subject to the express conditions that the school maintained by said school district in the said building shall be available to all Indian children of the town of Worley and county of Kootenai, Idaho, on the same terms, except as to payment of tuition, as other school children of said districts: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

LEASING OF UNALLOTTED INDIAN LANDS FOR MINING PURPOSES

The Senate proceeded to consider the bill (S. 2638) to amend the law governing the leasing of unallotted Indian lands for mining purposes, which was read, as follows:

Be it enacted, etc., That hereafter unallotted lands within any Indian reservation or lands owned by any tribe, troupe, or band of Indians under Federal jurisdiction may be leased by authority of the tribal council speaking for such Indians for not to exceed 10 years for mining purposes, subject to approval of the Secretary of the Interior and under such rules and regulations as he may prescribe: *Provided*, That such unallotted Indian lands, other than lands of any of the Five Civilized Tribes and the Osage Reservation, subject to lease under the provisions hereof, may be leased at public auction by the Secretary of the Interior with the consent of the tribal council speaking for such Indians, for oil and/or gas mining purposes for a period not to exceed 10 years and as much longer thereafter as oil and/or gas shall be found in paying quantities, under such rules and regulations as the Secretary of the Interior may prescribe: *And provided further*, That the foregoing provisions shall not be construed to restrict the power of tribes, organized and incorporated under sections 16 and 17 of the act of June 18, 1934 (48 Stat. 984), to lease lands for mining purposes for the terms provided in this act and in accordance with the provisions of any constitution and charter adopted under the act of June 18, 1934.

SEC. 2. That section 26 of the act of June 30, 1919 (41 Stat. 31), as amended by the act of March 3, 1921 (41 Stat. 1231), and December 16, 1926 (44 Stat. 922–923), and any other acts inconsistent herewith, are hereby repealed.

Mr. McKELLAR. May we have an explanation of that bill, Mr. President?

Mr. THOMAS of Oklahoma. Mr. President, this bill is intended to give the Secretary of the Interior power to lease unallotted Indian lands for different purposes, such as developing deposits of building stone, sand, gravel, coal, iron ore, and so forth. Under the law, the Secretary must formally open the lands for prospecting, and so forth, before the lands may be developed. That is held to be a hindrance to the leasing of these lands, whereby the Indians are deprived of vast sums of revenue which they might secure if the inhibitions were removed.

Mr. McKELLAR. Is the bill recommended by the Department?

Mr. THOMAS of Oklahoma. Yes; this is a departmental bill.

Mr. HAYDEN. Mr. President, the second section of the bill repeals the act of June 30, 1919, of which I happen to be the author, authorizing mining for metalliferous minerals on Indian reservations. That act was passed in response to a very wide-spread demand based on the idea that there were supposed to be valuable mineral deposits on a number of Indian reservations which it was desired to open to development. Whenever any mineral land is reserved, it is almost invariably assumed to be valuable. When such lands are opened up there is actually little or no development. I suspect there will be no real advancement of the mining industry under this bill, in spite of the departmental belief that the Indians are to receive great benefits from it.

However, I do desire to submit an amendment to this measure which will exempt the Papago Indian Reservation in Arizona from its provisions. That reservation differs from all others in the United States in that at the time of its creation the general mining laws remained applicable, and title to the minerals in the land did not pass to the Indians.

I offer the amendment.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2638) to amend the law governing the leasing of unallotted Indian lands for mining purposes.

The VICE PRESIDENT. The amendment offered by the Senator from Arizona will be stated.

The CHIEF CLERK. On page 2, after line 2, it is proposed to insert as a new section the following:

SEC. 3. That this act shall not apply to the Papago Indian Reservation in Arizona.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, the trouble about this bill is that the time is bad for Indians to lease their land, is it not, with the price of oil as low as it is? Would they not be peculiarly inclined, at this time of depression, to lease their lands for less than they are worth?

Mr. THOMAS of Oklahoma. Mr. President, the oil business has been very bad for years, but now it is much better. In my State, however, this bill would not apply, because the reservations that have oil upon them are controlled by Federal laws. The Osage Reservation is not included in the bill. Unless legislation such as that proposed in the bill shall be enacted, there will be no chance at any time in the future for the Secretary to lease lands, unless when conditions return to normal we shall pass such bills. So, in order that the Secretary may have the necessary legislation to enable him to act, the passage of the bill is requested at this time.

Mr. McKELLAR. Mr. President, I realize that, after all, action depends upon the Secretary of the Interior; and I take it that he will certainly look after the interests of the Indians. If he does not, he ought to do it, because it is very important that the Indians shall not be allowed to fritter away their valuable oil lands.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONCESSIONS, ETC., IN CONNECTION WITH INDIAN PROJECTS

The bill (S. 2656) to authorize the Secretary of the Interior to grant concessions on reservoir sites and other lands in connection with Indian irrigation projects and to lease the lands in such reserves for agricultural, grazing, or other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to grant concessions on reservoir sites, reserves for canals or flowage areas, and other lands under his jurisdiction which have been withdrawn or otherwise acquired in connection with irrigation projects constructed or being constructed or operated and maintained for the benefit of Indians, and to lease such lands for agricultural, grazing, or other purposes: *Provided*, That such concessions may be granted or lands leased by the Secretary of the Interior under such rules and regulations as he may prescribe, for such considerations and for such periods of time as he may deem proper, the term of no concession to exceed a period of 10 years: *Provided further*, That the funds derived from such concessions or leases, except funds so derived from Indian tribal property withdrawn for irrigation purposes and for which the tribe has not been compensated, shall be available for expenditure in accordance with the existing laws in the operation and maintenance of the irrigation projects with which they are connected. Any funds derived from reserves for which the tribe has not been compensated shall be deposited to the credit of the proper tribe: *Provided further*, That the tribal lands of any Indian tribe organized under section 16 of the act of June 18, 1934 (48 Stat. 984), shall not be subject to lease or concession except with the consent of the proper tribal authorities, as provided in the said section.

BILL PASSED OVER

The bill (S. 2796) to provide for the control and elimination of public utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, was announced as next in order.

Mr. McKELLAR. I ask that the bill be passed over.

The VICE PRESIDENT. The bill will be passed over.

MEASUREMENT OF VESSELS USING PANAMA CANAL

The bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes, was announced as next in order.

Mr. COPELAND. I wish to object to the consideration of this bill, but at the same time to state why I object.

A bill similar to this was before the Senate several years ago. I happened to be serving on the subcommittee of the Commerce Committee which, together with the Committee on Interoceanic Canals, considered the bill. When the bill was presented by the Chairman of the Committee on Interoceanic Canals, it was sent to his committee. I protested, because it was a matter having to do with the merchant marine; but it was finally agreed that a subcommittee of the Commerce Committee should meet with the Committee on Interoceanic Canals. The combined committee did meet. Members of the Commerce Committee are not in harmony with this bill, and it is our purpose to file from the Committee on Commerce minority views in opposition to the bill. Therefore, I am objecting to the consideration of the bill today. I do so, not with the thought of seeking to delay action but to have the attitude of the Committee on Commerce presented.

Mr. McKELLAR. I see minority views have already been filed. Under those circumstances it seems to me it would be better for the bill to go over.

Mr. COPELAND. By all means.

Mr. McKELLAR. I ask that the bill be passed over.

The VICE PRESIDENT. The bill will be passed over.

BILL PASSED OVER

The bill (H. R. 4760) to increase the statutory limit of expenditure for repairs or changes to naval vessels was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The VICE PRESIDENT. The bill will be passed over.

KENNESAW MOUNTAIN MEMORIAL PARK

The bill (H. R. 59) to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia, and for other purposes, was announced as next in order.

Mr. KING. I ask that the bill be passed over.

Mr. RUSSELL. Mr. President, will the Senator from Utah withhold his objection for a moment?

Mr. KING. I will.

Mr. RUSSELL. This bill has been pending in Congress for a number of years, and on one or two occasions much more comprehensive bills have passed the Senate heretofore.

The bill provides for the creation of a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia. As the Senator from Utah is well advised, the engagement at Kennesaw Mountain was the major engagement of the Sherman-Johnston campaign. Over 150,000 men were engaged in that battle. It lasted from June 10 to July 3. It was a battle in which 25,000 men were killed or wounded. Within the confines of this area is a national cemetery in which are interred the remains of 10,000 Union soldiers.

The bill also provides for marking the route of the Sherman-Johnston campaign from Chattanooga to Atlanta. The committee has adopted an amendment to the measure which deprives the Secretary of the Interior of the right of purchasing the land, and makes its acquisition dependent on donations. The bill is recommended by the Secretary of the Treasury.

I hope the Senator from Utah will withdraw his objection.

Mr. KING. Mr. President, I did not know of the proposed amendment. That eliminates the objection I have. Will that amendment be offered?

Mr. RUSSELL. The committee amendment is printed with the bill.

The VICE PRESIDENT. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 59) to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia, and for other purposes, which had been reported from the Committee on Public Lands and Surveys with an amendment, in section 2, page 2, line 11, after the word "Interior", to strike out "*Provided*, That under such funds available therefor he may acquire on behalf of the United States by purchase when purchasable at prices deemed by him reasonable, otherwise by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said national battlefield park as may be necessary for the completion thereof", so as to make the section read:

SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized to accept donations of land, interests in land, buildings, structures, and other property within the boundaries of said national battlefield park as determined and fixed hereunder, the title and evidence of title to lands purchased to be satisfactory to the Secretary of the Interior.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

INDIAN RESERVATION ROADS

The joint resolution (S. J. Res. 130) making immediately available the appropriation for the fiscal year 1936 for the construction, repair, and maintenance of Indian-reservation roads was announced as next in order, and was read, as follows:

Resolved, etc., That the appropriation of $4,000,000 for the construction, repair, and maintenance of Indian reservation roads, contained in the Interior Department Appropriation Act for the fiscal year ending June 30, 1936, is hereby made immediately available.

Mr. McKELLAR. Mr. President, as I remember, there is an appropriation of $4,000,000 for this purpose in the Interior Department bill, which has already been passed.

Mr. FRAZIER. This has to do with the same appropriation, but the pending bill provides that the appropriation shall be immediately available. Under the regular appropriation bill it will not become available until the 1st of July.

Mr. McKELLAR. Then this bill does not provide an additional appropriation?

Mr. FRAZIER. No.

Mr. McKELLAR. It is merely to make the regular appropriation immediately available?

Mr. FRAZIER. Yes.

Mr. KING. Mr. President, I was advised that the appropriations which were made at the last session of Congress for roads upon Indian reservations have not been exhausted; so that there is no necessity for making the appropriation immediately available.

Mr. FRAZIER. On some reservations the money is exhausted. It was allotted to various reservations and in the case of a number of them, especially in the northern part of the United States, the money has been exhausted.

Mr. McKELLAR. Is this action made necessary by the drought?

Mr. FRAZIER. The money is needed now so that the work may be continued and the Indians may be given labor in order that they may be furnished with meal tickets.

Mr. McKELLAR. With the understanding that the bill does not appropriate any additional sum, I shall not object.

Mr. FRAZIER. No additional money at all is involved.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

LOANS TO FISHING VESSELS

Mr. COPELAND. Mr. President, I renew the request I made a few moments ago to return to Order of Business 624, being House bill 7205. The bill went over under objection of the Senator from Alabama.

The purpose of this bill is to permit the R. F. C. to make loans to small fishing vessels. The Congress passed an act providing for the granting of loans of this character because of the distressed condition of the fisheries, but it has been found that in order to extend credit to the fishing industry there must be authorization for loans to vessels of smaller tonnage, and provision is made in this bill for that purpose.

Mr. KING. Mr. President, may I ask the Senator whether there are appropriate safeguards for any loans which may be made by the Government?

Mr. COPELAND. The purpose of the bill is to permit the use as collateral of mortgages upon these fishing boats and such other collateral as may be determined to be necessary. My experience with the R. F. C. is such that if I wanted to borrow any money I would go to a bank and have a better chance of getting it than from the R. F. C.

Mr. KING. Why do not the fishing vessels go to the banks?

Mr. COPELAND. Fishing boats can hardly do that.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment, on page 2, at the beginning of line 25, to insert "and for the purposes of this act the Reconstruction Finance Corporation shall, in addition to those designated in sections 37 and 38 of this act, be deemed a citizen of the United States", so as to make the bill read:

Be it enacted, etc., That section 30, subsection D, subdivision (a), of the act of June 5, 1920, known as the "Ship Mortgage Act, 1920", be amended by striking out the words "of 200 gross tons and upwards", and adding immediately following the words "vessel of the United States" the following: "(other than towboat, barge, scow, lighter, car float, canal boat, or tank vessel, of less than 200 gross tons)", and as so amended be reenacted so as to read as follows:

"A valid mortgage which, at the time it is made, includes the whole of any vessel of the United States (other than a towboat, barge, scow, lighter, car float, canal boat, or tank vessel, of less than 200 gross tons), shall, in addition, have, in respect to such vessel and as of the date of the compliance with all the provisions of this subdivision, the preferred status given by the provisions of subsection M, if—

"(1) The mortgage is endorsed upon the vessel's documents in accordance with the provisions of this section;

"(2) The mortgage is recorded as provided in subsection C, together with the time and date when the mortgage is so endorsed;

"(3) An affidavit is filed with the record of such mortgage to the effect that the mortgage is made in good faith and without any design to hinder, delay, or defraud any existing or future creditor of the mortgagor or any lienor of the mortgaged vessel;

"(4) The mortgage does not stipulate that the mortgagee waives the preferred status thereof; and

"(5) The mortgagee is a citizen of the United States and for the purposes of this act the Reconstruction Finance Corporation shall, in addition to those designated in sections 37 and 38 of this act, be deemed a citizen of the United States."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PROCEDURE IN IMPEACHMENT TRIALS

The resolution (S. Res. 18) submitted by Mr. ASHURST January 7, 1935, and reported by the Committee on the Judiciary May 20, 1935, was considered and agreed to, as follows:

Resolved, That in the trial of any impeachment the Presiding Officer of the Senate, upon the order of the Senate, shall appoint a committee of 12 Senators to receive evidence and take testimony at such times and places as the committee may determine, and for such purpose the committee so appointed and the chairman thereof, to be elected by the committee, shall (unless otherwise ordered by the Senate) exercise all the powers and functions conferred upon the Senate and the Presiding Officer of the Senate,

respectively, under the rules of procedure and practice in the Senate when sitting on impeachment trials.

Unless otherwise ordered by the Senate, the rules of procedure and practice in the Senate when sitting on impeachment trials shall govern the procedure and practice of the committee so appointed. The committee so appointed shall report to the Senate in writing a certified copy of the transcript of the proceedings and testimony had and given before such committee, and such report shall be received by the Senate and the evidence so received and the testimony so taken shall be considered to all intents and purposes, subject to the right of the Senate to determine competency, relevancy, and materiality, as having been received and taken before the Senate, but nothing herein shall prevent the Senate from sending for any witness and hearing his testimony in open Senate, or by order of the Senate having the entire trial in open Senate.

BILL PASSED OVER

The bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and administration of their unemployment-compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes, was announced as next in order.

Mr. KING. Mr. President, that bill may not be considered under the 5-minute rule, and I ask that it go over.

The VICE PRESIDENT. The bill will be passed over.

CAMP EAGLE PASS, TEX.

The Senate proceeded to consider the bill (S. 2326) authorizing the Secretary of War to lease or sell certain lands and buildings known as "Camp Eagle Pass, Tex." to the Eagle Pass & Piedras Negras Bridge Co., which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and insert:

That the Secretary of War be, and he is hereby, authorized to sell and convey to the Eagle Pass & Piedras Negras Bridge Co., its successors and assigns, on terms and conditions to be prescribed by the Secretary of War the right, title, and interest of the United States in that portion of the Eagle Pass Military Reservation, Tex., occupied by said company on which its improvements are located.

SEC. 2. That the Secretary of War is hereby further authorized to dispose of the remainder of said reservation in accordance with and under the applicable provisions and conditions of the act approved March 12, 1926 (44 Stat. 203), and may also include in such disposition that portion of the reservation covered by section 1 of this act, if the Eagle Pass & Piedras Negras Bridge Co. shall not elect to acquire said portion or, having made such election, shall not consummate the purchase or accept tender of the deed and pay the consideration within such time as may be fixed by the Secretary of War.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Secretary of War to sell to the Eagle Pass & Piedras Negras Bridge Co. a portion of the Eagle Pass Military Reservation, Tex., and for other purposes."

JOINT RESOLUTION AND BILLS PASSED OVER

The joint resolution (S. J. Res. 86) authorizing an annual appropriation of $10,000 to enable the United States to become a member of the Pan American Institute of Geography and History; authorizing the President to invite the institute to hold its second general assembly in the United States in 1935; and authorizing appropriation of $10,000 for expenses of such meeting was announced as next in order.

Mr. KING. Mr. President, I have no objection to the appropriation proposed by this measure for the next meeting or for the current year, but I object to making the appropriation annual. Therefore, unless the bill can be amended——

Mr. McKELLAR. Let the joint resolution go over for the present.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 2762) to exempt from taxation, under certain conditions, on the basis of reciprocity, official compensation of a consular officer, nondiplomatic representative, or employee of a foreign country was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of that bill?

Mr. McNARY. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 6453) to amend the act of May 13, 1924, entitled "An act providing for a study regarding the equitable use of the waters of the Rio Grande", etc., as amended by public resolution of March 3, 1927, was announced as next in order.

Mr. WHEELER. I ask that the bill go over.

Mr. KING. Mr. President, I think that bill had better go over. We have had an International Boundary Commission for years, and I should like to know what is the result of their activities.

The VICE PRESIDENT. The bill will be passed over.

WILLIAM FRANK LIPPS

The bill (S. 272) for the relief of William Frank Lipps was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William Frank Lipps, who was a member of Troop D, Fifteenth Regiment United States Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 29th day of January 1904: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

THE NATIONAL GUARD—AMENDMENT TO NATIONAL DEFENSE ACT

The bill (S. 2710) to amend the National Defense Act of June 3, 1916, as amended, was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

Mr. SCHWELLENBACH. Mr. President, this bill was introduced at the request of officers of the National Guard. It provides for seven amendments to the National Guard Act which was adopted 2 years ago. Amendments 1 and 7 simply provide that the President may send a member of a National Guard unit into active service rather than the entire unit. The ruling at the present time under the present law is that the President is able only to call into service an entire unit. It was never intended that the law should mean that, and that amendment is purely for the purpose of clearing up that situation.

Mr. McKELLAR. The bill has not the approval of the War Department, has it?

Mr. SCHWELLENBACH. It has the approval of the War Department, though the Department feels that it should have a little more experience with the operation of the present act before amending it. However, the Department has no objection to the amendment. Referring to the last sentence of the letter of the Secretary of War, he says:

However, if the Congress desires to act immediately on this measure, I will interpose no special objection to it.

The War Department has no objection to the measure at all.

Mr. McKELLAR. It is specifically pointed out, however, that the bill is not a War Department measure. I will ask the Senator to let it go over for the day, and I will examine it.

Mr. SCHWELLENBACH. Very well.

The VICE PRESIDENT. The bill will be passed over.

SPANISH-AMERICAN WAR MEMORIAL AT TAMPA, FLA.

The bill (S. 2426) to provide for the creation of a memorial park at Tampa, in the State of Florida, to be known as "The Spanish War Memorial Park", and for other purposes, was announced as next in order.

Mr. KING. I ask that the bill go over.

Mr. TRAMMELL. Mr. President, I should like to make a very brief explanation. This is the first effort toward erecting a memorial to the Spanish-American War veterans. For some years the Spanish-American organization nationally were investigating the question of having a monument erected somewhere dedicated to the memory and the deeds of the Spanish-American War soldiers. After some years they selected Tampa, Fla., as a suitable location, that being the place where the greater number of soldiers were mobilized and stationed until they were sent to Cuba.

After that recommendation was made the city proposed to donate to the Government for that purpose a park which they already have, something like 40 or 50 acres. Then the park commission made an investigation and recommended that it was a suitable site; and the Interior Department also submitted a similar recommendation.

This movement is in the interest of a memorial to the Spanish-American War veterans. We have none anywhere in the country at the present time. I do not believe anyone questions that Tampa, Fla., is the most appropriate and ideal place, considering the circumstances, and I hope the Senator will not object to the bill.

Mr. FLETCHER. Mr. President, may I say, in addition to what my colleague has said, that the land is all to be donated by the city and the bill authorizes its acceptance by the secretary of the Interior?

Mr. KING. May I ask the Senator why $500,000 is required if the land is to be granted by the city without cost?

Mr. FLETCHER. The $500,000 is authorized for the purpose of erecting a suitable monument. The proposal has been passed upon by the National Commission of Fine Arts.

The bill further authorizes organizations themselves to erect on the same site certain monuments which must be appropriate and also be passed upon by the Commission. The bill contemplates the erection of a suitable monument in this park which is called the Spanish War Memorial Park. As I have said, the land is all donated.

Mr. KING. I received sometime ago a communication from a number of persons who went to the Philippines and who participated in the Spanish-American War—and, as the Senator knows, the military activities in the Philippine Islands were perhaps more serious, I would not say more important, than the military activities in Cuba—and they insisted that if there was to be erected a memorial commemorating the services of the American soldiers in the Spanish-American War, it ought to be erected on the Pacific coast.

I shall be very glad to support a measure to show our appreciation of the valor of our soldiers in the Spanish-American War, but I am not quite satisfied that the memorial ought to be erected in Florida.

Mr. FLETCHER. Mr. President, the veterans themselves wish it located there; it is their action; they favor it. The Senator will remember that our forces were largely mobilized and concentrated in Tampa. Colonel Roosevelt was there; he went from there to Cuba; and the veterans themselves have selected this location. I hope the Senator will not object.

Mr. KING. Mr. President, I will not object.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That when title to such lands located on Davis Island in the city of Tampa, Fla., as shall be designated by the Secretary of the Interior, in the exercise of his judgment and discretion as necessary and suitable for the purpose, shall have been vested in the United States, said area shall be set apart as The Spanish War Memorial Park, for the benefit and inspiration of the people: *Provided*, That said lands shall be donated without cost to the United States by the city of Tampa, Fla., and the Secretary of the Interior is authorized to accept such conveyance of lands.

SEC. 2. That there is hereby authorized to be located and constructed within said memorial park a suitable monument or memorial to commemorate the patriotic services of the American forces in the War with Spain, which, with landscape treatment of the grounds, sidewalks, and suitable approaches, shall not exceed the cost of $500,000; and the Secretary is for that purpose further authorized and empowered to determine upon a suitable location, plan, and design for said monument or memorial, by and with the advice of the National Commission of Fine Arts.

SEC. 3. In the discharge of his duties hereunder, the Secretary of the Interior, through the National Park Service, is authorized to employ, in his discretion, by contract or otherwise, landscape architects, architects, artists, engineers, and/or other expert consultants in accordance with the usual customs of the several professions without reference to civil-service requirements or to the Classification Act of 1923, as amended, and that expenditures for such employment shall be construed to be included in any appropriations hereafter authorized for any work under the objectives of this act.

SEC. 4. The Secretary of the Interior is further authorized, by and with the advice of the National Commission of Fine Arts, to authorize and permit the erection in said memorial park of suitable memorials in harmony with the monument and/or memorial herein authorized that may be desired to be constructed by Spanish War organizations, States, and/or foreign governments: *Provided*, That the design and location of such memorials must be approved by the Secretary of the Interior, by and with the advice of the National Commission of Fine Arts, before construction is undertaken.

SEC. 5. The administration, protection, and development of the aforesaid Spanish War Memorial Park, including any and all memorials that may hereafter be erected thereon, shall be exercised under the direction of the Secretary of the Interior by the National Park Service.

WAIVER OF PROSECUTION BY INDICTMENT

The bill (S. 1313) providing for waiver of prosecution by indictment in certain criminal proceedings was announced as next in order.

Mr. WHEELER. I ask that the bill go over.

Mr. KING. Mr. President, will the Senator withhold the objection for just a moment?

Mr. WHEELER. I withhold it.

Mr. KING. Mr. President, there were brought to the attention of the Judiciary Committee, of which I am a member, many cases where persons arrested, in some instances, for misdemeanors and in other for offenses where the punishment was not very great, 1 or 2 years, were indicted; the court, perhaps, would not be held for 3 months or 6 months, and in the meantime they were compelled to remain in jail. They were anxious to plead guilty and enter immediately upon the service of their sentence. This bill merely permits them to plead guilty, to waive trial, and begin their sentence.

Mr. WHEELER. I should like, for the present, to have the bill go over, and I will examine into it in the meantime.

Mr. KING. Very well.

The VICE PRESIDENT. The bill will be passed over.

PROMOTION OF CIVIL-SERVICE EMPLOYEES

The bill (S. 476) relating to promotion of civil-service employees was announced as next in order.

Mr. KING. I ask that the bill go over.

Mr. BLACK. Mr. President, before the Senator asks that the bill go over, I should like to explain what it is.

Mr. KING. I may say to the Senator that a number of Senators have spoken to me about it, and I have received several letters concerning it.

Mr. BLACK. I cannot imagine the Senator having received any letters from the civil-service employees, that is if the civil-service employees are sincere in their statements that they want a civil service free from political influence. Of course, if the civil-service employees want the kind of a civil service in which the way to obtain promotion is through congressional and political committee action, they will be against this proposed amendment to the law. It is now against the law for civil-service employees to seek political influence in order to obtain promotions, and yet all the time every Senator has employees coming to him and complaining that they must, in order to secure a civil-service promotion, have congressional aid because someone else gets congressional aid. The bill proposes to carry out the law as it already is written, and provides a method of enforcement. Today, every time a civil-service employee of this country seeks political influence, he does so contrary to law.

What this amendment to the law would do would be to provide that when he obtains a promotion he shall swear that he did not seek political endorsement. If then he gets his promotion, the affidavit goes into the files. When the affidavit gets into the files, if it shall be found that he has made a false statement, he can be punished for having made a false statement, after trial by the Civil Service Board upon due notice.

Mr. KING. Mr. President, the letters to which I have referred relate to a different measure than the one the Senator is discussing. I have no objection to the present consideration of the bill.

Mr. BARKLEY. Mr. President, I think the bill ought to go over so we may look into it further.

Mr. BLACK. Let me continue my explanation until my time has expired.

Mr. BARKLEY. Very well.

Mr. BLACK. It narrows down simply to this: The law now provides there shall be no political influence, and yet every Member of the Senate and most people elsewhere know that the law is flagrantly and willfully and deliberately violated from day to day.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. CONNALLY. Is there any law to punish the man who yields to political influence and is affected thereby?

Mr. BLACK. I shall be very glad, indeed, to have the Senator offer an amendment to provide that such a man shall be punished.

Mr. CONNALLY. Is there anything in the law to that effect now?

Mr. BLACK. No.

Mr. CONNALLY. I think those are the culpable ones.

Mr. BLACK. If the Senator will offer an amendment to that effect, I shall support it.

I am in favor of doing one of two things: First, I am in favor of abolishing the civil service and having people appointed wholly and completely on political influence, recognizing the old idea that to the victor belongs the spoils; or, secondly, I am in favor of amending the law so as to have real, genuine, honest civil service under which people are promoted on merit alone and not upon political recommendation.

Mr. CONNALLY. The worst form of political influence is the influence within the departments themselves. If the Senator can find some way to punish people for that, I think it ought to be included.

Mr. BARKLEY. The worst form of injustice is some little bureau head with a pet or some pets in his bureau, who never permits anybody to be promoted except those pets unless the others have some political influence to help them get a promotion.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BLACK. My time has about expired, but I yield to the Senator from Tennessee.

Mr. McKELLAR. Prior to 1913 an employee of the Government did not have the right to write a letter to his Representative or Senator about any matter. We enacted a law then authorizing employees to take up matters of importance to them with their Representatives and Senators. I think it is proper that they should be permitted to do that. I do not think they ought to be precluded and prohibited by the head of a bureau or department from taking up matters which concern them with their Representative or Senator. I do not believe that should be prohibited at all.

Mr. BLACK. The Senator will, perhaps, remember that I took up that matter with him.

The PRESIDENT pro tempore. The time of the Senator from Alabama has expired.

Mr. McKELLAR obtained the floor.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Alabama.

Mr. BLACK. I talked to the Senator from Tennessee about this particular measure and asked him about it before I even prepared the bill.

Mr. McKELLAR. I do not recall that at the present time.

Mr. BLACK. I talked to quite a number of Senators, the Senator being one of the first, because I thought he was a member of the Civil Service Committee.

Mr. McKELLAR. I am.

Mr. BLACK. Up until this time I have never heard any objection to the proposal. Senators talk about pets in the departments. I have heard and every other Senator has heard about pets in the departments. Why should the person we are employing under the civil service have to depend for his promotion upon the tenacity, the continuous action, the plugging, or the political influence or political activity of his Senator or Representative? I deny that such a method is fair to the employees, fair to the Government, or fair to the public.

Of course, if the best way to do it is to continue to have civil-service employees promoted on the basis of how active their Senator is or how active their Representative is, or how active some committeeman is in the Democratic or Republican Party, then the bill ought to be defeated. But when it is defeated we ought to go the whole way and abolish the civil service and stop having the pretense that we have civil service.

Mr. McKELLAR. Mr. President, will the Senator yield to me in my own time?

Mr. BLACK. Yes; I yield to the Senator from Tennessee in his time.

Mr. McKELLAR. I received a letter the other day enclosing a circular. The circular was signed by a man by the name of Donald Clark, from the State of Maine, as I am informed, but at present carpetbagging in Tennessee, being at the head of the C. C. C. camp in my State. The circular said that it had come to the notice of this bureaucrat that certain of his employees had written letters to Representatives and Senators and that they had received letters from Representatives and Senators. He issued an order, and his order required that thereafter any member of the C. C. C. organization in that locality or in that district who received a letter from a Senator or Representative should at once refer it to this bureaucrat for reply. I think that order is the very essence of impudence. It was issued in the C. C. C. camp. As a Senator from Tennessee, I resented the order. I think the man ought to be removed from office and then prosecuted under the act of 1912. However, I cannot even see his superior here, Mr. Silcox, as that gentleman is too high and mighty to confer with a Senator. Later on I shall give to the Senate the facts more fully about the matter. It is just another case of two men clothed with a little brief authority which has gone to their heads.

The VICE PRESIDENT. On objection, the bill will be passed over.

FUNERAL EXPENSES OF THE LATE SENATOR CUTTING

The resolution (S. Res. 137) to pay certain funeral expenses of the late Senator Bronson Cutting was read, considered, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Bronson Cutting, late a Senator from the State of New Mexico, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

INVESTIGATION OF LABOR CONDITIONS, PANAMA CANAL ZONE

The resolution (S. Res. 122) for an investigation of the labor conditions in the Panama Canal Zone was announced as next in order.

Mr. KING. Mr. President, I ask an explanation of the resolution before I consent to its present consideration.

Mr. SHEPPARD. Mr. President, a bill was introduced by me and referred to the Committee on Military Affairs providing that only American citizens be employed in, on, or about the locks, docks, coaling plant, drydocks, and other plants under the jurisdiction of the War Department, the Navy Department, the Panama Canal, or the Panama Railway Steamship Line on the Canal Zone. My bill also provides that only American citizens shall be employed in offices and activities, other than those mentioned, if any such occupations be of a nature which would permit an alien to aid, comfort, or support an enemy in the event of our involvement in war. It is my information that 75 or 80 percent of the employees in the Zone are aliens. The committee on Military Affairs wishes to have personal knowledge of the situation, and has provided through the pending resolution, also introduced by me, that a subcommittee may be sent to the Canal Zone to investigate and report.

Mr. KING. Mr. President, I have been in the Canal Zone. We have a military government there, quasi-civil with a military commander. The Canal is under control of a military organization. It seems to me there is sufficient authority, both military and civil, to obtain the information without adopting such a resolution.

Mr. SHEPPARD. We would like to make the investigation on our own authority. We would feel better satisfied and I think the Senate would feel better satisfied if we would send some of the members of our committee there to make the investigation.

Mr. KING. If members of the Military Affairs Committee want to take a trip to the Canal Zone, let them do so.

Mr. SHEPPARD. There is no desire on the part of any member of the committee to make a trip to the Canal Zone merely for the sake of the trip. It has been a matter of extreme difficulty to find members of the committee who will agree to go. We have not yet been able to secure more than one member for that service. We hope we can prevail on other members to go.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was read, considered, and agreed to, as follows:

Resolved, That the Committee on Military Affairs, or any duly authorized subcommittee thereof, is authorized and directed to investigate the labor conditions in the Panama Canal Zone with a view to determining the advisability of enacting S. 1819, Seventy-fourth Congress, first session. The committee shall report to the Senate, as soon as practicable, the result of its investigation, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable.. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $1,500, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman.

EXTENSION OF CLASSIFIED SERVICE

The bill (S. 1952) extending the classified executive civil service of the United States was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

Mr. McKELLAR. Mr. President, I want to ask the junior Senator from Kentucky [Mr. LOGAN] a question. Will he refer to the bill which was just passed over at my request?

I invite the attention of the Senator from Kentucky to the third and fourth lines where it is provided "with the exception of such positions as the President may exempt by Executive order." Does the Senator think, in view of the decision of yesterday by the Supreme Court, that is a constitutional provision?

Mr. LOGAN. Mr. President, I think so. In other words, that has been the law so long that I think it would still stand. However, when it comes to determining what is constitutional and what is unconstitutional, everybody except myself seems to know all about it.

Mr. McKELLAR. I do not know anything about it and that is why I inquired of the Senator from Kentucky.

NATIONAL ZOOLOGICAL PARK

The bill (S. 1929) to clarify the status of the National Zoological Park, was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the National Zoological Park shall be operated and maintained, under the direction of the Regents of the Smithsonian Institution, as an establishment of the Government of the United States.

TEXAS CENTENNIAL EXPOSITION

The Senate proceeded to consider the joint resolution (S. J. Res. 131) providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes, which had been reported from the Committee on the Library with an amendment, on page 5, line 2, after the word "exposition" to insert the words "or the commission of control for Texas Centennials celebrations", so as to make the joint resolution read:

Whereas there is to be held in the State of Texas during the years 1935 and 1936 an exposition and celebrations commemorating the historic period of Texas history and celebrating a century of independence and progress; and

Whereas the State of Texas, the city of Dallas, Tex., and the Texas Centennial Central Exposition, a corporation, are making $9,000,000 available for such exposition through appropriations and bond issues; and

Whereas such exposition is commemorative of a heroic and successful struggle to establish the independence of a Republic, and this accomplishment resulted from the efforts of patriotic Americans of all sections of our country and led to the acquisition of territory extending far beyond the borders of Texas; and

Whereas the Republic of Texas continued for 9 years after the establishment of its independence and prior to its admission to the Union as a State and foreign governments sent their diplomatic representatives to the Republic of Texas; and

Whereas such exposition and celebrations are worthy and deserving of the support and encouragement of the United States; and the United States has aided and encouraged such expositions and celebrations in the past: Therefore be it

Resolved, etc., That the President of the United States is authorized and requested, by proclamation or in such manner as he may deem proper, to invite all foreign countries and nations to such proposed exposition with a request that they participate therein.

SEC. 2. There is hereby established a commission, to be known as "The United States Texas Centennial Commission", and to be composed of the Secretary of State, the Secretary of Agriculture, and the Secretary of Commerce; which commission shall serve without additional compensation and shall represent the United States in connection with the holding of an exposition and celebrations during the observance of the Texas Centennial in the State of Texas during the years 1935 and 1936.

SEC. 3. There is hereby created a United States Commissioner General for the Texas Centennial Exposition and celebrations to be appointed by the President with the advice and consent of the Senate and to receive compensation at the rate of $10,000 per annum and one or more assistant commissioners for said Texas Centennial Exposition and celebrations to be appointed by the Commissioner General with the approval of the Commission herein designated and to receive compensation not to exceed $7,500 per annum, respectively. The expenses of the Commissioner General and such staff as he may require shall be paid out of the funds authorized to be appropriated by this joint resolution.

SEC. 4. The Commission shall prescribe the duties of the United States Commissioner General and shall delegate such powers and functions to him as it shall deem advisable, in order that there may be exhibited at the Texas Centennial Exposition by the Government of the United States, its executive departments, independent offices, and establishments such articles and materials and documents and papers as may relate to this period of our history and such as illustrate the function and administrative faculty of the Government in the advancement of industry, science, invention, agriculture, the arts, and peace, and demonstrating the nature of our institutions, particularly as regards their adaptation to the needs of the people.

SEC. 5. The Commissioner General is authorized to appoint such clerks, stenographers, and other assistants as may be necessary, and to fix their salaries in accordance with the Classification Act of 1923, as amended; purchase such materials, contract for such labor and other services as are necessary, and exercise such powers as are delegated to him by the Commission as hereinbefore provided, and in order to facilitate the functioning of his office may subdelegate such powers (authorized or delegated) to the Assistant Commissioner or others in the employ of or detailed to the Commission as may be deemed advisable by the Commission.

SEC. 6. The heads of the various executive departments and independent offices and establishments of the Government are authorized to cooperate with said Commissioner General in the procurement, installation, and display of exhibits, and to lend to the Texas Centennial Commission and the Texas Centennial Central Exposition, with the knowledge and consent of said Commissioner General such articles, specimens, and exhibits which said Commissioner General shall deem to be in the interest of the United States and in keeping with the purposes of such exposition and celebrations to place with the science or other exhibits to be shown under the auspices of such Texas Centennial Commission or the Texas Centennial Central Exposition or the Commission of Control for Texas Centennials Celebrations, to contract for such labor or other services as shall be deemed necessary, and to designate officials or employees of their departments or branches to assist said Commissioner General. At the close of the exposition, or when the connection of the Government of the United States therewith ceases, said Commissioner General shall cause all such property to be returned to the respective departments and branches from which taken, and any expenses incident to the restoration, modification, and revision of such property to a condition which will permit its use at subsequent expositions and fairs, and for the continued employment of personnel necessary to close out the fiscal and other records and prepare the required reports of the participating organizations, may be paid from the appropriation authorized herein; and if the return of such property is not feasible, he may, with the consent of the department or branch from which it was taken, make such disposition thereof as he may deem advisable and account therefor.

SEC. 7. The sum of $3,000,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and shall remain available until expended. Subject to the provisions of this joint resolution and any subsequent act appropriating the money authorized herein, the Commission is authorized to make any expenditures or allotments deemed necessary by it to fulfill properly the purposes of this joint resolution and to allocate such sums to the Texas Centennial Commission and the Texas Centennial Central Exposition for expenditure by such bodies in any part of the State of Texas as the Commission deems necessary and proper in carrying out the purposes of this joint resolution. And, subject to the provisions of this joint resolution and any subsequent act appropriating the money authorized herein, the Commission is authorized to erect such building or buildings, or other structures, and to provide for the landscaping of the site or sites thereof; to rent such space as the Commission may deem adequate to carry out effectively the provisions of this joint resolution; and to provide for the decoration of such buildings or structures, and for the proper maintenance of such buildings or structures, site and grounds during the period of the exposition. The Commission may contract with the Texas Centennial Commission and/or the Texas Centennial Central Exposition for the designing and erection of such building or buildings, structure or structures, and for the rental of such space as shall be deemed necessary and proper. The appropriation authorized under this joint resolution shall be available for the operation of the building or buildings, structure or structures, including light, heat, water, gas, janitor, and other required services; for the selection, purchase, preparation, assembling, transportation, installation, arrangement, safe-keeping, exhibition, demonstration, and return of such articles and materials as the Commission may decide shall be included in such Government exhibit and in the exhibits of the Texas Centennial Commission or the Texas Centennial Central Exposition; for the compensation of said Commissioner General, Assistant Commissioners, and other officers and employees of the Commission in the District of Columbia and elsewhere, for the payment of salaries of officers and employees of the Government employed by or detailed for duty with the Commission, and for actual traveling expenses, including travel by air, and for per diem in lieu of actual subsistence at not to exceed $6 per day: *Provided*, That no such Government official or employee so designated shall receive a salary in excess of the amount which he has been receiving in the department or branch where employed, plus such reasonable allowance for travel, including travel by air, and subsistence expenses as may be deemed proper by the Commissioner General; for telephone service, purchase or rental of furniture and equipment, stationery and supplies, typewriting, adding, duplicating, and computing machines, their accessories and repairs, books of reference and periodicals, uniforms, maps, reports, documents, plans, specifications, manuscripts, newspapers and all other appropriate publications, and ice and drinking water for office purposes: *Provided*, That payment for telephone service, rents, subscriptions to newspapers and periodicals, and other similar purposes, may be made in advance; for the purchase and hire of passenger-carrying automobiles, their maintenance, repair, and operation, for the official use of said Commissioner General and Assistant Commissioners in the District of Columbia or elsewhere as required; for printing and binding; for entertainment of distinguished visitors; and for all other expenses as may be deemed necessary by the Commission to fulfill properly the purposes of this joint resolution. All purchases, expenditures, and disbursements of any moneys made available by authority of this joint resolution shall be made under the direction of the Commission: *Provided*, That the Commission, as hereinbefore stipulated, may delegate these powers and functions to said Commissioner General, and said Commissioner General, with the consent of the Commission, may subdelegate them: *Provided further*, That the Commission or its delegated representative may allot funds authorized to be appropriated herein to any executive department, independent office, or establishment of the Government with the consent of the heads thereof, for direct expenditure by such executive department, independent office, or establishment, for the purpose of defraying any expenditure which may be incurred by such executive department, independent office, or establishment in executing the duties and functions delegated by the Commission. All accounts and vouchers covering expenditures shall be approved by said Commissioner General or by such assistants as he may designate except for such allotments as may be made to the various executive departments, independent offices, and establishments for direct expenditure; but these provisions shall not be construed to waive the submission of accounts and vouchers to the General Accounting Office for audit, or permit any obligations to be incurred in excess of the amount authorized herein: *Provided*, That in the construction of buildings and exhibits requiring skilled and unskilled labor, the prevailing rate of wages, as provided in the act of March 3, 1931, shall be paid.

SEC. 8. The Commissioner General, with the approval of the Commission, may receive contributions from any source to aid in carrying out the purposes of this joint resolution, but such contributions shall be expended and accounted for in the same manner as the funds authorized to be appropriated by this joint resolution. The Commissioner General is also authorized to receive contributions of material, or to borrow material or exhibits, and to accept the services of any skilled and unskilled labor that may be available through State or Federal relief organizations, to aid in carrying out the general purposes of this joint resolution. At the close of the exposition and celebrations or when the connection of the Government of the United States therewith ceases, the Commissioner General shall dispose of any such portion of the material contributed as may be unused, and return such borrowed property; and, under the direction of the Commission, dispose of any buildings or structures which may have been constructed and account therefor: *Provided*, That all disposition of materials, property, buildings, and so forth, shall be at public sale to the highest bidder, and the proceeds thereof shall be covered into the Treasury of the United States.

SEC. 9. It shall be the duty of the Commission to transmit to Congress, within 6 months after the close of the exposition, a detailed statement of all expenditures, and such other reports as may be deemed proper, which reports shall be prepared and arranged with a view to concise statement and convenient reference. Upon the transmission of such report to Congress the Commission established by and all appointments made under the authority of this joint resolution shall terminate.

Mr. SHEPPARD subsequently said: Mr. President, I ask unanimous consent to have published in the RECORD in connection with the passage of Senate Joint Resolution 131 an explanatory statement prepared by my colleague [Mr. CONNALLY] and myself.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

TEXAS CENTENNIAL CELEBRATION

[Statement by Senators SHEPPARD and CONNALLY in explanation of S. J. Res. 131]

Texas is making preparation to celebrate in 1936 the heroic period of its struggle for freedom and 100 years of its independence and progress. To this end the people of the State have taken many steps.

The legislature submitted an amendment to the constitution authorizing the celebration and permitting the appropriation of public money for that purpose;

The people of the State by a handsome majority adopted this amendment;

The legislature set up an organization, composed of about 40 leading men and women, known as the "Texas Centennial Commission";

The legislature has appropriated the sum of $3,000,000 out of the general revenue of the State and created a commission of control to exercise jurisdiction over expenditure of the sum appropriated.

Through legislative direction and under the auspices of the Texas Centennial Commission, the city of Dallas was chosen as the city in which is to be held the Texas Centennial Central Exposition.

The city of Dallas by popular vote has authorized the issuance of municipal bonds in the sum of three and one-half million dollars.

The Texas Centennial Central Exposition, incorporated under the laws of the State, has authorized the issuance of bonds to be sold to the public in the sum of two and one-half million dollars, practically one and one-half million dollars having been already subscribed and the remainder now being in process of subscription.

Thus, from State, municipal, and public sources the State of Texas will provide a total sum of $9,000,000 in cash as its part in holding the Texas Centennial Exposition and other celebrations.

The people of Texas desire and plan a centennial that is more than a local, provincial, or mere State enterprise. They purpose to make the centennial, as declared by the Texas Centennial Commission, "Texanic in its ideals, continental in its proportions, and international in its scope."

They feel that the event is one that calls for national participation in a big way and in generous fashion.

We submit that the sum of $3,000,000 is a modest amount to be appropriated by the Congress for suitable representation in a celebration of events so romantic and meaningful in our own national history.

The Texas colonists organized a revolution against the Government of Mexico in behalf of a republic of their own.

The Alamo, Goliad, and San Jacinto followed in quick succession.

At the Alamo, a combination of mission and fort, 150 hardy Texas pioneers, led by Travis, Bowie, Bonham, and Crockett, beleaguered by an enemy force of 3,000, refused to retreat or surrender and were all killed setting an example of heroism and sacrifice in behalf of human liberty unsurpassed since time began.

At Goliad 300 Texas patriots, who had surrendered to overwhelming numbers under what they considered a pledge of protection, were killed in violation of all rules of civilized warfare, and left as a legacy a sacred shrine of patriotism that will endure as long as love of country shall find lodgment with the race.

At San Jacinto was fought one of the decisive and significant battles of history.

On the one side was Sam Houston, with 750 untrained soldiers, most of them under 30 years of age, armed with pistol, knife, and rifle; on the other side was Santa Anna, boasted Napoleon of the west, with more than double the American numbers.

In an open day, on a clear prairie, the Texas soldiers delivered a sudden attack; they fought with "Remember the Alamo! Remember Goliad!" as their battle cry; they won in 20 minutes one of the pivotal battles in American and world history. Enemy

losses were 600 killed, 500 wounded, about 600 put to flight, while Texas losses were 6 killed and 20 wounded. Among the captives was the enemy's commander, the dictator of Mexico, Santa Anna. That day Anglo-American civilization was permanently planted in what is now Texas and the American Southwest.

In the progress of mighty events, on the 2d day of March, 1836, four days before the fall of the Alamo, at Washington on the Brazos, in a straggling settlement in the woods with a hundred population, in a crude gunshop as its independence hall had been held a convention of 57 delegates arriving on horseback, remarkable in the environment, circumstances, and speed with which a new government was set up.

On the second day of the meeting a declaration of independence was adopted, comparable both in diction and in ideals to the great American Declaration.

In 14 days a constitution had been prepared, debated, and proclaimed for submission to the people—a constitution which Daniel Webster declared was surpassed only by our Federal Constitution and was without a superior among the constitutions of the States.

It is worthy of note that these plain-garbed pioneers in the wilderness were also pioneers in three great principles in the charter of human rights. For the first time in history they wrote in their constitution that woman should have equal property rights with man; that the homestead of the family should be exempt from forced sale, and the abolishment of imprisonment for debt—barbarous relic of man's inhumanity to man—15 years prior to a similar act of the United States Congress.

Thus was set up the Republic of Texas, for the reconquest of which Mexico still labored; for the sovereignty over which both Spain and France still played their hands in the field of diplomacy; a separate nation among the nations of the earth, whose people longed to be united with their mother country; a government whose fate for nearly 10 years was the football of American politics, until at last the lone star was added to the stars of the American flag.

Annexation was followed by war with Mexico, a war in which new glory was won for American arms, from Resaca de la Palma to Chapultepec; a war that was closed by the treaty of peace signed at Guadalupe Hidalgo, by the terms of which the American domain was extended from the Sabine River to the Pacific Ocean.

Thus, in the wake of Texas independence, which after 100 years her people desire to celebrate, followed as the night the day the addition of nearly a million square miles of what is now United States territory.

Out of this vast territory have been carved the new States of New Mexico, Arizona, Utah, Nevada, California, and parts of Oklahoma, Kansas, Wyoming, and Colorado.

Should anyone undertake to liken what Congress should do for the Texas Centennial to the sum of $250,000 appropriated for the San Diego Exposition, we answer that the sum raised by the sponsors of the latter was only $700,000.

If a precedent in amount should be suggested by the appropriation of $1,175,000 for the Century of Progress, we answer that the municipality of Chicago raised nothing; that the State of Illinois appropriated only $350,000 in 1933 and $100,000 in 1934.

Should we search for a basis of comparison, the nearest parallel in our country's history is the Louisiana Purchase Exposition held at St. Louis in 1904. This special event boasted the acquisition of territory 121,000 square miles less than that gained through the independence of Texas and the Treaty of Hidalgo.

To the Louisiana Purchase Exposition the Congress loaned $4,600,000 and made outright donations totaling $6,575,000.

Missouri amended its State constitution and appropriated $1,000,000; Texas amended its constitution and appropriated $3,000,000.

The exposition and the city of St. Louis, with a population of approximately 475,000, raised the sum of $10,000,000; the city of Dallas, including its environs, with a population of approximately 330,000, offers to raise in cash the sum of $6,000,000 and further offers the free use of its State fair acreage and buildings, recently appraised under oath at more than $4,000,000.

Measured by any yardstick the Texas Centennial surely commands not less Federal participation and support than the St. Louis Exposition, and yet the actual outright contributions made thereto by the Government totaled more than twice the amount requested by those representing Texas of the Federal Government.

We suggest that this meritorious measure should appeal to the patriotism of every Member of Congress without regard to section or party.

As Texans, we submit that Texas does well to pause at the end of the century to celebrate her history, independence, and progress.

As Americans, we submit that the event is one in which the whole country should rejoice and participate, because the history of Texas is inseparably interlinked with American destiny and expansion.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

BILL PASSED OVER

The bill (S. 1225) for the relief of Harry H. A. Ludwig was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

RETIREMENT OF CERTAIN OFFICERS AND EMPLOYEES

The Senate proceeded to consider the bill (S. 2364) relative to the retirement of certain officers and employees, which had been reported from the Committee on Civil Service with an amendment, on page 2, line 4, after the word "fund", to insert the words "to those persons entitled and who make application therefor", so as to make the bill read:

Be it enacted, etc., That all officers and employees of the United States Government or of the government of the District of Columbia who had reached the retirement age prescribed for automatic separation from the service on or before July 1, 1932, or during the month of July 1932, and who were continued in active service for a period of less than 31 days after June 30, 1932, shall be regarded as having been retired and entitled to annuity beginning with the day following the date of separation from active service, instead of August 1, 1932, and the United States Civil Service Commission is hereby authorized and directed to make payments accordingly from the civil-service retirement and disability fund to those persons entitled and who make application therefor.

Mr. KING. Mr. President, will the Senator from Tennessee explain the bill?

Mr. McKELLAR. Mr. President, I will say to the Senator from Utah that the purpose of this bill is to compensate those persons who were continued in the active service for some period less than 31 days during the month of July 1932. Under the Legislative Appropriation Act of 1933 all employees who had reached the retirement age on or before July 1, 1932, were compelled to retire unless specifically exempted by Executive order.

The Departments retained some 52 employees of retirement age, who had not been exempted by such Executive order, during part or all of the month of July but could not pay them, as no appropriation was provided for them and their retirement pay did not begin until August 1, 1932, the first of the month following their actual retirement.

Inasmuch as these people had done work for the Government and were deprived of compensation by a mere accident in the wording of legislation, there being only 52 of them, the committee thought they were entitled to their pay for the remainder of the month of July 1932, and we have so reported. I hope the Senator will let the measure pass.

Mr. KING. Mr. President, would that involve a duplicate payment of salary?

Mr. McKELLAR. Oh, no; not at all. It would merely permit the Government to pay the 52 persons who could not receive their pay under the act; but they did the work.

Mr. WHEELER. The payment authorized is for work already performed.

Mr. McKELLAR. For work already performed. These employees performed the work in good faith at the request of the Department, but it could not be paid for because the appropriation did not provide for it.

Mr. KING. The Senator has not answered my question. I did not make it clear. What I am trying to ascertain is whether the bill is to provide compensation for a period when the employees received retirement pay.

Mr. McKELLAR. Oh, no; they received no retirement pay and they received no pay for the actual work done. This bill is merely to pay them for the actual work done.

Mr. KING. I think it is just.

Mr. McKELLAR. I thank the Senator.

The PRESIDING OFFICER (Mr. LEWIS in the chair). The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2405) to provide for a special clerk and liaison officer was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

EASTERN AND WESTERN CHEROKEE INDIANS

The Senate proceeded to consider the resolution (S. Res. 136) relative to gratuities charged in settlements with the

Eastern and Western Cherokee Indians, which was read, as follows:

Resolved, That in the settlement heretofore provided for and authorized with the Eastern and Western Cherokees, respectively, by the act approved April 25, 1932 (Public, No. 105, 72d Cong.), authorizing gratuities to be charged against them, it was the purpose of the act to charge only gratuities in money or property paid to those whose names are upon the rolls of such Indians.

Mr. KING. Mr. President, will the Senator from Oklahoma please explain this resolution?

Mr. THOMAS of Oklahoma. Mr. President, this is a simple Senate resolution. It is not a bill. It is not even a concurrent resolution. The purpose is to clarify, by interpretation, a law formerly passed, giving these Indians the right to go into the Court of Claims.

The resolution states that only moneys or property paid to Indians whose names are upon the rolls shall be charged against their claims. It is thought to be the purpose of the Government to charge them with amounts paid for education of school children, but not directly paid to the Indians at all, perhaps paid to some other family; and it is intended to exclude that sort of payments as counterclaims and offsets against the claims the Indians may make against the Government. The resolution is purely a clarification or interpretation by the Senate committee of a measure heretofore approved by the Congress.

Mr. McKELLAR. Did not the Department report against it?

Mr. THOMAS of Oklahoma. They would not recommend it, but they did not report adversely. They said it was a matter for Congress to pass upon.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

HARLEM SCHOOL DISTRICT NO. 12, BLAINE COUNTY, MONT.

The bill (S. 1521) to provide funds for cooperation with Harlem School District No. 12, Blaine County, Mont., for extension of public-school buildings and equipment to be available for Indian children, was announced as next in order.

The PRESIDING OFFICER. This bill is the same as Calendar No. 773, House bill 5216.

Mr. WHEELER. I ask that House bill 5216 be substituted for Senate bill 1521. The bills are identical.

The Indian Affairs Committee has reported Senate bill 1521 favorably, and House bill 5216 is identical with it. I therefore ask that the House bill be substituted for the Senate bill.

The PRESIDING OFFICER. Without objection, the House bill will be substituted for the Senate bill.

The Senate proceeded to consider the bill (H. R. 5216) to provide funds for cooperation with Harlem School District No. 12, Blaine County, Mont., for extension of public-school buildings and equipment to be available for Indian children.

Mr. KING. Mr. President, may I ask the Senator from Montana whether there are Indian children who will attend the school in this district?

Mr. WHEELER. There are a large number of Indian children who attend this Indian school. It is practically on the reservation. Harlem is a little town where practically all the Indian children go to this high school.

Mr. KING. May I ask the Senator regarding the next bill, which we have not yet reached—Calendar No. 682, Senate bill 2094—if he would make the same reply if I should propound the same question with respect to the public school at Medicine Lake?

Mr. WHEELER. There is exactly the same state of affairs there.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1521 will be indefinitely postponed.

PUBLIC SCHOOL, MEDICINE LAKE, MONT.

The bill (S. 2094) to provide funds for cooperation with the school board at Medicine Lake, Mont., in construction of a public-school building to be available to Indian children of the village of Medicine Lake, Sheridan County, Mont., was announced as next in order.

The PRESIDING OFFICER. This bill is the same as Calendar No. 772, House bill 6315.

Mr. McKELLAR. The situation here is the same as in the case of the other bill?

Mr. WHEELER. The same as in the case of the other bill. I ask that House bill 6315 be substituted for Senate bill 2094.

Mr. KING. There is no change in the amount, is there?

Mr. WHEELER. There is no change in the amount. The bills are identical as I understand.

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider the House bill.

The bill (H. R. 6315) to provide funds for cooperation with the school board at Medicine Lake, Mont., in construction of a public-school building to be available to Indian children of the village of Medicine Lake, Sheridan County, Mont., was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2094 will be indefinitely postponed.

BILLS PASSED OVER

The bill (H. R. 373) for the relief of the American Surety Co., of New York, was announced as next in order.

Mr. McKELLAR. Will the Senator from Maine [Mr. WHITE] explain that bill? [A pause.] The Senator does not seem to be present, so I will ask to have the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 805) for the relief of Luther M. Turpin and Amanda Turpin was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

MUNCY VALLEY PRIVATE HOSPITAL

The bill (H. R. 1291) for the relief of Muncy Valley Private Hospital was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 2708) for the relief of James M. Pace was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 1315) for the relief of Thomas J. Gould was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

R. G. ANDIS

The bill (S. 1690) for the relief of R. G. Andis was announced as next in order.

Mr. KING. Mr. President, I should like to ask whether the Post Office Committee have many cases similar to this, where deposits have been made in banks by postmasters, and the banks have failed, and the Government is now being called upon to reimburse the postmasters?

Mr. McKELLAR. Mr. President, very, very few of such cases have been reported to our committee. The Senator will recall that we have not had any bank failures in a little more than 2 years.

Mr. KING. Yes. I was going to ask the Senator, however, if there is not some provision of law that the postmasters must have indemnity bonds?

Mr. McKELLAR. Yes; that is true, and a few moments ago I objected to a bill because it was for the relief of a surety company that had made the bond, and the man had run away, and now they want the Government to bear the loss. I am opposed to that.

Mr. KING. If Congress makes laws requiring the various governmental depositories—and I use the term as applied to individuals—to obtain indemnity bonds for the protection of the Government, why should the Government then be called upon to pay for any losses that may result?

Mr. McKELLAR. It ought not to be, Mr. President; and, so far as I know, no report from our committee in the past

2 years has recommended payment by the Government to a bonding company.

Mr. KING. I will ask that this bill go over, so that we may find out exactly what the policy of the Government is to be.

The PRESIDING OFFICER. The bill will be passed over.

BILLS PASSED OVER

The bill (H. R. 4817) for the relief of Matthew E. Hanna was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 1703) for the relief of Cletus F. Hoban was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

MARY FORD CONRAD

The bill (H. R. 2689) for the relief of Mary Ford Conrad was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1448) for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918 was announced as next in order.

Mr. KING and Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

HARBOR SPRINGS, MICH.

The bill (H. R. 1492) for the relief of Harbor Springs, Mich., was considered, ordered to a third reading, read the third time, and passed.

HAZEL B. LOWE ET AL.

The bill (S. 280) for the relief of Hazel B. Lowe, Tess H. Johnston, and Esther L. Teckmeyer was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to pay, out of current appropriations for salaries and expenses of the Veterans' Administration, the sum of $68 to Hazel B. Lowe, $91.80 to Tess H. Johnston, and $91.80 to Esther L. Teckmeyer, in full settlement of all claims against the Government of the United States, for services rendered in the Veterans' Administration and the Department of Justice.

WARD J. LAWTON

The bill (S. 1656) for the relief of Ward J. Lawton was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the Comptroller General of the United States is hereby authorized and directed to credit in the accounts of Ward J. Lawton, special disbursing agent, Lighthouse Service, Department of Commerce, the sum of $204 paid to the Liberty Brush Co., Philadelphia, Pa. (voucher no. 6660), May 17, 1932, which was later disallowed by the Comptroller General of the United States.

ELIZABETH M. HALPIN

The bill (H. R. 285) for the relief of Elizabeth M. Halpin was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 760) for the relief of John L. Hoffman was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

F. T. WADE ET AL.

The bill (S. 490) for the relief of F. T. Wade, M. L. Dearing, E. D. Wagner, and G. M. Judd was announced as next in order.

Mr. KING. Let that go over.

Mr. SCHWELLENBACH. Mr. President, I may say to the Senator from Utah that this bill is for work done for the Government. The claimants have not been paid. The bill is to pay for time actually spent by employees of the Department of Justice. Because of the fact that their commissions had expired, they have not been paid. The bill provides for 1 month's pay for four employees of the Government, to which they have been entitled for about a year and a half. I do not believe there is any reason for objecting to the bill.

Mr. KING. Is the passage of the bill recommended by the Department?

Mr. SCHWELLENBACH. It is.

Mr. KING. I have no objection.

The Senate proceeded to consider the bill, which had been reported from the Committee on Claims with amendments, on page 1, line 3, after the words " that the ", to strike out "Attorney General is " and insert " Secretary of the Treasury be, and he is hereby "; in line 5, after the word " money ", to strike out " available for the payment of compensation to employees of the Department of Justice " and insert " in the Treasury not otherwise appropriated "; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named persons the sums hereinafter specified, in full satisfaction of their claims against the United States for services rendered as employees of the Department of Justice, such services having been rendered at the request of, and in the office of, the United States attorney for the State of Oregon after the expiration of a 30-day temporary appointment issued to said persons: F. T. Wade, $202.90; M. L. Dearing, $110.84; E. D. Wagner, $110.84; and G. M. Judd, $115.41: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to; and the bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM A. THOMPSON

The Senate proceeded to consider the bill (S. 1070) for the relief of William A. Thompson, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out " $1,500 " and to insert in lieu thereof " $750 ", and to insert a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William A. Thompson, of Des Moines, Iowa, the sum of $750 in full satisfaction of all claims of such William A. Thompson against the United States for damages resulting from injuries to himself when run over by one Claude Rideout on November 21, 1932, near Creston, Iowa, while such William A. Thompson was assisting Harry Elliott, United States prohibition agent, to arrest such Claude Rideout: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1935) for the relief of Marion Shober Phillips, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 2987) for the relief of E. W. Tarrence was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

WILLIAM A. RAY

The bill (H. R. 4630) for the relief of William A. Ray, was considered, ordered to a third reading, read the third time, and passed.

K. W. BORING

The bill (S. 658) for the relief of K. W. Boring was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to issue to K. W. Boring, post-office box no. 2271, St. Petersburg, Fla., a duplicate in lieu of United States registered bond no. G-00012777 for $1,000 of the Treasury 4¼ percent bonds of 1947–52, inscribed "K. W. Boring", said bond having been lost or destroyed after being assigned in blank, but not witnessed, as required by the regulations of the Treasury Department, said duplicate to be of like amount and bearing like interest and marked in a like manner as the original bond: *Provided*, That the said bond shall not have been previously presented to the Treasury Department by a bona fide holder in due course for transfer, exchange, or redemption: *Provided further*, That the said K. W. Boring shall first file in the Treasury Department a bond of indemnity in the penal sum of double the amount of the principal of the bond alleged lost or destroyed and the interest which would accrue thereon to the date of maturity, with such corporate surety as may be acceptable to the Secretary of the Treasury to indemnify and save the United States harmless from any loss on account of the bond alleged to be lost or destroyed.

GEORGE W. MILLER

The bill (S. 1040) for the relief of George W. Miller was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to credit the account of Chief Pay Clerk George W. Miller, a special disbursing agent of the Coast Guard, with the sum of $27.60, such amount representing a sum disbursed by him and disallowed by the General Accounting Office in notice of exception issued July 26, 1934, voucher no. 462.

E. JEANMONOD

The bill (S. 1046) for the relief of E. Jeanmonod was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to E. Jeanmonod, undertaker, Paris, France, an amount sufficient to purchase 14,670.38 francs, in full satisfaction of his claim against the United States for services and expenses incurred in connection with the preparation and transportation of the body of Marcus Smith Cruikshank, a World War veteran, who died in Paris, France.

THE WASHINGTON POST CO.

The bill (S. 1052) for the relief of the Washington Post Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of the act of July 31, 1876, being "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1877, and for other purposes" (19 Stat. L. 105; U. S. C., title 44, sec. 321), the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Washington Post Co., Washington, D. C., the sum of $109.80 in full settlement and satisfaction of its claim for advertising services rendered the Veterans' Administration in advertising for proposals to furnish labor and materials for certain construction projects at the Veterans' Administration home, Leavenworth, Kans.; Veterans' Administration hospital, Columbia, S. C.; and Veterans' Administration home, Johnson City, Tenn.

DOMENICO POLITANO

The bill (S. 2076) for the relief of Domenico Politano was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Domenico Politano the sum of $2,000, in full settlement of all claims against the Government of the United States for a bond deposited as security and filed with the inspector in charge of immigration at Niagara Falls and later forfeited because of his failure to depart from the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ESTATE OF RAY SUTTON

The bill (S. 2393) for the relief of the widow of Ray Sutton was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, Ray Sutton, a United States prohibition officer who disappeared without further trace on August 28, 1930, shall be held and considered to have been killed on August 28, 1930, while in the performance of his duties as such officer; and the United States Employees' Compensation Commission is authorized and directed to pay to the widow of the said Ray Sutton compensation for his death in the manner and to the extent provided in such act, as amended. Such compensation shall be payable from August 28, 1930, and shall be paid out of funds heretofore or hereafter appropriated for the payment of awards under the provisions of such act, as amended.

SEC. 2. That in the administration of the Civil Service Retirement Act of May 29, 1930, as amended and supplemented, the said Ray Sutton shall be held and considered to have been killed on August 28, 1930, while in the performance of his duties as such officer; and the United States Civil Service Commission is authorized and directed to pay to the person or persons whom such Commission determines, pursuant to such act, to be entitled thereto, the total amount of deductions made from the salary of the said Ray Sutton pursuant to such act, as amended, together with interest on such deductions, as provided in such act, to the date of enactment of this act.

SEC. 3. The Secretary of the Treasury is authorized and directed to pay to Mrs. Ray Sutton upon presentation by her to the Treasury Department, two Treasury checks payable to the order of said Ray Sutton in the amounts of $92.95 and $152.32 for salary and expenses, respectively, of the said Ray Sutton for the last half of August 1930. Such checks shall be paid out of funds in the Treasury placed to the credit of the said Ray Sutton in the account disignated "outstanding liabilities."

CABEZA DE VACA EXPEDITION

The Senate proceeded to consider the bill (H. R. 6372) to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail, which was read, as follows:

Be it enacted, etc., That to indicate the interest of the Government of the United States in commemorating the four hundredth anniversary of the expedition of Cabeza de Vaca and the opening of the Old Spanish Trail there shall be coined by the Director of the Mint silver 50-cent pieces to the number of not more than 10,000, of standard weight and fineness and of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the models for master dies or other preparations for this coinage.

SEC. 2. That the coins herein authorized shall be issued at par and only upon the request of the chairman of the El Paso Museum committee.

SEC. 3. Such coins may be disposed of at par or at a premium by said committee and all proceeds shall be used in furtherance of the El Paso Museum.

SEC. 4. That all laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material, and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

Mr. KING. Mr. President, may I ask whether the Department favors this measure?

Mr. FLETCHER. Mr. President, I am not sure whether or not the Department has passed on this bill, because it is a House bill. The bill passed the House and came to the Senate, but the Senate committee approved it because such things have been done in the case of a number of other expositions and different celebrations.

Mr. ROBINSON. I understand that no expense to the Government will be incurred under the bill.

Mr. FLETCHER. None at all. As a matter of fact, the Government will make a little profit out of it.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, LOUISIANA

The bill (H. R. 4528) to extend the times for commencing and completing the construction of a bridge across the Mis-

sissippi River between New Orleans and Gretna, La., was considered, ordered to a third reading, read the third time, and passed.

DES MOINES RIVER BRIDGE, MISSOURI

The bill (H. R. 5547) to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo., was considered, ordered to a third reading, read the third time, and passed.

RIO GRANDE BRIDGE, TEXAS

The bill (H. R. 6630) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex., was announced as next in order.

Mr. KING. Mr. President, I note that the Department of Agriculture opposes this bill. I have no information regarding it, but in light of the announced opposition by the Department, I ask that it go over.

The PRESIDING OFFICER. The bill will go over.

WACCAMAW RIVER BRIDGE, NORTH CAROLINA

The bill (H. R. 6859) granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Waccamaw River, at or near Old Pireway Ferry Crossing, N. C., was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, ILLINOIS

The bill (H. R. 6997) authorizing the State of Illinois and the State of Missouri to construct, maintain, and operate a free highway bridge across the Mississippi River between Kaskaskia Island, Ill., and St. Marys, Mo., was considered, ordered to a third reading, read the third time, and passed.

RIO GRANDE BRIDGE, TEXAS

The bill (H. R. 7291) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Boca Chica, Tex., was considered, ordered to a third reading, read the third time, and passed.

CUTTING OF TIMBER IN BEAR LAKE COUNTY, IDAHO

The Senate proceeded to consider the bill (S. 578) authorizing the Secretary of the Interior to permit citizens of Bear Lake County, Idaho, to obtain timber from Lincoln County, Wyo., for domestic purposes, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 1, line 9, to strike out after the word "cut", the words "timber in Lincoln County, Wyo., for domestic and other purposes, and to remove the timber so cut to Bear Lake County, Idaho", and to insert in lieu thereof the words, "and remove timber on the unappropriated public domain in Lincoln County, Wyo., for domestic use in Bear Lake County, Idaho", so as to make the bill read:

Be it enacted, etc., That section 8 of the act entitled "An act to repeal the timber-culture laws, and for other purposes", approved March 3, 1891, as amended, is amended by adding the following paragraph:

"The Secretary of the Interior is authorized to grant permits subject to the provisions of this section, to citizens of Bear Lake County, Idaho, to cut and remove timber on the unappropriated public domain in Lincoln County, Wyo., for domestic use in Bear Lake County, Idaho."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SUDDEN & CHRISTENSON, INC., AND OTHERS

The bill (S. 2635) authorizing the appropriation of funds for the payment of the award in claim of Sudden & Christenson, Inc., and others, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated the sum of $78,025.83 for the payment to Sudden & Christenson, Inc., John A. Hooper, Emil T. Kruse, Edward Kruse, Gilbert Loken, and G. W. McNear, Inc., or their successors in interest, upon receipt by the Secretary of State of satisfactory releases from the respective claimants of all claims for damages resulting from the capture on January 27, 1916, and subsequent use by the British Government of the steamship *Edna*, as recommended in the decision rendered on December 22, 1934, by the arbitrator, John Clark Knox, judge of the United States District Court for the Southern District of New York.

EXTENSION OF AIR MAIL SERVICE

The bill (S. 2454) to amend the Air Mail Act of June 12, 1934, was announced as next in order.

Mr. AUSTIN. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. McKELLAR. May I ask whether there was objection to the bill just called?

The PRESIDING OFFICER. The Senator from Vermont objected.

Mr. AUSTIN. I objected to it on the ground that, having read the bill, I think there are some things about it which certainly would make it impossible to discuss it within the time at our disposal under the present order.

Mr. McKELLAR. Very well.

BILL PASSED OVER

The bill (S. 1607) to amend section 109 of the Criminal Code so as to except officers of the Naval and Marine Corps Reserve not on active duty from certain of its provisions was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

PAYMENT OF PER DIEMS IN NAVAL WORK

The Senate proceeded to consider the bill (S. 1973) to amend section 5 of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved March 3, 1925, to authorize the payment of a per diem in connection with naval aerial surveys and flight checking of aviation charts, which was read, as follows:

Be it enacted, etc., That the first paragraph of section 5 of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved March 3, 1925 (43 Stat. 1190; U. S. C., title 34, sec. 893), is hereby amended to read as follows:

"SEC. 5. To cover actual additional expenses to which fliers are subjected when making aerial surveys, hereafter a per diem of $7 in lieu of other travel allowances shall be paid to officers, warrant officers, and enlisted men of the Army, Navy, and Marine Corps for the actual time consumed while traveling by air, under competent orders, in connection with naval aerial surveys and flight checking of Hydrographic Office aviation charts, and aerial surveys of rivers and harbors or other governmental projects, and a per diem of $6 for the actual time consumed in making such aerial surveys, or flight checking of Hydrographic Office aviation charts. The per diem authorized in connection with naval aerial surveys and flight checking of Hydrographic Office aviation charts shall be paid from the appropriation 'Pay, subsistence, and transportation of naval personnel.' The per diem authorized in connection with aerial surveys of rivers and harbors or other governmental projects shall be paid from appropriations available for the particular improvement or project for which the survey is being made: *Provided*, That not more than one of the per diem allowances authorized in this section shall be paid for any one day: *Provided further*, That Naval and Marine Corps personnel shall not be entitled to the allowances authorized by this section when naval tender facilities or the equivalent thereof are available while traveling by air or in the area where the naval survey or flight checking duties are performed."

Mr. KING. I should like to inquire whether those who are within the category of naval personnel would not be receiving their usual pay when they are carrying out the work to which reference is made by the bill?

Mr. TRAMMELL. It is my understanding that the Comptroller General has held they would not be entitled to their per diems when they are assigned on special survey work in connection with the aeronautics service. The report from the Department states that Army officers assigned to similar work draw per diems, that the Commerce Department agents also draw per diems, but as to certain classes of work in the nature of surveys carried on by naval officers, they are not allowed any per diems. This bill has been introduced in an effort to adjust the situation, and try to keep the members of the naval force from having to pay their expenses personally when out on survey work.

Mr. ROBINSON. I notice this statement in the report:

The committee feels that the existing law is unfair to service men who are detached to such duty and believe that the law should be amended to allow them per-diem allowances while on such duty.

In addition to this recommendation, the Department is favorable to the passage of the bill.

Mr. KING. I should like to ask the Senator from Florida whether the per diem is merely for expenses, or is supplemental pay which would be added to the pay which the men now receive.

Mr. TRAMMELL. It is not supplemental pay; it is for their expenses, just as in the case of other officers who travel.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AERONAUTICAL ENGINEERING DUTY IN NAVY

The bill (S. 1974) to authorize the transfer of officers of the Construction Corps of the Navy to the line of the Navy for aeronautical engineering duty only, and for other purposes, was announced as next in order.

Mr. TRAMMELL. Mr. President, this is the same as Calendar No. 778, being House bill 6204, and I ask that that bill be substituted for the Senate bill and be now considered.

There being no objection, the Senate proceeded to consider the bill (H. R. 6204) to authorize the assignment of officers of the line of the Navy for aeronautical engineering duty only, and for other purposes, which was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Senate bill 1974 will be indefinitely postponed.

PROMOTION OF WARRANT OFFICERS IN THE NAVY

The bill (S. 1977) to amend the act approved February 15, 1929, entitled "An act to permit certain warrant officers to count all active service rendered under temporary appointments as warrant or commissioned officers in the Regular Navy, or as warrant or commissioned officers in the United States Naval Reserve Force, for the purpose of promotion to chief warrant rank", was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of February 15, 1929 (45 Stat. 1180; U. S. C., Supp. VII, title 34, sec. 351), is hereby amended to read as follows:

"That for the purpose of computing the 6 years' service required for promotion from warrant to chief warrant rank, all active service, for purposes other than training heretofore rendered during the period from April 6, 1917, to December 31, 1921, under a temporary appointment as a warrant or commissioned officer in the United States Navy, or as a warrant or commissioned officer in the United States Naval Reserve Force, or as a commissioned or warrant officer of the National Naval Volunteers, shall be counted: *Provided*, That officers who have heretofore been commissioned chief warrant officers shall for all purposes be regarded as having been so commissioned from the date of completion of such 6 years' service, including the service authorized to be counted by this act: *Provided further*, That no back pay or allowances shall be held to have accrued prior to the passage of this act."

ADMINISTRATION OF JUSTICE IN THE NAVY

The Senate proceeded to consider the bill (S. 1604) to provide for the better administration of justice in the Navy, which was read, as follows:

Be it enacted, etc., That all persons serving in confinement pursuant to a duly approved sentence of a naval court martial shall, until discharged from confinement, remain subject in all respects to the articles for the government of the Navy and all other laws for the administration of justice in the Navy, and shall be liable to trial by court martial under said articles and laws for offenses committed while under any sentence imposed pursuant to the first or any subsequent trial by court martial.

Mr. ROBINSON. Mr. President, I ask the Senator from Florida, who introduced the bill, to state what changes would be made in existing law by the enactment of this bill.

Mr. TRAMMELL. Mr. President, this bill was introduced at the request of the Navy Department. It seems that, under the present law, if a naval officer or an enlisted man in the Navy is serving a court-martial sentence and his time expires, he is not held amenable for any violation of law while he is in prison, and it is held that there is no jurisdiction to court martial him further, or to try him, if his time has expired. This bill provides that so long as a man is in custody under a court-martial sentence he is subject to the control of the naval authorities having jurisdiction of the prison.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

A. CYRIL CRILLEY

The bill (S. 1045) for the relief of A. Cyril Crilley was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the settlement of the accounts of A. Cyril Crilley, assistant trade commissioner and a special disbursing officer of the Bureau of Foreign and Domestic Commerce, in the sum of $113 for amount paid as freight on the shipment of an automobile of Henry B. Pentland, deceased trade commissioner, from Panama to Hollywood, Calif., upon the specific direction and authority of the Bureau, dated July 8, 1932.

ROBERT A. DUNHAM

The Senate proceeded to consider the bill (S. 1326) for the relief of Robert A. Dunham, which had been reported from the Committee on Claims with amendments, on page 1, line 7, to strike out "$2,550" and to insert in lieu thereof "$1,000", and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc. That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. B. Dunham, of Washington, D. C., father and next friend of the minor child Robert A. Dunham, the sum of $1,000, in full satisfaction of all claims against the United States for damages resulting from personal injuries received by the said minor child when struck, at the intersection of Seventh Street and North Carolina Avenue SE., in the city of Washington, D. C., by a United States Treasury fuel truck driven by one Isaac W. Travers, an employee of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DAN MEEHAN

The Senate proceeded to consider the bill (S. 1640) for the relief of Dan Meehan, which had been reported from the Committee on Claims with an amendment, on page 1, line 3, after the words "That the", to strike out "Treasurer of the United States is" and insert in lieu thereof "Secretary of the Treasury be, and he is hereby"; and on the same page, in line 6, after the words "sum of", to strike out "$414.40" and insert in lieu thereof "$150"; and to insert a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $150, covering items eliminated by the General Accounting Office from vouchers numbered 10604, 10605, 10606, 10607, and 10608, covering periods February 17 to 28, March 1 to 15, March 16 to 31, April 1 to 15, and April 16 to May 17, 1934, respectively: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered

in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FLORIDA NATIONAL BANK & TRUST CO.

The bill (S. 1960) for the relief of the Florida National Bank & Trust Co., a national banking corporation, as successor trustee for the estate of Phillip Ullendorff, deceased, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Commissioner of Internal Revenue is hereby authorized and directed to receive, consider, and determine in accordance with law, without legal regard to any statute of limitations, any claim filed not later than 6 months after the passage of this act by the Florida National Bank & Trust Co., a national banking corporation, as successor trustee for the estate of Phillip Ullendorff, deceased, at Miami, Fla., or its successors in office, for the refund of Federal inheritance taxes collected from the Biscayne Trust Co., formerly a trust company organized and existing under the laws of the State of Florida, as executor or trustee of the estate of Phillip Ullendorff, deceased, in 1924 and also in 1928, in excess of the amount properly due, and to refund all amounts collected in excess of the amount properly due to the Florida National Bank & Trust Co., a national banking corporation, as successor trustee of the estate of Phillip Ullendorff, deceased: *Provided*, That in the settlement of such claim there shall be no allowance of interest.

T. D. RANDALL & CO.

The bill (S. 2520) for the relief of T. D. Randall & Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the claim of T. D. Randall & Co. growing out of losses and/or damages suffered under purchase orders nos. 1904 and 1914 to 1919, both inclusive, for furnishing hay to the Army during the late war, is hereby referred to the United States Court of Claims with jurisdiction to hear the same to judgment and to adjudicate the same upon the basis of the losses and/or damages suffered due to car shortage and/or other war conditions: *Provided*, That suit on such claim may be instituted at any time within 4 months after the date of enactment of this act, notwithstanding the lapse of time or any statute of limitations.

ALBERT GONZALES

The bill (S. 1064) for the relief of Albert Gonzales was announced as next in order.

Mr. KING. Mr. President, I should like to ask the Senator from New Mexico if the bill carries an indefinite appropriation and if the Government now is to pay all those in citizens' camps who may be injured?

Mr. HATCH. Mr. President, this is a very special case. This young man was in the citizens' training camp in 1929, and while in swimming injured his eyes and became totally blind. I think the bill has passed the Senate once before. It has been referred to the War Department. The Department approves it and says, in view of the special circumstances of the case, the bill should pass. There is an amendment suggested that if, as, and when a general law shall be passed covering such cases, then any compensation this young man may receive under the present bill shall be deducted from any compensation he may be granted in the future for a case falling in this class.

Mr. KING. May I ask the Senator whether the committee took the view that this unfortunate young man did not come within the Compensation Act?

Mr. HATCH. He did not come within the Compensation Act.

Mr. KING. He was not in the employ of the Government in that sense?

Mr. HATCH. He was not in the employ of the Government and not a soldier, and there is no other method by which compensation may be awarded to him.

Mr. KING. What dereliction was there on the part of the Government to this man?

Mr. HATCH. I cannot tell the Senator, except that he was actually in the Government service at the training camp, and while so engaged sustained the injury which deprived him of the sight of both eyes, and he is totally blind today.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Albert Gonzales the sum of $75 per month, in full settlement of all claims against the Government on account of injuries suffered by him on July 28, 1929, while a student at the citizens' military training camp at Fort Bliss, Tex., said monthly payments to be paid through the United States Employees' Compensation Commission: *Provided*, That if and when Congress enacts general legislation providing compensation or damages to persons injured while attending citizens' training camps the said Albert Gonzales, in lieu of compensation herein provided, will hereafter take only said benefits as shall have been provided in said act for similar cases.

RENE HOOGE

The Senate proceeded to consider the bill (S. 928) for the relief of Rene Hooge, which had been reported from the Committee on Claims with amendments, on page 1, line 4, after the word "Texas", to insert "out of any money in the Treasury not otherwise appropriated"; in line 6, after the words "sum of", to strike out "$10,000 as compensation" and insert in lieu thereof "$1,000, in full satisfaction of all claims against the Government"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay to Rene Hooge, of Bexar County, Tex., out of any money in the Treasury not otherwise appropriated, the sum of $1,000, in full satisfaction of all claims against the Government for personal injuries received, caused by the negligence of officers and agents of the United States in failing to remove from Kelly Field, in Bexar County, Tex., certain explosives which caused the personal injury to said Rene Hooge, on or about November 21, 1926: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELLIOTT H. TASSO AND EMMA TASSO

The Senate proceeded to consider the bill (S. 2374) for the relief of Elliott H. Tasso and Emma Tasso, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$7,000" and to insert in lieu thereof "$3,500", and to insert a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elliott H. Tasso and Emma Tasso, of Colony, Okla., the sum of $3,500 in full settlement of all claims which they may have against the Government of the United States, due to the death of their child, an infant 10 days old, by reason of an accident caused by negligence of the nurse at the Cheyenne and Arapaho Hospital, in October 1932, when said nurse placed the infant child on a table in the bathroom for the purpose of bathing it, and left the room, leaving the child unattended, and during her absence it fell from the table to a hot radiator and thence to the floor, being badly burned and injured in the fall from which it died 3 weeks later: *Provided*, That in the discretion of the Secretary of the Interior the amount herein appropriated may be held as individual Indian money by the superintendent of the Cheyenne and Arapaho Agency, Okla., and be disbursed in accordance with regulations governing such funds: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HARRY JARRETTE

The Senate proceeded to consider the bill (S. 2373) for the relief of Harry Jarrette, which had been reported from the Committee on Claims, with amendments, on page 1, line 5, after the words "sum of", to strike out "$7,500" and insert in lieu thereof "$5,000", and to insert a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Harry Jarrette, of Portland, Oreg., in full settlement for all claims against the Government resulting from injuries sustained when struck by a United States Forest Service truck on November 21, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to and the bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM E. SMITH

The bill (H. R. 3073) for the relief of William E. Smith was considered, ordered to a third reading, read the third time, and passed.

JAMES E. M'DONALD

The bill (S. 2590) for the relief of James E. McDonald was announced as next in order.

Mr. KING. I ask that the bill be passed over.

Mr. COPELAND. Mr. President, will the Senator withhold his objection for a moment?

Mr. KING. Yes.

Mr. COPELAND. The bill provides for the relief of a postmaster in my State. The assistant postmaster confessed, a copy of the confession being contained in the report accompanying the bill, that over a series of years he manipulated the accounts of the office and took away anywhere from $10,000 to $20,000. It was held by the Post Office Department, as Senators will note on page 3 of the report, that there may possibly have been some carelessness of supervision, but, in view of the fact that the assistant was in a place of confidence, the Department took the view that the postmaster should be paid.

Mr. McKELLAR. Does this amount go to the bonding company?

Mr. COPELAND. No. The United States withheld certain funds due the postmaster on salary, and this is to be a credit on that account.

Mr. McKELLAR. Then it is not a question of reimbursement of a bondsman?

Mr. COPELAND. No; there is no question of a bondsman involved.

Mr. KING. May I ask whether the postmaster required a bond at the hands of the assistant postmaster, and if not, why not?

Mr. COPELAND. Of course, I cannot answer that, but there is a provision in the bill that nothing we may do shall preclude the Government from attempting to collect from the assistant postmaster the sums due. There is some hope that that may be done.

Mr. KING. Mr. President, my understanding is that the law requires the postmaster to have his assistants, whether one or many, obtain bonds from reputable, satisfactory bonding companies. If that be true, then if one of the assistants embezzles funds entrusted to his care, obviously the Government ought not to sustain the loss to the bondsmen, because they doubtless have received large commissions for writing the bonds and should be called upon to make good the loss.

Mr. COPELAND. I fear in this case there was no bonding of this particular officer.

Mr. McKELLAR. With that understanding I have no objection, but I think wherever there is a bond, the bonding company having received the premium, and a defalcation occurs and the bondsman has to come forward and make good the loss, the Congress ought not to compensate or recompensate the bonding company.

Mr. COPELAND. I agree with the Senator in that philosophy.

Mr. KING. I ask the chairman of the committee, the Senator from Tennessee, why it is that the Government fails to require bonds at the hands of those who receive funds? In private life that is done. In banks that is done.

Mr. McKELLAR. It is done in the Post Office Department also. Bonds are required in all cases. The reason given here is that the Government withheld a portion of the postmaster's pay. Why that was done rather than call on the bonding company I do not know.

Mr. COPELAND. I think the reason is that the defalcation extended over so long a period—14 years. It may well be that the bonding companies only pay for 1 or 2 or 3 years, or they may go out of business. The period of time was about 14 years during which this affair took place. He took about a thousand dollars a year during that period of time.

Mr. McKELLAR. Will not the Senator agree to let the bill go over so we can investigate and find out to what extent bonding companies are profiting by this plan? If the Government pays the money back to the bonding companies, the Government is bonding its own officials and the company bonding is a mere form.

Mr. COPELAND. I may say that I have had a great many cases such as this in my State, but this is the first case I recall where there was provision for the retention of funds in the hands of the Government. There will be no loss to the Government. This is merely a credit against what the Government has withheld.

Mr. McKELLAR. I do not see how that could possibly be. The Government will lose the money under any circumstances. I hope the Senator will let the bill go over and get the facts about it. If the postmaster had to pay it, it is very different than if a bonding company had to pay it.

Mr. COPELAND. The Senator can readily see that here was a situation where the confession was made in February 1934. The man stated that for 14 years he had been taking funds from the Government. It seems strange that that could ever happen; that it could have gotten past the eagle eyes of the Department itself; but there was no discovery of the condition until after this amount of money had been taken. If Senators will permit the bill to pass, then in the meantime I will find out from the Department what the situation is regarding bonding companies.

Mr. McKELLAR. The Department has this to say about this bill:

That the defalcations uninterrupted over so long a period of time were possible only because of extremely careless supervision is conclusive, but inasmuch as former Postmaster McDonald was the victim of a gross breach of confidence and received no profit from the funds embezzled the Department will offer no objection to the relief provided in this bill.

If the relief is for the postmaster, I can understand it; but if it is a relief for the bonding company, and the bonding company had been receiving premiums all during the 14 years, it certainly ought not to go to them.

Mr. COPELAND. I have never known a case where the bonding company was not involved.

Mr. McKELLAR. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

BELL TELEPHONE CO. OF PENNSYLVANIA

The bill (S. 2168) for the relief of the Bell Telephone Co. of Pennsylvania was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in

the Treasury not otherwise appropriated, to the Bell Telephone Co. of Pennsylvania, Pittsburgh, Pa., the sum of $53.55, on account of damages to its telephone pole and wires as a result of an accident involving a truck operated in connection with the Civilian Conservation Corps at Strattonville, Pa., on November 4, 1933.

BILL PASSED OVER

The bill (S. 1980) for the relief of Lewis Worthy and Dennis O. Penn was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

W. L. HORN

The bill (S. 1833) for the relief of W. L. Horn was announced as next in order.

Mr. KING. I note that the Department opposes the bill, and I ask that it be passed over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BANKHEAD subsequently said: Mr. President, when Senate bill 1833, Calendar No. 737, was called, I was out of the Chamber, and so was the Senator from Washington [Mr. SCHWELLENBACH], who reported the bill. It is a small bill and does not involve much. I ask unanimous consent that the Senate return to the bill and consider it.

The PRESIDING OFFICER. Is there objection to returning to Senate bill 1833?

There being no objection, the Senate proceeded to consider the bill (S. 1833) for the relief of W. L. Horn, which had been reported from the Committee on Military Affairs with amendments, on page 1, line 7, after the word "Company", to insert "E", and after the word "Company", to strike out "Regiment Field Artillery" and insert "One Hundred and Sixth Ammunition Train", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon officers separated under honorable conditions from the United States Army, their widows, children, and dependent relatives, William L. Horn, formerly first lieutenant, Company E, One Hundred and Sixth Ammunition Train, National Guard, shall be held and considered to have been separated under honorable conditions from the military service of the United States on May 17, 1918: *Provided*, That no pension, pay, bounty, or other benefits shall be held to have accrued prior to the enactment of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REAR RANGE LIGHT AT PEARL HARBOR, HAWAII

The bill (S. 2230) to authorize the Secretary of the Navy to acquire a suitable site at Pearl Harbor, Territory of Hawaii, for a rear range light, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to acquire on behalf of the United States a perpetual easement in or use of a suitable site on lot no. A4–12, Pearl Harbor, Territory of Hawaii, for a rear range light for the waters of Pearl Harbor, Territory of Hawaii, and for said purposes there is hereby authorized to be appropriated the sum of $100.

BILLS PASSED OVER

The bill (S. 2460) to amend the act of June 6, 1924, entitled "An act to amend in certain particulars the National Defense Act of June 3, 1916, as amended, and for other purposes", was announced as next in order.

Mr. ROBINSON. Mr. President, this bill appears to be of some importance. I should like to have it explained before the Senate disposes of it.

Mr. TRAMMELL. I ask that the bill go over for the present.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1975) to authorize certain officers of the United States Navy, and officers and enlisted men of the Marine Corps, to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered, was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1976) to amend the act entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes", approved April 15, 1926, so as to equalize the allowances for quarters and subsistence of enlisted men of the Army, Navy, and Marine Corps was announced as next in order.

Mr. McNARY. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

INDIANS OF CALIFORNIA IN COURT OF CLAIMS

The bill (S. 1793) to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (43 Stat. L. 602), was announced as next in order.

Mr. KING. I ask that the bill be passed over.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator making the objection to this bill withhold his objection for a moment?

Mr. KING. Yes.

Mr. THOMAS of Oklahoma. Something like 7 or 8 years ago Congress passed a bill giving the Indians of California the right to enter the Court of Claims and present their claims against the Government. The original bill provided that the attorney general of California should represent those Indians. The attorney general, of course, is a busy man in California, and while he has filed a petition and made some progress with the claim, the Indians are of the opinion that they should have special attorneys—an attorney or attorneys—to represent them to assist the attorney general of California.

A subcommittee of the Committee on Indian Affairs was in California last July and conferred with the attorney general of California and likewise with the Indians. This bill is a result of that conference. It proposes to authorize the Indians to meet in a sort of convention, to select delegates, such delegates then to select an attorney to represent them and to assist the attorney general of California in presenting their claim against the Government.

There are something like 23,000 of these Indians in California. They are scattered throughout the State, the Mission Indians in the south numbering about 3,000, and the remainder being in the central and northern part of the State. It is practically impossible for the attorney general of California, with his many other duties, to give these Indians the time and attention to which they are entitled; and this bill is for the purpose of permitting the Indians to name an assistant or assistants to the attorney general of California to represent them in the presentation of their claims. It likewise limits the attorneys' fees, if there be any, to 5 percent; and I think that should be approved by the Congress in the event that an award shall finally be made. It is simply an amendment to existing law and has been presented at the request of the Department of the Interior.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and to insert the following:

That the act of May 18, 1928 (45 Stat. 602), entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", as amended by the act of April 29, 1930 (46 Stat. 259), be, and the same is hereby, amended as follows:

SEC. 2. That section 1 of the act of May 18, 1928 (45 Stat. 602), be amended to read as follows:

"SECTION 1. That for the purposes of this act the Indians of California shall be defined to be all Indians who were residing in the State of California on June 1, 1852, and their descendants living on May 18, 1928, who are now on the census roll of the Indians of California under the act of May 18, 1928 (45 Stat. 602), and who may be enrolled in addition thereto under the provisions of this act."

SEC. 3. That sections 2 and 3 of the act of May 18, 1928 (45 Stat. 602), be amended to read as follows:

"SEC. 2. That all claims of whatsoever nature the Indians of California as defined in section 1 of this act may have against the United States by reason of lands taken from them in the State of California by the United States without just compensation or for the failure or refusal of the United States to protect their interests in lands in said State and for the loss of the use of the

same, may be submitted to the United States Court of Claims by the attorney general of the State of California or attorneys acting for and on behalf of said Indians, and it is hereby declared that the loss to the said Indians on account of their failure to secure the lands and compensation provided for in the 18 unratified treaties entered into with certain bands of said Indians in 1851 and 1852, and the loss to such Indians who were not parties to said unratified treaties of their lands to which they had title rising from occupancy and use, without just compensation therefor, is sufficient ground for equitable relief, and jurisdiction is hereby conferred upon the said court, with the right of either party to appeal to the Supreme Court of the United States, to hear, consider, and determine all such claims submitted to them and the said courts shall settle the equitable rights therein and decree just compensation therefor, notwithstanding the lapse of time or statutes of limitation or the fact that the same claim or claims have or have not been presented to any other tribunal, including the commission created by the act of March 3, 1851 (9 Stat. L. 631): *Provided*, That the courts shall determine, as near as may be, the acreage of the lands described in said unratified treaties as lands set apart forever for the occupancy and use of the tribes or bands of Indians parties to the said unratified treaties and shall determine, as near as may be, the acreage of the lands to which such tribes or bands of said Indians not parties to the said unratified treaties had title by reason of occupancy and use and shall compute the value of said acreage at $1.25 per acre and shall render judgment for such value: *And provided further*, That the courts shall consider and determine, as near as may be, the value of the personal property, rights, services, facilities, and improvements set out and described in the aforesaid 18 unratified treaties and include just compensation for the value and loss of the benefit of the same in any decree rendered hereunder. Any payment which may have been made by the United States or moneys heretofore expended for the benefit of the Indians of California, made under specific appropriations for the support, education, health, and civilization of Indians of California, including purchases of land, shall not be pleaded as an estoppel but may be pleaded by way of set-off; but no such payment or appropriation shall be treated as a set-off unless it shall appear that the same was received by said Indians or that such expenditure was actually beneficial to said Indians."

SEC. 4. That the act of May 18, 1928 (45 Stat. 602), be amended by adding a new section as follows:

"SEC. 3. That the Indians of California shall have the right to be represented by an attorney or attorneys of their own selection under contract or contracts approved by the Secretary of the Interior, and the courts are directed to recognize such attorneys as attorneys of record: *Provided*, That for the purposes of this act the Indians enrolled as Indians of California under the provisions of the act approved May 18, 1928, the Secretary of the Interior shall classify said Indians by counties and determine the number of units therein of 100 each or fraction thereof, and under such regulations as he may prescribe shall provide for the election of Indian delegates to be held at one or more convenient places in each county in the State of California within 90 days after the approval of this act, provided each county shall be entitled to one vote for each unit or fraction thereof, and any Indian enrolled under said act shall be eligible for election as a delegate, and said Indians of each county may elect a delegate to represent each vote of one delegate to represent all its votes and any delegate may be elected by more than one county, and said Secretary shall provide for two conventions of such delegates to select and retain attorneys to represent the Indians of California; one convention to convene at Riverside and include all delegates in counties south of the southern boundaries of San Luis Obispo and Kern Counties and the northern boundary of San Bernardino County and the other convention at San Francisco to include all delegates north of said boundaries. Said conventions shall be held within 30 days after said election and shall be conducted in accordance with such rules as are usual for a convention: *Provided further*, That due and proper notice shall be given of the time, place, and purpose of said election and conventions; and upon final determination of such suit, said court is authorized and directed to fix and determine a reasonable fee for such attorney or attorneys, the aggregate amount of such fees not to exceed 5 percent of the amount recovered on a quantum meruit basis, for services actually rendered, and in addition thereto all necessary and proper expenses incurred in the preparation and prosecution of the suit and such fees and expenses shall be paid by the Secretary of the Treasury out of the appropriation made by Congress in payment of any decree rendered when such decree has been submitted to, and approved by Congress, and the balance of such appropriation shall be placed in the Treasury as provided in section 6 of the enabling act."

SEC. 5. That section 7 of the act of May 18, 1928 (45 Stat. 602), as amended by the act of April 29, 1930 (46 Stat. 259), is further amended by adding the following proviso: "*Provided further*, That the Secretary of the Interior is authorized and directed to allow 2 years from the date of the approval of this act in which to receive applications for enrollment of Indians residing in the State of California on June 1, 1852, and their descendants living on May 18, 1928, not now on the census roll of the Indians of California under the act of May 18, 1928 (45 Stat. 602), and the Secretary of the Interior shall have 6 months thereafter to approve such supplemental roll, at the expiration of which time the roll shall be forever closed, and thereafter no additional names shall be added thereto.

"The time for filing amendments to the petition is hereby continued and extended to any time prior to entry of judgment."

SEC. 6. That the act of May 18, 1928 (45 Stat. 602), be amended by adding a new section as follows:

"SEC. 8. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amount as may be necessary to defray the expenses of enrollment herein authorized."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the act entitled 'An act authorizing the Attorney General of the State of California to bring suit in the Court of Claims on behalf of the Indians of California', approved May 18, 1928 (45 Stat. 602)."

BILL PASSED OVER

The bill (S. 2257) to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty", to include officers assigned to duty at submarine training tanks and diving units, and for other purposes, was announced as next in order.

Mr. KING. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

BEQUEST BY THE LATE DR. MALCOLM STORER

The bill (S. 2378) authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dr. Malcolm Storer, of Boston, Mass., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to accept on behalf of the United States, without cost to the United States, a bequest of personal property, provided in the will of the late Dr. Malcolm Storer, of Boston, Mass., consisting of a collection of naval medals, together with the sum of $500 to be used to cover the expense of the installation of said collection of naval medals as an exhibit at the United States Naval Academy.

BILL PASSED OVER

The bill (S. 2253) to make better provision for the government of the military and naval forces of the United States by the suppression of attempts to incite the members thereof to disobedience was announced as next in order.

Mr. McKELLAR. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

E. F. DROOP & SONS CO.

The bill (H. R. 4708) for the relief of E. F. Droop & Sons Co. was announced as next in order.

Mr. McKELLAR. I ask that the bill go over.

Mr. KING. Mr. President, if the Senator will withhold his objection for a moment, let me say that in Washington most of the corporations that do business had to obtain, and did obtain, Federal charters. The Droop Co. was one of this character. Its charter expired at a time when it was not anticipated, and this bill merely continues the charter. It saves them getting another charter from the District of Columbia.

Mr. McKELLAR. I withdraw the objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the E. F. Droop & Sons Co., a corporation incorporated under the general laws of the District of Columbia April 27, 1904, shall continue as an existing corporation, and that the term of existence of said corporation shall be made perpetual upon complying with the requirements of section 2 of this act.

SEC. 2. That the said E. F. Droop & Sons Co. shall file with the recorder of deeds of the District of Columbia a certificate similar to that required by subchapter 4 of chapter XVIII, of the Code of the District of Columbia approved March 3, 1901, as amended, in respect to increase or diminution of capital stock, and pay to the recorder of deeds of the District of Columbia the fee to which he would be entitled if such corporation were newly organized.

DEVELOPMENT OF AMERICAN MERCHANT MARINE

The bill (S. 2582) to develop a strong American merchant marine, to promote the commerce of the United States, to

aid national defense, and for other purposes, was announced as next in order.

Mr. COPELAND. Mr. President, this bill is the so-called "ship-subsidy bill", and I shall ask that it go over without prejudice, because it will excite some debate, no doubt, and I assume that our leader, at the proper time, will give it a place on the program for serious consideration.

The PRESIDING OFFICER. The bill will be passed over.

BILL PASSED OVER

The bill (H. R. 5711) to provide pensions for needy blind persons of the District of Columbia and authorizing appropriations therefor was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT TO DIVORCE LAW OF THE DISTRICT OF COLUMBIA

The bill (S. 2259) to amend sections 966 and 971 of chapter 22 of the act of Congress entitled "An act to establish a code of law for the District of Columbia", approved March 3, 1901, as amended, and for other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, is this the District divorce bill, as it is called?

Mr. COPELAND. It is.

Mr. McKELLAR. Was the committee report unanimous?

Mr. COPELAND. It was; and there was no opposition from the community, although the bill was widely advertised.

Mr. McKELLAR. Does it set up a rival institution to the one at Reno?

Mr. COPELAND. No; it does not do that; but it makes divorce a home industry.

Mr. McKELLAR. It makes it very easy to obtain a divorce?

Mr. COPELAND. No; I would not say so. This bill is not nearly so liberal as the divorce laws in some of the States.

Mr. ROBINSON. Mr. President, will the Senator explain briefly the changes in existing law which this bill will effect?

Mr. COPELAND. There is at the present time only one ground for a divorce in the District of Columbia and that is adultery. This bill provides that there may be divorce granted for adultery, cruelty, desertion for 2 years, separation for 5 consecutive years without cohabitation, habitual drunkenness for 1 year, final conviction of a felony involving moral turpitude and the sentence to penal institution is served in whole or in part, incurable insanity for a period of 5 years, but no husband who secures a divorce from his wife on the ground of incurable insanity shall be relieved thereby from his liability for the support of the spouse from whom he is thus divorced.

This bill was prepared by the Bar Association of the District and the Woman's Law Association. I presented it by request. There was a public hearing held. Everybody who was interested could speak; it had the full consideration of the District Committee, and was unanimously recommended for passage.

Mr. McKELLAR. I have no objection.

Mr. ROBINSON. There is an amendment reported by the committee on page 3, which, apparently, imposes a residence limitation of 1 year.

Mr. COPELAND. That is correct.

Mr. ROBINSON. I do not quite grasp the later provision of the same amendment requiring residence of 2 years.

Mr. COPELAND. The Senator from Utah [Mr. KING] offered the amendment in the committee, and he can explain its purpose.

Mr. ROBINSON. It would seem that where the cause for divorce arose within the District the residence must be 1 year, but where the cause for divorce arose outside the District the residence in the District must be for 2 years.

Mr. COPELAND. That is correct.

Mr. KING. That is the provision of the bill.

Mr. ROBINSON. Very well.

Mr. KING. Mr. President, I may say that the bill as it came to the committee had no residential requirements. I insisted that there must be an actual bona fide physical residence by the spouse within the District of Columbia before suit could be brought.

I may state further that while my dear friend from New York has said there was no objection to the bill, I stated in the committee that I would not interpose an objection to the passage of the bill, although I was not in favor of it. I am opposed to the large number of divorces which are being granted in the United States; I think that the divorce laws are too liberal; and I have upon many occasions expressed my disapproval of the great number of divorces being granted, of the laxity of the States, and, for that matter, of the people, in permitting so many grounds for divorce. However, the mania is here, extending throughout the United States, and I stand almost alone, and perhaps in the committee all alone. I am opposed to divorces other than on one or two grounds.

Mr. SMITH. Mr. President, I want it distinctly understood that the Senator from Tennessee can have no personal interest in this bill. [Laughter.]

Mr. McKELLAR. I am wondering whether the Senator from South Carolina is expressing jealousy or congratulations. [Laughter.]

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia, with amendments, in section 1, page 2, at the beginning of line 3, to insert "separation for 5 consecutive years without cohabitation"; in line 6, after the word "part", to insert "incurable insanity for a period of 5 years, but no husband who secures a divorce from his wife on the ground of incurable insanity shall be released thereby from his liability for the support of the spouse from whom he is thus divorced", so as to make the section read:

That sections 966 and 968 of chapter 22 of the act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, are hereby repealed, and in lieu of section 966 the following section is hereby enacted, to be known as "section 966":

"SEC. 966. Causes for divorce a vinculo and for divorce a mensa et thoro: A divorce from the bond of marriage or a legal separation from the bed and board may be granted for adultery, cruelty, desertion for 2 years, separation for 5 consecutive years without cohabitation, habitual drunkenness for 1 year, final conviction of a felony involving moral turpitude and the sentence to penal institution is served in whole or in part, incurable insanity for a period of 5 years, but no husband who secures a divorce from his wife on the ground of incurable insanity shall be relieved thereby from his liability for the support of the spouse from whom he is thus divorced: *Provided*, That where a final decree of divorce from bed and board was entered prior to the passage of this act and the separation of the parties has continued for 2 years since such decree, a divorce from the bond of marriage may be granted to the innocent spouse: *Provided further*, That marriage contracts may be declared void in the following cases:

"First. Where such marriage was contracted while either of the parties thereto had a former wife or husband living, unless the former marriage had been lawfully dissolved.

"Second. Where such marriage was contracted during the lunacy of either party (unless there has been voluntary cohabitation after the lunacy) or was procured by fraud or coercion.

"Third. Where either party was matrimonially incapacitated at the time of marriage and has continued so.

"Fourth. Where either of the parties had not arrived at the age of legal consent to the contract of marriage (unless there has been voluntary cohabitation after coming to legal age), but in such cases only at the suit of the party not capable of consenting."

The amendment was agreed to.

The next amendment was, on page 3, after line 7, to strike out:

SEC. 2. That section 971 of chapter 22 of said act of Congress, as amended, be, and it is hereby, amended by striking out in the fifth line thereof the words "three years" and inserting in lieu thereof the words "two years."

And in lieu thereof to insert:

SEC. 2. Section 971 of chapter 22 of said act of Congress, as amended, is hereby amended to read as follows:

"SEC. 971. Only residents divorced: No decree of nullity of marriage or divorce shall be rendered in favor of anyone who has not been a bona fide resident of the District of Columbia for at least 1 year next before the application therefor, and no divorce shall be decreed in favor of any person who has not been a bona

fide resident of said District for at least 2 years next before the application therefor for any cause which shall have occurred out of said District and prior to residence therein."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LYMAN C. DRAKE

The bill (S. 2591) for the relief of Lyman C. Drake was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized and directed to pay to Lyman C. Drake the sum of $1,316.40 on account of an award made by the United States Employees' Compensation Commission on September 6, 1934, under the District of Columbia Workmen's Compensation Act, case no. 4927–91, for personal injuries sustained by the said Lyman C. Drake on April 6, 1933, while in the employ of the District of Columbia Committee on Employment: *Provided*, That payment to and the receipt by the claimant of the sum herein appropriated shall be in full settlement of any and all claims arising out of said personal injuries.

GERMAN ORPHAN ASYLUM ASSOCIATION OF THE DISTRICT

The bill (S. 2646) to change the name of the German Orphan Asylum Association of the District of Columbia to the German Orphan Home of the District of Columbia was announced as next in order.

Mr. COPELAND. Mr. President, I ask unanimous consent that House bill 7874, of similar title, be substituted for the Senate bill and considered at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 7874) to change the name of the German Orphan Asylum Association of the District of Columbia to the German Orphan Home of the District of Columbia, which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2646 will be indefinitely postponed.

BOY SCOUTS NATIONAL JAMBOREE

The Senate proceeded to consider the bill (S. 2738) to authorize the use of park property in the District of Columbia and its environs by the Boy Scouts of America at their national jamboree, which had been reported from the Committee on the District of Columbia with an amendment, on page 2, line 23, after the word "jamboree", to insert the following:

The sale of foodstuffs in or about such tents or elsewhere upon the public spaces used by the Boy Scouts as authorized by this bill, shall be under the supervision of the health officer of the District of Columbia and in accordance with regulations to be prescribed by him. The use and erection of tents shall at all times be subject to the supervision of the fire marshal of the District of Columbia and shall be subject to such regulations as he may prescribe.

"The erection and use of tents for any purpose involving health or sanitation shall be subject to the supervision of the health officer of the District of Columbia and to such regulations as he may prescribe."

So as to make the bill read:

Be it enacted, etc., That the act entitled "An act to authorize the Secretary of War and the Secretary of the Navy to lend Army and Navy equipment for use at the national jamboree of the Boy Scouts of America", approved April 1, 1935, is amended by adding at the end thereof a new section to read as follows:

"SEC. 2. The Secretary of the Interior is hereby authorized to grant permits through the National Park Service and the Superintendent of National Capital Parks for use by the said Boy Scouts of portions of parks, reservations, or other public spaces under his control in the District of Columbia and environs as in his opinion may be temporarily spared for that purpose: *Provided*, That such use will inflict no serious or permanent injury upon any of the parks, reservations, or other public spaces: *And provided further*, That the parks, reservations, or other public spaces, which shall be so used or occupied, shall be promptly restored to their original condition by the Boy Scouts, and the said Boy Scouts shall indemnify the United States for all damages of any kind whatsoever sustained by reason of any such use or occupancy. The privileges and usages granted by the Secretary of the Interior shall include the temporary erection of tents for entertainment, hospitals, commissaries, and other subsistence quarters, and other purposes; and the said Boy Scouts are hereby authorized to charge reasonable fees for the use of the same, and to sell articles at said commissaries, which sales shall be solely for the convenience of the participants in the jamboree. The net profits derived from such sales or fees shall be used exclusively to aid in meeting expenses incident to the said jamboree. The sale of foodstuffs in or about such tents or elsewhere upon the public spaces used by the Boy Scouts as authorized by this bill, shall be under the supervision of the health officer of the District of Columbia and in accordance with regulations to be prescribed by him. The use and erection of tents shall at all times be subject to the supervision of the fire marshal of the District of Columbia and shall be subject to such regulations as he may prescribe.

"The erection and use of tents for any purpose involving health or sanitation shall be subject to the supervision of the health officer of the District of Columbia and to such regulations as he may prescribe."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

APPOINTMENT OF ADDITIONAL DISTRICT JUDGE

The bill (H. R. 4665) to authorize the appointment of a district judge to fill the vacancy in the district of Massachusetts occasioned by the death of Hon. James A. Lowell was announced as next in order.

Mr. McKELLAR. Mr. President, I have an amendment to offer to that bill.

Mr. ASHURST. Mr. President, I am sure there is some misapprehension as to the scope of this particular bill. It distinctly does not propose to create any new judgeships. It will be recalled that in 1919 a judgeship was created in Texas on what may be called a temporary basis. In 1929, 24 other judgeships were created throughout the United States of a temporary nature; that is, when the incumbents died, resigned, or retired no successor was to be appointed.

This bill simply, solely, and only removes the temporary feature in the case of 15 of those temporary judges. In other words, if any one of the 15 should die, resign, or retire the President could appoint a successor.

I think I am familiar with the bill proposed by my able friend from Tennessee to create an additional judge for the fourth circuit.

Mr. McKELLAR. My amendment provides an additional judge for the district courts of the United States for the eastern, middle, and western districts of Tennessee.

Mr. ASHURST. I am in favor of that; and there will be a House bill before the Senate, possibly this afternoon, creating an additional judgeship in California, and I will support the Senator's proposal.

Mr. McKELLAR. May I ask the Senator that it be taken up by the committee?

Mr. ASHURST. I will be glad to do that. Let me say that the House bill will probably come before the Senate today. The pending bill, let me repeat, does not create any additional judgeships, although I am in favor of the proposal of the Senator from Tennessee.

Mr. KING. Mr. President, in the light of what has been said by the two Senators, let me say that I am compelled to go to the Committee on Finance, to which was referred an important measure. We are having a hearing this afternoon; witnesses are here; and I want to state to the Senator that I hope no judgeship bill will be taken up this afternoon, because, as the Senator knows, in the committee the other day we took action and agreed to support a bill that provided one additional judge for the circuit court of appeals in the ninth circuit and two additional judges for the State of California, and none other.

Mr. ASHURST. That is true.

Mr. KING. And if the Senator assents to a bill for a new judge for Tennessee or any other State, I wish to state that it would be in contravention of the understanding reached by the committee, and I should oppose it.

Mr. ASHURST. It would certainly be considered by the committee, although I have looked into the Tennessee case.

Mr. BARKLEY. Mr. President, let me make an inquiry. Some weeks ago the Committee on the Judiciary reported a bill to the Senate providing for 10 additional judges, including 1 for Kentucky?

Mr. ASHURST. Yes.

Mr. BARKLEY. What became of that bill?

Mr. ASHURST. It was recommitted to the committee.

Mr. KING. It is now before the committee.

Mr. BARKLEY. I certainly should like to have some explanation of why the committee reduced the number to two and left out the State of Kentucky, which has fewer judges in proportion to its population than any other State in the Union.

Mr. ASHURST. I favored, and do now favor, the creation of additional judgeships. The majority of the Committee on the Judiciary distinctly opposed, after several votes, the creation of any additional judgeships, except one in California and a circuit judge in the ninth circuit. I am sure members of the committee will bear me out in that statement. We had several votes, and finally reported a bill creating additional judgeships in Kansas, South Dakota, Oregon, Kentucky, West Virginia, and one other State. That bill was recommitted by the Senate, not with my procurement nor my consent. It was done by the Senate and the bill is now before our committee.

The bill now before the Senate does not create new judgeships, and should not be confused with the bill having that purpose. Personally, I am in favor of the bill introduced by the Senator from Tennessee.

Mr. BARKLEY. Mr. President, will the Senator say the same with reference to Kentucky?

Mr. ASHURST. I voted for it, and that is all I can do.

Mr. McKELLAR. If the committee is going to hold another hearing——

Mr. ASHURST. Oh, indeed, and we shall send for the able Senator from Tennessee.

Mr. McKELLAR. I shall be very happy to appear before the committee.

Mr. ASHURST. Let me say, so far as I am personally concerned, that after exhaustive investigation I am of opinion that the bill introduced by the able Senator from Tennessee, creating an additional circuit judge for the fourth circuit, should be passed. That is my opinion. Meanwhile I ask for passage of the bill now before the Senate.

Mr. McKELLAR. Mr. President, I have no objection.

Mr. LOGAN. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. WALSH subsequently said: Mr. President, I ask unanimous consent that we may return to Calendar 754 the bill (H. R. 4665) to authorize the appointment of a district judge to fill the vacancy in the district of Massachusetts occasioned by the death of Hon. James A. Lowell.

The PRESIDING OFFICER. Is there objection?

Mr. LOGAN. Mr. President, a few moments ago I objected and asked that the bill go over, but I now withdraw my objection as I seem to be the only one objecting to it.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 4665) to authorize the appointment of a district judge to fill the vacancy in the district of Massachusetts, occasioned by the death of Hon. James A. Lowell, which had been reported from the Committee on the Judiciary with an amendment.

Mr. WALSH. Mr. President, does the bill provide for any additional judgeships?

Mr. ASHURST. It does not. The bill does not provide directly or indirectly for the appointment of a new judge. Twenty-five judgeships have been created during the past 12 years, but there was no provision for a successor in the event they should retire, resign, or die. This bill provides that a successor may be appointed to 15 of them, named in the bill, 2 in the State of Masachusetts, and so forth.

Mr. WALSH. In Massachusetts we have one vacancy at the present time.

Mr. ASHURST. The bill provides that a successor may be appointed.

Mr. WALSH. I hope the bill will pass.

The PRESIDING OFFICER. The amendment will be stated.

The amendment of the Committee on the Judiciary was to strike out all after the enacting clause and insert the following:

Be it enacted, etc., That any existing vacancy and any vacancy which may occur at any time hereafter in any of the following United States district judgeships created by the act of September 14, 1922 (42 Stat. ch. 306, sec. 1, p. 837; U. S. C., title 28, sec. 3), and the act of March 2, 1925 (43 Stat. ch. 397, secs. 1–3, p. 1098; U. S. C., title 28, sec. 4), are hereby authorized to be filled; 2 in the district of Massachusetts; 2 in the southern district of New York; 1 in the eastern district of New York; 1 in the western district of Pennsylvania; 1 in the eastern district of Michigan; 1 in the eastern district of Missouri; 1 in the western district of Missouri; 1 in the northern district of Ohio; 1 in the southern district of California; 1 in the district of Minnesota; 1 in the northern district of Texas; and 1 in the district of Arizona.

SEC. 2. That section 2 of the act of February 26, 1919 (ch. 50, 40 Stat. 1183), be, and the same is hereby, repealed.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act authorizing the filling of vacancies in certain judgeships."

LIBRARY OF CONGRESS ANNEX

The Senate proceeded to consider the bill (S. 2899) to provide for increasing the limit of cost for the construction and equipment of an annex to the Library of Congress, which was read, as follows:

Be it enacted, etc., That the limit of cost for the construction of the annex, Library of Congress, as fixed in section 4 of the act entitled "An act to provide for the construction and equipment of an annex to the Library of Congress", approved June 13, 1930, is hereby increased by $2,866,340; and the Architect of the Capitol is hereby authorized to enter into a contract or contracts for such amount or so much thereof as may be necessary in addition to the contract authority heretofore fixed by law for such annex.

Mr. McKELLAR. Mr. President, I should like to have an explanation of the bill.

Mr. BARKLEY. Mr. President, in 1930 Congress enacted a law authorizing an appropriation of $6,500,000 for the purpose of acquiring a site and building an annex to the Library of Congress. Since that time, according to the testimony of Admiral Peoples, Chief of the Procurement Division of the Treasury, building costs have increased about 30 percent. In addition to that the Commission, since I became chairman of it, changed the materials in order to harmonize the building with other buildings on the Hill, including the Folger Library and the Supreme Court Building. The Commission changed the character of the material from limestone to white marble, which has increased the cost of the building. We have advertised for bids.

Mr. McKELLAR. Did the committee hold hearings?

Mr. BARKLEY. Hearings were held before the Library Commission, but not before the Committee on the Library. Bids have been advertised for and opened. The amount carried in the bill is the amount over and above the previous authorization and is necessary to enable us to accept the lowest bid.

Mr. McKELLAR. As I understand, the annex of the library is to be of white marble?

Mr. BARKLEY. Yes. The bids are in and we are ready to accept the lowest bid.

Mr. McNARY. Mr. President, I should like to have the bill go over for the day.

Mr. BARKLEY. I hope the Senator will not insist, for this reason. There is now available and unexpended a little over $2,000,000, which, under the ruling of the Comptroller General, will lapse on June 16. The bill must pass, go to the House, and be passed there; otherwise that amount of money may lapse and we may have to be back asking for additional authorization. I hope the Senator will let the bill pass.

The joint commission of the two Houses has gone into the matter thoroughly with the Architect of the Capitol. There is no way to avoid this increased expenditure, unless we abandon the Library annex. We have a hole in the ground over there and we are waiting for this authorization in order that we may proceed with the work.

The PRESIDING OFFICER. Is the objection withdrawn?

Mr. McNARY. Not yet. There have been a number of atrocities, in my opinion, committed on this part of Capitol Hill, in the name of architecture. I do not know whether this is adding to or diminishing the number. For that reason I am going to ask that the bill go over until I shall have had time to look into it.

Mr. BARKLEY. Plans for the building have been submitted to the Library Commission and the Architect of the Capitol, and I think when the Senator sees them he will be satisfied.

Mr. McNARY. I am a member of one of the commissions which has to do with parks around and about the Capitol. I have found much, as an individual Senator, to find fault with in relation to some of the things which have been erected on Capitol Hill in the way of architecture. I want to look into this matter further.

Mr. BARKLEY. How long will the Senator require? We have a time limit on us.

Mr. McNARY. I never make promises of that kind. I am never unreasonable as the Senator knows.

Mr. BARKLEY. The stopwatch is being held against us now.

Mr. McNARY. Let the Senator put the watch in his pocket. I shall see that he gets action on his bill within a reasonable time.

The PRESIDING OFFICER. On objection the bill will be passed over.

Mr. BARKLEY subsequently said: Mr. President I understand the Senator from Oregon [Mr. McNARY] is willing to withdraw his objection to the consideration of Calendar 755, Senate bill 2899.

Mr. McNARY. Mr. President, I thought the Senator stated that the appropriation was for an addition to the building. The Senator now informs me that the building will be an entirely new structure in line with the Folger Shakesperean Library Building and the Supreme Court Building.

Mr. BARKLEY. That is correct.

Mr. McNARY. With that understanding, I have no objection.

The PRESIDING OFFICER. Is there objection to resuming the consideration of Calendar No. 755?

There being no objection, the Senate resumed the consideration of the bill (S. 2899) to provide for increasing the limit of cost for the construction and equipment of an annex to the Library of Congress, which was considered, ordered to be engrossed for a third reading, read the third time, and passed.

FRANK P. ROSS

The bill (S. 1186) for the relief of Frank P. Ross was announced as next in order.

Mr. ROBINSON. Mr. President, I do not see the Senator from Washington [Mr. BONE] present just at this time.

Mrs. CARAWAY. Mr. President, several years ago I was chairman of a subcommittee of the Committee on Agriculture and Forestry which considered this matter. This bill merely provides that the claim shall be submitted to the Court of Claims for consideration and adjudication.

Mr. ROBINSON. I was about to remark that the amendment reported by the Senate committee, it appearing that the bill was reported by the Senator from New York [Mr. WAGNER], is in very unusual form, namely, "that the claim of Frank P. Ross is hereby transferred to the United States Court of Claims for any relief that he may be able to prove to be due him." That is in unusual form. I should like to ask the Senator from Washington [Mr. BONE], who has just entered the Chamber, why the usual form of referring such claims to the Court of Claims was not adopted?

Mr. BONE. Mr. President, I am unable to inform the Senator why it was done. It was the judgment of the committee, I take it, that the claim of the party should be submitted to the Court of Claims.

Mr. ROBINSON. Usually claims are submitted to the Court of Claims for findings of fact. The Court of Claims hears the evidence and makes findings of fact upon which the Congress bases its appropriations. The language in the bill is extraordinary. I do not intend to object to the consideration of the bill, but it is being pointed out that the language of the bill is very unusual and extraordinary. It would seem to give the Court of Claims authority to render any judgment it chooses to render rather than to limit its jurisdiction to findings of fact.

Mr. BONE. There is another bill of a similar character immediately following, and for the same reason the committee to which the bills were referred, the Committee on Public Lands and Surveys, felt impelled to suggest this way out. I do not know what motivated the committee in arriving at that determination. As a matter of fact, I did not know the bills were on the calendar in this form until my attention was called to them this morning.

Mr. McKELLAR. Mr. President, we have a regular form under which these matters are referred to the Court of Claims. I suggest that the Senator look into that form.

Mr. ROBINSON. There may be some reason for this peculiar language and for the amendment reported by the committee, but none is suggested by the report. I believe it would be well for the two bills to go over and for the Senator from Washington to look into the question of the jurisdiction of the Court of Claims to give the claimant "any relief that he may be able to prove is due him." In other words, I should like to ask what sort of a judgment or finding the Court of Claims would make in these two cases if this bill should pass in its present form.

Mr. BONE. I confess to the Senator that I am not certain in my own mind as to just what sort of judgment might be rendered by the Court of Claims. One of these cases arose out of one of these parties being deprived of his lands in one of the counties in the State of Washington. The bill has been before Congress on a number of occasions prior to this.

Mr. ROBINSON. I suggest that the Senator look into the form of the bill. If it is satisfactory to him, I shall make no objection to it.

Mr. BONE. I shall be very glad to do that.

Mr. ROBINSON. Let the bill go over for the present.

The PRESIDING OFFICER. The bill will be passed over.

EARL A. ROSS

The bill (S. 1490) for the relief of Earl A. Ross was announced as next in order.

The PRESIDING OFFICER. This is an identical bill.

Mr. ROBINSON. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

ANNA HATHAWAY

The bill (S. 430) for the relief of Anna Hathaway was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of Anna Hathaway, widow of Frank J. Hathaway, former employee of the Postal Service, who now resides at Willard, N. Mex.: *Provided*, That compensation, if any, shall commence from and after the date of the passage of this act.

ATLANTIC WORKS, OF BOSTON, MASS.

The Senate proceeded to consider the bill (S. 895) to carry out the findings of the Court of Claims in the case of the Atlantic Works, of Boston, Mass., which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "sum of", to strike out "$133,872.44" and insert "$22,170.30", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $22,170.30 to the Atlantic Works, of Boston, Mass., being the difference between the actual cost of the construction of the revenue cutter *Daniel Manning* and the amount paid under the contract entered into for the building of said vessel, as found by the Court of Claims and reported in Senate Document No. 5, Sixty-eighth Congress, first session: *Provided*, That no part of the amount appropriated in this act in excess of 20 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with

said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 20 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SKELTON MACK M'CRAY

The Senate proceeded to consider the bill (S. 1577) for the relief of Skelton Mack McCray, which had been reported from the Committee on Claims with an amendment to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement against the Government, the sum of $535.51 to Skelton Mack McCray, to reimburse him for money he expended and time he lost as a result of injury he received while in the service of the United States at Fort Leavenworth, Kans.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

W. F. LUEDERS

The bill (S. 1084) for the relief of W. F. Lueders was announced as next in order.

Mr. McKELLAR. Mr. President, there seems to be no report on this bill.

Mr. SHEPPARD. Mr. President, the report came in a few minutes ago. It was printed too late to be included in the calendar today. It is a very exhaustive report.

Mr. McKELLAR. What is the nature of the claim?

Mr. SHEPPARD. It is the usual case of injury to a citizen by an Army vehicle driven by an Army official or employee in the course of his duty.

Mr. VANDENBERG. Is it true that the War Department does not recommend the passage of the bill?

Mr. SHEPPARD. The War Department made an elaborate investigation of the matter.

Mr. VANDENBERG. What is the Department's recommendation?

Mr. SHEPPARD. I have here the report, consisting of a number of pages. On examination, I find that the War Department reports unfavorably, but that the Committee on Claims, after analyzing the evidence and the report of the Department, finds in favor of the claimant. However, the bill may go over for further study.

The PRESIDING OFFICER. The bill will be passed over temporarily.

THOMAS M. BARDIN

The bill (H. R. 231) for the relief of Thomas M. Bardin was considered, ordered to a third reading, read the third time, and passed.

INTERSTATE SHIPMENT OF LIQUOR

The Senate proceeded to consider the bill (S. 11) to repeal section 389 of the United States Code, being section 239 of the United States Criminal Code, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 3, after "1909", to strike out "be amended by repealing", and in line 5, after "Sec. 239)", to strike out "thereof" and insert "be amended by adding at the end thereof the following: '*Provided*, That nothing herein contained shall apply to any shipment of liquor into any State, Territory, or District of the United States, the law of which does not prohibit the manufacture or sale of such liquor'", so as to make the bill read:

Be it enacted, etc., That the act of March 4, 1909, section 239 of chapter 321 (U. S. C. 389, U. S. Criminal Code, sec. 239), be amended by adding at the end thereof the following: "*Provided*, That nothing herein contained shall apply to any shipment of liquor into any State, Territory, or District of the United States, the law of which does not prohibit the manufacture or sale of such liquor."

Mr. McKELLAR. Mr. President, will the Senator from Kentucky explain this bill?

Mr. LOGAN. Mr. President, I think I can very briefly explain it.

Section 239 of the Criminal Code was passed during prohibition days, and relates to the transportation of intoxicating liquors. A bill was introduced by the Senator from New York [Mr. COPELAND] to repeal the section outright.

Mr. McKELLAR. Is that what was known as the "Reed amendment"?

Mr. LOGAN. I am not sure about that.

Mr. COPELAND. No.

Mr. LOGAN. It is section 239 of the Criminal Code; but let me say to the Senator that not much attention was paid to it until recently the Department of Justice, I believe, or probably some of the courts, ruled that banks were violating that law when they drew a sight draft when whisky was sold by distillers in Kentucky, for instance, to distillers in Tennessee.

If the law had been repealed outright it would have taken care of the matter. Fearing, however, that it might cause some difficulty, we simply added an amendment to the end of the section and left the section in force, except that it does not apply to those States where the manufacture and sale of liquor is permitted.

In that form, after examining the bill yesterday, we made the report, because the present law has very seriously handicapped the collection of drafts of the kind I have mentioned, and banks now refuse to handle them because they are subject to a penalty for the violation of that law, which I thought had been repealed sometime ago; but it is not repealed by this bill. It is simply amended.

Mr. McKELLAR. Not having the code before me, I cannot tell; but my recollection is that this section of the code applies to what is known as the "Reed amendment", which prohibits the transportation of liquor into dry States.

Mr. LOGAN. Let me say to the Senator that this bill does not affect the transportation of liquor into dry States, as the Senator will see. It allows transportation only into those States where liquor is permitted to be sold and to be manufactured. That is all the bill does.

I think it is very important that the bill be passed at once.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend section 389, title 18, of the United States Code, being section 239 of the United States Criminal Code."

GENERAL PULASKI'S MEMORIAL DAY

The joint resolution (H. J. Res. 107) authorizing the President of the United States of America to proclaim October 11, 1935, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski was considered, ordered to a third reading, read the third time, and passed.

Mr. BARKLEY. Mr. President, is that the same sort of a measure which the President vetoed a few weeks ago?

Mr. VANDENBERG. I think the President's veto was to a bill proposing a continuing commemoration from year to year. I think this joint resolution applies only to 1 year.

Mr. ROBINSON. The measure which was vetoed provided that the anniversary should be permanently and repeatedly observed. This joint resolution, as the Senator has stated, is limited to the present year.

LEWIS HAZARD

The Senate proceeded to consider the bill (S. 2589) to authorize the presentation of a Congressional Medal of Honor to Lewis Hazard, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert:

That the President is hereby authorized to cause the recommendation for the award of a decoration to Lewis Hazard, formerly a private, Company C, One Hundred and Ninth Machine-Gun Battalion, United States Army, for distinguished conduct on or about August 10, 1918, in the Fismes section in France, to be considered by the proper boards or authorities, and such award made to said Hazard as his said conduct merits.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the award of a decoration for distinguished conduct to Lewis Hazard."

SCHOOL DISTRICT 17–H, BIG HORN COUNTY, MONT.

The bill (S. 1527) to provide funds for cooperation with school district no. 17–H, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children, was announced as next in order.

The PRESIDING OFFICER. This bill is identical with Calendar No. 770, House bill 5210.

Mr. WHEELER. I ask that House bill 5210 be substituted for Senate bill 1527. It is an identical bill, and has passed the House. Both bills have been reported out of the Senate Committee on Indian Affairs.

The PRESIDING OFFICER. If there is no objection, the substitution will be made.

Mr. McKELLAR. I have no objection to substituting the House bill for the Senate bill; but these bills authorize an appropriation of $158,000 for the extension and improvement of public-school buildings at Hardin and at Crow Agency. Why should that be done?

Mr. WHEELER. I will tell the Senator in just a moment why it should be done.

In this particular case the Crow Indian Reservation takes in about 70 percent, as I understand, of Big Horn County. There are no Government Indian schools on the Crow Reservation and the children attend the local schools, except for a few who have been placed in Government nonreservation schools.

In district no. 17–H, Big Horn County, there are two public schools attended by Indian children—one at Hardin and one at Crow Agency. The Hardin school is about 10 miles from the agency. There are over 650 white children and about 90 Indian children attending, with about 25 of the Indian children in high school. In the school at Crow Agency, there are 96 white and 114 Indian children.

I may say that I visited the school at Crow Agency. It is a public school and, as I have stated, there are 114 Indian children there. It is right on the reservation, and the school is so crowded that the children have to be seated everywhere, and there is not anything like adequate room for them. The school district simply has not the money to provide the necessary facilities, because 70 percent of the county is taken up with the Crow Indian Reservation, nontaxable property.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. WHEELER. Yes.

Mr. ROBINSON. I think it is fair to recall that during the present session of Congress the Senate has passed a very large number of bills authorizing appropriations from the Federal Treasury for the improvement or repair or enlargement of school buildings in Montana in order to absorb into the schools the Indian pupils. The policy, it seems, is to abandon the Indian schools which heretofore have been maintained, and to consolidate the instruction in public schools as to both Indian and white pupils. I wonder how many bills of this character we have passed and what the total appropriation is.

Mr. WHEELER. I will say to the Senator that quite a few bills have been passed applying to Montana, and bills have also been passed applying to Utah, Idaho, and other States, wherever the white people will permit the Indian children to go to the public schools. There are States where the white people will not permit the Indian children to go to the public schools. In Montana the authorities have provided for the admission of Indian children to the public schools and have cooperated with the Indian Bureau in every way in taking in these children. As a matter of fact, Montana is one of the first States in the Union which permitted the Indian children to be taken into the public schools.

Mr. McKELLAR. After this school shall have been built, what about the education of the Indians? Will we appropriate to pay for the education of Indian children in the white schools?

Mr. WHEELER. I cannot give the Senator the exact amount that is paid for them, but it is a very small amount; and, as a matter of fact, it saves the Government money. It used to cost the Government about $400 annually, as I recall, to send an Indian child to one of the boarding schools. It does not cost the Government half that amount to send an Indian child to a public school.

Mr. ROBINSON. Usually, or at least in former years, the Indians preferred to have their separate schools.

Mr. WHEELER. Yes.

Mr. ROBINSON. I am wondering if the Senator from Montana has pursued the subject far enough to know that the Indians have decided permanently to abandon that policy. Otherwise we will pass all these bills presented by the Senator from Montana to construct school buildings in his State, and probably two more every day the calendar is called, only to find that after we have done that the Indians wish to have separate institutions, and that we must appropriate or arrange for the provision of some more money in order to recognize their desires in the matter.

Mr. WHEELER. Mr. President, let me say to the Senator that Indians practically all over the country have desired to abandon the boarding-school system, to have their children near them, and to have them educated in the public schools.

Mr. McKELLAR. I find that there are six of these bills.

Mr. WHEELER. Some of them are bills which have passed the House, and I am substituting the House bills for the Senate bills.

Mr. VANDENBERG. How many more will there be?

Mr. WHEELER. I think this is all.

Mr. McKELLAR. Do they provide for a new schoolhouse for each county in the State?

Mr. WHEELER. No. There are in Montana seven different Indian reservations, with about 17,000 or 18,000 Indians.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana that House bill 5213 be substituted for Senate bill 1527?

There being no objection, the Senate proceeded to consider the bill (H. R. 5210) to provide funds for cooperation with school district no. 17–H, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children, which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Senate bill 1527 will be indefinitely postponed.

BIG HORN COUNTY, MONT., PUBLIC SCHOOL

The Senate proceeded to consider the bill (S. 1529) to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children.

Mr. WHEELER. I ask that Calendar No. 771, House bill 5213, be substituted for this bill.

There being no objection, the Senate proceeded to consider the bill (H. R. 5213) to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children, which was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Senate bill 1529 will be indefinitely postponed.

DAVID J. FITZGERALD

The bill (S. 1949) authorizing the President to order David J. Fitzgerald before a retiring board for a hearing of his case and upon the findings of such board determine whether he be placed on the retired list, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War, under the direction of the President, is hereby authorized, in his discretion, to order David J. Fitzgerald, late a second lieutenant, United States Army, before a retiring board of physicians of the Veterans' Administration for the purpose of hearing his case and to inquire into and determine the facts touching the nature and occasion of his disability, and to find and report the cause which, in its judgment, has produced his incapacity, and whether such cause is in an incident of the service, according to the statute, and that upon the findings of such board the President is further in his discretion to nominate and, by and with the consent of the Senate, to appoint said David J. Fitzgerald a first lieutenant in the Army, and to place him on the retired list of the Army: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

GUSTAF E. LAMBERT

The bill (S. 2584) to amend the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, by including therein the name of Gustaf E. Lambert was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, is amended by inserting after the name of John J. Moran, wherever it appears in such act, the name of Gustaf E. Lambert.

OSWEGO, ONEIDA, SENECA, AND CLYDE RIVERS

The bill (H. R. 3285) authorizing a preliminary examination of the Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Onondaga, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates, and Ontario Counties, N. Y., with a view to the controlling of floods was considered, ordered to a third reading, read the third time, and passed.

RAINY RIVER BRIDGE, MINN.

The bill (H. R. 6834) to revive and reenact the act entitled "An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.", was considered, ordered to a third reading, read the third time, and passed.

FRED EDWARD NORDSTROM

The bill (S. 1010) for the relief of Fred Edward Nordstrom was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army Fred Edward Nordstrom shall be held and considered to have been honorably discharged as a private, Company G, Three hundred and Fifth Regiment United States Infantry, on April 3, 1920: *Provided*, That no back pay, compensation, benefit, or allowance shall be held to have accrued by reason of this act prior to its passage.

DEVILS LAKE (N. DAK.) HIGH-SCHOOL BUILDING

The Senate proceeded to consider the bill (S. 2621) to provide funds for cooperation with the public-school board at Devils Lake, N. Dak., in the construction, extension, and betterment of the high-school building at Devils Lake, N. Dak., to be available to Indian children, which was read, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $150,000 for the purpose of cooperating with the public-school board of special school district of the city of Devils Lake, county of Ramsey, N. Dak., for construction, extension, and betterment of the public high-school building at Devils Lake, N. Dak.: *Provided*, That said school shall be available to both white and Indian children without discrimination, except that tuition may be paid for Indian children attending in the discretion of the Secretary of the Interior: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

Mr. ROBINSON. Mr. President, I presume this bill is in the same situation as that described by the Senator from Montana [Mr. WHEELER] in his statement with regard to the numerous bills we have been passing relating to Montana.

Mr. FRAZIER. Mr. President, practically the same statement would apply. The boarding school near the town of Devils Lake will close on the first of July, and there are more children who will come in.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDING OFFICER. That completes the calendar.

ILLNESS OF INTERSTATE COMMERCE COMMISSIONER HUGH M. TATE

Mr. COUZENS. Mr. President, I send an article to the desk which I desire to have the clerk read. It is in connection with the illness of one of the distinguished Interstate Commerce Commissioners.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

CONDITION OF H. M. TATE IS REPORTED IMPROVED—I. C. C. CHAIRMAN WAS TAKEN TO BRYN MAWR HOSPITAL AFTER BEING STRICKEN IN FRIEND'S HOME

By the Associated Press

BRYN MAWR, PA., May 28.—Continued improvement in the condition of Chairman Hugh M. Tate of the Interstate Commerce Commission was noted today at the hospital where he is suffering from an intestinal ailment. He was taken to the hospital Sunday, seriously ill, after he was stricken at the home of F. W. Conner, assistant general traffic passenger manager of the Pennsylvania Railroad.

SUPPLEMENTAL ESTIMATE FOR LEGISLATIVE ESTABLISHMENT—LIBRARY OF CONGRESS (S. DOC. NO. 66)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, pertaining to the Library of Congress, for the fiscal year 1936, in the sum of $40,000, which, with the accompanying papers, was referred to the Committee on Appropriations, and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Young Democratic Club, of Nelson County, N. Dak., favoring the enactment of House bill 7982, authorizing the President to allocate directly to the Bureau of Biological Survey such funds as may be required to carry on the water and wild-life conservation program, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a letter in the nature of a petition from the Civic Leaders Club, of Los Angeles city and county, Calif., praying for discontinuance of the alleged use of F. E. R. A. funds for any teachers who may teach or foster communism in the schools, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by an associate meeting of the Good Will and Boosters Organizations of the Union Pacific System at Hastings, Nebr., favoring the prompt enactment of legislation providing for the equal regulation of all forms of transportation by one regulatory body, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a resolution adopted by the Council of the City of Chicago, Ill., favoring the enactment of legislation providing for the issuance of a special commemorative postage stamp in honor of the one hundred and fiftieth anniversary of Commodore John Barry, which was referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate a resolution adopted by the Code Authority for the Safety Razor and Safety Razor Blade Manufacturing Industry, New York City, N. Y., favoring the enactment of legislation to continue the National Industrial Recovery Act to June 16, 1937, which was ordered to lie on the table.

He also laid before the Senate letters in the nature of memorials from several citizens of the States of Iowa and Illinois, remonstrating against the enactment of proposed amendments to the Agricultural Adjustment Act, which were ordered to lie on the table.

He also laid before the Senate letters in the nature of memorials from several citizens of the States of Michigan and New York remonstrating against the enactment of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies, operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, which were ordered to lie on the table.

He also laid before the Senate petitions of several citizens of the States of Arkansas and Georgia, praying for the enactment of old-age-pension legislation, which were ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by Nathan Hale Council No. 113, Sons and Daughters of Liberty, Evergreen, Long Island, N. Y., protesting against the enactment of House bill 6795, the so-called "Kerr bill", relative to the deportation of aliens, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the executive committee of the Kings County (N. Y.) Committee of the American Legion, protesting against the granting of clemency to Grover Cleveland Bergdoll, which was referred to the Committee on Immigration.

Mr. NORRIS presented the following resolution adopted by the Senate of the State of Nebraska, which was ordered to lie on the table:

(Resolution—Cooperation with the President's program, introduced by Senators Cloyd L. Stewart of Clay, John J. McMahon, and George T. Sullivan, of Douglas, Archie C. O'Brien of Hall, John S. Callan of Gage, and R. C. Regan of Platte)

Whereas there is in existence a Nation-wide emergency, productive of wide-spread unemployment and disorganization of industry, which has burdened commerce, affected the public welfare, undermined the standards of living, causing unemployment and reduction of living wages; and

Whereas the President and Congress have inaugurated and established a far-reaching reconstruction program to alleviate the sufferings resultant from unemployment, to realine industry, and to correct the maladjustments of our economic life, all for the purpose of bringing about a speedy return of prosperity: Therefore be it

Resolved by the senate, assembled in regular session, That we appreciate fully this great reconstruction program and are grateful to Congress and to the President for the help afforded the State of Nebraska, especially our farming communities; and

Further, that we are desirous of cooperating to the fullest extent with the President and with Congress in every way and urge upon our Representatives and Senators in Congress that they give their fullest cooperation with the President's program in order that, through the cooperation of all, we may effectuate a speedy return to prosperity; be it further

Resolved, That a copy of this resolution be placed upon our records and that copies of same be sent to the President of the United States and to the Nebraska Members of our national Congress.

REPORTS OF COMMITTEES

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 1179. A bill for the relief of James H. Smith (Rept. No. 739); and

S. 1735. A bill for the relief of the estate of W. W. McPeters (Rept. No. 740).

Mr. SCHWELLENBACH, from the Committee on Claims, to which was referred the bill (S. 1865) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of W. S. O'Brien against the United States, reported it with amendments and submitted a report (No. 741) thereon.

Mr. WHITE, from the Committee on Commerce, to which was referred the bill (S. 1152) relating to the carriage of goods by sea, reported it with amendments and submitted a report (No. 742) thereon.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 27th instant that committee presented to the President of the United States the enrolled bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARBOUR:

A bill (S. 2921) for the relief of Botany Worsted Mills, a corporation, of Passaic, N. J.; to the Committee on Claims.

By Mr. MALONEY:

A bill (S. 2922) for the relief of Rose Stratton; to the Committee on Claims.

By Mr. SHIPSTEAD:

A bill (S. 2923) for the relief of the Cold Spring Brewing Co., of Cold Spring, Minn., and the Schuster Brewing Co., of Rochester, Minn.; to the Committee on Claims.

By Mr. GEORGE:

A bill (S. 2924) for the relief of Prince Royal, Sr.; Kathleen Royal Hayes; Victor A. Royal; Lucile Royal; and Prince Royal, Jr.; to the Committee on Claims.

By Mr. WALSH:

A bill (S. 2925) for the relief of the city of Worcester, Mass.; to the Committee on Claims.

A bill (S. 2926) to authorize the Commissioner of Education in the Department of the Interior to conduct a study and disseminate his findings and recommendations regarding suitable aviation instruction courses for the public schools, and for other purposes; to the Committee on Education and Labor.

By Mrs. CARAWAY:

A bill (S. 2927) for the relief of Abner E. McGuire; to the Committee on Claims.

A bill (S. 2928) granting a pension to Don Shelton; to the Committee on Pensions.

By Mr. SCHWELLENBACH:

A bill (S. 2929) for the relief of Frank I. Otis; to the Committee on Military Affairs.

By Mr. SCHWELLENBACH and Mr. BONE:

A bill (S. 2930) to provide a preliminary examination of the Sammamish River, Wash., with a view to control of its floods;

A bill (S. 2931) to provide a preliminary examination of the Puyallup River, Wash., with a view to the control of its floods;

A bill (S. 2932) to provide for a survey of the Nooksack River and its tributaries in the State of Washington with a view to the control of its floods and to conservation of soil from erosion;

A bill (S. 2933) to provide a preliminary examination of the Nisqually River, Wash., with a view to the control of its floods;

A bill (S. 2934) to provide a preliminary examination of the Duwamish River, Wash., with a view to control of its floods;

A bill (S. 2935) to provide a preliminary examination of Cowlitz River, Wash., with a view to the control of its floods;

A bill (S. 2936) to authorize preliminary examination and survey of the Duwamish River, Wash.;

A bill (S. 2937) to provide a preliminary examination of the Columbia River, Wash., with a view to control of its floods; and

A bill (S. 2938) to provide a preliminary examination of Cedar River, Wash., with a view to control of its floods; to the Committee on Commerce.

By Mr. COPELAND:

A bill (S. 2939) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ronald A. Cox; to the Committee on the District of Columbia.

A bill (S. 2940) to extend to the widows of Foreign Service officers the benefits of section 18 of the act entitled "An act for the reorganization and improvement of the Foreign Service, and for other purposes", approved May 24, 1924, as amended; to the Committee on Foreign Relations.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and ordered to be placed on the calendar or referred, as indicated below:

H. R. 7781. An act to define the election procedure under the act of June 18, 1934, and for other purposes; and

H. R. 7874. An act to change the name of the German Orphan Asylum Association of the District of Columbia to the German Orphan Home of the District of Columbia; to the Calendar.

H. R. 3641. An act to amend section 559 of the Code of the District of Columbia as to restriction on residence of members of the fire department;

H. R. 3642. An act to amend section 483 of the Code of the District of Columbia as to residence of members of the Police Department;

H. R. 6510. An act to amend the District of Columbia Alcoholic Beverage Control Act;

H. R. 6623. An act to amend the Code of Laws for the District of Columbia, in relation to providing assistance against old-age want;

H. R. 6656. An act to authorize the Pennsylvania Railroad Co., by means of an overhead bridge to cross New York Avenue NE., to extend, construct, maintain, and operate certain industrial side tracks, and for other purposes;

H. R. 7167. An act to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes;

H. R. 7447. An act to amend an act to provide for a Union Railroad Station in the District of Columbia, and for other purposes;

H. J. Res. 201. Joint resolution giving authority to the Commissioners of the District of Columbia to make special regulations for the occasion of the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in the month of September 1936, and for other purposes, incident to said encampment; and

H. J. Res. 280. Joint resolution for the designation of a street or avenue in the Mall to be known as "Maine Avenue"; to the Committee on the District of Columbia.

PUBLIC-UTILITY HOLDING COMPANIES—AMENDMENTS

Mr. DIETERICH submitted 11 amendments intended to be proposed by him to the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, which were ordered to lie on the table and to be printed.

REAL-PROPERTY TAX IN THE VIRGIN ISLANDS—AMENDMENT

Mr. TYDINGS submitted an amendment intended to be proposed by him to the bill (S. 2838) to establish an assessed valuation real-property tax in the Virgin Islands of the United States, which was referred to the Committee on Territories and Insular Affairs and ordered to be printed.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. BONE and Mr. SCHWELLENBACH, jointly, submitted an amendment intended to be proposed by them to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

AGRICULTURAL ADJUSTMENT ADMINISTRATION—AMENDMENT

Mr. SCHWELLENBACH submitted an amendment intended to be proposed by him to the so-called "Smith amendment" in the nature of a substitute to the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

SOCIAL SECURITY—AMENDMENTS

Mr. WALSH. Mr. President, I submit two amendments intended to be proposed by me to House bill 7260, the so-called "social-security bill", which I ask to have printed and printed in the RECORD. In connection therewith I request permission also to have printed in the RECORD a memorandum relative to the proposed amendments.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendments were ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

Amendments intended to be proposed by Mr. WALSH to the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes, viz:

On page 81, line 12, after the word "Federal", to insert the words "or State."

On page 81, line 16, after the word "child", to insert a period and to strike out ", in violation of the law of a State."

The memorandum presented by Mr. WALSH is as follows:

The purpose of amendment no. 1 is to conserve the rights of the individual from invasion by State as well as Federal authority. It would prevent the State official, in carrying out the provisions of the act, from entering the home and taking charge of the child over the objection of the parent or the person standing in loco parentis.

The purpose of amendment no. 2 is to clarify the paragraph. The clause "in violation of the law of the State", which this amendment removes, vitiates the rest of the paragraph. If a State law provides against entering the home and taking charge of the child over the objection of the parents, neither a Federal nor a State official could violate it under the protection provided in this paragraph. On the other hand, if there were no State law giving such protection to the parents and the home, this paragraph provides that protection (except that with the objectionable clause, the Federal or State officer would be permitted to enter the home and take charge of the child because he would not be violating the State law). With these amendments the paragraphs will read as follows: "Nothing in this act shall be construed as authorizing any Federal or State official, agent, or representative, in carrying out any of the provisions of this act, to take charge of any child, over the objection of either of the parents of such child, or of the person standing in loco parentis to such child."

It is urged that this protection to the home and to the individual is fundamental and an established principle that should be preserved in this act, which is of such far-reaching importance, particularly titles IV, V, and VI, which relate to the care of children, maternity, and health.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolution:

On May 22, 1935:

S. 1776. An act granting a leave of absence to settlers of homestead lands during the year 1935.

On May 23, 1935:

S. J. Res. 98. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late Maj. Gen. Fred C. Ainsworth for the purpose of establishing a permanent library at the Walter Reed General Hospital to be known as the "Fred C. Ainsworth Endowment Library."

On May 24, 1935:

S. 1222. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.;

S. 1342. An act to revive and reenact the act entitled "An act granting the consent of Congress to board of county commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn.";

S. 1680. An act to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof; and

S. 1987. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.

On May 27, 1935:

S. 1803. An act to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Eleventh Olympic Games.

On May 28, 1935:

S. 2311. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES—NEWS-REEL STATEMENT BY SENATOR GORE

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD remarks made by me for March of Time, a news reel sponsored by Time magazine, the subject being the "Cash Payment of the Adjusted-Service Certificates."

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

There is one point upon which we all agree, the overpowering need for recovery. That is our paramount purpose. That is our paramount object. Every American, whether citizen or soldier, is willing to do his duty, is willing to make every reasonable effort, to make every reasonable sacrifice to insure and facilitate recovery. The soldier who is willing to make the supreme sacrifice in time of war is not unwilling to make any reasonable sacrifice in time of peace in order to end a depression which in many respects is worse than war itself.

The American Legion, in its national convention held in Chicago in 1933, wisely went on record as opposed to inflation and as favoring a sound American dollar. As I agree with the Legion upon that principle, I have felt obliged to oppose any legislation which involves a resort to fiat money or an unsound dollar. Daniel Webster once declared that paper money was the most effective engine ever devised by the wit of man to fertilize the rich man's field with the sweat of the poor man's brow.

We may not all agree that the balancing of the Budget is essential to recovery, but Great Britain and Canada have balanced their budgets, and they have progressed further on the highway of recovery than those countries which have not. I think that steps toward balancing the Budget are essential on the one hand to avoid the necessity, the danger, the fear, and the evils of inflation, and are essential, on the other hand, to maintain the credit of the United States. I have often said that credit is to a nation what honor is to a man and what chastity is to a woman. Public credit is, after all, the foundation of private credit and of confidence. We have today practically all the material resources and all the human resources—all the land, labor, and capital; all the human wants and human needs that we had prior to the panic, but we do not have prosperity. One thing is lacking. That thing is confidence. Confidence is the breath of the life of business. Whatever promotes its return is sound policy. Whatever retards it is unsound policy.

What I have just said indicates the chief difficulty in the way of the immediate cash payment of the soldiers' bonus. To provide two and a half billion dollars out of an empty Treasury, with accumulating deficits approaching 15 billions, is no easy task. Moreover, the adjusted-service certificates, by their own terms, do not mature until 1945. One-half of their face value represents interest which has yet to accrue—between now and 1945.

But the ex-service men undertake to answer all this with the argument that the Government has expended, and is expending, billions upon billions—to distribute purchasing power, to stimulate business, to speed recovery. They insist that the cash payment of the bonus would distribute purchasing power, stimulate business, and speed recovery. In view of our spending program there is no sufficient answer to this argument. I was one of those who voted against the $5,000,000,000 work-relief bill. My objections would have been less, if it had provided for the cash payment of the soldiers' bonus. That measure will add five billions to our public indebtedness. If two billions of that had been used to retire the adjusted-service certificates, that would have canceled or liquidated a large part of our outstanding indebtedness.

I have been anxious, as anyone should be, to meet the reasonable desires and the reasonable requests of the ex-service men. To that end I have introduced a compromise measure. I have not intended to press my proposal until and unless the so-called "Patman bill" should pass the Congress, be vetoed by the President, and fail to pass the Senate over the President's veto. If and when that contingency arises, I would then urge consideration of my proposal.

My plan authorizes the President to enter into an agreement with our various debtor nations to readjust their indebtedness. The first condition, however, is this: That they pay or provide cash sufficient for the immediate payment of the adjusted-service certificates. There are several arguments in favor of such a policy. It is certain that the debtor countries will never pay their debts in full. It is equally certain that the United States will never cancel these debts outright. It is no less certain that this indebtedness stands in the way of international trade and commerce. These debts are like debris in the channels of commerce.

There will be several advantages resulting from the adoption of my proposal. It would mean a substantial payment on the war debts. It would enable us to retire the adjusted-service certificates without the issuance of bonds or the creation of additional indebtedness or adding to our growing deficits. It would distribute purchasing power and would undoubtedly contribute in some measure to promote recovery and to restore prosperity.

If the debtor nations will pay anything, they will pay this. If they will not pay this, they will not pay anything; and if that be true, the sooner we learn the truth the better. There is no advantage in deceiving ourselves.

DECISIONS OF THE SUPREME COURT

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD a brief statement which I have just issued to the press of my State respecting the decisions handed down on yesterday by the Supreme Court holding unconstitutional the N. I. R. A. and the Frazier-Lemke Act.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Supreme Court has discharged its duty and has met its responsibilities under the Constitution just as Senators are called upon to discharge their duty and to meet their responsibilities under the Constitution. But a great many people, a great many sincere reformers, do not fully appreciate either the limitations or the obligations which bind a Senator respecting legislation which he conscientiously believes to be unconstitutional. Each Senator takes an oath to support and defend the Constitution—not the Government, the Union, the Republic, but the Constitution—which is declared to be the supreme law of the land. No Senator can support any measure which, in his judgment, violates the Constitution without at the same time violating his oath of office and virtually committing perjury. A Senator might favor 99 sections in a particular bill and yet if he deems the one hundredth section unconstitutional he has no choice but to vote against the bill as a whole.

To illustrate, as a member of the Territorial Senate of Oklahoma I introduced a certain bill, but as a Member of the United States Senate I twice opposed the passage of bills to accomplish the same object. Strange as it may seem, the territorial senate had the power to pass such a law. The United States Senate had no such power under the Constitution. I had no choice in the premises but to vote against the bills in question.

I have been criticized by some of my friends because I have felt obliged to vote against several of the so-called "new-deal measures". I voted against them because I conscientiously believed that they were unauthorized by the Constitution. I voted and spoke against the N. I. R. A. bill on the ground that it was unconstitutional. On yesterday the Supreme Court vindicated my views and my vote. It had previously done so respecting the oil-control provisions of the N. I. R. A.

The Supreme Court recently annulled the Railway Pension Act. I thought a part of that measure was unconstitutional, but the Court went further than I had anticipated.

The Supreme Court, by a unanimous vote, held that Congress exceeded its constitutional power when it undertook to annul the gold clause contained in the bonds of the United States. I thought that the Court would so hold. When the measure was pending in the Senate I was one of two Democrats who voted for an amendment to strike out that provision of the bill, believing it to be unconstitutional. That amendment failed, and that, whatever my views, would have made it necessary for me to vote against the measure as a whole.

The Frazier-Lemke Act, which went down yesterday, was not a new-deal measure. But I apprehend that other so-called "new-deal measures" will encounter a similar fate at the hands of the Court. I have said this in the hope that the people of Oklahoma may keep in mind my sworn obligation when they come to pass judgment upon my views and my votes. It is not always easy to vote against a popular measure on the ground that it is unconstitutional. But I would speak less than the whole truth if I did not say that, in my opinion, the Constitution of the United States is the Ark of the Covenant of our liberties. I have no doubt that ways and means can be found within the Constitution to effectuate all necessary and proper reforms in the interest of progress and improvement, in the interest of freedom and justice.

CARNEGIE HALL ADDRESSES BY SENATORS CLARK AND NYE

Mr. NORRIS. Mr. President, I ask permission to have printed in the RECORD two speeches made last night in Carnegie Hall, one by the Honorable BENNETT CHAMP CLARK, a Senator from Missouri, entitled "Keeping This Country Out of War", and the other by the Honorable GERALD P. NYE, a Senator from North Dakota, on the subject "Profiting from Experience."

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

KEEPING THIS COUNTRY OUT OF WAR

By Senator BENNETT CHAMP CLARK, of Missouri

I should like to say at the outset of my remarks, with the greatest possible emphasis, that my associates in Congress and I who have come here from Washington to address you tonight have no desire or intention to detain you with the repetition of platitudinous, theoretical speeches on the wickedness and immorality of war. That is admitted on all sides. The moral arguments cannot be controverted, but have come to be considered as platitudes more to be recognized in the breach than in the observance.

There has not been in modern times any moral justification for war between civilized nations. No moralist or philosopher worthy of the name has ever been able to defend it. The veriest jingo in the United States does not dare to stand upon any public platform in this country and attempt to justify war as such. The peoples of the world have universally abhorred it. Yet when the greed for gain on the part of the few or the wiles of ambitious politicians have again sent the youth of the lands to the shambles, the fanfare of military music, the promise of glory, and the fiery exhortations of patriotism have overcome these moral scruples.

In more modern times no nation has admittedly waged a war of aggression. Invariably the plea is "for the defense of the fatherland", even if it involves the wanton invasion of foreign territory. No armament program is ever authorized by any parliament or congress for purposes of offense. The staggering military and naval budgets which have steadfastly led to the economic enslavement of the greater portion of the world's population are, in every country, jammed through under the pretext of national defense. The universal recognition of the immorality of war has not prevented the development of the familiar condition of competitive armaments, which must of necessity, and as a matter of fact does, create war.

Of course, we all know of the horrors of the World War, of the vast outpouring of blood and treasure, of the sacrifice of youth, the breaking down of morale, the engendering of hate, the desolation of territory, the destruction of all laws. All thinking men and women know that since 1918 the whole world has been passing through the fiery furnace of the aftermath of war. When that great cataclysm was nominally ended—and it has never been more than nominally ended, because its economic and moral effects are still marching on—bankruptcy or its equivalent was on every hand; international credit, even international honesty had been so seriously undermined as almost to be completely destroyed. Loss of morale, suspicions, animosities, jealousies, rancorous hates were on every hand. No competent economist who studies the calamitous events of the last two decades can fail to realize that in the largest and most tragic sense we are still today paying the bill for the Great War in the starvation, misery, and death which the present awful depression has imposed upon the nations of the earth. We are still paying the price in innocent suffering for the madness which engulfed the world.

These are facts we all have known these many weary, tragic, heartbreaking years; but which through long contemplation have come to have the familiarity almost of the commonplace. We come tonight to discuss with you even graver matters—not the disaster which befell the world in the comparatively recent past of two decades ago, but the tragedy which seems likely to engulf the world in 1935 or 1936 or 1937. We come not to discuss theory or assess the blame for past mistakes, but to take counsel with you on a matter of the most immediate and vital concern to the American people, who in the last analysis will have to answer. We come not to lament the sacrifice of some of the flower of our youth in the last war, but to discuss means of the prevention of the involvement of your boys and my boys in another war. We come to draw your attention to the fact—lamentable but definite, tragic in its implications, so certain that he who runs may read, that the post-war era has come to an end and that the world is once again wallowing in a pre-war era—that precarious condition where jealousies and hatreds between nations have been fanned to such a pitch, where international suspicion has been so acutely aroused, where excessive competition in armaments on every side has set the hair trigger of calamity that the bad temper of a dictator, the ineptness of a diplomat, the crime of a fanatic may loose irremediable disaster upon the world. We come to enlist your aid in arousing public sentiment throughout the Nation in the support of measures designed to prevent our country from being drawn into any such struggle.

I do not wish to appear as an alarmist. I hope that my public career has sufficiently demonstrated to anyone who has given it even casual notice that I am not a jingo. But one need not be a jingo to recognize the threats of war in other portions of the world that makes the danger of far-flung combat more imminent than it was at this season of the year 1914. Who of us that remember back to that tragic autumn will ever forget the shock with which we learned that hostilities on a major scale, so long prepared for, had actually begun? Who would assert that the skies are not now much more threatening than in the spring of 1914?

Gen. Tasker H. Bliss—that statesman in uniform—American representative on the Supreme War Council, once truly asserted that all of the causes of the World War could be summed up in one: "Too many men wandering around Europe with guns in their hands." And yet tonight, more than 20 years later, there are a million and a half more men under arms in Europe than in 1914. Expenditures for armament in the world exceed those of 1914 by billions of dollars. Despite the awful lessons of that experience the powder magazine has again been prepared for war. The train is laid, and any casual or deliberate spark may set it off.

Every competent observer must admit that the danger of war has increased perceptibly during the past year. Twelve months ago there was still talk of a disarmament treaty, but the diplomatic alinements in Europe had begun to reform. Then came the assassination of the Austrian Chancellor Dollfuss and the war scare of last July. King Alexander, of Yugoslavia, and Foreign Minister Barthou, of France, were murdered in September. Finally, in March of this year, came Hitler's bold declaration of rearmament—a measure to an extent unfortunately justified from a national point of view by the flagrant failure of the other parties to the Versailles Treaty to carry out their solemn obligations under that treaty looking toward disarmament. And the world-wide reaction to the action of Germany must have convinced every American mindful of his country's welfare that we are once again face to face with the desperate decision of what shall be our course if the war drums should again beat in foreign lands and we shall again be confronted with the proposition of maintaining real neutrality or maintaining trade with the group of belligerents, whoever they may be, who establish sea supremacy over their adversaries to the point that if the war be sufficiently prolonged our economic interests will be so inextricably interwoven with those of their only possible customers in the struggle and the incentive and occasion for the adverse belligerents to challenge our claims to neutrality so obvious and frequent that our entrance into the war is only a matter of time. This is the subject of our appearance here this evening.

For the moment the immediate tension seems to be subsiding but the permanent crisis only deepens. The Disarmament Conference is hopelessly deadlocked at Geneva. Every great power is spending vastly more today on preparations for war than it spent on the eve of the World War. A recent compilation shows that the military, air, and naval budgets of the leading European countries represent an increase of more than 50 percent over the budget of 1914. New conscript classes are being called to the colors. The war babies of 1914 are being drafted as the cannon fodder of the next war. New and powerful instruments of death are being forged by armament makers in all of the great industrial countries and are being hawked about for profits throughout the world—in most cases without regard for the boasted claims of patriotism of the munition manufacturers. The naval-limitation treaties negotiated at Washington in 1922 and in London in 1930 are about to expire and a new naval race has begun.

I blush to say it, but it is the truth and should be said and shouted from the housetops and borne in on every lover of his country, that in the new race in armament, fraught with so much disaster to the peace of the world, we as a nation are by no means free from blame. We have made a fetish of loudly proclaiming our devotion to the cause of armament reduction and we have religiously denied aggressive designs against any foreign country. It is true that we get less for the taxpayers' money than any other nation in the expenditure for armament—partly due to the fact that we have submitted more docilely to being plundered by shipbuilders and other purveyors of munitions than have other peoples. But the unescapable fact remains that we have actually increased our expenditures on Army and Navy in preparation for another and more dreadful war more rapidly than any European country in the period since the World War. In 1914 the total cost of our Army and Navy combined amounted to $348,000,000. I am sorry to say that the Senate on last Friday passed the bill originated in the House which increased the total expenditures for 1914 for the Army and Navy combined by nearly one-third for the support of the Navy alone. And that was after passing the largest peace-time appropriation in history for the support of the Army. This year we have actually authorized the expenditure of $821,000,000 in two bills for the support of our armed forces, an increase of more than 200 percent over 1914. With the funds which will be allotted under the works-relief bill and those still applicable and being expended under the act of 1933, our expenditure for armament this year will run far in excess of a billion dollars.

And for what are these enormous sums being squandered? The answer, unfortunately, too much lies in the extent to which our professional military men are allowed to dictate not only our military policy but our national and foreign policy as well. We have been very free to criticize the militarism of other countries dominated by military or naval cliques. The control of the governments of other lands by militarists has in fact been one of the most frequent and most impelling reasons assigned for the expenditure of huge additional sums on preparation for war. Every such instance has met with universal condemnation throughout this country.

And yet a few days ago two very high ranking officers of the United States Army appeared at an executive session of a House committee and advocated a plan for establishing camouflaged air bases on our borders for the purpose of raiding across the border and seizing the property of Canada and France in the event of war, even though they conceded that Canada would probably remain neutral in the event of war between us and any other country. Between our country and Canada has existed for more than a century the only permanently successful disarmament treaty in the history of the world. It was therefore not to be wondered at that the Canadian Government promptly made diplomatic inquiries. To his glory be it said that the President immediately and sternly rebuked the officers in question and likewise rebuked the House

committee for making public testimony given at a secret session. With all due respect to the President, it seems to me that the vice lies not alone in publication of such inflammatory remarks but in permitting Army and Naval officers to frame such plans, involving so deeply our whole foreign policy. Think what a wave of indignation would sweep this land if the Canadian air minister or the chief of the French aviation service were to inform his parliament of plans for raiding our country and seizing our airports in the event of a war to which we were party. Think of the swelling demand for quadrupling the size of our Navy—aye, for building a thousand battleships—would immediately ensue if the Japanese air chief would blandly announce that in the event of war between Japan and any other nation Japan would raid the Philippines and seize our bases in Hawaii and Guam. And yet such incidents would be but the exact equivalent of the recent dangerously incendiary remarks of our two generals of aviation.

Unfortunately, this incident cannot be said to be exceptional. On the contrary, there are many indications that both the Navy and the Army in carrying out their strategic plans are committing the United States to policies over which the Congress and even the President have little control. While the State Department is striving constantly to improve our relations in the Far East, the Army and Navy are carrying on naval and air maneuvers in the Pacific east of Hawaii which are shrouded in the deepest mystery. Strategic surveys are being made in Alaska and the Aleutian Islands with the knowledge that air bases in this locality will bring American bombing planes within direct striking distance of Japan. The American people have no desire and no intention of waging war with Japan, and these preparations are justified in the name of national defense; but they inevitably provoke suspicion and distrust abroad, and in the end lead to counter preparations on a larger and grander scale.

I would not be understood in any way to reflect upon the character or the patriotism of the officers and men of our military and naval services. They are nearly uniformly men of courage and honesty and patriotism. But we all recall the old story that when the tanner was asked by what means the city should be saved he answered "By leather", the miller answered "By flour", and the purveyor of tallow responded "By candles." And so our professional soldiers and sailors constantly assert that the country can only be saved by continuing enormous increases in armament. They are the last who should be permitted to decide our foreign policy. To the fact that the delegations from all nations to all disarmament conferences have been accompanied by squads of admirals and generals the failure of those conferences may be directly attributed.

We have only to go back to the years immediately preceding the World War to understand where all of the frenzied preparation for war throughout the world is leading us. No one who has studied the diplomatic correspondence made public since 1918 can doubt that the naval building competition between England and Germany in the early days of this century and the grandiose mobilization schemes of France and Russia on the one hand and of Germany and Austria on the other were among the primary causes of the conflict. The very preparedness which had been urged in every nation as a purely defensive measure made war inevitable when once the spark was supplied by the assassination of an Austrian archduke on that day in June 21 years ago.

When the next spark will fall none may foretell. It may be tomorrow. The incident which brings on the next war may be postponed for a year; perhaps for 2 years, or even longer. But if the nations of the world continue to follow the same mad policies they are following today, it is only a matter of time until the vast war machines are again set in motion.

I shall not take the time to emphasize the horrors of the next conflict. We know that the advance of science will make it far more dreadful and far more destructive than the last. If another war should come the overwhelming majority of the American people ardently desire our Nation to keep out. Even now as the crisis deepens this sentiment is sweeping over the country. We have felt it in Congress in the popular demand to take the profit out of war, to end the injustice of a brutal system which drafts the youth of the Nation to sacrifice their lives in the trenches for a dollar a day while the heads of great munitions firms are allowed to draw their million-dollar bonuses in safety at home. The American people will not endure such things again.

The desire to keep the United States from involvement in any war between foreign nations is very strong today—wellnigh universal. But there was an almost equally strong demand to keep out of the last war. In August 1914 no one could have conceived that America would be dragged into a European conflict in which we had no part and the origin and ramification of which we did not even understand. Even as late as November 1916—after 2 years of carnage in Europe—the American people reelected Woodrow Wilson because he kept us out of war. And yet 5 months later we were fighting to save the world for democracy in the war to end war.

In the light of that experience it is high time that we gave some thought to the hard, practical question of just how we propose to avoid war if it comes again. No one who has made an honest attempt to face the issue will assert that there is any easy answer. No one who has studied the history of our participation in the World War will tell you that there is a simple way out. There is none—no simple panacea, no magic formula. But if we have learned anything at all we know the inevitable and tragic end to a policy of drifting and trusting to luck. We know that however strong is the will of the American people to refrain from mixing in other peoples' quarrels, that will can only be made effective if we have a sound, definite policy from the beginning. No lesson of the last war is more clear than that such a policy cannot be improvised after war breaks out. It must be worked out in advance, before it is too late to apply reason. I say with all possible earnestness that if we want to avoid another war we must begin at once to formulate a policy based upon an understanding of the problem confronting us.

At the outset I frankly confess that I make no pretension to knowing of a policy which can provide an absolute and infallible guaranty against involvement in war. Certainly there is no such policy which can be written into the law or enacted as legislation. The only sure way to avoid another war is to prevent that war from breaking out. I have advocated preventive measures and I have supported disarmament and settlement of disputes by peaceful means. But if these fail or if nations insist on preparing for armed conflict and that conflict comes, then I insist that we must do everything in our power to stay out. And I believe that the United States can stay out of the next war if it wants to, and if it understands what is necessary to preserve neutrality.

The best way to reach such an understanding is to examine the forces which are likely to involve us in war. In 1914 we knew very little about these forces. President Wilson issued his proclamation of neutrality and we went on with business as usual, in the happy belief that 3,000 miles of ocean would keep us out of the mess. Our professional diplomats were not much more astute. They assumed that all we had to do to keep out was to observe the rules of international law and insist upon our neutral rights. About 2 weeks after the outbreak of hostilities our State Department issued a public circular on the rights and duties of a neutral in war time. They took the position that the existence of war between foreign governments does not suspend trade or commerce between this country and those at war. They told American merchants that there was nothing in international law to prevent them from trading with the warring nations. They told munitions makers that they were free to sell their war materials to either or both sides. They took no steps to warn American citizens of the dangers of travel on vessels of the warring nations, even after passenger ships had been sunk without warning. This attitude, strange as it may seem today, was in full accord with the rules of international law as generally understood at that time.

We are wiser today. We know more about war and much more about neutrality. And yet it is remarkable how much we seem to have forgotten. In the course of the Senate investigation of the munitions industry this winter Senator NYE and I have had occasion to go rather deeply into the activities of our arms merchants and other traders in war material during the early years of the conflict. We have examined again the tortuous record of our diplomatic correspondence. From this survey four broad conclusions stand out:

1. That a policy based on defense of our so-called "neutral rights" led us into serious diplomatic controversy with both the Allies and the Central Powers, and in the end brought us to a point where we were compelled to choose between surrendering these rights or fighting to defend them. In 1917 we chose to fight.

2. The national honor and prestige of the Nation are inevitably involved when American ships are sunk on the high seas—even though the owners of these ships and their cargoes are private citizens seeking to profit from other nations' wars. Passions are quickly aroused when American lives are lost—even though the citizens who took passage on belligerent ships knew in advance the risks they ran.

3. That the economic forces, set in motion by our huge war trade with the Allies, made it impossible to maintain that true spirit of neutrality which President Wilson urged upon his fellow citizens at the outbreak of the conflict.

4. That among these economic forces, those which involved us most deeply were the huge trade in arms and ammunition and other war materials with the Allies.

The other speakers who follow me will go more deeply into this record, I have only time here to touch the high spots.

First, just a word about the futility of trying to defend our neutral rights and freedom of the seas. As a neutral we claimed the right to trade in war materials and all other goods with the warring nations. This right—with two main exceptions—had been recognized under the rules of international law which had grown up over more than a hundred years. The exceptions were important: A warring nation, or belligerent, had a right which we recognized, to capture goods called "contraband." Originally contraband consisted of guns and explosives and other munitions intended for the use of the armed forces. Great Britain, for example, had a legal right to stop an American ship on the high seas if it could prove that the vessel carried munitions bound for Germany. In 1909 the leading sea powers drew up a list of contraband in a famous statement of maritime law which came to be known as the "Declaration of London."

When the World War broke out, however, this declaration had not been put into force by any of the governments. When our State Department asked the British Government whether it would accept the list of contraband articles in the declaration of London the British declined. They argued, with some logic, that under modern conditions of war, food and raw materials, and almost everything except ostrich feathers, which were sent to the enemy were just as important as guns and explosives for the army. Modern war is not merely a contest between armies on the field of battle. It involves the entire population of nations and becomes

a death struggle in which the warring country tries to overcome the will of the enemy to resist. Anything which helps the enemy to carry on the war is of vital importance. By the end of 1916, therefore, Great Britain had placed almost every article exported by the United States on the lists of contraband. Our State Department protested that the British had no right to change the old rules of international law. We sent a stream of indignant notes to London. But Great Britain was engaged in a death struggle, and we knew that one way to win the war was to starve the enemy. Our notes fell on deaf ears, partly through the almost treasonable connivance of our own ambassador.

Our Government protested even more violently to Germany. While British ships were seizing contraband and taking American vessels into port, German submarines were sinking merchant ships on sight. The Imperial German Government argued that their submarine campaign was the only effective means of combating the allied blockade which was starving the German people. They complained bitterly against the blockade and they protested our huge trade in munitions and war materials with the Allies.

Public opinion in the United States became inflamed at the ruthless destruction of unarmed merchant ships and passenger vessels. When the *Lusitania* was sunk in May 1915, with the loss of 124 American lives, our patriots began to shout for a strong policy. President Wilson parried with diplomatic notes and for a time Germany offered to compromise. No one, it seems, thought of asking whether private American citizens in pursuit of fat profits had a right to involve us in war. In the end we were led to the point where we had to choose: We could try to defend our neutral rights by force of arms or we could give up those rights and stay out. On April 6, 1917, Congress declared that a state of war existed between the United States and Germany.

The only logical result of attempting to enforce these neutral "rights", as they are described, is to get us into war with both sides or to force us to join hands with one violator of our rights against another. It is logical and it is crazy.

In the last war we got into the war on the side of those with whom we were doing a business of billions of dollars, yet they, too, had violated our neutral rights.

Monsieur Tardieu, former French Premier and cabinet member during the war, saw the situation very clearly. He said:

"House had vainly tried to make the belligerents understand the American refusal to 'distinguish between violations of international law.' Neither London nor Berlin admitted this fairness; and if an attempt had been made to force both sides to admit it a break with both sides would have been the result. To break with everyone because unwilling to break with any, such was the paradox to which Wilsonian diplomacy led. To remain logical with itself, it would have had to declare two wars instead of one, as some people jump into the river to keep out of the rain. Robert Lansing frankly admitted it on December 23, 1916, when he told the Washington correspondents: 'Our rights are more and more traversed by the belligerents on both sides. We are getting nearer and nearer the brink of war.' Which war? That was now the only question. Unless the United States wanted two enemies, it had to choose one. Neutrality was admittedly a failure."

Let us see this logic ahead of time, instead of later, when the only way we can be logical is to be illogical.

Let us foresee that our ships will be seized by England or bombed from the air by Germany.

Let us not claim as a right what is an impossibility.

The only way we can maintain our neutral rights is to fight the whole world.

Failing that, we only pretend to enforce our neutral rights against one side and go to war to defend them against the other side.

Let us abandon pretense.

The other day the man who was commander of the United States Fleet in European waters during the World War—Admiral William S. Sims—made a remarkable speech on the question of freedom of the seas. In looking back on our policy in 1916, he said: "Thus the enormous pressure of the golden stream of war profits made us insist upon our right to make money out of the vital needs of nations fighting for their lives, and to insist upon being protected in this trade." And today he says, "the point of the whole business is this: We cannot keep out of a war and at the same time enforce the freedom of the seas—that is the freedom to make profits out of countries in a death struggle. If a war arises, we must therefore choose between two courses: Between great profits, with grave risks of war, on the one hand; or smaller profits and less risk, on the other."

But defense of our neutral rights was not the only cause of our being dragged into the World War. There were many factors, including the vast campaign of propaganda which began with the manufactured atrocity stories in the invasion of Belgium. The American people ceased to be neutral almost on the outbreak of hostilities. Our newspapers became violently partisan, and even our best citizens were soon shouting for preservation of the national honor. But among all these forces the economic entanglement of our one-sided but profitable war trade stands out in bold relief.

Senator NYE will tell you the amazing story of how our munition makers built up this profitable trade in instruments of death and how it linked us with the Allied cause. He will describe how our bankers floated the huge loans which made it possible for the Allies to keep up their purchases of war materials of all kinds in the American market.

There were few at the time who saw clearly what was taking place. A few voices were raised in protest. One of these was the outspoken Senator from Wisconsin, Robert M. La Follette. In September 1915 La Follette described what was happening. He said:

"With the first clash of the Great European War came President Wilson's solemn appeal * * * 'The United States must be neutral in fact as well as in name.' * * * But when you can boom stocks 600 percent in manufacturing munitions—to the bottomless pit with neutrality. What do Morgan and Schwab care for world peace, when there are big profits in world war? * * * The stocks of the Schwab properties, which stood at a market value of seven millions before they began supplying the Allies * * * are today given an aggregate value of forty-nine millions. And now we are about to engage in furnishing the Allies funds. * * * We are underwriting the success of the cause of the Allies. We have ceased to be 'neutral in fact as well as in name.'"

He was right. We had already ceased to be neutral.

One point which stands out sharply in this record is that we cannot improvise a policy of neutrality after a war breaks out. From our first shipment of munitions our feet were irrevocably committed to the path which led to war, and the only question was as to whether the war could be ended before we were forced in. In the Congress of the United States during the early war years many resolutions were introduced for the purpose of stopping this trade in war materials. As early as August 28, 1914, Representative Towner, of Iowa, saw that even the trade in food and clothing would invite our own entanglement. At the other end of the Capitol Senator Hitchcock, of Nebraska, introduced a bill calling for an embargo on munitions and war material; but it was already too late. Our State Department took the position that it would be an unneutral act to place an embargo after war had come. It would be like changing the rules in the middle of the game, and would favor one side to the disadvantage of the other. The Allies and their American sympathizers echoed this view, and Hitchcock's bill was quickly pigeonholed.

In the light of this record, what are the possibilities for the future? I say with all sincerity that I believe there is still time to formulate a policy to keep the United States out of the next war. I believe that the American people want to stay out, and I believe that the American people are willing to support such a new policy to insure their neutrality, even though the price may be high.

The three resolutions introduced by Senator NYE and myself, and the House resolution introduced by Congressman MAVERICK, embody the major points of a rational, realistic program of neutrality.

In these resolutions we propose that American citizens who want to profit from other people's wars shall not be allowed again to entangle the United States. We learned in our munitions inquiry that some of our American armament firms have been making money by helping Germany rearm with airplanes. We deny that this obliges us to put our own boys on the receiving line when those airplanes start dropping their bombs. We propose to take the American flag off the munition ships.

Specifically, this new neutrality legislation contains four vital provisions:

1. A complete embargo on the shipment of all arms and ammunition and other war material to all belligerents in time of war.

2. A similar automatic embargo on all loans and credits to the warring nations for the purchase of war materials or other contraband.

3. A law forbidding the granting of passports to American citizens traveling in war zones or on belligerent ships.

4. A law requiring that anyone who exports any article declared to be contraband of war by any belligerent country shall do so at his own risk or at the risk of the foreign government or foreign purchaser.

This legislation, we frankly admit, cannot safeguard us against poisonous propaganda or the inflaming of people's minds which may follow in the wake of another war. It is not an automatic safeguard of our neutrality. But it does, we believe, lessen some of the most important dangers as revealed by our World War experience. It involves a cost, and it may mean the loss of lucrative profits. It may mean a loss to some of our vested interests and may demand a sacrifice from those who might otherwise profit.

We have been helping to rearm Germany. We have been sending over airplane engines. We have licensed a German company to make our best engines. English aircraft companies have also sold to Germany. Nobody knew about this until it was too late. In 1926 the Du Ponts found out that Germany was exporting military powder in violation of the treaty. The Du Ponts and their British allies, the I. C. I., knew about this. The Du Ponts said that if I. C. I. had wanted to stop this it could have done so. It chose not to stop it because they were in close financial relations with German chemical and powder companies. Nobody in this country—outside the Du Ponts—knew about this until it was too late.

In this quiet way things happen which upset the balance of power. In the same quiet way the first American munition ship sailed in 1914 or 1915, and nobody knows its name to this date. Yet the sailing of that ship determined our foreign policy.

We must not let things happen again without knowing exactly—and ahead of time—what everything means that threatens to get us into war.

This program, if carried through, will mean that we must give up our boasted neutral rights. Some people, who are already beginning to oppose this legislation, declare that we are hauling down the American flag, and that in a future war the belligerents will trample on our rights and treat us with contempt. Some of these arguments are trundled out by our naval bureaucracy. The

admirals, I am told, objected strenuously when the State Department suggested a new policy of neutrality somewhat along these lines. Doubtless they saw clearly enough that the neutrality would rob them of one of their best justifications for a big navy. After all, what is the function of the Navy if it cannot defend our vaunted rights to freedom of the seas? Unfortunately, the fact remains that no one else has recognized our rights.

I am quite prepared to admit that this program involves the sacrifice of transitory profits. But I contend that such profits are not worth the cost of involvement in a second world war. Who profited from the last war? The Du Ponts and the Morgans, it is true, made their millions. Labor got some of the crumbs in the form of high wages and steady jobs. But where is labor today with its 14,000,000 unemployed? Agriculture received high prices for its products during the period of the war and has been paying the price of that brief inflation in the worst and longest agricultural depression in all history. Industry made billions in furnishing the necessities of war to the belligerents and then suffered terrific reaction like the dope addict's morning after. War and depression—ugly, misshapen, inseparable twins—must be considered together. Each is a catapult for the other. The present world-wide depression is a direct result of the World War. Every war in history has been followed by a major depression. Nearly every war has been instigated in times of depression by the few who have vested interests in the profits of war. Together war and depression form a vicious circle whirling the welfare of mankind and the good things of life into oblivion.

Let the man seeking profits from the war-time countries do so at his own risk. Even when a business representative of Swift & Co. was shot in Cuba a year or two ago, our war party started talking military intervention. Every man profit bent or impelled by idle curiosity in the war-torn areas of the world carries in his body the death of a hundred thousand American boys. He can be made the cause for war. His profits from the warring countries are his own business; let his risk be his own business, too.

If there are those so brave as to risk getting us into war by traveling the war zones—if there are those so valiant that they do not care how many people are killed as a result of their traveling, let us tell them, and let us tell the world, that from now on their deaths will be a misfortune to their own families alone, not to the whole Nation.

Let us not fool ourselves. After a war has been started all the public opinion in the world cannot change by one jot or tittle the manner in which the most desperate of the belligerents chooses to carry it on. If one side uses gas on the civilian populations of the enemy, the other side will use gas the next day. The chemical industries of all nations stand ready to produce it.

Our only hope for keeping out of war, from keeping away from using gas, and from being on the receiving end of it, is to lay plans to keep out of war now, before the war has started.

"But," shout the profiteers who oppose any national neutrality, "you would sacrifice our national honor." I deny with every fiber of my being that our national honor demands that we must sacrifice the flower of our youth to safeguard the profits of the privileged few. I deny that our national honor requires that we must invite national bankruptcy. I deny that it is necessary to turn back the hands of civilization to maintain our national honor. I repudiate any such definition of honor.

The statesmen of Europe know their responsibility in this moment of crisis. They know their risks. They are spending their days and nights calculating and recalculating these responsibilities and risks.

It is time for every lover of our own country to do the same thing.

Our hope and safeguard lies in the statesmanlike and humanitarian attitude of President Roosevelt, whose invaluable assistance and sympathy in the conduct of the munitions investigation we gratefully acknowledge, and whose devotion to a policy of sane neutrality which will enable us to keep out of war has frequently been made known. We appeal to you to lend your efforts in the creation of an overwhelming body of public sentiment to bring about the firm establishment of that policy. The time for action is due, and past due. For the people of the United States to permit a condition to continue which would lead us again to catastrophe is incredible and stupendous folly.

Let us put our own house in order. Let us announce to the world that we have determined upon a policy of real neutrality designed to prevent us from being entangled in their quarrels. Let us set an example of real neutrality. And then, perchance, it may eventually dawn on the statesmen of Europe that if they should persist in the madness of engulfing Europe in an ocean of poison gases and a hailstorm of lead that the sad day may come when some maverick from Texas may stand upon the floor of our Congress and propose that the deserted, devastated, grass-covered ruins of Europe shall be taken over by the United States as grazing lands for cattle to replace the dust-storm areas of our West.

PROFITING FROM EXPERIENCE

By Senator GERALD P. NYE, of North Dakota

I have been made to understand the conception of this meeting tonight. You who are here and who have sponsored the gathering are entertaining a belief that if this world is bound to have more armed conflict there must be ways of keeping America out of it. I am sure your spirit is not without foundation, and my own convictions on the subject are such as make me quite happy to have your invitation to join in this consideration.

If Europe is to again blow up in our very face, America can avoid being dragged into a repetition of other days if America but possesses the intelligence to permit experience to be its light.

Do we have that intelligence? Sometimes I wonder. I cannot forget that it was only 17 years ago that found us giving thanks for the end of that conflict which had left on every hand wreckage, wastage, debt, despair, heartache. We found our consolation and compensation quite alone in the thought that ours had been a successful effort to make the world safe for democracy, and in the further thought that we had engaged with success in a war to end war. We swore then with greatest fervor that we would never, never let that experience be visited upon this earth again.

But look upon ourselves today, so shortly after that engagement to save democracy and end war. Democracy has never been upon thinner ice than since then. There is more actual threat and danger of more war now than was true a few days before the World War came.

Do we have the intelligence to stay out of another such war? Again I wonder. For I see mad things being done. I see the world spending more money getting ready for more war than it ever spent in peace time, and I see America not only keeping up with the Joneses, but often setting the pace. I see America annually spending more money in preparation for more war than is being spent by any nation on earth and wonder if experience, after all, has meant anything. I see my country engaged in fighting the depression that war gave us with large appropriations for public works, and then note that the very first allocation from these funds is hundreds of millions of dollars to the Navy to be used in building more ships to be ready for more war, to be followed by more depression so that we can have another public-works program through which to build more ships and make ready for still more war. I see and hear American policy makers formulating programs calling for expenditures to accomplish fortification and preparedness along the Canadian border, a border that has been without show of military strength for more than 100 years. I see our American Navy going thousands of miles away from our own shores to do its annual maneuvering and ask myself what would be our American attitude if the Japanese Navy came as far eastward across the Pacific as we have gone westward across the same ocean to do our signal practicing. Then again do I wonder if we do have the intelligence that will let us permit experience to be our guide in the future.

This past year has witnessed the most intensive inquiry into the questions of arms traffic, munitions, war profits, and profits from preparedness for war that the world ever saw undertaken. It has been my privilege to work with six other Members of the United States Senate in this study. I am happy tonight to say that it grows increasingly evident that our labors have not been in vain and that truly worth-while legislation will be forthcoming to meet the frightful challenge which the inquiry disclosures have been. Largely because the people have shown tremendous interest in the subject, I am sure that substantial legislation is on the way to restrain those racketeers who find large profit in breeding hate, fear, and suspicion as a base for large preparedness programs, and who have learned that while there is large profit in preparing for war, there is larger profit for them in war itself.

But out of this year of study has come tremendous conviction that our American welfare requires that great importance be given the subject of our neutrality when others are at war.

Tonight I think we will do well to give some thought to causes behind our entry into the Great War. Those causes as well as the results which have since followed are an experience we should not soon forget.

Nineteen hundred and fourteen found America just as determined, just as anxious for peace as it is now. But less than 3 years later we were in the greatest of all wars, creating obligations and burdens which even to this day bend our backs. What was it that took us into that war in spite of our high contrary resolve?

To me there is something sinister involved in using the language of 1914 in this present pre-war year of 1935. There is, I fear, danger that the soft, evasive, unrealistic, untrue language of 21 years ago will again take root and then rise up and slay its millions as it did then, both during and after a war.

Let me make this clear. If the people of the world are told again that the next war is a political war for the noblest possible ideals, those same people will be the ones to suffer not only during the war, but also when the war is over and the peace signed on the basis of the crude, economic struggle.

Did the English or the Germans or the French in 1914 know that they were fighting the battle of commercial rivalries? No. Did the American people know that they were fighting to save the skins of the bankers who had coaxed the people into loaning $2,000,000,000 to the Allies? No. They all thought that they were fighting for national honor, for democracy, for the end of war.

It was only after the war that President Wilson confessed that he knew what it was all about. He said at St. Louis in 1919:

"Why, my fellow citizens, is there any man here or any woman, let me say is there any child here, who does not know that the seed of war in the modern world is industrial and commercial rivalry? The real reason that the war that we have just finished took place was that Germany was afraid her commercial rivals were going to get the better of her, and the reason why some nations went into the war against Germany was that they thought Germany would get the commercial advantage of them. The seed of the jealousy, the seed of the deep-seated hatred was hot, successful commercial and industrial rivalry.

"This war in its inception was a commercial and industrial war. It was not a political war."

Ah, the rulers of the world, the foreign offices, the state departments, the presidents and kings and czars and kaisers, knew what the war was about all the time. It was only afterward that the people were informed why they had been fighting. There was fraud perpetrated by the governments of the world in hiding from their people the economic causes for which they were fighting.

That fraud was paid for after the war was over. The spokesmen of the world looked at the peace with cold, calculating eyes which took little account of idealistic slogans. The French could only see that America had had to get into the war because American bankers had advanced $2,000,000,000 worth of credits, which would have been worthless if we had not gotten into the war. But the American people did not know this at the time.

Andre Tardieu has written that—

"The increasing volume of Allied needs afforded the Americans almost unlimited trade possibilities. Prices had risen enormously. Profits had swollen tenfold. The Allies had become the sole customer of the United States. Loans the Allies had obtained from New York banks swept the gold of Europe into American coffers.

"From that time on, whether desired or not, the victory of the Allies became essential to the United States. The vacillations of Wilson's policy only made this necessity more apparent. The note of the Federal Reserve Board forbidding further loans to the Allies jeopardized American financial interests as much as it did the fate of the Allies. This note, coming too late or too soon, placed buyers and sellers, borrowers and lenders, in equal peril. If, deprived of resources, the Allies lost the war, how could their debts be paid, and what would their signature be worth? The carefully weighed policy of the President, permitting sales and stopping credits, worked against neutrality and in favor of a break; it worked against Germany and in favor of the Allies. Between the Allies and the American market a common bond of interest had been created."

Von Bernstorff, the war-time German Ambasasdor to this country, said that Colonel House told him in May 1916 that—

"As matters turned out Wilson no longer had the power to compel England to adhere to the principles of international law. That the reason for this was that American commerce was so completely tied up with the interests of the Entente that it was impossible for Wilson to disturb these commercial relations without calling forth such a storm of protest on the part of the public that he would not be able to carry out his intention."

The fraud of pretending that wars are political—involve national honor—when they are essentially for economic causes—leads to friction when the wars are over. Fraud and friction go hand in hand.

Let us be as frank before the next war comes as Wilson was frank after the last war was over. Let us know that it is sales and shipments of munitions and contraband, and the lure of the profits in them, that will get us into another war, and that when the proper time comes and we talk about national honor, let us know that simply means the right to go on making money out of a war.

Let us have done with all the fraud, and we will have done with all the post-war friction.

There are many who have tried to keep us from being involved in entangling foreign political alliances. But since wars are for economic causes basically, it is as important to avoid becoming involved in entangling foreign economic alliances. That is the crux of the matter. It is useless to pretend that our isolation from foreign political entanglements means anything if we open wide the gates to foreign loans and credits for munitions and spread out a network of munition ships that will be ignition points of another war.

What are the facts behind these conclusions of men familiar with the real causes of our entering the war?

From the year ending June 30, 1914, to the year ending June 30, 1916, our exports to the Allies increased almost 300 percent, or from $825,000,000 to $3,214,000,000. During the same period our exports to the Central Powers fell from $169,000,000 to $1,000,000. Long before we declared war on Germany we had ceased to have any economic interest in her fate in the war, because she was buying nothing from us.

The bulk of our sales during this pre-war period were in munitions and war materials. It must be remembered that the World War inaugurated war on the scale of whole nations pitted against nations—not simply of armies, however large, against armies. Consequently, foodstuffs and raw materials for the manufacture of items essential to modern war were declared contraband by one belligerent or another. In the year 1914 more than half of our total exports to all countries were munitions and war materials of this kind. In 1915 our sales of such materials were 179 percent greater than they had been in the preceding year and constituted 86 percent of our total exports to all countries. In 1916 our sales of these articles were 287 percent greater than in 1914 and totaled $3,700,000,000, which was 68 percent of our total exports. The growth of our sales of explosives may be taken as a single example. In the year ending June 30, 1914, we exported only $10,000,000 worth of explosives. In the year ending June 30, 1915, this figure had grown to $189,000,000, and in the next year it reached $715,000,000.

America officially regarded the right to engage in this trade as part of our neutral rights and no attempt was made to discourage it. On October 15, 1914, the State Department issued a public circular which read in part:

"Generally speaking, a citizen of the United States can sell to a belligerent government or its agent any article of commerce which he pleases. He is not prohibited from doing this by any rule of international law, by any treaty provisions, or by any statute of the United States. It makes no difference whether the articles sold are exclusively for war purposes, such as firearms, explosives, etc., or are foodstuffs, clothing, horses, etc., for the use of the army or navy of the belligerent.

"Furthermore, a neutral government is not compelled by international law, by treaty, or by statute to prevent these sales to a belligerent. Such sales, therefore, by American citizens do not in the least affect the neutrality of the United States."

The effect of this one-sided trade was to seriously damage the relations between America and Germany. As early as December 4, 1914, Mr. Gerard, our Ambassador to Germany, telegraphed:

"Universal, very bitter, and increasing feeling in Germany because of reported sale by Americans of munitions of war, etc., to the Allies."

But, by the time this trade had been allowed to assume substantial proportions, it was already too late to stop it. When, beginning with Senator Hitchcock's embargo resolution in December 1914, proposals were made to prohibit shipment of arms, the British objected that to cut off a source of supply which they had been permitted to build up would be unneutral. And so, when the German Ambassador on April 4, 1915, officially stated that "if it is the will of the American people that there shall be a true neutrality, the United States will find means of preventing this one-sided supply of arms * * *", the Secretary of State replied that any change in our "laws of neutrality during the progress of a war which would affect unequally the relations of the United States with the nations at war would be an unjustifiable departure from the principle of strict neutrality * * *."

Now, we must not forget that this enormous trade required financing also on an enormous scale. Our State Department at the outset of the war announced that "in the judgment of this Government loans by American bankers to any foreign nation which is at war are inconsistent with the true spirit of neutrality." But once we had recognized and encouraged the trade in war materials as a neutral right, it proved impossible to deny the demands for normal financing of that trade.

While the State Department was officially opposed to loans, our bankers were not. Mr. Lamont has written that J. P. Morgan & Co. was whole-heartedly in back of the Allies from the start. Mr. Davison was sent to England to place the firm's services at England's disposal. As early as February 1915 Morgan signed his first contract with the Du Pont Co. as agent for an allied power. Of the total sales by Du Pont to France and England, totaling practically half a billion dollars, over 70 percent were made through Morgan & Co., although Morgan & Co. acted as agents for the Allies only from the spring of 1915 until shortly after we entered the war—a little over 2 years.

From the early days of the war the State Department did not object to bank credits being extended to belligerents as distinguished from loans. In November 1914 France received $10,000,000 on 1-year treasury notes from the National City Bank, and in May 1915 Russia received $10,200,000 for a year from the same source. In April 1915 France received short-term credit of about $30,000,000 arranged by J. P. Morgan. Brown Bros. opened a commercial line of credit of $25,000,000 for French merchants in the summer of 1915.

But by the fall of 1915 public financing was needed to keep the trade in war materials going. Bank credits were exhausted; publicly subscribed loans were necessary. This huge and profitable trade which our Government had allowed to grow up under the name of "neutral rights" had got too big to be stopped. Abstract neutral rights had come to be a vested interest in the excess profits of neutrality. In the years 1911 to 1913 American corporations reported net profits in their income-tax returns averaging $4,100,000,000 a year. Through 1914 to 1916 this average increased to $5,900,000,000, nearly $2,000,000,000, and this after deducting estimated taxes. While proclaiming a glorious neutrality we had left the practical affairs which determine neutrality to our bankers, who had never for a moment been neutral.

In October 1915 America's bankers ceased distinguishing between credits and loans and the Government was helpless to prevent this. American investors began to finance the Allies in earnest with the flotation of the great Anglo-French loan of $500,000,000 through a huge banking syndicate headed by J. P. Morgan & Co. Similar loans followed fast, and by 1917 total loans and credits to the Allies of well over $2,000,000,000 were outstanding. Morgan & Co. had a demand loan or overdraft due from Great Britain of approximately $400,000,000, which obviously could not be paid at that time. Instead Great Britain desperately needed enormous new credits.

By this time the history of the bank credits up to October 1915 had been repeated—on a far larger scale. In the early part of 1917 it was clear that our private financial and banking resources were exhausted. Unless the great credit of the American Nation could itself be pledged, the flow of goods to Europe would end and the claims of our banks, who had made possible this flow of goods in the past, would not be paid. No one stopped to inquire whether new funds would not similarly be burned up in the holocaust of European war and would be used in the natural course of events to bail out the American banks. The facts are that by November 11, 1918, $7,000,000,000 were lent to Europe by our Government and, though most of this is still unpaid, the private loans were redeemed and the securities behind them have disappeared.

We are now discussing things that have heretofore been whispered only—things that most of us felt couldn't be true because they shouldn't be true. But if a recognition of ugly facts will help us prevent another disaster we must discuss them openly.

We all know that statistics have their limitations. We all know that it is easy to be wise after the event. Let me read you the comments of a man who believed with all his soul in the righteousness of America's entry into the war and who was in a position to see at first hand the forces that pulled us into it.

Over a month before we entered the war Walter Hines Page, our Ambassador to Great Britain, who had gone to England well before the war, cabled to our Government as follows:

"The financial inquiries made here reveal an international condition most alarming to the American financial and industrial outlook. England is obliged to finance her allies as well as to meet her own war expenses. She has as yet been able to do these tasks out of her own resources. But in addition to these tasks she cannot continue her present large purchases in the United States without shipments of gold to pay for them, and she cannot maintain large shipments of gold for two reasons: First, both England and France must retain most of the gold they have to keep their paper money at par; and, second, the submarine has made the shipping of gold too hazardous, even if they had it to ship. The almost immediate danger, therefore, is that Franco-American and Anglo-American exchange will be so disturbed that orders by all the Allied Governments will be reduced to the lowest minimum and there will be almost a cessation of trans-Atlantic trade. This will, of course, cause a panic in the United States. The world will be divided into two hemispheres, one of which has gold and commodities and the other, which needs these commodities, will have no money to pay for them and practically no commodities of their own to exchange for them. The financial and commercial result will be almost as bad for one as for the other. This condition may soon come suddenly unless action is quickly taken to prevent it. France and England must have a large enough credit in the United States to prevent the collapse of world trade and of the whole European finance.

"If we should go to war with Germany, the greatest help we could give the Allies would be such a credit. In this case our Government could, if it would, make a large investment in a Franco-British loan or might guarantee such a loan. All the money would be kept in our own country, trade would be continued and enlarged till the war ends, and after the war, Europe would continue to buy food and would buy from us also an enormous supply of things to reequip her peace industries. We should thus reap the profit of an uninterrupted, perhaps an enlarging, trade over a number of years and we should hold their securities in payment.

"I think that the pressure of this approaching crisis has gone beyond the ability of the Morgan financial agency for the British and French Governments. The need is becoming too great and urgent for any private agency to meet, for every such agency has to encounter jealousies of rivals and of sections.

"Perhaps our going to war is the only way in which our present preeminent trade position can be maintained and a panic averted. The submarine has added the last item to the danger of uncertainty about our being drawn into the war; no more considerable credit can be privately placed in the United States and a collapse may come in the meantime."

We are constantly cautioned that in time of peace we should prepare for war, but Mr. Page states better far than I can say it, the reason why, in time of peace we must prepare means for staying out of war. That is why I believe that the American people should now face the issue of what neutral rights mean. If they mean increased profits then, know positively that they mean war.

The experience of the last war includes the lesson that neutral rights are not a matter for national protection unless we are prepared to protect them by force. Senator CLARK and I, and, I believe, Representative MAVERICK and other colleagues in Congress, believe that the only hope of our staying out of war is through our people recognizing and declaring as a matter of considered and fervently held national policy, that we will not ship munitions to aid combatants and that those of our citizens who ship other materials to belligerent nations must do so at their own risk and without any hope of protection from our Government. If our financiers and industrialists wish to speculate for war profits, let them be warned in advance that they are to be limited to speculation with their own capital and not with the lives of their countrymen and the fabric of their whole nation.

We must, however, frankly face the cost which this kind of decision demands. We must be realists. It requires the giving up of part at least of our present trade balance. It will mean a loss of part of our present revenue from our merchant marine and from banking. More important still, it will mean the abandonment of really vast new profits held temptingly before us.

If we cannot give up these things, we cannot hope for peace. I for one believe that great though this cost is, it is insignificant compared to the catastrophe of war.

President Wilson, in February of 1916—more than a year before we entered the war—stated the issue with great clarity:

"There are cargoes of cotton on the seas; there are cargoes of wheat on the seas; there are cargoes of manufactured articles on the seas; and every one of those cargoes may be the point of ignition, because every cargo goes into the field of fire, goes where there are flames which no man can control."

Weigh that phrase "points of ignition" for just a moment.

If we allow one ship to go out with TNT, we will have to allow a thousand ships to go out. We will be advancing and promoting a far-flung national network of danger points. We will not be staying at home and minding our own business; we will be deliberately sending out a thousand mines that can destroy us.

Why should we let those who are interested in war profits be the ones to involve our national honor and self-respect? Why should we permit every cargo to be a possible point of ignition? Why can't those who believe colossal armament expenditures are justified to prevent points of ignition see that the loss of a part of our trade and of possible speculative profits is much more sensible? Should the loss of a cargo or of a traveling salesman cause us willfully to pour out our national wealth and send our whole youth off to slaughter?

It has sometimes been said that the man who makes war profits is in some way the man who is the final interpreter of national honor and national self-respect. If he finds it compatible with his own honor and self-respect to take the blood money from the sale and transport of war material, then it follows that he can involve the whole national honor and self-respect. Why, the only thing involved is his sale; transport and profit is a matter of trade and commerce, not national honor at all. When did the American people elect the bankers and the munitions manufacturers to be the ones who determined what was their national honor?

Senate Joint Resolution 120, which Senator CLARK and I have proposed and introduced, forbids the export of arms and ammunition to any belligerent country or to anyone acting on behalf of a belligerent in time of war. This provision is mandatory. It recognizes that tremendous pressure will be brought to bear on the President should he seek to curb a profitable trade in war materials after war has broken out. The embargo on arms and ammunition, therefore, becomes effective automatically on the declaration of war by any foreign government. It applies to all arms, ammunition, and implements exclusively designed and intended for land, sea, or aerial warfare. A list of the articles included under this head is appended to section 3 of the resolution. This list is based on the definition proposed by the State Department in the Draft Treaty for the Regulation and Control of the Trade in Arms submitted to the Geneva Disarmament Conference on November 20, 1934.

The above definition does not cover all war materials. It is virtually impossible, however, to impose a mandatory embargo on all war material because of the practical difficulties of defining articles which have a commercial use as well as a military use in war time. Many commodities, such as fuel oil, nitrates, manganese, cotton linters, and metals of all kinds, are regarded as essential war materials in time of war. In the case of a major war it might be advisable to forbid the export of some of these commodities; in a limited war between two small states such an embargo might not be necessary. Section 1, therefore, gives the President some discretion in this matter by authorizing an embargo on any other article or articles which the United States declares to be war material.

Section 3 is simply designed to carry out the purpose of the preceding section. It directs the President, under certain conditions, to publish a list containing the name and description of all articles declared to be war material essential to the conduct of war or armed conflict.

In the case of armed conflicts or international disputes short of war, the President is given full discretion by section 2 as to when the embargo shall be put in force. If he decides to impose an embargo on arms and munitions of war, however, this term shall in any case include the full list of articles attached to this section. The President may add, at his discretion, such other war material as he deems essential to the conduct of war or armed conflict.

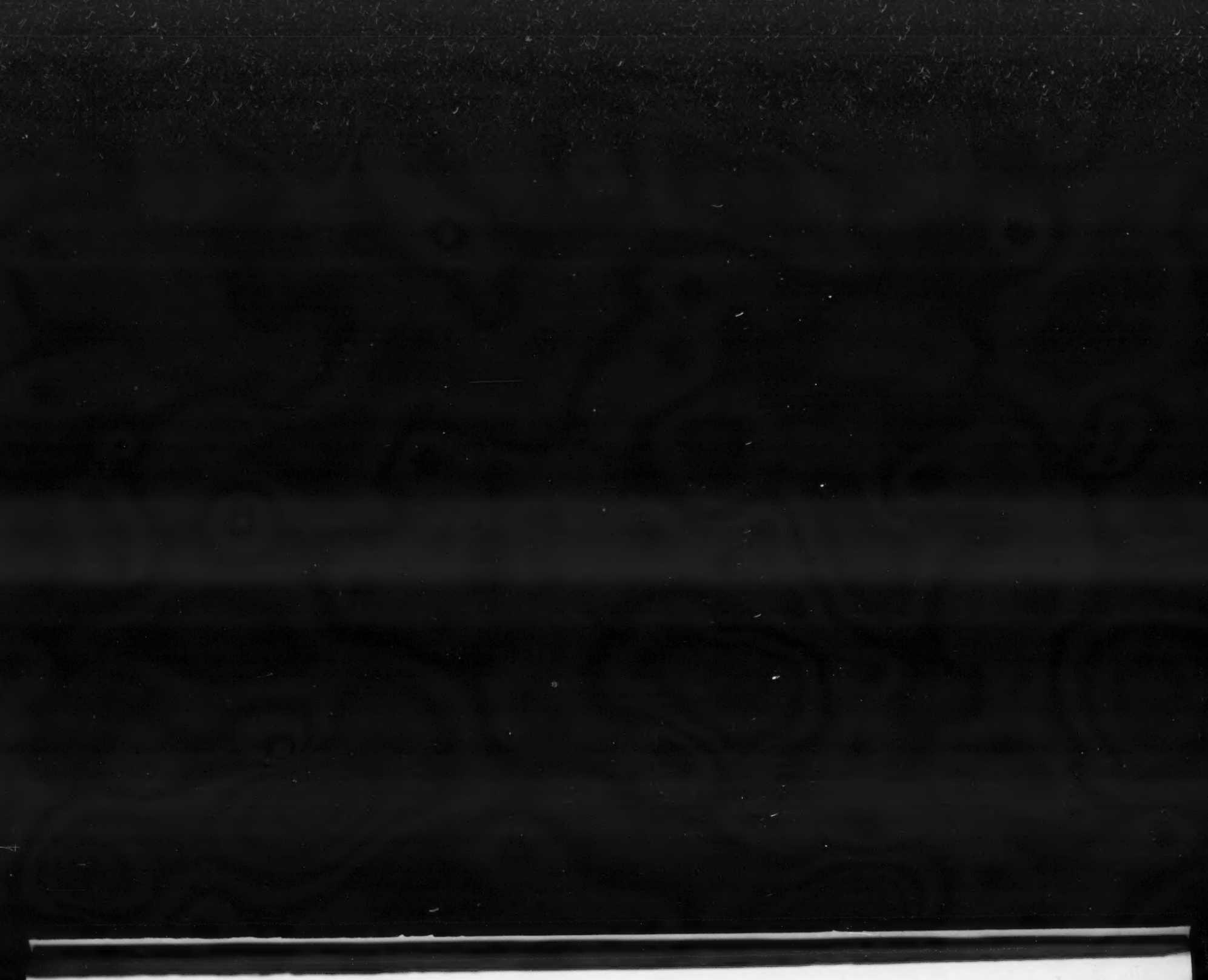
Section 4 recognizes the fact that the United States has not been able to bring about an understanding between the principal maritime powers on freedom of the seas or the definition of contraband. It recognizes, further, that the shipment of contraband may involve the United States in the danger of being forced to defend such shipments at the risk of American lives and with the other economic and social losses involved in the conduct of war. It provides that, in the absence of any treaty or agreement between the principal maritime powers, the President shall proclaim that the export of any article declared to be contraband by any belligerent government shall be solely at the risk of the American shipper or the foreign government or national.

This proposition is simply to let other nations make their own poison gases. If we sell them any contraband that will help them make those gases, it will be transported at their own risk. Let them wrap their own flags around their own poison gas. Let us be determined to be on a cash-and-carry basis as respects this kind of business.

Senate Joint Resolution 100 provides for an embargo on all loans and credits to belligerents during the war. The proposition here is simple: Let them pay for their own wars. If Morgans and the other bankers must get into another war, let them do it by enlisting in the Foreign Legion. That's always open.

We must not overlook the importance of another famous neutral right in any chain of causes leading to war. Just as trade with belligerents became a matter of national honor—so-called—which was to be defended without question by the national suicide of war, so the right of a few individuals to travel into war zones in pursuit of that trade was made the cause of our whole Nation plunging into terrible and costly war.

Modern war finds whole nations desperately struggling for existence. The commerce of an enemy is an artery that must be severed. On the very day that the *Lusitania* left New York Harbor the daily papers printed an official warning from the German Embassy that British vessels were liable to destruction and that travelers sailing in the war zone on ships of Great Britain and her allies do so at their own risk. But our own Government issued no



such statement. It did not even warn our people that the *Lusitania* carried contraband and actual munitions.

Senate Joint Resolution 99 empowers the President to withhold passports from Americans traveling in war zones or upon vessels of belligerent nations, and gives fair warning that Americans who risk their lives in war trade can expect no greater support from their fellow countrymen than those other adventurous Americans who risk their lives by joining the foreign legions of Europe.

Here, then, it seems to me, is a well-rounded out program to give life and endurance to our intended neutrality in the event sanity breaks loose from its moorings somewhere upon this earth. Senate Joint Resolutions 99, 100, and 120 constitute a studied effort to make American peace more secure. They may not alone keep us out of war, but experience dictates that this added strength to our neutrality policies in those years leading up to our entry into the World War would probably have saved us from the frightful consequences which have since followed. We ought to be making positive war against those who are blind to everything about war except its profits.

Assuredly this is the time for legislation. Hopeless is the thought of waiting for eventualities of war before trying to stave off our being drawn into it. Now is the time to act.

Congress may seem to demonstrate by its military appropriations an interest foreign to the purpose of staying out of war. I am sure that upon such questions as those involved in these resolutions which we have discussed the Congress will give ready cooperation, provided the American public shows a care about the subject. Thus the challenge is up to the people, up to you, and if you will make the most of it you will find a number of us doing our part to see to the accomplishment of this kind of legislation before the Congress adjourns.

Isn't the time for legislation now?

Indeed it is, and the people ought to so answer. But that answer must be made soon or we may find ourselves again in a situation where it is too late to make a considered national answer, but, instead, our admirals, generals, and bankers will make the answer—piecemeal and from day to day under the pressure of events and according to their own trainings and sympathies.

The hour for action is now. Why not make the most of it?

Today we think of public enemies as those who threaten and kill for profit. With a war looming on the European horizon, let us broaden our definition. Public enemies should be those among us who do the things which result in having other people killed for their own profit.

Public enemy no. 1 should be the munitions maker, who wants to sell his powder and poison gas, and sends it in American ships, wrapped up in the American flag, manned with American seamen, to be sunk by submarines and bombing planes. The result of his act will inevitably drag us into war.

Public enemy no. 2 is the banker who raises money to pay for the munitions and who speculates in the stocks of the war babies, steel, gas, and chemicals, and who lures the people into believing there is both profit and honor in this blood money—until that time when he can no longer tell the difference between profit and honor.

Public enemy no. 3 is the industrialist who knows that the only way to get fascism established in America is to get the country into a war with all the military dictatorship that involves.

Public enemy no. 4 is the American who goes into the war zones to make money, recklessly indifferent of the consequences to his nation and to hundreds of thousands of men better than himself.

In conclusion, we ought to be ready to face facts. We should be seeking profit from experience. If we will but do this we will fight with determination for legislation such as will greatly simplify our task of trying to stay out of another war.

Let us first of all admit large likeness between this present hour and those pre-war hours of 20 years ago. We cannot ignore the mad armament race which is upon the world. We cannot overlook the talk and the threats being hurled daily. Nor can we be unconscious of that which seems to be a large resignation to the thought that there is going to be more war; that it is inevitable. Most dangerous is our ground. Most cautious should we be against possibility of antagonizing others. Most earnest should we be in building such barriers as we can against our being drawn into conflict that is our business only because we let selfish commercial interests sway us away from high resolves to be truly neutral when other lands may again lose their minds.

Our American position of security is envious. We of all people should be the last to consider our participation in more war as inevitable. War for us is only so inevitable as we let greed for commercial advantage and profit, while others bleed, remain inevitable. Certainly we should be counting it highly possible to save ourselves, this generation, from more war.

But if it were true that we could not avoid being drawn into that war which might come any moment, we can hardly expect being excused if we fail to exert every honorable effort to make it less easy to be thus drawn, and we ought gladly give of the best that is in us if for no other reason than that we may thus contribute to a greater security against war for those we have brought into this world and for theirs. The least we can do is turn the experience of one generation to the advantage of our own children. Only in fulfillment of such duty can we hope to merit being recorded as other than a futile race.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

The Senate resumed the consideration of the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes.

Mr. SMITH. I move that the bill be recommitted to the Committee on Agriculture and Forestry.

Mr. McNARY. Mr. President, I heartily approve of the course of action taken by the Senator from South Carolina. I hope his motion will prevail.

The PRESIDING OFFICER (Mr. MOORE in the chair). The question is on agreeing to the motion of the Senator from South Carolina.

The motion was agreed to.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

Mr. COPELAND. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes.

Mr. WHEELER. Mr. President, I wonder if the Senator will not allow me to move to take up the bill known as the "public-utility holding company bill." Then I will agree temporarily to lay it aside so that the Senator may ask that the so-called "pure-food bill" be taken up.

Mr. COPELAND. I should like to have a vote on my motion that the Senate proceed to the consideration of Senate bill 5.

Mr. NORRIS. I desire to be heard on that motion. It is a debatable question.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

TENNESSEE VALLEY AUTHORITY

Mr. NORRIS. Mr. President, I desire to quote briefly from an article in the Sunday New York Times. It is an article under a Chattanooga, Tenn., date line, and reads:

Close of the most hectic week nationally in the already stormy career of the Tennessee Valley Authority finds this section of the valley in something of a dazed condition with regard to the Government's guinea-pig project for the Central South.

Mr. ROBINSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names.

Adams	Copeland	Lewis	Robinson
Ashurst	Costigan	Logan	Russell
Austin	Couzens	Lonergan	Schall
Bachman	Dickinson	McAdoo	Schwellenbach
Bankhead	Dieterich	McGill	Sheppard
Barbour	Donahey	McKellar	Shipstead
Barkley	Fletcher	McNary	Smith
Bilbo	Frazier	Maloney	Steiwer
Black	George	Metcalf	Thomas, Okla.
Bone	Gerry	Minton	Thomas, Utah
Borah	Glass	Moore	Townsend
Brown	Gore	Murphy	Trammell
Bulkley	Guffey	Murray	Truman
Bulow	Hale	Neely	Tydings
Burke	Harrison	Norbeck	Vandenberg
Byrd	Hastings	Norris	Van Nuys
Byrnes	Hatch	Nye	Wagner
Capper	Hayden	O'Mahoney	Walsh
Caraway	Johnson	Overton	Wheeler
Chavez	Keyes	Pittman	White
Clark	King	Pope	
Connally	La Follette	Radcliffe	

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present.

Mr. NORRIS. The article goes on as follows:

The broadsides came close on the heels of the really tremendous celebration at Knoxville, May 17, of the second birthday of the Authority, when thousands shouted themselves hoarse in a wave of enthusiasm rarely approached since Armistice Day. Chattanooga sent a big delegation to the fete, including a float for the parade, and practically all of the upper half of the valley was represented for the occasion. More than 6,000 were served at the appreciation barbecue.

And then came the double smash of Comptroller General John R. McCarl, and the revelation before the House Military Affairs Committee that in its efforts to forestall any expansion of the Aluminum Co. of America power program in this area the Authority had done a little bit of land-shark practices in buying two small tracts in North Carolina directly in the path of the proposed new aluminum company dams.

Let me digress at that point, Mr. President, since reference is made here to the broadsides which came from the Comptroller General's office, to say that I understand the Comp-

troller General saw fit to give to the public on yesterday morning a letter he had written to me, but failed to include my answer to the letter. When I heard of it yesterday, I immediately notified my secretary to secure publicity also for my answer. The newspapers, however, have given but very little attention to it. Last night's newspapers, which I saw, gave no attention to anything I said in my answer.

In order that the whole matter may now receive publicity, I ask unanimous consent, Mr. President, at this point in my address to have printed in the RECORD, not only the Comptroller General's letter but my answer as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letters are as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, May 22, 1935.

Hon. GEORGE W. NORRIS,
United States Senate.

MY DEAR SENATOR: I read with deep interest your letter of the 13th instant with reference to the report of this office on its audit of the financial transactions of the Tennessee Valley Authority during the period from June 16, 1933, to June 30, 1934, copies of which were, as required by law, transmitted to the President and to the Authority, and, as you knew it would, your impression that the matters therein were of such nature or had been so improperly questioned in the audit as unjustly to cast reflection upon the honesty or efficiency of the directors of the Authority, gave me serious concern. While those with whom I have been associated on this work for nearly 14 years not infrequently have suffered abuse that normally would be expected to induce treatment in kind I have yet to learn of official action by one of them calculated to unjustly accuse or to in any manner unnecessarily question the honesty of official action. They must question any payment from public moneys not shown to have legal support. It is their duty. But all improper payments are not based upon dishonesty. Some are based upon the best of motives—but are still unauthorized by law.

The Tennessee Valley Authority is not, of course, a 3-man organization—the three directors—but is an organization of such vast proportions that necessarily much authority must be delegated to subordinates. Probably one of the most beneficial services the audit by the General Accounting Office will render will be to the directors of the Authority, in that subordinates will function with knowledge that their errors will be reflected to the directors in the audit report. An audit report that does not point out such errors as they appear of record would be of doubtful value. Even if they are in fact but errors and the record can be cured by the supplying of facts, it is best for all concerned that they be brought to light, and timely, for corrective action, else the facts may not be available in connection with some future examination.

The audit of the financial transactions of the Authority was directed to be conducted on identically the same basis as other audits are prosecuted by the General Accounting Office, and if the transactions could have been examined and acted upon in the usual manner, on submission of accounts to this office by the accountable officer or officers of the Authority, and under which exceptions found to be necessary would have been taken on transactions as reached, the Authority advised, and opportunity given to explain or adjust, rather than by the method of making report to the President and the directors as provided for by the Tennessee Valley Authority Act of 1933, such of the transactions questioned and which you now state appear from facts in your possession as susceptible of explanation, doubtless would have been promptly cleared away.

In connection with any use of public moneys if from the record it should appear that a particular Government obligation was only $300 but that a payment of $330 had been made an audit exception would be taken as of course, but such exception would not be intended as suggesting a theft of $30. Possibly some fact was omitted from the record. If so, and supplied, the exception would then be withdrawn and credit allowed. But if otherwise, the $30 would be for return to the Treasury.

Exceptions taken by the auditors to transactions of the Authority were so intended and if, as you suggest, the facts when supplied will warrant withdrawal of the exceptions so taken, you may be assured they will be promptly withdrawn and record made accordingly.

This office is not in a position, of course, to regulate the uses to which its audit action may be employed by others, or the interpretation that may be placed upon particular items excepted to. The fair way to consider the audit report would be in the light of its primary purpose and the terms of the statute under which made, and then as a whole and with knowledge that each exception taken therein is open to explanation or answer by the proper officials of the Authority.

It was an audit that was made by this office—not an investigation—and the records of the Authority were taken as found. Thus the audit report was not and was not intended to be an indictment but rather a pointing out of the material matters lacking of record to justify passing the transactions as conforming with the laws apparently applicable thereto.

That the directors of the Authority understand they have opportunity to make explanation of the matters excepted to in the audit report seems to appear from a letter I received from the chairman under date of April 20, 1935, as follows:

"I wish to acknowledge receipt of two copies of the report of audit of the transactions of the Tennessee Valley Authority for the period June 16, 1933, to June 30, 1934, transmitted with your letter of April 3, 1935.

"As this is the first such report we have received from you, we have no information as to the appropriate procedure for us to follow as the result of this report, but assume that it would be proper to review the entire report in order to form our own definite opinions on the points raised and then to arrange a conference to discuss it with you.

"A first reading of the report has developed a number of differences of opinion as to both the facts presented and the applicability of certain statutes or regulations to the operations of the Tennessee Valley Authority, and we believe that it would be mutually helpful if we could discuss them with you.

"I would appreciate receiving any suggestions which you may care to make in this connection. While we do not wish to unduly delay this matter, it is obvious that it will take considerable time to completely digest the report, but we will be glad to meet your convenience if you will set a definite date for a conference."

I responded to said letter on May 4, 1935, as follows:

"There was received your letter of April 20, 1935, asking to be informed 'as to the appropriate procedure for us to follow' in connection with an audit report of this office of the transactions of the Tennessee Valley Authority for the period June 16, 1933, to June 30, 1934. You state it is assumed 'it would be proper to review the entire report in order to form our own definite opinions on the points raised and then to arrange a conference to discuss it with you.'

"The usual procedure upon such audit reports is for the agency whose transactions it concerns to carefully examine into the matters as to which exception has been taken, and either make corrections to satisfy such exceptions, advising this Office accordingly, or justify the transactions in a document for filing with the retained copy of the audit report in this Office. It would be highly desirable, of course, to have all exceptions believed necessary by this Office and raised in the audit report, fully adjusted either by corrections and adjustments or by satisfactory explanations, and record thereof filed here with the retained copy of the audit report. I hope you will find it possible to follow such course. However, if after making such careful examination of the transactions as to which this Office found it necessary to take exception you desire to talk with me, either before or after making your response thereto, please let me know and we will arrange to go over the matters on a day convenient for you."

Since the receipt of your letter I have searched for evidence of any reason or disposition, or even inclination on the part of the individuals, or any of them, who made the audit for this Office, to be hostile or in any manner unfair to the Tennessee Valley undertaking as authorized by the Act of 1933, or to the officials thereof, and have found nothing. I have found, however, a uniform conviction that many exceptions might have been avoided if those acting for the Authority had more carefully and wholeheartedly given effect to laws considered by this Office applicable to Authority transactions and designed to produce the best results and to minimize room for criticism, just or unjust, of transactions public in nature.

Seldom is there not ultimately exacted some accounting where a use of public moneys is involved. The orderly procedure and the one that apparently best serves the interests of all concerned is that of having accounts currently submitted to the Government's accounting officers for examination and settlement under the applicable laws. Such procedure not only permits of prompt application of the laws applicable to the particular transactions but affords assistance to administration in keeping within such laws. Where such procedure is avoided, however, there seems usually to result, eventually, a congressional inquiry or other like examination into the transactions, and when such inquiry is made long after the transactions and of an activity operating without an effective audit by an independent governmental agency, the records are frequently found so incomplete as to leave in doubt many transactions that in fact may have been quite regular and lawful with negligence only in making, and timely, a proper record, a condition unsatisfactory to all concerned and possibly damaging in effect.

Since the matter of audit exceptions to Authority transactions has thus been brought forward and given quite unusual and unexpected prominence, due possibly to the existence of divergent views as to certain basic matters in the undertaking, it seems proper for me to here point out that while this Office has, of course, no responsibility with respect to legislation, when an undertaking has been determined upon by the Congress, with legislation accordingly, it is a responsibility of this Office to give effect to the law with respect to the uses of the public moneys that may be involved, and when the Tennessee Valley Authority Act of 1933 became law it was examined to ascertain the duties of this Office thereunder. It was an unusual enactment in that while a corporate form of agency was employed the enactment contained much detail as to just what such agency might and might not do. It was repeatedly referred to therein as a Government agency and as an instrumentality of the Government, and great care apparently was exercised both in the provisions of the basic law

and in the terms of the appropriation supplying it its first $50,000,000, to enumerate specifically certain authorities it might exercise and which in general may only be exercised within the Government when so specifically authorized by law. For instance, authority was specifically given to employ and fix salaries without regard to the provisions of the Civil Service rules and regulations applicable to officers and employees of the United States, for purchase of lands, printing and binding, law books, books of reference, newspapers, periodicals, purchase, maintenance, and operation of passenger-carrying vehicles, rent in the District of Columbia and elsewhere, etc. There was required among other things that the net proceeds derived from the sale of power, etc., be paid into the Treasury of the United States each year, and that—

"All general penal statutes relating to the larceny, embezzlement, conversion, or to the improper handling, retention, use, or disposal of public moneys or property of the United States, shall apply to the moneys and property of the Corporation and to moneys and properties of the United States intrusted to the Corporation."

There was thus vested authority in the Corporation but authority was not specifically granted to disregard all laws applicable to the manner of conducting the public business and involving the paying out of public moneys. For instance, specifice authority was not granted to disregard, among other laws, the "Buy-America" law, the Government travel regulations issued by the President in pursuance of law, or the provisions of section 3709, Revised Statutes, which contemplates open competitive bidding on public needs and requires acceptance of the low bid offering to supply the need.

In such circumstances, the agency while corporate in form being in fact an agency and instrumentality of the Government and employing none but Government moneys, there would seem a clear responsibility on those administering the trust to observe the laws enacted for the orderly and safe conduct of the public business where no specific exemption had been granted. Such has been the view of this Office and from the beginning it has resisted the contention that the Authority, by reason of its corporate status, is free to disregard such laws.

Even if there were room for doubt as to applicability of such laws to the financial transactions of the Authority surely they are wholesome laws, and surely too, by their observance the public interest is best served, yet, the officials of the Authority have adopted the view that they are not required to observe the provisions of section 3709, Revised Statutes, and naturally, if, in view of the many purchases they are constantly making and the large amounts involved, they may disregard the statute that has for so long safeguarded the public interest in purchases aggregating hundreds of times the amounts the Authority will expend even during the next 50 years, then there has granted the Corporation a breadth of authority over a vast sum of public money far beyond, in my judgment, than as realized or intended by a major portion of those who supported the legislation.

True, the Authority has and quite generally, I believe, followed a plan of requesting bids, but it has claimed the right to accept other than the low bid meeting the need as specified, when, in the judgment of the officers of the Authority, a higher bidder offers that which in their judgment is a better buy. This, clearly, is out of line with the law because there has been no open competition with respect to superior articles or devices. The need, as disclosed by the specifications, being fully met by a cheaper article or device, it would be but folly for those having similar but superior articles or devices, and more costly, to bid—it would be, normally, merely a waste of time. The actual need being as specified, then the low bidder offering to supply such need should be accepted. It is for assuming, of course, that the officers of the Authority know their actual needs and are capable of reflecting such needs in requests for bids. If it should develop in any instance, however, that the specifications submitted for bids fail to reflect the actual need, then the request for bids should be withdrawn, the specifications amended, and again submitted for bids—this and not the procedure of permitting bids and with repudiation of the specifications, the accepting of other than the low bid meeting the specifications.

Failure in strict observance of the clear requirements of section 3709, Revised Statutes, in the uses of public moneys, frequently results in waste and always leaves room for charges of favoritism. Its clear purposes are: (1) to secure for the Government the benefits of open competitive bidding on its needs; (2) to permit all citizens equal opportunity to bid on the need as disclosed by the specifications submitted for bids; and (3) to insure against favoritism, or worse, in the transacting of the public business.

From the beginning, this office has urged upon the officials of the Authority the importance and necessity of close observance of this statute in the discharge of their trust, but the response has invariably been that such law is not applicable to them, and that they must have the freedom a private corporation enjoys in using its moneys in making purchases. The single but all-important difference is that the private corporation is using its own moneys and here the officers of the Tennessee Valley Authority are expending public moneys in performing a public trust.

I think the officials of the Authority will admit the unceasing urgings, by this office, that they keep within the law.

This office even suggested a keeping of its auditors constantly at the offices of the Authority, and a pre-audit procedure (audit before payment) so as better to guard against improper practices and other than strictly lawful uses of the public moneys, but this was not acceptable unless this office would concede full and final authority in the corporation officials to make expenditures as dictated by their judgment and regardless of the laws applicable and controlling in the view of this office. This, of course, could not be agreed to.

Other laws viewed by this Office as applicable to transactions of the Tennessee Valley Authority could be discussed but the matters stated with respect to section 3709, Revised Statutes, will serve to reflect the attitude of Authority officials as to the freedom from statutory restraints they contend for and have insisted upon. It is a matter the Congress might easily clarify and this office is hopeful it will do so.

In the meantime and inasmuch as the Congerss has in much detail acted with respect to many of the regulatory laws generally applicable to the transacting of the public business, but has failed to specifically exempt the officials of the Authority from other similar laws—some of which apparently would serve beneficially—and in view of the fact that if the undertaking possesses the merit as apparently so confidently believed by its sponsors, its accomplishment should not be handicapped by administrative conduct unnecessarily open to question and even charges of waste and favoritism, this Office will continue to insist upon observance by the officials of the Authority of the laws regulating the transacting of the public business and involving the uses of public moneys from which such officials have not been specifically exempted by law, and in its audit of Authority transactions will continue to point out transactions where such laws have not been observed.

In view of the fact that the audit exceptions are now in a status for answer by the officials of the Authority—and that officially they are not before the Congress, its copy of the audit report not having been called for by formal action of either House—it might be considered improper for me to comment thereon until the officials of the Authority have supplied their explanations and opportunity has been had to give such explanations consideration. And in such connection this Office has considered that until the Authority officials have been permitted reasonable opportunity to supply their explanations it would be untimely for it to undertake determination whether there are any matters for reporting to the President and the Congress under that portion of section 9 (b) of the Tennessee Valley Authority Act of 1933, reading as follows:

"The Comptroller General shall make special report to the President of the United States and to the Congress of any transaction or condition found by him to be in conflict with the powers or duties intrusted to the Corporation by law."

In response to a request by the Committee on Military Affairs of the House of Representatives I appeared before that committee yesterday and while I felt it necessary to decline to discuss the audit exceptions until the officials of the Authority had been permitted reasonable opportunity to reply thereto to this Office, and so explained to the commitee, I felt it quite proper to say, and so stated to the committee, that nothing had been suggested to me even intimating fraud on the part of any director of the Corporation. I felt it proper to state also, that in my judgment the matter of the status of the corporation with respect to regulatory statutes should be clarified by appropriate legislation.

Cordially yours,

J. R. McCARL,
Comptroller General of the United States.

MAY 25, 1935.

Hon. J. R. McCARL,
Comptroller General of the United States.

MY DEAR MR. McCARL: I have your letter of May 22, 1935. This letter of yours is in answer to my letter of May 13, written with the idea of informing you of what seemed to me to be a great injustice in your official report regarding operations under the Tennessee Valley Act by officials of the Tennessee Valley Authority. Some statements in this report were so unjust, so unfair, and some of them so untrue, that it seemed to me surely you had been misinformed by your subordinates in regard to them. The insinuations contained in your report were so damaging to the reputation, the character, the honesty, and the integrity of the officials of the Tennessee Valley Authority that I did not believe you knowingly would be a party to such injustice. I took it for granted that your subordinates had not fully informed you as to the facts. Since I have read your letter and have also read your testimony, given a few days ago before the Military Affairs Committee of the House, I must reluctantly conclude that you not only officially approve the conduct of your subordinates but that you do so in the light of the fact that you knew when you wrote your report that some of the allegations had no basis of fact.

In my former letter I called your attention to a few specific instances. In your reply you have totally ignored these particular matters. Take, for example, the case referred to in my letter of the purchase of furniture for the office of the Tennessee Valley Authority in Knoxville. The bid of the Roberts Co. was accepted by the Tennessee Valley Authority, and the desks included in the bid were purchased. In this bid of the Roberts Co. there was one type of desk for $24, another type for $29, and a third type for $34. These prices were f. o. b. shipping point. But when the desks were shipped to the Tennessee Valley Authority at Knoxville, the Roberts Co. paid the freight to the storeroom of the Tennessee Valley Authority at Knoxville, Tenn. This made the type of desk for which $24 was bid, cost $26.95, delivered at

Knoxville; the type for which $29 was bid, cost $31.95; and the $34 desks cost $36.95. All this appears of record in the files of the Tennessee Valley Authority. The difference in cost between the price bid and the price paid for these desks was entirely made up of freight. This fact appears of record in the files to which your subordinates had access. It seems to me they must have known of this fact. If they did not know it, they were very careless in their work. Thus, what was made to appear from your report as petty grafting on the part of the officials turns out to be a perfectly legitimate transaction to which no honest man can take exception.

When this omission of duty on the part of your subordinates came to your attention, you should have been the first man to give official denial to any conclusion of fraud or dishonesty. The same thing can be said about many other transactions referred to in your report; likewise, so far as I have been able to examine your report, to practically all of the other criticisms.

The case of the payment of the fee of Mr. Huston Thompson for making an investigation is, in my opinion, worse than the desk illustration. The Tennessee Valley authorities in this case, which you criticize as a payment contrary to law, were entirely innocent and had nothing whatever to do, either directly or indirectly, with the appointment of Mr. Thompson to make this investigation. The investigation and appointment of persons to make it were specifically provided for in the Tennessee Valley Act. It was to investigate an alleged condition of wrong which took place before the passage of the Tennessee Valley Act, so that, even if the appointment of the investigator was contrary to law or morally wrong, the Tennessee Valley Authority had nothing whatever to do with it. Further than that, the appointment of Mr. Thompson to make this investigation was in thorough accordance with the statute. This appointment was provided for in section 17 of the act, as I wrote you in my letter of May 13. The Tennessee Valley Authority had nothing to do with it, either the appointment or the investigation. The only thing the T. V. A. was required to do was to pay the bill, when approved by the President of the United States.

This all appears of record. The pay was right and lawful, under the law, as you must admit if you will read the law, and the only possible objection to it is the fact that the expense of this investigation was paid by the Tennessee Valley Authority. It should never have been charged to the Tennessee Valley; it should have been paid out of the general funds of the Treasury of the United States. You have nevertheless seen fit, in your reply to my letter, to let this unjust accusation stand. You have not even referred to it in your reply.

I also referred in my letter to the complaint that Dr. Morgan had been illegally paid for expenses incurred in making investigations authorized by the President of the United States. You have not seen fit to even refer to this in your reply.

Another unjust insinuation in your report, but not, however, referred to in my letter of May 13, reads as follows:

"Notwithstanding that the original investment before the sale of the Warrior-Sheffield Line was approximately $137,000,000, and that the properties, etc., turned over to the Authority, on the basis of cost, amounted to nearly $133,000,000, such properties have been established on the books of the Tennessee Valley Authority at an arbitrary value of $51,000,000, or about 38 percent of cost."

This is a severe criticism of the Authority for placing this property on its books "at an arbitrary value." An examination of the Tennessee Valley Act, with which you are of course familiar, would clearly show the injustice and even the wickedness of this criticism. Everybody who is at all familiar with the history of Muscle Shoals legislation knows that the cost price of Wilson Dam and other activities was entirely above the value. Many of the improvements, at the time of the passage of the Tennessee Valley Act, were of little if any value.

For instance, the Warrior-Sheffield transmission line was sold by the Government to the Alabama Power Co. long before the Tennessee Valley Act was passed. There was a loss on its sale, but it was in accordance with a contract made with the Alabama Power Co. at the time it was constructed. Whether this was right or wrong, is entirely beside the question. It was done long before the Tennessee Valley Act was passed.

Nitrate plant no. 1 was a part of the governmental expenses in the development of Muscle Shoals. This was an entire loss, except as to the scrap value of the material in the plant. It never worked, although it was admitted by everybody to have been instigated honestly and with the best of intentions, to help win the war, in an endeavor to cheapen the cost of nitrates for explosive purposes. It was a complete failure. Nitrate plant no. 2, the Waco Quarry, and the railroad connecting Waco Quarry with nitrate plant no. 2, cost the Government many millions of dollars, something over $87,000,000, I think. But at the time the Tennessee Valley Act was passed, it had but very little value. It was out of date. It extracted nitrogen from the atmosphere by a system which was scientific at the time it was constructed, but later inventions and cheaper methods made it entirely impractical to operate, except in time of war, when expenses would be of little consideration. Everybody admitted the cost of the dam itself was much more than it was worth.

Congress took all of this into consideration when it passed the Tennessee Valley Act. Section 14 of the act reads as follows:

"The Board shall make a thorough investigation as to the present value of Dam No. 2, and the steam plants at nitrate plant no. 1, and the nitrate plant no. 2, and as to the cost of Cove Creek Dam, for the purpose of ascertaining how much of the value or the cost of said properties shall be allocated and charged up to (1) flood control, (2) navigation, (3) fertilizer, (4) national defense, and (5) the development of power. The findings thus made by the Board, when approved by the President of the United States, shall be final, and such findings shall thereafter be used in all allocation of value for the purpose of keeping the book value of said properties. In like manner the cost and book value of any dams, steam plants, or other similar improvements hereafter constructed and turned over to said Board for the purpose of control and management shall be ascertained and allocated."

You will notice, under this section, the Board was directed to find "the present value of Dam No. 2, and the steam plants at nitrate plant no. 1, and the nitrate plant no. 2", and the law fixed that value, when approved by the President, as the book value of these properties. You will note, also, that as to Cove Creek Dam, now known as "Norris Dam", and as to all other like improvements hereafter made, that cost of the improvements and not present value shall be taken into consideration and thus allocated, and these findings shall thereafter be the book value. So that the law itself very justly provided that the cost value of Dam No. 2 and other improvements existing at that place should not be the book value and that the price charged for electricity should be made upon present value of Dam No. 2. Thus, it appears perfectly clear from the law that what you call "an arbitrary value" is, after all, the value provided for by law.

With entire respect, I desire to suggest that your office has no authority now to question this statute. How unjust it would be if the Board were required to follow your suggestion and place the value for rate-making purposes of the Wilson Dam at what it cost, when everybody knows that under these circumstances none of these properties were worth what they actually cost in the first place.

The ordinary person, in reading the language quoted above, would draw the conclusion that you charge the Tennessee Valley Authority with having rigged its accounts and arbitrarily written down a property costing $133,000,000 to 38 percent of its cost. This is such an arbitrary and unreasonable insinuation that it almost looks as if you must be moved by some desire to injure, if not destroy, the entire usefulness of the Tennessee Valley Authority.

Another glaring illustration of telling only part of the truth is in the case of the so-called "Cassidy report." This man, Cassidy, spent 3 or 4 days in your office, going over your report. He was doing this to furnish ammunition to those who were opposed to the Tennessee Valley Authority. The accuracy of his report was questioned when it was brought before the committee.

Yesterday you appeared before the Committee on Military Affairs of the House. You said in substance that the Cassidy report was "substantially correct." If you had desired to be fair, it seems to me you would have gone farther and said that it did not tell all the story.

On page 3 of the Cassidy report is a very misleading table of figures. They may be correct, but they do not tell the whole story. The ordinary reader, looking over this table, gets the idea that on its power operations the Tennessee Valley Authority lost $62,910.17. This is tabulated from page 13 of your report. However, an examination of page 13 of your report discloses that on power the Authority had a profit of $56,911.63 and that on other activities it had a loss of $119,821.80. This made a loss of $62,910.17. The Cassidy report, without directly saying so, leads the reader to the opinion that this loss was on power, when as a matter of fact there was a profit on power of $56,911.63. If you had wanted to be fair before the committee, instead of giving your official approval to this Cassidy report, you certainly would have called attention to this misleading item, which is very important, and which is contained in the Cassidy report. You have again given the impression to the committee that you approved the Cassidy report, which, without giving all the figures, even, from your own report, conveys an entirely erroneous and false impression. It seems to me if you had wanted to be fair, you would have called attention, when testifying before the committee, to the fact that on the first page of the Cassidy report it says, "by Comptroller." Cassidy's name does not appear and the ordinary reader of the Cassidy report could reach no other conclusion except that it was a report made by you.

There are several other wrong and misleading statements in it, but it seems to me this one glaring instance of its unfairness should have been called to the attention of the committee by you, and that you should not have given to the world the statement that the Cassidy report was "substantially correct", when you must know that it conveys an impression that is not only wrong but false.

Yesterday, after the hearings were concluded before the Military Affairs Committee of the House, the committee went into executive session, and you went with them. I am told by what I believe to be reliable authority that in that executive session you made a strong plea for some amendment or some law which would place the Tennessee Valley Authority more completely under your domination and control. After your argument, the committee indefinitely postponed the pending legislation. I do not regard this pending legislation as very important; I have never regarded it as necessary, but I did think it was desirable. The opposition was based almost entirely upon opposition to the general Tennessee Valley Act.

I concede most frankly that any person has a perfect right, and I do not question it in any way, to be opposed to the Tennessee Valley Act, but even the opponents of the Tennessee Valley Au-

thority should be fair enough to admit that the act and the persons acting under it should be given a fair, honest, and unprejudiced opportunity to work out the problems provided for under the act. It is to be regretted that one holding your position, which is semijudicial, should be lending himself to the enemies of the Tennessee Valley Act and should officially give assistance to the unparalleled and unjust propaganda which is being spread over the country now by the Power Trust.

I have before me as I dictate one of the great newspapers of the United States. On the first page, in large type, running clear across the page, there is a flaming denunciation of the Tennessee Valley officials, intimating that they have been caught by you in dishonesty and corruption. Similar articles have appeared in hundreds of newspapers over the country. Your great office is referred to as backing up these charges of corruption. Men whose honesty, ability, and integrity have never before been questioned are now, because of these false impressions, believed by millions of people to be guilty of petty graft. The Power Trust and its emissaries, spread all over the United States, are looking anxiously for just such insinuations. They are delighted when their opposition to the Tennessee Valley Authority can be backed up with conclusions reached from reading your official report. The object of the whole thing is to discredit the Tennessee Valley Authority before the people of the United States, and to have them believe that this great undertaking is a failure because it is corrupt at the very head, and you are lending your official position to such disgraceful propaganda.

In your testimony given before the Military Affairs Committee of the House, May 21, 1935, you say:

"* * * I am trying to show you now some things you will have to take up in the future. I think we have gone long enough under this haphazard arrangement."

Your testimony further shows you are engaged in preparing an amendment to the law which will put the Tennessee Valley Authority more fully under your domination. While you admit in this same testimony that you have not found any fraud or corruption in the activities of the Tennessee Valley Authority, yet you seem to be fearful that unless they are put more completely in strait-jacket control by you, they will finally go wrong.

The testimony of Dr. Morgan shows (and so far as I know it stands uncontradicted by you or anyone else) that your interference with the activities of the Tennessee Valley Authority has cost it in the neighborhood of $500,000 up to this time. You have eleven auditors of your selection on their pay roll. If, by the amendment you are preparing, you will subject the Tennessee Valley Authority to the technical sections of statutes, taking away from them all discretion whatsoever and leaving to them no power to act until they have first submitted their proposition to you, you will, in effect, by such amendment, if enacted into law, defeat the entire object of the Tennessee Valley Act, and that is just what the enemies of the act want. That is just what the private power companies are trying to bring about.

On the one hand they will secure all manner of injunctions from the courts, precluding the Tennessee Valley Authority from doing anything; then, if anything does seep through these injunctions, they will find you ready to receive them, and to provide through all sorts of technicalities for holding up everything they do for 90 to 100 days, in order to ascertain whether the proposed act is, in your opinion, in conformity with the law. With injunctions on one side, and you with your redtape on the other, there will be little chance indeed for the Tennessee Valley Authority to be a success.

The testimony recently taken before the Military Affairs Committee of the House discloses that about a million dollars have already been spent up to this time in legal expense defending the Tennessee Valley Authority from various and numerous injunction suits. All this means that the price eventually charged to the consumer of electricity in the Tennessee Valley territory must be increased. The users of electricity must, after all, pay the bill, and if these technical activities raise this price too high, it will mean ruin to the whole thing, even though in the end the Tennessee Valley Authority wins all its lawsuits.

You desire to make your auditors, who are supposedly experts in that line, experts also in all engineering questions which may arise. Instead of merely auditing the books, you want these same auditors to decide engineering questions. They will tell the Tennessee Valley Authority what kind of cement mixer, for example, must be purchased. You will take away from the Authority all discretion to decide any engineering proposition where there may be doubt as to which of several courses to pursue, and have that important question settled by your auditors.

Already the emissaries of the Power Trust are spreading the idea over the country that the Tennessee Valley Authority, in its power activities, is running at a loss. While such a statement is, as a matter of fact, untrue, it would not be remarkable if it were true. If we continue as we are going now it will become true.

Right now thousands of horsepower are going to waste at Wilson Dam because the Tennessee Valley Authority is enjoined from selling the power. They have the power to sell; the municipalities want to buy it; an agreement is made upon the price. Everything is ready, but the injunction stops it all. There is no way, under the injunction, for the Tennessee Valley Authority to collect damage, if in the end they win the suit. The order for the injunction even includes a judgment against the Tennessee Valley Authority for the attorneys' fees on the other side. So while they have the power, they have the customers, and have agreed upon the price, their hands are tied. Of course, if such things continue indefinitely the Tennessee Valley must fail.

All these technical and conjured objections which are raised against the Tennessee Valley Authority are ostensibly for the promotion of efficiency and economy. If you have your way about it, it will increase the cost of every undertaking by many millions of dollars. All that in the face of the fact that in the great undertaking of building the Norris Dam and the Wheeler Dam results of economy and efficiency under the haphazard statute are being obtained which have never been equalled in the world in any similar or comparable undertaking, either by private or governmental authority. The Norris Dam is far ahead in schedule of the estimates made by the engineers of the War Department. Its cost is less than contemplated.

They are working their men shorter hours, providing them with better homes, and securing an efficiency of workmanship superior to any similar undertaking heretofore engaged in. Their camps are orderly, their regulations are fair, their pay is higher than in any similar undertaking of which we have any history. There are no gambling dens or disreputable houses of any kind in their camps. The leisure hours of the men are being spent, under the guidance of the Tennessee Valley Authority, in educational and other activities tending to make men and women better, and to promote a higher civilization.

All this has paid financially. It stands out as an example before the world. If it is not destroyed by technicalities and red tape, or by other means, it will be a milestone in human progress. The men who are bringing all this about are not scoundrels or dishonest men, they are not inexperienced or inefficient, and notwithstanding the impression which has gone out over the country from your own report that they are disreputable and petty grafters, they are, in reality, shining lights in the march of human progress.

Very truly yours,

(Signed) GEORGE W. NORRIS.

Mr. NORRIS. In submitting my letter, I think I should call attention to one possible misconstruction which might be placed upon it, and I wish to read one short paragraph from it.

In the course of my letter I said:

The testimony recently taken before the Military Affairs Committee of the House discloses that about a million dollars have already been spent up to this time in legal expense defending the Tennessee Valley Authority from various and numerous injunction suits.

This letter was dictated hurriedly. It was not intended for publication. It is given publicity only because I think I am compelled to give it publication, inasmuch as the Comptroller General has made public the letter to which it was a response. I do not mean to say—although the language might be construed to that effect—that a million dollars has been spent up to this date in attorneys' fees or in paying court costs. What I do mean to say is that as a result of the litigation already commenced and now pending, counting attorneys' fees, costs, and expenses, and adding thereto the loss to the T. V. A. by reason of being prevented by injunction, from selling power, the T. V. A. has suffered a damage in the neighborhood of $1,000,000, and that before the case is over and finally decided, even though it shall be won in the Supreme Court, there will be several million dollars of loss to the T. V. A., and, more than that, much loss to the 14 municipalities which, by the injunction, are deprived of the right to buy T. V. A. power, when under their contract they would get it for perhaps less than they are now paying, and what this injunction in reality compels them to continue to pay to the Alabama Power Co.

Mr. President, let me return to the New York Times article. It refers to the testimony before the House Military Affairs Committee. Farther on the article says:

But A. V. Davis, chairman of the board—

That means the board of the Aluminum Co. of America—

told the Congressional committee that if the T. V. A. policy of taking complete control of all power in the valley continues, the company will be forced to discontinue all plans for expansion, and may be compelled to pull up stakes and leave the scene.

It is known that the company has outlined an elaborate increase of its Alcoa plant—

And so forth. Farther on it says:

Many have felt that, in the end, the T. V. A. will be of far greater benefit through navigation, battling forest destruction, reforestating, stopping erosion, and otherwise helping the farmers, than through cheap power.

Whatever the outcome, the breaks of the present week have handicapped business in the valley area, and have made investors a little more reluctant to come in.

I have read portions of the article, on which I shall comment, for the purpose of showing that it is only a sample

of newspaper articles which have gone out over the country, in which a misconception of the truth is given, and in which by either not telling enough of what happened in the Military Affairs Committee, or telling something which did not happen there, or not giving a correct picture of what is set forth in Mr. McCarl's report, the attempt has been made to give to the American people an entirely erroneous and false conception of what the conditions really are.

The testimony of Mr. Davis, who is chairman of the board of the Aluminum Co. of America, as indicated by this article, as well as by everything else, is that he and his company were treated with the greatest of courtesy and respect by the committee and others. The idea which is sought to be conveyed is that this great company, the Aluminum Co. of America, is a philanthropic institution moved only by the love they bear for their fellow men, and that the corrupt and inhuman T. V. A. has come into the Tennessee Valley and tried to put them out of business, to the utter damage of the community, to the destruction of the very beneficial influence which would come about from the activities of the Aluminum Co.

Senators know a good deal about the Aluminum Co. of America. It has a monopoly on the aluminum business in the United States, if not in the world. It is a great combination taking its tribute from every kitchen in the United States and, as I shall show later on, a great deal of tribute is taken from the United States Government itself.

What are the facts which were misconstrued in regard to T. V. A. buying two pieces of land in the Little Tennessee Valley where it is expected eventually to build a dam which will store a lot of flood water?

Mr. Davis, before the committee, testified at considerable length, telling of the holdings of the Aluminum Corporation. They own, as I remember, 85 percent of all the land in the Little Tennessee Valley on the Tennessee River for more than 100 miles. There are four dam sites. They have already built three dams. One of those dam sites is at the head of a reservoir which will store flood waters necessary for the proper control of navigation of the Tennessee River, to minimize the damage from floods not only in the Tennessee River, but in the Mississippi Valley as well, all the way from the mouth of the Ohio River to the mouth of the Mississippi River.

Tennessee Valley Authority conceived the idea, and I think that conception clearly could be drawn from the law which we enacted last year setting up the Tennessee Valley Authority, that the United States Government through the Tennessee Valley Authority intended to make the Tennessee River navigable, that it intended to control the flood waters of the entire Tennessee Valley by proper dams upon the Tennessee River and its tributaries.

In the Little Tennessee River Valley there is an area where a dam—and it is one of the works which the Aluminum Co. of America expected to develop—will hold back a great deal of flood water. If it is properly managed, it will be of great assistance in the control of navigation and in the control of the flood waters of the Tennessee and Mississippi Rivers. Improperly managed, it may become a menace and do great damage. The T. V. A. thought that is the kind of dam the public out to own. A private party owning it, of course, very honestly and honorably would try to get the most money out of it that could be obtained, would let the reservoir fill up, and thus never be able to control a single flood. Such a private owner, if he were inclined to be malicious, might let the water out when it would do the greatest damage, when it would injure the power plants on the stream below.

There is no objection on the part of the T. V. A. nor the Government of the United States to the Aluminum Co. of America building all the dams it wants to on the Tennessee River if they will only agree that a flood-control dam shall be so managed and the water shall be so retained and so let out as to assist in the navigation of the Tennessee River and help, to the extent of the water in the reservoir, to control the flood waters of the Mississippi and Tennessee Rivers.

In order to bring about that cooperation, the T. V. A. bought two pieces of land there and paid for them. Because of that purchase they are charged with all manner of sins. I think it was a shrewd thing to do. It is the only instance of record of which I know where anybody was ever able to compel the Aluminum Co. of America to be fair, as I shall show a little later. Even in its activities with the Government it has been more powerful and greater than the Government itself. It is held out now by this article and similar articles published over the country that the Aluminum Co. of America is almost a philanthropic institution, moved only by the desire to help men become happier and everything to become better in the world.

To control the flood waters, not only of the Mississippi River, but of the Tennessee River, it is necessary to carry out a concise and intelligent plan for building dams to hold back the flood waters wherever God has made a great reservoir that will hold water.

Diverting for the moment, it would be an economic sin, for instance, as I have said many times on the floor of the Senate, if the Government had not undertaken the construction of the so-called "Norris Dam", but allowed a private corporation or person to undertake it. Why do I say that? Primarily that dam is a flood-control and navigation dam. It is at the mouth of a great reservoir, which when filled will hold 3,500,000 acre-feet of water. If properly handled, every year there must be let out enough of that water so there will be space and room to hold the next flood when it comes.

A private party—and I am speaking with perfect respect; I would do the same if I owned it, and any other Senator would do the same if he owned it—a private party would let the reservoir fill up to the top of the dam, and then get the regular flow of the stream and get the full head of the dam. The next flood which came would simply go over the dam and do as much damage as though there were no dam there. In other words, if we are going to control the floods of a stream we must let out enough water from the reservoirs to be ready to take care of the next flood. That water should be let out when the stream is low and the flood water should be retained when the stream is high in order to increase navigation and minimize the destructive possibilities of the flood waters. When the floods come there is enough space behind the dams to hold the water if there has been a proper and efficient handling of the dam and reservoir.

If the Aluminum Co. of America will agree that any flood-control dam they construct shall be regulated so that it will be able to take care of the flood waters that come, there will be no objection from anybody so far as I know to their building a dam and getting all the power or electricity they possibly can get. Certainly I should hail with delight the development and building of that dam by the Aluminum Co. of America if I knew that the flood waters of the Mississippi and the navigation of the Tennessee River were properly cared for by regulation in that dam.

Mr. Davis, in carrying out this idea of his company being a great benefit to humanity, testified before the committee that they were generating electricity in their works already there, and that they were selling it to the consumer for 3 mills a kilowatt-hour. That is his testimony, and I shall soon read it. That is the cheapest electric rate to consumers anywhere that I know of in the world. There is not any consumer that I know of anywhere who is getting electricity in his home at 3 mills a kilowatt-hour, and it seemed remarkable to me that it should be so when I took into consideration the past history of this great corporation. I did not think they had any such love as that for their fellow men.

Here is Mr. Davis' testimony:

Have you any other customers outside of the towns you have built up yourself?

Oh, yes; we supply quite a number of small towns down there—Maryville, Bryson City, and so forth.

You say that you generate this power at a cost of 3 mills per kilowatt-hour, and that you sell some of this power. What is the price to the consumer?

That is the question: "What is the price to the consumer?" this great philanthropist was asked, and here is his answer:

I am told that our rate is from 2 mills to 6 mills.

That is the price to the consumer. That is the impression left with the committee. That is the impression left with Congress. That is the impression left with the country; and the T. V. A. is going to spoil it all!

Mr. President, thinking that was unreasonable, I took occasion to see what rate was paid in the towns down there and whether Mr. Davis could not possibly be mistaken. Badin, N. C., is one of the towns where it is said they supply electricity to the consumer at from 2 to 6 mills per kilowatt-hour. Here are their rates as I got them officially from the Federal Power Commission. Instead of 2 mills or 6 mills, this is what the Federal Power Commission says as to the rates:

Nine cents—

Not mills—

Nine cents per kilowatt-hour for the first 100 kilowatt-hours used per month.
Seven cents per kilowatt-hour for the next 150 kilowatt-hours used per month.
Six cents per kilowatt-hour for the next 200-kilowatt-hours
Five cents per kilowatt-hour for all additional used per month.

So that the lowest rate of all is 5 cents, and the highest rate is 9 cents. That is quite a difference from 2 mills.

Here are some other towns that are supplied by this great corporation. This is a general charge, as I understand—and I get these figures from the Federal Power Commission—to all the towns in that vicinity:

Six and a half cents per kilowatt-hour for the first 25 kilowatt-hours.
Five cents per kilowatt-hour for the next 35 kilowatt-hours.
Three cents per kilowatt-hour for the next 140 kilowatt-hours.
One and a half cents—

Cents, now, not mills—

One and a half cents per kilowatt-hour over 200 kilowatt-hours.
Minimum bill $1 per month.

So I consider that we have a right to take even Mr. Davis' testimony with some reservations.

Who is Mr. Davis? He is the chairman of the board of the Aluminum Co. of America. The Aluminum Co. of America was incorporated July 29, 1925, as a reincorporation of a company of the same name incorporated in September 1888, in Pennsylvania. The statement I have here gives a history of its incorporation, and its growth, and what it is. I do not believe I will read the statement, summarize it, or ask to put it in the RECORD, because almost everybody has a rather concrete idea of what the Aluminum Co. of America is. It is Andrew J. Mellon's company. It is a Mellon corporation. It has been held by a United States Court to be a trust, to be a monopoly in restraint of trade. It never has been punished. It is too big to be punished. It is greater than the United States, and here was the chairman of its board of directors coming before the committee.

The day before he came he sent word that he was coming, and the report immediately spread, "The Lord is coming tomorrow!" Sure enough, the next day he came, and when he came, immediately there was a change in the atmosphere all around him. Poor Dr. Morgan was on the witness stand. He had been through a pretty hectic examination of 2 or 3 days. One member of the committee said the procedure was something like that of a police court. I was not there, and I do not know; but this man who had been trying to rob the great corporation had been on the witness stand, and when the Lord of the Little Tennessee River appeared upon the scene Dr. Morgan was thrust aside, he was pushed into a corner and covered up with a blanket, while this representative of the great Aluminum Co. of America took the stand and told the committee and the Congress and the country what his company had to have, and what this little cur had been doing to it in the way of trying to have it regulate navigation and assist in flood control; and he went on and testified as I have told you.

Let us see who Mr. Davis is.

Mr. Davis is chairman of the board of directors of the Aluminum Co. of America. He is also a director of the American Brake Shoe & Foundry Co. He is also a director of the Bucyrus Erie Co. He is also a director of the Canada Life Assurance Co. He is also a director of the International Power Securities Corporation. He is also a director of the Marine Midland Corporation. He is also a director—now, listen to this—of the Mellon National Bank at Pittsburgh. He lives in New York. He is also a director of the Niagara Hudson Power Corporation, about which we shall probably hear a good deal when we have the holding-company bill before us. He is also a director of the Pennsylvania Water & Power Co. He is also a director of the Union Savings Bank of Pittsburgh, another Mellon company. He is also a director of the Union Trust Co., of Pittsburgh, another Mellon company, and this man appeared before the committee, and they put everything else aside so as to hear him, and when he got through he passed on, and they took the blanket off Dr. Morgan and brought him forth again to put him through a hectic cross-examination.

What about the Aluminum Co.? On March 9, 1935—which was not very far back—a jury in the United States District Court at Hartford, Conn., awarded the Bausch Machine Tool Co., of Springfield, Mass., damages in the amount of $956,300 against the Aluminum Co. of America for violation of the Sherman antitrust law. It would not be remarkable if they had a judgment against them for that amount; that would not be any more than a judgment of 15 cents against one of us. The important fact is that it was a verdict rendered because the company violated the Sherman antitrust law.

Under the law these damages were trebled to $2,868,900 and a $300,000 counsel fee was also allowed, as provided in the Sherman law. The judge fixed the appeal bond at $3,200,000. The appeal will be heard in the United States Court of Appeals in New York on June 4.

I do not think the committee, the Congress, or the Senate ought to worry about this poor company being injured by the little T. V. A. company. It is a little David fighting a Goliath.

Here is an announcement made by the independent aluminum companies—what few there are—as to what happened in the criminal prosecution of Andrew W. Mellon by the Department of Justice as demanded by the independent aluminum industry as the result of the $3,000,000 triple damage verdict won against that monopoly in the United States district court at Hartford. The jury found the Aluminum Trust guilty of violating the Sherman antitrust law. The issues which are now being appealed were decided against the Aluminum Trust by the United States Circuit Court of Appeals a year ago, and the decision was upheld by the Supreme Court. The trial of the present case was charted by that decision.

After this decisive condemnation of the Aluminum Trust the National Recovery Administration can no longer refuse to impose upon that monopoly the strict code asked by the independent fabric dealers.

As a result of the Government's purchases of aluminum during the World War, through subcontractors, the Government contends that it was overcharged approximately $1,540,000. A suit to decide that issue is now pending in the United States Court of Claims. The Government's position in that suit is outlined in its amended counterclaim.

Here is the history of it. Early in the war, on July 2, 1917, Senator Reed, of Missouri, offered on the floor of the Senate an amendment to include aluminum and its products in the provisions of House bill 4961, a bill to provide further for the national security and defense by encouraging production, conserve the supply, and control the distribution of food products and fuel.

Senator Reed commented in the Senate on the fact that Arthur V. Davis, the same man who has testified before the

House committee, then president of the Aluminum Co., was also chairman of the Aluminum Committee of the Council of National Defense.

There we have Mr. Davis again. I have given his corporate connections. During the World War he was one of the dollar-a-year men. He was the president of the Aluminum Co. of America, and as a dollar-a-year man was chairman of the Aluminum Committee of the Council of National Defense.

The Government had to buy millions and millions of dollars' worth of aluminum during the war, and this man, Mr. Davis, was chairman of the Aluminum Committee of the Council of National Defense. So that he was the one who passed on every bid involving aluminum. He was one of the men who sold to the Government of the United States aluminum which his own corporation was making, and in the production of which it had a monopoly and in the production of which it controlled almost the entire world.

Later on, when the war was over, the Government commenced action against the Aluminum Co., and it has alleged these facts, showing that this man was the governmental agency, at a dollar a year, to buy aluminum, and that he bought aluminum of the Aluminum Co. of America, which was like buying aluminum from himself. The Government of the United States has alleged that in this way it was overcharged $1,540,000. The case is now pending in the courts. This is the great philanthropist who went before the committee and held up his white hands in holy horror at the T. V. A. trying to drive him out of the lower Mississippi River Valley.

If Senators will read the history of the Aluminum Co. of America they will find that, just as is alleged in the lawsuit now pending, they have bled everybody from the bottom to the top, not excepting the Government of the United States. So we ought to spare our tears, at least before we shed too many of them.

I quote again from former Senator Reed, who, referring to the Aluminum Co. of America, said on the floor of the Senate:

> It is now contracting with the Government of the United States at an advance over the price that it was charging last year, and that the man who was making the contract to all intents and purposes on behalf of the Government, and at the same time on behalf of his company, was Mr. Davis, who sits with the Council of Defense as an adviser making both sides of a contract.

So I might go on, Mr. President, almost to an unlimited extent, but it seems to me that when those facts are taken into consideration it will be realized that these corporations, most of them Mellon-controlled, are intertwined, interlocked by means of such men as Mr. Davis, who sits on the board of directors of all these corporations I have named, who has, intentionally or otherwise, given a false impression to the country, given a false idea to the committee and to the Congress, that they are engaged in such charitable work as furnishing electricity at from 2 to 6 mills to the consumer. If he should come back and say that by the consumer he meant the local corporation which was supplying the town, then it must be remembered that they owned that corporation. If they sold to a distributing corporation at from 2 to 6 mills, that distributing corporation, which is charging as high as 9 cents, was completely owned by the Aluminum Co. of America. So it does not make any difference whether they sold it to them at 1 cent, or gave it to them, or charged them a dollar for it. They owned the company which distributed it.

I do not think this language can be misinterpreted. He can say that somebody has given him the wrong information. He said he was told that their rate is from 2 to 6 mills when he was asked the question how much the consumer pays.

Mr. President, the Government must have control over the flood waters of the little Tennessee River and its tributaries if we are going to regulate the flood waters of the Mississippi and the Tennessee, and if we are going to make the Tennessee River navigable, otherwise it will be a failure. That is all this little David fighting this great Goliath was doing when he bought those two pieces of land. It is the only case on earth that I know of where anyone ever got ahead of the Aluminum Co. of America; and we ought to give those men a medal instead of censuring them all over the country and blaming them for interfering with the intentions of this great corporation, which owns 85 percent of the land for 100 miles on each side of the river. He did not say in his testimony that they were going to build that dam tomorrow or next year. There are four projected dams that they eventually will build after business develops enough so that it will be necessary.

I am not finding fault with the Aluminum Co. of America about that, but they wish to hold up four dams until they see, perhaps 50 years from now, whether or not they want to develop the property. In the meantime, nobody dares place a foot upon the property in order to undertake development.

We cannot advance in that way, Senators. That is not the way to develop a river and make it navigable. That is not the way to control the flood waters of the Mississippi. We never shall get anywhere if we attempt to do it in that way.

This great corporation, the Aluminum Co. of America, is not a child. I have before me a book entitled "Mellon's Millions", written by Mr. Harvey O'Connor. The book was published, I believe, in 1933 or 1932—I do not remember which year—but it is of recent publication. On page 390, Mr. O'Connor enumerates the corporations which are owned by the Aluminum Co. of America. There are between 50 and 60 of such corporations, all kinds of corporations, extending to a great extent over at least the eastern half of the United States, and there are some in Canada. I will read the names of some of them:

Alton & Southern Railroad.
Aluminum Co. of Canada, Ltd.
Aluminum Co. of Michigan.
Aluminum Co. of South America.
Aluminum Cooking Utensil Co.
Alcoa Ore Co.
Aluminum Seal Co.

And so on; showing, in fact, that they control all the aluminum of the United States. Another company they own is Aluminum Werke A.-G.

Other companies are the following:

Aluminum Die-Casting Corporation.
Aluminuum Die-Casting Corporation of Germany.
Aluminum Goods Manufacturing Co.
Aluminum Index Co.
Aluminum Manufacturers, Inc.
Aluminum Screw Machine Products Co.

They own companies also which are, according to their names, engaged in other businesses than aluminum. There are about 55 companies altogether. That gives them a monopoly by which they are enabled to fix the price of aluminum for every home in the United States, for every manufacturer that uses it, or the Government of the United States, which has bought millions and millions of dollars of it in its various operations.

This great corporation, greater than our own Government, comes before a committee and says, "The T. V. A. has bought two pieces of land in the name of the United States that we some day may want, or at least we desire it arranged so that no one else will ever get it." Mr. Davis says in his testimony they have 60,000 kilowatts of surplus power they are not now selling. If they would sell it at 3 mills to the consumer, they could sell as much as they ever could. Sixty thousand kilowatts means, in round numbers, 80,000 horsepower that even now the company are not using. They are making no promise that they are going to build this dam at any future time. They simply wish to have in the Little Tennessee River Valley a monopoly of water and the control of water and power, just as they now have a monopoly of aluminum practically all over the world. All over the country these pleas have gone forth that this poor company is being harassed by the T. V. A., when the only object they have, the only ground for the report, so far as I know, is the purchase of these two tracts of land concerning which the chairman of the T. V. A. himself said on the witness stand, "All we want is cooperation. All we want to know is that nobody else will control this great reservoir and let out

water when it will damage navigation, when it will interfere with flood water. We want it operated in coordination with a fair adjustment of all the waters of the Tennessee River and its tributaries. That is all we are asking."

That is all anybody ought to ask. It seems to me there ought to be no complaint against it. Yet in the exaggerated reports which have gone over the country, as the article I have read shows, the T. V. A. is held up as a monster, as a scoundrel, as someone unfair, as a land shark, this article says, trying to beat this poor, poverty-stricken aluminum monopoly controlled by Mr. Mellon.

Mr. President, because it relates to some of the activities of the T. V. A. I ask unanimous consent to print in the RECORD at the close of my remarks an address delivered last Friday night over the radio by Hon. JOHN E. RANKIN, of Mississippi, entitled "A Billion Dollar Overcharge." I desire to say to Senators that it is a most informing discussion of the billion-dollar overcharge by the Electric Trust of the United States which the consumers are paying. It shows that more than a billion dollars would be saved if the entire country were supplied with electricity at the price, for instance, paid by the citizens of Tacoma, Wash., or by the people of Ontario, and that more than a billion dollars is charged and collected in excess of what the public would have to pay if T. V. A. rates were in effect all over the United States.

The PRESIDING OFFICER. Without objection, the address referred to by the Senator from Nebraska will be printed in the RECORD.

The address is as follows:

A BILLION-DOLLAR OVERCHARGE FOR ELECTRIC LIGHTS AND POWER

My friends, if war were declared upon our country by an insulting foe, and that foe should demand, as a reward for its forbearance, a tribute of $1,000,000,000, to be raised by levying a tax upon every industry, every commercial enterprise, and every home, our people would rise as one man and drive that enemy from our shores.

Yet we have an adversary within our gates that is actually levying and collecting tribute amounting not to just $1,000,000,000 but to $1,000,000,000 every year that rolls round.

That adversary is the Power Trust, one of the greatest menaces of our day and generation.

Indeed, it has developed into one of the greatest rackets of modern times.

It is like a huge octopus, spreading its gigantic form over the entire country, winding its loathsome arms about every State capitol and about the National Capitol as well.

It has become a supergovernment that arrogates to itself and exercises the power of taxation, which, as you know, is the power to destroy.

It has influenced Presidents, controlled governors, dominated legislatures, frightened Congressmen, intimidated Senators, and corrupted courts. It is reaching its greedy tentacles not only into every factory and into every home but, as it were, into every light bulb, and is literally sucking the economic lifeblood from the ultimate consumers of electric lights and power—exacting tribute from the already overburdened people of this country through exorbitant light and power rates to the enormous amount of $1,000,000,000 a year.

From $20,000,000 to $30,000,000 annually are thus wrung from the helpless people in the average State of this Union.

You are paying your part; you are the victims; you pay this tribute every month, and if the Power Trust can have its way you will pay it as long as you live, and your children and grandchildren will continue to pay it long after you have passed away.

I see from the papers that the Power Trust, parading under the guise of protecting utility investors, announces that they have declared war. They are using their victims, the people on whom they have unloaded their worthless watered stocks, as a smoke screen—or probably I should say as shock troops—to bear the brunt of the battle as well as to pay the cost.

When these innocent investors finally wake up to what the Power Trust has done to them and come to understand what their rights and their remedies are, they will give that combination all the war they want without their having to declare war on Congress and on the country.

We are not attempting to destroy anybody's property. Wherever it has become necessary to buy any of the property of a power company, the Government has paid what that property was actually worth. The T. V. A. has done the same thing.

The Wheeler-Rayburn bill will not destroy the property of anyone, but it will help to protect innocent investors in the years to come. It will really enhance the actual value of stocks in legitimate operating companies by relieving them of the burdens of maintaining useless and expensive holding companies. The stocks in a corporation are simply worth the value of whatever property that corporation owns, and mere speculative revenues or gambling prospects are not to be considered as a part of its assets.

The power interests have attempted to base rates not upon the cost of production and distribution but upon the helpless consumers' ability to pay, and they have issued these watered stocks against their right or their ability to plunder the unprotected users of electric lights and power. In other words, they have issued preferred stocks against their right to hold you and your children in perpetual economic bondage, and have sold these watered stocks out to innocent investors, invariably under the most flagrant of false pretenses.

Now, when their scheme is exposed, and they are threatened with even-handed justice, in order to escape the wrath of these deluded purchasers, they come with feigned indignity and affected bravo and pretend to declare war.

Since they have declared this war against you and your Government, I have secured this time tonight to tell you what this war is about and to what extent you are involved. So far as I am concerned, I accept the gage of battle. I have enlisted for the duration of the conflict. I shall give no quarter and shall expect none. This must be a fight to the finish between the American people on the one hand and the Power Trust on the other.

As I said a moment ago, the users of electric lights and power in the United States are being overcharged $1,000,000,000 a year. Not one million but one thousand million dollars annually, wrung from the consumers of electric energy through exorbitant light and power rates, in spite of the fact that all the electric energy sold in the United States amounts to only about $1,900,000,000 a year.

We are fighting to get those rates reduced to what they should be in every State in the Union. I want to show what that would mean in dollars and cents to you people who have to pay the bills. I am not guessing at these figures; they have been carefully prepared from data collected through the power survey of the Federal Power Commission.

If these rates throughout the whole country were reduced to the T. V. A. rates, the domestic consumers would save $320,880,000 a year, the commercial consumers would save $279,300,000 a year, and the industrial consumers would save $193,689,000 a year.

All told, they would save $793,875,000 a year, on the basis of present consumption. That is about $200,000,000 more than the value of our entire cotton crop for 1934.

But the power interests tell you that the T. V. A. rates are too low. My answer is that they are too high, and that they will be reduced as the years go by.

Now, let's take the Tacoma, Wash., rates. At Tacoma they have a publicly owned plant worth between twenty and thirty millions of dollars, which they are paying for entirely from earnings from the electric energy sold. Their rates are even lower, as a whole, than the T. V. A. rates.

Let's see what the people of the United States who use electric lights and power would save in a year if they all paid the Tacoma rates. The residential consumers would save $286,416,000 a year, the commercial consumers would save $241,428,000 a year, the industrial consumers would save $270,954,000 a year. All told, they would save $798,798,000 a year, even on the basis of the present consumption. That is $250,000,000 more than the value of the entire wheat crop of the United States for the year 1934. Just think of the American people being overcharged every year for electric lights and power alone $250,000,000 more than the value of the entire wheat crop of the United States; and yet millions of our people, especially in the smaller towns and in the rural districts, are denied the use of any electric energy at all.

The average monthly domestic consumption of electricity throughout the United States is about 50 kilowatt-hours a month. In Tacoma it is 117 kilowatt-hours a month. At Tupelo, Miss., under the T. V. A. rates, it is 103 kilowatt-hours a month. So the chances are that if the American people were given lights and power at the Tacoma rates, or at the T. V. A. rates, they would more than double their domestic and probably their commercial, if not their industrial consumption, which would run this saving far above the billion-dollar mark.

Now, let's take the Canadian rates and compare what we are paying in the United States with the rates paid in Winnipeg and Ontario, Canada, and see what the difference would be. If we paid the same rates throughout the United States that are paid in Winnipeg, Canada, our domestic consumers would save $385,980,000 a year, our commercial consumers would save $357,900,000, and our industrial consumers would save $142,000,000 a year, or a total saving, even on the present consumption, of $885,880,000 a year.

While the average domestic consumption in the United States is less than 50 kilowatt-hours a month, the average domestic consumption in Winnipeg, Canada, is a little more than 375 kilowatt-hours a month. Their low rates in Winnipeg enable them to use adequate lights, operate their radios, water pumps, electric irons, electric churns, electric refrigerators, electric ranges, and electric radiators with which to heat their homes.

If the electric light and power rates throughout the United States were reduced to the Ontario rates, the 20,000,000 residential consumers in this country would save $390,516,000 a year, the commercial consumers would save $321,084,000 a year, the industrial consumers would save $267,955,000 a year. All told, they would save $979,555,000 a year on the basis of their present consumption.

But in Ontario the average domestic consumption is 155 kilowatt-hours a month, or about three times the average monthly consumption in the United States. Therefore, it is reasonable to suppose that if the American people were given the same electric light and power rates enjoyed by the citizens of Ontario, prob-

ably our domestic and commercial, if not our industrial, consumption would more than double, and would not only run this savings of $970,555,000 far above the billion-dollar mark but would undoubtedly run it to nearer the $2,000,000,000 mark. In other words, if the American people were given lights and power at the Ontario rates, it would really mean to them a saving of anywhere from one billion to two billion dollars a year.

You have no doubt heard and read many vicious attacks on the Tennessee Valley Authority. Do you know why. Have you ever stopped to think what crime the T. V. A. has committed to inspire these attacks? It has simply shown the American people what electric lights and power should cost, and the example it has set is forcing down light and power rates all over the land, to the benefit of you ultimate consumers. The example set by the T. V. A., together with the publicity given through the Federal Power Commission's rate survey, has already saved you people more than $100,000,000 a year.

I want to answer at this point some of the arguments the Power Trust is using against municipally owned plants. They tell you that municipal plants pay no taxes and that their average rates for all classes of service are 15 percent higher than the rates of privately owned utilities.

Now, let's examine the facts. We will take Birmingham, Ala., one of the hotbeds of the Power Trust. Let's compare the domestic rates in Birmingham, which is supplied by a private company, with the rates charged by the public plant at Tacoma, Wash. Although the Birmingham rates have been forced downward by the psychological effect of the T. V. A., and the publicity to which I referred, their rates are still so high as to make the following comparison between Birmingham and Tacoma, Wash., a complete answer to the power interests' contention against publicly owned plants.

In Birmingham, 25 kilowatt-hours a month costs a householder $1.55; in Tacoma, it costs $1.13. In Birmingham, 40 kilowatt-hours a month costs $2.30; in Tacoma, $1.80. In Birmingham, 250 kilowatt-hours a month costs $7.80; in Tacoma, $3.90. In Birmingham, 500 kilowatt-hours a month costs $12.55; while, in Tacoma, it costs $6.40.

Yet, with a gross revenue of $1,940,994, the Tacoma plant paid $145,575 taxes last year; gave to the city of Tacoma $200,545 worth of free service; set aside for depreciation $400,053; paid interest on its indebtedness to the amount of $435,332, and still made a net profit of $508,190; and at the same time gave the people of Tacoma the lowest light and power rates in the United States.

Let's take some more examples and compare rates of these private companies with the rates charged by publicly owned plants. I see before me here the rates of the public plant at Jacksonville, Fla., and the rates charged by the private power company in Miami, Fla.

Now remember, that Jacksonville is following a different policy from that pursued by Tacoma and the T. V. A., in that Jacksonville is maintaining its high-rate structure in order to turn revenues into the city treasury and reduce taxes. In Jacksonville, where they have a municipally owned plant, 25 kilowatt-hours a month cost a domestic consumer $1.75; in Miami, which is supplied by a private company, it costs $2.76; 40 kilowatt-hours a month in Jacksonville cost $2.80; in Miami, $4.18; in Jacksonville, 250 kilowatt-hours a month cost $7.95; in Miami, $10.40; in Jacksonville 500 kilowatt-hours a month cost $12.95; and in Miami, $15.40.

Yet with a gross revenue of $2,671,659, Jacksonville paid operating expenses amounting to $793,249 last year; paid taxes in the amount of $34,794, and then turned into the city treasury cash to the amount of $1,777,657. Jacksonville could reduce her rates to the T. V. A. rates, the Tacoma rates, or the Canadian rates, and still operate at a profit.

Now, let's compare the domestic rates in Kansas City, Kans., which is served by a public plant, with the rates in Scranton, Pa., which is served by a private company. In Kansas City, 25 kilowatt-hours a month cost a residential consumer $1.30; in Scranton it costs him $1.75; in Kansas City, 40 kilowatt-hours a month will cost $1.60; in Scranton, $2.80. In Kansas City, 100 kilowatt-hours a month cost $2.80; in Scranton it costs $5. One hundred and fifty kilowatt-hours in Kansas City cost $3.80; in Scranton it costs $6.50.

Yet the public plant in Kansas City, Kans., last year, with a total operating revenue of $1,667,801, paid $2,822 taxes; paid its operating expenses amounting to $1,036,205; gave to the city $54,373 in free service; set aside $386,471 for depreciation; paid interest on its indebtedness of $113,899, and still had a net income of $192,451.

In a front-page article in the New York Times this morning, the power interests of that State announce with a great deal of fanfare of trumpets a reduction of rates for the consumers of electric lights and power in New York City. The reductions they propose are simply ridiculous. The records shows that the average domestic consumer in New York uses only 35 kilowatt-hours a month. Now comes the Power Trust with this great blare of trumpets and announces a reduction to the average consumer of 5 cents a month. Such generosity certainly deserves all the publicity that can be given it by a great newspaper that publishes all the news that is fit to print.

Let's compare these new rates in New York City, which is supplied, of course, by these generous private power companies, with the rates of the public plant in Seattle, Wash. In New York City, under these new reduced rates, 25 kilowatt-hours a month cost a householder $1.75; in Seattle $1.40. In New York City, 40 kilowatt-hours a month cost $2.50; in Seattle, $2.20. In New York City, 100 kilowatt-hours a month cost $4.80; in Seattle, $3.40. In New York City, 150 kilowatt-hours a month cost $6.05; in Seattle $4.40. In New York City, 500 kilowatt-hours a month cost $13.05; in Seattle, $8.15.

Yet the public plant in Seattle last year, with a total operating revenue of $4,940,905, paid in taxes $125,643, paid its operating expenses amounting to $1,691,279, contributed $2,062 in cash to the city, gave free service to the city of Seattle to the amount of $837,371, set aside for depreciation $1,417,145, paid interest on its indebtedness of $1,374,694, and still had a net income of $344,276.

I have before me a volume of figures which show the advantages of publicly owned plants, but I will not take the time to read them all. I'll just take one more. I note that some fellow from Massachusetts has been attacking me through the New York Times because of my attitude on the power question. Let's see what grounds he has to complain.

If anyone will take the time to study the report made by the Federal Power Commission on electric light and power rates in Massachusetts he will realize that if there are any people anywhere who need relief from exorbitant light and power rates they are the people in the State of Massachusetts, especially in the smaller towns and in the rural districts. The rates in Boston are a little more reasonable. So let's compare them with the rates of the publicly owned plant in Los Angeles, Calif.

In Boston, where light and power is supplied by a private power company, 25 kilowatt-hours a month cost a householder $1.75; in Los Angeles, $1.20. In Boston, 40 kilowatt-hours a month cost $2.50; in Los Angeles, $1.81. In Boston, 150 kilowatt-hours cost $6.80; in Los Angeles, $4.56. In Boston, 500 kilowatt-hours a month cost $12.80, while in Los Angeles, $8.81.

Last year the public plant in Los Angeles, with a gross operating revenue of $14,300,019, paid its operating expenses amounting to $7,020,919, paid taxes amounting to $1,296,570, as well as free service amounting to $1,079,463, set aside $2,086,899 for depreciation, paid interest on its indebtedness to the amount of $1,528,385, and still had a net income of $3,670,091.

Yet the Power Trust would have you believe that these public plants pay no taxes, contribute nothing, charge higher rates than the private companies, and are operated at a loss.

The Power Trust attempts to block every movement we make to give the American people relief from exorbitant light and power rates. They have opposed the T. V. A. from the beginning. They have opposed the construction of the Quoddy project, the St. Lawrence project, the Boulder Dam, Peck, Bonneville, Grand Coulee, and all other public power projects on the flimsy pretext that there is no market for the power, telling the American people that we have a surplus of power now.

If we reduce rates all over the United States to the T. V. A. rates, the Tacoma rates, or the Canadian rates and make electricity available to everyone at rates based upon the cost of production and distribution so as to enable them to enjoy a liberal use of electric lights, operate their fans, refrigerators, electric pumps, radios, electric ranges, and other necessary appliances, and heat their homes with it, if necessary, as well as operate their business establishments and their industrial plants, then they will consume more power than all of these new projects and all existing plants can produce.

It is a significant fact that lower rates bring higher consumption. When the T. V. A. rates first went into effect at Tupelo the average domestic consumption was 42 kilowatt-hours a month. In 10 months it had increased to 103. The number of electric refrigerators increased from 195 to 559, the number of electric ranges from 15 to 150, and the commercial consumption of electric energy more than doubled.

The same thing has happened in all the other communities served with T. V. A. power. In the city of Amory, Miss., during the first 6 months their T. V. A. rates were in effect the number of electric refrigerators increased from 40 to 345.

Give the American people reasonable rates, based upon the actual cost of production and distribution, and there will be no surplus of power; they will consume many times our present supply. That will not only lighten the burdens of the domestic consumers and enable them to use sufficient electric appliances to enrich their homes and relieve them of their drudgery, but it will also stimulate industry, relieve the merchant and other commercial consumers, aid agriculture by taking light and hope to the distressed farmers of America, and will make our country a brighter, a richer, and a better place in which to live—not only today and tomorrow, but for centuries yet to come.

REGULATION OF FOOD, DRUGS, AND COSMETICS

The PRESIDING OFFICER. The question is on the motion of the Senator from New York to proceed to the consideration of Senate bill no. 5, known as "the pure food and drugs bill."

The motion was agreed to; and the Senate proceeded to consider the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded foods, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of foods, drink, drugs, and cosmetics, and for other purposes, which had been reported from the Committee on Commerce with amendments.

Mr. SCHALL. Mr. President, I desire to submit some observations at this time if I may have recognition.

Mr. COPELAND. Mr. President, may I appeal to the Senator from Minnesota to let us go forward with the bill?

It has been pending for 2 years. For the first time in that whole period we have come to some agreement regarding it. I dislike to have it go over even a day for fear we may fall apart during that time. I appeal to the Senator to let us proceed. I do not think it will take more than 15 or 20 minutes to complete consideration of the bill, if we have good luck.

Mr. SCHALL. If I may have the floor in the morning upon the convening of the Senate, that will answer my purpose.

Mr. COPELAND. Mr. President, before we proceed with the consideration of the bill, I ask unanimous consent to have two changes made in the report submitted by the committee. I had a telegram from the Senator from North Carolina [Mr. BAILEY], who is in Raleigh. He called my attention to two errors in the report. I ask that they be read at the desk and the report amended in that respect. Having made these amendments in the report, the Senator from North Carolina authorizes me to say he is in full accord regarding the bill and is anxious to have it passed. There are two amendments to the report.

Mr. BYRNES. Mr. President, is it the intention of the Senator to proceed with the consideration of the bill tonight?

Mr. COPELAND. Yes; it is.

Mr. BYRNES. I think we should have a quorum present if that is to be done. It is an important measure, and there may be some difference of opinion among Senators with reference to it. Senators ought to know what is about to be done. Therefore I make the point of no quorum.

Mr. McNARY. What is the point the Senator makes?

Mr. BYRNES. I make the point of no quorum, because I think Senators ought to have an opportunity to know what is taking place on the floor.

Mr. COPELAND. May I ask the Senator, if we proceed peaceably and apparently in harmony, will he not withhold his request for a quorum for a few minutes?

Mr. BYRNES. I think Members of the Senate ought to have an opportunity to be present. They can then determine whether the Senate is proceeding quietly and peaceably, as the Senator hopes it may do. The Senate did not proceed very peaceably or quietly when the bill was before the Senate on a prior occasion. I therefore insist upon my point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lewis	Robinson
Ashurst	Costigan	Logan	Russell
Austin	Couzens	Lonergan	Schall
Bachman	Dickinson	McAdoo	Schwellenbach
Bankhead	Dieterich	McGill	Sheppard
Barbour	Donahey	McKellar	Shipstead
Barkley	Fletcher	McNary	Smith
Bilbo	Frazier	Maloney	Steiwer
Black	George	Metcalf	Thomas, Okla.
Bone	Gerry	Minton	Thomas, Utah
Borah	Glass	Moore	Townsend
Brown	Gore	Murphy	Trammell
Bulkley	Guffey	Murray	Truman
Bulow	Hale	Neely	Tydings
Burke	Harrison	Norbeck	Vandenberg
Byrd	Hastings	Norris	Van Nuys
Byrnes	Hatch	Nye	Wagner
Capper	Hayden	O'Mahoney	Walsh
Caraway	Johnson	Overton	Wheeler
Chavez	Keyes	Pittman	White
Clark	King	Pope	
Connally	La Follette	Radcliffe	

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, a quorum is present.

Mr. COPELAND. Mr. President, I ask unanimous consent that the two brief amendments to the report may be noted in the RECORD and made to the report.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The changes referred to in the report of the Committee on Commerce (Rept. No. 646) are on page 8, before "paragraph (f)", to insert:

Much criticism has been launched at this provision on the ground that it applies to innocuous drugs for which extravagant therapeutic claims are made and which thus indirectly impair the patient's chance of recovery through his postponement of proper methods of treatment. The language does not relate to such products. It applies only to potent drugs which are per se harmful unless properly administered.

And on page 13 of the report, under the subhead, "Section 711. Seizure", second paragraph, after the words "the consumer is involved" and the period, to strike out—

Such danger might result from improper or insufficient directions for use of a potent drug; it may also follow the misbranding of an innocuous drug with false claims for a serious disease, which induce the patient to delay effective treatment until too late. In the latter example, the product of itself, if honestly sold, would not in any way endanger health but, even though it is innocuous, it may very definitely endanger health through misrepresentations made for it.

Mr. COPELAND. Mr. President, the bill has been reprinted in accordance with the consent of the Senate the other night. Everything that is new, or that is intended to be recommended for adoption, will be found printed in roman capitals. In some instances the roman capitals are stricken through, indicating that some previous action of the Senate will be set aside if the Senate shall agree to the proposed changes; and the parts where the roman capitals are not stricken through are the new parts of the bill.

I ask to have the additional amendments stated.

The PRESIDING OFFICER. The additional amendments will be stated.

The first additional amendment of the Committee on Commerce in the latest print of the bill was, under the heading "Definition of terms", on page 2, line 15, after the word "substances", to insert "and"; in the same line, after the word "preparations", to strike out "and devices"; in line 18, before the word "preparations", to insert "and"; and in the same line, after the word "preparations", to strike out the comma and the words "and devices", so as to read:

SEC. 201. As used in this act, unless the context otherwise indicates—

(a) The term "food" includes all substances and preparations used for, or entering into the composition of, food, drink, confectionery, chewing gum, or condiment for man or other animals.

(b) The term "drug", for the purposes of this act and not for the regulation of the legalized practice of the healing art, includes (1) all substances and preparations recognized in the United States Pharmacopoeia, Homoeopathic Pharmacopoeia of the United States, or National Formulary, or any supplement to any of them; and (2) all substances and preparations intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; and (3) all substances, and preparations, other than food and cosmetics, intended to affect the structure or any function of the body.

The amendment was agreed to.

The next amendment was, on page 2, after line 20, to insert:

(c) The term "device", for the purposes of this act and not for the regulation of the legalized practice of the healing arts, includes all devices intended (1) for the use in diagnosis, cure, mitigation, treatment, or prevention of diseases in man or other animals; and (2) to affect the structure or any function of the body.

The amendment was agreed to.

The next amendment was, on page 4, line 2, after the word "drug", to insert "device,", and in line 5, after the word "drug", to insert "device,", so as to read:

(i) The term "label" means the principal display or displays of written, printed, or graphic matter (1) upon any food, drug, device, or cosmetic, or the immediate container thereof, and (2) upon the outside container or wrapper, if any there be, of the retail package of any food, drug, device, or cosmetic.

The amendment was agreed to.

The next amendment was, on page 4, line 8, after the word "drug", to insert "device,", so as to read:

(j) The term "labeling" includes all labels and other written, printed, and graphic matter, in any form whatsoever, accompanying any food, drug, device, or cosmetic.

The amendment was agreed to.

The next amendment was, on page 4, line 19, after the word "drug", in the amendment heretofore agreed to, to insert "or device", and in line 20, after the word "distributed", to insert a semicolon and the words "and the term 'scientific opinion' means the opinion, within their respective fields, of competent pharmacologists, physiologists, or toxicologists", so as to read:

(l) The term "medical profession" means the legalized professions of the healing art; and the term "medical opinion" means the opinion, within their respective fields, of the practitioners of

any branch of the medical profession, the practice of which is licensed by law in the State or Territory where any drug or device, to which such opinion relates, is held, sold, or distributed; and the term "scientific opinion" means the opinion, within their respective fields, of competent pharmacologists, physiologists, or toxicologists.

The amendment was agreed to.

The next amendment was, under the subhead "Misbranded food", on page 10, line 6, in the amendment heretofore agreed to, after the word "Secretary", to strike out the colon and the following additional proviso: "*Provided further*, That truly proprietary food listed by the Secretary and not adulterated, otherwise misbranded, or falsely advertised within the meaning of this act shall be exempted from this paragraph", so as to read:

(i) If it is not subject to the provisions of paragraph (g) of this section and its label fails to bear (1) the common or usual name of the food, if any there be, and (2) in case it is fabricated from two or more ingredients the common or usual name of each such ingredient; except that spices, flavors, and colorings, other than those sold as such, may be designated as spices, flavors, and colorings without naming each: *Provided*, That, to the extent that compliance with the requirements of subdivision (2) of this paragraph is impracticable, by regulations promulgated by the Secretary.

The amendment was agreed to.

The next amendment was, under the subhead "Adulterated drugs", on page 16, line 10, after the word "its", to strike out "label bears"; in line 11, after the word "drug", in the amendment heretofore agreed to, to strike out "a statement indicating wherein its" and insert "standard of"; and in line 13, after the word "purity", to strike out "as determined by the tests or methods of assay applicable under this paragraph, differ from the standards therefor set forth in such compendium" and insert "be plainly stated on its label", so as to read:

(b) If its name is recognized in an official compendium, or if it purports to be a drug the name of which is so recognized, and it differs from the standard of strength, quality, or purity as determined by the tests or methods of assay set forth therein; except that whenever tests or methods of assay have not been prescribed therein, or such tests or methods of assay as are prescribed are insufficient, for determining whether or not such drug complies with such standard, the Secretary is hereby authorized to bring such fact to the attention of the appropriate body charged with the revision of such compendium, and if such body fails within a reasonable time to prescribe tests or methods of assay which are sufficient, then the Secretary may prescribe for the purposes of this act such tests or methods of assay by regulations as provided by sections 701 and 703. No drug shall be deemed to be adulterated under this paragraph because it differs from the standards of strength, quality, or purity therefor set forth in an official compendium, if its standard of strength, quality, and purity be plainly stated on its label. Whenever a drug is recognized in both the United States Pharmacopoeia and the Homeopathic Pharmacopoeia of the United States it shall be subject to the requirements of the United States Pharmacopoeia unless it is labeled and offered for sale as a homeopathic drug, in which case it shall be subject to the provisions of the Homeopathic Pharmacopoeia of the United States and not to those of the United States Pharmacopoeia.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, at this point there is, as I think the Senator from New York will agree, a typographical error. In line 13, page 16, I move to change the word "and" to "or."

Mr. COPELAND. That change should be made.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

The next amendment was, on page 17, after line 7, to insert the heading "Misbranded drugs and devices."

The amendment was agreed to.

The next amendment was, on page 17, line 9, after the word "drug", to insert "or device"; in line 15, before the word "by", to strike out "sustained" and insert "supported"; and in line 16, after the word "medical", to insert "or scientific", so as to read:

SEC. 402. A drug or device shall be deemed to be misbranded—

(a) If its labeling is false or misleading in any particular. Any representation concerning any effect of a drug or device shall be deemed to be false under this paragraph if such representation is not supported by demonstrable scientific facts or substantial and reliable medical or scientific opinion.

The amendment was agreed to.

The next amendment was, on page 18, line 20, after the figures "703", to insert "unless the derivative is clearly not habit forming", so as to read:

(e) If it is for use by man and contains any quantity of any of the following narcotic or hypnotic substances: Alpha eucaine, barbituric acid, beta eucaine, bromal, cannabis, carbomal, chloral, coca, cocaine, codeine, heroin, marihuana, morphine, opium, paraldehyde, peyote, sulphonmethane, or any substance chemically derived therefrom, or any other narcotic or hypnotic substance, which has been designated as habit forming by regulations as provided by sections 701 and 703 unless the derivative is clearly not habit forming, and, except when dispensed on the written order of a member of the medical profession, its label fails to bear the name and quantity or proportion of such substance or derivative and in juxtaposition therewith the statement "Warning—may be habit forming."

The amendment was agreed to.

The next amendment was, on page 19, line 1, after the word "it", to insert "is a drug and", so as to read:

(f) If it is a drug and is not designated solely by a name recognized in an official compendium and its label fails to bear (1) a common or usual name of the drug, if such there be; and (2), in case it is fabricated from two or more ingredients, the name of each active ingredient, including any alcohol: *Provided*, That, to the extent that compliance with the requirements of subdivision (2) of this paragraph is impracticable, exemptions shall be established by regulations promulgated by the Secretary.

The amendment was agreed to.

The next amendment was, on page 19, line 19, after the word "be", to strike out "prescribed by regulations, as provided by sections 701 and 703" and insert "adequate"; and on page 20, line 1, after the word "drug", to insert "or device", so as to read:

(g) If its labeling fails to bear plainly and conspicuously (1) complete and adequate directions for use, and (2) such warnings in such manner and form as may be adequate against use in such pathological conditions or by children where its use may be dangerous to health, or against unsafe dosage or methods or duration of administration or application: *Provided*, That where any requirement of subdivision (1) of this paragraph, as applied to any drug or device, is not necessary for the protection of the public health, the Secretary shall promulgate regulations, as provided by sections 701 and 703, exempting such drug from such requirement.

The amendment was agreed to.

The next amendment was, on page 21, line 4, before the word "its", to insert "it is a drug and", so as to read:

(j) If it is a drug and its container is so made, formed, or filled as to mislead the purchaser; or (2) if it is an imitation of another drug; or (3) if it is offered for sale under the name of another drug.

The amendment was agreed to.

The next amendment was, on page 22, after line 16, to strike out the following:

(j) If it purports to be or is represented as a germicide, bactericide, disinfectant, or antiseptic for any use on or within the body and its labeling fails to bear plainly and conspicuously adequate directions for such use, and when used as directed it does not have germicidal effect equivalent to phenol of a 1 to 80 aqueous dilution for 10 minutes at 37° C. when tested by a method prescribed by regulations as provided by sections 701 and 703: *Provided*, That no drug shall be deemed to be misbranded under this paragraph by reason of (1) failure of its labeling to bear adequate directions for a use indicated in advertising disseminated only to members of the medical and pharmaceutical professions, or appears only in scientific publications of these professions; or (2) its failure to have the germicidal effect required by this paragraph if its own standard of such effect is stated on its label and such drug is distributed for use solely by the medical profession.

(k) If it purports to be or is represented as an inhibitory antiseptic for any use as a wet dressing, ointment, dusting powder, or such other use as involves prolonged contact with the body and its labeling fails to bear plainly and conspicuously adequate directions for such use, and when used as indicated, it fails to prevent the growth of micro-organisms within the entire time of such use when tested by a method prescribed by regulations as provided by sections 701 and 703: *Provided*, That no drug shall be deemed to be misbranded under this paragraph by reason of failure of its labeling to bear adequate directions for a use indicated in advertising disseminated only to members of the medical and pharmaceutical profession, or appears only in scientific publications of these professions.

The amendment was agreed to.

The next amendment was, on page 24, after line 17, to insert:

(k) When construing and enforcing the provisions of this act with respect to labeling and advertisements, the term "antiseptic" shall be deemed to have the same meaning as the word "germi-

cide", except, however, in the case of a drug purporting to be, or represented as, an antiseptic for inhibitory use as a wet dressing, ointment, dusting powder, or such other use as involves prolonged contact with the body.

The amendment was agreed to.

The next amendment was, on page 25, line 7, after the word "drugs", to insert "and devices"; and in line 11, after the word "drugs", to insert "and devices", so as to read:

(1) The Secretary is hereby directed to promulgate regulations exempting from any labeling or packaging requirement of this act drugs and devices which are, in accordance with the practice of the trade, processed, labeled, or repacked in substantial quantities at establishments other than those where originally processed or packed, on condition that such drugs and devices are in conformity with the provisions of this act upon removal from such processing, labeling, or repacking establishment

The amendment was agreed to.

The next amendment was, on page 26, line 1, after the word "health", in the amendment heretofore agreed to, to strike out "under the conditions of use prescribed in the labeling or advertising thereof, or", so as to read:

CHAPTER V

ADULTERATED COSMETICS

SECTION 501. A cosmetic shall be deemed to be adulterated—

(a) If it bears or contains any poisonous or deleterious substance which may render it injurious to health under such conditions of use as are customary or usual.

The amendment was agreed to.

The next amendment was, under the subhead "Misbranded cosmetics", on page 26, line 25, after the word "particular", to insert a comma and "or if it is injurious to health under the conditions of use prescribed in the labeling or advertising thereof", so as to read:

SEC. 502. A cosmetic shall be deemed to be misbranded—

(a) If its labeling is false or misleading in any particular, or if it is injurious to health under the conditions of use prescribed in the labeling or advertising thereof.

The amendment was agreed to.

The next amendment was, under the subhead "False advertisement", on page 28, line 24, after the word "drug", to insert "device,"; on page 29, line 2, after the word "drug", to insert "or device"; in line 4, after the word "not", to strike out "sustained" and insert "supported"; and in line 6, after the word "medical", to insert "or scientific", so as to read:

SEC. 601. (a) An advertisement of a food, drug, device, or cosmetic shall be deemed to be false if it is false or misleading in any particular relevant to the purposes of this act regarding such food, drug, or cosmetic. Any representation concerning any effect of a drug or device shall be deemed to be false under this paragraph if such representation is not supported by demonstrable scientific facts or substantial and reliable medical or scientific opinion.

The amendment was agreed to.

The next amendment was, on page 29, line 11, after the word "drug" in the amendment heretofore agreed to, to insert "or device", and in line 24, after the word "drugs", to insert "or devices", so as to read:

(b) For the purposes of this act the advertisement of a drug or device representing it to have any therapeutic effect in the treatment of Bright's disease, cancer, tuberculosis, poliomyelitis (infantile paralysis), venereal diseases, heart and vascular diseases, shall be deemed to be false; except that no advertisement not in violation of paragraph (a) of this section shall be deemed to be false under this paragraph if it is disseminated only to members of the medical and pharmaceutical professions or appears only in the scientific periodicals of these professions, or is disseminated only for the purpose of public-health education by persons not commercially interested, directly or indirectly, in the sale of such drugs or devices.

The amendment was agreed to.

The next amendment was, on page 35, line 7, after the word "shall", to insert "fix the compensation of members and shall", and in line 11, after the word "drug", to insert "device,", so as to read:

(d) The term of office of members of the committees provided by paragraphs (a) and (b) of this section, other than members from the Administration, shall be 5 years; except that an appointment to fill a vacancy occurring before the expiration of a term shall be for the remainder of that term, and of the appointments first made to each committee after approval of this act, one shall be for 1 year, one for 2 years, one for 3 years, and one for 4 years, as shall be designated by the President in their respective appointments. The President shall fix the compensation of members and shall designate the chairmen of the committees. No person who is a member of the Department or who has or acquires a financial interest in the manufacture, advertising, or sale of any food, drug, device, or cosmetic shall be eligible to serve on the Committee on Public Health or as a member from the public on the Committee on Food Standards.

The amendment was agreed to.

The next amendment was, on page 37, after line 9, to strike out:

The regulations promulgated under section 701 (a) shall provide for the delivery of a representative part of an official sample of a food, drug, or cosmetic to the vendor thereof, if such sample is collected to determine by analysis whether it is adulterated within the meaning of this act and subject to any conditions and exceptions which are necessary for the purposes of this act and which are prescribed by such regulations.

The amendment was agreed to.

The next amendment was, under the subhead "Records of interstate shipment", on page 37, line 25, after the word "drugs", to insert "devices"; on page 38, line 5, after the word "drug", to insert "device"; in line 10, after the word "drug", to insert "device"; and in line 16, after the word "drugs", to insert "devices", so as to read:

SEC. 706. For the purpose of enforcing the provisions of this act, carriers engaged in interstate commerce, and persons receiving food, drugs, devices, or cosmetics in interstate commerce, shall, upon the request of an officer or employee duly designated by the Secretary, permit such officer or employee to have access to and to copy all records showing the movement in interstate commerce of any food, drug, device, or cosmetic, and the quantity, shipper, and consignee thereof; and it shall be unlawful for any such carrier or person to fail to permit such access to and copying of any such record so requested when such request is accompanied by a definite statement in writing specifying the nature or kind of food, drug, device, or cosmetic to which such request relates: *Provided*, That evidence obtained under this section shall not be used in a criminal prosecution of the person from whom obtained: *Provided further*, That carriers shall not be subject to the other provisions of this act by reason of their receipt, carriage, or delivery of food, drugs, devices, cosmetics, or advertising matter in the usual course of business as carriers: *Provided further*, That whenever in the opinion of the Secretary it is practical, he shall attempt to make the objective inspection of food packed in a Territory or possession of the United States at the first point of entry within the Territorial limits of the United States.

The amendment was agreed to.

The next amendment was, on page 41, line 7, after the word "drugs" in the amendment heretofore agreed to, to insert "devices"; in line 14, after the word "drugs", to insert "devices"; and in line 17, after the word "drugs", to insert "devices", so as to read:

SEC. 707. In order to prevent interstate commerce in adulterated or misbranded food, drugs, devices, or cosmetics for the purposes of safeguarding the public health and preventing deceit upon the purchasing public, officers, or employees duly designated by the Secretary, after first making reasonable request and obtaining permission of the owner, operator, or custodian thereof, are authorized (1) to enter any factory, warehouse, or establishment in which food, drugs, devices, or cosmetics are manufactured, processed, packed, or held for shipment in interstate commerce or are held after such shipment, or to enter any vehicle being used to transport such food, drugs, devices, or cosmetics in interstate commerce; and (2) to inspect such factory, warehouse, establishment, or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling therein. Any such owner, operator, or custodian who refuses such reasonable request shall be guilty of a misdemeanor and shall on conviction thereof, be subject to the penalties prescribed by section 708 (b) of this act.

The amendment was agreed to.

The next amendment was, at the top of page 42, to strike out the following:

(b) The several district courts of the United States are hereby vested with jurisdiction to order the disclosure of a private formula or a secret process in pursuance of an inspection made under this section, if and to the extent such disclosure is necessary for the purposes of this act, and in such case only.

The amendment was agreed to.

The next amendment was, under the subhead "Prohibited acts and penalties", on page 42, line 14, after the word "drug", to insert "device", so as to read:

SEC. 708. (a) The following acts and the causing thereof are hereby prohibited:

(1) The introduction or delivery for introduction into interstate commerce of any food, drug, device, or cosmetic that is adulterated or misbranded.

The amendment was agreed to.

The next amendment was, on page 42, line 17, after the word "drug", to insert "device", so as to read:

(2) The adulteration or misbranding of any food, drug, device, or cosmetic in interstate commerce.

The amendment was agreed to.

The next amendment was, on page 42, line 19, after the word "drug", to insert "device", so as to read:

(3) The receipt in interstate commerce of any food, drug, device, or cosmetic that is adulterated or misbranded, and the delivery or proffered delivery thereof in the original unbroken package for pay or otherwise.

The amendment was agreed to.

The next amendment was, on page 43, line 2, after the word "drugs", to insert "devices", so as to read:

(4) The dissemination of any false advertisement by United States mails, or in interstate commerce by radio broadcast or otherwise, for the purpose of inducing, directly or indirectly, the purchase of food, drugs, devices, or cosmetics.

The amendment was agreed to.

The next amendment was, on page 43, line 5, after the word "drugs", to insert "devices", so as to read:

(5) The dissemination of a false advertisement by any means for the purpose of inducing, directly or indirectly, the purchase of food, drugs, devices, or cosmetics in interstate commerce.

The amendment was agreed to.

The next amendment was, on page 44, line 8, after the word "fine", to insert a colon and the following proviso:

Provided, however, That any person who violates any of the provisions of subdivisions (4) or (5) of paragraph (a) of this section shall only be liable for and forfeit and pay a civil penalty of not more than $1,000, to be recovered by civil action in the district court within the district where the person resides or carries on business if (1) the violation does not involve imminent danger to health or gross deception, and (2) the violation is established by opinion evidence only.

The amendment was agreed to.

The next amendment was, on page 47, line 2, after the word "drug" in the amendment heretofore agreed to, to insert "device", and in line 10, after the word "drug", to insert "device", so as to read:

(e) No dealer shall be subject to the penalties of paragraph (b) of this section (1) for having received in interstate commerce any article of food, drug, device, or cosmetic and in good faith sold it as received unless he refuses to furnish on request of an officer or employee duly designated by the Secretary the name and address of the person from whom he purchased or received such article and all documents pertaining to the delivery of the article to him, or (2) if he establishes a guaranty or undertaking signed by the person residing in the United States from whom he received in good faith the article of food, drug, device, or cosmetic, or the advertising copy therefor, to the effect that such article is not adulterated or misbranded, and such copy is not false, within the meaning of this act, designating it. To afford protection, such guaranty or undertaking shall contain the name and address of the person furnishing such guaranty or undertaking, and such person shall be amenable to the prosecution and penalties which would attach in due course to the dealer under the provisions of this act. No retail dealer shall be prosecuted under this section for the dissemination, in good faith, of any advertisement offering for sale at his place of business any article which he does not distribute or sell in interstate commerce.

The amendment was agreed to.

The next amendment was, on page 49, line 20, in the heading after the word "Criminal", to insert "and Civil Penalty", so as to make the subhead read:

Institution of Criminal and Civil Penalty Proceedings.

The amendment was agreed to.

The next amendment was, on page 50, line 7, after the word "thereunder" in the amendment heretofore agreed to, to insert a comma and "or for the institution of civil penalty action under section 708 (B)"; in line 18, before the word "injunction", to strike out "or"; and in line 19, after the word "proceedings", to insert "or civil penalty action,", so as to read:

SEC. 710. Before reporting any violation of this act to any United States attorney for institution of criminal proceedings thereunder, or for the institution of civil penalty action under section 708 (B), the Secretary shall, in accordance with regulations prescribed by him, afford appropriate notice and opportunity for hearing to interested persons (1) for hearing upon the question of such violation; and (2) for hearing to review his tentative decision to make such report, upon cause shown satisfactory to the Secretary. The report shall be accompanied by findings of the appropriate officers and employees duly authenticated under their oaths. Nothing in this act shall be construed as requiring the Secretary to report for prosecution or for the institution of libel, injunction proceedings, or civil penalty action, minor violations of this act whenever he believes that the purposes of the act can best be accomplished by a suitable written notice or warning.

The amendment was agreed to.

The next amendment was, on page 50, line 24, after the word "drug", to insert "device", so as to read:

SEIZURE

SEC. 711. (a) Any article of food, drug, device, or cosmetic that is adulterated or misbranded when introduced into or while in interstate commerce, or that has been manufactured, processed, or packed in a factory or establishment the operator of which did not at the time of manufacture, processing, or packing hold an unsuspended valid permit, if so required by regulations under section 305, shall be liable to be proceeded against while in interstate commerce or at any time thereafter on libel of information and condemned in any district court of the United States within the jurisdiction of which the article is found.

The amendment was agreed to.

The next amendment was, on page 51, line 10, after the word "found" to strike out the colon and the following proviso:

Provided, however, That not more than one seizure action shall be instituted in cases of alleged misbranding, except upon order to show cause, and then upon a showing by the Secretary that such article is misbranded in manner or degree as to render such article imminently dangerous to health, or that such alleged misbranding has been the basis of a prior judgment in favor of the United States in a criminal prosecution or libel for condemnation proceeding respecting such article under this act: *And provided further,* That said single seizure action shall, on motion, be removed for trial to a jurisdiction of reasonable proximity to the residence of the claimant of such article.

And in lieu thereof to insert the following:

Provided, however, That not more than one seizure shall be instituted in cases of alleged misbranding, except when the Secretary has probable cause to believe from facts found by him that such article is so misbranded as to render it imminently dangerous to health, or when such alleged misbranding has been the basis of a prior judgment in favor of the United States in a criminal prosecution or libel for condemnation proceeding under the act respecting such article: *And provided further,* That said single seizure action shall, on motion, be removed for trial to the jurisdiction of the claimant's residence.

The amendment was agreed to.

The next amendment was, on page 53, line 13, after the word "cause" and the period, in the amendment heretofore agreed to, to strike out the following:

The article shall be liable to seizure by process pursuant to the libel; but if a chief of station or other employee of the Administration, duly designated by the Secretary, has probable cause to believe from facts found by him and duly reported to the Secretary that such article is so adulterated as to be imminently dangerous to health, then, and in such case only, the article shall be liable to seizure by such chief of station or employee, who shall promptly report the facts to the proper United States attorney. Such United States attorney shall file a libel of information for condemnation of the article so seized. If the court in which the libel was filed shall find that there was probable cause for such seizure, it shall issue a certificate of probable cause.

The amendment was agreed to.

The next amendment was, on page 54, after line 9, to strike out:

(b) If, in any proceeding against any chief of station or other officer or employee by reason of a seizure pursuant to paragraph (a), subdivision (2) of this section, the court shall find that there was probable cause for the seizure, or if a certificate of probable cause has been issued in the condemnation proceedings, then, in the event of a judgment against such officer or employee, the amount thereof shall, upon final judgment, be paid out of appropriations made for the administration of this act.

The amendment was agreed to.

The next amendment was, on page 54, after line 23, to insert:

(b) The article shall be liable to seizure by process pursuant to the libel, and the procedure in cases under this section shall conform, as nearly as may be, to the procedure in admiralty; except that either party may demand trial by jury of any issue of fact joined in any such case. In cases of articles of food, drugs, devices, or cosmetics seized under the provisions of this section when the same issues of adulteration or misbranding under the provisions of this act, raised by the same claimant, are pending

in various jurisdictions the United States District Court for any district where one of such seizures is pending, or for the district of the claimant's residence, is hereby vested with jurisdiction to consolidate and try such cases; and on application of the claimant, seasonably made, such cases may be tried in any such jurisdiction of the claimant's choice.

The amendment was agreed to.

The next amendment was, on page 56, line 5, after the word "drug", to insert "device", so as to read:

(d) Any food, drug, device, or cosmetic condemned under this section shall, after entry of the decree, be disposed of by destruction or sale as the court may, in accordance with the provisions of this section, direct and the proceeds thereof, if sold, less the legal costs and charges, shall be paid into the Treasury of the United States; but such article shall not be sold under such decree contrary to the provisions of this act or the laws of the jurisdiction in which sold: *Provided*, That after entry of the decree and upon the payment of the costs of such proceedings and the execution of a good and sufficient bond conditioned that such article shall not be sold or disposed of contrary to the provisions of this act or the laws of any State or Territory in which sold, the court may by order direct that such article be delivered to the owner thereof to be destroyed or brought into compliance with the provisions of this act under the supervision of an officer or employee duly designated by the Secretary, and the expenses of such supervision shall be paid by the party obtaining release of the article under bond. Any article condemned by reason of the manufacturer, processor, or packer not holding an unsuspended valid permit when so required by regulations under section 305 shall be disposed of by destruction.

The amendment was agreed to.

The next amendment was, on page 57, after line 3, to strike out:

(e) The proceedings procedure in cases under this section shall conform, as nearly as may be, to the proceedings procedure in admiralty; except that either party may demand trial by jury of any issue of fact joined in any such case. In cases of articles of food, drugs, or cosmetics seized under the provisions of this section when the same issues of adulteration or misbranding under the provisions of this act, raised by the same claimant, are pending in various jurisdictions, the United States district court for any district where one of such seizures is pending, is hereby vested with jurisdiction to consolidate and try such cases separately; and on application of the claimant, seasonably made, such cases may be tried in the jurisdiction of his choice. Separate verdicts shall be rendered in each case and judgments entered on such verdicts in conformity with the provisions of this section, or in the United States district court in the district where his principal place of business is located.

The amendment was agreed to.

The next amendment was, on page 59, after line 23, to strike out:

(h) Notwithstanding the provisions of section 876 of the Revised Statutes for witnesses who are required to attend a court of the United States in any district in which cases from various jurisdictions are consolidated under this section may run into any other district.

The amendment was agreed to.

The next amendment was, under the subhead "Injunction proceedings", on page 60, line 15, after the word "drug", to insert "device"; in line 19, after the word "drugs", to insert "devices"; and in line 23, after the word "drugs", to insert "devices", so as to read:

SEC. 712. (a) In order to avoid multiplicity of criminal prosecutions or libel for condemnation proceedings, the district courts of the United States are hereby vested with jurisdiction for cause shown, to restrain by injunction, temporary or permanent, any person from the repetitious (1) introduction or causing to be introduced into interstate commerce of any adulterated or misbranded food, drug, device, or cosmetic; or (2) dissemination of or causing to be disseminated any false advertisement by United States mails, or in interstate commerce by radio-broadcast or otherwise, for the purpose of inducing, directly or indirectly, the purchase of food, drugs, devices, or cosmetics; or (3) dissemination of or causing to be disseminated a false advertisement by any means for the purpose of inducing, directly or indirectly, the purchase of food, drugs, devices, or cosmetics in interstate commerce. In such injunction proceedings it shall not be necessary to show on the part of such person an intent to continue the offense.

The amendment was agreed to.

The next amendment was, under the subhead "Duties of United States attorney", on page 62, line 2, after the name "United States" and the period, to insert:

Notwithstanding the provisions of section 876 of the Revised Statutes, subpenas for witnesses who are required to attend a court of the United States, in any district, may run into any other district in any proceeding under this act.

So as to read:

SEC. 713. It shall be the duty of each United States attorney to whom the Secretary reports any violation for institution of criminal, libel of information for condemnation, or other proceedings under this act, or to whom any health, food, or drug officer of any State or Territory, or political subdivision thereof, presents evidence satisfactory to the United States attorney of any such violation, to cause appropriate proceedings to be instituted in the proper courts of the United States without delay. All suits instituted under this act other than those pursuant to section 702 and section 711, paragraph (g), shall be by and in the name of the United States. Notwithstanding the provisions of section 876 of the Revised Statutes, subpenas for witnesses who are required to attend a court of the United States, in any district, may run into any other district in any proceeding under this act.

The amendment was agreed to.

The next amendment was, under the subhead "Imports and exports", on page 62, line 13, after the word "drugs", to insert "devices", so as to read:

SEC. 714. (a) The Secretary of the Treasury shall deliver to the Secretary of Agriculture upon his request, samples of food, drugs, devices, and cosmetics which are being imported or offered for import into the United States, giving notice thereof to the owner or consignee, who may appear before the Secretary of Agriculture and have the right to introduce testimony. If it appears from the examination of such samples or otherwise that (1) any false advertisement of such article has been disseminated in the United States by the importer or exporter thereof, or any person in privity with him, within 3 months prior to the date such article is offered for import, or (2) such article has been manufactured, processed, or packed under insanitary conditions, or (3) such article is forbidden or restricted in sale in the country in which it was produced or from which it was exported, or (4) such article is adulterated or misbranded, then such article shall be refused admission.

The amendment was agreed to.

The next amendment was, on page 63, line 24, after the word "drug", to insert "device", so as to read:

(d) A food, drug, device, or cosmetic intended for export shall not be deemed to be adulterated or misbranded under this act if it (1) accords to the specifications of the foreign purchaser, (2) complies with the laws of the country to which it is intended for export, and (3) is labeled on the outside of the shipping package with the words "For Export." But if such article is sold or offered for sale in domestic commerce, this paragraph shall not exempt it from any of the provisions of this act.

The amendment was agreed to.

The next amendment was, under the subhead "Publicity", on page 64, line 14, after the word "drugs", to insert "devices", so as to read:

SEC. 715. (a) The Secretary shall cause to be published from time to time reports summarizing all judgments, decrees, and court orders which have been rendered, including the nature of the charge and the disposition thereof.

(b) The Secretary may also cause to be disseminated information regarding food, drugs, devices, or cosmetics in cases involving imminent danger to health or gross deception of the consumer. Nothing in this section shall be construed to prohibit the Secretary from collecting, reporting, and illustrating the results of the investigations of the Department.

The amendment was agreed to.

The next amendment was, on page 66, line 10, after the word "act", to insert a colon and the following additional proviso: "*And provided further*, That nothing in this act shall impair or be construed to impair or diminish the powers of the Federal Trade Commission under existing law", so as to read:

EFFECTIVE DATE AND REPEALS

SEC. 717. (a) This act shall take effect 12 months after the date of approval. The Federal Food and Drugs Act of June 30, 1906, as amended (U. S. C., title 21, secs. 1–15), shall remain in force until such effective date, and, except as otherwise provided in this paragraph, is hereby repealed effective upon such date: *Provided*, That the provisions of sections 701 and 703 shall become effective on the approval of this act, and thereafter, the Secretary is authorized hereby to (1) conduct hearings and to promulgate regulations which shall become effective on or after the effective date of this act as the Secretary shall direct, and (2) designate prior to the effective date of this act food having common or usual names and exempt such food from the requirements of subdivision (2) of paragraph (i) of section 302 for a reasonable time to permit the formulation, promulgation, and effective application of definitions and standards of identity therefor as provided by sections 303, 701, and 703: *Provided further*, That the act of March 4, 1923 (U. S. C., title 21, sec. 6; 42 Stat. 1500, ch. 268), defining butter and providing a standard therefor, and the act of July 24, 1919 (U. S. C., title 21, sec. 10; 41 Stat. 271, ch. 26), defining wrapped meats as in package form, shall remain in force and effect

and be applicable to the provisions of this act: *And provided further,* That amendment to the Food and Drugs Act, section 10A, approved June 22, 1934, shall remain in force and effect and be applicable to the provisions of this act: *And provided further,* That nothing in this act shall impair or be construed to impair or diminish the powers of the Federal Trade Commission under existing law.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. If there be no further amendments, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "An act to prevent the adulteration, misbranding, and false advertising of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes."

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

Mr. WHEELER. I move that the Senate proceed to the consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. McNARY. Mr. President, the Senator from Montana has moved to take up what is known as the "holding-company bill." I desire to make a simple request, namely, that we do not take action on the motion until tomorrow morning, on account of the absence of some Senators who would like to be here when we consider the motion. I would appreciate that accommodation on the part of the Senator from Montana.

Mr. ROBINSON. I suggest that the motion be pending.

Mr. McNARY. That is what I have suggested. The Senator has made the motion, and I hope it will not be pressed until tomorrow.

Mr. WHEELER. Very well.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MOORE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations of midshipmen to be appointed officers in the Navy and the Marine Corps, which were referred to the Committee on Naval Affairs.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nominations of several officers in the Marine Corps and sundry officers in the Navy.

Mr. ASHURST, from the Committee on the Judiciary, reported favorably the nomination of James H. Baldwin, of Montana, to be United States district judge, district of Montana, to succeed George M. Bourquin, retired.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

THE JUDICIARY

The legislative clerk read the nomination of George H. Moore to be United States district judge, eastern district of Missouri.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. COUZENS. Mr. President, I was called out of the Chamber for a moment. What is the business before the Senate?

The PRESIDING OFFICER. The nomination of George H. Moore to be United States district judge for the eastern district of Missouri.

Mr. CLARK. Mr. President, I should like to make a request of the Senate, one which I very seldom make. This judgeship has been vacant for some 3 months, and it has thrown a very heavy burden upon the other judge in the district, to such an extent that he has been unable for several weeks to take any cases which would run more than 1 day. There is a very heavy docket in the district, and the situation presents a case of emergency. I therefore ask that the President be notified of the confirmation.

Mr. McNARY. Did the committee report the nomination unanimously?

Mr. CLARK. The committee reported unanimously; and the vacancy has existed for some 2 or 3 months.

Mr. McNARY. There is a congestion of the docket?

Mr. CLARK. There is very grave congestion of the docket, to such an extent that Judge Davis, the other judge, has been unable to consider any cases lasting more than a day.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri? The Chair hears none, and the President will be notified.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Wednesday, May 29, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 28 (legislative day of May 13), 1935

PROMOTIONS IN THE NAVY

The following-named midshipmen to be ensigns in the Navy, revocable for 2 years, from the 6th day of June 1935:

William C. Abhau	Lyle McK. Blohm
Benjamin E. Adams, Jr.	Cecil E. Blount
Samuel Adams	Albert M. Bontier
Elmer D. Anderson	Blake B. Booth
Nevett B. Atkins	Fred Borries, Jr.
Marshall H. Austin	Albert H. Bowker
Richard E. Babb	Peter F. Boyle
Leonard J. Baird	John H. Brandt
George T. Baker	Edward W. Bridewell
Fred E. Bakutis	Chester A. Briggs
Thomas A. Baldwin	Fenelon A. Brock
Sheldon E. Ball	James H. Brown
John J. Baranowski	Robert S. Burdick
Eugene A. Barham	Richard H. Burns
John S. Barleon, Jr.	George H. Cairnes
William R. Barnes	Turner F. Caldwell, Jr.
Frank L. Barrows	Grafton B. Campbell
Wilson R. Bartlett	Stephen W. Carpenter
Thomas S. Baskett	Briscoe Chipman
Louis H. Bauer	Gerald L. Christie
Ralph J. Baum	Bladen D. Claggett
Ralph R. Beacham	James S. Clark
Edwin S. Beggs, Jr.	William C. Clark
Bradley F. Bennett	Donald N. Clay
James A. Bentley	Giles D. Clift
John H. Besson, Jr.	Dale E. Cochran
Warren J. Bettens	Cyrus C. Cole

George L. Conkey
Charles W. Consolvo
John H. Cotten
George A. Crawford
John B. Crosby
Thomas D. Cummins
John O. Curtis
Slade D. Cutter
George E. Davis, Jr.
Joel A. Davis, Jr.
Arthur T. Decker
Edwin Denby, Jr.
Louis M. Detweiler
Roscoe F. Dillen, Jr.
Alva W. Dinwiddie
Sherwood H. Dodge
Raymond E. Doll
Robert E. Dornin
Joseph E. Dougherty
Nicholas G. Doukas
John G. Downing
Walter J. East, Jr.
Lawrence L. Edge
Allan C. Edmands
John H. Eichmann
Arthur V. Ely
John M. Ennis
Marion H. Eppes
Mark Eslick, Jr.
Richard M. Farrell
John J. Fee
Jack C. Ferguson
John N. Ferguson, Jr.
Oliver D. Finnigan, Jr.
Maurice F. Fitzgerald
James F. Fitzpatrick, Jr.
John J. Flachsenhar
John S. Fletcher
Eugene B. Fluckey
John J. Foote
Clifford S. Foster, Jr.
William J. Francis, Jr.
Mason B. Freeman
Ross E. Freeman
John S. C. Gabbert
Victor M. Gadrow
Norman D. Gage
William E. Gaillard
Francis M. Gambacorta
Earle G. Gardner, Jr.
Jesse B. Gay, Jr.
Noel A. M. Gayler
William J. Germershausen, Jr.
John D. Gerwick
Arthur A. Giesser
Thomas C. Gillmer
George D. Good
Alonzo D. Gorham
William P. Gruner, Jr.
William S. Guest
John A. Hack
Hubert B. Harden
Frederick J. Harlfinger, 2d
Richard E. Harmer
Dewitt A. Harrell
Charles L. Harris, Jr.
Martin T. Hatcher
Amos T. Hathaway
Philip F. Hauck
William H. Hazzard
Edwin H. Headland
John A. Heath
Walter F. Henry
Frank B. Herold
Franklin G. Hess
Grover S. Higginbotham
Ted A. Hilger
Louis R. Hird
Robert H. Holmes
Clark A. Hood, Jr.
Charles D. Hoover
Alexander C. Husband
William W. Hyland
Ronald K. Irving
Albert L. Carlson
Harold J. Islev-Petersen
Richard G. Jack
Robert W. Jackson
William G. Jackson, Jr.
Carter B. Jennings
Karl E. Johansson
James L. Johnston
Robert B. Kail
Constantine A. Karaberis
Carleton R. Kear, Jr.
Roger M. Keithly
Robert B. Kelly
John P. Kilroy
Manning M. Kimmel
Frederic W. Kinsley
Raleigh C. Kirkpatrick, Jr.
Doyen Klein
Roy C. Klinker
Horace C. Laird, Jr.
George S. Lambert
Clement E. Langlois
Charles B. Langston
Harold H. Larsen
George R. Lee
John M. Lee
John R. Lewis
Stanley W. Lipski
John G. Little, III
Weldon H. Lloyd
John H. Lofland, Jr.
Sam C. Loomis, Jr.
Richard B. Lynch
Dennis C. Lyndon
Thomas R. Mackie
Francis X. Maher, Jr.
Groome E. Marcus, Jr.
Constantine C. Mathas
Frederick R. Matthews
John H. Maurer
James L. P. McCallum
Irving G. McCann, Jr.
David H. McClintock
John W. McCormick
Clyde H. McCroskey, Jr.
Harold W. McDonald
Rhodam Y. McElroy, Jr.
Girard L. McEntee, Jr.
James F. McFadden
Richard McGowan
Harrison P. McIntire
William F. McLaren
Robert B. McLaughlin
John H. McQuilkin
Herman J. Mecklenburg
Ralph M. Metcalf
Edward A. Michel, Jr.
John R. Middleton, Jr.
George H. Mills, Jr.
James H. Mini
Keats E. Montross
Dwight L. Moody
Walter A. Moore, Jr.
William F. Morrison
Henry L. Muller
John F. Murdock
Charles H. S. Murphy
Kenneth F. Musick
David Nash
Arnold H. Newcomb
Clinton A. Neyman, Jr.
Alan McL. Nibbs
Samuel Nixdorff
James R. North
Warren E. Oliver
Edgar G. Osborn
Norman M. Ostergren
Edward C. Outlaw
Wyman H. Packard
Alton E. Paddock
Richard S. Paret
Edwin B. Parker, Jr.
Jefferson D. Parker
Raymond M. Parrish
John W. Payne, Jr.
Joe R. Penland
Marcus R. Peppard, Jr.
William F. Petrovic
George Philip, Jr.
Frederick N. Phillips, Jr.
Robert A. Phillips
Joseph P. Plichta
William T. Powell, Jr.
John J. Powers
Robert H. Prickett
John T. Probasco
Eugene S. Pulk
Arthur M. Purdy
Melvin E. Radcliffe
Ralph L. Ramey
Marion F. Ramirez de Arellano
Wilson G. Reifenrath
James H. Reniers, Jr.
Cassius D. Rhymes, Jr.
Tolbert A. Rice
Lynn G. Richards
Milton E. Ricketts
Robert E. Riera
Edward D. Robertson
Leslie E. Rosenberg
Bruce P. Ross
Stanley E. Ruehlow
Samuel O. Rush, Jr.
Albert T. Sadler
William S. Sampson
Kenneth J. Sanger
Ben W. Sarver, Jr.
Kenneth G. Schacht
Gordon E. Schecter
Louis E. Schmidt, Jr.
Lewis L. Schock, Jr.
Frederick R. Schrader
Edward B. Schutt
Edward F. Scott
James Scott, 2d.
Frank E. Sellers, Jr.
Walker A. Settle, Jr.
Jack M. Seymour
John N. Shaffer
Evan T. Shepard
Henry G. Shonerd, Jr.
Vincent A. Sisler, Jr.
Frank K. Slason
Frank McE. Smith
Lloyd A. Smith
Russell H. Smith
Omar N. Spain, Jr.
Samuel F. Spencer
Roy K. Stamps, Jr.
Everett H. Steinmetz
Richard D. Stephenson
John D. Stevens
Elbert M. Stever
Frederick M. Stiesberg
William A. Sullivan
William Swab, Jr.
Vincent A. Sweeney
Anthony Talerico, Jr.
Benjamin L. E. Talman
David W. Taylor, Jr.
LeRoy T. Taylor
John H. Theis
John W. Thomas
William C. Thompson, Jr.
James W. Thomson
Henry C. Tipton
Charles H. Turner
Kenneth L. Veth
Benjamin G. Wade
Francis D. Walker, Jr.
John F. Walling
William R. Wallis
French Wampler, Jr.
Norvell G. Ward
Robert E. McC. Ward
Sibley L. Ward, Jr.
William G. Ward
Albert R. Weldon
Joseph H. Wesson
Kenneth West
Frank K. B. Wheeler
George T. Whitaker, Jr.
Jerome B. White
William B. Wideman
J. C. Gillespie Wilson
Theodore H. Winters, Jr.
James M. Wolfe, Jr.
Burris D. Wood, Jr.
Malcolm T. Wordell
Don W. Wulzen

MARINE CORPS

The following-named midshipmen to be second lieutenants in the Marine Corps, revocable for 2 years, from the 6th day of June 1935:

Charles O. Bierman
Robert A. Black
John J. Cosgrove, Jr.
James W. Crowther
Robert E. Cushman, Jr.
Leonard K. Davis
Elmer T. Dorsey
Bernard E. Dunkle
Bruce T. Hemphill
Gordon E. Hendricks
Merlyn D. Holmes
Richard D. Hughes
Arnold F. Johnston
Kenneth D. Kerby
Carl A. Laster
William N. McGill
John M. Miller
Wallace M. Nelson
Edwin P. Pennebaker, Jr.
Frederick A. Ramsey, Jr.
Charles W. Shelburne
Robert T. Stivers, Jr.
Charles T. Tingle
Harvey S. Walseth
Richard G. Weede

CONFIRMATIONS

Executive nominations confirmed by the Senate May 28 (legislative day of May 13), 1935

UNITED STATES JUDGE

George H. Moore to be United States district judge, eastern district of Missouri.

POSTMASTERS

ALABAMA

Charlie L. Harris, Blountsville.
Charles A. Boller, Foley.
Julius N. A. Hulsey, Guin.
Belvie M. Cooper, Hamilton.

GEORGIA

Leonidas F. Livingston, Atlanta.
Wiley H. Johnston, Cordele.
John A. Baker, Danielsville.
Edwin M. Lindsey, Lenox.
Elmer T. Williams, Quitman.

INDIANA

Quitman J. VanLaningham, Fortville.
Edwin D. Smith, Ligonier.

MARYLAND

Harry A. Coy, Havre de Grace.
Russell B. Hoshall, Parkton.
B. Frank Dorsey, Woodbine.

NEW MEXICO

Charles E. Gibbs, Madrid.

OHIO

Clarence N. Greer, Dayton.
Calvin S. Prater, Kenton.
Allen E. Owens, Kinsman.
Gloyd G. Russell, Shiloh.
Loran M. Grooms, West Union.
Howard W. McCracken, Zanesville.

OKLAHOMA

John K. Jones, Blair.
Laura A. Plunkett, Gould.
Richard L. Hogan, Leedey.
Shelby M. Alexander, Lone Wolf.
Belle Huntington, Luther.
Jesse G. Ford, Roosevelt.
Ernest J. Winingham, Sentinel.
Chester A. Holding, Tipton.
Garland C. Talley, Welch.

OREGON

Frank L. Armitage, Eugene.
Bessie B. Nunn, Wheeler.

VIRGINIA

Edwin L. Toone, Boydton.
Edwin B. Sanders, Chilhowie.
William D. Bowles, Clifton Forge.
Grady W. Garrett, Cumberland.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 28, 1935

The House met at 11 o'clock a. m.

Rev. Edward P. McAdams, pastor of St. Joseph's Catholic Church, Washington, D. C., offered the following prayer:

Glory and thanks be to Thee, O God, who hast sustained with fatherly care the people of these United States through all the years of the Nation's existence. Grant, we beseech Thee, to our Representatives here in Congress assembled the vision of faith to perceive the goals of peaceful prosperity that You would have them reach; enliven their trust in Thy power and animate them with a great love for Thee, so that they will in this session endeavor to enact such laws as will be conformable to and best adapted to achieve Thy will. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 7873. An act to give the consent and approval of Congress to the extension of the terms and provisions of the present Rio Grande compact signed at Santa Fe, N. Mex., on February 12, 1929, and heretofore approved by act of Congress dated June 17, 1930 (Public, No. 370, 71st Cong., 46 Stat. 767).

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2811. An act to authorize and adopt certain Public Works projects for controlling floods, improving navigation, regulating the flow of certain streams of the United States, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to the joint resolution (S. J. Res. 88) to abolish the Puerto Rican Hurricane Relief Commission and transfer its functions to the Secretary of the Interior.

The message also announced that the Senate agrees to the amendments of the House to the bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1522. An act to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children;

S. 1523. An act to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

S. 1524. An act to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children;

S. 1525. An act to provide funds for cooperation with joint school district no. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation;

S. 1526. An act to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation;

S. 1528. An act for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

S. 1530. An act to authorize appropriations for the completion of the public high school at Frazer, Mont.;

S. 1533. An act to provide funds for cooperation with Marysville School District, No. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children;

S. 1534. An act to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash.;

S. 1535. An act to provide funds for cooperation with White Swan School District, No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation;

S. 1536. An act to provide funds for cooperation with the public-school board at Covelo, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif.;

S. 1537. An act to provide funds for cooperation with the School Board of Shannon County, S. Dak., in the construc-

tion of a consolidated high-school building to be available to both white and Indian children; and

S. 2105. An act to provide for an additional number of cadets at the United States Military Academy, and for other purposes.

Mr. TAYLOR of Colorado and Mr. SNELL rose.

The SPEAKER. The Chair recognizes the gentleman from Colorado.

ORDER OF BUSINESS

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn until Friday noon, and that when the House meets on Friday next an adjournment will be taken until the following Monday.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. SNELL. Mr. Speaker, reserving the right to object——

Mr. BLANTON. Mr. Speaker, I demand the regular order.

Mr. SNELL. I shall object if the gentleman is going to be contentious about this matter. I should like to ask the gentleman a question or two.

Mr. BLANTON. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, Is there objection to the request of the gentleman from Colorado?

Mr. SNELL. Mr. Speaker, I object.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 101, noes 49.

Mr. SNELL. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from New York asks for the yeas and nays. As many as are in favor of taking this vote by the yeas and nays will rise and stand until counted. [After a pause.] Evidently a sufficient number, and the yeas and nays are ordered.

The question was taken; and there were—yeas 239, nays 91, not voting 101, as follows:

[Roll No. 86]

YEAS—239

Arnold	Dear	Hamlin	McReynolds
Ashbrook	Deen	Harlan	McSwain
Barden	Delaney	Hart	Mahon
Beam	Dempsey	Healey	Maloney
Beiter	Dies	Hennings	Mansfield
Berlin	Dobbins	Higgins, Mass.	Martin, Colo.
Biermann	Dockweiler	Hildebrandt	Mason
Bland	Dorsey	Hill, Knute	Massingale
Blanton	Doughton	Hill, Samuel B.	Maverick
Bloom	Doxey	Hoeppel	May
Boland	Drewry	Hook	Mead
Boylan	Driscoll	Houston	Meeks
Brooks	Driver	Huddleston	Merritt, N. Y.
Brown, Ga.	Duffey, Ohio	Imhoff	Miller
Brunner	Duffy, N. Y.	Jenckes, Ind.	Mitchell, Ill.
Buchanan	Duncan	Johnson, Okla.	Mitchell, Tenn.
Buck	Dunn, Miss.	Johnson, Tex.	Montet
Buckler, Minn.	Eagle	Johnson, W. Va.	Nelson
Burch	Eckert	Jones	Nichols
Burdick	Edmiston	Kee	O'Brien
Carmichael	Eicher	Kelly	O'Connor
Cartwright	Evans	Kennedy, N. Y.	O'Day
Cary	Faddis	Kenney	O'Leary
Casey	Farley	Kerr	O'Neal
Castellow	Ferguson	Kleberg	Owen
Celler	Fernandes	Kloeb	Parks
Chandler	Fiesinger	Kocialkowski	Parsons
Citron	Fitzpatrick	Kopplemann	Patman
Claiborne	Flannagan	Kramer	Patterson
Clark, N. C.	Fletcher	Lambeth	Peterson, Fla.
Coffee	Ford, Calif.	Lanham	Peterson, Ga.
Colden	Ford, Miss.	Larrabee	Pfeifer
Cole, Md.	Fuller	Lea, Calif.	Polk
Colmer	Fulmer	Lee, Okla.	Quinn
Connery	Gasque	Lemke	Rabaut
Cooper, Tenn.	Gassaway	Lesinski	Ramsay
Costello	Gavagan	Lewis, Colo.	Ramspeck
Cox	Gildea	Lloyd	Randolph
Cravens	Gillette	Lucas	Rankin
Crosby	Gingery	Luckey	Richardson
Cross, Tex.	Granfield	Ludlow	Robertson
Crosser, Ohio	Gray, Ind.	McClellan	Rogers, Okla.
Crowe	Gray, Pa.	McFarlane	Romjue
Cullen	Green	McGehee	Rudd
Cummings	Greenwood	McKeough	Russell
Daly	Gregory	McLaughlin	Ryan
Darden	Griswold	McMillan	Sabath
Sanders, La.	Snyder	Thom	Wearin
Sanders, Tex.	Somers, N. Y.	Thomason	Weaver
Schaefer	South	Thompson	Werner
Schuetz	Spence	Tolan	West
Schulte	Stack	Tonry	Whelchel
Secrest	Starnes	Turner	Whittington
Shanley	Steagall	Umstead	Williams
Sirovich	Sullivan	Utterback	Wilson, La.
Sisson	Sutphin	Vinson, Ga.	Woodrum
Smith, Conn.	Tarver	Vinson, Ky.	Young
Smith, Va.	Taylor, Colo.	Wallgren	Zimmerman
Smith, Wash.	Taylor, S. C.	Walter	Zioncheck
Smith, W. Va.	Terry	Warren	

NAYS—91

Allen	Doutrich	Kvale	Robsion, Ky.
Amlie	Dunn, Pa.	Lambertson	Rogers, Mass.
Andresen	Eaton	Lehlbach	Sauthoff
Andrew, Mass.	Engel	Lord	Schneider
Arends	Englebright	Lundeen	Seger
Bacharach	Fenerty	McLean	Short
Bacon	Focht	Mapes	Snell
Blackney	Gearhart	Marcantonio	Stefan
Boileau	Gehrmann	Marshall	Stewart
Bolton	Gifford	Martin, Mass.	Taber
Buckbee	Gilchrist	Merritt, Conn.	Thurston
Burnham	Goodwin	Michener	Tobey
Carlson	Halleck	Millard	Treadway
Carter	Hess	Mott	Turpin
Cavicchia	Hoffman	Perkins	Welch
Christianson	Hollister	Pittenger	Wigglesworth
Church	Holmes	Plumley	Wilson, Pa.
Cole, N. Y.	Hope	Powers	Withrow
Collins	Hull	Ransley	Wolcott
Crawford	Jenkins, Ohio	Reece	Wolfenden
Crowther	Kahn	Reed, Ill.	Wolverton
Ditter	Kimball	Reed, N. Y.	Woodruff
Dondero	Kinzer	Rich	

NOT VOTING—101

Adair	Dickstein	Kennedy, Md.	Rayburn
Andrews, N. Y.	Dietrich	Kniffin	Reilly
Ayers	Dingell	Knutson	Richards
Bankhead	Dirksen	Lamneck	Robinson, Utah
Bell	Disney	Lewis, Md.	Rogers, N. H.
Binderup	Ekwall	McAndrews	Sadowski
Boehne	Ellenbogen	McCormack	Sandlin
Brennan	Fish	McGrath	Scott
Brewster	Frey	McGroarty	Scrugham
Brown, Mich.	Gambrill	McLeod	Sears
Buckley, N. Y.	Goldsborough	Maas	Shannon
Bulwinkle	Greenway	Monaghan	Stubbs
Caldwell	Greever	Montague	Sumners, Tex.
Cannon, Mo.	Guyer	Moran	Sweeney
Cannon, Wis.	Gwynne	Moritz	Taylor, Tenn.
Carden	Haines	Murdock	Thomas
Carpenter	Hancock, N. Y.	Norton	Tinkham
Chapman	Hancock, N. C.	O'Connell	Truax
Clark, Idaho	Harter	Oliver	Underwood
Cochran	Hartley	O'Malley	Wadsworth
Cooley	Higgins, Conn.	Palmisano	White
Cooper, Ohio	Hill, Ala.	Patton	Wilcox
Corning	Hobbs	Pearson	Wood
Culkin	Igoe	Pettengill	
Darrow	Jacobsen	Peyser	
DeRouen	Keller	Pierce	

So the motion was agreed to.

The Clerk announced the following pairs:

General pairs:

Mr. Corning with Mr. Wadsworth.
Mr. McCormack with Mr. Dirksen.
Mr. Bulwinkle with Mr. Fish.
Mr. Bankhead with Mr. Darrow.
Mr. Cannon of Missouri with Mr. Brewster.
Mr. Cochran with Mr. Cooper of Ohio.
Mr. Disney with Mr. Guyer.
Mr. Hill of Alabama with McLeod.
Mr. Keller with Mr. Thomas.
Mr. Montague with Mr. Tinkham.
Mr. Sears with Mr. Maas.
Mrs. Norton with Mr. Knutson.
Mr. Oliver with Mr. Gwynne.
Mr. Rayburn with Mr. Higgins of Connecticut.
Mr. Sandlin with Mr. Culkin.
Mr. Sumners of Texas with Mr. Ekwall.
Mr. McAndrews with Mr. Andrews of New York.
Mr. Chapman with Mr. Taylor of Tennessee.
Mr. Boehne with Mr. Hancock of New York.
Mr. Lamneck with Mr. Bell.
Mr. Lewis of Maryland with Mr. Brennan.
Mr. DeRouen with Mr. Adair.
Mr. Carden with Mr. McGrath.
Mr. Monaghan with Mr. Buckley.
Mr. O'Connell with Mr. Dietrich.
Mr. Moran with Mr. O'Malley.
Mr. Patton with Mr. Dingell.
Mr. Reilly with Mr. Ellenbogen.
Mr. Pearson with Mr. Hancock of North Carolina.
Mr. Scott with Mr. Frey.
Mr. Haines with Mr. Stubbs.
Mr. Sweeney with Mr. Harter.
Mr. Truax with Mr. Kennedy of Maryland.
Mr. Kniffin with Mr. White.
Mr. Wilcox with Mr. Igoe.

Mr. Underwood with Mr. Robinson of Utah.
Mr. Gambrill with Mr. Gassaway.
Mr. Rogers of New Hampshire with Mr. Scrugham.
Mr. Pettengill with Mr. Moritz.

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. Mr. Speaker, I would like to know whether this vote is on a motion to adjourn until January 3 next?

The SPEAKER. The gentleman voted, and the Chair presumes the gentlemen knew what he was voting on. [Laughter and applause.]

Mr. RICH. Mr. Speaker, if the pending motion is to adjourn until January 3 next, I want to change my vote from "nay" to "yea."

The result of the vote was announced as above recorded.

Accordingly (at 11 o'clock and 50 minutes a. m.), the House adjourned until tomorrow, Wednesday, May 29, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KOCIALKOWSKI: Committee on Insular Affairs. H. R. 7446. A bill to authorize the issuance and sale to the United States of certain bonds of municipal governments in Puerto Rico, and for other purposes; without amendment (Rept. No. 1032). Referred to the Committee of the Whole House on the state of the Union.

Mr. KOCIALKOWSKI: Committee on Insular Affairs. H. R. 8209. A bill temporarily to exempt refunding bonds of the Government of Puerto Rico from the limitation of public indebtedness under the Organic Act; without amendment (Rept. No. 1033). Referred to the Committee of the Whole House on the state of the Union.

Mr. KOCIALKOWSKI: Committee on Insular Affairs. House Joint Resolution 257. Joint resolution to amend a joint resolution entitled "Joint resolution for the relief of Puerto Rico", approved December 21, 1928, as amended by the Second Deficiency Act, fiscal year 1929, approved March 4, 1929; without amendment (Rept. No. 1034). Referred to the Committee of the Whole House on the state of the Union.

Mr. PLUMLEY: Committee on Military Affairs. S. 2029. An act to authorize naval and Marine Corps service of Army officers to be included in computing dates of retirement; without amendment (Rept. No. 1035). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRUNNER: A bill (H. R. 8244) relating to conveyance of letters by private hands without compensation, or by special messenger employed for the particular occasion only; to the Committee on the Post Office and Post Roads.

By Mr. HARLAN: A bill (H. R. 8245) to amend section 15 (c), as amended, of the act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933; to the Committee on Agriculture.

By Mr. KING: A bill (H. R. 8246) to amend the Hawaiian Homes Commission Act of 1920; to the Committee on the Territories.

Also, a bill (H. R. 8247) to empower the Legislature of the Territory of Hawaii to authorize the issuance of revenue bonds, to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes; to the Committee on the Territories.

By Mr. LUDLOW: A bill (H. R. 8248) to promote peace; to the Committee on Military Affairs.

By Mr. RANKIN (by request): A bill (H. R. 8249) to reenact the laws in effect March 19, 1933, granting hospital treatment, domiciliary care, compensation, and other allowances to veterans of the World War and their dependents for disabilities or deaths connected with such service; to the Committee on World War Veterans' Legislation.

By Mr. REED of Illinois: A bill (H. R. 8250) to provide facilities for insured capital loans to small manufacturing and industrial enterprises; to establish permanent credit facilities for small industries; to release idle excess currency from State and national banks and divert the same into the channels of business; to establish a cooperation between small banks and small industries; to promote sound banking practice; to enable small industries to modernize their machinery, equipment, and buildings; to revive the building trades; to provide immediate employment for the unemployed; to protect the industrial worker now employed; to resuscitate the capital-goods industries; to encourage development of new ideas and inventions for the enjoyment of a fuller life for all, and for other purposes; to the Committee on Banking and Currency.

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 8251) to authorize the collection of penalties, damages, and costs for stock trespassing on Indian lands; to the Committee on Indian Affairs.

Also (by departmental request), a bill (H. R. 8252) to reimpose and extend the trust period on lands reserved for the Pala Band of Mission Indians of California; to the Committee on Indian Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEITER: A bill (H. R. 8253) to correct the military record of Daniel D. Dolan; to the Committee on Naval Affairs.

By Mr. CARTWRIGHT: A bill (H. R. 8254) granting a pension to Dolores McGill; to the Committee on Pensions.

By Mr. CELLER: A bill (H. R. 8255) for the relief of the heirs of Aaron Husak; to the Committee on Claims.

By Mr. CROWE: A bill (H. R. 8256) for the relief of the heirs of David H. Fish, deceased; to the Committee on Claims.

By Mr. DORSEY: A bill (H. R. 8257) for the relief of Catherine T. McNally; to the Committee on Claims.

By Mr. GAMBRILL: A bill (H. R. 8258) granting pensions to Alice Marguerite Jackson, Mary Alice Jackson, and Joseph A. Jackson; to the Committee on Pensions.

By Mr. HESS: A bill (H. R. 8259) authorizing the appointment of John B. Medaris as a first lieutenant of Infantry, United States Army; to the Committee on Military Affairs.

By Mr. PETERSON of Georgia: A bill (H. R. 8260) for the relief of the heirs of Asbury Hodges, deceased; to the Committee on War Claims.

Also, a bill (H. R. 8261) for the relief of I. I. Foss; to the Committee on Claims.

Also, a bill (H. R. 8262) for the relief of Tom Rogers; to the Committee on Claims.

Also, a bill (H. R. 8263) granting an increase of pension to Allen B. Bess; to the Committee on Pensions.

Also, a bill (H. R. 8264) for the relief of the heirs of W. A. Bell; to the Committee on Claims.

Also, a bill (H. R. 8265) for the relief of the heirs of Israel Walker, Henry Shaw, Thomas Bailey, and Joseph Watson; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8645. By Mr. FORD of California: Resolution by the California Legislature, urging Congress to take action to provide a Federal Government survey and plan for the construction of check dams and a soil-erosion prevention project so that the water and soils of the Salinas Valley may be preserved for future generations; to the Committee on Flood Control.

8646. Also, petition of Paul Henning and 53 residents of Los Angeles, Calif., to the Congress, urging support of House Joint Resolution 167, amending the Constitution of the United States with respect to the taking of property for public use in time of war; to the Committee on the Judiciary.

8647. By Mr. RUDD: Petition of the Central Trades and Labor Council of Greater New York and Vicinity, concerning the Wagner labor-disputes bill and extension of the National Recovery Act; to the Committee on Labor.

8648. By the SPEAKER: Petition of the Bakers' Counsel, opposing alien and sedition legislation; to the Committee on the Judiciary.

8649. Also, petition of the city of Chicago, urging enactment of legislation for the issuance of a special stamp in honor of Commodore John Barry; to the Committee on the Post Office and Post Roads.

SENATE

WEDNESDAY, MAY 29, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, May 28, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Reynolds
Ashurst	Copeland	Lewis	Robinson
Austin	Costigan	Logan	Russell
Bachman	Couzens	Lonergan	Schall
Bankhead	Dickinson	McAdoo	Schwellenbach
Barbour	Dieterich	McGill	Sheppard
Barkley	Donahey	McKellar	Shipstead
Bilbo	Duffy	McNary	Smith
Black	Fletcher	Maloney	Steiwer
Bone	Frazier	Metcalf	Thomas, Okla.
Borah	George	Minton	Thomas, Utah
Brown	Gerry	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Gore	Murray	Truman
Burke	Guffey	Neely	Tydings
Byrd	Hale	Norbeck	Vandenberg
Byrnes	Harrison	Norris	Van Nuys
Capper	Hastings	Nye	Wagner
Caraway	Hatch	O'Mahoney	Walsh
Carey	Hayden	Overton	Wheeler
Chavez	Johnson	Pittman	White
Clark	Keyes	Pope	
Connally	King	Radcliffe	

Mr. LEWIS. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Louisiana [Mr. LONG], and the Senator from Nevada [Mr. MCCARRAN] are unavoidably detained from the Senate. I ask that this announcement stand for the day.

Mr. AUSTIN. I wish to announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is necessarily absent and that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

CORRECTION—CORPORATE CONNECTIONS OF ARTHUR V. DAVIS

Mr. NORRIS. Mr. President, I wish to correct the RECORD. Yesterday, in referring to the subsidiary and other corporations with which Mr. Arthur V. Davis, chairman of the board and director of the Aluminum Co. of America, is connected, I gave a list of such corporations. I find that the list given by me yesterday was taken from the Directory of Directors of the City of New York. From Poor's Register of Directors of the United States and Canada, 1935, I wish to read the correct list. It is as follows:

Davis, Arthur Vining—chairman of board and director, Aluminum Co. of America, 801 Gulf Building, Pittsburgh, Pa.; Aluminum Manufactures, Inc., director; Aluminum Seal Co., director; Aluminum Goods Manufacturing Co., director; Alcoa Power Co., Ltd., president and director; Bauxite & Northern Railway, president and director; Franklin Fluorspar Co., director; Knoxville Power Co., director; Cedar Rapids Transmission Co., Ltd., director; Niagara Hudson Power Corporation, director; Louisiana Terminal Co., director; Pine Grove Realty Co., director; St. Lawrence River Power Co., president and director; Mellon National Bank, director; Union Trust Co. of Pittsbugh, director; Union Savings Bank of Pittsburgh, director; Canada Life Assurance Co., director; Bucyrus-Erie Corporation, director; American Brake Shoe & Foundry Co., director; Carolina Aluminum Co., president and director; International Power Securities Corporation, director; Pennsylvania Water & Power Co., director; Safe Harbor Water Power Corporation, director. (From p. 1344, Poor's Register of Directors of the United States and Canada, 1935.)

The number of directorships held by Mr. Davis, according to the statement made by me yesterday, was 11. The correct number, as shown by Poor's Register, is 23. I desire the correct number to be shown in the RECORD, and to apologize to Mr. Davis for the omission in my statement of yesterday of 12 corporations, of which he is an official.

Mr. FLETCHER. Mr. President, may I ask the Senator a question?

Mr. NORRIS. Certainly.

Mr. FLETCHER. The Senator yesterday alluded to some concern having a hundred miles, as I understood him to say, of frontage on both sides of the river?

Mr. NORRIS. Yes.

Mr. FLETCHER. I am wondering if the land conveyances to this concern carry riparian rights. That might make a little difference.

Mr. NORRIS. I do not know whether or not they carry riparian rights under the law of the State where they are situated, but Mr. Davis testified before the House Committee on Military Affairs that the Aluminum Co. of America owned 85 percent—I think it was 85; either 85 or 80—of all the land on both sides of the Little Tennessee River for something over a hundred miles, or practically from its source to its mouth.

Mr. FLETCHER. That would look as if it is not intended that this ownership should result in development, but rather in blocking development.

Mr. NORRIS. Yes; I think so.

SUPREME COURT CHAMBER IN CAPITOL BUILDING (S. DOC. NO. 67)

Mr. HAYDEN. Mr. President, within a few weeks the Supreme Court of the United States will terminate the occupancy of its chamber here in the Capitol Building which has been the scene of its deliberations for about 75 years. At this time it is most fitting that attention should be called to the occasion, because, beginning in the year 1819, after the reconstruction of the Capitol Building from the devastation wrought by the British soldiers, the Senate used that chamber for 40 years.

In January 1859 the north extension of the Capitol had progressed sufficiently to allow the occupancy of the Chamber which we now occupy, and at that time a committee was designated to arrange for a fitting tribute to the Hall which the Senate was then about to leave. The principal part of that ceremony was assigned to the then Vice President, John Cabel Breckinridge, of Kentucky, who was but 36 years of age at the time of his inauguration and the youngest man ever to hold the office of Vice President of the United States. His speech, as printed in the Congressional Globe, is a magnificent word picture of the men and events connected with the period of the occupation of that old Hall by the Senate.

I therefore deem it to be appropriate to offer a resolution for the printing of the Senate proceedings on that occasion as a Senate document and providing for additional copies. I send the resolution to the desk and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there obection to the request of the Senator from Arizona?

There being no objection, the resolution (S. Res. 143) was read, considered, and agreed to, as follows:

Resolved, That the proceedings held in the United States Senate on January 4, 1859, upon the occasion of its removal from the old historic chamber, now occupied by the United States Supreme Court, to the present Chamber which it now occupies, be printed, with illustrations, as a Senate document, and that 5,000 additional copies be printed for the use of the Senate document room.

THIRTY-FIRST CONFERENCE OF THE INTERPARLIAMENTARY UNION, BRUSSELS, JULY 26–31, 1935

Mr. BARKLEY. Mr. President, our American Group of the Interparliamentary Union is in receipt of an invitation to send delegates, in the number according to the rules of the Interparliamentary Council, to the Thirty-first Conference of the Union, which will meet at Brussels, at the Palais de la Nation (Parliament Building), from July 26 to 31, 1935. According to the rules of the Council, our group is entitled to 28 votes.

In a letter covering the invitation our group is especially urged to send a strong delegation.

I ask unanimous consent to have printed as a part of my remarks the invitation to the meeting with other information regarding the Union and our participation.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

The general invitation reads as follows:

You have been informed by the Interparliamentary Bureau that the XXXIst Conference of the Interparliamentary Union will meet at Brussels, at the Palais de la Nation, from July 26th until 31st, 1935.

The members of the Belgian Group will be glad to receive their colleagues from the national groups who intend to take part in the work of this Conference. They will do everything in order that their guests will keep an agreeable remembrance of their visit in Belgium.

Considering the importance of the questions on the agenda and the distinguished personalities who will take part in the debates, we do expect that many colleagues will accept our invitation.

The Belgian Government join with us and invite you heartily to this Conference and to visit, at the same occasion, Belgium and the International Exhibition at Brussels, where the most beautiful productions from all the countries of the world can be admired.

In case you would have the certainty of taking part in our work, we should feel obliged if you would kindly forward at your earliest convenience to the secretary of your group the herewith-joined form duly filled, with the statement of the persons who will accompany you.

Further informations will supply details re passports, traveling facilities, customs formalities, and receptions.

With regard to the accommodation in the hotels, it is necessary to reserve from this very moment the rooms in the hotels, a list of which is joined herewith.

Because of the attraction of the Brussels World's Fair and the organization at this occasion of several congresses in July next, a great number of rooms have already been reserved for that time, and the number of rooms still available in July is very small.

Please find herewith a reservation bill, which is to be sent to your group secretary so that it may reach us at the same time as the form; after this date of June the 15th, we cannot guarantee the possibility of reserving rooms for the duration of the Conference.

Before concluding, we avail ourselves of the opportunity to renew the expression of the gladness with which we will receive you, and we shall do all to make your stay at Brussels useful and agreeable.

Yours faithfully,

For the Belgian Group:

Count CARTON DE WIART,
The President,
Minister of State, Deputy.

PROSPER DE BRUYN,
The Parliamentary Secretary,
Member of the Senate.

All correspondence regarding the XXXIst Conference to be addressed: Ernest Maes, Esq., Clerk of the Senate, Palais de la Nation, Brussels.

PROGRAM OF THE CONFERENCE

1. Election of the president and bureau of the Conference.
2. General debate based on the report of the secretary-general.
3. Juridical problems.

(a) Codification of world law.

Report to be presented in the name of the permanent committee on juridical questions by M. Henri La Fontaine, former vice president of the Belgian Senate.

(b) Neutrality and assistance.

Report to be presented in the name of the permanent committee on juridical questions by M. V. V. Pella, former deputy, Minister Plenipotentiary (Rumania).

4. Manufacture of and trade in arms.

Report to be presented in the name of the permanent committee on the reduction of armaments by M. Forges Davanzati, senator of the Kingdom of Italy.

5. Economic and monetary problems.

(a) World economic solidarity.

(Report to be presented in the name of the permanent committee on economic and financial questions by H. E. Baron Szterényi, member of the upper house, former Minister (Hungary).

(b) Stabilisation of currencies.

Report to be presented in the name of the permanent committee on economic and financial questions by M. Maurice Palmade, deputy, former Minister (France).

6. Evolution of the representative system.

Report to be presented in the name of the permanent committee on political and organization questions by Dr. Henryk Loewenherz, senator (Poland).

7. Communication of the names of delegates of the groups to the Inter-Parliamentary Council from the XXXIst to the XXXIInd Conference.

Under article 13 of the statutes of the union, each group must nominate its two delegates to the council at least one month before the opening of the Conference. These appointments are communicated to the Inter-Parliamentary Bureau, and by the latter to the Conference.

8. Election of a member of the executive committee to take the place of H. G. the Duke of Sutherland, member of the House of Lords, the retiring member.

Under article 17 of the statutes, a retiring member is not eligible for reelection and must be replaced by a member belonging to another group.

All the rapporteurs have been asked to prepare their reports beforehand. These will be printed, together with the texts of the resolutions to be presented to the conference, in the "documents préliminaires" of the conference, which will be sent in good time to all participants whose subscriptions have been paid to the Interparliamentary Bureau. (See below: "Financial contributions to the expenses of the Conference.")

TIME TABLE OF THE CONFERENCE

Sittings will be held punctually from 9:30 a. m. until 1 p. m. and from 3 p. m. punctually onwards.

Friday, July 26, at 3 p. m.: Opening of the Conference. General debate on the report of the secretary general.

Saturday, July 27:

Morning: Continuation of the general debate.

Afternoon (if necessary): Conclusion of the general debate.

Sunday, July 28: Free. Excursion.

Monday, July 29:

Morning: Juridical problems.

Afternoon: Manufacture of and trade in arms.

Tuesday, July 30, morning and afternoon: Economic and monetary questions.

Wednesday, July 31:

Morning: Evolution of the representative system.

Afternoon: Conclusion of the debate on the evolution of the representative system. Elections. Close of the Conference.

The council will meet on the morning of Friday, July 26, and after the first sitting of the Conference.

LIST OF DELEGATES TO RECENT CONFERENCES

Members of the United States Congress who have attended conferences of the Interparliamentary Union, 1921 to 1934, inclusive, have been as follows:

1921—Stockholm, Sweden: Senators William B. McKinley, president of Illinois group; Joseph T. Robinson, Arkansas; Thomas J. Walsh, Montana. Representatives Alben W. Barkley, Kentucky; Fred A. Britten, Illinois; Edwin B. Brooks, Illinois; Andrew J. Montague, Virginia; James L. Slayden, Texas.

1922—Vienna, Austria: Senators T. H. Caraway, Arkansas; W. J. Harris, Georgia; E. F. Ladd, North Dakota; William B. McKinley, president of Illinois group; Selden P. Spencer, Missouri. Representatives Theodore E. Burton, Ohio; Andrew J. Montague, Virginia; William A. Oldfield, Arkansas; Henry W. Temple, Pennsylvania.

1923—Copenhagen, Denmark: Senators Henry F. Ashurst, Arizona; John W. Harreld, Oklahoma; William B. McKinley, Illinois; Thomas Sterling, South Dakota; Claude A. Swanson, Virginia; Joseph T. Robinson, Arkansas. Representatives Theodore E. Burton, Ohio; Carl Chindblom, Illinois; Andrew J. Montague, Virginia; John T. Raker, California.

1924—Bern and Geneva, Switzerland: Senators Charles Curtis, Kansas; William B. McKinley, president of Illinois group; Selden P. Spencer, Missouri; O. E. Weller, Maryland. Representatives Theodore E. Burton, Ohio; Tom Connally, Texas; John McSwain, South Carolina; Andrew J. Montague, Virginia.

1925—Washington, D. C., and Ottawa, Canada: Senators Simeon D. Fess, Ohio; William B. McKinley (president of group), Illinois; Claude A. Swanson, Virginia; Thomas J. Walsh, Montana. Representatives Ernest R. Ackerman, New Jersey; Alben W. Barkley, Kentucky; L. M. Black, New York; Thomas L. Blanton, Texas; Fred A. Britten, Illinois; Theodore E. Burton, Ohio; Clarence Cannon, Missouri; Edmund N. Carpenter, Pennsylvania; Emanuel Celler, New York; Carl R. Chindblom, Illinois; Roes A. Collins, Mississippi; Tom Connally, Texas; F. Cordoba, Davila, Philippines; Edward E. Denison, Illinois; Finis J. Garrett, Tennessee; Allard H. Gasque, South Carolina; Thomas Hall, North Dakota; John Philip Hill, Maryland; Lister Hill, Alabama; Homer Hoch, Kansas; Grant M. Hudson, Michigan; Morton D. Hull, Illinois; Lamar Jeffers, Alabama; Fiorello H. LaGuardia, New York; J. Charles Linthicum, Maryland; John J. McSwain, South Carolina; Ogden L. Mills, New York; Andrew J. Montague, Virginia; William A. Oldfield, Arkansas; Stephen G. Porter, Pennsylvania; George J. Schneider, Wisconsin; J. H. Sinclair, North Dakota; John B. Sosnowski, Michigan; Henry W. Temple, Pennsylvania; Maurice H. Thatcher, Kentucky; J. Q. Tilson, Connecticut; C. B. Timberlake, Colorado; J. M. Wainwright, New York; Richard Yates, Illinois; F. H. Zihlman, Maryland.

1926—Geneva, Switzerland: Senators T. H. Caraway, Arkansas; Pat Harrison, Mississippi; Claude A. Swanson, Virginia. Representatives Theodore E. Burton, Ohio; Stephen G. Porter, Pennsylvania.

1927—Paris, France: Senators Elmer Thomas, Oklahoma; Millard E. Tydings, Maryland; Lawrence D. Tyson, Tennessee. Representatives William D. B. Ainey, Pennsylvania; A. Piatt Andrew, Massachusetts; Richard Bartholdt, Missouri; Sol Bloom, New York; Fred A. Britten, Illinois; Theodore E. Burton, Ohio; Emanuel Celler, New York; Thomas C. Cochran, Pennsylvania; Roy G. Fitzgerald, Ohio; Edgar Howard, Nebraska; Jed Johnson, Oklahoma; Andrew J. Montague, Virginia; Stephen G. Porter, Pennsylvania; Fred S. Purnell, Indiana; Hatton W. Sumners, Texas.

1928—Berlin, Germany: Senators Walter E. Edge, New Jersey; Elmer Thomas, Oklahoma. Representatives Richard Bartholdt, Maryland; Fred Britten, Illinois; Thomas C. Cochran, Pennsylvania; Roy G. Fitzgerald, Ohio; Fiorello H. LaGuardia, New York; J. Charles Linthicum, Maryland; Andrew J. Montague, Virginia.

1929—Geneva, Switzerland: Senator Millard Tydings, Maryland. Representatives Sol Bloom, New York; Richard Bartholdt, Missouri; Carl Chindblom, Illinois; Thomas C. Cochran, Pennsylvania; Fred Britten, Illinois; Roy G. Fitzgerald, Ohio; Morton D. Hull, Illinois; Jed Johnson, Oklahoma; Franklin S. Korell, Oregon; J. Charles Linthicum, Maryland; John J. McSwain, South Carolina; Andrew J. Montague, Virginia; Richard Wigglesworth, Massachusetts.

1930—London, England: Senators Henry F. Ashurst, Arizona; Alben W. Barkley, Kentucky; Tom Connally, Texas; Millard Tydings, Maryland; Burton K. Wheeler, Montana. Representatives Sol Bloom, New York; Richard Bartholdt, Missouri; Fred Britten, Illinois; Carl Chindblom, Illinois; Thomas C. Cochran, Pennsylvania; Roy G. Fitzgerald, Ohio; Franklin G. Ford, New Jersey; Burton L. French, Idaho; Morton D. Hull, Illinois; F. H. LaGuardia, New York; Andrew J. Montague, Virginia; Ruth Bryan Owen, Florida; Bertrand H. Snell, New York; George R. Stobbs, Massachusetts.

1931—Bucharest, Rumania: Senator Burton K. Wheeler, Wyoming; Representatives Cyrenus Cole, Iowa; Burton L. French, Idaho; Fletcher Hale, New Hampshire; Fritz G. Lanham, Texas; J. Charles Linthicum, Maryland; Andrew J. Montague, Virginia; William I. Sirovich, New York.

1932—Geneva, Switzerland: Senator Claude A. Swanson, Virginia. Representative Andrew J. Montague, Virginia.

1933—Madrid, Spain: Attended only by the permanent executive secretary, Arthur Deerin Call.

1934—Istanbul, Turkey: Senators Tom Connally, Texas; Joseph T. Robinson, Arkansas. Representatives Thomas C. Cochran, Pennsylvania; William B. Oliver, Alabama.

Dr. Arthur Deerin Call, permanent executive secretary of the Group has attended all of these Conferences.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

S. 1023. An act to provide for the payment of a military instructor for the high-school cadets of Washington, D. C.; and

S. J. Res. 88. Joint resolution to abolish the Puerto Rican Hurricane Relief Commission and transfer its functions to the Secretary of the Interior.

REGISTRATION AND REGULATION OF LOBBYISTS—RECONSIDERATION OF BILL

Mr. CLARK. Mr. President, I desire to enter a motion to reconsider the votes by which Senate bill 2512 was ordered to be engrossed for a third reading and passed on yesterday.

Mr. BARKLEY. What bill is it, Mr. President?

Mr. CLARK. It is the so-called "Black lobbying bill."

The VICE PRESIDENT. The motion will be entered.

Mr. CLARK subsequently said: Mr. President, I am advised that Senate bill 2512 has been sent to the House. Therefore, in order to preserve my right to make a motion to reconsider, I ask unanimous consent that the House be requested to return the bill to the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BLACK subsequently said: Mr. President, I have just learned that while I was out of the Chamber a unanimous-consent request was made that Senate bill 2512 be returned from the House. Now that I am here, and in view of the fact that I introduced the bill, I ask unanimous consent that the unanimous consent heretofore granted be rescinded.

Mr. BARKLEY. Mr. President, it seems to me that the Senator from Alabama [Mr. BLACK] and the Senator from Missouri [Mr. CLARK], who are interested in this matter, ought to be on the floor simultaneously when the matter is disposed of.

Mr. BLACK. I think the bill should be placed back in the situation in which it was when I was not here, without some Senator raising an objection which was not raised in my absence.

As I say, this action was taken at a time when I was absent. I knew nothing about it. I therefore ask unanimous consent for reconsideration of the unanimous-consent agreement under which the Senate requested the return of Senate bill 2512 to this body.

Mr. McNARY. Mr. President, I have no knowledge of the transaction about which the Senator speaks. I do not know what the bill is. Is it on the calendar?

Mr. BLACK. The bill was passed yesterday and went to the House.

Mr. McNARY. What bill is it?

Mr. BLACK. It is the so-called "lobby registration bill."

Mr. McNARY. And then a request was made to recall the papers and restore the bill to the calendar? Is that the request which was agreed to?

Mr. BLACK. What I am now referring to is the request which was made that the House return the papers to this body. If I had been here, I should have desired to discuss the matter and have a vote on it.

Mr. McNARY. Who made the request?

Mr. BLACK. I understand the Senator from Missouri [Mr. CLARK] made it.

Mr. McNARY. I am perfectly indifferent about the matter; but I think, in fairness to the Senator who made the request, that no action should be taken in his absence.

Mr. BLACK. Does not the Senator think, in fairness to the Senator who introduced the bill, that no request for the recall of the bill from the House should have been made without calling a quorum?

Mr. McNARY. That is wholly between the Senators concerned.

Mr. BLACK. Then I should think this matter would be, too, so far as the Senator from Oregon is concerned.

Mr. McNARY. But, as a fair arbiter, I should think the Senator from Missouri should be present. I have no objection to the request of the Senator from Alabama, but I think, in fairness to all concerned, the Senator from Missouri should be here.

Mr. BLACK. All I am asking is that the Senate, by unanimous consent, agree to place the situation exactly as it would have been if the request for the recall of the bill had not been made. I think that is perfectly fair.

Mr. McNARY. If the Senator from Missouri may be sent for, I shall make no objection; but I shall make objection in his absence.

Mr. BLACK. I regret very much that the Senator did not see fit to make the same objection when the Senator from Alabama was absent.

Mr. McNARY. I was not here.

Mr. BLACK. I regret very much that the Senator was not here on guard to see that the action was not taken during my absence. The Senator objects, then?

Mr. McNARY. I object, in the absence of the Senator from Missouri, and only for that reason—not because I oppose the proposal, but I oppose any action being taken when a Senator involved in the transaction is absent.

The VICE PRESIDENT. Objection is made.

Mr. BLACK. Mr. President, I move that the action taken by the Senate to recall the bill from the House be reconsidered. I simply enter the motion, and I do so in order to suspend the proceedings.

The VICE PRESIDENT. The motion is entered.

PASSAIC VALLEY SEWERAGE COMMISSIONERS *v.* THE UNITED STATES

The VICE PRESIDENT laid before the Senate a letter from the chief clerk of the Court of Claims, transmitting a certified copy of the special findings of fact and opinion of the court in the case of the *Passaic Valley Sewerage Commissioners* v. *the United States* (No. 17631, Congressional), which case was referred to the court on June 5, 1926, by resolution of the Senate under the act of March 3, 1911

(known as the "Judicial Code"), which, with the accompanying paper, was referred to the Committee on Claims.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Agriculture and Forestry:

Assembly joint resolution relative to memorializing Congress to furnish aid in the construction of check dams in the Salinas River Valley

Whereas the water level of the Salinas Valley is rapidly declining and the salt water is beginning to encroach inwardly from the ocean; and

Whereas the cost of power is making it almost prohibitive for agricultural pursuits in the Salinas Valley, due to the low water level; and

Whereas erosion is taking place and the soils are rapidly being put in danger because of the lack of proper soil and water protection; and

Whereas the people of Salinas Valley are aware of this and are desirous of having the Federal Government remedy these defects to save the Salinas Valley for future generations to conduct agricultural pursuits and to continue to increase the inhabitation of the Salinas Valley; and

Whereas the water for domestic use may soon be jeopardized if the population of the Salinas Valley increases: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California jointly, That the Congress of the United States be urged to provide a Federal Government survey and plan for the construction of check dams and a soil-erosion prevention project; and be it further

Resolved, That the Congress be urged to take action in this regard immediately so that the water and soils of the Salinas Valley may be preserved for future generations that may inhabit the Salinas Valley; and be it further

Resolved, That the chief clerk of the assembly is hereby instructed forthwith to transmit copies of this resolution to the President of the United States, and to the President of the Senate, the Speaker of the House of Representatives, and to each of the Senators and Representatives from California in the Congress of the United States.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Maryland, which was referred to the Committee on Commerce:

Joint resolution requesting the Congress of the United States to appropriate a sufficient sum of money for the immediate use of the United States Bureau of Fisheries to conduct a thorough biological survey of the Chesapeake Bay and its tributaries relative to the spawning grounds and migratory and other habits of certain fish

Whereas it is very important that accurate scientific knowledge relative to the spawning grounds and habits of edible fish be acquired in order to best conserve such fish life: Therefore be it

Resolved by the General Assembly of Maryland, That the Congress of the United States be, and it is hereby, requested to appropriate promptly a sufficient amount of money to enable the United States Bureau of Fisheries to begin an immediate and thorough biological and practical survey of the Chesapeake Bay and its tributaries for the purpose of ascertaining all the essential facts relative to the spawning grounds and migratory and other habits of the striped bass or rock, shad, herring, trout, bluefish, and other migratory edible fish by means of fish tagging and such other experiments as may be deemed necessary and proper for that purpose, as the results of such a study will rebound to the benefit of all sections of the United States where migratory food fish are a source of revenue to its people; and be it further

Resolved, That the secretary of state be, and he is hereby, directed to send, under the great seal of the State, a copy of this resolution to the President of the Senate, to the Speaker of the House of Representatives, to the United States Bureau of Fisheries, and to each representative from Maryland in the Senate and House of Representatives of the United States Congress.

The VICE PRESIDENT also laid before the Senate the following joint resolutions of the Legislature of the State of Maryland, which were referred to the Committee on Naval Affairs:

A joint resolution requesting Congress to create a Centenary Planning and Building Commission of the United States Naval Academy

Whereas the existing needs of the United States Naval Academy are of such a character that prompt measures for a planned building program must be immediately undertaken if the desirable standard of the education of the naval officer is to be maintained; and

Whereas the Navy Department's planned increase in the number of midshipmen at the United States Naval Academy will necessitate additional facilities beyond those which the present existing needs make imperative; and

Whereas the Public Works program of the President of the United States calls for such public-building projects to aid in establishing the economic recovery of the United States: Therefore be it

Resolved by the General Assembly of Maryland, That the Congress of the United States be, and it is hereby, requested to take the necessary steps to set up a commission, to be known as the "Centenary Planning and Building Commission of the United States Naval Academy", as a means of meeting these needs and of fittingly commemorating the hundredth anniversary of the founding of the Naval Academy in 1845; and be it further

Resolved, That the Representatives from the State of Maryland in the Senate and House of Representatives of the United States be, and they are hereby, requested to urge and support the enactment of such legislation; and be it further

Resolved, That the secretary of the State of Maryland be, and he is hereby, requested to transmit under the great seal of this State a copy of the aforegoing resolution to the President of the United States Senate and the Speaker of the House of Representatives of the United States and to each of the Representatives from Maryland in the Senate and House of Representatives of the United States.

A joint resolution requesting the President and the Congress of the United States to station the ship *Constellation* at Fort McHenry, Baltimore

Whereas the city of Baltimore equipped and manned the first two vessels for the Continental Navy, and in 1776 supplemented the Continental Navy with the Maryland State Navy, composed of 25 vessels, each carrying from 20 to 30 guns; and

Whereas about one-half of the privateer fleet operating during the Revolution captured more prisoners than were surrendered by the British at Saratoga and Yorktown together, were sent out from Baltimore; and

Whereas the frigate *Constellation* was launched in Baltimore on September 7, 1796, and was one of the first vessels in the Navy of the United States, its name typifying the galaxy of stars in the American flag; and

Whereas the State of Maryland furnished more officers for the first Navy of the United States than any other State in the Union: Therefore be it

Resolved by the General Assembly of Maryland, That the President and the Congress of the United States be, and they are hereby, requested to station the *Constellation* at Fort McHenry, the birthplace of The Star-Spangled Banner, as a fitting memorial to its naval prestige in the early days of the Republic; and be it further

Resolved, That the secretary of State of Maryland be, and he is hereby, directed to send a copy of this resolution, under the great seal of the State, to the President of the United States, to the President of the Senate, to the Speaker of the House of Representatives, to the Secretary of the Navy, and to each Senator and Representative from Maryland in the United States Congress.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Maryland, which was ordered to lie on the table:

A joint resolution requesting the Congress of the United States to pass the bill by Senator TYDINGS providing for the construction of a Washington-Gettysburg Boulevard from the city of Washington to the battlefield of Gettysburg

Whereas a bill has been introduced in the Senate of the United States by Senator TYDINGS providing for the construction of a Washington-Gettysburg Boulevard, connecting the city of Washington with the battlefield of Gettysburg, in the State of Pennsylvania: Therefore be it

Resolved by the General Assembly of Maryland, That the Congress of the United States is most earnestly requested to pass said bill; and be it further

Resolved, That the secretary of the State of Maryland be, and he is hereby requested to transmit, under the great seal of the State, a copy of the aforegoing resolution to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and to each of the Representatives from Maryland in both Houses of Congress.

The VICE PRESIDENT also laid before the Senate a resolution adopted by a convention of the Toilet Goods Industry, at New York City, N. Y., opposing the renewal of the present excise tax on perfume and toilet preparations, which was referred to the Committee on Finance.

He also laid before the Senate resolutions endorsed by the board of directors of the Graphic Arts Association of the Houston-Galveston region, Houston, Tex., protesting against Order No. 7028, issued by the Postmaster General on April 15, 1935, rescinding that section of order no. 6638 extending to users of direct-mail advertising a simplified form of adressing mail matter to be delivered by city and village letter carriers, which, with the accompanying paper, were referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate a resolution adopted by the executive committee of the National Association of Safety Razor and Blade Manufacturers, New York City, N. Y., fa-

voring the enactment of legislation continuing the National Industrial Recovery Act to June 16, 1937, which was ordered to lie on the table.

Mr. CAPPER presented a petition of sundry citizens, being women of the First Presbyterian Church of Junction City, Kans., praying for advancement of the movement for peace, which was referred to the Committee on Foreign Relations.

Mr. FLETCHER presented a petition of sundry citizens (being celery growers) of Manatee County, Fla., praying for the adoption of proposed amendments to the Agricultural Adjustment Administration program, which was referred to the Committee on Agriculture and Forestry.

Mr. WALSH presented a resolution adopted by Greenfield Lodge, No. 997, Loyal Order of Moose, of Greenfield, Mass., protesting against the cotton-processing tax as adversely affecting the textile industry, which was referred to the Committee on Finance.

He also presented the petition of Union No. 2172, United Brotherhood of Carpenters and Joiners of America, of Boston, Mass., praying for the enactment of legislation placing a graduated tax on cigarettes, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Boston and vicinity, in the State of Massachusetts, praying for the prompt enactment of legislation providing unemployment insurance, old-age pensions, and benefits for maternal and infant health, which was ordered to lie on the table.

He also presented petitions of several members of Bunker Hill Lodge, No. 1099, and North Union Lodge, No. 74, both of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, of Boston; Local No. 319, International Association of Machinists, of Lowell; and sundry citizens of Worcester, all in the State of Massachusetts, praying for the enactment of pending legislation extending the effective period of the Emergency Railroad Transportation Act, which were ordered to lie on the table.

Mr. NORRIS presented the following resolution of the Senate of the State of Nebraska, which was referred to the Committee on Banking and Currency:

Resolution memorializing the Congress of the United States to make a complete investigation of the sugar-beet industry

Whereas the sugar-beet industry is of major importance in agricultural regions, and its prosperity affects producers, processors, and consumers alike, and is a means of livelihood for great numbers of employees of such growers and processors; and

Whereas annually controversies arise between sugar-beet producers and sugar-beet processors concerning contract terms and alleged discriminations; and

Whereas such annual sugar-beet controversy is far-reaching in its detrimental effects to farmers, processors, employees, and consumers, and should be eliminated, as it creates a great economic loss, retards the normal flow of business, and prevents the normal progress which would otherwise be made in such industry: Now, therefore, be it

Resolved by the Senate of the State of Nebraska in fiftieth regular session assembled—

1. That this senate hereby respectfully petitions and memorializes the Congress of the United States to make a complete investigation of the sugar-beet industry, paying particular attention to the causes of the annual controversy which arises concerning contract terms and alleged discriminations.

2. That the secretary of this senate is hereby ordered and directed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed, to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, and to the United States Senators representing the State of Nebraska, and to the Congressmen in the House of Representatives of the United States representing the State of Nebraska, to take such steps as are necessary to provide for a complete investigation of the sugar-beet industry and thus determine the cause of the annual controversy arising in such industry and, if possible, a remedy therefor.

TRAVEL BY THE AMERICAN TEAM ATTENDING OLYMPIC GAMES

Mr. WAGNER. Mr. President, I present and ask unanimous consent to have printed in the RECORD and appropriately referred a resolution adopted by Navy Post, No. 16, the American Legion, of New York City, N. Y.

There being no objection, the resolution was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

NAVY POST, No. 16, AMERICAN LEGION,
New York.

To whom it may concern:

At the April 3d meeting of Navy Post, No. 16, American Legion, the following resolution was unanimously adopted:

"Whereas the Olympic Games of 1936 are to be held in Germany; and

"Whereas an Olympic team of athletes representing the United States may be entered in those games; and

"Whereas such a team will be supported by contributions from sources within the United States; and

"Whereas it is vitally necessary for the welfare of this country that its merchant marine be supported not only by subsidy but by the patronage of the citizens and business interests of the United States; and

"Whereas efforts are now being made by certain foreign representatives that the Olympic team of the United States should travel to the Olympic Games of 1936 in ships of foreign registry: Now, therefore, be it

"*Resolved by Navy Post, No. 16, of the American Legion, Department of New York,* That it is the consensus of this post that the team representing the United States at the Olympic Games in Germany in 1936 should travel to and from those games in ships of United States registry manned by American officers and crews; and be it further

"*Resolved,* That copies of this resolution be forwarded to the United States Chamber of Commerce, New York Chamber of Commerce, the Senators and Congressmen representing the State of New York, the Amateur Athletic Union of the United States, and interested maritime organizations."

In order to build up the American merchant marine service comparable with other countries, and for patriotic reasons, it is urged that you exercise your influence to see that the above resolution is carried out.

Certified:

HAROLD K. HUGHES,
Commander.
JOHN R. EGNER,
Adjutant.

REPORTS OF COMMITTEES

Mr. TYDINGS, from the Committee on Appropriations, to which was referred the bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes, reported it with amendments and submitted a report (No. 743) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2649) to provide for a recreation area within the Prescott National Forest, Ariz., reported it with an amendment and submitted a report (No. 744) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the joint resolution (S. J. Res. 133) for designation of a street to be known as "Missouri Avenue", reported it without amendment and submitted a report (No. 745) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 28th instant that committee presented to the President of the United States the following enrolled bills:

S. 1522. An act to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children;

S. 1523. An act to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

S. 1524. An act to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children;

S. 1525. An act to provide funds for cooperation with joint school district no. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation;

S. 1526. An act to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation;

S. 1528. An act for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Port Peck Indian Reservation, Mont.;

S. 1530. An act to authorize appropriations for the completion of the public high school at Frazer, Mont.;

S. 1533. An act to provide funds for cooperation with Marysville School District, No. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children;

S. 1534. An act to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash.;

S. 1535. An act to provide funds for cooperation with White Swan School District, No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation;

S. 1536. An act to provide funds for cooperation with the public-school board at Covelo, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif.; and

S. 1537. An act to provide funds for cooperation with the School Board of Shannon County, S. Dak., in the construction of a consolidated high-school building to be available to both white and Indian children.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LA FOLLETTE:

A bill (S. 2941) for the relief of Izelda Boisoneau;

A bill (S. 2942) for the relief of John Hoffman; and

A bill (S. 2943) for the relief of John Morris; to the Committee on Claims.

By Mr. WAGNER:

A bill (S. 2944) to prevent and make unlawful the practice of law before Government departments, bureaus, commissions, and their agencies by those other than duly licensed attorneys at law; to the Committee on the Judiciary.

A bill (S. 2945) granting a pension to Lulu Sigel Schehl; to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 2946) for the relief of Mathilda Carson; to the Committee on Claims.

By Mr. FRAZIER:

A bill (S. 2947) authorizing payment to the Sisseton and Wahpeton Bands of Sioux Indians for certain lands ceded by them to the United States by a treaty of July 23, 1851; to the Committee on Indian Affairs.

By Mr. SCHALL:

A bill (S. 2948) granting a pension to John M. Newburgh; to the Committee on Pensions.

By Mr. NORBECK:

A bill (S. 2949) granting a pension to William Elk Sky (with accompanying papers); to the Committee on Pensions.

By Mr. TRUMAN:

A bill (S. 2950) granting the consent of Congress to the county of Saline, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Miami, Mo.; to the Committee on Commerce.

A bill (S. 2951) for the relief of Harry Warren Halterman (with accompanying papers); and

A bill (S. 2952) for the relief of the Birmingham Drainage District, State of Missouri (with accompanying papers); to the Committee on Claims.

By Mr. KING:

A bill (S. 2953) to provide for the inspection, control, and regulation of steam boilers and unfired pressure vessels in the District of Columbia; and

A bill (S. 2954) to control and regulate the discharge or emission of smoke, soot, noxious gases, cinders, or fly ash into open air in the District of Columbia; to the Committee on the District of Columbia.

By Mr. WAGNER:

A joint resolution (S. J. Res. 139) requesting the President to extend to the International Statistical Institute an invitation to hold its twenty-fourth session in the United States in 1939; to the Committee on Foreign Relations.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. SHIPSTEAD submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

ADDITIONAL CADETS AT MILITARY ACADEMY—RECONSIDERATION OF BILL

Mr. SHEPPARD. Mr. President, I desire to enter a motion to reconsider the action of the Senate in concurring in the amendments of the House to Senate bill 2105, relating to an additional number of cadets at West Point.

The VICE PRESIDENT. The motion will be entered.

Mr. SHEPPARD. Now I should like to have considered and agreed to the concurrent resolution which I send to the desk, in order that I may be in parliamentary position to move reconsideration at the proper time.

The VICE PRESIDENT. The concurrent resolution will be read.

The concurrent resolution (S. Con. Res. 16) was read, as follows:

Resolved by the Senate (the House of Representatives concurring), That the action of the Speaker of the House of Representatives and the Vice President of the United States, respectively, in signing the enrolled bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy, and for other purposes, be, and the same is hereby, rescinded; and that the House of Representatives be, and it is hereby, requested to return to the Senate the message announcing its agreement to the amendments of the House to the said bill.

Mr. FRAZIER. Mr. President, will the Senator from Texas state the reason for the concurrent resolution?

Mr. SHEPPARD. My object is to send the bill to conference. There have been some developments which make it advisable, in the interest of the proposed legislation, that the amendments added to the bill by the House be considered in conference.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

ASSISTANT CLERKS TO SENATORS

Mr. McKELLAR submitted the following resolution (S. Res. 144), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That each Senator may appoint, at the close of the present session of Congress, one assistant clerk, to be paid from the contingent fund of the Senate at $2,220 per annum until otherwise ordered by the Senate.

RECIPROCAL-TRADE AGREEMENTS

Mr. VANDENBERG. Mr. President, I send to the desk a resolution, which I ask to have read and referred to the Committee on Finance.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 145) was read and referred to the Committee on Finance, as follows:

Whereas the opinions of the Supreme Court in recent decisions respecting the constitutional invalidity of the National Industrial Recovery Act clearly limit the authority of Congress to delegate its legislative power, and demonstrate that this authority was exceeded in section 350 of the Tariff Act of 1930 (relating to reciprocal foreign trade agreements): Therefore be it

Resolved, That it is the sense of the Senate that no foreign trade agreements shall hereafter be entered into pursuant to the authority contained in section 350 of the Tariff Act of 1930, and that any foreign trade agreements heretofore entered into pursuant to such section should be terminated at the earliest practicable date.

N. R. A. DECISION OF SUPREME COURT

Mr. DUFFY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which appeared in today's Milwaukee Sentinel, written by Paul Block, entitled

"N. R. A. Decision Should Not Swerve Industry From Welfare Program."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Milwaukee Sentinel of May 29, 1935]

N. R. A. DECISION SHOULD NOT SWERVE INDUSTRY FROM WELFARE PROGRAM

Although the decision of the Supreme Court in the N. R. A. case seems plain enough, it will probably take some time to analyze its full effect and to determine definitely what further laws, included in the new-deal program, will stand the test of constitutionality.

In the meantime, industry has a chance to prove voluntarily its good faith with regard to the social aims which were included in the N. R. A. Act.

Elimination of child labor, provisions for minimum wages, and maximum hours, which should have been covered in separate social-welfare legislation, must be continued, of course. Industry's program should also include the upholding of present-day wage scales and additional measures, such as old-age pensions and unemployment insurance.

Whether these ideal objectives can be secured by Federal law is not entirely clear at the moment, but business leaders should cooperate in every way possible to assure their accomplishment. They need not wait for possible legislation, but should act on their own initiative.

Certainly the Supreme Court decision must not be taken as an excuse for any backward step or lowering of such improved standards as have been brought about. We believe that this represents the viewpoint of the great majority of men in business, and accordingly no time should be lost in taking a strong and enlightened stand for a fair and comprehensive social program.

PAUL BLOCK, *Publisher.*

THE N. R. A.

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an article relating to the N. R. A. published this morning in the Washington Post and written by Raymond Clapper.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of May 29, 1935]

BETWEEN YOU AND ME—GLEE OVER N. R. A.'S END MAY BE A BIT PREMATURE; BUSINESS WANTS CODES; STATE LINES FADING

By Raymond Clapper

Most of the gleeful cheering over the Supreme Court's wrecking of N. R. A. and, what is less apparent to the casual reader, its drastic tightening of the interstate commerce clause is quite likely to prove premature.

Throughout the country editorial writers are sitting in their insulated ivory towers rhapsodically thanking God for the Supreme Court and for, as they put it, the restoration of the Constitution.

Later on they may want to revise their remarks.

The prospect is that the country will for a time attempt to operate N. R. A. on a voluntary basis. Business leaders all over the country are urging that. Even the head of the United States Chamber of Commerce, which was in convention here so recently viewing with alarm, urges that the essentials of the codes be carried on by common consent.

This cry is significant. It reveals that in spite of complaints over specific policies, in spite of the stupidities of N. R. A. administration, which were numerous enough, and in spite of its unwise attempt to extend its activities further than a centralized administrative agency at Washington could reach effectively, thoughtful business men long ago had come to realize that the basic ideas of N. R. A. were necessary. They had tried, aided by official winking at the antitrust laws, to put some of these ideas into operation. They do not want to go back to industrial anarchy now.

A voluntary N. R. A., however, probably will be as short-lived as were the pledges not to cut wages which business leaders made at the Hoover White House conference after the stock-market crash in the fall of 1929.

Business leaders are urging their respective groups to show that business can be self-governing. Senator HASTINGS, one of the most conservative of Republicans, says it can be done. If it can, many difficulties will have been solved, but the chances are against it. A cigarette war has begun in New York already. Liquor prices are being slashed. If the chiselers have so reformed that they will go along, then the millennium has arrived and, of course, we won't need any government at all.

The better guess is that it won't work any longer than a revival meeting keeps the village drunk on the water wagon and that before the snow flies the country will be clamoring for President Roosevelt to step in and do something.

Those who think that natural forces will take care of the situation if left alone overlook, as Professor Corwin points out, that even the Tories don't entirely trust in the operation of natural forces, but wear suspenders.

It is unfair for those who are disappointed with the decision to blame the Supreme Court. Although the Court went counter to the centralizing tendencies of John Marshall and sharpened State lines again, it has a written Constitution to deal with. The Constitution contains just so much rubber and no more. It is idle to quibble with the Court for not shutting its eyes to the English language. The Court cannot be expected to say the Constitution means yes when it says no.

Talk of blackjacking the Court by enlarging its membership collapsed when all nine Justices joined the decision. That subterfuge of packing the Court, a weak and uncertain one at best, becomes ridiculous to think of now.

Other proposals, more seriously considered, include suggestions that Congress have the power to reenact legislation over a Supreme Court veto and that in such cases the Court could not for a second time override. It is like the British House of Commons method of overcoming a House of Lords veto.

But such suggestions do not overcome the fact that a written Constitution exists. They are essentially schemes to get around the supreme law of the land. Eventually, the Constitution would become a mockery, a funny old curiosity, like George Washington's coach.

More serious thought is being given to the only sound course in the long run—amendment of the Constitution to bring it into line with modern conditions, on the theory that the Constitution follows the economic fact. The Court has, through judicial interpretation, followed the economic fact about as far as it can without rupturing the plain language of the document. Alteration of the language, not by judicial construction but by amendment, appears to many the inevitable alternative to sabotage by subterfuge.

For instance, the Supreme Court's strict interpretation of the interstate-commerce clause, holding that mining, manufacturing, and growing crops are local activities; that wages and hours regulations in such activities cannot be touched by the Federal Government, may be proper construction of the language of the Constitution. Still, we know that a cut of wages in a textile factory in Connecticut affects textile factories in Massachusetts. The Wheat Belt and the Cotton Belt spread over State lines. Farmers in one State are affected by what farmers do in other States, as we have been hearing through 15 long years of clamor for Federal farm relief. In every direction business, labor, and agriculture operate without regard to State lines. Your copper mine out in Arizona pays its dividends to owners in New York. Prices at some gasoline filling station out on the prairie and the wages of the attendant probably are fixed in some city office building 1,000 miles away.

State lines served well enough in the early days when travel and transportation were slow, when the majority of the people never went beyond their county line, when each community, as each household, was practically complete unto itself, and when manufacturing was in the small handcraft stage like the shoeshine parlor of today. But the State line has become almost imaginary except in the law books. Most of the States can't even feed their people without getting the money from Washington.

And if the Supreme Court is going to insist on a strict construction of the interstate-commerce clause, it is going to be on the spot some day.

National banks are protected from robbery by Federal law. Smart yeggs keep away from national banks and tap State banks only. That keeps the Federals off of their necks. But some time a bank robber is going to make a mistake and crack a national bank. Then he is going to hire a smart lawyer who will carry the case to the Supreme Court and argue that robbing a bank is not interstate commerce, that Uncle Sam is unconstitutionally interfering with his personal liberty.

Meanwhile there is still the possibility that the Supreme Court could save the country much trouble by delivering its vetoes as a President does, instead of sending someone to jail and then telling him a year or two later that the Government can't do that to him.

For years Massachusetts has in effect done exactly this. When the legislature is considering a law, it can ask the State supreme court for an advisory opinion. Occasionally this also is done in Maryland, but unofficially and off the record. The Federal Government already has moved in this direction with adoption of the declaratory-judgment law 2 years ago. Under that act, a petitioner can bring a test case without having actually to violate the law to find out whether he can be sent to jail. The Kerr-Smith Tobacco Act and the hog-processing tax are being tested in this manner now in the lower courts.

The Supreme Court caught the District of Columbia Trucking Code Authority off guard. On the same newspaper page that yesterday carried accounts of the wrecking of N. R. A. appeared an advertisement inserted by the Trucking Code notifying operators of trucks for hire that:

"The Trucking Code, signed by the President, is in full force for the second code year. The following requirements are contained in this law: Annual registration; display of insignia; filing of rates; maximum hours for labor and minimum wages. Truckmen are requested to register immediately for the second code year and comply with all other provisions of the code."

One nationally prominent N. R. A. champion was more fortunate. He was booked to deliver a speech Monday night to a code group, and his prepared manuscript ended on the following note of assurance:

"You can feel secure that the gains you have made will not be lost, that your code is secure, that for all the big black wolf may huff and puff against your N. R. A. house of refuge, it is built of bricks and not of straw and sticks, and that it is not going down this season."

After reading the newspapers he had to throw it all away.

THE PRESENT DIFFICULTIES OF THE SCHOOLS

Mr. GEORGE. Mr. President, I ask permission to have printed in the RECORD an article by Dr. Paul Mort, of Columbia University, on the subject of the Present Difficulties of the Schools.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PRESENT DIFFICULTIES OF THE SCHOOLS

By Dr. Paul Mort, of Columbia University

Schools do not usually close the moment their funds are exhausted. The American people believe profoundly in a continuous education for their children. Even under the most difficult financial conditions they struggle to keep the schools going. Heavy taxes are often imposed, but the resources of the community, or even of entire States, prove to be inadequate. After every economy has been effected and the school funds are completely exhausted, still the people commonly struggle on to avoid the last desperate measure of closing the school entirely. First, the school district tries to borrow money. If its credit is fairly good, it may run on borrowed money for several months, or even several years. When at last its credit is completely exhausted, the teachers, with loyal devotion to the welfare of their children, usually continue to serve for several months, and even several years, without pay. They either receive no salary whatever or are paid in practically worthless paper. The practical effect is that State and local governments have resorted to forced loans from teachers in order to carry on an essential public service.

Finally, however, every resort is exhausted. The parents have been providing board and lodging for the teacher, but teachers must have some money for other necessities of life. The fuel for the school building is used up. The various operating bills are unpaid. No more gasoline can be bought for the school bus. Desperate appeals now are made to Federal relief officials. At the best, there are weeks and usually months of delays for investigations and surveys before aid from the Federal Government is extended. Since the only Federal funds which have been used to keep schools open are those granted for relief purposes, the teacher must qualify to receive money as an object of relief.

Meanwhile the windows and the door of the schoolhouse have been boarded up and the people of the district realize that they have not only fallen upon evil days for the present but that their children also are to suffer in the future from an indefinite loss of educational opportunity.

It was at some such moment as this that the following letter was written by a 14-year-old girl in a Middle Western State recently:

"Last year we thought we were hard up because school closed April 1. This year I guess we aren't going to have school at all. Eighth-graders from our school and from Turtle River are trying to keep up our work. Pastor T's wife has us at the parsonage Friday mornings to hear our lessons. But most of the time is taken up with her asking how we do things here and comparing with the ways in Norway. Well, I guess I'll have to give up my plan to take high school. With the school closed (I feel like crying every time I see it with the doors and windows boarded up) I'll be too old before I am ready to go to high school. Do you think you could get on without a school or even a set of books? Grace has the arithmetic VIII, and I have the grammar. Teacher let us borrow those when school closed. I guess she had a hunch how this year was going to be. For all of us that go to the parsonage there is one history book. It's the one the Swanson's eldest boy had the year he went to town. It stops before the war, but I guess there hasn't been much since then except trouble, and I don't need a book to learn about that." (Amidon, Beulah, Schools in the Red. Survey Graphic 23: 266–270, 295–296, June 1934.)

How wide-spread are such conditions at present? In order to answer this question the United States Office of Education has collected figures from 25 States which show a total of 32,139 school districts that do not have sufficient funds to operate schools for the usual school term. In these districts there are approximately 42,200 schools, or 100,000 classrooms. The average reduction in the school term in these districts will be approximately 3 months. No less than 467 districts located in eight different States had no funds at all with which to begin the school year last September. (United States Department of the Interior, Office of Education, Financial Situation in Rural School Districts, 1934–35, Washington, D. C., March 1935. 10 p. mimeo.)

Closed schools are not the only disaster resulting from the lack of an adequate national-emergency program for the protection of the educational interests of all the children. Even the schools which manage to keep open, frequently do so by mortgaging the future so heavily that the district faces virtual bankruptcy. The fact that teachers must wait months and years for earned salaries inevitably affects their morale and tends to drive many capable teachers to lines of work where they can receive regular compensation. Many districts are unable to employ a sufficient number of teachers and, therefore, operate schools in which classes are dangerously overcrowded. Other schools have discontinued transportation of pupils with resulting decreases in attendance of as high as 50 percent. Many districts are so hard pressed for funds that they have not bought any teaching supplies or textbooks for years, nor have they spent any money for the repair and maintenance of the school building. In certain Arkansas counties more than one-third of the children have no textbooks whatever. (Arkansas State Department of Education, Biennial Report of the State Commissioner of Education, Little Rock, Ark. W. E. Phipps, Commissioner of Education, 1932–33, 1933–34, 184 p.)

Even the principle of free public education, in which the American people have long taken pride, has been repudiated. In Arkansas and several other States public schools, either openly or through subterfuge, are on a tuition basis. As early in the school year as November 1934 there were 77 Arkansas public schools charging tuition. These schools normally served 12,822, of whom 3,813, or more than a quarter, were being kept out of school on account of these charges.

Schools and education have certainly been affected by the depression itself to no less extent than any other interest of national significance. But the difference between schools and many other national affairs is not that schools have been harder hit but that no adequate steps have been taken by any agency of the national-recovery program to protect this particular phase of the general welfare.

The data given in tables A and B show the current conditions in the schools of a sampling of States. These data were submitted on March 24 and 25, 1935, by State superintendents of public instruction in response to a telegraphic inquiry (for these data I am indebted to Dr. William G. Carr, of the National Education Association):

TABLE A.—*Schools now closed*

Georgia (at the very least—verbal statement)	100
Idaho	2
Illinois	4
Maine	38
Minnesota	1
Mississippi	(1)
Nevada	14
Oklahoma	127
Oregon	2
Tennessee (verbal statement)	1,000
Texas	250
Washington	46
Total, 11 States (Mississippi not included)	1,584

TABLE B.—*Schools which would be forced to close if teachers' salaries were required to be paid in cash*

Arkansas (districts)	233
Georgia (counties—most of the rural schools)	100
Idaho	185
Illinois (in dire need)	196
Iowa	1
Maine	1,200
Mississippi (80 percent of all schools)	4,800
Missouri	1,100
Montana	650
Nevada	33
Oklahoma	450
Oregon (districts)	104
Tennessee (counties)	62
Texas (42 cities)	1,000
Wisconsin	150
Wyoming (in distressed condition)	50
Total, counting only one school per district (not including Georgia and Tennessee)	10,152

Of the 27 States replying, 11 have one or more closed schools, and 16 have schools which would be forced to close if teachers' salaries were required to be paid in cash.

CAUSES OF PRESENT DIFFICULTIES

Immediate causes of difficulties: The immediate cause of difficulties in the public schools is the break-down of the property tax. Ability to pay, reflected by property ownership in ordinary times, faded out from behind large masses of property both in the cities and in rural areas. Tax delinquencies, followed by tax sales, mounted. State legislatures removed penalties for tax delinquencies. This saved the homes and farms of vast numbers of people. But others seized the opportunity it afforded to withhold payment of taxes. Enlightened groups rose in most of the States requesting that the States supply new taxes based on better measures of ability which could carry the necessary burdens of Government during the depression. Some action was taken, but the efforts of these groups were largely offset by two forces:

State legislators, always reluctant to vote new taxes, were made even more fearful by the reaching down of the Federal Government into tax sources normally available to the States. The rapid succession of changes in the system of Federal taxes and the mounting expenditures of the Federal Government, with their threat of additional Federal taxes, either drove State legislators into an hysteria of fear or gave them an alibi for inaction.

The other force operating to offset the activities of groups seeking new taxes was the vast ignorance of the population in general regarding the real nature of the problem which they faced. The simple solution of the difficulty appeared to a large mass of people to be the cutting of public expenditure to the bone. They did not lack for leadership. They became the prey both of honest but unenlightened leadership for reductions at any cost, and to less altruistic leadership, financed by groups which had a selfish interest in maintaining the status quo. An epidemic of taxpayers' associations sprang up over the land. They were represented en masse at all Budget hearings. Their representatives brought

[1] A large number.

pressure to bear upon public officials at every possible point. Interestingly enough it is shown clearly by statistics that the schools for some reason suffered the greatest losses from this activity. For example, in the communities of New Jersey, from 1933 to 1934, local taxes for schools were cut 19.4 percent, while local taxes for municipal activities were cut only 2.4 percent. Part of the explanation for this lay in the willingness of the professionally led educational group to assist in making necessary adjustments. Part doubtless lay in the fact that schools, with the greater freedom from political control, found themselves in the depression deprived of the political protection available to the municipal activities.

Deeper causes of difficulties: Underlying the whole problem there were deeper causes. Fundamental defects in the financing of necessary government, including education, underlay our governmental structure even in the heyday of prosperity. The depression found us in a situation where the property tax, when compared with all other taxes levied by local, State, and Federal Government, was carrying an unfair share of the burden of government. When the depression came upon us, the property taxpayer, on whom the schools depended so largely for their support, was already a sick man, and for that reason all the more susceptible to the ills which came with the depression.

While the decade of the twenties had shown great headway in correcting this condition and equalizing the burden of support of local government among communities in the States, the depression found this process only well begun. The national survey of school finance pointed out the vast defects within States at this period. Approximately 10,000,000 children were in schools providing educational opportunities poorer than would be expected from any national standards that would have been built up had the States been freed from the internal defects of their structures of school support. But even if these corrections were made, the interstate comparisons made by the national survey of school finance demonstrated that the shortcomings of many of the States would still be intolerable. All measures of economic ability of the States, or their ability, severally, to pay taxes under the best devisable State tax systems, show vast differences among the States. The best possible State tax system would leave the educational programs in States like Mississippi, Alabama, South Carolina, and Arkansas far short of a defensible Nation-wide minimum. The situation cannot be corrected merely by tax reform within the States. All or most of the reasonable revenue from a reformed tax system in certain States would be required for a reasonable minimum program of education, leaving nothing or little for other government.

A study has just been completed at Columbia University by Mr. Leslie L. Chism, under the direction of Prof. John K. Norton, measuring the relative ability of the various States to finance public education. Estimates have been made of the amount of tax revenue which could be raised by each State under a modern tax system. The structure of the tax system used in the investigation follows that proposed in the second report on a plan of a model system of State and local taxation by a committee of the National Tax Association. The rates at which the various taxes composing this modern system of taxation are levied are those recommended by the committee of the National Tax Association when rates are designated by this committee. In the case of taxes for which no rates are specified in the model tax plan, the rates used are those recommended by acceptable tax theory or common practice. The estimates of the tax revenue which would have been raised in the various States by this modern tax system in the period 1922 to 1932 reveal certain interesting facts:

1. Normally 31 percent of all State and local taxes go to education. The smallest percentage in any State is 20.44; the largest is 43.40.

2. In Mississippi the amount of tax revenue raised by this system of taxation, from which all governmental enterprises must be financed, is less than the amount necessary to pay for the schooling of each child in average daily attendance at a cost per pupil equal to the average for the country as a whole.

3. The percentage of all tax revenue which would have been raised by the modern tax system during the period 1922 to 1932 required to finance a school program at an average cost per pupil is as follows for the 11 poorest States:

State	Percent of all tax revenue required for average expenses	Percent now made available
Mississippi	105.60	27.89
Alabama	83.49	33.52
South Carolina	82.87	31.41
Arkansas	74.74	31.41
Georgia	74.11	26.52
North Carolina	74.11	34.92
Kentucky	64.10	29.02
Tennessee	58.79	29.61
Oklahoma	57.22	35.18
Louisiana	52.22	25.91
Texas	50.03	27.99

NOTE.—Studies carried on independently by Dr. Mabel Newcomer, of Vassar, as a contribution toward my researches on the objective measure of need and ability of States, agree with Mr. Chism's findings.

No one can view the evidence without coming to a conclusion that national responsibility for the financing of a decent minimum program of education is inevitable if our great experiment in popular government is to have a chance at success. The condition of the schools as they would exist if each State were to put its house in order represents an emergency. It is a challenge to the ability of a free people to govern themselves, comparable in its importance, if not as apparent to the mass of the people, as was the Civil War.

All of these forces operating in an exaggerated fashion during the depression account for the vast denial of America's promise to those individuals who are unlucky enough to be children in this particular period.

THE SOLUTION TO THESE DIFFICULTIES

To solve these difficulties, for the emergency and permanently, requires us to put the financial house within the States in order: Tax reform—combined with equalization of burdens of local government. On the educational side, it means the setting up in each State of a decent minimum of educational opportunity below which no locality shall be allowed to go, and the reduction of the burden on property to the point where it can be responsive to taxation for the financing of local initiative, generally considered essential for the continuous bringing about of adjustment of our schools to new conditions.

Necessity for Federal aid: But the problem cannot be settled within the States. The solution requires that the Federal Government at least make funds available to the poorer States that will make a decent national minimum of education available to every child.

More extensive Federal aid: A significant beginning could be made with $100,000,000 a year of Federal aid going to the poor States. This should be distributed on an objective basis, considering the cost of a foundation program of education and the ability of the States to support such a program. States receiving the aid should be required to use the money received and their own funds in such a way as to guarantee the defined minimum of support to all communities in the State. Determination of both need and ability of the States should not be left to the discretion of the distributing agency. It should be specifically defined in the law. This is now possible as the result of researching being carried on currently under my direction, with the financial aid of the Columbia Council on Research in the Social Sciences.

Federal solution of a tax problem: Extension of Federal aid requires States to levy new types of taxes. In the levying of these new types of taxes interstate problems arise which are exceedingly difficult to meet. There is a growing belief on the part of tax experts that the real solution of the difficulty is for the Federal Government itself to operate as the tax-collecting agency, sending back to States, rich and poor, the returns of these new taxes, with consideration of the essential cost of government and the ability of the States to meet those needs. The task could be simplified and much the same results obtained if the Federal Government were to take over the responsibility for a foundation program of a major item of government such as education—a major item of government in which the people of the entire country are undeniably concerned.

A significant beginning on this could be made with $400,000,000 a year, distributed to all States without consideration of their ability to support education.

SUMMARY OF SOLUTIONS TO THE PRESENT DIFFICULTIES

These alternative solutions may be summarized as follows:

1. Federal aid to the poor States to the extent of $100,000,000 annually in the initial stages, associated with the levying of new taxes and steps for the equalization of burden within the States.

2. Federal aid to the extent of $400,000,000 in the beginning stages, financing approximately the same program of education, but bringing about tax reform through Federal action instead of by action in the individual States. It should be stipulated in the law that such funds must be used for the equalization of burdens within the States.

SUPPORT AND CONTROL

When this issue of Federal support for education arises the question of control comes into the forefront. Considerable research has been done on this problem in recent years. There is general agreement that control should be left to the States and to the communities, except insofar as certain external minimum requirements, such as length of term, equalization of burdens within the States, extent of training of teachers, etc., are concerned. This was typical of the early grants of Federal aid. The grants to the old Northwest Territory made by the Continental Congress, and extended and enlarged to the younger States, were grants made entirely without control. The effect they had on the development of education in our national life is incalculable. Similarly the Morrill Act grants of 1862 and 1889 were definite grants based on objective considerations carrying with them the single requirement that the colleges receiving such grants should provide military training.

When the Smith-Hughes Vocational Education Acts came into existence in 1917, they carried with them a degree of discretionary control which has had no small part to play in arousing the fear of Federal domination. All of our experience apart from this, some of which dates back nearly 150 years, has indicated that with objective measures and only objectively specified requirements, the undesirable features of control can be eliminated. Researches now nearing completion have extended the study of objective measures advanced by the National Survey of School Finance and by the many State studies made during the last decade, to the point that we now have available objective measures of the cost of a foundation program of education that will take

into account those elements which made costs for the same type of service vary from State to State. Among these elements are variation in sparsity of population and variation in living costs. Similarly, studies now well along will make it possible to take into consideration on a simple and objective basis relative ability of the States to pay taxes.

I refer above to the facts which point along the directions which I have outlined. These may be summarized as follows:

1. Studies of the variation in educational opportunities within States.
2. Studies showing the relative burden carried by the property tax.
3. Studies of the status in which States would find themselves educationally if they put their houses in order.
4. Studies of the relative ability of States to pay taxes under a model tax system.
5. Studies of objective measures of need and ability of States.

In addition, one studying this problem would be interested in the historical development of Federal aid. This is summarized in an excellent manner in Dean Russell's article "Boon or Bane", some of the high points of which I have included in the above. I am enclosing a reprint of this article.

It is my conviction that if President Roosevelt and the Congress were to see their way clear to enter into a careful consideration of the possible contributions of the new deal to this highly important problem of popular government, and could view it from the angle of their responsibility as representatives not of the school teachers of America but of the interests of the American public, a program for emergency action and a long-range program for the correcting of basic difficulties in our governmental structure would rapidly come to the fore.

THE BANKING BILL OF 1935

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD a radio speech delivered on Saturday, May 25, 1935, by Marriner S. Eccles, Governor of the Federal Reserve Board, on the subject of the banking bill of 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am grateful to the Washington Star for the invitation to speak in this forum.

I should like to talk to you as plainly as I can about the banking bill which is pending before Congress. In the brief time at my disposal I shall have to confine myself to the most controversial features of the bill and omit discussion of many other provisions of the bill which would, in my judgment, contribute toward recovery as well as toward the better-coordinated and more efficient administration of the Federal Reserve System.

I shall assume that you believe that in order to have our money system controlled for the benefit of the Nation as a whole and not for the benefit of special interests this control must be in the hands of a responsible body. If, after all that this Nation has gone through during the past 5 years, you still believe that we can leave our monetary system to chance or to fate, then it would be futile for me to try to persuade you that our present system can and should be improved.

With the banking cataclysm so fresh in our memories, we would be justified in saying that the Government had failed in its duty if it neglected to correct at least some of those apparent defects in our banking system which contributed to bringing untold distress to millions of our people and threatened to plunge our entire economy into the abyss. We are told that there is no emergency at this time which demands prompt action to correct these defects, but surely we should not wait for another crisis before taking the steps necessary to remedy obvious defects which painful experience has exposed. We should profit by the lessons we have learned from the emergency.

The real problem is the control over the volume and cost of money. The defects which I have mentioned are not due to the absence of powers of control, but to the fact that the present responsibility for the exercise of these powers is so diffused and divided as to hamper seriously, if not to frustrate, their effective use.

We need also to state the objective toward which these powers should be directed. At present there is no objective for monetary policy stated in the law. The banking bill as passed by the House of Representatives proposes a definite objective, which is, in a word, that monetary policy shall be directed toward the maintenance of stable conditions of production, employment, and prices, so far as this can be accomplished within the scope of monetary action.

I do not wish to be understood as believing that by monetary action alone we can eliminate all booms and depressions and achieve a permanent and unvarying stability. I do believe firmly, however, that by monetary means exercised promptly and courageously we can greatly mitigate the worst evils of inflation and deflation.

What are these powers of control to which I refer? There are three principal means of control which now exist. The first is the power to raise and lower the discount rate—that is, to determine the cost at which banks can borrow from the Federal Reserve banks and, consequently, to influence the cost at which the public can borrow from the banks. The importance of this power is apparent. By lowering or increasing interest rates it is possible to lower or increase the cost of doing business and, therefore, to have an influence over the contraction or expansion of business. This power is now vested in the Federal Reserve Board at Washington.

The second means of control to which I have referred is the power to raise or lower reserve requirements of the banks which are members of the Federal Reserve System. This power more directly influences the volume of money because under our law the amount of deposits that banks can create is limited in proportion to the amount of reserves they possess. Therefore, an increase or a decrease in the volume of reserves tends to increase or decrease the volume of deposits which are our principal means of payment, or money. Since 1933 this power has been vested in the Federal Reserve Board, but it can only be exercised when the President declares that an emergency exists and gives his approval. The responsibility for declaring an emergency should not be placed upon the President. Even if an emergency did not exist the declaring of it would almost certainly create one. The bill proposes to give the Federal Reserve Board the use of this most important instrument of control without requiring the President to declare an emergency, which might involve insurmountable political obstacles. The Federal Reserve Board should be in a position to exercise this power in the normal course of events for the very purpose of preventing an emergency.

The third means of control is what is known, perhaps somewhat mysteriously, as open-market operations. Without going into the details of this technical matter, open-market operations mean that the Federal Reserve banks, when they wish to increase the volume of money, can do so by buying Government securities in the open market. The money they pay for these purchases is added to the reserves of the member banks. Conversely, when the Reserve banks wish to diminish the volume of member bank reserves they can sell securities and in effect lock up the money paid by the banks for the securities. In this way they can directly influence the available volume of money.

At the present time the control over this power is distributed between a committee of 12 governors of the 12 Federal Reserve banks, who now have the responsibility for recommending purchases or sales; the Federal Reserve Board, which has authority to approve or disapprove the recommendations of the governors; and 108 directors of the 12 Reserve banks, who, in turn, have the right to determine whether or not they will buy or sell in accordance with the policy that has been recommended by the governors and approved by the Board. A more effective means of diffusing responsibility and encouraging delay could not very well be devised.

On this point I have recommended that the power over open-market operations be entrusted to the Federal Reserve Board, which consists of 8 members, 6 of whom are appointed by the President and confirmed by the Senate and 2 ex-officio members, the Secretary of the Treasury and the Comptroller of the Currency. The Board would be required, however, before taking action on open-market operations as well as on discount rates and reserve requirements, to consult with a committee of five governors selected by the Federal Reserve banks. In this way the responsibility for action will be unescapably fixed.

To my mind, the all-important thing is to place responsibility for the exercise of these three means of control in a clearly defined body and to state the objective toward the attainment of which that body shall exercise these powers. I do not wish to be dogmatic about how this body shall be constituted. I have recommended placing responsibility for the exercise of these powers in the Federal Reserve Board, which was established by law to serve the best interests of the Nation in banking and monetary matters. However, there are powerful groups which are irreconcilably opposed to this plan and wish to perpetuate the present unsatisfactory situation in which these powers cannot be effectively exercised.

This attitude is by no means characteristic of all of the bankers of the country. In all fairness, I wish to emphasize that in discussing this issue most of the leaders of the American Bankers Association have adopted a constructive and cooperative attitude. This is in sharp contrast with the attitude of a few bankers and business leaders, particularly in New York. Many of the bankers have frankly recognized the need and importance of the major changes proposed in the banking bill and have accepted them in principle.

With these bankers the issue over the banking bill narrows down largely to a question of the composition of the controlling body. Thus the American Bankers Association proposes that the exercise of monetary powers shall be entrusted to a committee consisting of the Federal Reserve Board, which shall be reduced to five members, and a committee of four governors selected by the governors of the 12 Federal Reserve banks. This plan would give the governors of the Federal Reserve banks, who are selected by directors two-thirds of whom are appointed by private bankers, 4 votes as against 5 votes for members of the Federal Reserve Board.

There has been considerable support for another proposal which would intrust the powers of determining monetary policy to a committee consisting of the Federal Reserve Board of eight members, as now constituted, together with five governors of the Federal Reserve banks. These governors would be selected with reference to a fair representation of the different regions of the country, 1 member to represent the Eastern Federal Reserve districts, 1 the Middle West, 1 the South, 1 the far West, and 1 to be selected at large.

It is not for me to determine in whom these powers shall be vested. My recommendation was that they be vested in the Federal Reserve Board, with a committee of five governors acting in an advisory capacity. I have just mentioned two other proposals.

It is for the representatives of the people of the United States in Congress to determine whether they want to give these powers to an independent public body, to private interests, or to a combination of the two. The one principle on which I feel there can be no reasonable ground for disagreement is that the powers must be vested in a clearly defined body which will have adequate authority and full and unescapable responsibility for the use of these important powers.

As I have said, the purpose of the bill is not to create new powers, but to place existing powers in a responsible body where they may be effectively exercised. Against this proposal the cry of political control has been raised. This is not a new cry. It was raised against the original Federal Reserve Act more than 20 years ago. It was raised by about the same interests which are now resisting the passage of this bill—the same interests that have repeatedly been against all progressive social and economic legislation, such as the income tax, even when it was proposed to make it as low as 2 percent; against child-labor legislation; against the Federal Trade Commission and the Federal Power Commission; the Securities Exchange Commission; against pensions of all kinds, both State and national; in short, against all that enlightened legislation which has long since been accepted and now forms the basis of such economic and social advance as we have achieved.

If it is fair to charge that the Federal Reserve Board is political, then the same accusation must be made against the Interstate Commerce Commission, against the Federal Trade Commission, and against other governmental bodies, the members of which are nominated by the President and confirmed by the Senate. Experience has demonstrated that these bodies have consistently acted not for political advantage but in the public interest.

Some of the opponents of the bill are raising all the familiar bugaboos that they have so often trotted out in the past whenever any attempt has been made in the interests of the country as a whole to limit their influence in national affairs. I think that Mr. Walter Lippmann well stated the tone and temper of these irreconcilable opponents when, in a recent article, he referred to their hysterical methods. He pointed out that they tell us in one breath that we are threatened with a grave emergency because of the dangers of uncontrollable inflation, while in the next breath they tell us that no emergency exists which requires the enactment of this legislation, designed as it is to enable us to deal effectively with just such an emergency. As Mr. Lippmann says with reference to the inconsistency of these opponents, "It does not make sense. If we are faced with these hideous dangers, are we not criminally negligent if we fail to fix clearly the responsibility for averting them?"

As I say, this cry of "wolf" is not new. I have had occasion to delve into the history of banking legislation, and I note with some degree of consolation that the Federal Reserve Act was denounced in language so nearly identical with that being used today by much the same organized opposition, that unless you knew the dates you could not distinguish between what they said more than 20 years ago and what they are saying today.

Then, as now, the same interests were crying inflation and political control. Then, as now, they demanded full control. Indeed, they undertook to persuade President Wilson that they should have banker representation on the Federal Reserve Board. Senator GLASS, of Virginia, in his authoritative and illuminating book on the Reserve System entitled "An Adventure in Constructive Finance", tells of how these bankers made their arguments to Mr. Wilson, and, according to Senator GLASS, when they had finished, President Wilson said quietly:

"Will one of you gentlemen tell me in what civilized country of the earth there are important government boards of control on which private interests are represented?"

"There was," wrote Senator GLASS, "painful silence for the longest single moment I ever spent; and before it was broken, Mr. Wilson further inquired:

"'Which of you gentlemen thinks the railroads should select members of the Interstate Commerce Commission?'"

And Senator GLASS adds in his book:

"There could be no convincing reply to either question * * *."

Let me quote another pertinent paragraph from this illuminating book:

"While the Federal Reserve bill was pending", wrote Senator GLASS, "it was mercilessly condemned in detail by certain interests. Where there was any praise in these quarters, it was faint enough to damn. This hostile criticism reflected not alone the attitude of bankers, as the class which imagined that it was chiefly affected by the proposed readjustment; but it voiced the disapprobation of those business groups which are most readily impressed by banking thought. This was not surprising since the phenomenon was and is of frequent recurrence."

Unfortunately this is all too true. You are witnessing the same phenomenon again today. You are hearing the same cry that the banking bill means reckless inflation; that the purpose of the bill is to obtain control of the banks so that the administration may be able to finance an endless series of Government deficits. The complete answer to this bugaboo is that if the administration had such a purpose it would not need this bill, for this or any other administration will always find means to raise the funds which the representatives of the people in Congress have appropriated.

As a matter of fact the administration has at its command, in the stabilization fund and under the so-called "Thomas amendment", more than five billions of unexpended dollars. Demand for the purchase of Government bonds is so great that the average interest rate has dropped by more than 25 percent since the administration took office. In the face of these facts, do you believe the opponents of this bill when they tell you that the administration wants the banking bill enacted in order to enable it to finance governmental deficits?

The organized opposition to the banking bill wants to delay its passage, to leave matters as they are. Our opponents profess to believe that the issue should be submitted to a commission for further study. But manifestly this is not an issue which will be settled by further study. It is not an issue as to facts which need to be gathered together and pored over by another commission. Unless your memories are shorter than I believe them to be, you know the essential facts. The issue is plain. It is an issue of fundamental belief. It is whether such powers as we possess over monetary policy, which affects the welfare of all of us, shall be definitely placed in a body which shall have not only the necessary means of control but the fixed responsibility for its exercise, or whether these powers should be left as at present, where they can neither be effectively used nor the responsibility for their exercise definitely fixed. It calls for a decision by the people of the United States through their representatives in Congress. It is my sincere conviction that this bill is in the interest of the banking system as a whole, because it will enable it better to serve the public interest.

I thank you.

THE BANKING BILL—ARTICLE BY A. P. GIANNINI

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD an article by A. P. Giannini appearing in Today for June 1, 1935, entitled "I Favor the Banking Bill."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

I FAVOR THE BANKING BILL

By A. P. Giannini

(To provide the country with a sound, flexible currency is a public trust; private bankers should serve the business interests of depositors, borrowers, stockholders)

If bankers will stick to their jobs as financial middlemen, they will earn back the confidence they have lost. In the past their responsibility for monetary and credit policies has been at best a fiction, for they have of necessity left these matters to certain New York private banks with international ramifications, whose influence has been dominant and whose first duty was neither to the public nor to the other banks, but to their own stockholders. The banks themselves, as well as the public, will be better represented if they place this responsibility on a specially constituted and qualified public body.

No business more vitally affects the public interest than banking. Bankers meet a large part of the borrowing needs of the country. They provide the agencies through which the bulk of the country's payments of all kinds are made. They create what has been aptly termed "deposit currency" or "check money", which is the chief medium of exchange. An expansion or contraction of deposit currency concerns not only the bankers but everybody in the community. The violent fluctuations in the amount of deposit currency may not make booms and depressions—that question is highly controversial. But everyone does agree that these fluctuations accentuate them.

I believe that a majority of bankers feel as I do, although there is a popular impression that the bankers of the country are opposed as a class to the banking bill of 1935. However, while a special committee of the American Bankers' Association criticized the bill, this committee felt that if certain amendments proposed by it could be enacted, the bill would then be beneficial. Most of these amendments have been adopted. Aside from this official expression, a number of prominent individual bankers have opposed the bill. Analysis of their objections reveals the fact that their opposition is directed almost entirely to those provisions which place in the Federal Reserve Board the control of national monetary policies.

PRIVATE AND PUBLIC FUNCTIONS

This raises a fundamental issue as to whether the banking system of the country should be left exclusively to the direction of a few private bankers or whether there are some features of the banking system which by nature are of public rather than of private concern. Certainly, as regards the function of making loans in each community, supplying currency, handling and clearing checks, and other such service functions, banks are engaging in strictly private business, and should be left entirely to their own talents of management and control.

I think, however, that the assumption by private bankers of the responsibility for functions which in every other country are matters of public concern would be dangerous to the future of private banking in this country. Private banking is sufficiently on the defensive without having to bear the onus of blame for the mistakes of those few bankers who are in a position to determine monetary policy. Let us, as bankers, strive to serve the interests of our depositors, borrowers, and stockholders as ably as we can, and place the responsibility for the determination of what is really public policy unequivocally in a public body. That is not only the proper attitude for bankers to take but, from a purely selfish point of view, it is the most prudent. The sooner we recognize that to provide the country with a sound and flexible medium of exchange is a public trust and not a private privilege, the better it will be for us.

I take no stock in the political-domination argument against the banking bill. The Federal Reserve Board is a political body only in the sense that its members are nominated by the President and confirmed by the Senate. So are the members of the Supreme Court. Nor does it follow, as the critics of the bill assume, that because the Federal Reserve Board is in this sense a political body it must necessarily be subservient and inefficient. It has not been so in the past. It is not true of many other public bodies with which I have had contact. In fact, I should say that from the point of view of honesty and efficiency, public service compares favorably with private. For one thing, public bodies operate under the full glare of publicity and their shortcomings are public property. When in recent years the floodlight of publicity was turned on various private activities, including banking, the disclosures were far from reassuring.

I am fully aware that public as well as private bodies may be subservient and inefficient. I think the framers of the bill were likewise aware of this and did everything they could to insure that the Federal Reserve Board would be both an efficient and an independent body. Enhanced prestige should follow enhanced authority and responsibility. The new pensions and higher salaries, the new qualifications for members of the Board, and the newly defined objective of policy should all contribute to the efficiency and independence of the Board.

The only feature of the present make-up of the Federal Reserve Board which could properly be pointed to as "political control" is the presence on the Board of two ex-officio members who are habitually appointed by each incoming President from his leading political supporters, namely, the Secretary of the Treasury and the Comptroller of the Currency. These members, however, hold office by virtue of the existing law and not through the proposed bill. If a further attempt to insulate the Board from political influence is desirable, then consideration should be given to the suggestion of the special committee of the American Bankers' Association that these two ex-officio members be removed from the Board. Personally, with Reserve Board members appointed for 12 years, or 8 years beyond the Presidential term, and with no provision for removal of members except for malfeasance, I do not see where this added precaution is made necessary.

I favor the banking bill for other reasons. It facilitates the entrance of nonmember banks into the Reserve System and thereby contributes to that greatly needed reform, the unification of banking. The House of Representatives has voted to remove the provision that nonmembers shall not share in deposit insurance after July 1, 1937. This I very much deplore. The cause of banking reform in this country will be immeasurably harmed unless the action of the House is reversed. I do not, however, wish to see existing small banks harmed or legislated out of business, and I would favor some way by which, as to existing small banks only, the requirement of Reserve membership could be so reduced or the time for compliance so extended as to make membership not only possible but desirable.

Another reason why I favor the bill is that it recognizes that banks should meet the requirements not only of commercial borrowers, whose loans constitute a small portion of banking assets, but also the requirements of other borrowers for other types of loans. Most of the community's credit needs are for periods longer than 3 months. Even in the best of times the amount of such short-term paper has been insignificant compared with total bank deposits. It has now almost reached the vanishing point. The banks have plenty of money on hand, including a large part of the savings of the community, to make longer loans. If they do not meet the borrowing needs of their communities, they can hardly complain if other agencies, including the Government, meet such needs.

GOVERNMENT LENDING A THREAT

The development of Government lending agencies constitutes another threat to the future of private banking in this country, and for that reason all banks should welcome those provisions of the bill which shift the emphasis from the maturity of loans to their soundness, and thus make it safer for banks to serve their communities with the type of credit accommodation they actually require. Had the emphasis in the past been on sound assets rather than rigid technical requirements, many of the rigors of the depression might have been avoided. As Dr. E. A. Goldenweiser, the statistical expert of the Reserve Board, has testified, there was not at one time sufficient paper meeting these technical requirements to back the necessary note issue, and the monetary structure of the Nation was temporarily jeopardized, and, as he has further testified, with banks failing in large numbers the Reserve banks were legally unable to assist them because of technical requirements that bore no relation to the borrowing needs of the Nation. It is neither customary in practice elsewhere nor sound in theory to surround the discount operation with rigid requirements which the business needs of the country are sure to outgrow.

There is much irony in the fact that those big city banks which are now righteously insisting that loans should be restricted to commercial borrowers are the very ones who have most widely departed from this principle and have for years placed the bulk of their funds in security loans and investment.

The bill represents, I am convinced, a distinct forward step. It is not a radical document sprung from the brains of theorists, but it has its roots in 20 years of practical experience with the Federal Reserve Act as tested by the worst banking depression in history.

DECISIONS OF THE SUPREME COURT IN RECENT CASES

Mr. LA FOLLETTE. Mr. President, I have been requested to ask to have placed in the RECORD a statement signed by four Members of the House of Representatives relating to the recent decisions of the Supreme Court.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

We believe that the recent decisions of the Supreme Court declaring the Railway Pension Act, the National Industrial Recovery Act, and the Frazier-Lemke Act unconstitutional have clarified the befogged atmosphere caused by the gold-clause decision.

The Court has clearly defined the powers of Congress to deal with the economic and social problems that confront America today. In no uncertain terms it has served notice on Congress that the Constitution is not a flexible document, to be interpreted liberally and in the light of present-day conditions but rather an instrument that must be interpreted with relation to the time, conditions, and ox-cart economy of the days when it was written.

The present relief crisis will inevitably be aggravated as a result of these decisions. Fortunately, Congress has apparently been left free to provide for the 35,000,000 people for whom there seems to be no place in the present economic system. Congress also has the power to tax. We therefore recommend that to meet this crisis both of these powers be exercised for immediate drastic increases in income, estate, and gift taxes to raise revenue sufficient to put the unemployed to work at prevailing wages.

Two courses are left open to Congress:

(a) We may enact patchwork new-deal legislation designed to circumvent the limitations placed on Congress by these decisions. Any such attempt would be a dishonest and futile gesture toward meeting the present problem.

(b) We can recognise the fact that twentieth-century problems cannot be seriously dealt with under the eighteenth-century interpretations of the Supreme Court, and take steps to call a convention to revise the Constitution in the light of present-day requirements. This is a procedure provided for in the Constitution itself. Its authors clearly foresaw that the instrument developed to apply to an agricultural economy in a few sparsely settled States might have to undergo great changes to meet the problems of the future.

The great problem of the twentieth century is how to organize our economy so that the abundance which our country is capable of producing can be enjoyed by all citizens. Quite recently a Government-financed survey brought out the fact that an average income of $4,370 per family is possible in the United States, if our productive resources were fully used.

The American people are interested in this fact. They are becoming generally aware of the truth that there would be more than enough to go around, if we were to turn our efforts to the production of goods rather than to limiting production. They are beginning to think in terms of an economy of abundance, and they are asking what the President and the Congress propose to do in order to bring about this economy of abundance.

In 1787 the founding fathers called the first Constitutional Convention and courageously wrote a new instrument realizing the era of political liberty and democracy which had grown out of feudalism. In full harmony with the spirit of the founders, we now urge upon the State legislatures that they take immediate steps for the calling of a second constitutional convention to rewrite the basic law in order to realize the new age of economic liberty and democracy which lies before us if we have the courage and intelligence to strive for it. We hold that this is essential to the carrying out of the basic aims of the Constitution, to "form a more perfect union, establish justice, provide for the common defense, insure domestic tranquillity, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity."

VITO MARCANTONIO, *New York.*
GEORGE J. SCHNEIDER, *Wisconsin.*
ERNEST LUNDEEN, *Minnesota.*
THOMAS R. AMLIE, *Wisconsin.*

POWER OF SUPREME COURT TO DECIDE QUESTIONS OF CONSTITUTIONALITY—BRIEF BY MORROW H. MOORE

Mr. BONE. Mr. President, in view of the wide-spread interest which is sure to follow recent decisions of the Supreme Court of the United States involving the constitutionality of the National Recovery Act and the Railway Pension Act, I think it might be well that those who are interested in the question of the power and right of the Supreme Court to sit in judgment on the constitutionality of acts of the Congress of the United States be advised concerning some of the cases which have been decided respecting that matter.

I have in my hand a brief prepared by counsel for one of the Federal agencies touching that subject. It is a very interesting brief. It deals with the power of the Court to pass on legislation enacted by Congress.

We face an unhappy situation in view of the fact that if the logic of the recent cases and those that have preceded

them is to be followed in subsequent decisions of the Court, it may destroy the Wagner labor-disputes bill, the A. A. A., the T. V. A., the Black 30-hour bill, the Guffey coal bill, and, what is worse, possibly hopelessly involve the social security bill which is now pending, and which, if it should become law, might conceivably be utterly destroyed by that theory of law.

In view of the fact that this subject involves the welfare of a hundred million people, who are going to look toward Washington with a critical eye, I ask at this time that this brief, which was prepared by Mr. Morrow H. Moore, be printed in the Appendix of the RECORD, so that those in the United States who are interested in this vital phase of law may read it.

There being no objection, the brief was ordered to be printed in the RECORD, as follows:

In response to the question, "Suppose Congress takes away original jurisdiction from both Federal courts and State courts in constitutional questions, may a party raise the constitutional validity of a Federal statute by a bill of exceptions on writ of error (writ of error was abolished and appeal substituted therefor, and statutes governing writ of error made to apply to appeals by act of Jan. 31, 1928, 45 Stat. 54, as amended Apr. 26, 1928, 45 Stat. 466, (28 U. S. C. 861a, 861b)) from a State supreme court to the United States Supreme Court?" My answer, assuming the premises, is that a party would not be able to raise a question as to the constitutional validity of a Federal Statute by a bill of exceptions on a writ of error from a State supreme court to the United States Supreme Court.

I. CONSTITUTION AND STATUTE APPLICABLE

The pertinent provisions of the Constitution are to be found in article III, establishing the judiciary.

Section 1 provides: "That the judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may, from time to time, ordain and establish. * * *"

Section 2, clause 1: "The judicial power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States, and treaties made, or which shall be, under their authority * * *."

Section 2, clause 2: "In all cases affecting ambassadors or other public ministers and consuls, and those in which a State shall be party, the Supreme Court shall have original jurisdiction. In all other cases before mentioned the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exception and under such regulations as the Congress shall make."

Pursuant to section 2, clause 2, of article III, section 25 of the Judiciary Act of September 24, 1789 (1 Stat. 73), was passed, and, after various changes which did not materially alter its context, is now included as section 237 of the Judicial Code (28 U. S. C., sec. 344) and provides for review of writ of error by the Supreme Court of the decisions of State supreme courts in the following language:

"Appellate jurisdiction of decrees of State courts; certiorari. (a) A final judgment or decree in any suit in the highest court of a State in which a decision in the suit could be had, where is drawn in question the validity of a treaty or statute of the United States, and the decision is against its validity; or where is drawn in question the validity of a statute of any State, on the ground of its being repugnant to the Constitution, treaties, or laws of the United States, and the decision is in favor of its validity, may be reviewed by the Supreme Court upon a writ of error. The writ shall have the same effect as if the judgment or decree had been rendered or passed in a court of the United States. The Supreme Court may reverse, modify, or affirm the judgment or decree of such State court, and may, in its discretion, award execution or remand the cause to the court from which it was removed by the writ." (Paragraph (b) provides, among other things, for review on certiorari of a judgment of the highest State court where the Federal claim is either sustained or denied.)

II. ARTICLE III DEPENDS UPON CONGRESSIONAL ACTION FOR EXECUTION

Article III is not self-executory, and while the Supreme Court is expressly provided for, it requires for its existence an organizing act passed by Congress. This is clearly brought out by discussion by Chief Justice Ellsworth and Justice Chase when counsel for defendant in error, while arguing *Turner* v. *Bank of North America* (4 Dallas, 8, 10, in 1799), was interrupted by Chief Justice Ellsworth with the inquiry—"will it be affirmed that in every case, to which the judicial power of the United States extends, the Federal courts may exercise jurisdiction, without the intervention of the legislature, to distribute and regulate the power?"

And Justice Chase replied:

"The notion has frequently been entertained that the Federal courts derive their judicial power immediately from the Constitution, but the political truth is that the disposition of the judicial power (except in a few specified instances) belongs to Congress. If Congress has given the power to this Court, we possess it, not otherwise; and if Congress has not given the power to us or to any other court, it still remains at the legislative disposal. Besides, Congress is not bound, and it would perhaps be inexpedient to enlarge the jurisdiction in Federal courts to every subject in every form which the Constitution might warrant."

This language was quoted with approval of Justice Grier in *Sheldon* v. *Sill* (8 How. 441) in 1850.

The doctrine was further asserted in *McIntire* v. *Wood* (7 Cr. 506), *Kendall* v. *United States* (12 Pet. 616), *Cary* v. *Curtis* (3 How. 236 (1845)). Justice Daniel, affirming the doctrine, stated in *Cary* v. *Curtis:*

"To deny this possession would be to elevate the judicial over the legislative branch of the Government and to give to the former powers limited by its own discretion merely."

In *Linton* v. *Stanton* (12 How. 423 (1851)) Chief Justice Taney said:

"We have no jurisdiction over the judgment of a State court upon a writ of error except in the cases specified in that section." (Sec. 25 of the Judiciary Act of 1789.)

To the same effect is *Caperton* v. *Ballard* (14 Wallace, 238 (1871)), in which Justice Davis said:

"There must be a Federal question within the terms of that section to enable us to review the decision of a State tribunal."

In *Martin* v. *Hunter* (7 Cr. 602 (1813)) the right of the Supreme Court to declare State statutes in conflict with the Constitution, laws, or treaties, under section 25 of the Judiciary Act, and consequently void, was established. Judge Roane and the other judges of the Court of Appeals of Virginia, whose opinion has been reversed, unanimously declined to obey the mandate of the Supreme Court and each judge rendered a separate opinion (Beveridge, Life of Marshall, vol. 4, p. 156). Judge Roane argued that section 25 of the Judiciary Act violated the Constitution in giving national courts power over State courts, and Monroe and Jefferson, to whom he sent his opinion, approved it (ibid, p. 160).

The case was once more taken to the Supreme Court on writ of error and once again the jurisdiction of that Court over the State courts, under section 25, was approved (1 Wheaton, 304 (1816)). While Chief Justice Marshall declined to sit on the case because of his brother's interest in the subject matter, it is thought he practically dictated the two opinions announced by Story, and Story admits he had concurred "in every word of the opinion." (Beveridge, Life of Marshall, vol. 4, p. 164.)

Webster, on January 10, 1825, in the House of Representatives, said:

"The judicial power is indeed granted by the Constitution; but it is not, and cannot be, exercised till Congress establishes the courts by which it is to be so exercised." (Elliot's Debate on the Federal Constitution, vol. 4, 2d ed., p. 478.)

III. ONCE HAVING GRANTED APPELLATE JURISDICTION TO THE SUPREME COURT CONGRESS MAY LATER WITHDRAW IT

After Chief Justice Marshall had decided, in *Cohens* v. *Virginia* (6 Wheaton, 264 (1821)), involving the question whether a Virginia statute prohibiting a sale of lottery tickets conflicted with an act of Congress permitting sales of lottery tickets in the District of Columbia, that the Supreme Court had appellate jurisdiction from a final judgment of the highest court of a State, a strong demand emanated from Virginia that section 26 of the Judiciary Act be repealed. (Warren, Supreme Court, vol. 1, p. 552.)

Many attempts have been made in Congress either to repeal section 25 or so to modify it as to allow a writ of error to either party without regard to the manner in which the question was decided by the highest State court. On such a bill Webster reported that it was not expedient to repeal or modify the section (Annals, 18th Cong., 1st sess., Jan. 30, 1824, vol. 41, col. 1291).

On a bill providing for outright repeal, introduced in the Twenty-first Congress, second session, the majority report of the committee was in favor of such action, on the ground that section 25 was unconstitutional because the Constitution gives the Supreme Court the right to entertain appeals only from such inferior courts as Congress may establish (H. Rept. 43, 21st Cong., 2d sess., Cong. Deb., vol. 7, Appendix, pp. 77–81). But the minority report warned that repeal would seriously endanger the existence of the Union, and quoted the reasoning of Chief Justice Marshall in *Cohens* v. *Virginia* to show the jurisdiction of the Supreme Court could be extended by law to opinions of State supreme courts (ibid, p. 85).

According to *Ex parte McCardle* (7 Wall. 506 (1868)), it would seem that the appellate jurisdiction of the Supreme Court may be taken away by Congress at will.

In this case, McCardle brought a petition in the circuit court of the United States for a writ of habeas corpus, alleging an unlawful restrain by the military authorities. He had published incendiary and libelous articles in a newspaper and had been incarcerated by the military authorities pending trial by the military commission, under authority of certain acts of Congress passed during the Civil War. On disallowance of his petition in the lower court he prosecuted an appeal to the United States Supreme Court under the act of February 5, 1867, providing that the courts of the United States should be empowered to grant writs of habeas corpus in cases where any person may be restrained of his liberty in violation of the Constitution, or any treaty or law of the United States, and that from the final decision of any court inferior to the circuit court appeal might be taken to the circuit for the district in which the cause was heard and from the judgment of the circuit court to the Supreme Court of the United States. The case was argued in the Supreme Court of the United States, and, pending decision by that court, a law was passed by Congress, on March 27, 1868, providing that so much of the act of February 5, 1867, as authorized an appeal from the judgment of the circuit court to the Supreme Court, or the exercise of any such jurisdiction by the Supreme Court on

appeals which had been, or might thereafter be, taken, was repealed.

Counsel for McCardle argued that the Supreme Court is "coexistent and coordinate with Congress and must be able to exercise the whole judiciary power of the United States, though Congress passed no act on the subject", and asked, "Suppose it [the Judiciary Act, 1789] were repealed. Would the Court lose, wholly or at all, the power to pass on every case to which the judiciary power extended?"

The Supreme Court, speaking through Chief Justice Chase, dismissed the appeal for want of jurisdiction, and said:

"It is unnecessary to consider whether, if Congress had made no exceptions and no regulations, this Court might not have exercised general appellate jurisdiction under rules prescribed by itself. For among the earliest acts of the First Congress, at its first session, was the act of September 24, 1789, to establish the judicial courts of the United States. That act provided for the organization of this Court, and prescribed regulations for the exercise of its jurisdiction."

While it was known that the restrictive act had been passed to prevent the Supreme Court from determining the constitutionality of reconstruction measures, the Chief Justice said:

"We are not at liberty to inquire into the motives of the Legislature. We can only examine into its power under the Constitution; and the power to make exceptions to the appellate jurisdiction of this Court is given by express words. What, then, is the effect of the repealing act upon the case before us? We cannot doubt as to this. Without jurisdiction, the Court cannot proceed at all in any cause. Jurisdiction is power to declare the law; and when it ceases to exist, the only function remaining to the Court is that of announcing the fact and dismissing the cause. And this is not less clear upon authority than upon principle."

The Chief Justice also referred to *Durousseau* v. *United States* (6 Cr. 307 (1810)), in which Chief Justice Marshall had said:

"The appellate powers of this court are not given by the judicial act. They are given by the Constitution. But they are limited and regulated by the judicial act, and by such other acts as have been passed on the subject. When the first Legislature of the Union proceeded to carry the third article of the Constitution into effect, they must be understood as intending to execute the power they possessed of making exceptions to the appellate jurisdiction of the Supreme Court" (p. 313).

In *Ex parte Yerger* (8 Wallace, 85 (1868)), Chief Justice Chase, referring to the McCardle decision, said of the statute which there ousted the Supreme Court of jurisdiction:

"Nor will it be questioned that legislation of this character is unusual and hardly to be justified except upon some imperious public exigency.

"It was, doubtless, within the constitutional discretion of Congress to determine whether such an exigency existed; but it is not to be presumed that an act, passed under such circumstances, was intended to have any further effect than that plainly apparent from its terms" (p. 104).

Nevertheless, the Court admitted the power of Congress to diminish the appellate jurisdiction of the Supreme Court.

No less authority than Marshall, while he was Chief Justice, predicted the repeal of the twenty-fifth section of the Judiciary Act, in a letter to Story on January 8, 1830:

"It requires no prophet to predict that the twenty-fifth section is to be repealed, or to use a more fashionable phrase, to be nullified by the Supreme Court of the United States. I hope the case in which this is to be accomplished will not occur in my time, but accomplished it will be at no very distant period" (Charles Warren, The Supreme Court of the United States, vol. 1, pl. 727).

But he did not question the constitutionality of such repeal.

The Chief Justice had just handed down the decision in the case of *Craig* v. *Missouri* (4 Pet. 410) holding that a Missouri statute authorizing a form of State loan certificate violated the constitutional provision against the issue of bills of credit by a State, and was therefore invalid. Senator Benton, of Missouri, had indignantly stated in his argument before the Court that "the State of Missouri had been 'summoned' by a writ from this Court under a 'penalty' to be and appear before this Court. In the language of the writ she is 'commanded' and 'enjoined' to appear. Language of this kind does not seem proper when addressed to a sovereign State, nor are the terms fitting, even if the only purpose of the process was to obtain the appearance of the State." (Warren, the Supreme Court, p. 725.)

SUMMARY

Article III, section 2, clause 2, gives the Supreme Court appellate jurisdiction "with such exceptions and under such regulations as the Congress shall make." Inasmuch as article III is not self-executory, the Supreme Court would apparently not have any jurisdiction without an act of Congress conferring jurisdiction upon it (see Opinions of Chase, J., in *Turner* v. *Bank of North America*, 4 Dallas, 8; Daniel, J., in *Cary* v. *Curtis*, 3 How. 236; Chase, J., in *Ex parte McCardle*, 7 Wallace, 506).

It is clear, however, that once Congress does confer appellate jurisdiction on the Supreme Court only such appellate jurisdiction as is conferred may be exercised; and it is equally clear that Congress may diminish the appellate jurisdiction of the Supreme Court (*Durousseau* v. *United States*, 6 Cr. 307; *Ex parte McCardle*, 7 Wallace, 506).

Having the broad authority to diminish the Supreme Court's appellate jurisdiction, it may do so on any ground which it wishes, having due regard to *Ex parte Yerger*, 8 Wallace, 85.

Section 237 of the Judicial Code is the only authority conferred upon the Supreme Court for entertaining on writ of error (appeal) a decision of the highest court of the State, and if that were repealed there would be no authority under which the Supreme Court could take jurisdiction in such a case.

Respectfully submitted.

MORROW H. MOORE.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The VICE PRESIDENT. The question is on the motion of the Senator from Montana [Mr. WHEELER] that the Senate proceed to the consideration of Senate bill 2796, commonly known as "the public-utility holding company bill."

Mr. HASTINGS. Mr. President, I merely desire to invite the attention of the Senate to one particular of the bill. The original bill was introduced in the Senate on February 6, 1935, and was known as "S. 1725." Upon that bill hearings were held, and it was in relation thereto that the committee met in executive session and considered the bill. At the conclusion of the consideration of S. 1725, my understanding is the committee concluded that it was better to introduce an entirely new bill which should include the amendments which had been approved by the committee.

That may not be an unusual course, but in my experience here I have observed that when a bill is reported to the Senate for consideration, it has included in it the amendments which have been made by the committee. The advantage of that procedure is that when the bill is taken up in the Senate for consideration Senators are enabled to examine and determine in detail the amendments which were adopted by the committee and the approval of which by the Senate is then under consideration.

When the pending bill, which is now sought to be brought before the Senate, shall be taken up for consideration we shall not follow the usual practice and decide whether or not the Senate agrees with what the committee did, but we shall have before us a bill without a single amendment in it, a bill comprising 150 pages, and we shall be taking up a bill which I know many members of the committee have not even read.

I invite attention to this matter now for the particular purpose of having the Senate understand that when the bill is brought before us for consideration, unless Senators are prepared with amendments to offer, the only question before the Senate will be the engrossment, third reading, and passage of the bill itself. My own feeling is that many Members of the Senate would like to have an opportunity to examine the bill in the light of two of the Supreme Court decisions rendered last Monday. I am quite certain that the bill in its present form is unconstitutional, and at some time before it shall finally be passed I will present a motion to the Senate that it be sent to the Judiciary Committee for the purpose of obtaining the opinion of that committee upon its constitutional phases.

Mr. President, I make these observations at this time because of the importance of the measure and because, in my judgment, Senators will be placed in an embarrassing position by having presented to them a bill without being able to ascertain, from an examination of the bill itself, what particular amendments have been adopted by the committee.

Mr. WHITE. Mr. President, I desire to say a brief word about the situation. I find myself in concurrence with much that the Senator from Delaware [Mr. HASTINGS] has said. I think we are making a grave mistake in proceeding at this time with the consideration of the proposed legislation. It is a bill of approximately 150 pages of the most complex character.

I had expressed to me this morning the opinion of one of the outstanding lawyers of the Nation that, judged from the constitutional standpoint, a horse and wagon could be driven through this bill in seven different directions. I doubt if there is a Member of the Senate, other than the Chairman of the Committee on Interstate Commerce, who has given the slightest consideration to the impact of the recent Supreme Court decision upon the proposed legislation in its present form.

It seems to me that we perhaps will be making haste if we move more slowly at this time. I myself have gravest doubt

as to the constitutionality of the measure. I think there have been put before us by the Supreme Court "Stop, look, and listen" signs which ought to be heeded by the Senate. It seems to me it would be a most happy move if at least a reasonable time should be given to the Members of the Senate to reconsider the legislation in the light of the recent action of the Supreme Court. I think it is a grave mistake to proceed with its consideration at this time.

Mr. DIETERICH. Mr. President, the nature of the legislation which is about to be brought before us is such that we had better move a little more slowly, and we had better give it a little more consideration than it has received, or we shall find ourselves in the same position in which we found ourselves day before yesterday, with a disturbed industry on our hands and the opinion of the Supreme Court of the United States telling us that we had legislated beyond our constitutional authority.

No emergency exists with reference to this measure. The utilities have been operating under their present set-up for quite a while. We have passed some laws which will correct some evils, but an opportunity has not as yet been afforded for those laws to be tried out to ascertain how far they will go in remedying the evils. In view of the fact that this bill, if passed, means the end of private ownership of the utilities dealt with in the measure, we should be careful and give the matter the consideration that the dignity of this body demands.

This bill really should be recommitted to the committee for further study and investigation in view of the recent opinion of the Supreme Court, because there is no question that the bill contains provisions as obnoxious to the Constitution as provisions in the act on which the Court passed; and certainly time should be afforded to reconsider the measure, compare its provisions, and weigh it in the light of that opinion.

I think the suggestion that the bill should be referred to the Judiciary Committee, after having been reported from the Committee on Interstate Commerce, is a sensible one. There is no use of hurrying through matters of the importance of this one. I think the pending motion should not be agreed to at this time, and that the Senate should have further time to consider the provisions of the bill.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana [Mr. WHEELER].

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, which had been reported from the Committee on Interstate Commerce without amendment.

THE ADMINISTRATION'S FARM PROGRAM UP TO DATE

Mr. BARBOUR. Mr. President, by careful consideration of the pending amendments to the Agricultural Adjustment Act, and in fact of the entire farm program of the administration up to date, has led me to the unalterable conviction that, so far and until some sound and sensible changes are made in agricultural legislation, the American people are still being called upon to bear an insufferable burden which, if continued, will lead eventually to near destruction. I say this mindful that some of us are working for certain beneficial laws. And this is especially true in respect to those in the agricultural department of the State government at Trenton who know New Jersey's problems and how to help them. I have worked, and always will work, in hearty cooperation and in full accord with these efficient officials of our State.

The time has come when we must recognize that the State of New Jersey, as a large producer of agricultural products, and with a large consumer population of those products because of its wide industrial interests, has a most vital concern with the present farm program and with proposals to extend still further the senseless theory of scarcity economics upon which the program is based.

As a representative of that State, with its vast specialized agricultural interests, I am proud of my long record of sympathy with every sound measure which would assure a happier and more prosperous livelihood for its farmers and for farmers of other States. I repeat, for emphasis, *every sound measure*. It is for that reason that I am opposed to the present program. Not only is it unsound but there is ample evidence that its effects, within the short period it has been in operation, have been a deterrent to the national recovery which all of us are so hopeful of obtaining as soon as possible. The experience with the program within my own State—and this holds true in many other States—is that the farm program as a whole, instead of helping farmers, is draining thousands of dollars from their pockets annually to be moved through the ramifications of a vicious and expensive bureaucracy and placed in pockets elsewhere.

Like men engaged in the futile task of trying to build a machine which will move perpetually, the originators and proponents of the farm program have been seeking to do by law of man something which cannot be done—to legislate the law of supply and demand.

I would not impugn the sincerity of those in the Department of Agriculture who have sponsored and fostered the agricultural program any more than I would disparage the sincerity of hundreds of unfortunates in our insane asylums who think they are Napoleon Bonaparte. However, of one thing I am certain, and that is that the existing agricultural program has nothing beneficial or helpful to offer to the farmers of my own State or to those of many another State. To the contrary, millions upon millions of farmers and consumers of their products are being assessed many more millions of dollars annually to maintain what?—to maintain a theory which has been aptly described as one in which we are told that if we have less to eat, less to wear, less to ride in, and pay more for it we are better off.

Let me cite the instance of the State of New Jersey under one phase of the farm program—that of the assessment of so-called "processing taxes" to support a system of benefit payments to producers who sign contracts to plow under their fields of cotton, their fields of corn and wheat, or to allow the Federal Government to slaughter their hogs and cattle. Latest statistics of the Department of Agriculture show that from the State of New Jersey the sum of $7,800,455 was exacted in these taxes, while benefit returns to the farmers of the State was the comparatively insignificant sum of $256,623. That money in taxes came from the pockets of the farmers and other consumers of the State not for the support of the Government but for a campaign of destruction so they could have the privilege of paying more for every necessity of life they bought.

Sorry indeed for the millions on relief, stretching a meager allowance to eke out a bare existence, must have been the picture of the Federal Government slaughtering 6,000,000 pigs, pouring sows into rivers, plowing cotton and wheat under the soil, in accordance with a theory of making commodities more scarce and their prices more prohibitive to the poverty stricken; and somewhat disappointed must be every thinking recipient of benefit payments when he awakes to the realization that the price of the remainder of the commodity which he has to sell on the market is less than it would be if he paid no processing tax by the exact amount of the tax. Eminent economists have furnished ample evidence that if the processing tax, say for instance of $2.25 per 100 pounds on hogs, were removed today, the price of hogs to the farmer would immediately jump just about $2.25 per 100 pounds. In other words, the farmer is asked to pay a processing tax, which is then moved through an expensive system of administration in Washington, and to receive the tax back in a so-called "benefit payment", less the cost of administration. Proponents of this program may call that a "benefit payment", but I must confess that I fail to see who is benefited except a horde of swivel-chair clerks in the Department of Agriculture, who want to tell the farmer of my State how to farm, when to farm, what to destroy, and what to sell of what is left.

Turning again to the relatively small amount of money which returned to the State of New Jersey in comparison to

the amount paid in processing taxes, let us look at some of the cold facts of outright harm which the program has otherwise done to our farmers.

NO HELP TO POULTRY RAISER

My State is not an outstanding producer of feed grains, for it has been found better adapted to milk production and vegetable raising, and has become one of the world's greatest poultry and egg centers. I am certain no farmer or poultry raiser in the State considers the farm program beneficial when he receives his monthly feed bill, mounting steadily, month after month, because a farmer elsewhere has been paid by the Federal Government to plow under grains or not to plant as much as he planted the previous year.

One of the most important facts which have been lost sight of by the proponents of this legislation is that the farmers of the country are themselves consumers. Noble, indeed, is any sound program to raise the income of the farmer, for as his income increases so is he able to purchase more manufactured products and factory wheels turn again and industrial workers are able in turn to buy more of the farmer's products. I challenge any and every sponsor of this program, however, to point out to me, if he can, where there is a single iota of economic soundness in the theory that the farmers of New Jersey should be taxed as consumers for the benefit of feed-grain producers in a State probably two or three thousand miles distant.

I challenge for proof of economic soundness the theory that the farmer's wife, when she drives to town Saturday night, must pay more for the family's clothing because a cotton planter of the South is being paid by the Federal Government to plow under his crop, or to sit idle on his front porch and watch weeds choke the stalks of cotton in the fields. Of what help is it to the farmers of my State to have such lands taken out of cultivation of their normal crops and turned to the production of crops competing with those raised in New Jersey or other States to which certain crops are peculiar? By the same token, of what benefit to the whole Nation at large is the policy of taking well-watered and mature lands from the cultivation of productive crops, leaving them idle, and then spending vast sums of money, which will never return to the Treasury, upon irrigation projects to bring into cultivation lands which are little more than desolate wastes?

POTATOES SENT INTO NEW JERSEY

I am still waiting for any defender to come forward to prove to me where the administration's farm program, or, in fact, any other program, has been helpful to the farmers of my State. Just before the elections in Maine some time ago the farmers of New Jersey had a huge surplus of potatoes. Everywhere one would drive along the roads of New Jersey potatoes were piled in the farmyards and in the fields, ready for purchase at any price offered. With their eyes on the Maine elections, the relief agencies of the administration shipped into the already potato-glutted State of New Jersey carloads of Maine potatoes for distribution to the New Jersey needy. I have no doubt whatever that similar shipments were made to other potato-producing States. Those carloads of Maine potatoes doubtless played their part in carrying the Maine elections for the administration, but at the expense of the New Jersey farmer.

There were two instances in which the administration could have been helpful to the farmers of the State, but in which it has been sadly negligent. In the State of New Jersey we have regulation of milk by State control boards. Their operations were a source of pride until milk of inferior quality began to seep in from other States, sometimes from a distance of many hundreds of miles. Time and again the assistance of the A. A. A. was sought by the boards to control this inflow of competitive milk and preserve the State's industry. Has that assistance been forthcoming? In so feeble a way that it has amounted to relatively nothing. Meanwhile, our dairy farmers continue to suffer, with no prospect of relief from the A. A. A.

PEACH BILL VETOED

Then there was the deliberate action of the President last year in vetoing a congressional enactment designed to bring relief to Jersey peach farmers whose crops had been seriously damaged by frost. Introduced by former Senator Kean, of New Jersey, the bill would have afforded the same degree of relief to the Jersey peach growers that other weather-stricken sections were receiving. The President, however, vetoed the bill on the ground that New Jersey farmers could obtain relief from other sources. That relief was not available, however, and through the administration's action hundreds of peach growers were left in a destitute condition—and New Jersey is the third or fourth largest peach State in the Union.

By raising prices to them as consumers, the farmers of New Jersey will pay more for the foods which they do not produce and the clothing which they buy; they have been denied the markets they already had; and under an unconstitutional National Recovery Act they have been forced for 2 years to pay more for every farm implement they bought. A splendid record of farm relief, indeed.

Under the licensing powers which these amendments would give to the Secretary of Agriculture, every New Jersey farmer who packed his vegetables in a box or bag, or placed his eggs in a crate, or drove them to market, would be considered a handler and could be subject to a license to do business by a bureau in Washington.

Under the quota provisions of the amendments, a clerk in the A. A. A. could decide, for instance, that New Jersey had raised too much lettuce, and that some other State was entitled to more of the metropolitan market for lettuce. He would notify Farmer Brown or Jones, "You have produced too much lettuce. You may market only 50 percent of your crop this year."

The result would be that the remaining half of the crop would rot in the fields.

Under these amendments, every farmer who has two or three cows, or more, and who derives a part of his income from a small milk route would be subject to a Federal license and could be told by another clerk in Washington just how much milk he could produce, where he could sell it, and how much he could sell it for.

WOULD LICENSE EVERY FARMER

The same is true of every farmer with a roadside stand or market stall. He could be controlled, regimented, and restrained in every sale of a dozen eggs, a box of peaches, or a bag of potatoes by a bureau in Washington. In the same way, through the proposed system of licenses, every retail store from which the farmer bought shoes or clothing could be told just how much it could sell him and at what price.

It has been argued that the amendments provide that no farmer can be licensed in his capacity as a producer. The bill does provide, however, for the licensing of those who buy from the farmer, permitting a strict limitation of how much they may buy from him, when they may buy, and how much they may pay.

It does not appear to me to require any great amount of intelligence to see that a license on the buyer of farm products is nothing more or less than a license on the farmer himself.

While it is not in these amendments, the Secretary of Agriculture and Administrator Davis, of the A. A. A., have given full approval to legislation which would affect still more drastically the farmers of not only my State but many others. Under this plan, which at this session reached the point of becoming amendments in a committee print of the bill, a New Jersey farmer who owned one or more cows and who sold milk would have every ounce of that milk taxed and the money then turned over by the Federal Government to a grower of feed grains in some distant State in return for his plowing under more acres of corn, wheat, and other feeds. The New Jersey farmer would get nothing in return, except the privilege of paying another tax for the benefit of someone else.

I can see not one single way in which this legislation would help the farmers or consumers of my State. I can see every way in which it would harm them and be detrimental to their every interest.

It is nothing more than another attempt at minority lawmaking. It has been estimated that the population concerned by this legislation is about 15 percent of the total. None of that 15 percent is in my State, nor in many other States.

NEW JERSEY FARMERS NEED HELP

I cannot vote against the interests of the people of the State of New Jersey or 85 percent of the population of the Nation in favor of the interests of something like 15 percent of our population. I will glady vote for any measure that will help the New Jersey farmers, for they need it. And it must be remembered that New Jersey is not simply a large industrial State, it is also a large agricultural State. Moreover, as I pointed out at the outset, we have a very efficient agricultural department connected with our State government at Trenton, and it is my wish always to do all I possibly can to assist them to help our farmers. Certainly, as a friend of the New Jersey farmers, I am not going to do anything here in Washington that I feel will not help them or that I feel will hinder or hurt them.

The time has come when the National Government at Washington must recognize, as the State government and those connected with it recognize, that the agricultural interests, the farmers of New Jersey, must get the help and consideration to which they are justly entitled.

THANK GOD FOR THE UNITED STATES SUPREME COURT

Mr. SCHALL. Mr. President, May 27, 1935, henceforth will stand out in American history as the new national thanksgiving day, when the people of the United States joined in the prayer, "Thank God for the United States Supreme Court—our Constitution still lives."

No longer with impunity can the legislative power of Congress be delegated to the Executive to create a centralized dictatorship.

No longer with impunity can the alphabetical bureaus exercise both legislative and judicial powers, impose fines and imprisonment, levy and assess taxes by usurpation of the powers granted Congress in article I of the Constitution.

No longer can the Executive, under the approval of the courts of the United States, delegate to and confer upon combinations in restraint of trade the legislative functions of Congress.

No longer can a centralized autocracy invade the powers of the 48 sovereign States and dominate their intrastate commerce.

No longer shall Executive edicts usurp the law of the land and take the place of the Constitution and Bill of Rights.

No longer shall the industries of the United States be cracked down by the fascistic codes of the N. R. A. and the workers be denied the rights of liberty and pursuit of happiness or the homes robbed by legalized monopoly.

In short, the Blue Eagle host which has so long blackened our sky with its talons and pinions has at length passed—to use the term of General Johnson—"from egg to earth" just in time for a lawful and too-long-deferred burial.

If this new-deal cloud which for 2 long years has lowered above our coast is not "in the deep bosom of the ocean buried", as described by William Shakespeare, it at least is on the way, as uncertainly forecast by Franklin Roosevelt in his book.

As frequently stated in the Senate Chamber, our Commander in Chief, when he wrote his book "On the Way", was in the same case as Christopher Columbus. He did not know where he was going when on the way, did not know where he was when he landed, and did not know where he had been when he got back. But he is wiser now. After 3 hours' perusal of the unanimous decision of the United States Supreme Court, he knows now where he is headed; he knows the island to which his bark is anchored; and his great problem is how to get off and get back with his band of Indians. If Spain does not welcome him, he may find a haven in Italy or Russia, where there are no legislative bodies, no Constitution, no Bill of Rights, no freedom of the press, no Supreme Court, and no law of the land except the edicts of a Mussolini or a Soviet General Council.

It has been often said that there is a ruling Providence over the affairs of men, a "divinity that shapes our ends", and that over all we do here there is a certain divine harmony. And so it is in the life and death of that strange bird, the Blue Eagle.

By some strange freak of divine harmony, the counsel chosen by the administration to handle the life-and-death struggles of this bird of prey in the Court—the Attorney General and Special Counsel Richberg—chose as the ideal case to be laid before the Supreme Court the particular case so highly advertised as the "sick chicken" case.

They discarded the lumber case as too precarious. They had lost the oil case and a coal case, and other cases had fallen from egg to earth while on the way through lower courts. But the "sick chicken" case was ideal, said Special Counsel Richberg to the press, as he laid it before the Court. Said he at the time:

On fundamentals this case should provide for a complete and final decision on the constitutionality of the N. I. R. A.

Said Richberg again:

I never knew of a case without some technicalities, but this one seems to be unusually free from them. It is an admirable case.

First, in the lower courts of New York he had secured 10 counts supported by the court on an indictment for violation of the straight-killing clause in the chicken code of the new Soviet deal. Two counts nailed the defendants because of an egg-bound hen. Other counts were allowed because the chicken was selected from the wrong coop, or half coop, which violated the law because it was not an average coop. In all, Richberg had his victims convicted on 17 counts—that is, New York counts, not Russian counts. Moreover, there was not the proper amount of collective bargaining, and there was a bookkeeper who was counting chickens 50 hours a week, which was in violation of the "Code Hugh S. Johnson", promulgated by Franklin D. Roosevelt on April 13, 1934, to avert a national emergency and insure national recovery.

So the three Schechter boys, of Brooklyn, N. Y.—Alexander, Martin, and Aaron—who sold poultry to the Jewish trade, were thrown into jail because they had sold that egg-bound chicken, chosen from the wrong half coop, coop, or coops, as the law proclaimed by the President had provided to avert a grave national crisis.

It certainly looked like an ideal case to test the constitutionality of the egg-bound Blue Eagle on the way from egg to earth. It offered, as Richberg said, "an admirable case" for a "complete and final decision on the constitutionality of N. I. R. A." But it seems that the United States Supreme Court, all nine justices unanimously concurring, agree with the diagnosis of Hugh Johnson, that Richberg had ants in his pants all the time, and that not only the egg in this sick chicken but all the 731 eggs of the Blue-Eagle codes are both superannuated and rotten in the light of the laws of God and man.

There is only one point which Richberg got right, and that is the logical analogy between the Blue Eagle and an egg-bound sick chicken.

There is only one section of the Poultry Code which the Supreme Court approves, and that is the straight-killing provision as applied to the Blue Eagle and all its unconstitutional species.

Richberg went over the 731 codes and 300 N. I. R. A. licenses, as Solomon might review his 700 wives and 300 concubines, to find one which would afford a complete and final decision. He found it—the "sick chicken" code was his Queen of Sheba. It will be recalled that Solomon, after the departure of the Queen of Sheba, sat down and wrote that pitiful wail:

Vanity of vanities; all is vanity.

He was all in. Never could he rise to the occasion again. And that is the case with Richberg. He sings his swan song as his eye follows the "sick chicken" caravan across the desert, under the escort of 731 buzzards, while nothing but the ants remain.

One of the high lights of this decision is that it directly affects not only the N. R. A. but its companion bird, the A. A. A. The poultry code, it seems, was drafted under the auspices of the A. A. A. It is one of those codes which concern agriculture rather than manufactures. It is a joint N. R. A.-A. A. A. code. The A. A. A., under the poultry code, has received an unconstitutional delegation of legislative and judicial powers from the President, who in turn has received an unconstitutional delegation of legislative power from Congress.

The decision of the Supreme Court, reiterating the repeated decisions of the Court since the day of John Marshall—that delegation of the legislative power of Congress is a violation of article I of the Constitution—hits the A. A. A. with greater force in its logical application even than the N. R. A.

The processing taxes of the A. A. A. are nothing less than the delegation of the tax power of Congress to an executive bureau.

The plowing under of the cotton crop and the killing of the 6,000,000 pigs, not only constitute an unconstitutional delegation of the commerce power of Congress, and an unconstitutional delegation of legislative power from the President to the A. A. A., but likewise an unconstitutional invasion by the Federal Government into the rights of the States, and a direct violation both of the fifth amendment and of section 4 of article V—guaranteeing to every State in this Union a republican form of government and protection from invasion.

The dictatorial powers delegated to and conferred upon the A. A. A. by the President, as well as the powers assumed to have been delegated by Congress to the President under the Agricultural Adjustment Administration Act, are on all fours with the powers assumed to have been granted under the National Industrial Recovery Act, except in this—that the A. A. A. powers are more drastic and directly destructive. The A. A. A. embraces and adds to the Facistic powers of the N. R. A. the destructive powers of the Soviet. Both are unconstitutional delegations of legislative powers.

Moreover, the death of the N. R. A. carries with it the death of many of the financial resources of the A. A. A. In short, the N. R. A. and the A. A. A. are Siamese twins. One deals with agriculture and the other with general trade and industry. They are counterparts, one being the excuse for the other. They join in making codes. They join in financial resources. They nurse from the same bottle. They sit in the same crib. They have the same head nurse and doctors. They are members of the same family and have the same parents. The only difference is in their first names—one being A. A. A. and the other N. R. A.—and both alike of unconstitutional ancestry without hope of posterity.

Not only does the Supreme Court decision destroy the foundation of both the N. R. A. and the A. A. A., but it destroys as many as 16 alphabetical bureaus deriving their authority from N. R. A. provisions. The Washington Evening Star of May 27 lists these 16 bureaus created under the supposed grants of the N. R. A. I ask that the article appearing in the Washington Evening Star of Monday, May 27, 1935, headed "Verdict Menaces Status of N. E. C." be read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk read as follows:

[From the Washington Star of May 27, 1935]

VERDICT MENACES STATUS OF N. E. C.—CLEARING HOUSE FOR RELIEF FUND AND OTHER AGENCIES THREATENED

The status of the National Emergency Council, clearing house for the $4,880,000,000 work-relief program, became problematical this afternoon in view of the Supreme Court's decision holding N. R. A. invalid.

The council was set up by the President under authority given him by the Industrial Recovery Act in November 1933, and its authority was broadened by Executive orders of June 30, 1934, and September 27, 1934.

The decision immediately caused apprehension among the 4,000 employees of the Recovery Administration itself, as well as those groups springing from it, a rumor going around that Comptroller General McCarl had held all salaries would be cut off at noon today.

DENIED AT N. R. A.

This was immediately denied by Bradish Carroll, Jr., administrative assistant at the N. R. A., who emphasized the organization's budget had been approved until June 16—expiration date of the Recovery Act—and that payment would be made accordingly.

The rumor at the N. R. A., it was thought possible, was traceable to a decision by McCarl, made public today, in which he held that no payments to the employees of the Railroad Retirement Board could be made for time subsequent to the date the Retirement Act was declared invalid by the Supreme Court.

There apparently is a difference in the situation of the two organizations, it was pointed out, for in the case of the Retirement Board the Court held that there never was a legal reason for its existence, while in the case of the N. R. A. the Court decision seemed only to destroy one function, and not the entire set-up.

MANY FACE ABOLITION

The list of agencies set up by Executive order, authority granted the Chief Executive in the Recovery Act is long. The organizations, the future existence and activity of which are endangered, include:

National Power Policy Committee, headed by Secretary of the Interior Ickes.

Commodity Credit Corporation, which is dependent in part on the N. R. A. and in part on farm-credit legislation.

The Electric Farm and Home Authority, usually thought to be a T. V. A. subsidiary, but in reality a part of N. R. A.

Office of Special Adviser to the President on Foreign Trade, headed by George N. Peek, who has violently disagreed with Secretary of State Hull on the administration foreign-trade policies.

Central Statistical Board.

Public Works Administration, authorized by Recovery Act itself.

Housing Division and Public Works Emergency Housing Corporation.

Division of Subsistence Homesteads and Federal Subsistence Homestead Corporation.

National Resources Board, created by Executive order June 30, 1934, to study and report on planned development of Nation's resources.

Committee on Economic Security, advisory board on social-security legislation set up by Presidential Executive order.

The Federal Alcohol Control Administration, code-making authority, is probably wiped out by the decision.

National Labor Relations Board, which depends in part on the Recovery Act.

Textile Labor Relations Board.

Textile Work Assignment Boards.

National Steel Labor Relations Board.

Mr. SCHALL. One of the most cheering results of this decision is that all of the six Delaware corporations incorporated in the period between October 1933 and January 1934 by 4 members of the Cabinet and 8 bureau chiefs are founded upon the perpetual existence of the N. R. A. They specify the N. R. A. as their assumed legislative foundation.

They start with taking over the functions of the N. R. A. and expanding N. R. A. powers to Soviet proportions, and finally reach the article which reads:

This Corporation shall have perpetual existence.

The death of the N. R. A. through the Supreme Court decision on the straight killing of the sick chicken destroys the foundation of the Delaware corporations. They also are dead as a dodo. Their dodo is dead, with nine Justices of the Supreme Court sitting astride the carcass under a halo of 731 expiring buzzards.

Moreover, the Supreme Court decision overthrows the economic dictatorship established by this administration in the Virgin Islands. If one reads again the charter of dictatorship granted by this administration to the Pearson regime—the Soviet dynasty fastened upon those islands at the time of the incorporation of the Delaware corporations—one will be surprised to find that the Virgin Islands charter is in many respects a duplication of the Delaware charters.

Both the Virgin Islands charter and the Delaware charters carry the article:

This Corporation shall have perpetual existence.

Moreover, both the Virgin Islands and the Delaware charters attempt to make perpetual the main provisions of the

N. R. A. expanded to the nth degree by the injection of Soviet powers over industry. Both are unconstitutional delegations of legislative power, which the President has attempted to delegate without constitutional authority. Thank God that the Supreme Court has blocked this attempt to convert the United States of America into another Union of Soviet Socialist Republics!

Mr. President, the duty of the hour seems to be to write the epitaph and attend the obsequies. Although burial day for the N. R. A. is set for June 16, why not give on Memorial Day, which is now at hand, the obituaries of both the N. R. A. and A. A. A., the Siamese twins mothered by the new deal, with the doctors of the "brain trust" as the fathers apparent?

Let us by a resolution read over the graves pronounce in solemn unanimity—as unanimous as the 9-to-0 decision of the Court:

Hic jacet Nira and spouse A. A. A. and the 16 children thereof.

Then in the potter's field we can throw the six Delaware corporations and the Virgin Islands dictatorship under one slab bearing the word "Dodo", and let Richberg's ants do the rest.

We can sing with the American people our new "Te Deum":

Thank God for the United States Supreme Court!

Mr. President, I ask unanimous consent to have read an editorial from the Washington Herald of this morning entitled "Thank God for the Supreme Court."

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk read as follows:

[From the Washington Herald, May 29, 1935]

THANK GOD FOR THE SUPREME COURT

The Supreme Court of the United States has again upheld the Constitution and Americanism.

By a unanimous decision, the National Recovery Act has been declared unconstitutional.

This decision will be hailed with gratitude throughout the country.

It marks the emergence of sanity—from the welter of nonsense, confusion, crazy bill-drafting, and adolescent experimenting which make up so large a part of the new deal.

It spells the knell of as greedy and insolent a bureaucracy as ever attempted to spread itself over a country dedicated to freedom and a people preeminent for their sturdy virtues and self-reliant character.

Let us hope that it spells the end also of the pestilent innovator and empty-headed theorist in government.

There is a way out of the depression; there is an avenue to recovery; there is an open return to happiness and prosperity—but the road is the way of common sense, of respect for the fruits of work and enterprise, of respect for individual rights.

The way is the American way—vindicated over and over again throughout our history.

It is the way that has made us a great and powerful Nation; that has made the conditions of life among our people better than with any other people in the world.

It is the way of respect for our Constitution, the ark of our liberties, the foundation of our greatness, the source of our security, the promise of our future.

Thank God for the Supreme Court of the United States!

The shifting gusts of short-lived and fleeting opinion cannot sway it. The froth of the strutting little reformers of the day, the shallow-pated innovators of the moment, the litter of a so-called "brain trust", are powerless to confuse, much less sway, American judges.

Salutary, timely, indeed, was this great decision.

It reminds the American people that the foundations of their life are deep-embedded in justice and freedom; and that reason, self-command, and sobriety both of thought and conduct are still American characteristics.

VETO FOR THOSE WHO SERVE—BILLIONS FOR DEBT AND PORK

Mr. SCHALL. Mr. President, the basic ground for the veto message of May 23 from the White House is this: That those who rendered the Nation their public service and supreme sacrifice on the field of battle—

Should be accorded no treatment different from that accorded to other citizens who did not wear a uniform during the World War.

This means that public service in battle for defense of the Nation is entitled to no treatment different from that accorded to private service in the fields of personal profit. Patriot and profiteer look alike to the White House.

It means that those who give are entitled to no treatment different from that accorded to those who take. Defender and milker of Government are all the same to him who read this veto.

It means that those who serve deserve a kick from a heartless and ungrateful taskmaster, while the Astors and Baruchs bask in the smiles of Executive favor.

In the brief period of 2 years and 3 months since the inauguration of Franklin D. Roosevelt—March 4, 1933—as shown by the Treasury Daily Statement recently issued—he has called upon Congress for a total of $17,671,000,000 for his bold experiments in planned emergency. Yet he vetoes an act of Congress to meet the officially acknowledged debt of the Nation for service long ago rendered in the amount of one-ninth of the sums he has squandered, or proposes to squander, on his bold experiments in producing chaos. Seventeen billions for debt and pork, a veto for the defenders.

In proclaiming that those who served the Nation in war are entitled to "no treatment different from that accorded to other citizens", who served their own interests and reaped the profits of war, Roosevelt in effect proclaims that the veterans of the World War are not even entitled to the adjusted-service certificates allotted to them in 1924.

If service for Uncle Sam is entitled to no reward greater than service for self, the veterans are not entitled to those certificates.

In the light of his words and deeds since March 1933, his motto and political policy may be expressed thus:

Billions for bold experiments in planned emergency and a White House veto for those who served the Nation to save democracy.

Even the lump sum of $5,000,000,000 subject to his own allocation in his emergency of 1936 is nearly double the amount, voted by Congress and vetoed by the President, to redeem the soldier debt outstanding and bearing 4-percent interest per annum. Five billion dollars for the Roosevelt campaign of 1936 against $2,000,000,000 for 3,500,000 veterans in need.

In 1933 and 1934 he expended $6,000,000,000 on planned emergency. In the first 9 months of the present fiscal year he has expended $3,000,000,000 more on his bold experiments and produced a deficit of $3,000,000,000.

For 1936 and 1937 he has secured allocation of $8,500,000,000 more, or a grand emergency total of $17,671,000,000, for debt and pork.

And yet an act of Congress to redeem the veteran debt of only $2,200,000,000 he vetoes to preserve the national credit.

Here is his financial record up to the date of his veto message of May 23, the record of the greatest pork inflation of history:

First. $17,671,000,000 for 2 years and 3 months of planned emergency, debt, doles, and deficits, resulting in 22,000,000 people carried as public charges and 11,500,000 unemployed.

Second. Veto of an act that would reduce the debt by $2,200,000,000 and save $1,000,000,000 in taxes to pay the interest coupons while at the same time affording direct relief to 3,500,000 veterans and dependents, reducing the number of public charges, aiding employment, and stimulating all industries and trade in every hamlet in the land.

Billions for the 57 alphabetical bureaus which produce industrial chaos. Veto for the veterans of the 48 States who fought to preserve the Constitution.

Consider the mind of a President who can demand $5,000,000,000 in one lump for his own emergency in 1936, and denounce to the soldier $1 to $1.25 a day. Perhaps his idea of adequate pay is shown by his recent allocation for unskilled labor at about 70 cents a day, or $19 a month. Judging from his unskilled labor allocation had the bonus been set at 75 cents a day it might have received his approval.

Billions for debt, doles, deficits, and dictatorship. Veto for those who fight to save democracy.

Billions for the A. A. A. and the N. R. A., the destruction of crops, the waste of food, the processing taxes, and the depression of industry. Veto for the direct relief prayed for in every hamlet of this Republic.

Billions for the political plunder-bund that follow the sign of the Blue Eagle. Veto for those who fight for country under the flag of the Stars and Stripes.

Billions for the Blue Eagle of monopoly; veto for the defenders of the Stars and Stripes.

All through this veto message we hear the word "benefits", as though the meager justice and beggarly pay accorded the veteran who sacrificed to serve his country were a gratuity handed down to him by his feudal patron lord. But $1 to $1.25 a day for a soldier is too great a benefit—against only $1,000,000 a year for Vincent Astor.

This act of Congress, as charged by Roosevelt—

Violates the entire principle of veterans' benefits.

Again he says:

Many benefits have been provided for veterans

Again:

In addition to these direct benefits.

Still again:

The handing out of a few dollars will not benefit him.

Finally he arrives at the conclusion that redemption today of a debt outstanding since the armistice of 1918—

Is a new straight gratuity or bounty to the amount of $1,600,000,000.

In other words, there is no obligation on the part of a Nation to its defenders. The perils of war are the veterans' lookout, and not the Nation's concern or the responsibility of Congress, even though the Government, employing the mailed fist of monarchy, seized the boy and forced him into service under a draft law insisted upon by a former Democratic administration commanded by the war lords of Europe.

All that the doughboy received beyond his petty $1 a day in war service, according to this veto message read to us, was benefits handed down by a benevolent autocrat, while the redemption of the debt acknowledged by Congress is a new straight gratuity.

All obligations named in the Roosevelt message are those of the veterans to the Government. The adjusted-service certificates forced upon the veterans in delayed settlement of service are described in the veto message as an obligation for the veteran to wait till 1945. Europe had no obligations deserving a White House message, when 17 countries defaulted for $12,000,000,000. Only the veterans.

The implication is plain. What the citizen receives for patriotic service are benefits bestowed upon him by a beneficent sovereign. Obligations are those of the subject to his ruler. Under the new deal, as interpreted by Roosevelt, there are no obligations and debts which the sovereign owes the subject. All obligations are due from the subject to the sovereign. All benefits are bestowed by the sovereign upon the subject.

As Prof. Raymond Moley expresses it, "We shall never go back to the ideas of 1776."

As Dr. Rexford Guy Tugwell tells us:

I have had a chance to see the truth of the saying that ours is a government of men. The fiction that it is a government of laws would, I think, never have obtained its great prestige if the right men had been called to govern. * * * Everything depends on men.

Following the new-deal doctrine of Moley and Tugwell, Franklin D. Roosevelt and his bureaucrats represent government by men. They are the men who govern, and the rest are subjects.

Government by men, in lieu of the fiction of government of laws, was achieved by delegation of the law-making powers to the Executive. The Executive and his bureaus draft the bills, direct the lobby, deliver orders to congressional committees and congressional leaders, and impose a veto upon acts of Congress not authorized by the Executive.

We are never to go back to the ideas of 1776, when such men as Washington and Jefferson, Madison and John Marshall stood upon the American creed that the just powers of government are derived from the consent of the governed.

Under the constitutional idea of government by laws made by Congress, this Congres has at length recognized the obligation of the Nation to its veterans and has voted to redeem that debt.

Under the new deal of Roosevelt and his "brain trust" there is no obligation of the Government to the veterans, and whatever the veterans receive are benefits from those who govern.

The veteran who faced the enemy from the trenches and barbed-wire entanglements receives even shabbier treatment than that accorded Vincent Astor, who reaped a net income of over a million a year for 5 successive years, or Barney Baruch, or Baruch's assistant, General Johnson, who did their profitable fighting from a distance of 4,000 miles west of the battle line and 40 miles west of the Maryland bank of the Atlantic Ocean.

The veteran debt redemption voted by Congress in the amount of $2,200,000 rests upon the ideas of 1776—the provision of the Constitution which gives the legislative power to Congress, and the authority to recognize the service of the Nation's defenders and redeem the veteran debt by issue of currency.

The $17,671,000,000 represent government by men, the Executive and his bureaus, which exercise the right to usurp the legislative powers of Congress and distribute benefits subject to the allocation of the Executive.

This veto message proposes to allocate no benefits to the veteran and accord him no different treatment, except the obligation to wait till 1945, from that accorded Astor, Baruch, and Johnson.

Under the coercion of the President we have upheld that idea of injustice to the defenders of the Constitution.

We have upheld the new-deal doctrine which delegates the legislative powers of Congress to the Executive.

Having voted nearly $18,000,000,000 to be allocated by the Executive to his experiments in so-called "planned emergency", the results of which have been well-planned chaos and which planned chaos is furnishing the definite stepping stones to the realization of the President's grandiose ideas of subverting this Republic into a dictatorship, we have further helped the chaotic conditions upon which tyranny feeds by refusing to reduce the veteran debt of $2,200,000,000, and thereby discarded the only legislation that has been before this Congress that would tend to eliminate the chaotic conditions of the country so deliberately planned and brought about by this administration. He again wins; the Republic loses. How long, O Lord, how long! is answered in the veto by the Supreme Court of the N. I. R. A. graft. The National Ruin Act or the National Racketeer's Association has been, thank God, declared by the Supreme Court to be unconstitutional, and hope again lives for the Republic, though for the last 2 years "truth has been upon the scaffold, wrong upon the throne." On our way to Moscow and Siberia by way of the Delaware corporations has been checked. The unholy, secret, plotting, foreign forces of revolution to overthrow representative government have been routed. The United States and its fundamental law, the Constitution, still live because of a brave, intelligent, patriotic Supreme Court.

FEDERAL INVASION OF THE STATES

Mr. President, the State of Iowa, from which came our new-deal commissar of A. A. A. crop destruction, has a chapter in its code imposing a fine up to $1,000 and imprisonment up to 1 year for waste of food products to increase the price.

Commissar Wallace, formerly of Iowa, has invoked a Federal dictatorship backed by hundreds of millions of Federal subsidy not only to break down this law of Iowa but to compel the farmers of Iowa to choose between violating a Federal law and going to a Federal prison or violating a State law and going to State prison. And the jailing of the farmers has begun.

Chapter 601 of the Iowa code, entitled "Destruction of Food Products", reads:

SEC. 13249. Waste of food products to increase price: It shall be unlawful for any person, firm, or corporation to willfully destroy or

negligently suffer to go to waste, with intent to increase the price thereof, any food products of any nature or description without the authority or consent of the local board of health or local health officer of the city, town, or township in which the food products are located.

SEC. 13250. Punishment: Any person, firm, or corporation violating any of the provisions of the preceding section shall be guilty of a misdemeanor, and upon conviction shall pay a sum of not more than $1,000, or be imprisoned for any length of time not exceeding 1 year, or be punished by both such fine and imprisonment.

Two Iowa farmers are now in the penitentiary and a third farmer has given up his rights as a citizen of Iowa to appeal to an Iowa court, and now is hounded both by Wallace and the State, because 6 brood sows gave birth to 45 little pigs without the farmer's permission and in violation of the soviet code of Commissar Wallace of the A. A. A.

Farmer Saucke, owner of the six lawless and guilty sows, lives in Calhoun County, just west of Farnhamsville. When he saw those 45 thrifty pigs he went to the county committee to explain his predicament. The Des Moines office of the A. A. A. told him that it would cost him then $313 taken off his corn-hog check. The farmer appealed to Wallace and waited. While Wallace pondered the pigs grew. In 90 days those pigs had grown to 60 pounds a piece, nice roasting size. Wallace was as reasonable as Secretary General Stalin. Those six sows could not defy him. The Federal edict would stand, and the farmer now loses $700 because of the criminal act of six sows which pigged without Federal license and in defiance of Government edict.

Five photographs have been mailed to me by members of the National Farmers Holiday Association—President Milo Reno, of Des Moines, Iowa; Vice President John H. Bosch, of Atwater, Minn; Secretary-Treasurer John Chalmers, of Des Moines; and L. M. Peet, the sender of the photographs—picturing the tragedy of those 45 thrifty pigs. These photographs picture the carcasses of the dead pigs heaped up outside the barn, the pig killers at work, the poor sows nosing their dead offspring, and pigs being tossed into a wagon to be hauled to a fertilizer dump at an age when they would be ideal eating for the unemployed.

It seems that Farmer Saucke offered to donate the pigs to local relief or Federal relief, but Wallace would have none of that. The law of the State of Iowa might be violated, but the Code Wallace never. The Federal edicts of Wallace were like the laws of the Medes and Persians or the Code Napoleon Bonaparte, or the commands of the Soviet General Council—though the laws of the State of Iowa might fall down and State boundaries with them.

It might be well for the Senate, through its Committee on Agriculture and Forestry, or a subcommittee thereof, to investigate the extent of this Federal invasion of the States by the A. A. A. before passing upon the A. A. A. extension bill. An investigation will doubtless show that the A. A. A. and the N. R. A.—in violation of the constitutional provision guaranteeing every State a republican form of government—have invaded the boundaries, violated the constitutional rights, and broken down the State police and commerce laws of every State in the Union. Under the A. A. A. and the N. R. A. the rights of the States have become an empty name as meaningless as the rights of the provinces of Russia, Germany, and Italy under the new deals over there.

I note that the Agricultural Code, XVI–2 of the General Laws of California, has a provision slightly differing from the Iowa code. Division VI, Markets, chapter 2, provides:

Destruction of foodstuffs in restraint of trade, 1161–1162

SEC. 1161. Destruction unlawful: It is unlawful to destroy in restraint of trade any food, animal, or other stuffs, products or articles which are customary food, or which are proper for food, for human beings, and are in fit sanitary condition to be used as such.

The penalty provision grants the right to destroy by consignees of food products only by written permit of the commissioner, county health officer, or State board of health.

The laws of the various States on the subject of "restraint of trade" commonly follow the example of the new Indiana code and declare punishable any combination—

To limit or reduce the production or increase or reduce the price of merchandise on any commodity, natural or artificial, or to prevent competition.

Minnesota Revised Laws, under the title "Monopolization of Food Products Declared a Criminal Conspiracy", declares:

Any combination of persons, either as individuals or as members and officials, to monopolize the markets for food products in this State or to interfere with or restrict the freedom of such markets, is hereby declared to be a criminal conspiracy.

The courts would undoubtedly construe destruction of food products to increase the price a penal offense within the meaning of the code, as expressly defined by the codes of Iowa, California, and Indiana.

Beyond reasonable doubt the monopoly acts of every State in the Union are violated by the dictatorial edicts of the N. R. A. and A. A. A., which we are now asked to extend.

Indeed, regardless of all statutory law, State or Federal, the A. A. A. and N. R. A. violate the common law against monopoly and restraint of trade, as declared both by the courts of the United States for 140 years and by the common law of England for a century before the United States Constitution, and is certainly a violation of the law of God. Even the suspension of the antitrust laws of the United States does not suspend the common law of the land established for the protection of trade and industry for a century before the Sherman Act.

We have only to read the papers of Thomas Jefferson and the decisions of John Marshall to know that the common law against monopoly and restraint of trade was a part of the basic law of the land, and confirmed by the Constitution and embodied as a part thereof, just as the Declaration of Independence with its fundamental definition—that the "just powers of government are derived from consent of the governed."

In short, there is no monopoly grant imbedded in the foundation of this Republic; and no franchise to destroy food and thereby restrain trade, fix prices, and foster monopoly in the first necessity of human life.

Shall we, the Senate of the United States, permit a dictatorial system, whether Fascist or Soviet, and lend our voices and votes to extend an A. A. A. or an N. R. A. cade system to effect that unconstitutional end? Shall we be "yes" men to Federal invasion of our States and betray into the toils of this Federal machine the home folks who elected us?

I note in the Minneapolis Journal of May 16 that the livestock men of the Chicago stockyards—whose records show 5,105,000 valuable pigs weighing 25 to 80 pounds were dumped into fertilizer tanks in the 6 weeks between August 23 and October 7, 1933, by Federal orders—are thrown into consternation by Roosevelt's recent statement to the gathering of A. A. A. pilgrims gathered on the White House lawn last week that the Government had not wastefully destroyed food in any form.

The livestock men who handled these pigs by Government orders know that the 5,000,000 pigs were perfectly edible, being at the ideal stage both for roast pig and for little-pig sausage, notwithstanding the Wallace edict that an 80-pound pig is inedible or the Roosevelt declaration to his A. A. A. pilgrims that the Government had not wastefully destroyed food in any form.

The veracity of these political statements appear to be on a par with those of Government lobbyists and witnesses for the A. A. A. and N. R. A. bills throughout this 2-year period of destruction of farm and factory production under the two twins of industrial chaos—the A. A. A. and the N. R. A.—since their enactment under false pretenses in June 1933.

Wallace and Tugwell, Johnson and Richberg, the four chief witnesses for A. A. A. and N. R. A. extension, are witnesses whose veracity should be weighed well by the jury of Congress now in session. The merits of the two bills, drafted by these bureau heads and advocated by them, may be properly weighed by the statements of the star witnesses that a roasting pig is inedible and that destruction of 5,000,000 of them in 6 weeks, along with thousands of cattle and sheep, was not a wasteful destruction of food in any form. The corn and wheat reduction goes with the pigs and cattle and sheep—the cereals with the meat.

In short, there can be no food waste, because the king can do no wrong. The food just faded away, the corn-

hog checks came, the pigs just died, and the witnesses who threw the food into fertilizer tanks by Government order are liars, like Congress, and are guilty of the new-deal crime of lese majeste.

Furthermore, the press which publishes the statements of the Government pig killers are even more guilty than the witnesses. Those newspaper men plainly intimate that the king can do wrong, at least in telling a pig story.

With the consent of the Senate, Mr. President, I desire to append to my remarks without reading two articles. The first is a short dispatch from the Minneapolis Journal of May 16, showing the records of the Chicago stockyards with regard to pigs killed by Government orders in 6 weeks of the early fall of 1933, and the reaction of the livestock men to the President's speech to the A. A. A. dirt farmers.

The second article is the text of the radio address delivered by Milo Reno, president of the National Farmers Holiday Association, in Des Moines, Iowa, reviewing the Iowa code provisions relating to wasteful food destruction to increase prices, and narrating the recent history of farm arrests pursuant to that law and the Code Wallace, namely, the A. A. A., which we are asked to extend in a bill now pending.

There being no objection, the article and address were ordered to be printed in the RECORD, as follows:

[From the Minneapolis Journal of May 16, 1935]

CLAIM OF NO A. A. A. WASTE IS CHALLENGED—CHICAGO LIVESTOCK MEN REPORT 5,105,067 YOUNG PIGS DESTROYED

CHICAGO, May 16.—Chicago's livestock industry and producers and processors throughout the Middle West were thrown into consternation by President Roosevelt's assertion to the farmers gathering in Washington Tuesday that the Government has not wastefully destroyed food in any form.

At the stockyards the President's speech was the big topic of conversation. Livestock men, recalling the killing and destruction of millions of little pigs and sows in the fall of 1933 and last year's big cattle and sheep killing and destruction by the Agricultural Adjustment Administration, were at a loss to understand the statement that no food had been wasted.

They recalled seeing thousands of pigs daily—valuable little pigs weighing from 25 to 80 pounds—going into the packing plants, not for food but to be knocked on the head, stuck, and thrown into the tanks to be cooked with steam a few hours and then dumped out as tankage and fertilizer.

Official records produced at the stockyards showed that is what happened to exactly 5,105,067 young pigs over the entire country in the short period from August 23 to October 7.

Although these young pigs were classed in the official reports of the A. A. A. as "inedible", they were mostly from herds of good quality and a large part of them, according to packing experts, were excellent for roasting even then.

RADIO ADDRESS BY MILO RENO, FROM DES MOINES, IOWA, MAY 12, 1935

In the name of all that is decent, honest, and righteous, I appeal to the workaday people of this Republic to awaken from their day dreaming, get their heads out of the clouds, and commence intelligently to consider the situation as it is.

For 15 years our people have been cajoled by the sophistries of designing politicians, induced to believe they could borrow themselves out of debt, while the value of their securities was continually depreciating and the value of their production insufficient to meet their taxes and obligations, until now a debt so colossal has been created that it will never be liquidated except through some form of repudiation.

We have seen the foundation upon which this Republic rests, the Constitution of the United States, openly flouted and treasonably violated. We have seen an intensive campaign to rid the country of the Capones and Dillingers and lesser law violators, while condoning and supporting those in authority, who have destroyed more values, been responsible for more desolation and death, than all the Dillingers and Capones who have existed in the last hundred years. In our own State we have seen the armed forces of the State brought into action to enforce the laws of the State. In the legislature just adjourned we provided for extra patrols to protect our people from lawbreakers, who endanger life and liberty, while absolutely ignoring the fact that this and other States are being overrun by a group who make no pretense to observe the laws of the States.

On page 1599, chapter 601, section 13249 of the code of Iowa, under the title "Waste of food products to increase price", I quote:

"It shall be unlawful for any person, firm, or corporation to willfully destroy, or negligently suffer to go to waste, with intent to increase the price thereof, any food products of any nature or description, without the authority or consent of the local board of health or local health officer of the city, town, or township in which the food products are located."

Under section 13250, title "Punishment", I quote:

"Any person, firm, or corporation violating any of the provisions of the preceding section shall be guilty of a misdemeanor, and, upon conviction, shall pay a fine in a sum not more than $1,000, or be imprisoned for any length of time not exceeding 1 year, or be punished by both such fine and imprisonment."

Just west of Farnhamville, in Calhoun County, Iowa, there lives a farmer who has had some experience with this group—Mr. J. H. Saucke, who signed the first corn and hog contract, not realizing its un-American, arbitrary provisions. On August 27, 1934, he bought six sows for breeding purposes. They were supposed to be open, as he intended breeding them for spring litters. However, it proved he was mistaken, and the 6 brood sows farrowed 45 fine pigs in November. He consulted the local committee and explained the situation, that he had no intention of exceeding his quota, but he had conscientious scruples as to killing 45 thrifty pigs while people were starving.

The chairman of the county committee came to Des Moines with Mr. Saucke, explained the situation to Mr. Smith, in charge of the Des Moines office, who informed him he could either forfeit the $313 that he had received on his contract as first payment and waive the other two, which would amount to about $700, or destroy the pigs.

Mr. Saucke wrote Secretary Wallace, explaining to him that he was not personally responsible for those 45 pigs; that he had no intention of exceeding his quota, but got no satisfaction. He then proposed that he be allowed to consider these 45 pigs as part of his next year's allotment. This was also refused. The matter drifted along until some time in February, these pigs being approximately 90 days old and thrifty, as the photographs will show, a fine size to roast.

He proposed to give them to the relief. They refused to accept them on the grounds that they were too small, although these shoats must have weighed approximately 60 pounds, which would have been considerably less than 1 pound gain a day, so Mr. Saucke was confronted with the alternative of losing around $700 or violating the law of Iowa by criminally destroying human food. In other words, this un-American contract he had been induced to sign placed him at the mercy of a group whose objective was to ignore and override the plain statute of the State of Iowa. Under this contract he was induced to surrender his right to appeal to the courts of his own State for justice; in fact, he became an alien in a way, surrendering his citizenship, and became a subject of the dictator, Henry Wallace, obligated to obey any ruling, present or future, that Wallace might make, and to obey all rules and regulations regardless of the laws of the State of Iowa.

It is not in my heart to condemn those farmers who signed this contract. They were deceived as to real contents; they were cajoled and threatened; they were besieged by a host of Federal job holders and county agents working under the direction of the Department of Agriculture, persuaded by, at least, one organization posing as a farm organization, and with all the powers of the Federal Government used to break down their resistance to this nefarious program. This contract, through which a man surrendered his constitutional rights as an American citizen and became a vassal of a modern dictator, was the keystone of the conspiracy to Russianize American farmers.

The unconstitutional power vested in an appointee of the President, who was not elected by the votes of the people, made it possible for him to withhold from the farmer, who refused to surrender, the right to participate in the so-called "favors" doled out to the farmers. He could not borrow money to buy either feed or seed grain. He could not sell his starving livestock to the Government until he had signed this unthinkable contract. Not only were all these things impressed upon the farmer's mind, but even more criminal was the club used to force him into submission, that if he signed the contract, he would be a partaker of the processing tax, that his brother farmer who refused to sign the contract, would be compelled to pay. So I wish to emphasize the fact that the real criminals are those responsible for the nefarious program that is nothing less than a conspiracy to induce citizens of the State of Iowa to violate an express provision of the statute of the State.

Paul Moore and J. W. Lenker were tried and convicted of conspiracy and sentenced to the penitentiary in a district court, whose decision was later on sustained by the supreme court of the State. I do not propose to discuss the conviction or criticize the courts, but I do say, with all the earnestness at my command, that if Paul Moore and J. W. Lenker deserved a penitentiary sentence for obstructing the enforcement of a law to destroy human food, those who are responsible for the present program of destroying human food, with millions hungry, using all the powers at their command to compel farmers to violate the plain laws of the State of Iowa, are more guilty and deserve a greater punishment.

There is not a single sentence or paragraph in the Constitution of the United States that empowers or justifies representatives of the Federal Government to go into a sovereign State and conspire to induce or force the citizens of the State to violate a humanitarian and well-sustained law, such as I have read you from the statute of the State of Iowa. That the law has been violated is unquestionable. That it was violated by farmers who were influenced by methods and means surely comes under the conspiracy statute which says—I quote from section 13162—"Conspiracy—defined—common law":

"If any two or more persons conspire or confederate together with the fraudulent or malicious intent wrongfully to injure the

person, character, business, property, or rights in property of another, or to do an illegal act injurious to the public trade, health, morals, or police, or to the administration of public justice, or to commit any felony, they are guilty of a conspiracy, and every such offender and every person who is convicted of a conspiracy at common law shall be imprisoned in the penitentiary not more than 3 years."

In this definition of conspiracy, certainly property rights have been entirely ignored, when they take the value of one farmer's products and give to another, and the farmer under this contract is practically compelled to violate the statute of Iowa to the extent that he becomes a felon.

Section 9906 of the code further illuminates what constitutes conspiracy in the laws of the State of Iowa. This section clearly states that when "partnership, association, or individual, creating, or entering into, or becoming a member of, or a party to, any pool, trust, agreement, contract, combination, confederation, or understanding with any other corporation, partnership, association, or individual, to regulate or fix the price of any article of merchandise or commodity, or to fix or limit the amount or quantity of any article, commodity, or merchandise to be manufactured, mined, or produced, or sold in this State, shall be guilty of a conspiracy."

I think, my friends, that under the provisions of the laws of Iowa, you will agree with me that the destruction of human food or feed for animals is a felony punishable by a fine or imprisonment, and that this corn-hog program, under the definition of what constitutes conspiracy, is guilty of a crime; and we should, and do, demand that the authorities of the State of Iowa recognize the sanctity of their official oaths—which is to support the Constitution of the United States and the State of Iowa, and enforce the laws—and proceed to prosecute every man, or group of men, guilty of inducing the citizens of this State to disobey and ignore the laws of the State. We certainly have spent enough time and money in quibbling over law violations that dwindle into insignificance compared to the present wholesale violations of the statutes of the State. If this program of destruction is permitted to continue, we will eventually reach the place where constitution and statutes will mean less than nothing, when our people will be governed by edicts and proclamations, not by laws made by the people, but, as in olden days, will be governed by tyrants and bigots who have no respect for right, equity, or justice, but are only guided by their own selfish desires, their own greed for power.

The sovereignty of States is at stake. The ruthless overriding of State sovereignty, the ignoring of State statutes by the Federal Government, is the first necessary step to establish a centralized Government, a centralized authority, and a dictator. This propaganda has been very cleverly scattered throughout the Nation. The next and last step is the determined effort of the "brain trust" gang, supported by the President of the United States, to ignore the authority of States and to determine to use the power of the Federal Government to have enacted or defeat legislation in the different States.

As I have said before, we have an aggravated and partially successful attempt to dictate to the last legislature in the State of Iowa. It is surely time to call a halt upon this crazy, ungodly program, wherein every principle of decency and fair play has been violated, in order to build a political machine that would perpetuate the administration and the triple A program of regimentation. Every principle of Americanism that our fathers taught us is being destroyed. Representative government, the constitutional rights of States and individuals, is being slowly but surely strangled. It must stop.

The crimes committed in the name of the new deal in the last 2 years might be condoned and forgiven on the grounds of either ignorance or insanity, but to permit this program of planned scarcity to continue makes us parties to the pact. It is criminal, is in opposition to the law of God, in opposition to man's own conscientious convictions, in opposition to a common sense of humanity, and can only end in disaster.

This racket, as it was intended, has caused hard feelings between the farmer and consumer. It is not surprising that the hungry consumer resents the idea of a planned scarcity that forces prices beyond his ability to obtain the food for himself and family, as he sees food destroyed, and the farmer paid to allow his lands to lie idle, in order to enhance the price he is compelled to pay. No wonder his heart is filled with bitterness and hatred toward the farmer, who, he supposes, is a party to this program.

My friends, the program of starvation is not the farmers' program. This program was conceived in the unholy minds of profiteers and bureaucratic politicians. No farmer or farm organization had anything to say in arranging the triple A program. The real farmer is glad and happy to provide abundantly for your needs and is ready to stand with you, shoulder to shoulder, in demanding for you a compensation for your services that will enable you to procure the things necessary for your comfort and happiness and competency in old age.

I notice in the press where Henry Wallace takes the attitude of the small boy detected in mischief and defends his conduct by saying: "Johnny did it first. You hit my dog; I will hit your cat." He justifies his food-destruction program amid starvation by saying the industries had followed the same methods and that if they would forego the tariff he would forego the processing tax, and his attempt to inject the old tariff squabble that has been used as an alibi, as excuse, by the politicians for many years is, perhaps, the weakest alibi Wallace has ever attempted.

Truly, we have a master mind looking after the farmers' interests.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. WHEELER obtained the floor.

Mr. RUSSELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Reynolds
Ashurst	Copeland	Lewis	Robinson
Austin	Costigan	Logan	Russell
Bachman	Couzens	Lonergan	Schall
Bankhead	Dickinson	McAdoo	Schwellenbach
Barbour	Dieterich	McGill	Sheppard
Barkley	Donahey	McKellar	Shipstead
Bilbo	Duffy	McNary	Smith
Black	Fletcher	Maloney	Steiwer
Bone	Frazier	Metcalf	Thomas, Okla.
Borah	George	Minton	Thomas, Utah
Brown	Gerry	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Gore	Murray	Truman
Burke	Guffey	Neely	Tydings
Byrd	Hale	Norbeck	Vandenberg
Byrnes	Harrison	Norris	Van Nuys
Capper	Hastings	Nye	Wagner
Caraway	Hatch	O'Mahoney	Walsh
Carey	Hayden	Overton	Wheeler
Chavez	Johnson	Pittman	White
Clark	Keyes	Pope	
Connally	King	Radcliffe	

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Ninety Senators having answered to their names, a quorum is present.

Mr. WHEELER. Mr. President, at the outset of my remarks I wish to state that I am not unmindful, when we come to pass legislation which materially affects the great power interests of this country, that we are faced always with one of the greatest and most insidious lobbies that has ever entered the Capitol of this Nation.

I recall a few years ago when we had before this body the question of an investigation of the so-called "Power Trust." I was a comparatively new Member of the body at that time, but was serving upon the Committee on Interstate Commerce, and I recall the terrific fight that was made against the resolution of investigation. I remember not only the fight that was made upon the floor of the Senate, but I recall the tremendous lobby that was out in the corridors, and that filled the galleries when the resolution was pending.

I remember distinctly how every Member of Congress was buttonholed, how his office was visited, how the representatives of local power interests came to the Capitol and called on every Member of the Congress. I remember how they at last succeeded in having the investigation taken out of the Congress of the United States and sent to the Federal Trade Commission, because the power interests themselves—among them Mr. Insull, and others—felt that they could get more lenient treatment before the Federal Trade Commission.

The investigation covered a period of years, and resulted in the disclosure of one of the most gigantic trusts that has ever been developed in the history of this country. It uncovered the practices of the holding companies, which cannot be characterized in any other way, I submit without fear of contradiction, than as fraudulent and as legalized thievery against the people of the United States.

I wish to call attention to the findings of the Federal Trade Commission. Among other things they said:

A list of the questionable practices is attached to part 72–A as appendix A. Such acts and abuses are too various to recite here in detail, but the numerous evil conditions and practices dis-

cussed in the preceding chapters may for the most part be classified under the following general heads:

(1) Pyramiding companies owning or controlling the operating companies for the purpose of enabling a minimum of investment to control a maximum of operating facilities, involving a greedy and highly speculative type of organization detrimental to the financial and economic welfare of the Nation.

(2) Loading the fixed-capital account of public utilities with arbitrary or imaginary amounts in order to establish a base for excessive rates.

(3) Writing up the fixed assets without regard to the cost thereof, with the result of watering the stock or creating a fictitious surplus.

(4) Engaging in transactions of purchase and sale of property or securities with controlled or subsidiary companies for the purpose of recording arbitrary profits or fixing valuations unjustified by market values.

(5) Exaction of payments from affiliated or controlled companies for services in excess of cost or value of such services.

(6) Gross disregard of prudent financing in excessive issues of obligations, imperiling the solvency of the company and involving excessive charges for interest, discount, commissions, redemption, etc.

(7) Manipulating the security markets to deceive stockholders, bondholders, or potential purchasers of its securities.

(8) Putting funds in the call-loan market with the result of greatly stimulating speculation.

(9) Excessive use of conversion privileges for bonds and preferred stocks and of purchase warrants and options with the effect of inducing investors to part with conservative investments for speculative ones.

(10) Misstatement of earned surplus, or failure to distinguish earned from capital surplus, and making payment of dividends from the latter.

(11) Deceptive or illusory methods of dividing, or pretending to divide, earnings or profits.

(12) Including imaginary (or putative) interest in construction costs of a public utility and counting it as a part of earnings.

(13) Deceptive or unsound methods of accounting for assets and liabilities, costs, operating results, and earnings, including write-ups unrealized or fictitious profits, stock dividends, etc.

(14) Corporate organization which gives powers inconsistent with a just division of responsibilities and emoluments as between various groups or parties furnishing capital by loan or by contribution, either directly or indirectly by purchase, succession, or otherwise.

(15) Issuing special voting or management stock giving control at small cost in order to promote the interests of selfish cliques, against the interest and safety of the general stockholders.

(16) Unsafe or mischievous methods of securing loans to the detriment of the lender.

(17) Intercompany financing on a basis disadvantageous to operating company borrowers or lenders.

(18) Evasion of State laws in effecting sales of security issues.

(19) Effecting pretended corporate reorganizations principally for the purpose of evading the payment of Federal income taxes.

In the last analysis the foregoing practices and the conditions which they have created must be judged not only by economic results but by ethical standards. It is not easy to choose words which will adequately characterize various ethical aspects of the situation without an appearance of undue severity. Nevertheless the use of words such as "fraud", "deceit", "misrepresentation", "dishonesty", "breach of trust", and "oppression" are the only suitable terms to apply if one seeks to form an ethical judgment on many practices which have taken sums beyond calculation from the ratepaying and investing public.

The evils recited have flourished in spite of such regulation as has existed. As shown in an exhaustive study made by this Commission, printed in part 69A and discussed at length in chapter XII of this summary report, such evils have to a substantial degree resulted from and even been promoted by legislation and policies in some of these States. It is there shown that no substantial progress is being made, or can be made, by the States generally, toward effective regulation of holding companies. In a few States efforts are being made but generally the situation remains as it was 25 years ago, in spite of the rapid expansion of the holding-company systems and an even more rapid growth of resultant abuses. This refers particularly to the holding-company situation, because there the power of the States is, at best, handicapped by nonresidence and other causes. These compel the States, when any regulatory attempt is made, to resort to indirect methods of control, rather than to direct specific remedies. The States in general are quite helpless when certain of the States grant roving charters with practically unlimited power in what Justice Brandeis has characterized as a race "not of diligence but of laxity."

The holding company in the utility field has been the chief device by which the control and ownership of operating companies has been rapidly concentrated into fewer and fewer hands with every prospect that the process will continue on to Nation-wide monopoly.

Mr. President, I appreciate the fact that there are those in this Chamber whose philosophy differs from mine in that they believe that monopolies are beneficial to the people of this country. But I am one of those who believe that unless we stop the present trend toward monopoly and get back to an economic democracy in the United States, instead of breaking up these bureaucracies which exist at the present time, we are going to build up greater and greater bureaucracies until finally the Nation itself will go down, as every other civilization has gone down in the past.

This bill, unlike many bills which have been proposed in these legislative halls, seeks not for further concentration of power in the hands of the Government of the United States; on the contrary, the tendency of the bill is to make these power-holding companies decentralize, so that they can be controlled by local communities, or can be controlled in a small number of States where they carry on their operating facilities.

It has been said upon the floor of the Senate, and repeated, that the pending bill was not given the study it should have been given before the Committee on Interstate Commerce. As a matter of fact, since I have been a member of the Committee on Interstate Commerce—and I have been a member of that committee for over 12 years—no bill which has been before that committee has had the careful study which was given the pending bill by the committee.

When the utility people give out statements saying that the bill was not given proper consideration, they are not sincere and honest, because when the hearings were completed the head of their committee came to me and said they had had a fair hearing, and thanked me for our courtesy in giving them the kind of hearing they wanted. He said that in the House of Representatives, instead of being able to talk about the bill, there was a discussion of personalities, but before the Senate committee they were confined to a discussion of the bill, and the Senate committee did not enter into a discussion of personalities in the various companies. Therefore I say that those who make the statement upon the floor of the Senate that the bill has not had proper consideration are stating something which in my judgment is not fair to the Senate Committee on Interstate Commerce, and it is not correct. I venture the assertion that the head of the committee representing the utility companies would not have stood on the floor of the Senate and said that they did not have a fair hearing before the Senate committee.

Of course we did not accept all their amendments. However, when they came before the committee I asked them to confine themselves to constructive criticisms of the bill and to offer any constructive suggestions which they might have.

The suggestion that consideration of the bill be postponed or that it be sent back to the committee does not surprise me. I know what the policy of these men was. I am not so naive that I do not know what is back of these suggestions. I know, Mr. President, that the utility people did not desire to be limited in the hearings. What they wished to do was to have the Cities Service Co. come in and take up a lot of time before that committee. What they wanted to do was to have each and every one of the utility companies come in and take up time of the committee so that the bill would never be considered in the present Congress. That is what they wanted, and anyone who does not know that certainly is naive in his understanding of what was going on behind the scenes with reference to this holding-company bill.

Mr. President, I desire to say that the utility companies were given a fair hearing, and I do not propose to stand idly by on the floor of the Senate and let statements be made in the press with reference to the treatment they received go unchallenged. Things can be said which will not be entirely complimentary to some of them, if they were told upon the floor of the Senate.

With reference to the claim that there is no demand for this bill, let me call the Senate's attention to the fact that the bill is not something new. It is the outgrowth of an investigation which was started in Congress a great many years ago when my colleague the late Senator Walsh, one of the greatest lawyers who ever served in this body, started the investigation into the holding companies, which was continued before the Federal Trade Commission, where for 6 or 7 or 8 years they have been conducting the investigation.

Mr. President, this bill is not the result of snap judgment. This legislation and the conditions which exist in the country with reference to holding companies have been subject to consideration from time to time by various Congresses and by legislators of States from one end of the country to the other.

It is said there is no public demand for this legislation. Was there not a public demand which brought up an investigation of these charges? Was there not a public demand which caused the Government of the United States to spend millions of dollars before the present administration ever came into power, to have these companies investigated and their practices shown up and brought to light? Were the studies which have been conducted for all these years, and the recommendations by various bodies, brought about without public demand? I am certain the question of public demand would be answered affirmatively if one went out to the people of any State of the Union and asked them whether or not there is a public demand for this kind of legislation.

Mr. President, Senators have received a great many letters on this subject. I have received 3,000 letters from my constituents asking me to kill this bill. I have hundreds of letters in my possession from laboring men who have written in saying, "I have had to write the letter to you. The company has come to me insisting that I write the letter. They have paid for the postage." I have had other people write to me saying, "I had to write the letter or lose my job." I have been told that companies have asked all their employees to write such letters. I have had letters from stockholders in which they apologized to me for writing letters asking me to kill the proposed legislation, because they did not understand its purpose at the time they wrote their original letters.

I wish to call the attention of the Senate to a few letters I have received. I read one from Quincy, Ill., written by a doctor, as follows:

The press is carrying on the subject matters above mentioned, almost daily, items on the same.

Wisconsin Holding Corporation at Madison, Wis., I became tangled up with in 1931, 1932, 1933. Result of which I lost my last penny in sum of amount $3,900. I have thought you might find something helpful to you in the papers covering the matter and so am mailing them to you. Otherwise please burn them.

Very truly yours,

H. L. GREEN, M. D., *Occidental Building.*

(Enclosures, 390 shares of stock in Wisconsin Holding Co.)

I own a small block of this stock—

The stock of the Standard Gas & Electric Co.—

but at the same time am in complete accord with you and am willing to lose all I put into the company. Propaganda such as this should be stopped. Utilities should be investigated.

The letter is unsigned, but it is written on the back of a pamphlet headed "An Appeal to Investors in Securities of Standard Gas & Electric Co. and Its Subsidiary and Affiliated Companies."

I read a letter from Schenectady, N. Y., dated March 4, 1935:

Electric Bond & Share Corporation mailed me a circular asking me to write to your committee in regard to proposed legislation.

I enclose copy of letter in answer to their plea for my help to enable them to continue their underhanded robbery of stockholders' and consumers' money.

I sincerely hope and pray that legislation will be enacted which will make it impossible for this or any other corporation or company to commit any dishonest act hereafter.

Yours truly,

GEORGE H. HAZELHURST.

The writer encloses a copy of the letter which he received from the Electric Bond & Share Co.

I read a letter from Johnstown, Pa.:

Beg to call your attention to the practice of the Associated Gas & Electric Co. here, of going to the firms of this little town from whom they buy, soliciting letters favoring holding companies, and of course they receive the letters, because the firms cannot afford to lose the business, yet men who must give the letters do not approve of the holding company system.

Just polite blackmail of a new brand.

I have a letter from F. G. Cunningham, of St. Louis, Mo., which I ask to have printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

302 NORTH THIRD STREET,
St. Louis, Mo., April 3, 1935.

Mr. ALTON JONES,
First Vice President Cities Service Co.,
No. 60 Wall Street, New York City.

(Personal.)

MY DEAR MR. JONES: Kindly pardon paper on which this note is written, having had the misfortune on investing with the Cities Service Co. my hard-earned funds, and losing everything as a result of the stock being manipulated. I cannot afford to purchase white paper.

Observing in the press that you appeared before the Senate committee in opposition to the Wheeler-Rayburn bill, looking to the abolition of holding companies, I take the liberty of writing you.

My knowledge is confined to my unfortunate experience as a Cities Service investor, and in my opinion the manner in which Henry L. Doherty and his Cities Service set-up treated trusting but unfortunate stockholders in 1929 is sufficient reason why said company at least should be summarily dealt with. Digressing, I was personally horrified when I read that this same Henry L. Doherty had the temerity to act as chairman of President Roosevelt's birthday party.

If you will be patient, I will not type hearsay but give you the actual facts of how cleverly the Henry L. Doherty Cities Service set-up led unfortunate stockholders to financial ruin in 1929. Files of Federal Trade Commission contain copy of a deposition made by H. J. Gray, of this city, case of *Gray* v. *Epstien* (St. Louis Circuit Court case 150267). Gray states under oath that in 1929 a Nation-wide pool operated in stock, that Cities Service common was one of the stocks pooled, and that Henry L. Doherty & Co., fiscal agents for Cities Service, were members of the pool. Federal Trade Commission report on Cities Service Securities Co. is to the effect that Henry L. Doherty & Co. was really Henry L. Doherty; hence it is obvious that Henry L. Doherty was a member of the pool. Being a member, Henry L. Doherty knew or had means of knowing the dissolution date thereof, which history now records as on or about October 16, 1929. Despite the knowledge which Henry L. Doherty undoubtedly had, and which the average stockholder knew not of until too late, this same Henry L. Doherty, as president of the Cities Service Co., mailed circulars to his trusting but unfortunate stockholders, using the Federal mails for same, on or about October 9, 1929, anent further rights as of November 7, 1929. Looking back over 5 years, I am positive the rights literature of on or about October 9, 1929, was not sent out in good faith but merely a come-along to have trusting but uninitiated stockholders cleave to their holdings. Candidly, it fooled the writer, and my local bankers; the pool broke, the stock tumbled from its peak of $68½ a share and is now selling under $1 a share. Thousands, the writer included, lost everything, and St. Louis Post Despatch recently printed that Henry L. Doherty made a personal profit of around $19,000,000. Have heard it rumored that this same Doherty sold the stock short, before the pool dissolved, and while I have no proof personally, nothing that Henry L. Doherty did would surprise me. If holding companies therefore function as did the Cities Service in 1929 to mulct the public to the financial advantage of the corporation heads, as outlined above, may the day be soon when they, the holding companies, are done away with.

Very sincerely,

F. G. CUNNINGHAM.

(Copy to United States Senator WHEELER, Senator from Montana, author Wheeler-Rayburn bill, United States Senate, Washington, D. C.)

Mr. WHEELER. I read a letter from Sullivan, Wis.:

A few days ago I listened in on your talk on the President's bill to abolish the holding companies. I was very much pleased the way you handled this matter.

The Wisconsin Gas & Electric Co. has canvassed this territory for signatures to a petition, claiming it will destroy the value of their bonds and stocks. They were very careful who they asked to sign; people not posted on inflation as practiced by the big utilities; people who do not realize the public is paying billions in interest on inflated valuations. * * *

(Signed) J. E. KEANE.

I read a letter from Newark, Ohio:

You are probably aware the people of this section are watching with intense interest the coming up of the Wheeler-Rayburn holding-company bill. It means just this to us of Ohio: The strength of this present administration to carry on and the strength of our President in his coming election. You must not, cannot afford to fail.

Here is another letter:

As a stockholder in various holding utility companies I hope you get your bill through because it may save hardworking

people from losing savings in the future. My thousand is gone now, and if you can prevent others from being swindled by these men more power to you.

(Signed) A. L. DONAHUE.

Here is a letter from Philadelphia:

I am strongly in favor of the Wheeler-Rayburn bill for abolishing holding companies in the public-utility industry.

As one who has suffered by their dishonest methods, I hope by this letter to help counteract the flood of propaganda now being released by these companies.

(Signed) J. W. AYLSWORTH.

I also have a letter from Great Falls, Mont., in which the writer states that he is a stockholder in the Electric Bond & Share Co., and the letter is to the same general effect as the previous letter.

Here is one from Dr. H. C. Galster, of Erie, Pa., as follows:

I wish in a humble way to tell you the wrongs the Associated Gas & Electric System has done me. They sold me $10,000 convertible debenture certificates and also $11,330.76 class A stock; all told, $21,330.76. Class A stock I hear nothing of, and the $10,000 certificate the bank helped me to change for a five thousand. Now, if I did not do this I would lose all. It was told me that within a year I could redeem my ten thousand again, if I so desired. I also bought 200 shares of Niagara-Hudson Power, paid $145 per share; paid $2,925. They said that I should send in my stock and they would give me 1 for every 3 shares or they could not pay any dividends according to law, and my stock would be worth just as much. They paid several times. They then ceased paying. I wrote to them and told them to return my stocks. They had used the mails to defraud me. They said they had not promised to keep on paying, but they did not say that they would not keep on paying. They are earning money every day, as near as I can make out. The international bankers such as Morgan & Co.—in other words, the international thieves—are robbing the United States people. Can nothing be done? Can you not use your good influence for Uncle Sam to take and operate all utilities in these United States of America as these thieves stole all from the United States citizens? I am helpless. I am robbed. Is there no help?

Very truly yours,

H. C. GALSTER.

I have other letters, one from South Philadelphia, one from Columbus, Ohio, from a farmer telling about their advertisements.

Here is a letter from Brigham Young University, Utah. I am sorry the Senator from Utah is not present. The writer says:

I have just received a copy of the February 24 Sunday Transcript from Philadelphia. In conspicuous headlines I am urged against "Legislation Hostile to Holding Companies Employing Millions."

I am responding to one part of the request at least. I am writing to tell you that I am 100 percent behind the movement to secure this particular legislation. I hope that you will use your ability in supporting the Rayburn bill, or some bill of similar import.

In thus expressing my sentiments regarding this measure I feel quite sure I am expressing the attitude of intelligent students of our present economic set-up, and of the people who have been exploited by these bond and security companies.

I have many more such letters. Here is one from Philadelphia; here is one from another city in Pennsylvania; here is one from the president of one of the banks in St. Louis, in which he says:

I think you and the members of your committee will be interested in reading the two enclosed clippings from last night's St. Louis Post-Dispatch and St. Louis Star-Times. If you or your committee want a good object lesson of the abuses of holding companies, I commend your attention to the Laclede Gas Light Co. of St. Louis, which is kept by Utilities Power & Light Corporation—

That is one of Harley Clarke's organizations, as I understand—

which also keeps a number of other operating companies and in turn is kept by at least two or three or four more holding companies.

I am determined to show up as an object lesson the whole situation which involves the Laclede Gas Light Co., of which I and members of my family have been substantial stockholders for three generations.

Here is another letter written by a gentleman formerly connected with the National Association of Securities Commissioners, the letter being dated Jefferson City, Mo.:

I am herewith enclosing an advertisement which appeared in Sunday's issue of some of our daily papers. It is a denunciation of the President's message to Congress on holding companies. We know who ultimately pays the bill.

My knowledge and experience gained during 4 years as securities commissioner of Oklahoma, as president of the Southern Group of Securities Commissioners, as president of the National Association of Securities Commissioners, and my study of utility-holding companies and their various devices and manipulations to centralize wealth and power have convinced be that they are a cancerous growth upon our body politic which should be cut out as soon as possible. As a whole, they serve no good purpose, and they are poisoning the present and filling the future with fear.

The chief purpose of the utility-holding company is to centralize wealth and power in the hands of a few by charging the consumers more and by mulcting investors by questionable devices.

I hope that the bill introduced by you and Congressman SAM RAYBURN becomes a law. Our President is right in the stand he is taking.

I am not going to read any more of these particular letters at this time. I wish, however, to call attention to the fact that the public-utility companies have been going out canvassing the country, demanding of their employees, under the penalty of being discharged, that they write letters to their Representatives in Congress, causing their employees to make house-to-house canvasses, insisting that they get letters from individuals, and paying for the telegrams that come here. They were not, however, satisfied with that. There is not a great holding company, I venture the assertion, which has not brought here from the various States the manager, generally, of a subsidiary operating company and had him buttonhole each Senator.

Can it be claimed that this bill has not been discussed? It has not only been discussed on the floor of the Senate but it has been discussed in every Senator's office in the Capitol; it has been discussed in the office of every Representative in the Capitol. High-priced lobbyists have been employed by the utility magnates for the purpose of preventing the Government of the United States of America from enacting legislation to put an end to the practices which the utility holding companies have been carrying on. Talk to me about this bill not being discussed and some Members of the Senate not knowing anything about it. As I have said, there is not a Senator in this body who has not been interviewed, who has not been buttonholed, for a Senator can hardly step out of the Chamber without having some power lobbyist buttonhole him.

They have discussed it, if they had an opportunity, at the homes of Senators; they discussed it at the clubs; they have discussed it at every dinner where Senators went, if they had an opportunity to do so. They have just been pounding down upon every Senator.

The question, as I see it, is this: The States are unable to regulate these holding companies. Mr. Benton, the attorney for the National Association of State Commissions, came before the committee and testified, as Members of the Senate who are on the committee know, that it is impossible for the States to cope with the holding companies. Is it going to be said that the Government of the United States is unable to cope with them?

I am not unmindful of the fact, Mr. President, that there is some fear in the minds of some of the Members of this body, since the N. R. A. decision, as to whether or not this bill may fall within the condemnation of that decision; but I submit that anyone who reads the decision, and then analyzes the bill, will find that there is not anything in the bill which even remotely is affected by the decision of the Supreme Court in the N. R. A. case.

This measure is proposed for the purpose of regulating, what? Companies that are engaged in interstate commerce. Are these holding companies engaged in interstate commerce? I shall point out to the Senate that, without a question of doubt, the Supreme Court of the United States has held that companies doing this character of business are engaged in interstate commerce. The provisions of this bill come squarely within Federal jurisdiction under the commerce clause. Not only that, but let me say that this bill has been carefully drawn in every detail so as to fit into the commerce clause and the decisions of the Supreme Court of the United States relating to the power of Congress.

No one is more anxious than am I to have such holding-company legislation as may be enacted conform strictly to the constitutional requirements. The holding companies, of

course, would not hesitate to try to break this legislation in the courts if they thought it to their interest to do so. As a matter of fact, they are going around the lobbies saying, "We will knock out this proposed legislation." A chorus of cheers went up from them when the N. R. A. decision was rendered. Immediately, I was importuned to take the measure back to the Interstate Commerce Committee to consider whether or not it came within the ban of the recent decision of the Supreme Court. I was importuned to do it because as they said "You would not want your name attached to a bill that might be declared to be unconstitutional." They were that thoughtful with reference to my welfare.

The holding companies tried to stop, on constitutional grounds, the investigation of utility companies which was conducted by the Federal Trade Commission; but Judge Knox held that the Electric Bond & Share Co. was engaged in interstate commerce; and, of course, there could not be any question about it, because he said, in substance, that, with their officers in New York and their operating and subsidiary companies scattered all over the United States, they were essentially carrying on an interstate business.

In almost every State in the Union, these utility holding companies have always tried to escape State regulation by asserting interstate commerce was involved.

They make the plea, "We do not want to be eliminated because that would hurt our stockholders; we only want to be regulated." If we take out the elimination provisions, then they will want us to take out the regulatory provisions; take out some of the regulatory provisions, and then they will ask that the entire bill be killed.

When we adopted the Walsh resolution calling upon the Federal Trade Commission to conduct an investigation, did they want to be regulated? Did they want to have their records gone into? Not at all. The Electric Bond & Share Co. went into court and said that the Congress was without power to investigate their affairs because they were engaged in intrastate business. Judge Knox, however, held the contrary, as, of course, he had to do; and they never took an appeal to the Supreme Court of the United States.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. WHEELER. Yes.

Mr. VANDENBERG. The Senator is discussing the question of regulation versus elimination?

Mr. WHEELER. Yes.

Mr. VANDENBERG. Regardless of what the companies' attitude might ultimately be toward regulation—and I interrupt myself to say that I cannot understand how there could be any valid argument against regulation—is it the Senator's feeling that elimination at the present time is necessary to the objective to which he addresses himself?

Mr. WHEELER. Let me say to the Senator that I think elimination is necessary in the case of those companies which have subsidiaries scattered from one end of the country to the other. And by "elimination" I mean—and that is the way the bill uses the term—that they either confine their holdings to a single geographically and economically integrated public-utility system, or else cease to be holding companies of utility operating companies.

As I shall point out, the reason for that is that the public-utility business is essentially a local or regional industry. Every utility man who came before the committee blew both hot and cold. In one breath he said the public-utility business should be left entirely to the States because it is essentially a local industry. It is essentially a local industry. I agree with them in that statement. It is essentially a local industry because the people in every community where they have an operating company are vitally affected by the rates which are charged, and industry is affected as well. But in the next breath these utility witnesses argued that they must be allowed to keep and to build up on top of these local companies a Nation-wide financial holding-company structure—without any regard for any principle of regional integration. When we come to holding companies they cease to be a local industry and become an industry which in Montana, for instance, is controlled from New York City. And what we have—which is what we would always have if the holding companies had their way about this bill—is a national interstate financial superstructure built on top of the local or regional operating utility industry. We have in that kind of situation all the evils which we preach against state socialism, because we have a form of private socialism and absentee landlordism. Talk to some of the officers of the operating companies; and if they tell the truth about it as some of them have told me, they would welcome the day they could get rid of the holding companies which have been sapping the very lifeblood out of their operating companies.

How do the holding companies live? They have lived only by milking the operating companies in the way the Federal Trade Commission has pointed out.

Mr. VANDENBERG. Does the Senator contend that the evils cannot be reached by Federal regulation?

Mr. WHEELER. I do not think it is possible effectively to regulate them in their present size and power and concentration of control. My view is that the Government cannot do it. The States have absolutely failed and admit they have failed. It is impossible for the States effectively to regulate them. In my judgment it is impossible for the Government of the United States to be able to regulate effectively these great holding companies which own properties scattered all over the United States.

The extremely important question, it seems to me, is What is facing the Senate right now? Can we regulate them with mere words of regulation? We are human beings. The regulatory body would be made up of human beings. If the Senate of the United States does not have the courage to enact legislation eliminating these great holding companies because of the fact they have brought so much pressure to bear, and because of the fact that their agents are here seeking to intimidate Members of Congress, pleading with them and cajoling them and having their employees writing Members and threatening them—if the power of the Congress is not strong enough, if the Congress cannot have courage enough, to eleminate these unnecessary evils in the form of large holding companies which have no place in our economic system, as I shall point out, then certainly we cannot expect any commission of the Government effectively to regulate them.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from Montana yield to the Senator from Michigan?

Mr. WHEELER. I yield.

Mr. VANDENBERG. I am not discussing the question of courage or lack of courage as it may or may not affect the situation. I am addressing myself to the Senator's wisdom and the judgment of the Senate on the facts involved. I am wondering if there is not a real question which rises above the question of propaganda and pressure, namely, elimination under the bill is postponed for a considerable number of years. My chief feeling of the moment is that the country's necessity for recovery is ahead of reform. I am asking the Senator whether or not, during this period of postponed elimination, he has not precipitated a deflationary influence upon the country which would interfere with the recovery element which is so primarily necessary? Will the Senator address himself to that thought briefly?

Mr. WHEELER. I shall be happy to do so. Of course, so far as holding companies are concerned, I shall point out later on how the money is invested in the holding companies and the misrepresentations which have been made in the advertisements, because they hold out the idea that all the money invested in the utility industry is invested in holding companies—whereas, as a matter of fact, the securities of the holding companies are of comparatively small moment. The holding companies which will have to be eliminated are a comparatively small number. Under the terms of the bill they can become investment trusts; they can comply with the standards set up in the bill and establish themselves as regional integrated systems. They can do many

other things. I do not believe it will have a deflationary effect. As a matter of fact, I think when we stop them from carrying on some of the practices in which they have been indulging and from which they have been unconscionably supporting themselves, it will mean they will have to reorganize themselves. Some companies are now in the process of reorganization. Others are trying desparately to keep out of the bankruptcy courts. I venture the assertion that there are many companies which will have to reorganize themselves whether we had a holding-company bill or not.

Mr. HASTINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Delaware?

Mr. WHEELER. I yield.

Mr. HASTINGS. The Senator a moment ago referred to the opinion of Judge Knox about which I should like to read a brief statement made by Mr. Corcoran and Mr. Cohen, found on page 815 of the record, which I think does not bear out the statement made by the Senator from Montana:

> The character of the business of holding companies from the viewpoint of the power of Congress under the commerce clause has been considered in only one case, *Federal Trade Commission* v. *Smith* (1 Fed. Supp. 247), involving the investigatory power of the Federal Trade Commission. A subpena issued by the Commission directing the production of records of the Electric Bond & Share Co. was there upheld on the ground that the company under its service contractor regularly shipped goods in interstate commerce. However, the opinion of Judge Knox dismisses the claim that the service part of the contracts constituted interstate commerce with the statement that performance of those contracts consisted of activities, which, "under authoritative decisions, are not recognized as constituting interstate commerce." The decision itself, resting on the fact that the company sold equipment in interstate commerce, would undoubtedly be followed.

Then Mr. Corcoran and Mr. Cohen continued:

> It by no means follows from the conclusion that the company was not "engaged in commerce" in performing these contracts that a statute could not be drawn to regulate the use of interstate commerce for the performance of such contracts.
>
> Furthermore, the authoritative decisions which Judge Knox cited do not support his conclusions.

In view of what the Senator said, I thought, perhaps, he was not familiar with that language.

Mr. WHEELER. Mr. President, I have the case before me and I am extremely familiar with Judge Knox's decision. He said, among other things:

> By virtue of the control which respondent exercised over the subsidiary operating companies it had a direct effect upon all other business—

All other business!—

> including that in interstate commerce. The power of the National Government over interstate commerce has been held to extend not only to activities which may formally be denominated subjects of interstate commerce, but as to acts which in fact affect that commerce.

The Supreme Court reported that in the case which they have just decided—the Schechter case—but in that case they simply held that the sale of chickens by a local chicken killer in New York City did not directly affect interstate commerce, and possibly they were right about that. It is inconceivable to me how any lawyer who would pass upon the question could, as a matter of fact, say that that transaction was a transaction in interstate commerce.

I desire to read further from Judge Knox:

> Accordingly, an order will be entered directing the individual respondents to answer all questions relating to the cost to Electric Bond & Share Co. of such services as it renders the operating companies in return for the payment of a fee based upon their gross earnings; to the cost of rendering purchasing services which result in interstate movements of materials, apparatus, and supplies to or from any of its subsidiaries for which a separate fee is charged; and to the cost of rendering any services to subsidiary companies engaged in the interstate transmission of electricity or gas for which a separate fee is charged.

Therefore, so far as the holding company is concerned, what does the bill do? After setting forth the policy, here is what the bill says—and this should be borne in mind:

> TRANSACTIONS BY UNREGISTERED HOLDING COMPANIES
>
> SEC. 4. (a) After October 1, 1935, unless a holding company is registered under section 5, it shall be unlawful for such holding company, directly or indirectly—
>
> (1) to sell, transport, transmit, or distribute, or own or operate any capital assets for the transportation, transmission, or distribution of natural or manufactured gas or electric energy—

In what?—

> in interstate commerce;
>
> (2) by use of the mails or any means or instrumentality of interstate commerce, to negotiate, enter into, or take any step in the performance of, any service, sales, or construction contract undertaking to perform services or construction work for, or sell goods to, any public-utility company or holding company;
>
> (3) to distribute, or make any public offering for sale or exchange of any security of such holding company, any subsidiary company or affiliate of such holding company, any public-utility company, or any holding company, by use of the mails or any means or instrumentality of interstate commerce, or to sell any such security having reason to believe that such security, by use of the mails or any means or instrumentality of interstate commerce, will de distributed or made the subject of a public offering;
>
> (4) by use of the mails or any means or instrumentality of interstate commerce, to acquire or negotiate for the acquisition of any security or capital assets of any subsidiary company or affilite of such holding company, any public-utility company, or any holding company;
>
> (5) to engage in any business in interstate commerce; or
>
> (6) to own, hold, or control any security of any subsidiary company thereof that does any of the acts enumerated in paragraphs (1) to (5), inclusive, of this subsection.

So what the bill does is this: It simply says that no company which is not registered can do any of these things in interstate commerce. Then the company comes to the Commission and registers.

But there is more than that. The Commission is authorized to exempt certain holding companies from any provision of the bill. To exempt, first, any holding company whose activities are predominantly confined to intrastate business; second, any holding company whose business is wholly within an integrated section of two or more contiguous States in one of which the holding company is organized; third, any holding company which is only incidentally in the public-utility field, and which derives no material portion of its income from utilities; fourth, any holding company whose subsidiary companies are entirely outside of the United States.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. WHEELER. Yes.

Mr. HASTINGS. In view of the Senator's opening statement as to the purpose of the bill, and the great crimes which have been committed by holding companies in this country, may I inquire why the companies in this particular group are to be exempted if the Commission desires to do so?

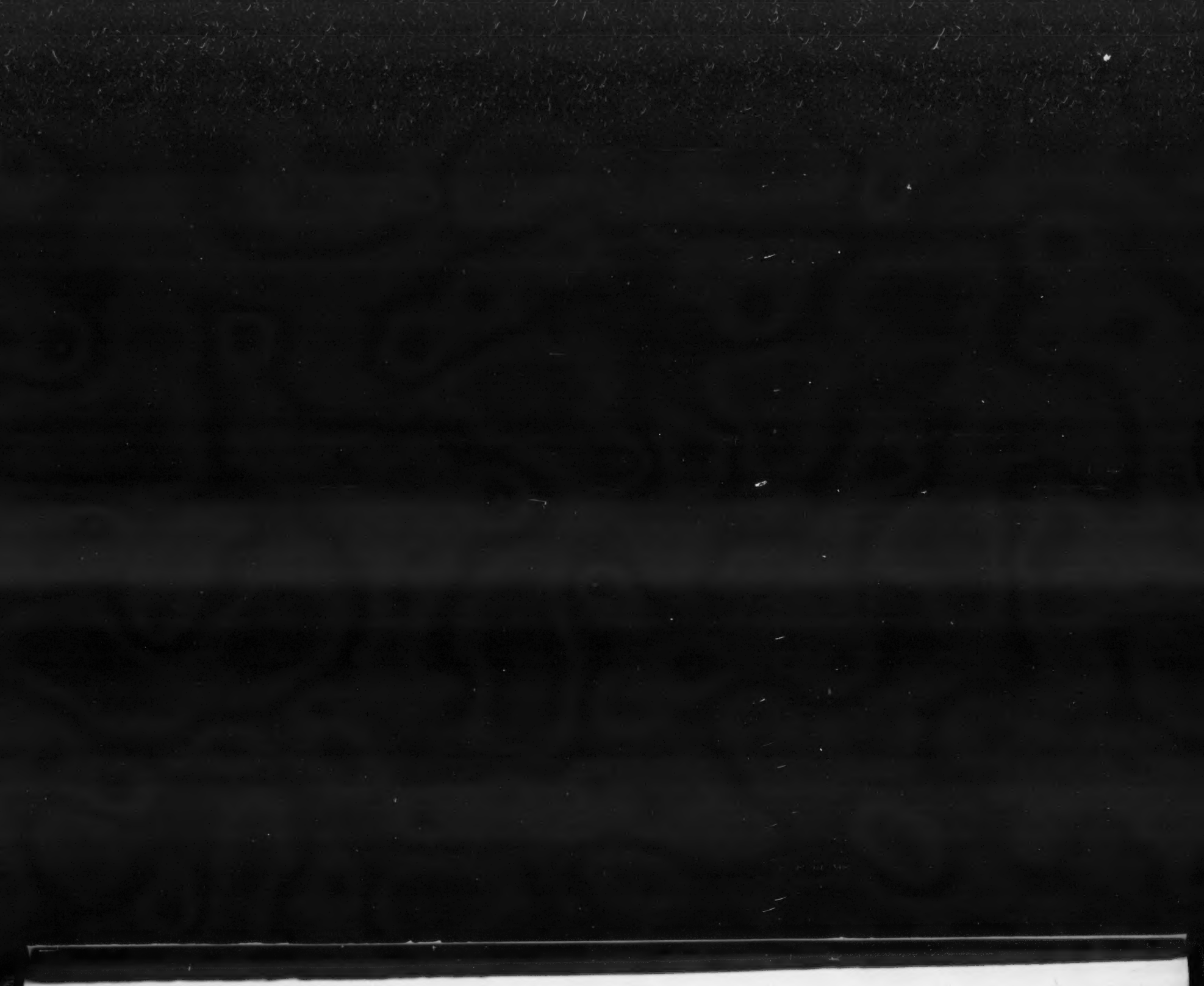
Mr. WHEELER. I think that is perfectly simple.

Mr. HASTINGS. Then, if it is so simple, may I inquire whether or not the companies that may be exempted with the approval of the Commission will not be in the same position in which they have been and are today in the matter of sending their securities across State lines, and deceiving people, as the Senator says they have done, and taking away the savings of people just as they have done in the past? And if that be true, is not some explanation to the Senate necessary in order that we may know why that is being done?

Mr. WHEELER. I shall be glad to explain it to the Senator as I see it.

First of all, as I said a moment ago, this is not my statement. This, as the Senator would know if he had been there, is the statement made by the public-utility people. They said, "The public-utility business is a local industry. It ought to be regulated locally"; and I agree with them. It ought to be owned locally, and it ought to be controlled locally, and that is what the bill seeks to have done.

The bill has two purposes. It is not only to save the people from losses through the sale of securities of holding companies but it is likewise to save the people of the country from having their operating companies mulcted by the holding companies, as has been shown by the Federal Trade Commission to have been done and as every holding-company executive who came before the committee admitted had been done. There was not a holding-company representative who appeared before the committee who would justify and uphold the practices that had been carried on; but they said, "You should not include all the companies because some of them have been bad."



That brings me to this point: When is a holding company good, and when is it bad? Generally, it depends upon the whim of one man whether a company is good or whether it is bad. As I pointed out previously, a few years ago Mr. Insull was looked upon as one of the greatest geniuses in the utility field in the United States of America. He was heralded from one end of the country to the other by the great university professors, by the newspapers, and by the chambers of commerce as the greatest constructive utility genius in the United States; but he got into some banking and financial operations, and his companies turned, almost overnight, from good companies into bad companies.

Today, a holding company may have a good president who may be living up to the best standards of business conduct. Tomorrow, because of the control that is in the hands of a few people, the company may become an absolutely bad company. There is only one thing that can be done. As I said to the Senator a moment ago, it should be done not only because a utility is a local institution, and should be controlled locally, and should be in touch with the people locally; but just stop to think of a specific case.

Here is one of these great holding companies, for instance, located in New York, that owns a company in Montana, and owns a company in Florida. What does the man in New York know about the conditions in Montana, what should be done there, and how closely in touch is he with the people of Montana? How closely can he be in touch with the people down in Florida?

A utility is essentially a local institution. Essentially, it should be locally controlled and locally owned. I submit that there is not in the bill anywhere anything but that conforms to and complies with the decision of the Supreme Court of the United States, and the standards that they set in the N. R. A. decision.

Mr. HASTINGS. Mr. President, may I inquire of the Senator whether he proposes to discuss and explain section 1?

Mr. WHEELER. Yes; I expect to do that.

Mr. HASTINGS. I do not desire to interrupt the Senator. I simply wish to know whether some explanation of section 1 is to be made by him.

Mr. WHEELER. The Senator means the necessity for the control of holding companies?

Mr. HASTINGS. I mean the necessity of putting section 1 in the bill. That is what I have in mind.

Mr. WHEELER. I appreciate the fact that a motion was made in the committee to strike out section 1. I will say to the Senator briefly that the purpose of putting section 1 in the bill was because it has been customary in some instances to set forth such a series of statements to show the Supreme Court of the United States just exactly what the Congress of the United States had in mind when it passed the legislation.

Mr. HASTINGS. Is it the opinion of the Senator that section 1 is necessary in order to give the Congress jurisdiction over this legislation?

Mr. WHEELER. No; not at all. When the Supreme Court has decided cases, however, in many instances it has gone back and quoted explanations of bills made upon the floor of the Senate. I recall distinctly, for instance, a case involving the Daugherty investigation. If I recall correctly, in that case, where a question was raised as to the power of the Senate to investigate the Department of Justice and Mr. Daugherty, the Supreme Court quoted the language used by the distinguished Senator from Georgia in its opinion upholding the action of the Senate and saying that it was proper. They went back to it for the purpose of ascertaining the intention of the Senate. This section is put in the bill to aid the Supreme Court in arriving at a decision, when it comes to pass upon questions arising under the measure, by informing it as to what was the intention of Congress.

Mr. HASTINGS. Mr. President, I desire to say to the chairman of the committee that I was present when the committee discussed section 1 and the 13 statements of fact contained in paragraph (b) of that section. Since that time I have read the brief in the record prepared by Mr. Corcoran and Mr. Cohen; and after reading that brief—and I call the attention of the chairman to it, as well as other Senators—I reached the definite conclusion that Mr. Corcoran and Mr. Cohen had reached the conclusion that the 13 allegations of fact set forth in section 1 were absolutely necessary in order to give the Congress control over this situation.

Mr. WHEELER. I do not know what was in the minds of Mr. Corcoran and Mr. Cohen, but whatever may have been in their minds with reference to the matter is not controlling with me, and I know it is not controlling with the Senator from Delaware. Nevertheless, let me say to the Senator that I do not know of any more conscientious, honest, and able men than those two gentlemen, who at times have been referred to in the newspapers and by some Members rather derisively.

Mr. HASTINGS. I was not offering any criticism of them, as the Senator will understand.

Mr. WHEELER. No; I understand the Senator.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. WHEELER. Yes.

Mr. WHITE. The Senator made a reference to good holding companies and to bad holding companies, and indicated that there should be some necessity for a proper determination as to whether a particular company was or was not good. The inference is that if it is not good it should be banned, and should be eliminated as the bill proposes.

The thing that troubles me most of all about the proposed legislation is my inability to find in it anywhere any intelligible rule laid down for the determination of whether a company is or is not a good company. To illustrate what I have in mind I will direct my question to a specific situation and ask the Senator to comment on it.

The bill defines a holding company, and then proceeds to provide:

> The Commission, upon application, shall by order——

And that is mandatory language——

> declare that a company is not a holding company under clause (A) if * * * it does not, directly or indirectly, exercise such a controlling influence over the management or policies of any public-utility or holding company as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that such company be subject to the obligations, duties, and liabilities imposed in this title upon holding companies.

I submit to the Senator that there is no language there that can apprise any person on earth as to whether a particular company is or is not a proper holding company.

In the first instance it is left entirely to the discretion of the commission which is to be set up, a discretion to be exercised without any guiding rule to determine whether a controlling influence is being exerted. Then this same body, having determined, we will assume, that there is a controlling influence exerted, must then go on and find, again without any guiding rule, that it is necessary in the public interest that that holding company should be declared to be a holding company.

This is illustrative of what is troubling me in connection with the proposed legislation. I cannot find in it any rule laid down, I cannot find anything to guide anybody in connection with it, I cannot see in it anything but the almost arbitrary exercise of an uncontrolled discretion by the body to be set up.

I should like to have the Senator comment on that.

Mr. WHEELER. In the first place, I think the Senator is erroneously reading the bill, and does not understand the provisions of the bill.

Mr. WHITE. I do not think I am erroneously reading it; I may misunderstand it.

Mr. WHEELER. I mean the Senator has an erroneous impression of it. Permit me to say that it has been suggested to me that amendments be proposed providing that only bad companies should be eliminated. If that should be done, in my judgment, the bill would be unconstitutional, under the recent decision of the Supreme Court. That is not attempted in the bill. A standard is set up in the proposed legislation by which we provide that utility-holding companies shall either become integrated regional hold-

ing companies or shall divorce themselves of control of operating utilities in the gas and electric field. We define in the bill what control means. We define holding companies in terms of control. Then, we provide that if they divorce themselves of control they will no longer come within the operation of the measure. We definitely and positively set up standards, just as far as it is possible to do so, and just as far as the Interstate Commerce Act sets up standards to guide the Interstate Commerce Commission with reference to the railroads.

Not only that, but under the proposed legislation every order made by the Commission would have to be based upon findings of fact, after notice and opportunity for hearing, not the rules and regulations, but the orders themselves, and those orders would be reviewable.

The Senator from Maine shakes his head, but I submit that he cannot point out to me in the bill a provision where the Commission is directed to make an order where it is not provided the order must be based upon findings of fact; and then there may be a review.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. O'MAHONEY. Directing the attention of the Senator to the language on page 7, beginning with line 13, I find the definition of a holding company stated as follows:

> Any person or persons which the Commission determines, after notice and opportunity for hearing, directly or indirectly to exercise such a controlling influence over the management or policies of any public-utility or holding company as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that such person or persons be subject to the obligations, duties, and liabilities imposed in this title upon holding companies.

What is the standard in the bill to guide the Commission in exercising the power of ruling that a person is a holding company?

Mr. WHEELER. A person is described as a corporation, or a person may be an individual.

Mr. O'MAHONEY. A person may be either an individual or a corporation.

Mr. WHEELER. Yes. Then we have to go back and read the definition of a holding company. If the Senator does not mind, I shall discuss that phase a little bit later. I should like now to pursue the thread of my argument, and take up that matter when I come to it.

Mr. O'MAHONEY. The same question would apply to the section which defines subsidiaries and affiliates.

Mr. WHEELER. Yes.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. WHITE. May I comment briefly on the question raised by the Senator from Wyoming?

Mr. WHEELER. Certainly.

Mr. WHITE. He referred to the term "person." Of course, under the definition, a holding company may be an individual or a corporation. As bearing on that, let me call attention to section 3 of the bill, which not only authorizes but directs the Commission to exempt any holding company from any provision of the title—

> If and to the extent it—

That is, the Commission—

> deems the exemption not detrimental to the public interest or the interest of investors or consumers.

I again assert that there is no guide there except the discretion of the Commission to control or guide the Commission in the exercise of its function.

Mr. WHEELER. Mr. President, let me answer the Senator at that point, before he goes further.

In order to understand the bill it is necessary to read the various paragraphs together. The Senator can pick out an isolated provision in the bill and comment on it, but it is necessary to read each section of the bill in conjunction with the others in order properly to appreciate the whole measure

I say to the Senator that a guide is set out, because we first set up the standards with reference to companies. Then we provide, as the Senator has said, that they shall be exempted from the provisions of title I under certain circumstances unless the Commission finds that it is detrimental to the public interest. That provision is inserted for the purpose of preventing some company from evading the provisions of the law.

The specific reasons why they should be exempted are set forth in the bill. First, standards are set up so as to enable the Commission to determine what is a holding company and what is an affiliate, and there are set forth standards by which the Commission shall be governed. Secondly, it is provided that certain companies under some circumstances shall be exempted, provided the Commission does not find that such exemption, notwithstanding the fact that they are holding companies controlling public-utility companies, would be detrimental to the public interest.

I think the term "in the public interest" is so well defined that there can be no question in the mind of anyone as to what is or what is not detrimental to the public interest.

Mr. WHITE. I wish to say to the chairman of the committee that I believe I was reasonably diligent in attendance on the hearings.

Mr. WHEELER. Yes; and I thank the Senator.

Mr. WHITE. And in attendance upon the executive sessions. It would take me a very much shorter time to explain what I understand about this bill than to state what I do not understand about it.

I wish to comment a bit more on this "person", who may be held to be a holding company. The same section, section 3 (a), authorizes the Commission to exempt any holding company; that is, any person, from the provisions of the title, to the extent it deems the exemption not detrimental to the public interest or the interest of investors and consumers.

Then, in section 4 it is provided that it shall be unlawful for any holding company to do various things, and under subdivision 6, page 21, it is made unlawful for any person who happens to be a holding company to own or control any security.

It is made unlawful under title 4 for any person to acquire a security in any subsidiary company. That is just an illustration of some of the things which are done under this bill. I have said, and I repeat it, that there is no test laid down to guide or control the Commission in determining whether a holding company shall be exempted from the provisions of the bill or shall not be exempted, or whether a person shall be or shall not be.

Mr. WHEELER. Again I will have to say to the Senator that I cannot agree with him at all with reference to his construction of sections 3 or 4. The bill sets forth the standards which are to be followed, and condemns what is against the public interest, and then it says that certain companies can be and shall be exempt, unless their operation is found to be against the public interest. The public interest is defined, and the standards are set down in the bill, which condemns certain practices, and provides that certain things are to be done.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. SHIPSTEAD. The Senator does not mean to say that if a company cannot come within the classification of being one operating in the public interest, and cannot qualify according to the standards laid down in the law, yet the Commission can permit it to continue to operate, although it might not qualify under the law?

Mr. WHEELER. The Commission can exempt certain companies, if it finds that it is wise to exempt them in the public interest. As I said to the Senate a moment ago, the contention was made that those exemptions ought to be made definite and positive, and that there should be no qualifications of those exemptions. I was at first inclined to agree with that view of it. But in that case the exemptions could not have been as broad and would have had to be much more stringent. It became apparent that, unless there were some administrative check against the use of the exemptive provisions for evading the bill, the exemp-

tion provisions would have had to be confined to very narrow and careful limits. It was pointed out that if we made those exemptions absolute and we gave the Commission no discretion, so that if a company came before the Commission and said, "We want to be exempt from the provisions of this section", the Commission would be obliged to grant the request, there might be exemptions granted in cases which would be detrimental to the public interest. We first put in the bill the word "may". The committee changed it to "shall", making it positive that the Commission should exempt certain companies unless the Commission found that the exemption would be detrimental to the public interest. It is now claimed that that is not setting forth a standard. I say it is setting forth a standard, because the Commission must find that it is detrimental to the public interest in order to keep certain companies from getting the benefits of the exemption.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. NORRIS. I should like to ask the Senator if in all the hearings and in all the discussion which has taken place before the committee, there was anyone who even suggested that it was for the public interest that one corporation should own another corporation, and that corporation should own another corporation, and that corporation should own another corporation, and that corporation should own a dozen more corporations, and that each one of those dozens should own some more corporations, and that at the end there should be a corporation finally owned which was operating a public utility? Has anyone, at any time, anywhere, in any way defended the existence of such holding companies? The Senator knows the country is full of just such holding companies.

Mr. WHEELER. That is true. These holding companies, as a matter of fact, as the Senator has pointed out, often do not own the other companies. They control them. If they actually did own them it would not be as bad as only controlling them, with great portions of the intermediate securities out in the hands of the public.

Mr. NORRIS. Sometimes they own them and sometimes they control them by means of minority stockholdings.

Mr. WHEELER. In all the instances which came to our attention the larger companies controlled the smaller, whether they owned them or not. In some cases they did not desire to put into the small companies a sufficient amount of money to own them. They would only put a few dollars into a company, and by means of minority stockholding control the company. Or they would simply own the common stock and let the public supply the bulk of the money by buying the preferred stocks and bonds of the underlying companies. In such a case oftentimes 5 cents control $100 worth of stock, or in some instances even 1 cent controls $100 worth of stock.

Some people are so tender toward these companies. They are so fearful lest in the case of some of these holding companies which have been robbing the people of this country, both the investors and the consumers, some injury should be done to them. Those holding companies which are now calling upon their shareholders to write letters to their Representatives and their Senators, are simply calling upon their victims to save them from the results of their—the companies'—own fraudulent practices.

Mr. NORRIS. Mr. President, will the Senator yield for another question?

Mr. WHEELER. I yield.

Mr. NORRIS. Has the Senator in all the investigation made by the committee or from any other source found any means by which these holding companies get any money except as it comes from the corporation at the bottom, which is an operating company selling its products to the consumers, or through selling watered stock to the public? Is there any other way in which they receive any revenue?

Mr. WHEELER. I do not know of any except in those cases where they get dividends from some of their companies.

Mr. NORRIS. Certainly, but where do the dividends come from? Do they not come, after all, from the consumer who is at the bottom of the pyramid and pays the bill? Or do they not get some of their resources from the sale of watered stock?

Mr. WHEELER. Of course. Think of the complaints which are being made. It is said that we are destroying the bonds of these companies. That contention is being made by the companies. What does an investor in a bond of the Associated Gas & Electric Co. get when he buys the bond? He gets a bond which is issued based upon common stock, which in turn is based upon other common stock, which in turn is based upon other common stock, which in turn is based upon other common stock. As a matter of fact the bonds and the preferred stocks in these holding companies in many instances are not worth as much as the common stock of the underlying companies, because they are oftentimes so far removed from the common-stock equities in the operating companies upon which these holding-company securities are based. Some of these bonds are issued upon nothing else but common stock. Yet there are those who stand upon the floor of the Senate and defend that action on the part of the holding companies as being in the public interest.

What the bill seeks to do is to eliminate those holding companies which are engaged in such practices—those holding companies which are scattered over this country and which are doing that sort of thing—those are the companies which have the opportunity and the temptation to engage in all the evil holding-company practices which have been so widely condemned. When holding companies are required to confine themselves to serving the needs of a single geographically and economically integrated utility system, they won't be indulging so fancifully in these evil practices, and if they try it they can be controlled and the evils stamped out.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BARKLEY. Mr. President, I was temporarily called from the Chamber, and I do not know whether the Senator touched upon a matter I had in mind in response to the question of the Senator from Nebraska [Mr. NORRIS]. If the Senator has not already touched upon it, it might be well to do so. The chief, if not the only defense or excuse or reason offered, as I recall, in the hearings, for the continuation of these holding companies is that certain alleged services are rendered to the local operating companies which could not be otherwise rendered. If the Senator has not discussed that question it might be illuminating to discuss it now, because that is practically the only justification which has been made, outside of the pathetic appeal to preserve the values of investments of widows and orphans, and so forth.

Mr. NORRIS. Mr. President, in answering the question I wish the Senator from Montana would take into consideration also that while the excuse for the existence of the holding companies, as the Senator from Kentucky says, is that they perform certain services, is there any evidence that this long chain of holding companies can perform services, and is there any evidence except that in the end those services must be paid for by the operating companies and in turn must be paid for by the consumers? I also ask the Senator in connection with that question whether he has not found it to be true and uncontradicted that these services in many, many cases are charged for on a basis which is exorbitant and wild, and out of all reason?

Mr. WHEELER. There is not the slightest doubt that the Senator is absolutely correct in his statement. I think he has answered the question. As a matter of fact the record shows that for the services the Electric Bond & Share Co. is alleged to have rendered they have made as high as 150 percent. Other companies have made 200 percent. Those services cannot be regulated at all. It is perfectly absurd to say that they can be regulated. Why? Because those services, in many instances, are of a personal character.

How is the Commission going to regulate and say what the value of a lawyer's service is? If a holding company

says, "We furnished legal services to the Florida Light & Power Co., and we charged the Florida Light & Power Co. $100,000 for those services", how is any commission going to say that those personal services were worth only $10,000 instead of $100,000? When a holding company furnishes engineering services which are of personal character, how is the Commission going to regulate those services? It cannot be done, because the value of the services cannot be regulated.

Mr. NORRIS. Is it not true that those services constitute one of the means by which the operating companies are bled to death?

Mr. WHEELER. Of course. The only excuse for having these holding companies is to bleed the operating companies in this manner.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. SHIPSTEAD. I believe the hearings show that in one case a holding company charged a subsidiary company $2,000,000 for legal services, and it was shown that what the holding company had actually paid for those services was $1,000,000. It seems to me that holding companies and their charges can be illustrated by comparing them to, say, an 8-story building, 7 stories resting upon the ground floor. There is one holding company on top of another. The one at the top will charge the one on the seventh floor so much for legal services, so much for expert technical advice, and then the one on the seventh floor will charge the one on the sixth floor all it paid to the one on the eighth floor and sufficient in addition to make something for itself; so it goes all the way down, and finally rests upon the operating company at the bottom, which takes it out of the consumer.

Mr. WHEELER. That is exactly correct.

Mr. SHIPSTEAD. The only one which renders service to the public is the operating company, which generates light and power and sells it to the public. All the others are milking companies, so far as the evidence discloses.

Mr. WHEELER. The Senator is absolutely correct.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. HASTINGS. The Senator a moment ago, after giving a description of some of the bad practices of these companies, complained because Senators stood on the floor and undertook to protect that sort of situation. I ask him this question: Is it not true, and does not the record show, that there are many of these companies which have not been guilty of any of those bad practices, which furnish to their investors full value for the money they have invested, and which are now merely getting the dividends from the operating companies and passing them on to the stockholders of their own company which has properties distributed all over the country? Is it not true that there are companies such as that which ought to have somebody stand upon the floor and try to prevent their property from being destroyed?

Mr. WHEELER. The Senator asks, Are there not many such companies? No; there are not many of those companies.

Mr. HASTINGS. Are there any?

Mr. WHEELER. There was no such testimony before the committee. In one instance one company has not resorted to some of the practices recently, but every one of these companies has, to some extent, resorted to some of these practices; at least, the reports—and I have before me the reports of the Federal Trade Commission—show each of the companies which have been resorting to these practices.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. WHEELER. Yes.

Mr. SHIPSTEAD. There is another source of income which is derived by the holding company at the expense of stockholders of the operating company. We hear a great deal about the investors of the holding companies, but we hear very little about the investors in the local operating companies.

Mr. WHEELER. Of course, this is what has happened with reference to the local operating companies: The holding companies, in many instances have induced the individuals holding common stock and, in some instances, preferred stock to trade their stock to the holding company for holding company stock; and in that way they have obtained control of the operating-company stock in most instances without putting any money into the operating industry.

Mr. SHIPSTEAD. I think another source of income, which I believe is material, has not been mentioned, and that is, in many cases the holding companies have contracts with the operating companies under which they can say, "If you want to extend your lines or erect buildings or buy generators you must buy them from the holding company; you cannot go into the market and protect your own stockholders by seeing to it that you do not pay too much."

Mr. WHEELER. That has been a common practice with them; that is one of the ways in which they get money for the holding company.

Another way in which they get money is to say to the operating company, "You have got to pay so much in income tax." Then they take a lot of cats and dogs, write off their losses, and put in a consolidated return. In that way, as a matter of fact, they kept all the benefits of the consolidated returns for themselves instead of turning them back to the operating companies which had paid it under the guise of taxes.

Mr. SHIPSTEAD. To the holding companies that becomes a source of income?

Mr. WHEELER. Of course that is one of their sources of income.

Mr. SHIPSTEAD. At the expense of the Government?

Mr. WHEELER. Yes. I say it is either a fraud upon the Government of the United States or a fraud upon the stockholders and consumers of electricity of the operating company.

Mr. VANDENBERG. Mr. President, may I ask the Senator a further question?

Mr. WHEELER. I yield.

Mr. VANDENBERG. In respect to the exploitation of investors—and certainly it would be a rash Senator who would undertake to defend some of the things that have been done by holding companies in that field—may I ask the Senator whether there is not protection in the existing securities law against this type of exploitation?

Mr. WHEELER. No; there is not. That is my information, although I am frank to say that I am not very familiar with the operation of that law. The law is not, however, adequate at all, I am informed by the Securities Commission, to protect the investors from exploitation.

Mr. VANDENBERG. I supposed we were hitting at that vice when we enacted the securities law.

Mr. WHEELER. The attempt was made, but the Senator knows that every time we have tried to pass some law which really would deal effectively with the utility companies their lobbyists have swarmed into the Capital of the United States and have gradually broken down this and broken down that, by amendment, so that when the bill finally gets through Congress it does not deal with the situation effectively.

When Congress enacted the Sherman Antitrust Law everyone said, "Now, we have stopped the trusts and monopolies and combinations"; but they were not stopped; they have gone on, have flourished. As a matter of fact, if the Sherman Antitrust Law had been enforced and executed and upheld as Congress intended it should be upheld and as the Congress had it in mind at the time they passed the law, I do not think there would have been much question that holding companies could not have been organized. But gradually the Sherman Law has been whittled away. That is what has been sought by the representatives of the holding companies and representatives of the utility companies with regard to this holding company bill—to whittle it down, and whittle it down, so that it will not be effective when it is put upon the statute books. If they had to accept any regulatory statute at all, they wanted to make sure that it would be a harmless and ineffective one.

Mr. HASTINGS. Mr. President——

Mr. WHEELER. I yield to the Senator.

Mr. HASTINGS. Just along the line of the suggestion made, if the Senator will pardon me, is it not true that, under the Securities Act, there cannot be issued a security by a holding company or any other public-utility company without the consent and the approval of the Securities Commission?

Mr. WHEELER. I have talked to the Securities Commission but I am frank to say that I am not so familiar with the law as I should like to be in order to answer the Senator's question. However, my understanding of the matter is that the Commission itself feels that the law is not designed to deal with situations such as have been described here this afternoon.

Mr. HASTINGS. Of course, the Securities Act does not eliminate holding companies.

Mr. WHEELER. I am not now talking about eliminating holding companies.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BLACK. If the Senator does not object, I have here a statement sent to me by a friend in Alabama, to which I should like to refer. I heard the Senator from Nebraska ask a question about holding companies, and I note that somebody is given the privilege of determining whether they are good or bad. May I ask the Senator, before I call his attention to this statement, is it not true that the investigation of the committee disclosed that in practically all instances when the holding companies were traced to their top or to their bottom, whichever way it may be desired to consider it, it was found that the same interests owned all of them and constituted just one or two or three groups in the country?

Mr. WHEELER. I should say with reference to the holding companies there have been a few groups that have controlled practically all of the utility industry in this country, and I am not sure how closely identified they were with one another. There has been the Insull group and the Electric Bond & Share group and United Corporation as the three largest, and they alone controlled almost one-half of the electric-utility industry in this country in 1932. I think most of the groups have been more or less dominated by one or two banking concerns in New York.

Mr. BLACK. My friend sent me this statement. He looked into the matter, because he so stated in the letter he wrote to me. He says in this statement:

I have a relative in Louisville who owns some Louisville Gas & Electric stock. He asked me who owned the company.

Below is the nearest anybody can come to finding out who owns that company.

Louisville Gas & Electric Co., Louisville, Ky.; controlled by Louisville Gas & Electric Co. of Delaware, 231 South LaSalle St., Chicago, Ill., and Louisville; controlled by Standard Gas & Electric Co., 231 South LaSalle St., Chicago, Ill.; controlled by Standard Power & Light Corporation, 1 Exchange Place, Jersey City, N. J., and 231 South LaSalle St., Chicago, Ill.; controlled jointly by H. M. Byllesby & Co., 231 South LaSalle St., Chicago, Ill., and United States Electric Power Corporation, 1 Exchange Place, Jersey City, N. J.; which is controlled by United Founders, 1 Exchange Place, Jersey City, N. J.; controlled by General Equities, Inc., 1 Exchange Place, Jersey City, N. J.; controlled by Equity Corporation, 1 Exchange Place, Jersey City, N. J.; controlled by Consolidated Funds Corporation, 1 Exchange Place, Jersey City, N. J.

As to who it is that owns Consolidated Funds Corporation, only God and the following directors know:

Directors (showing banking and corporate connections):

E. C. Huntington, Jr., member Satterlee & Canfield, attorneys, New York; director Equity Corporation; D. M. Milton, president and director Equity Corporation; W. B. Nichols, director Interstate Equities Corporation and Chain & General Equities, Inc., president and director W. B. Nichols & Co.; J. E. Whinery, vice president and director J. G. White & Co., Inc.

It will be noted that Mr. Satterlee is a J. P. Morgan & Co. son-in-law; also that Mr. D. M. Milton is a Rockefeller son-in-law.

In order to pay expenses and dividends, each company feeds on and bites the company just below it.

In this instance, the poor little Louisville Gas, at bottom, has eight teats and must needs be busy to keep all of them full for the sucklings to fatten upon.

I am wondering if it would be very difficult to tell how many of those companies were not in the public interest.

Mr. WHEELER. Of course it would not be. I thank the Senator for the interruption.

Something has been said with reference to the Securities Act. Let me call attention to the fact that the Securities Act was really what we commonly call a publicity act—a "Truth in Securities Act"—no more than that.

It does not prevent the issue of the various types of holding company securities and it does not deal with services in the engineering field. It does not, in fact, actually control the issue of any securities—it is merely designed to try to get the truth told about securities which are issued to the public, so that if the public has the time and the ability it can to some extent find out what is being sold to it.

I am sure Senators will be interested in the brief filed by the proponents of the bill, which appears in the hearings beginning at page 807. I think I shall ask that the brief be printed as an appendix to my remarks. That should be done, in my opinion, because it will give Senators an idea of the cases cited and relied upon, and so forth.

Mr. BORAH. Mr. President, has the Senator an extra copy of the brief?

Mr. WHEELER. Yes; I have an extra copy of it, and I shall be glad to furnish it to the Senator.

Mr. NORRIS. Mr. President, may I suggest to the Senator from Montana that he ask to have the brief printed as an appendix to his remarks instead of in the Appendix of the daily RECORD?

Mr. WHEELER. Yes; I have asked that the brief be printed as an exhibit to my remarks. May I have that permission, Mr. President?

The PRESIDING OFFICER. Without objection, the request of the Senator from Montana is granted.

(See exhibit A.)

Mr. ROBINSON. Mr. President, is the Senator prepared to state or would it be inconvenient for him to state what are the principal constitutional questions which have been raised in connection with the proposed legislation?

Mr. HASTINGS. Mr. President, before the Senator answers the Senator from Arkansas, may I ask if he referred to the brief beginning on page 807 of the hearings?

Mr. WHEELER. Yes.

Mr. HASTINGS. In exactly those same words?

Mr. WHEELER. Yes.

Mr. HASTINGS. So it can be found beginning on page 807 of the hearings?

Mr. WHEELER. Yes; it has been printed in the hearings held before the Interstate Commerce Committee and begins at page 807 of those hearings.

Mr. ROBINSON. Reference has been made during the course of the debate—and I have in mind particularly a statement made by the Senator from Maine [Mr. WHITE]—to the alleged constitutional questions which may affect the legislation. I recall that the Senator from Maine stated he had been told by a great lawyer of national renown that there were seven features of the bill which are invalid. I think the exact language that he used was that he could drive a horse and wagon in seven different directions through the bill. I ask the Senator if he is prepared to state at this juncture what constitutional questions are involved?

Mr. WHEELER. I propose to do that now, but let me first say that, of course, I am not familiar with all the constitutional questions which may be raised. I have heard a great many able lawyers, both in Congress and outside of Congress, say that a law was unconstitutional and then have seen the Supreme Court sustain it. I am going to point out why, in my judgment, the bill is constitutional and why it is not rendered in any way invalid by the decision handed down just the other day.

There is no question at all that the holding companies are engaged in interstate commerce. That has been decided by Judge Knox with reference to the Electric Bond & Share Co., as I pointed out today.

Mr. ROBINSON. All utility holding companies are not engaged in interstate commerce?

Mr. WHEELER. As a matter of fact, the bill only seeks to control those companies which are engaged in interstate commerce, and that is all. If a holding company is not en-

gaged in interstate commerce then it does not come under the terms of the bill. The bill is drafted so as to exert Federal jurisdiction only over those holding companies which are essentially and vitally engaged in interstate commerce.

Mr. ROBINSON. I have heard, or read somewhere in the record, a statement that one of the largest holding companies, a holding company which has its situs in New York, is not engaged in interstate commerce and that it, therefore, is not subject to the regulatory provisions of the bill.

Mr. WHEELER. If its situs is in New York and it owns subsidiary companies scattered in other States throughout the country, and carries on business with those subsidiaries, Judge Knox has held that it is engaged in interstate commerce. The very nature of the business of a holding company puts it in interstate commerce because of the fact that its transactions are carried on with subsidiary companies and affiliates in many States, which bring it within interstate commerce, and there is the further fact that these financial holding companies all distribute their securities in interstate commerce and affect investors all over the Nation. It is of the utmost importance to them that they be able to attract investors from every State.

Mr. ROBINSON. My recollection is that the name of the company referred to was the "Con Company." I know very little about its activities.

Mr. WHEELER. I am not familiar with the company, but if it is a holding company whose activities are confined wholly and solely within the State of New York, then it would be exempt under the terms of the bill. If it is a holding company operating only within the State of Pennsylvania it would be exempt. As a matter of fact we have gone further and have said that even if a holding company is engaged in interstate commerce, yet, if viewed as a whole, its activities are essentially intrastate in character, it is exempt.

Mr. ROBINSON. I think it should be added that in the viewpoint of my informant that was a ground of objection to the bill.

Mr. WHEELER. He wanted them included?

Mr. ROBINSON. Yes; his complaint was that it could not be made to reach all the large utility-holding companies, and that the failure to reach those not subject to the bill may in some ways result in advantage to those exempt.

Mr. WHEELER. If they step outside the State of New York then they can be reached under the provisions of the bill unless their control is confined to companies in that State.

Mr. SHIPSTEAD, Mr. BARKLEY, and Mr. BARBOUR addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Montana yield; and if so, to whom?

Mr. WHEELER. I yield first to the Senator from Kentucky.

Mr. BARKLEY. In connection with a company which operates wholly within a State, I understand it is exempt so far as its operations are concerned, but if it operates in two or more States in territory that is integrated, so that it occupies the position of having a connected system, no matter how many the States in which it may operate, it can be exempt from certain provisions of the bill. Any public utility may sell its securities in interstate commerce and may use the mails for that purpose. Of course it would be possible, if the Congress saw fit to do so, to regulate that part of their business which was the selling of securities in interstate commerce or using the mails for that purpose, after the fashion of the securities exchange bill which we passed last year.

Mr. WHEELER. I yield now to the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. President, under the term "local electric companies", we would include a company which operates entirely within one State, as I understand the Senator from Montana.

Mr. WHEELER. Yes.

Mr. SHIPSTEAD. That kind of company would be exempt from the terms of the bill?

Mr. WHEELER. That company would be exempt unless it is controlled by a holding company outside of the State.

Mr. SHIPSTEAD. Such a holding company, unless it was qualified under the exemption, would be required to divest itself of control of local operating companies?

Mr. WHEELER. Yes.

Mr. SHIPSTEAD. What I want to call attention to is this. I have here an advertisement in this morning's Journal of Commerce, of New York, by the Associated Gas & Electric Co. In this advertisement it is said:

> This bill proposes to abolish utility holding companies and to place about 91 percent of local electric companies under stifling political control.

Mr. WHEELER. That just is not so. That is a plain, unadulterated lie, and that is all. It cannot be termed anything else. There is no company I know of anywhere that has been much worse in its abuses and its fraudulent practices than has the Associated Gas & Electric Co.

Mr. SHIPSTEAD. I wanted to call the attention of the Senate to the misinformation which is being spread throughout the country through these public advertisements.

Mr. WHEELER. That company is the worst offender I know of, unless it is Harley Clarke's company or Mr. Insull's companies.

Mr. BARBOUR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from New Jersey?

Mr. WHEELER. I yield.

Mr. BARBOUR. Do I understand from the discussion which has just taken place that the Senator from Montana contends that companies are exempt from the provisions of this bill if their business is entirely intrastate?

Mr. WHEELER. Yes.

Mr. BARBOUR. Would this situation be changed if any portion, however small, of a company's business were interstate? In other words, has the Senator attempted to define the status of a company whose business may be, we will say, 90 percent intrastate and 10 or 5 or 2 percent interstate?

Mr. WHEELER. That kind of a company can secure an exemption under the terms of the bill.

Mr. BARBOUR. Would not that exemption only follow, however, if the Commission saw fit to grant it?

Mr. WHEELER. I will state what the provision is; and let me say an amendment is to be offered dealing with this subject. We have discussed with one or two Senators an amendment with reference to this provision.

At the present time, as I recall, the bill says that the Commission shall exempt such companies. As the bill came to the Senate, it said that the Commission might exempt them. The committee wrote into the bill a provision that the Commission shall exempt such a company unless, as I recall the language—I am not sure whether I am now giving the language which was adopted in the committee or whether it is the amendment I discussed with some Senator, to which I told him I had no objection—unless the Commission finds that it would be against the public interest to exempt it.

Mr. HASTINGS. That is right.

Mr. BARBOUR. Then, regardless of how small a proportion of the business of any company might be interstate, and regardless of the recent decision of the Supreme Court in relation to this all-important point, the final decision would be left entirely and arbitrarily to the Commission?

Mr. WHEELER. No; the bill provides, on page 17:

> The Commission, by rules and regulations or order, shall exempt any holding company, and every subsidiary company thereof as such, from any provision or provisions of this title, if and to the extent that it deems the exemption not detrimental to the public interest of investors or consumers.

Mr. BARBOUR. The Senator will understand that I am asking the question in perfectly good faith, and all I wish to know is just exactly what is intended by this legislation in this respect.

Mr. WHEELER. I understand that the Senator is asking in good faith.

Mr. BARBOUR. I think there are many companies which are almost entirely engaged in intrastate business, that may, none the less, have a small percentage of their business of an interstate character.

Mr. WHEELER. I may say to the Senator from New Jersey that the purpose of the proposed legislation on the part of the proponents of the bill and on the part of the committee which considered the bill is to exempt that kind of a company. I think that statement makes it clear that it is the duty of the Commission under those circumstances to exempt the company unless they themselves make a finding, based upon evidence, and, as I suggested to some Senator, I forget now just who it was, I am perfectly willing to put the burden of proof upon the Commission, and provide that they would have to make an affirmative finding—that it is against the public interest not to exempt the company, and then that order would be subject to review by the courts. That is quite a different thing.

Mr. BARKLEY. Mr. President——

Mr. WHEELER. Let me answer the Senator from New Jersey further.

The Senator from Maine [Mr. WHITE] argued that that would make the provision unconstitutional. I submit to the Senate that as a matter of fact that comes clearly within the views of the Supreme Court as expressed in its recent decision, because in the decision in the cases where they held administrative action unconstitutional they called attention to the fact that no findings of fact were made. Here, we not only provide that the Commission shall exempt a company if it is engaged in intrastate business, but we say the Commission shall exempt the company if its business is predominantly intrastate.

In other words, let me say to the Senator from New Jersey quite candidly that there is not any question about the fact that the Public Service Corporation of New Jersey, if I understand correctly, would be exempt under the terms of this bill.

Mr. BARBOUR. I am very glad to have the Senator say that; but I also wish to add, and with emphasis, that I, of course, had no particular company in mind, and that I did not ask these questions on behalf of any company or companies.

Mr. WHEELER. No; I say that because of the fact that a representative of the Public Service Corporation of New Jersey came and spoke to me about this very provision of the bill.

Mr. BARBOUR. I had no knowledge of that, Mr. President, nor would I have asked the same question myself had I known this. But, of course, I had no means of knowing about this; and it made no difference anyway, for I was only asking the questions I asked on my own behalf and for my own information.

Mr. HASTINGS. Mr. President, I desire to call the attention of the Senator from Arkansas [Mr. ROBINSON] in particular to the fact——

Mr. WHEELER. Let me say to the Senator that I have been trying to yield to all Senators, but at this time I prefer not to yield further.

Mr. HASTINGS. It was upon this subject that the question was asked by the Senator from Arkansas as to whether this applied to intrastate business or interstate business, and I think the chairman of the committee was mistaken in his answer. I desire to read the definition of a holding company.

Mr. WHEELER. Let me say to the Senator that I cannot yield for that purpose, because if he is merely going to read the definition of a holding company, it could not possibly be a fair answer to the Senator's question, for all through the bill no holding company is taken into the provisions of the bill unless it is engaged in interstate commerce.

Mr. HASTINGS. I wish the Senator would point out to us where that is found in the bill, because I say that there is not a single place where he will find any such thing.

Mr. WHEELER. The Senator from Delaware is entirely in error.

Mr. HASTINGS. I wish the Senator would point out the place to me.

Mr. WHEELER. I will point it out to the Senator.

Mr. SHIPSTEAD. Mr. President——

Mr. WHEELER. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. I am not sure that I understand the question of the Senator from Delaware; but I desire to say to the Senator from New Jersey [Mr. BARBOUR] that the thought of the committee was not to interfere within a State, but to leave all utilities within a State to be regulated by a State commission. However, on page 18, on line 3, if the Senator from New Jersey will give me his attention, there is described a company that is exempt under this measure. The bill provides on page 18, line 3, that the exemption shall extend to a holding company that—

> is predominantly a public-utility company operating as such in one or more contiguous States, in one of which it is organized.

Would that exempt the Public Service Corporation of New Jersey?

Mr. BARBOUR. I have not the remotest idea. I am not interested personally in any particular concern. I am, however, interested in all the concerns within my State which may or may not come within the provisions of this bill.

Mr. WHEELER. I do not know a thing about it, except that I was told that there are some seven of these companies that are predominantly intrastate, but they hold some little interest outside of New Jersey, in another State. It was not the intention either of the drafters or of the proponents of the bill, nor was it the intention of the committee or the chairman of the committee, to reach that particular class of companies unless, of course, and to the extent that their activities become interstate in character.

For the enlightenment of the Senator from Delaware, however, let me call his attention to the fact, first, that we define a holding company. I feel that the Senator wishes to be fair about the matter, notwithstanding the fact that he may think this is a good political football for him to kick around. He will find differently, I am sure.

Mr. HASTINGS. Never mind about the qualification of the statement that I wish to be fair about it. [Laughter.]

Mr. WHEELER. I will withdraw the qualification.

First of all, the bill defines a holding company. Then section 4 says what?—

> TRANSACTIONS BY UNREGISTERED HOLDING COMPANIES
>
> SEC. 4. (a) After October 1, 1935, unless a holding company is registered under section 5, it shall be unlawful for such holding company, directly or indirectly—
>
> (1) to sell, transport, transmit, or distribute, or own or operate any capital assets for the transportation, transmission, or distribution of, natural or manufactured gas or electric energy in interstate commerce;

And so forth. In other words, a company does not have to register—and that means that it does not come within the provisions of this bill—unless it is engaged directly in interstate activities. Then the bill defines the things that a holding company, which is one of these interstate organizations, but which violates the law by failing to register, cannot do. That brings them up to the point where they have to register if they wish to do these things in interstate commerce. So that is why I say we have to go back and read the definition of a holding company in the light of section 3 and in the light of section 4.

Then, after the holding company is registered, if it wishes to do these things, it is exempted, if and when it is engaged only in intrastate commerce. It is exempted if the predominant part of its business is intrastate business. It is exempted if its holdings are entirely outside the United States of America. So under the definition, as I read those sections together, there cannot be any question at all that the bill does not reach any company unless it is engaged in interstate commerce.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BARKLEY. The Senator is now discussing the provisions of title I?

Mr. WHEELER. Yes.

Mr. BARKLEY. Of course, that has no relationship to the provisions of title II, which provide for regulation of interstate commerce actually during the transmission of the power and electric energy?

Mr. WHEELER. That is correct.

Mr. BARKLEY. An entirely different subject.

Mr. WHEELER. Yes. Let me say this to the Senator: I am not surprised that Senators should have so much misinformation with reference to the proposed legislation as they have, because of the fact that I appreciate that these companies have carried on a propaganda of misrepresentation with reference to the bill. They have either done it deliberately and premeditatedly, and knowing that their propaganda was false and without foundation, or they have done it through absolute ignorance, and I cannot conceive that they have done it except through a deliberate and premeditated intention of spreading false information with reference to the bill.

Section 1 carefully describes the subject matter of the legislation and the factual basis for the exercise of the commerce power to meet the activities of essentially interstate holding companies. The legislation is not drawn for the regulation of acts which "indirectly", as the term was used by the Supreme Court, affect interstate commerce.

Holding companies which directly utilize the channels of interstate commerce for important essential corporate purposes must meet defined reasonable requirements to prevent those holding companies from directly abusing and burdening the channels of interstate commerce.

Restrictions similar to those placed on the use of interstate commerce facilities are placed upon the use of postal facilities, and the bill is carefully drawn so that if any question should arise as to the extent of either power the provisions would be separable.

The regulatory powers of the Securities and Exchange Commission under the bill derive from the jurisdiction established under section 4. If Senators will examine section 4 they will find, as I said a moment ago, that the jurisdiction there claimed under the commerce clause is very direct and very immediate. Section 4 makes it unlawful for a holding company which is not registered for regulation by the Securities and Exchange Commission to do any of the following acts:

1. To sell, transport, transmit, or distribute gas or electric energy in interstate commerce.
2. To negotiate, enter into, or take any step in the performance of any service, sales, or construction contract with a public-utility or holding company by any means or instrumentality of interstate commerce.
3. To distribute or make any public offering of a security by any means or instrumentality of interstate commerce.
4. To acquire or negotiate for the acquisition of any security or capital or utility assets of any subsidiary or affiliate company or any public utility or holding company, by any means or instrumentality of interstate commerce.
5. To engage in any business in interstate commerce.
6. To own or hold or control any security of any subsidiary company that does any of the above-enumerated acts.

Let me say to the Senator from Delaware that if a holding company wants to carry on business, under the terms of this bill it is prohibited from doing any of these things in interstate commerce. If it wants to do business and to use the facilities of interstate commerce, it has to register, and if it registers, then certain exemptions are granted to those companies which carry on their business if they are holding companies doing a business essentially intrastate.

Mr. HASTINGS. Mr. President, will the Senator be good enough to yield to me again?

Mr. WHEELER. Certainly.

Mr. HASTINGS. I am really seriously trying to find out what the bill does provide. Let me call attention to this language in paragraph 1 of section 4, on page 19:

It shall be unlawful for such holding company, directly or indirectly—
(1) To sell, transport, transmit, or distribute, or own or operate any capital assets——

Mr. WHEELER. The Senator is reading from page 19?

Mr. HASTINGS. Yes; from page 19.

Mr. WHEELER. Section 4?

Mr. HASTINGS. Yes.

Mr. WHEELER. It provides:

Unless a holding company is registered * * * it shall be unlawful for such holding company, directly or indirectly—
(1) To sell, transport, transmit, or distribute, or own or operate any capital assets for the transportation, transmission, or distribution of, natural or manufactured gas or electric energy in interstate commerce.

Mr. HASTINGS. Does not the Senator understand that it prohibits them holding any securities of a company engaged in interstate commerce? It is not a question of them being engaged in interstate commerce; the point is that they cannot own and they cannot control any security of any corporation that is engaged in interstate commerce, which to my mind is an entirely different thing.

Mr. WHEELER. The Senator does not understand it. If a holding company controls a company which is engaged in interstate commerce, the holding company is engaged in interstate commerce itself. Section 4, in relation to this question of ownership of securities of a company engaged in interstate commerce is confined to the ownership of securities of a subsidiary company—that is, a company under the control and domination of the holding company. And I say that if such a company is engaged in interstate commerce, then its alter ego, the holding company, is engaged in interstate commerce.

Mr. HASTINGS. This exactly explains the difference between us. The Senator from Montana contends that if a holding company owns stock in a company that is engaged in interstate commerce, it itself is engaged in interstate commerce, and that is where the difference between us arises.

Mr. WHEELER. Let me call attention to the fact that in the Reading Co. case, decided by the Supreme Court of the United States, the Court held that the Reading Co., which was a holding company, was engaged in interstate commerce, under the commerce clause, because it held the stock of a railroad engaged in interstate commerce, and I shall point that out. It held the stock of a coal company and it held the stock of a railroad company, and because it held the stock of a subsidiary company that was engaged in interstate commerce, the Supreme Court held that it was engaged in interstate commerce.

Mr. HASTINGS. In that connection, if the Senator will permit me, he has referred several times to Judge Knox's opinion, and I desire to read three lines of that opinion:

A subpena was issued by the Commission directing the production of records of the Electric Bond & Share Co. was there upheld on the ground that the company under its service contracts regularly shipped goods in interstate commerce.

Mr. WHEELER. Mr. President, I have Judge Knox's opinion before me. I do not know from what the Senator is reading.

Mr. HASTINGS. I am reading from the brief which the Senator put into the record.

Mr. WHEELER. I have the full opinion before me, and I will say to the Senator that Judge Knox in that case held absolutely that the Electric Bond & Share Co. was engaged in interstate commerce, and that it was engaged in interstate commerce because of the fact that it held subsidiaries scattered all over the country, and that in its dealings with them it was essentially engaged in interstate commerce.

I shall point out later that in the Reading case, the Supreme Court of the United States held that a holding company was engaged in interstate commerce because it held the securities of, and controlled another company which was engaged in interstate commerce.

I submit that there is not a lawyer upon the floor of the Senate who will contradict that ruling as a proposition of law, because if I own a company and control a company engaged in interstate commerce, I am engaged in interstate commerce.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BARKLEY. In reading and interpreting section 4, at the bottom of page 19, it is necessary to keep in mind that the bill says that after the 1st of October 1935, unless a hold-

ing company is registered under section 5, it cannot do the things in interstate commerce referred to.

Mr. WHEELER. Of course.

Mr. BARKLEY. Section 5 provides for the registration of holding companies and provides for the information which they shall file and furnish to the Commission, upon the completion of which they will be permitted to do the things which in section 4 they are prohibited from doing without registration. So, in order to understand the language at the bottom of page 19, it is necessary to read section 5, which provides for the registration of holding companies.

Mr. WHEELER. The Senator from Kentucky is entirely right. Section 4 simply says that no unregistered holding company may do certain things in interstate commerce. It may not do them unless it registers. The bill compels the company to register if it is engaged in interstate commerce and wishes to use the facilities of interstate commerce. After it is registered it must furnish certain information.

There is a further provision that a holding company which has already distributed its securities by public offerings through the channels of interstate commerce must also register if its securities are presently outstanding among security holders in the several States. This provision covers the case where a holding company has started in motion, through the channels of interstate commerce, a series of securities transactions which are being continued by others as the securities change hands in interstate commerce in the way contemplated and expected by the holding companies when they were first issued in interstate commerce. In such cases the holding company which issued the securities persists in a continuing interstate relationship with the holders of its securities.

Holding companies falling within any of the categories embraced within section 4 are interstate corporations by reason of their own nature and of their own direct activities. But section 3 of the bill even empowers the Commission to exempt a holding company from any provision of the bill, although it may be engaged in interstate commerce under section 4, if the activities of such company, viewed as a whole, are essentially intrastate. So it is inconceivable to me that the Senator from Delaware [Mr. HASTINGS], distinguished lawyer that he is, should contend for one moment that the bill affects any holding company which is not engaged in interstate commerce.

I call the attention of the Senator to the Reading case; and I am sure he will agree that under that decision any holding company which holds and controls the stock of a company which is engaged in interstate commerce is itself engaged in interstate commerce.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. HASTINGS. Of course this particular bill provides that if they own as much as 10 percent that constitutes them a holding company, which is different, I think, from the Reading case.

Mr. WHEELER. That is only prima facie evidence; but even if they hold 40 percent of the stock of a company they may come before the Commission and produce evidence that they are not actually in control of the company, and the Commission is directed to make a finding and to exempt them if they are not actually controlling the company as the word "control" is defined in the bill.

Mr. HASTINGS. The difference between the Senator and myself with respect to this matter is largely based upon the fact that the Senator is assuming that the Commission will exempt companies engaged wholly in intrastate business, but I am not assuming any such thing. I am talking about what the Congress is doing. The Congress is about to take control of business which is wholly intrastate, and leave it up to a commission if, in the public interest, it thinks it is desirable to exempt those companies which are engaged wholly in intrastate business.

Mr. WHEELER. I think the Senator is entirely wrong in that regard because the bill does not reach any company unless that company is engaged in interstate commerce, and then the bill expressly provides that the Commission shall exempt companies even if they are engaged in interstate commerce if, viewed as a whole, their activities are predominantly intrastate in character.

The Senator from Delaware says Congress is giving the Commission power over companies which are not engaged in interstate commerce. If they are not engaged in interstate commerce, and are not using the channels of interstate commerce for the purpose of carrying on their business, they do not have to register in the first place. It is only because they are using the channels of interstate commerce and carrying on interstate business that they are compelled to register in the first place and hence to come under the bill at all.

I think I understand the viewpoint of the Senator. First of all, the bill says that a holding company does not need to register if it does not engage in interstate commerce in the ways set forth in the bill. If it does use the avenues of interstate commerce, then it has to register. Having registered, it is permitted to use the avenues and channels of interstate commerce; and, in addition to that, it may be exempted if its business is primarily the control of operating companies engaged in intrastate business, or of companies which are predominately interested in intrastate business.

There are two classes, as the Senator well knows. A company may be engaged in interstate commerce in several ways. It may be engaged in interstate commerce by reason of the fact that it ships some of its goods in interstate commerce. There cannot be any question at all that Congress has the power to regulate the shipment of goods in interstate commerce. What we are saying in the bill is that a company may not do these things in interstate commerce unless it registers. If it registers, it then may do those things in interstate commerce. After it has registered it is entitled to exemption, even then, under the bill, if it is a holding company and its operating companies are all in one State, or if they are predominantly in one State. Then the bill goes further and says that even when they are in an integrated system, closely integrated into one, they shall be exempted under certain circumstances.

Some people have talked with me in good faith and said, "We are afraid of what the Commission will do." The only reason for providing in the bill that the exemption must not be detrimental to the public interest, and so forth, is for the purpose of seeing to it that some concern which is not honest, which is not sincere, and which is not square, shall not be able to evade the provisions of the law as it is written and as Congress declares the policy to be.

I know that some holding companies which come under the terms of the pending bill have gone to some operating companies which do not come under the bill at all, and have said to them, "Oh, those people are fooling you. The chairman of the committee is fooling you. The proponents of the bill are fooling you." These holding companies are doing this because they want to line up those other companies and the operating companies which have been doing a decent business with some of the dangerous and abusive holding companies to try to defeat this bill. That is the reason they have done it. They are doing it for the same reason that they have lied to their stockholders—we cannot use any other term for it—because they have misrepresented the facts to their stockholders, they have misrepresented the facts to the taxpayers, they have misrepresented the facts to the consuming public, and they have misrepresented the facts to their employees, in order to get them to write and to wire their Senators and their Representatives to defeat this bill.

The obligation to register is imposed upon holding companies under section 4 because of the direct use made of the facilities of interstate commerce, and the collateral regulations imposed are reasonably related to and connected with the use made of interstate commerce. The bill does not make intrastate activities subject to control because they bear some abstract relationship to interstate commerce. Intrastate activities are controlled only insofar as they are direct activities of the registered—that is, the

essentially interstate—holding companies or their subsidiaries.

I will state that again for the benefit of the distinguished Senator from Delaware. The bill does not make intrastate activities subject to control because they bear some abstract relationship to interstate commerce. Intrastate activities are controlled only insofar as they are direct activities of the registered—that is, the essentially interstate—holding companies or their subsidiaries.

Mr. HASTINGS. I agree with that.

Mr. WHEELER. Similarly, intrastate activities conducted by local corporations which are not mere instrumentalities of interstate holding companies are not touched by the bill.

Mr. HASTINGS. In other words, an operating company over which a holding company has no control is not touched by the bill?

Mr. WHEELER. Exactly.

Mr. HASTINGS. There is no dispute about that.

Mr. WHEELER. Nor is a holding company or any subsidiary of a holding company touched by the bill, unless the holding company is engaged in interstate commerce either itself or through the device of controlled subsidiaries.

I have received letters from people who have held stock in operating companies who have been told that they come within the provisions of the bill. A Senator came to me the other day and said he had received letters saying we were going into his State to regulate the retail rates of gas and electricity. Other Senators have said to me, "You are proposing to regulate every person who sells anything to an electric company." Of course that is not true. Someone else has said, "You are going to control every little manufacturing company that sells any electricity whatsoever." That is not so, either.

It must also be borne in mind that a holding company is not an ordinary person, like the ordinary persons affected by N. R. A. and for whose protection the Constitution is particularly solicited. The holding company is not even an ordinary corporation. It is an extraordinarily artificial form of corporation unknown to the common law. The right of one corporation to control another corporation, the right of one artificial person to create another artificial person, is not a natural right. And it is particularly an extraordinary privilege when this control by one corporation of another is not exerted upon a private business subject to the normal restraints of competition, but upon a local utility enjoying the privilege of legalized monopoly.

Mr. HASTINGS. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from Montana yield to the Senator from Delaware?

Mr. WHEELER. Certainly.

Mr. HASTINGS. Is it not true that the bill not only applies to corporations, but applies to individuals? As a matter of illustration, suppose a man owns a 10-percent interest in an operating company in Albany, N. Y., a 10-percent interest in another operating company in Baltimore, and a 10-percent interest in another operating company in Louisville, Ky. Could not he under the terms of the bill be declared a holding company and compelled to register under paragraph (B) on page 7?

Mr. WHEELER. He could if he was carrying on the same practices and doing the same things a holding corporation does. In order that the Senator may not be misled and may not mislead anybody else—and I do not say that offensively, of course—that man could get exemption if he owns 10 percent, as the Senator suggested. As a matter of fact, everybody knows that in some instances the holding of even as much as 5 percent of the stock of a concern means control of the company. In some instances, I am told that even 1 percent has meant control of the company. The only reason why that provision was incorporated in the bill was so that somebody could not evade the statute and simply put the stock in somebody else's name and exert the same control and carry on the same practices as if it were a holding company. All he has to do if he holds 10 percent stock in a company and does not control that company is to come in and say to the Commission, "I have no control of the company", and he is released.

Mr. HASTINGS. I call the Senator's attention to that in reply to his suggestion about the holding company being a new thing in America.

Mr. WHEELER. It is.

Mr. HASTINGS. The individual is not a new thing, but the Senator is making something new out of him by constituting him a holding company or corporation.

Mr. WHEELER. We are not constituting him a holding company except under extremely unusual conditions and when he is doing unusual things. He is not a holding company and does not need to register unless he is carrying on the activities and doing the things specified in section 4 of the bill.

Mr. HASTINGS. Unless he has such control as to influence the policies of a utility company.

Mr. WHEELER. That has to be read in the light of the provisions of section 4. He does not have to register unless he wants to do the things specified in section 4 of the bill.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BARKLEY. There is nothing new about the use of the word "person" in a measure of this sort or in any law that requires numerous definitions. "Person" is always defined as not only a person, but a company or association, corporation or whatever it is proposed to regulate or deal with. There is nothing new about the definition at all.

Mr. HASTINGS. May I call the attention of the Senator to the fact that it distinctly provides on page 6 that "person" means an individual or company?

Mr. BARKLEY. That is true of many laws we have enacted.

Mr. WHEELER. Practically every law we have ever put upon the statute books contains such a provision; and I assert again that the holding company is not a natural thing and was never sanctioned by the common law.

The right of one corporation to control another corporation, the right of one artificial person to create another artificial person is not a natural right. It is particularly an extraordinary privilege when this control by one corporation of another is not exerted upon a private business subject to the normal restraints of competition, but upon a local utility enjoying the privilege of legalized monopoly. As the President put it in his message:

> It—
>
> The holding company—
>
> is a device which does not belong to our American traditions of law and business. It is only a comparatively late innovation. It dates definitely from the same unfortunate period which marked the beginnings of a host of other laxities in our corporate law which have brought us to our present disgraceful condition of competitive charter-mongering between our States. And it offers too well-demonstrated temptation to and facility for abuse to be tolerated as a recognized business institution. That temptation and that facility are inherent in its very nature.

The holding company relationship is peculiarly susceptible of abuse. It is peculiarly susceptible of fraudulent use. The management of a holding company, because of the very nature of a holding company, has to serve two masters—the holding company itself and the subsidiaries which it controls and on which it feeds. As Mr. Justice Stone recently very significantly observed:

> I venture to assert that when the history of the financial era which has just drawn to a close comes to be written, most of its mistakes and its major faults will be ascribed to the failure to observe the fiduciary principle, the precept as old as the Holy Writ, that a man cannot serve two masters.

Congress has not permitted the existence of the holding company in the corporate laws for the District of Columbia, which make it expressly unlawful for any company to use any of its funds for the purchase of any stock in any other corporation. A holding company cannot be incorporated in the District of Columbia because the Congress of the United States has forbidden it. Certainly Congress may provide that the same policy it prescribes for the District of Columbia

should be followed in prescribing conditions under which the corporate form may be used for the conduct of interstate business activities. The dangers of the holding company form and the persistent and recurring evidence of abuse of the holding company form are such as to give Congress virtually the same power over holding companies in interstate commerce or using the mails as it has over cases involving fraud or deceit as to which Congress has exercised and the Supreme Court has sustained the widest measure of control.

There is nothing in the Supreme Court's decision in the Schechter case that departs from the realistic conception of interstate commerce first enunciated by Mr. Justice Holmes in *Swift & Co.* v. *U. S.* (196 U. S. 375), and reasserted by Chief Justice Taft in *Chicago Board of Trade* v. *Olsen* (262 U. S. 1), that—

> Commerce among the States is not a technical legal conception but a practical one, drawn from the course of business.

Utility operations, except where they extend beyond State lines, are of course matters of local or State concern; but the control of local utilities by great holding companies whose powers and dominions transcend State lines is necessarily a matter of national or interstate concern. The control of interstate holding companies is not an attempt to reach purely local or intrastate matters, but is an attempt to reach an interstate and national problem, the magnitude of which can scarcely be exaggerated. The investigations of the Federal Trade Commission have made it abundantly clear that the nature and character of the security transactions and other financial and business transactions of the great holding companies affect interstate commerce as directly as combinations and conspiracies in restraint of interstate trade (*Coronado Coal Co.* v. *United Mine Workers*, 268 U. S. 295).

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Maryland?

Mr. WHEELER. I yield.

Mr. TYDINGS. I should like to ask the Senator, who has made more of a study of this matter than I have, whether or not the two following amendments at first blush seem to him to be wise, and whether or not he would accept them.

The first amendment is to add a new section, to be numbered 34, after line 14, page 91, title I, as follows:

> CONFLICT OF JURISDICTION
>
> If, with respect to the issue, sale, or guarantee of a security, the method of keeping accounts, the filing of reports, or the acquisition or disposition of any security, capital assets, or facilities, or any other requirement of this title or of any rule, regulation, or order thereunder, any person is subject to the law of any State, or regulation by a State commission, such person shall not be subject to the requirements of this title, or of any rule, regulation, or order thereunder, with respect to the same subject matter.

Mr. WHEELER. I will say offhand that of course I could not accept that amendment for this reason: I discussed that very amendment with another Senator——

Mr. TYDINGS. If the Senator has done that, I shall not take his time further. The suggested amendment has just come to my hands, and I was wondering whether or not it had been discussed, and whether the Senator would accept it.

Mr. WHEELER. I have discussed it with another Senator; and let me say that the amendment is so broadly drawn that as a matter of fact it would completely exempt practically all the subsidiary or holding companies in some States.

Let me say to the Senator further that the amendment was drafted, as I understand, by a member of one of the public-service commissions. Their counsel testified before our committee. The general counsel for the public-utility commissions all over the United States, Mr. Benton, submitted an amendment that he desired to have made, which he thought would protect the States, and we adopted his amendment on the subject.

Mr. TYDINGS. I did not wish to interrupt the Senator, but I knew the point had been raised, and I was not sure whether the Senator had seen the amendment, or had discussed it. Therefore, I simply desired to bring it to his attention.

Mr. COSTIGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Colorado?

Mr. WHEELER. I do.

Mr. COSTIGAN. In connection with what the able Senator from Montana is saying in his very enlightening address, has the Senator discussed the effect of holding companies upon what I like to think of as the paramount right of the public to reasonable rates in utility companies, based upon prudent investments, and the fact that such right is more or less nullified by holding companies?

Mr. WHEELER. We discussed that matter earlier in the afternoon. Mr. Benton, representing the State commissions, said that the State commissions had repeatedly gone on record against these holding companies, and stated that the local commissions were unable to control them.

Mr. COSTIGAN. It was not my privilege to hear the Senator's discussion of that subject. I am very glad he has discussed it.

Mr. HASTINGS. Mr. President, will the Senator yield to me?

Mr. WHEELER. I yield.

Mr. HASTINGS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Reynolds
Ashurst	Copeland	Lewis	Robinson
Austin	Costigan	Logan	Russell
Bachman	Couzens	Lonergan	Schall
Bankhead	Dickinson	McAdoo	Schwellenbach
Barbour	Dieterich	McGill	Sheppard
Barkley	Donahey	McKellar	Shipstead
Bilbo	Duffy	McNary	Smith
Black	Fletcher	Maloney	Steiwer
Bone	Frazier	Metcalf	Thomas, Okla.
Borah	George	Minton	Thomas, Utah
Brown	Gerry	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Gore	Murray	Truman
Burke	Guffey	Neely	Tydings
Byrd	Hale	Norbeck	Vandenberg
Byrnes	Harrison	Norris	Van Nuys
Capper	Hastings	Nye	Wagner
Caraway	Hatch	O'Mahoney	Walsh
Carey	Hayden	Overton	Wheeler
Chavez	Johnson	Pittman	White
Clark	Keyes	Pope	
Connally	King	Radcliffe	

The PRESIDING OFFICER (Mr. MURRAY in the chair). Ninety Senators having answered to their names, a quorum is present.

Mr. WHEELER. Mr. President, at the time the quorum was called I was directing attention to the constitutionality of the proposed law as at present drafted. I stated that the investigations of the Federal Trade Commission had made abundantly clear that the nature and character of the security transactions and other financial and business transactions of the great holding companies affect interstate commerce as directly as do those of combinations and conspiracies in restraint of trade, citing for consideration the case of Coronado Coal Co. against United Mine Workers, reported in Two Hundred and Sixty-eighth United States Reports, 295.

One thought, perhaps, above all others underlies the Schechter case. The Court plainly was appalled by the dangers of concentration of economic power which might grow out of the centralized control of all economic activities by the Federal Government. Mr. Justice Cardozo in his concurring opinion stressed the fact that "the code does not confine itself to the suppression of methods of competition that would be classified as unfair according to accepted business standards or accepted norms of ethics." The Court obviously was protecting our traditional decentralized democracy by striking at legislation which went beyond curbing economic power and sought to put behind the natural economic power of business combination and concentration the

coercive power of Government. Whether the Court should have made its decision on any such theory I will not undertake to say.

I desire to point out the fact that when the National Recovery Act was before this body for consideration I was one of those who voted against it on the ground, first, that, in my judgment, it contained provisions which were unconstitutional, and second, that it contained provisions which were economically unsound.

It is obvious that the holding-company legislation is the exact converse of the kind of legislation which the Supreme Court seemed to fear. The holding-company legislation is not an exercise of political power for the purpose of augmenting the economic power of organized industry. On the contrary, its purpose is to limit the concentration of power of economic enterprise in the public interest so that it will not menace the safety of the Nation. If government has not the power to curb the economic fascism and the private socialism of holding-company domination, the Federal Government would be without power to prevent the very dangers to democracy which the Supreme Court feared lurked in the National Recovery Act. The clearly expressed ultimate end of this legislation is to decentralize into separate regional organizations the few vast overconcentrated national organizations which control our local power plants all over the country. It is a necessary exercise of political power on a national scale to meet the strength and challenge of the organization of economic power on a national scale. But it is an exercise of national political power to decentralize economic power, and if it succeeds in that end we may ultimately be able to leave complete regulation of the regional economic units it creates to regional and local regulation.

Chief Justice Hughes expressly recognized as legitimate and constitutional that kind of power which this legislation entrusts to an administrative commission when he said the—

> Constitution has never been regarded as denying to Congress the necessary resources of flexibility and practicality which will enable it to perform its function in laying down policies and establishing standards, while leaving to selected instrumentalities the making of subordinate rules within prescribed limits and the determination of facts to which the policy as declared by the Legislature is to apply.

I submit that that is exactly what this bill does; nothing more, nothing less.

This proposed legislation, like the Interstate Commerce Act, will be a code of law promulgated by Congress itself, regulating the activities of holding companies in order to assure the performance of their services upon just and reasonable terms, and to facilitate the application by an expert administrative agency of the standards prescribed by Congress.

That is the language of the Supreme Court of the United States, and that is exactly what the bill does. We have laid down standards. We have declared the policy. Then we have said to the Commission, "You can make necessary rules and regulations to carry out the provisions of Congress within certain definite fixed standards." We have then said to the Commission, "However, when you make an order upon this subject you must base it on a finding of fact, just as the Interstate Commerce Commission does"; and then there is provision for appeal from that finding of fact to the courts.

The holding companies have filed a memorandum on certain practical and legal aspects of the provisions relative to dissolution of holding companies—a question quite apart from the problem of what is interstate commerce. If the questions therein discussed were novel, possibly Congress might entertain some question as to the ultimate decision of the Supreme Court thereon. It so happens that the power of Congress to compel dissolution, as required by this bill, was definitely settled in a number of decisions under the Sherman, Clayton, and Hepburn Acts, particularly in the decision in the so-called "Reading case", *Continental Insurance Co.* v. *United States* (259 U. S. 156). Indeed, in the Sherman Act and the Hepburn Act cases, the Court found implied a good deal which this bill takes care to provide expressly and in detail.

That is the fact of the matter. In the Reading case and in the cases under the Sherman Act and the Helpburn Act, the courts had to make their own rules and regulations for the dissolution of the companies, because no machinery was set up by the Congress of the United States by which to do it. In the present bill we have spelled out more than Congress did in the Sherman Antitrust Act, or in the Hepburn Act, because we have set up the machinery by which these dissolutions and reorganizations may take place, so that they may be effected with the smallest possible damage to those who hold the bonds and who hold the stock.

Before I get through I desire to call attention to another matter. There was a question which puzzled me somewhat with reference to the constitutionality of congressional action which said to a company, "You must dissolve, and the stock must be split up." Particularly was I somewhat fearful of it because of the fact that I questioned the power of Congress to do it; but the Supreme Court of the United States in no unmistakable terms has held that that is absolutely constitutional.

Mr. HASTINGS. In what case?

Mr. WHEELER. In *Continental Insurance Co.* v. *United States* (259 U. S. 156). I wish to call this languageg to the Senator's attention because it expressly sanctions what I said a moment ago with reference to holding companies:

> This Court found that by a scheme of reorganization, adopted in December 1895, the Philadelphia & Reading Railway Co. and the Philadelphia & Reading Coal & Iron Co. combined to deliver into the complete control of the board of directors of a holding company, the Reading Co., all of the property of much the largest single coal company operating in the Schuylkill field, and almost 1,000 miles of railway over which its coal must find its access to interstate markets, and that this constituted a combination unduly to restrain and monopolize interstate commerce in anthracite coal; that the Philadelphia & Reading Railway Co. and the Philadelphia & Reading Coal & Iron Co. had thereafter but one stockholder, the Reading Co., and that thus the Reading Co. served to pool the property, the activities, and the profits of the three companies. The Court further found that through the acquisition by the Reading Co. of a majority of the stock of the Central Railroad Co. of New Jersey, which itself owned 90 percent of the stock in the Lehigh & Wilkes-Barre Coal Co., the illegal power of the combination was greatly increased, and that the relation of common control through stock ownership of the Philadelphia & Reading Railway Co. and the Philadelphia & Reading Coal & Iron Co. and that of the Central Railroad Co. of New Jersey and the Lehigh Valley & Wilkes-Barre Coal Co. were violations of the commodities clause, requiring dissolution.

The Court required a dissolution. Was the Reading Company engaged in interstate commerce? It was engaged in interstate commerce only to the extent that it controlled a coal company, and that it controlled the stock of a railroad company which was engaged in interstate commerce.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. HASTINGS. I do not wish to take the Senator's time now to discuss that question; but my understanding is that in the Continental Insurance Co. case, there was a conspiracy to stifle competition in interstate trade. I desire to inquire whether, in the case of holding companies—that is, companies holding securities or having control of securities—competition is a part of the thing complained of at all. Is there any competition in the case of holding companies of operating utilities? Operating utilities are not in competition at all. There is no question of competition here such as there was in the case from which the Senator is reading.

Mr. WHEELER. As the Senator from Indiana [Mr. MINTON] has reminded me, that was the basis for giving jurisdiction to the Federal Government. The Senator from Delaware must appreciate the fact that I cite this case merely to show that the only reason why the court could get jurisdiction was that the company was engaged in interstate commerce. As a matter of fact, it made no difference whether or not it was engaged in doing something that the court considered wrong; but was it engaged in interstate commerce? Once it was decided that it was engaged in interstate commerce, Congress had the power to say to the company, "You must divest yourself of coal interests

under the Hepburn Act." And Congress did that without spelling it out, and the court carried out the policy of Congress by compelling a separation of the coal business and the railroad business.

Mr. HASTINGS. Of course, the Northern Securities case was wholly that of a holding company; but what happened was that there had been a conspiracy between two railroads, which were in competition, to take the stock of those two railroads and combine them in this holding company. Of course, that was a thing over which Congress had control, because the competition of those two companies which theretofore were in competition with each other had been eliminated by means of the holding company; and nobody doubted that Congress had authority in a case like that.

Mr. WHEELER. That is not the case here at all. In the first place, the Congress of the United States could not take control of the Northern Securities Co. by reason of the fact that competition was stifled. It could only get control of the Northern Securities Co. by reason of the fact that it was engaged in interstate commerce. If it had not been engaged in interstate commerce, Congress could not have gotten control of the Northern Securities Co.

Mr. BONE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BONE. In a constitutional sense, the only reason why Congress can take jurisdiction to pass this sort of legislation is that the subject matter of the legislation is interstate commerce——

Mr. WHEELER. Of course.

Mr. BONE. And not because some offense might be committed against the criminal laws, or because there might be a control of competition that might be vicious and bad.

Mr. WHEELER. Of course.

I was about to call attention to the fact of a further holding in the case from which I was reading. As I said to the Senator, I was first in doubt as to whether or not Congress had the power to say to a company which was engaged in interstate commerce before any law on the subject was passed, "You must break up your bonds and your mortgages." That was a question which disturbed me. I find in the opinion this language:

> The power of the Court under the Hherman antitrust law to disregard the letter and legal effect of the bonds and general mortgage under the circumstances of this case, in order to achieve the purpose of the law, we cannot question. The principles laid down and followed in the case of *United States* v. *Southern Pacific Co.*, decided today, post, 214, leave no doubt upon this point. Indeed, the case which we there cite, *Philadelphia, Baltimore & Washington R. R. Co.* v. *Schubert* (224 U. S. 603, 613, 614), is a stronger instance of the power of Congress in regulating interstate commerce to disregard contracts than is needed in this case, because there it was enforced as to a contract made before the regulation. It may be conceded, as averred, that the bondholders in this case were innocent of any actual sense of wrongdoing, that they relied on the advice of eminent counsel in assuming that the union of the railroad and the coal companies under the control of the holding company was not a violation of the Sherman law, and that some of them surrendered bonds secured by underlying liens of unquestioned validity created before the enactment of the Sherman law. Nevertheless, spread all over the face of the general mortgage was the information and notice of the union of the railway and coal properties for the very purpose which is the head and front of the offending under the antitrust law.

Mr. HASTINGS. Mr. President, will the Senator put in the RECORD the case from which he is reading?

Mr. WHEELER. At a later time during the course of my remarks I shall insert in the RECORD a synopsis of it.

Under the commodities clause of the Hepburn Act, railroads were prohibited by Congress from transporting commodities in which they had an interest. Congress simply said to the railroads of the country, "You are engaged in interstate commerce and as such an interstate instrumentality you cannot carry commodities in which you are interested."

How did Congress get that power? There had been nothing wrong about the railroads carrying the commodities in which they were interested. It was a perfectly legal thing for them to do. It may be argued that I have an automobile and I am permitted to carry potatoes or anything else I may produce. The Congress said to the railroads of the country, "We deem it an unfair practice—a practice so susceptible of abuse and injury to your competitors and to the public that we prohibit it. You are engaged in interstate commerce and because of that fact Congress has the power to regulate and control you—and to determine, subject to the limitation of reasonableness, what form that regulation and control shall take. If you are interested in such a producing company you must divorce yourself from it." Such was the statement of the Government of the United States to the Reading Co., which was a holding company, because it controlled and operated one of the large coal companies and carried coal over its railroads.

As a result the Reading Railroad and others which served important coal fields found themselves in a position where they had to get rid of their interests in the coal which they transported. A suit was instituted by the Government against the Reading Co., a holding company, and its subsidiaries, the Philadelphia & Reading Railway Co. and the Philadelphia & Reading Coal Co., to compel separation of the railroad properties from the coal properties and to break up the common control of the railroad properties and the coal properties by the holding company.

That is the identical thing we are doing here. We are simply saying, "You cannot have this great holding company. If you want to continue to exist you can do some other things. If you want to be an investment trust, you can hold these stocks in that way, but you cannot hold these stocks and at the same time control the operation of the subsidiary companies." We say this because it is an unfair and highly dangerous thing. It is an unsound practice in economics. It is an unsound condition for a holding company engaged in business, representing to investors, on the one hand, that it is going to take care of their money, to be operating, on the other hand, the companies themselves. It is unsound from a national standpoint for a great holding company which has its principal place of business in the city of New York to be operating companies in Montana, 2,000 miles away.

It is unsound and against the national policy for a holding company, which has its offices in New York, to be sitting on both sides of the table, the same directors and the same officers of both the holding company and subsidiary companies trying to serve two masters. It is an unsound practice for a holding company with its right hand to make contracts which are unconscionable and unjustifiable with subsidiary operating companies which it controls with its left hand.

By reason of that national policy which we adopt with reference to interstate commerce, we say to those concerns which are engaged in interstate commerce that they have to comply with certain definite provisions of the law, that they must turn themselves into an investment trust, divorce themselves from control of the operating companies. If they want to continue to carry on business in interstate commerce in the country, if they want to use the mails of the country, they must play the game according to the rules laid down. That is all the bill proposes to do.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHEELER. Certainly.

Mr. BARKLEY. It is obvious the Senator cannot conclude his discussion of the bill this evening. Does he desire to proceed further, or is he willing to take a recess at this time?

Mr. WHEELER. I should like to proceed for a few moments longer so as to finish my reference to the cases I have in mind.

The Government was successful in its suit against the Reading Co., and in the Continental Insurance Co. case, the court and the opposing factions worked out a plan for segregating the coal interest from the railroad. There were no guides for the reorganization in either the Hepburn Act or the Sherman Act, both of which were involved in the suit—and this is what I meant when I said that in these cases the court found implied what is expressly spelled out in section 11 of the holding-company bill.

The Court avoided sacrificing the assets—and put into effect a plan which involved a departure from the contract provisions of the general mortgage—whereby the coal and railroad properties under the mortgage were appraised and the mortgage separated as to each so that the bondholders received separate liens on the coal property and on the railroad property. Concerning its power to readjust equitably existing liens and substitute therefor "judicially ascertained equivalents", the Court said:

The power of the Court under the Sherman antitrust law to disregard the letter and legal effect of the bonds and general mortgage under the circumstances of this case, in order to achieve the purpose of the law, we cannot question * * *. If the complete and final separation of one item of the mortgaged property from the remainder becomes essential to the due enforcement of either named law (i. e., the Sherman Act or the Hepburn Act) the Court charged with such enforcement may take control of that item, free it from the consolidating tendency of the mortgage, and substitute therefor its judicially ascertained equivalent * * *.

Now, 13 years after the Court had worked out and applied this doctrine, the present bill takes the principle laid down by the Supreme Court and enacts it as the procedure for handling these cases where the combination and concentration of properties in the same hands is contrary to the policy of the law as declared by Congress.

I have previously asked to have inserted at the close of my remarks the brief on the constitutional question and the legal phases of the bill, so that it may be available to every Member of the Senate who cares to take the time to read it.

I now desire to call attention to a number of cases, and I am going to ask to have inserted at this point in my remarks a brief statement touching upon that phase of the matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

It is well settled under the decisions of the Supreme Court that Congress may prescribe the conditions under which corporate business may be transacted in interstate commerce. In doing so it may require the dissolution of existing State corporations or the divestment of property by such corporations where such dissolution or divestment is reasonably considered necessary to bring about desired conditions in the field of interstate commerce. This has been done both under the antitrust laws (*Northern Securities Co.* v. *U. S.*, 193 U. S. 197; *U. S.* v. *Standard Oil Co.*, 221 U. S. 1; *U. S.* v. *American Tobacco Co.*, 221 U. S. 106; *U S.* v. *Union Pacific R. Co.*, 226 U. S. 61), and under the commodities clause of the Hepburn Act (*U. S.* v. *Delaware & Hudson Co.*, 213 U. S. 366; *U. S.* v. *Reading Co.*, 253 U. S. 26; *Continental Ins. Co.* v. *U. S.*, 259 U. S. 156). This plenary power necessarily overrides property rights existing by virtue of previous private contracts (*Armour Packing Co.* v. *U. S.*, 209 U. S. 56; *Philadelphia, Baltimore & Washington R. Co.* v. *Schubert*, 224 U. S. 603; *Continental Insurance Co.* v. *U. S.*, 259 U. S. 156; *U. S.* v. *Southern Pacific Co.*, 259 U. S. 214, 230).

This doctrine was recently reaffirmed, with illustrations drawn from cases under the commerce clause, in the decision upholding the constitutionality of the joint resolution abrogating the gold clauses in private contracts (*Norman* v. *Baltimore & Ohio R. Co.*, decided Feb. 18, 1935). Chief Justice Hughes there wrote:

"Contracts, however expressed, cannot fetter the constitutional authority of the Congress. Contracts may create rights of property, but when contracts deal with a subject matter which lies within the control of Congress, they have a congenital infirmity. Parties cannot remove their transactions from the reach of dominant constitutional power by making contracts about them."

Rights existing under the authority of State laws are subject to the same congenital infirmity when their enforcement conflicts with an exercise of the paramount power of Congress over interstate commerce (*Northern Securities Co.* v. *U. S.* (193 U. S. 197); *U. S.* v. *Delaware & Hudson Co.* (213 U. S. 366)). In the latter case, which upheld the constitutionality of the commodities clause, the Court gave clear expression to its basic premise:

"Let it be conceded at once that the power to regulate commerce possessed by Congress is in the nature of things ever enduring, and therefore the right to exert it today, tomorrow, and at all times in its plenitude must remain free from restrictions and limitations arising or asserted to arise by State laws, whether enacted before or after Congress has chosen to exert and apply its lawful power to regulate" (213 U. S., at 405–6).

EXHIBIT A

MEMORANDUM IN SUPPORT OF THE CONSTITUTIONALITY OF PUBLIC-UTILITY HOLDING COMPANY BILL

This memorandum is concerned with the constitutional issues presented by the bill to establish Federal control and, subject to certain exceptions, ultimate elimination of public-utility holding companies.

The factors making necessary national control of public-utility holding companies are enumerated at the outset of the bill. Public-utility holding companies and their subsidiary companies are there declared to be affected with a national public interest in that their use of the mails and instrumentalities of interstate commerce has created many abuses which cannot be corrected by the States and call for Federal legislation. This section specifies both the uses made by holding companies of interstate commerce and the mails and the abuses to which the interstate business of these companies has given rise. It concludes with a declaration of policy stating the objectives of the act; to eliminate the specified abuses, to provide for the simplification of holding-company systems and the elimination therefrom of properties not economically and geographically related, and at the end of 5 years to abolish holding companies.

The essentially interstate character of the principal holding-company transactions and practices lies in the fact that their securities are widely distributed by means of the mails and instrumentalities of interstate commerce; that they continually make use of those channels of communication in the making and performance of contracts with their subsidiary companies; and that these controlled operating companies themselves engage in interstate commerce in gas and electricity on a large and growing scale.

The evils that accompany these interstate activities cannot be corrected by State legislation. The sale of holding-company securities has been completely unregulated by States having jurisdiction over the subsidiary public-utility companies; these securities have been issued upon the basis of fictitious asset values and in anticipation of excessive revenues and paper profits at the expense of the underlying operating companies; absence of uniform accounts conceals the unsubstantial foundation of these security issues and makes it impossible for investors to secure the information necessary for an adequate appraisal of the financial position of the companies. These findings point to the fact that this unsound capitalization operates to the detriment not only of the widely scattered investors, but also of the consumers of the utility products of the underlying operating companies. To support their overcapitalized security structures holding companies are compelled to squeeze the maximum possible revenue out of the operating companies. They resist voluntary rate reductions which might strengthen their subsidiaries by increasing the consumption of gas and electricity; they seek unfair insiders' profits through a great variety of intercompany transactions; they obstruct State regulation through their control of the accounting practices and financial policies of the public-utility companies; and their mad scramble for operating properties has brought under common control widely distant utility facilities, creating gerrymandered systems in complete disregard of the economies of management and the integration and coordination of related properties. The growth of the superholding company has tended to concentrate control of the electric and gas utilities in the hands of a few powerful groups having an insignificant stake in their ownership. This concentration of control has tended substantially to restrict competition in supplying the construction and other needs of a great and growing industry.

The ultimate cure of the evils described in this introductory section which the bill adopts is the abolition of the holding company conducting activities in interstate commerce and by means of the mails, except where it is necessary for the operation of a geographically and economically integrated public-utility system. This prohibition is postponed, however, to permit orderly liquidation and reorganization, and so to prevent unnecessary destruction of existing security values. The bill also prescribes regulation designed to furnish protection to investors and consumers during the remaining period of holding-company existence and as a permanent measure in the case of those companies that are permitted to continue. This is achieved through registration. It is made unlawful for a holding company to make certain uses of the mails or the instrumentalities of interstate commerce unless that company is registered with the Securities and Exchange Commission; the regulatory provisions of the bill are then directed not at holding companies generally but at registered holding companies and their subsidiaries. Thus compliance with these regulatory provisions is made a condition of the use of the mails and the channels of interstate commerce for the transportation or transmission of gas or electricity, the making or performance of service, sales, and construction contracts, the marketing of securities, the acquisition of securities and capital assets, and the performance of any business in interstate commerce; it is also made a condition of the ownership of securities in certain other companies that conduct these specified interstate activities or otherwise engage in interstate commerce, and of the continued existence of a holding company which has during the past 10 years distributed securities in interstate commerce which are now outstanding in the hands of persons residing outside of the State in which the holding company is incorporated. The regulation imposed through this device of registration is directly related in all its details to the elimination of the evils described in the outset. Registration itself affords the opportunity for the collection of full information regarding the holding company and its related companies.

Further information must be filed before a security may be issued by a holding company, and security issues are made the subject of complete regulation, designed not merely to afford full disclosure of all relevant facts to prospective investors, but also positive protection against recurrence of the wild-cat financing of the past. The securities which may be issued by holding companies are limited to common stocks having a par value and

first lien bonds. Every new security must be reasonably adapted to the security structure of the holding-company system, must bear proper relation to sums prudently invested in the underlying public-utility properties and must be appropriate to the operation of an integrated utility system. Fees and the terms and conditions on which a security is sold are subjected to Commission control. The business in which holding companies may engage is restricted so that the purchaser of utility holding company securities will be an investor only in the utility industry and closely related auxiliary businesses, and will not be deceived by the utility name when purchasing an interest in a speculative venture essentially unrelated to the utility enterprise. Holdings are limited furthermore to the securities and properties of domestic utilities; those in foreign countries may not be retained in the same system. Ownership in a single system of competing gas and electric facilities which tends to monopoly and the suppression of competition whenever contrary to the policy, if not the letter, of State law is eliminated. The extension of utility systems through the acquisition of securities and capital assets is subject to strict commission supervision and control; all acquisitions must be appropriate to the operation of an integrated utility system, and must be at a fair price bearing a reasonable relation to the prudent investment in the underlying property. Registered holding companies and their subsidiaries must keep their accounts in a manner prescribed by the Commission and must file the reports which the Commission shall require as necessary to afford complete information regarding all the details of holding-company operations.

These regulations of the financial operations of holding companies are supplemented by complete regulation of the transactions between companies within a holding-company system and between such companies and interests affiliated with them in such a way that their dealings are not controlled by arm's-length bargaining. The service, sales, and construction contracts by which holding companies reap large profits at the expense of utility consumers are eliminated. Such services may be performed for utilities under holding-company control only if they are bought in the open market under fully competitive conditions, or if they are performed on a cooperative basis by a mutual company subject to the complete supervision of the Federal Power Commission. Other transactions between such controlled utility companies and other companies in the same holding company system or affiliated with companies in that system must be conducted in accordance with rules and regulations designed to eliminate all hidden profits and unfair advantages resulting from the common interests of both parties to the transaction.

In all these regulatory provisions there is the single objective of protecting both investors and consumers from the abuses of the past and their recurrence in new forms. In this there is no conflict between the investor and the consumer. The interests of both are served when utility enterprises are placed on the solid foundation of a sure return upon a sound capitalization. The bill decrees the elimination from the channels of interstate commerce of holding companies that do not take the immediate steps which will turn their business toward establishment on that solid foundation. It decrees also the more certain purification of the entire utility industry through the eventual elimination of all holding companies that do not serve a necessary purpose. To provide an orderly progress in that direction, the bill establishes the procedural machinery for the reorganization and dissolution of present companies under Commission control and trusteeship. It thus seeks to eliminate the injury to both investors and consumers that is likely to accompany the present wasteful and inefficient receivership and reorganization proceedings.

The constitutional issues which the bill presents are of two types: First, the authority of Congress rather than the State legislatures to carry out its objectives under powers expressly delegated to it by the Constitution; and, second, its authority to employ the particular regulatory measures embodied in the bill without violating the restrictions imposed by the Constitution upon all Federal legislation. As to the first, the discussion will show that the bill falls within the authority granted to Congress to regulate interstate commerce and its power over the mails. As to the second, it will show that there is no violation of the due-process clause of the fifth amendment, or of the implied prohibition against the delegation by Congress of its legislative power.

THE COMMERCE POWER

The business of the holding company as described in the introductory section of the bill is one which depends for its existence and for its every function upon constant and systematic use of the channels of interstate communication. The advantage generally claimed for the holding company in its facility for attracting capital on a large scale for diversified investments necessarily depends upon the marketing of securities throughout the country. Congress has already in the Securities Act and the Securities Exchange Act asserted its jurisdiction over such security distribution, whether it employs the mails, interstate communications, or securities exchanges. In the case of the holding company this ground of jurisdiction alone is necessarily more far-reaching than the case of many other corporations, for security distribution is a more fundamental part of holding-company operations than it is in other businesses. The other activities of holding companies are equally interstate in character. Centralized management and control by one company of local utilities situated all over the country would be impossible without the transmission of information and instructions from one State to another. Performance of the intercompany transactions carried on in most of the holding-company systems requires similar interstate communication and also the shipment of goods across State lines. That these multi-State activities of holding companies constitute interstate commerce in the constitutional sense can scarcely be open to question (*Gibbons* v. *Ogden*, 9 Wheat. 1; *Western Union Telegraph Co.* v. *Pendleton*, 122 U. S. 347; *Champion* v. *Ames*, 188 U. S. 321; *International Text Book Co.* v. *Pigg*, 217 U. S. 91; *Western Union Telegraph Co.* v. *Foster*, 247 U. S. 105; *Dahnke-Walker Co.* v. *Bondurant*, 257 U. S. 282).

Constant interstate communication is as essential a characteristic of the business of the holding company as it was of that of the correspondence school described in *International Text Book Co.* v. *Pigg*, (217 U. S. 91). There the Supreme Court held that a State statute requiring foreign corporations to secure permission to engage in business within the State could not constitutionally be applied to a corporation conducting a correspondence school. The company had an agent in the State, and the Court held that it was doing business there, but that business was held in its essential characteristics, commerce among the States within the meaning of the Constitution of the United States.

"It involved, as already suggested, regular and practically continuous intercourse between the Textbook Co., located in Pennsylvania, and its scholars and agents in Kansas and other States. That intercourse was conducted by means of correspondence through the mails and with such agents and scholars. While this mode of imparting and acquiring an education may not be such as is commonly adopted in this country, it is a lawful mode to accomplish the valuable purpose the parties have in view. More than that, this mode—looking at the contracts between the Textbook Co. and its scholars—involved the transportation from the State where the school is located to the State in which the scholar resides, of books, apparatus, and papers, useful or necessary in the particular course of study the scholar is pursuing, and in respect of which he is entitled, from time to time, by virtue of his contract, to information and direction. Intercourse of that kind, between parties in different States, particularly when it is in execution of a valid contract between them, is as much intercourse in the constitutional sense, as intercourse by means of the telegraph, a new species of commerce, to use the words of this Court in *Pensacola Teleg. Co.* v. *Western U. Teleg. Co.*, 96 U. S. 1, 9, 24, L. ed. 708, 710" (217 U. S. at 106).

To the extent that holding companies make use of the instrumentalities of interstate commerce in the conduct of their business, Congress has complete authority to determine the regulatory provisions that shall be applied to that business. It is firmly established that, acting within the scope of its delegated authority, Congress has the same full power that the States enjoy to employ any regulatory device which it deems reasonably adapted to the public welfare. The point has been clearly expressed by Mr. Justice Brandeis in *Hamilton* v. *Kentucky Distilleries and Warehouse Co.* (251 U. S. 146, 156):

"That the United States lacks the police power, and that this was reserved to the States by the tenth amendment, is true. But it is none the less true that when the United States exerts any of the powers conferred upon it by the Constitution, no valid objection can be based upon the fact that such exercise may be attended by the same incidents which attend the exercise by a State of its police power, or that it may tend to accomplish a similar purpose."

In later cases under the commerce clause the Court has spoken of a national "police power * * * within the field of interstate commerce" (*Brooks* v. *U. S.*, 267 U. S. 432, 437) and of business "affected by a public use of a national character and subject to national regulation" (*Stafford* v. *Wallace*, 258 U. S. 495, 516; *Chicago Board of Trade* v. *Olsen*, 262 U. S. 1, 41). Whether or not the language of "police power" of "public use" is employed is immaterial; the conclusion is inescapable that the power to regulate commerce includes the power to resort to all regulatory methods which the States may use.

One method which Congress might employ in the regulation of interstate commerce carried on by holding companies is Federal incorporation. A Federal incorporation law for companies doing an interstate business has frequently been advocated by both conservatives and liberals. See Report of Federal Trade Commission, Compilation of Proposals and Views for and Against Federal Incorporation or Licensing of Corporations (S. Doc. No. 92, part 69A, 70th Cong., 1st sess.). The president of the New York Stock Exchange has publicly gone on record in favor of a Federal law governing the incorporation of companies (Stock Exchange Practices, hearings before Committee on Banking and Currency, United States Senate, 73d Cong., 1st sess., National Securities Exchange Act, 1934, pt. 15, p. 6637). Congress has resorted to the creation of corporations both in the exercise of its fiscal power (*McCulloch* v. *Maryland*, 4 Wheat. 315) and under its power to regulate commerce (*Pacific Railroad Removal cases*, 115 U. S. 1).

Without employing its power to create corporations, Congress may prescribe the conditions under which corporate business may be transacted in interstate commerce. In doing so it may require the dissolution of existing State corporations or the divestment of property by such corporations where such dissolution or divestment is reasonably considered necessary to bring about desired conditions in the field of interstate commerce. This has been done both under the antitrust laws (*Northern Securities Co.* v. *U. S.*, 193 U. S. 197; *U. S.* v. *Standard Oil Co.*, 221 U. S. 1; *U. S.* v. *American Tobacco Co.*, 221 U. S. 106; *U. S.* v. *Union Pacific R. Co.*, 226 U. S. 61) and under the commodities clause of the Hepburn Act (*U. S.* v. *Delaware & Hudson Co.*, 213 U. S. 366; *U. S.* v. *Reading Co.*, 253 U. S. 26; *Continental Insurance Co.* v. *U. S.*, 259 U. S. 156). This plenary power necessarily overrides property rights existing by virtue of previous private contracts (*Armour Packing Co.* v. *U. S.*, 209 U. S.

56; *Philadelphia, Baltimore & Washington R. Co.*, v. *Schubert*, 224 U. S. 603; *Continental Insurance Co.* v. *U. S.*, 259 U. S. 156; *U. S.* v. *Southern Pacific Co.*, 259 U. S. 214, 230).

This doctrine was recently reaffirmed, with illustrations drawn from cases under the commerce clause, in the decision upholding the constitutionality of the joint resolution abrogating the gold clauses in private contracts (*Norman* v. *Baltimore & Ohio R. Co.*, decided Feb. 18, 1935). Chief Justice Hughes there wrote:

"Contracts, however express, cannot fetter the constitutional authority of the Congress. Contracts may create rights of property, but when contracts deal with a subject matter which lies within the control of the Congress they have a congenital infirmity. Parties cannot remove their transactions from the reach of dominant constitutional power by making contracts about them."

Rights existing under the authority of State laws are subject to the same congenital infirmity when their enforcement conflicts with an exercise of the paramount power of Congress over interstate commerce (*Northern Securities Co.* v. *U. S.*, 193 U. S. 197; *U. S.* v. *Delaware & Hudson Co.*, 213 U. S. 366). In the latter case, which upheld the constitutionality of the commodities clause, the Court gave clear expression to its basic premise:

"Let it be conceded at once that the power to regulate commerce possessed by Congress is in the nature of things ever enduring, and therefore the right to exert it today, tomorrow, and at all times in its plenitude must remain free from restrictions and limitations arising or asserted to arise by State laws, whether enacted before or after Congress has chosen to exert and apply its lawful power to regulate" (213 U. S. at 405–406).

The decisions sustaining the Federal power of incorporation and the power to take away corporate privileges granted by the States furnish ample authority to uphold a compulsory Federal incorporation law—one under which a Federal charter would be required before any corporation could do business by use of the instrumentalities of interstate commerce. The constitutional authority of Congress to withhold the privilege of doing business as a corporation in interstate commerce unless a Federal charter or license is secured has been strongly supported by several of the country's most prominent lawyers. (George W. Wickersham, State Control of Foreign Corporations, 19 Yale L. J. 1; Frank B. Kellogg, Federal Incorporation and Control, 20 Yale L. J., 177; Victor Morawetz, The Power of Congress to Enact Federal Incorporation Laws and to Regulate Corporations, 26 Harv. L. Rev. 667.) See also William W. Cooke, Federal Railroad Incorporation (26 Yale L. J. 207); Charles W. Bunn, Federal Incorporation of Railway Companies (30 Harv. L. Rev. 589); Miles W. Watkins, Federal Incorporation (17 Mich. L. Rev. 64, 145, 238). The conclusions of former Secretary Kellogg in the article cited merits notice:

"If within its power to regulate commerce Congress may absolutely inhibit such commerce, of course it may prescribe the rule under which it shall be conducted; but it is not necessary to go to the length that Congress has power to absolutely inhibit commerce between the States. Within its power of regulation it may prescribe what corporations may so engage in such commerce. It may prohibit corporations organized under foreign governments from engaging therein, or prescribe the regulations under which they may so engage. It may equally prohibit certain corporations from so engaging or as a condition prescribe the regulations under which they may engage. * * * The means by which Congress shall keep open and free the avenues of commerce are for it alone to decide so long as they are appropriate and are not prohibited" (20 Yale L. J. at 187–188).

Among the conditions which Congress might impose in granting the privilege of engaging in interstate commerce as a corporation is a complete prohibition against the ownership of stock in other corporations. Stock ownership by corporations was unknown at common law; in some States it is not permitted today. In the case of corporations organized in the District of Columbia, which are created by Federal authority, Congress has adhered to the common-law rule. The Code of the District provides that "It shall not be lawful for any company to use any of its funds for the purchase of any stock in any other corporation" (title 5, sec. 276). Certainly the same policy could be followed in prescribing the conditions under which the corporate form may be used for the conduct of interstate business activities.

Without resorting to compulsory Federal incorporation, Congress would by the present bill exercise the lesser power to condition the conduct of interstate business by holding companies organized under State laws. The device by which these conditions would be enforced is the compulsory registration of all holding companies desiring to use the channels of interstate commerce for the transmission of goods or communications essential to the conduct of their business. It is essentially the same device which Congress has employed in the Securities Act of 1933 and the Securities Exchange Act of 1934. It has full constitutional support in a long line of cases upholding the power of Congress to prohibit the shipment of certain articles in interstate commerce, and to impose conditions upon such shipments. The leading case, and the one in which the subject has been given fullest discussion, is *Champion* v. *Ames* (188 U. S. 321), where the Court upheld a prohibition against the transportation of lottery tickets from one State to another. After deciding that lottery tickets are subjects of commerce, Mr. Justice Harlan appropriately posed certain rhetorical questions:

"Are we prepared to say that a provision which is, in effect, a prohibition of the carriage of such articles from State to State is not a fit or appropriate mode for the regulation of that particular kind of commerce? If lottery traffic, carried on through interstate commerce, is a matter of which Congress may take cognizance and over which its power may be exerted, can it be possible that it must tolerate the traffic, and simply regulate the manner in which it may be carried on? Or may not Congress, for the protection of the people of all the States, and under the power to regulate interstate commerce, devise such means, within the scope of the Constitution, and not prohibited by it, as will drive that traffic out of commerce among the States?" (188 U. S. at 355).

After rejecting the contention that the prohibition of lotteries was a matter reserved to the States by the tenth amendment, Mr. Justice Harlan continued:

"As a State may, for the purpose of guarding the morals of its own people, forbid all sales of lottery tickets within its limits, so Congress, for the purpose of guarding the people of the United States against the wide-spread pestilence of lotteries and to protect the commerce which concerns all the States, may prohibit the carrying of lottery tickets from one State to another. In legislating upon the subject of the traffic in lottery tickets, as carried on through interstate commerce, Congress only supplemented the action of those States—perhaps all of them—which, for the protection of the public morals, prohibit the drawing of lotteries, as well as the sale or circulation of lottery tickets, within their respective limits. It said, in effect, that it would not permit the declared policy of the States, which sought to protect their people against the mischiefs of the lottery business, to be overthrown or disregarded by the agency of interstate commerce. We should hesitate long before adjudging that an evil of such appalling character, carried on through interstate commerce, cannot be met and crushed by the only power competent to that end. We say competent to that end, because Congress alone has the power to occupy, by legislation, the whole field of interstate commerce. What was said by this Court upon a former occasion may well be here repeated: 'That framers of the Constitution never intended that the legislative power of the Nation should find itself incapable of disposing of a subject matter specifically committed to its charge.' In re Rahrer, 140 U. S. 545, 562" (188 U. S. at 357–358).

Prior to the decision in *Champion* v. *Ames*, the Supreme Court had assumed the validity of the act prohibiting the interstate transportation of livestock known to be affected with a contagious disease (*M., K. & T. R. Co.* v. *Haber*, 169 U. S. 613, 621; *Reid* v. *Colorado*, 187 U. S. 137, 149–150). Since that case was decided it has sustained the Pure Food and Drug Act prohibiting the transportation in interstate commerce of adulterated or misbranded articles (*Hipolite Egg Co.* v. *U. S.*, 220 U. S. 45; *Weeks* v. *United States*, 245 U. S. 618; the White Slave Traffic Act, *Hoke* v. *United States*, 227 U. S. 308; *Caminetti* v. *United States*, 242 U. S. 470); and the National Motor Vehicle Theft Act, punishing the interstate transportation of stolen motor vehicles (*Brooks* v. *United States*, 267 U. S. 432). On the same theory it has upheld a prohibition of the importation of prize-fight films designed for public exhibition (*Weber* v. *Freed*, 239 U. S. 325); while the importation provision was the only one before the Court in that case, the same statute prohibits the transportation of such films from one State to another, and the source of congressional power is the same over interstate as over foreign commerce. In addition, the Supreme Court has upheld statutes forbidding the introduction of intoxicating liquors into States in which their use is prohibited (*In re Rahrer*, 140 U. S. 545; *Clark Distilling Co.* v. *Western Maryland Railway Co.*, 242 U. S. 311). The theory of this legislation has been embodied in the recent Hawes-Cooper Act regulating the transportation of prison-made goods. Compare *Alabama* v. *Arizona* (291 U. S. 266).

Prohibition of the interstate transportation of oil produced in violation of the State proration requirements was authorized by section 9 (c) of the National Industrial Recovery Act. When this provision was held unconstitutional as an invalid delegation of legislative power (*Panama Refining Co.* v. *Ryan*, decided Jan. 7, 1935), the Congress promptly imposed the same prohibition by passing the Connally oil-control bill. A statute has long been on the books prohibiting the interstate shipment of game secured or handled in violation of a State law; this act was upheld by the circuit court of appeals in *Rupert* v. *United States* (181 Fed. 87), but has not been passed upon by the Supreme Court. The Grain Futures Act contains a provision (sec. 6) making it unlawful to deliver for transmission through the mails or in interstate commerce any offer, confirmation, or price quotation relating to contracts for the sale of grain for future delivery, except under the regulated conditions required by the act. In upholding the act as a whole, the Supreme Court found it unnecessary to pass upon the validity of this provision since the parties to the suit were not affected by it (*Chicago Board of Trade* v. *Olsen*, 262 U. S. 1, 42). The similar provisions in the Securities Act of 1933 and the Securities Exchange Act of 1934 have already been noted.

The power exercised in these statutes has been described by the Supreme Court in the following terms:

"Congress can certainly regulate interstate commerce to the extent of forbidding and punishing the use of such commerce as an agency to promote immorality, dishonesty, or the spread of any evil or harm to the people of other States from the State of origin. In doing this it is merely exercising the police power, for the benefit of the public, within the field of interstate commerce" (*Brooks* v. *United States*, 267 U. S. at 436–437).

The prohibition of the use of interstate commerce contained in the present bill is precisely of this nature; it is designed to prevent the use of interstate commerce as an agency to promote the spread of the evil that results from holding companies to the purchasers of their securities, and to the consumers served by the public-utility companies which they control. That this police

power, for the benefit of the public, within the field of interstate commerce is not limited to prohibiting the transportation of articles that are themselves harmful is shown by the Brooks case from which this quotation is taken. The stolen automobile there involved was not itself different from any other automobile. The Pure Food and Drug Act has been upheld not merely in its application to harmful adulterated articles (*Hipolite Egg Co.* v. *United States*, 220 U. S. 45), but also to those which are merely misbranded (*Weeks* v. *United States*, 245 U. S. 618), and to those accompanied by circulars containing fraudulent statements, (*Seven Cases* v. *United States*, 239 U. S. 510). There is nothing harmful about the prison-made goods governed by the Hawes-Cooper Act, or the hot oil which the Connally Act seeks to control. The communications prohibited by the Grain Futures Act, the Securities Act, and the Securities Exchange Act are precisely of the same inherent character as many of those that would be affected by the present bill. The great variety of cases in which the prohibition of interstate shipment of articles has been upheld show clearly that Congress has acted upon widely differing policies in imposing these prohibitions. The inherent evil of the article itself may be one ground for imposing the prohibition; it is plainly not the only one. The evil that may reasonably be thought to result from the interstate distribution of unapproved securities, from interstate communications and negotiations looking toward the unapproved acquisition of securities, or from the use of the inherently dangerous holding-company device to conduct activities affecting an industry vital to the welfare of the entire Nation, may certainly justify the imposition of like prohibitions. The constitutional theory of the present bill is firmly inbedded in the entire course of federal legislation from the Sherman Act to the Securities Exchange Act.

The only authority limiting this police power of Congress within the field of interstate commerce is *Hammer* v. *Dagenhart* (247 U. S. 251), where the Court held invalid a prohibition against transporting in interstate commerce articles produced in factories where child labor had been employed within 30 days prior to their shipment. This statute was viewed as an attempt to regulate local conditions of manufacture, and so to invade the powers of the States. The earlier cases were distinguished on the ground that in each of them the use of interstate transportation was necessary to the accomplishment of harmful results, and that prohibition was essential to correct those results. That the authority of those earlier cases is not impaired by the decision is shown by the statement in the later Brooks case that Congress may forbid the use of interstate commerce as an agency to promote the spread of any evil or harm to the people of other States from the State of origin.

The child-labor decision is readily distinguishable from all the cases that might arise under the present bill. There is here no concern with the purely local conditions in a business like manufacturing, which can be completely regulated by the State regardless of the ultimate destination of the product. Whether one centers attention on the regulation of the sale of securities in interstate commerce or on the control of intercompany transactions conducted by means of interstate commerce, the situation is accurately described by the statement in the Brooks case as a prohibition of the use of interstate commerce as an agency promoting the spread of harm to the people of other States from the State of origin.

Regarding the sale of securities, the regulation is precisely of the type which Congress has already adopted in the Securities Act. From the standpoint of the effect of holding-company transactions on the operating companies which receive their goods and services, the bill removes an obstruction to effective State regulation in the State of destination which arises from the influx of goods, services, and information to that State from the State of origin. The resulting harm to both investors and consumers has arisen from the exercise in many States of extraordinary corporate privileges granted by a single State. Unlike the manufacturing regulated by the child labor law, the business of holding companies is neither essential nor local. A reading of the opinion of *Hammer* v. *Dagenhart* makes it plain that the controlling factor in the decision was the conviction of the Court that the grant of authority over interstate commerce was used in the act to destroy the local power always existing and carefully reserved to the States in the tenth amendment to the Constitution. There is no conceivable basis for a like view of the present bill.

Since the business of holding companies is so essentially interstate in character, there can be no question that the commerce power extends to all functions of that business. There is no basis for the contention that the conditions which it imposes upon companies engaging in interstate commerce go beyond Federal authority. Disregarding the fact that the regulatory provisions of the bill are all conditions upon the grant of a privilege which Congress may, and at a later date does in some cases withhold entirely, these regulatory provisions are nevertheless clearly sustained by numerous cases. To uphold them, one may assume, without admitting its validity, the frequent contention that the power of Congress to condition the uses of interstate commerce is limited to the imposition of conditions that are related to the regulation of commerce itself. The regulatory provisions of the bill may be viewed as relating to three subjects, which, taken together, cover every provision of the bill and every essential incident of the business of holding companies; the issue and sale of securities, intercompany transactions, and the control of facilities for the interstate transportation of gas and electricity.

The sale of securities in interstate commerce is unquestionably subject to Federal regulation. (*Hall v. Geiger-Jones Co.*, 242 U. S. 539; *Champion* v. *Ames*, 188 U. S. 321; *International Text Book Co.* v. *Pigg*, 217 U. S. 91). As already stated, the regulations imposed to protect the purchasers of these securities proceed upon the constitutional basis already adopted by Congress in enacting the Securities Act and the Stock Exchange Act. The provisions relating to the financial practices of the companies and those requiring them to keep accounts and file reports in a manner prescribed by the Commission are directly related to the maintenance of a healthy interstate market in securities. There is nothing novel about the use of regulatory measures of this kind in legislation under the commerce clause. The Interstate Commerce Act and the Communications Act are replete with similar provisions. Comparable regulations have been upheld when applied to businesses vital to the interstate transportation of commodities. (*Stafford* v. *Wallace*, 258 U. S. 495; *Chicago Board of Trade* v. *Olsen*, 262 U. S. 1; *Tagg Bros. & Moorehead* v. *United States*, 280 U. S. 420.)

There is a similar basis for the provisions relating to service, sales, and construction contracts. These transactions at the present time are conducted on an interstate scale in almost all of the prominent holding-company groups. Holding-company control of this business has created monopolistic conditions directly affecting interstate commerce in utility equipment and supplies, and in the capital goods that enter into the construction of utility plants. The elimination of conditions of this kind which affect interstate commerce has been one of the principal concerns of Federal legislation. The antitrust laws are an obvious example. Under them Congress has been sustained in prohibiting practices wholly within a single State where they affect interstate commerce. (*Swift & Co.* v. *United States*, 196 U. S. 375; *Bedford Cut Stone Co.* v. *Journeymen's Stone Cutters Association*, 274 U. S. 37.) Attempts to root out similar evils are found in the Packers and Stockyards Act sustained in *Stafford* v. *Wallace* (258 U. S. 495), and in the commodities clause of the Interstate Commerce Act, sustained in *United States* v. *Delaware & H. Co.* (213 U. S. 366).

The transportation and transmission of gas and electricity across State lines is present in almost every holding-company system of any size or importance; the vast increase in this interstate transmission is a dominating feature of recent developments in the utility field and is expected to continue at an accelerating rate in the near future. That this constitutes interstate commerce is not open to question (*Public Utilities Commission* v. *Attleboro Steam & E. Co.*, 273 U. S. 83; *Missouri* v. *Kansas Gas Co.*, 265 U. S. 298). That the control of these channels of interstate transportation is also a valid subject of congressional concern is equally clear (*Northern Securities Co.* v. *United States*, 193 U. S. 197; *New York Central Securities Corporation* v. *United States*, 287 U. S. 12).

The character of the business of holding companies from the viewpoint of the power of Congress under the commerce clause has been considered in only one case, *Federal Trade Commission* v. *Smith* (1 Fed. Supp. 247), involving the investigatory powers of the Federal Trade Commission. A subpena issued by the Commission directing the production of records of the Electric Bond & Share Co. was there upheld on the ground that the company under its service contracts regularly shipped goods in interstate commerce. However, the opinion of Judge Knox dismisses the claim that the service part of the contracts constituted interstate commerce with the statement that performance of those contracts consisted of activities which, under authoritative decisions, are not recognized as constituting interstate commerce.

The decision itself, resting on the fact that the company sold equipment in interstate commerce, would undoubtedly be followed. The dictum about the service contracts, assuming it to be correct, is of no application to the present question. The case involved an interpretation of section 6 (a) of the Federal Trade Commission Act (15 U. S. C., sec. 46 (a)), which authorizes the Commission to investigate the business of any corporation engaged in commerce. The interpretation of that act is a problem distinct from that of the scope of congressional power. Compare *Federal Trade Commission* v. *American Tobacco Co.* (264 U. S. 298). The power over the company which results from its constant use of interstate commerce for all its business had not been asserted by Congress. It by no means follows from the conclusion that the company was not engaged in commerce in performing these contracts that a statute could not be drawn to regulate the use of interstate commerce for the performance of such contracts.

Furthermore, the authoritative decisions which Judge Knox cited do not support his conclusion. They fall into two groups: Those upholding the validity of State statutes against the claim that they violated the commerce clause, and antitrust cases in which the court declared that the transaction affected was not one in interstate commerce. Neither these cases nor others of the same type afford any authority against the power which would be asserted in the present bill. Again and again the Supreme Court has declared that decisions upholding State regulations and State taxes against the claim that they burden interstate commerce afford no authority for a denial of the power of Congress over the same subject (*Addyston Pipe & Steel Co.* v. *United States*, 175 U. S. 211, 246; *Swift & Co.* v. *United States*, 196 U. S. 375, 400; *Stafford* v. *Wallace*, 258 U. S. 495, 525; *Chicago Board of Trade* v. *Olsen*, 262 U. S. 1, 33; *Binderup* v. *Pathe Exchange*, 263 U. S. 291, 311; *Minnesota* v. *Blasius*, 290 U. S. 1). Admittedly the States may validly legislate with reference to subjects that are in interstate commerce (*Hall* v. *Geiger-Jones Co.*, 242 U. S. 539). The Constitution imposes a bar to such legislation only if it constitutes a direct interference with the commerce that has been placed under the jurisdiction of the Federal Government.

Typical of the State cases generally cited against the validity of congressional action under the commerce clause are those holding that insurance contracts, even where they involve communication between the States, may validly be subjected to State regulation or taxation (*Paul* v. *Virginia*, 75 U. S. 168; *New York Life Insurance Co.* v. *Deer Lodge Co.*, 231 U. S. 495). Professor Dowling in his memorandum to the Senate committee considering the Fletcher-Rayburn bill pointed out that *Paul* v. *Virginia* was the product of a period in which uncertainty about the effect of the commerce clause on State powers and the wide-spread distrust of foreign corporations combined to produce an extreme insistence on limiting the concept of interstate commerce. (Stock Exchange Practices hearings, pt. 16, p. 7640.) Although conditions changed radically, early establishment and frequent reiteration made the rule—that insurance is not interstate commerce—a constitutional fixture. The consequence—that since there was no Federal legislation on the subject, the highly important insurance business would have been totally unregulated—was so serious that it may well have played an important part in inducing adherence to this rule in more recent years. Like all decisions upholding State power, these decisions furnish slight authority for the denial of Federal power over the subject of insurance; they certainly afford no help to those seeking to deny congressional power on other subjects.

Cases holding the antitrust laws inapplicable to certain practices are not in point for the same reason. The Supreme Court has pointed out the similarity between the question in those cases and that under State statutes (*Hopkins* v. *United States*, 171 U. S. 578, 594; *Addyston Pipe and Steel Co.* v. *United States*, 175 U. S. 211, 229, 243). In both cases the question is whether, as a result of State statute or private contract, there is a direct interference with the free flow of interstate commerce. It is necessary to draw a line at some point in order to preserve the legislative power of the States and the contractual freedom of individuals. The point at which the Court draws that line in a particular case depends, as it has so frequently said, upon a host of practical considerations, and cannot be reduced to a single general rule. By the vague terms of the antitrust laws, Congress has in effect given the Court authority to weigh those practical factors and determine the point at which the restraint on commerce becomes illegal. It by no means follows that Congress cannot itself specifically prohibit certain clearly defined uses of interstate commerce, especially when those uses are essential to the conduct of a predatory business which has consequences extending far beyond the reach of any single State.

Furthermore, assuming that the antitrust decisions are to be read as defining the limitations of congressional power, they would furnish no authority against the validity of the present bill. Those cited by Judge Knox in *Federal Trade Commission* v. *Smith, supra*, may be taken as examples. They are *Moore* v. *New York Cotton Exchange* (270 U. S. 593); *Blumenstock Bros.* v. *Curtis Publishing Co.* (262 U. S. 436); and *Federal Baseball Club* v. *National League* (259 U. S. 200). The New York Cotton Exchange case held that a monopoly in the telegraphic transmission of price quotations on an exchange did not violate the act; the Court declared that sales on the exchange were local transactions, not interstate commerce. In the Curtis Publishing Co. case the defendant was charged with a monopolistic practice in the making of advertising contracts for magazines that circulated throughout the country. The Court declared that the making of the advertising contract was not itself interstate commerce. In the Federal Baseball Club case the staging of baseball games was held to be a local business; its character was not altered by the fact that the players continuously traveled from one State to another. For each of these three cases holding the Sherman Act inapplicable there is a counterpart in a case applying the act to restraints on activities very similar to those which the Court in those cases declared not to be interstate commerce. Thus, although the Court said in the Moore case that transactions on the New York Cotton Exchange are not interstate commerce, it held, in *United States* v. *Patton* (226 U. S. 525), that an attempt to create a corner on that market did violate the act. See also *Chicago Board of Trade* v. *Olsen* (262 U. S. 1), upholding the constitutionality of direct Federal regulation of commodity exchanges.

The *Blumenstock case* may be compared with *Indiana Farmers Guide Publishing Co.* v. *Prairie Farmers Publishing Co.*, decided December 3, 1934, where the Sherman Act was held to proscribe monopolistic practices in securing advertisements in farm papers; the business was declared to include the transportation between States of electrotypes sent by advertisers to be used in setting up advertisements and the transportation of substantial quantities of the paper in interstate commerce; the Court pointed out that the opinion in the Blumenstock case "assumed that a publishing business such as that now under consideration would amount to interstate commerce." Compare also *Ramsey Co.* v. *Associated Bill Posters* (260 U. S. 501), where, despite the claim that the making of advertising contracts is not interstate commerce, a complaint charging a combination among solicitors of advertising billboards was held to state a cause of action under the Sherman Act. And the Federal Baseball Club case may be compared with *Hart* v. *Keith Vaudeville Exchange* (262 U. S. 271), where the defendants were charged with combining to exclude actors from vaudeville theaters, the bill alleging that the contracts required the performers to travel and transport scenery and costumes between the States. There a decree dismissing the bill for want of jurisdiction on the ground that it did not state a cause of action under the laws of the United States was reversed. These cases show that despite the fact that some language in the opinions seems to refer to the constitutional question, the Court's decisions do not exclude from the reach of the Federal power transactions of any type that have an effect upon interstate commerce.

The foregoing discussion of registration and its effects has been confined to the provision which makes registration and compliance with the regulations imposed upon registered companies a condition precedent to the direct performance by a holding company of certain activities in interstate commerce. The registration section also contains a prohibition against the ownership by a holding company of any security of an associate company that carries on any of those interstate activities or of a holding company or a public-utility company engaged in interstate commerce. These provisions plainly rest upon the same constitutional basis as those already discussed. The contention which may be advanced that stock ownership is not in itself interstate commerce and so may not be made the basis of Federal legislation is fully answered by the decision in *Northern Securities Co.* v. *United States* (193 U. S. 197). Mr. Justice Harlan there expressly pointed out that this argument was based upon a misstatement of the Government's contention, and that, correctly stated, the Government's position was that Congress may protect the freedom of interstate commerce by any means that are appropriate and that are lawful and not prohibited by the Constitution; and that no State corporation can stand in the way of the enforcement of the National will, legally expressed. Having authority to prescribe the conditions under which holding companies may conduct interstate activities, Congress may impose the same conditions upon companies which seek the equally special privilege of having a proprietary interest in other corporations that conduct these activities.

The registration section also requires that every holding company which has presently outstanding any securities which have been marketed by use of the mails or in interstate commerce subsequent to January 1, 1925, and which are held by persons outside of the State in which that holding company is organized, shall register under the act. Assuming the validity of the other provisions of this section, there can be no question of the power of Congress to impose a duty to register in such a case. Companies affected by this provision have already enjoyed a privilege which it is within the power of Congress to deny. They have set in motion forces which remain at work as long as their obligations are outstanding. They did so subject to later assertions of Federal power. They may not complain when that power is exercised.

As compliance with the regulations imposed by the bill is the condition upon the use of interstate commerce for the conduct of holding-company activities by those who have sought that privilege by registering with the Commission, the claim may be made that the regulations go beyond their stated purpose because many of them are directed against the subsidiary companies of registered holding companies. The point is without merit. By definition the subsidiary companies of registered holding companies are those which are controlled by such holding companies. To impose regulation upon them is merely to control the device by which the holding company puts into effect its own determinations. Regulation of the actions of companies controlled by those under the jurisdiction of Congress—those whose policies are determined completely by the registered holding company—is merely a means of applying and making effective the basis authority which the bill asserts over the registered holding company.

POWER OVER THE MAILS

Under its power to establish post offices and post roads, Congress has full authority to regulate the postal system of the country and to determine what may and what may not be carried by that system. This power is even more comprehensive than that over interstate commerce, for the Government's interest in the mails is proprietary as well as regulatory. Compare *Stephenson* v. *Binford* (287 U. S. 251). It has frequently been exercised to regulate practices which but for the use of the mails would not be subject to congressional control. Examples are to be found in the Grain Futures Act, the Securities Act, and the Securities Exchange Act, which have been noted above. Several measures in which this power was exercised have been sustained in the courts.

The Supreme Court has upheld the exclusion from the mails of information concerning lotteries (*Ex parte Jackson*, 96 U. S. 727; *Ex parte Rapier*, 143 U. S. 110); matter in furtherance of schemes to defraud (*Public Clearing House* v. *Coyne*, 194 U. S. 497); and matter considered by the Post Office Department to advocate treason or forcible resistance to the conduct of war (*Milwaukee Publishing Co.* v. *Burleson*, 255 U. S. 407). It has gone further and permitted the imposition of conditions upon the use of the mails in sustaining a statute requiring that newspapers and periodicals seeking the privilege of the second-class mail must file a statement of their ownership, editors, and circulation (*Lewis Publishing Co.* v. *Morgan*, 229 U. S. 288).

The extent of this power and its limitations were discussed by Mr. Justice Brandeis in his dissenting opinion in the Milwaukee Publishing Co. case. Although differing from the Court on a matter of statutory interpretation, his statement is not inconsistent with anything said in the majority opinion:

"The power to police the mails is an incident of the postal power. Congress may, of course, exclude from the mails matter which is dangerous or which carries on its face immoral expressions, threats, or libels. It may go further and through its power of exclusion exercise, within limits, general police power over the material which it carries, even though its regulations are quite unrelated to the business of transporting mails. As stated in *Ex Parte Jackson*, 'The difficulty attending the subject arises, not from the want of power in Congress to prescribe regulations as to

what shall constitute mail matter, but from the necessity of enforcing them consistently with rights reserved to the people, of far greater importance than the transportation of the mail.' In other words, the postal power, like all its other powers, is subject to the limitations of the Bill of Rights" (255 U. S., at 430).

If it be argued that conditions imposed upon use of the mails may be only those reasonably related to regulation of the mails, and that this power may not be used to seek extraneous ends not otherwise within the power of Congress, the answer is to be found in the cases already cited. The suppression of lotteries and of business frauds are no more directly within any grant of legislative power to Congress than is control of the public utility holding company. As stated by Mr. Justice Holmes, in affirming a mail-fraud conviction:

"The overt act of putting a letter into the post office of the United States is a matter that Congress may regulate. * * * Whatever the limits to the power, it may forbid any such acts in furtherance of a scheme that it regards as contrary to public policy, whether it can forbid the scheme or not" (*Badders* v. *United States*, 240 U. S. 391, 393).

THE DUE-PROCESS CLAUSE

The provisions of the bill, whether they be viewed as regulations of interstate commerce or as exertions of the power over the mails, are, of course, subject to the restrictions of the Bill of Rights, including the due-process clause of the fifth amendment. Claims under this clause must proceed upon the assumption that liberty or property is taken by the statute without due process of law. But it is firmly established that this clause does not protect the liberty to engage in a business that the legislative authority reasonably considers inimical to the public welfare, or the property interests of those who have entered upon such a business (*Mugler* v. *Kansas*, 123 U. S. 623; *Austin* v. *Tennessee*, 179 U. S. 343; *Booth* v. *Illinois*, 184 U. S. 425; *Otis* v. *Parker*, 187 U. S. 606; *Rast* v. *Van Deman & Lewis Co.*, 240 U. S. 342, 368). Compare the assertions of the taxing power sustained in *McCray* v. *United States* (195 U. S. 27); *Alaska Fish Salting & By-Products Co.* v. *Smith* (255 U. S. 44); *Magnano Co.* v. *Hamilton* (292 U. S. 40); and *Fox.* v. *Standard Oil Co.* (decided Jan. 14, 1935).

The power to prohibit may extend beyond those businesses that are themselves harmful. It does not follow that because a transaction separately considered is innocuous it may not be included in a prohibition the scope of which is regarded as essential in the legislative judgment to accomplish a purpose within the admitted power of the Government. (*Purity Extract Co.* v. *Lynch*, 226 U. S. 192, 205. See also *Hebe Co.* v. *Shaw*, 248 U. S. 297; *Booth* v. *Illinois*, *supra*; *Otis* v. *Parker*, *supra*.) The argument against the absolute prohibition of certain forms of business based on the claim that the evils may be eliminated by the less drastic method of regulation was anticipated by Learned Hand in an article on the Commodities Clause, published shortly before its constitutionality was upheld by the Supreme Court. After stating the argument that it cannot be assumed that the carrier would violate its public duties, and that to forbid all traffic in commodities owned by the carrier is to condemn the innocent with the guilty and has no reasonable relation to the securing of the chief purpose of the act, he said:

"The answer to this reasoning is twofold: First, that the clause is designed not to punish offenders of the act in general but to remove an obvious motive of partiality in the conduct of those who exercise public duties; and, second, to obviate the difficulty of detecting actual offenders by prohibiting a kind of business in which offenses are most likely to arise" (The Commodities Clause and the Fifth Amendment, 22 Harv. L. Rev. 250, 254).

This position was later fully upheld by the Supreme Court when it sustained the validity of the clause. (*United States* v. *Delaware & H. Co.*, 213 U. S. 366; *Delaware L. & W. R. Co.* v. *United States*, 231 U. S. 363.)

In imposing regulations with which holding companies must comply, the bill applies legislative methods which have long been recognized in the public-utility field. It is no longer open to doubt that the use of such methods of regulation may be extended to new businesses as the public need becomes manifest. Congressional legislation under the commerce clause has applied rate regulation, the imposition of a duty to serve and control over accounts and records not merely upon carriers, but also upon commodity exchanges and persons performing services upon them. (*Stafford* v. *Wallace*, 258 U. S. 495; *Chicago Board of Trade* v. *Olsen*, 262 U. S. 1; *Tagg Bros. & Moorehead* v. *United States*, 280 U. S. 420). The latest expression of the Supreme Court of the United States on this subject is in *Nebbia* v. *New York* (291 U. S. 502), where Mr. Justice Roberts wrote:

"The fifth amendment, in the field of Federal activity, and the fourteenth, as respects State action, do not prohibit governmental regulation for the public welfare. They merely condition the exertion of the admitted power by securing that the end shall be accomplished by methods consistent with due process. And the guaranty of due process, as has often been held, demands only that the law shall not be unreasonable, arbitrary, or capricious, and that the means selected shall have a real and substantial relation to the object sought to be attained. It results that a regulation valid for one sort of business, or in given circumstances, may be invalid for another sort, or for the same business under other circumstances, because the reasonableness of each regulation depends upon the relevant facts" (291 U. S. at 525).

Applying this test to the business of holding companies there can be no question that the facts, as established by recent reports that are matters of public record, furnish the full justification for the complete regulation of such companies as public-utility companies.

The case for regulation of transactions between the holding company and its subsidiary companies is equally clear. These transactions are not contracts freely made at arm's length, but the decisions of the holding company itself sitting through its representatives on both sides of the table. It is firmly established that there is no constitutional right to derive profit from a contract of this kind (*Smith* v. *Illinois Bell Telephone Co.* (282 U. S. 133), *Western Distributing Co.* v. *Public Service Commission* (285 U. S. 119), *Lindheimer* v. *Illinois Bell Telephone Co.* (292 U. S. 151), *Dayton Power & Light Co.* v. *Public Utilities Commission* (292 U. S. 290)).

The States have such complete power to require that such intercompany transactions be conducted at cost that they may examine the reasonableness of a contract of sale in interstate commerce which would otherwise be entirely beyond their reach (*Western Distributing Co.* v. *Public Utilities Co.*, *supra*, compare *Missouri* v. *Kansas Natural Gas Co.*, 265 U. S. 298). Having power to eliminate profit, Congress may adopt whatever means it reasonably considers necessary to see that that end is achieved. In the light of the great difficulty, established by long experience with the regulation of utility rates, of ascertaining the actual cost and enforcing the policy of service at cost, it would not be unreasonable to require the complete abolition of intercompany transactions. It has already been noted that this measure finds full support in the decisions upholding the commodities clause (*U. S.* v. *Delaware & H. Co.*, 213 U. S. 366; *Delaware L. & W. R. Co.* v. *U. S.*, 231 U. S. 363). Certainly Congress is also free to provide that where holding companies continue the performance of services for operating companies they must employ a separately organized cooperative arrangement under which any profit accruing will be returned to the utility companies.

DELEGATION OF POWER

The bill provides for administration by the Securities and Exchange Commission and the Federal Power Commission. The provisions conferring authority upon these bodies cannot successfully be attacked upon the ground that the permissible limits of delegation have been exceeded.

The subject has been exhaustively considered in the majority and dissenting opinions of the Supreme Court in *Panama Refining Co.* v. *Ryan*, decided January 7, 1935. While differing as to the existence of a standard in the particular statute there before the Court, both opinions cite with approval previous decisions which go much further in sustaining delegations of power than is necessary to uphold the present bill, *Field* v. *Clark* (143 U. S. 649); *Union Bridge Co.* v. *United States* (204 U. S. 364); *United States* v. *Grimaud* (220 U. S. 506); *Intermountain Rate Cases* (234 U. S. 476); *Hampton & Co.* v. *United States* (276 U. S. 394); *Federal Radio Commission* v. *Nelson Bros. B. & M. Co.* (289 U. S. 266).

The majority opinion in the Panama Refining Co. case recognizes that the required standard need not be expressly included in the particular section conferring the authority, but may be gathered from a reading of the entire statute. "We examine the text to ascertain if it furnishes a declaration of policy or a standard of action, which can be deemed to relate to the subject of section 9(c) and thus to imply what is not there expressed." In the present bill, the measure as a whole with its clearly defined objectives furnishes a standard applicable to every delegation that the bill contains. In addition, each particular delegation contains a standard far more definite than that of public interest sustained in *New York Central Securities Corporation* v. *United States* (287 U. S. 12), or as public convenience, interest, or necessity requires, sustained in *Federal Radio Commission* v. *Nelson Bros. B. & M. Co.* (289 U. S. 266).

This bill finds a close analogy in the consolidation provision of the Transportation Act which was sustained in the New York Central Securities Co. case. The Court there declared, through Chief Justice Hughes:

"Appellant insists that the delegation of authority to the Commission is invalid because the stated criterion is uncertain. That criterion is the 'public interest.' It is a mistaken assumption that this is a mere general reference to public welfare without any standard to guide determination. The purpose of the act, the requirements it imposes, and the context of the provision in question show the contrary. Going forward from a policy mainly directed to the prevention of abuses, particularly those arising from excessive or discriminatory rates, Transportation Act, 1920, was designed better to assure adequacy in transportation service. This Court, in *New England Divisions Case* (261 U. S. 184, 189, 190) adverted to that purpose, which was found to be expressed in unequivocal language; 'to attain it, new rights, new obligations, new machinery were created.' The Court directed attention to various provisions having this effect, and to the criteria which the statute had established in referring to 'the transportation needs of the public', 'the necessity of enlarging transportation facilities', and the measures which would 'best promote the service in the interest of the public and the commerce of the people (Id., p. 189, note. See also *Texas & Pacific Ry Co.* v. *Gulf, Colorado & Santa Fe* Ry. Co. (279 U. S. 266, 277). The provisions now before us were among the additions made by Transportation Act, 1920, and the term 'public interest' as thus used is not a concept without ascertainable criteria, but has direct relation to adequacy of transportation service, to its essential conditions of economy and efficiency, and to appropriate provision and best use of transportation facilities, questions to which the Interstate Commerce commission has constantly addressed itself in the exercise of the

authority conferred. So far as constitutional delegation of authority is concerned, the question is not essentially different from that which is raised by provisions with respect to reasonableness of rates, to discrimination, and to the issue of certificates of public convenience and necessity (*Intermountain Rate Cases*, 234 U. S. 476, 486; *Railroad Commission* v. *Southern Pacific Co.*, 264 U. S. 331, 343, 344; *Avent* v. *United States*, 266 U. S. 127, 130; *Colorado* v. *United States*, 271 U. S. 153, 163; *Chesapeake & Ohio Ry Co.* v. *United States*, 283 U. S. 35, 42)" (287 U. S. at 24–25).

This statement is strikingly applicable to every question of delegation that can arise under the present bill, and plainly establishes its freedom from successful attack on this ground.

CONCLUSION

Enactment of the proposed public-utility holding-company bill is fully within the powers granted to Congress by the Constitution.

Mr. BARKLEY. Mr. President, as I understand, the Senator from Montana has not as yet concluded his remarks on the bill.

Mr. WHEELER. No; I have not.

Mr. BARKLEY. The Senator desires the floor when the Senate meets again?

Mr. WHEELER. Yes; I should like to have the floor at that time.

EXECUTIVE SESSION

Mr. BARKLEY. With the understanding that the Senator from Montana wishes to resume the floor at the next meeting of the Senate, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. COPELAND, from the Committee on Commerce, reported favorably the nomination of Harry N. Pharr, of Arkansas, for appointment as a member of the Mississippi River Commission, as provided by law, vice Charles H. West, deceased.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of George A. Gordon, of New York, now a Foreign Service officer of class 1 and counselor of embassy at Rio de Janeiro, Brazil, to be Envoy Extraordinary and Minister Plenipotentiary of the United States to Haiti.

The PRESIDING OFFICER (Mr. MINTON in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

The calendar is in order.

THE JUDICIARY

The Chief Clerk read the nomination of James H. Baldwin to be United States district judge, district of Montana.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters on the calendar will be confirmed en bloc.

IN THE NAVY AND MARINE CORPS

The Chief Clerk proceeded to read sundry nominations of officers in the Navy and Marine Corps.

Mr. BARKLEY. I ask unanimous consent that the nominations in the Navy and Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

RECESS TO FRIDAY

Mr. BARKLEY. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon on Friday.

The motion was agreed to; and (at 4 o'clock and 50 minutes p. m.) the Senate, in legislative session, took a recess until Friday, May 31, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 29 (legislative day of May 13), 1935

UNITED STATES DISTRICT JUDGE

James H. Baldwin to be United States district judge, district of Montana.

PROMOTIONS IN THE NAVY

John M. Creighton to be commander.
Charles E. Rosendahl to be commander.
John G. Moyer to be commander.
William A. Corn to be commander.
Norman E. Millar to be lieutenant commander.
Alexander J. Couble to be lieutenant commander.
Walter H. Roberts to be lieutenant commander.
Leo B. Schulten to be lieutenant commander.
Robert E. Melling to be lieutenant commander.
Frederick B. Kauffman to be lieutenant commander.
James C. Landstreet to be lieutenant.
Sidney King to be lieutenant.
Thomas M. Brown to be lieutenant.
Claude A. Dillavou to be lieutenant.
John S. Blue to be lieutenant.
Merle Van Metre to be lieutenant.
Spencer E. Dickinson to be pay inspector.
Robert W. Clark to be pay inspector.
Lawrence A. Odlin to be pay inspector.
Ralph M. Warfield to be civil engineer.
William C. Batchelor to be chief gunner.

MARINE CORPS

Wiliam C. James to be lieutenant colonel.
Galen M. Sturgis to be major.
William W. Davidson to be captain.

POSTMASTERS

CONNECTICUT

Joseph H. Driscoll, Branford.
Irving H. Charlotte, Short Beach.
Frank P. Ablondi, Stony Creek.

MONTANA

Clarence A. Smithey, Hamilton.

NEBRASKA

Ruben C. Volz, Bloomington.
William E. McCaulley, Chappell.
Jean D. Hubbard, Ingleside.

NEW YORK

William H. McLaughlin, Little Falls.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 29, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God of the living, before whose eyes all creation lies unveiled, duty is calling. Enable us to conceive of Jehovah as Immanuel, "God with us." As heralds and leaders, do Thou come from behind the cloudy mists, and with hearts and minds may we bind up wounds and not make them; quench the fires of resentment and not kindle them. We pray Thee that we may not be worldly nor greedy, incautious nor careless, but be guided by the supreme law of all the earth, which is the law of humanity. Take from us, Heavenly Father, doubts and speculations and lead us to build higher than the waves of passion can reach. Widen our sympathy, broaden our understanding, and as we serve, grant, blessed Lord, that forbidding conditions everywhere may be conquered through calm and poise. O let wisdom, unselfishness, and cooperation break through and the spirit of triumph beat in all breasts. We thank Thee that Thy love is small enough to embrace a child and great enough to encircle the universe. Through Christ. Amen.

The Journal of the proceedings of yesterday, May 28, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 65. An act to provide for the establishment of a Coast Guard station on the coast of Virginia, at or near the north end of Hog Island, Northampton County;

H. R. 231. An act for the relief of Thomas M. Bardin;

H. R. 285—An act for the relief of Elizabeth M. Halpin;

H. R. 1291. An act for the relief of the Muncy Valley Private Hospital;

H. R. 1492. An act for the relief of Harbor Springs, Mich.;

H. R. 2015. An act for a Coast Guard station at the eastern entrance to Cape Cod Canal, Mass.;

H. R. 2689. An act for the relief of Mary Ford Conrad;

H. R. 3073. An act for the relief of William E. Smith;

H. R. 3285. An act authorizing a preliminary examination of the Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Onondaga, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates, and Ontario Counties, N. Y., with a view to the controlling of floods;

H. R. 4528. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 4630. An act for the relief of William A. Ray;

H. R. 4708. An act for the relief of E. F. Droop & Sons Co.;

H. R. 5210. An act to provide funds for cooperation with school district no. 17–H, Big Horn County, Mont., for extension of public-school buildings, to be available to Indian children;

H. R. 5213. An act to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children;

H. R. 5216. An act to provide funds for cooperation with Harlem School District No. 12, Blaine County, Mont., for extension of public-school buildings and equipment to be available for Indian children;

H. R. 5547. An act to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo.;

H. R. 6204. An act to authorize the assignment of officers of the line of the Navy for aeronautical engineering duty only, and for other purposes;

H. R. 6315. An act to provide funds for cooperation with the school board at Medicine Lake, Mont., in construction of a public-school building, to be available to Indian children of the village of Medicine Lake, Sheridan County, Mont.;

H. R. 6372. An act to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail;

H. R. 6834. An act to revive and reenact the act entitled "An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.";

H. R. 6859. An act granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Waccamaw River at or near Old Pireway Ferry Crossing, N. C.;

H. R. 6997. An act authorizing the State of Illinois and the State of Missouri to construct, maintain, and operate a free highway bridge across the Mississippi River between Kaskaskia Island, Ill., and St. Marys, Mo.;

H. R. 7291. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Boca Chica, Tex.;

H. R. 7874. An act to change the name of the German Orphan Asylum Association of the District of Columbia to the German Orphan Home of the District of Columbia; and

H. J. Res. 107. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1935, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 59. An act to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia, and for other purposes;

H. R. 4665. An act authorizing the filling of vacancies in certain judgeships; and

H. R. 7205. An act to amend the Ship Mortgage Act, 1920, otherwise known as "section 30" of the Merchant Marine Act, 1920, approved June 5, 1920, to allow the benefits of said act to be enjoyed by owners of certain vessels of the United States of less than 200 gross tons.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested;

S. 5. An act to prevent the adulteration, misbranding, and false advertising of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes;

S. 11. An act to amend section 389, title 18, of the United States Code, being section 239 of the United States Criminal Code;

S. 12. An act to amend the Packers and Stockyards Act;

S. 272. An act for the relief of William Frank Lipps;

S. 280. An act for the relief of Hazel B. Lowe, Tess H. Johnston, and Esther L. Teckmeyer;

S. 430. An act for the relief of Anna Hathaway;

S. 490. An act for the relief of F. T. Wade, M. L. Dearing, E. D. Wagner, and G. M. Judd;

S. 578. An act authorizing the Secretary of the Interior to permit citizens of Bear Lake County, Idaho, to obtain timber from Lincoln County, Wyo., for domestic purposes;

S. 658. An act for the relief of K. W. Boring;

S. 895. An act to carry out the findings of the Court of Claims in the case of the Atlantic Works, of Boston, Mass.;

S. 928. An act for the relief of Rene Hooge;

S. 1010. An act for the relief of Fred Edward Nordstrom;

S. 1040. An act for the relief of George W. Miller;

S. 1045. An act for the relief of A. Cyril Crilley;

S. 1046. An act for the relief of E. Jeanmonod;

S. 1052. An act for the relief of the Washington Post Co.;

S. 1064. An act for the relief of Albert Gonzales;

S. 1070. An act for the relief of William A. Thompson;

S. 1138. An act for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period;

S. 1326. An act for the relief of Robert A. Dunham;

S. 1577. An act for the relief of Skelton Mack McCray;

S. 1604. An act to provide for the better administration of justice in the Navy;

S. 1640. An act for the relief of Dan Meehan;

S. 1656. An act for the relief of Ward J. Lawton;

S. 1793. An act to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat. L. 602);

S. 1833. An act for the relief of W. L. Horn;

S. 1929. An act to clarify the status of the National Zoological Park;

S. 1943. An act to prescribe the procedure and practice in condemnation proceedings brought by the United States of America, including acquisition of title and the taking of possession under declarations of taking;

S. 1949. An act authorizing the President to order David J. Fitzgerald before a retiring board for a hearing of his case, and upon the findings of such board determine whether he be placed on the retired list;

S. 1960. An act for the relief of the Florida National Bank & Trust Co., a national banking corporation, as successor trustee for the estate of Phillip Ullendorff, deceased;

S. 1973. An act to amend section 5 of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved March 3, 1925, to authorize the payment of a per diem in connection with naval aerial surveys and flight checking of aviation charts;

S. 1977. An act to amend the act approved February 15, 1929, entitled "An act to permit certain warrant officers to count all active service rendered under temporary appointments as warrant or commissioned officers in the Regular Navy, or as warrant or commissioned officers in the United States Naval Reserve force, for the purpose of promotion to chief warrant rank;

S. 2076. An act for the relief of Domenico Politano;

S. 2119. An act for the relief of Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard, and/or the widows of such of them as may be deceased;

S. 2168. An act for the relief of the Bell Telephone Co. of Pennsylvania;

S. 2230. An act to authorize the Secretary of the Navy to acquire a suitable site at Pearl Harbor, Territory of Hawaii, for a rear range light;

S. 2259. An act to amend sections 966 and 971 of chapter 22 of the act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, and for other purposes;

S. 2326. An act to authorize the Secretary of War to sell to the Eagle Pass & Piedras Negras Bridge Co. a portion of the Eagle Pass Military Reservation, Tex., and for other purposes;

S. 2361. An act to fix the compensation of registers of district land offices;

S. 2364. An act relative to the retirement of certain officers and employees;

S. 2373. An act for the relief of Harry Jarrette;

S. 2374. An act for the relief of Elliott H. Tasso and Emma Tasso;

S. 2378. An act authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dr. Malcolm Storer, of Boston, Mass.;

S. 2393. An act for the relief of the widow of Ray Sutton;

S. 2426. An act to provide for the creation of a memorial park at Tampa, in the State of Florida, to be known as "The Spanish War Memorial Park", and for other purposes;

S. 2462. An act to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county of Kootenai, Idaho;

S. 2512. An act to acquire registration of persons engaged in influencing legislation or Government contracts and activities;

S. 2520. An act for the relief of T. D. Randall & Co.;

S. 2584. An act to amend the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, by including therein the name of Gustaf E. Lambert;

S. 2589. An act to authorize the award of a decoration for distinguished conduct to Lewis Hazard;

S. 2591. An act for the relief of Lyman C. Drake;

S. 2608. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933;

S. 2621. An act to provide funds for cooperation with the public-school board at Devils Lake, N. Dak., in the construction, extension, and betterment of the high-school building at Devils Lake, N. Dak., to be available to Indian children;

S. 2635. An act authorizing the appropriation of funds for the payment of the award in claim of Sudden & Christenson, Inc., and others;

S. 2638. An act to amend the law governing the leasing of unallotted Indian lands for mining purposes;

S. 2642. An act to incorporate the American National Theater and Academy;

S. 2656. An act to authorize the Secretary of the Interior to grant concessions on reservoir sites and other lands in connection with Indian irrigation projects and to lease the lands in such reserves for agricultural, grazing, or other purposes;

S. 2738. An act to authorize the use of park property in the District of Columbia and its environs by the Boy Scouts of America at their national jamboree;

S. 2899. An act to provide for increasing the limit of cost for the construction and equipment of an annex to the Library of Congress;

S. J. Res. 130. Joint resolution making immediately available the appropriation for the fiscal year 1936 for the construction, repair, and maintenance of Indian-reservation roads; and

S. J. Res. 131. Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes.

ORDER OF BUSINESS

Mr. TAYLOR of Colorado. Mr. Speaker, during the past 20 years the House has never been in session on Decoration Day except on three occasions, and I feel sure the House does not want to be in session tomorrow. I therefore desire to submit a unanimous-consent request.

I ask unanimous consent, Mr. Speaker, that when the House adjourns today it adjourn to meet on Friday, and when the House adjourns on Friday it adjourn to meet on Monday.

In other words, I am renewing the request I made yesterday, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. I understood yesterday that when we adjourned we adjourned to look for that rubber stamp that the Supreme Court took away from us.

The SPEAKER. That is not a parliamentary inquiry. If the gentleman has a parliamentary inquiry he may state it.

Mr. HOFFMAN. I did.

The SPEAKER. That is not a parliamentary inquiry.

Is there objection to the request of the gentleman from Colorado?

There was no objection.

MEMORIAL DAY

Mr. LLOYD. Mr. Speaker, since the House will not be in session tomorrow, Memorial Day, and since I feel that some commemoration thereof should be had, I ask unanimous consent that I be permitted to proceed; and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. LLOYD. Mr. Speaker, on tomorrow morning a nation will pay its tribute to the silent cities of the dead. Embraced within their confines rest the honored souls of all the ages past. The good, the wise, the just, and all the hosts whose footsteps have echoed down the corridors of time are resting there, untroubled by the petty woes and griefs that mark this vale of tears. Trail blazers and singers of the songs of life; poets and scholars; philosophers and statesmen; the fair, the gnarled by life, the old, the young, the bad, the good—all have laid themselves down to cast aside their cares or rest their crowns. Their numbered days are done and they have passed into infinity, to become brothers to the countless worlds and myriad suns where neither care nor sorrow dwell, where move the atom and the universe alike, the care of Him who peoples all abodes of time.

And some have left this vale called life, with none to mourn, and some with little reckoning, and some have washed

away the grime of life's mistakes with tears of gratitude drawn from a sorrowed, saddened world. But all are equal now. And some have lived, as men believe, in careless fashion, and some have moved with honor's garlands entwined upon their brows; but each has filled his place in life according to the plan the Master only knew, and all sleep side by side, and the greensward of eternal promise throws its mantle of oblivion over all. And who shall say that one was great, or yet another small, or one was gifted more than another one, or one was good or one was bad, unless he know the plan that rules the atom in its invisible orbit with the same fidelity it measures the course of the flaming, thundering sun that lights the firmament for the eyes of man to see? Who shall measure time or space or God by human rule, and who shall set a standard of human make to compass God's design? All men are mortal, and in God's good time each shall play his part and fade away; yet each shall be a stone, no matter of what size or shape or marred by imperfections, as men see, and each shall be a unit in the infinite temple builded by Him.

And so we pay them reverence not for the good they did nor for the beauty of their lives, nor for the acclaim men lavished on them here; for all the good and beauty, wealth, honor, and acclaim of men, are but the symbols by which each man in pride attempts to measure his own vanity. We do acclaim them now, because each one—the proud and great, the meek and lowly, all—have served the Master's hand, and each, in turn, passed on to seek the great adventure in the land called "Death", beyond whose border lies a mystery mortal man can never know.

But since we have no standard but of man to measure men, we dedicate a day to commemorate our honored dead. For those who gave their all for country's weal we come with garlands and with flags, offering in humble simplicity our small tribute to attest their greater service.

They once lived here as we. With hope and life, they struggled and they lost or won in search of happiness—the common goal of men. But all their hopes and their ambitions they laid aside when country called. For the flag they lived and suffered and some under its streaming banners died and mantled in its folds were laid away to rest. They sleep in endless silence now; but the same flag that promised them honor then holds forth the same promise to generations yet unborn.

We bring them garlands, sweet with spring's perfume and all bedewed with loving tear; but unless we bring them fulfillment of the promise of the flag they loved and served those flowers will wither and fade in solemn mockery of an unkept troth.

That flag beneath whose folds they lay promised peace and human happiness; it promised equal opportunity for all; it promised freedom for men's souls and brains; it promised freedom from the fear of poverty and want; it promised banishment of lust and greed for gold and power and rank; it promised service to the rich and poor, the high and low alike, and its covenants written in blood were made with all mankind.

Perhaps these dead await the keeping of the faith. Perhaps upon some far-off shore, beyond the cold and silvery winter noon's faint glow, beyond where the noonday sun's most far-flung ray can reach, beyond the point where human thought can pierce, they wait, and, knowing, wait, and know they died in vain.

We are the keepers of that proud flag's honor; we are the guardians of its faith. These dead are calling now that we perform the trust. No matter if the road is rough and disappointments mark the way, those hardships we expect as pioneers who blaze new trails and chart strange seas. Let doubters' lips be hushed, for history tells a tale that must bring hope to every living man. The world has moved on flying wings along the way of progress for humankind since galley slaves were chained to oars and bared their bleeding backs to a master's lash.

Our goal is the pole star of truth. Its ever present, frosty gleam beckons us on across the dread waste of unexplored worlds of human experience. At the end is justice and equal opportunity for all.

EXTENSION OF REMARKS

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address——

Mr. SNELL. Mr. Speaker, I thought it was understood we were not to transact any business today.

The SPEAKER. The Chair is simply going to recognize Members to ask unanimous consent to extend their remarks and not to present any business.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by Gen. William Mitchell in Boston on May 25.

Mr. SNELL. I object, Mr. Speaker.

SHALL THE PEOPLE RULE?

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, every reactionary in the United States, as well as some who are not reactionaries but who have a confused view of facts, welcomed gleefully the decision of the Supreme Court declaring the N. R. A. and the Frazier-Lemke farm mortgage moratorium law unconstitutional.

Every clear-visioned advocate of social justice regarded the decision as a blow at progress, regardless of how much or how little good the N. R. A. has accomplished.

Had Thomas Jefferson been alive when these decisions were handed down he might well have said, "I told you so!" and reminded the American people of his assertions that no government should have a perpetual law or a perpetual constitution; that constitutions ought to be changed at least every 35 years; and that courts are apt to arrogate to themselves powers that do not rightfully belong to them. Jefferson would probably also have declared with vigor that the founding fathers never intended to have the Supreme Court usurp legislative powers and veto laws when it wants to. He would undoubtedly have stated that the national lawmaking body ought to be its own judge of whether the statutes it enacts are constitutional or not.

If the Supreme Court is to determine the constitutionality of laws at all—which some of our ablest thinkers insist was not dreamed of at the time of the adoption of the Constitution—it ought, at least, to have sufficient breadth of mind and reasonableness to interpret in the light of modern conditions a document drafted when monopolies, labor unions, railroads, telephones, telegraphs, automobiles, airplanes, radio, and a thousand other things of the twentieth century did not exist. The least educated farmer or factory employee or section hand in my congressional district has sense enough to know that regulations prepared in an age of oxcarts and mules are not likely to be altogether appropriate in an era of trains and flivvers and blimps. May we expect equal intelligence on the part of the Supreme Court? Evidently not.

There has been criticism from reactionary sources of our brilliant Under Secretary of Agriculture, Dr. Rexford Guy Tugwell, because he once mentioned that people have sometimes overdone matters by idolizing the Constitution. To me it seemed that this was one of his most excellent remarks. Certainly no document written by human hands is so perfect—not even the remarkably able American Constitution. The fact that it has been amended a score of times speaks for itself. The fact that so soon after its adoption the Bill of Rights, consisting of the first 10 amendments, was added is also significant. Let us not forget that Thomas Jefferson was greatly dissatisfied with the Constitution in the form in which it was first accepted, and considered the Bill of Rights fully as important as the main document.

Smith, in The Spirit of American Government, quotes these words of Woodrow Wilson, who was unquestionably an authority on history:

The document (the Constitution) had been originated and organized upon the initiative and primarily in the interest of the mercantile and wealthy classes. Originally conceived as an effort

to accommodate commercial disputes between the States, it had been urged to adoption by a minority under the concerted leadership of able men representing a ruling class.

When the Constitution was adopted, it is noteworthy that only six States adopted it without any qualifications, while the remaining seven States in approving it recommended amendments ranging from 4 proposed by South Carolina to 32 favored by New York. Only a very small minority of the citizens could vote in those days, so the Constitution was adopted by a minority vote. Wilson, in his History of the American People, says (vol. III, pp. 120, 121):

> There were probably not more than 120,000 men who had the right to vote out of all the 4,000,000 inhabitants enumerated in the First Census (1790).

Just think of the absurdity of expecting the United States of 1935, with 120,000,000 people, to be governed down to the slightest detail by a basic law drafted by a voting fraction of 120,000 people!

Considering the corporation-lawyer careers of some of the Supreme Court's members, nothing else could be expected than hostility to social justice legislation. Most of us did, however, look for a more enlightened stand on the part of the supposedly liberal jurists on the high bench. It may be fortunate that we have been disappointed in them, for it may whip us on to terminate this indefensible exercise by the Supreme Court of veto power. Tyranny, if given rope enough, will usually hang itself. The Supreme Court is no exception to this rule, even though its intentions are laudable and its members honestly and mistakenly believe they are engaged in a sacred task of preserving the Constitution.

I repeat, I am not defending the N. R. A. itself. The accusation that it has often helped big business and injured little business and that it has often made the economic struggle more severe for the farmer and worker, instead of less, is true. It is also true that it has more than once made ruthless and unscrupulous employers wince when it forced them to pay higher wages and reduce hours of labor. But it is not a question of whether the N. R. A. is 100 percent good or 100 percent bad or 50-50 or some other proportion of good and bad. Neither is it a question of whether too much power has been lodged with the President.

It is a question of exactly this: Shall Congress be permitted to enact legislation to protect the destitute, the aged, and all others who are victims of capitalistic cruelty? Shall an academic body, unreachable by the people, appointed for life, and largely schooled in an atmosphere of wealth and exclusiveness, succeed in throttling such legislation practically every time it is passed?

To this question the great mass of industrious citizens of the Republic will answer with a thundering "No!"

Neither property rights nor antique documents should ever obstruct human rights. The rights of the whole people precede the rights of any corporation complaining about regulation and any mortgage holder who wants to evict a helpless and broke farmer. The rights of the whole people also take priority over any constitution ever penned in any age or any country, even our own.

If new social justice legislation can be enacted that will not be declared unconstitutional, well and good. But the chances are that it will also be so characterized by the present Supreme Court—and must people starve while we are waiting for a change in the Court's personnel?

Perhaps temporary statutes may be drawn up that will get by this tribunal with its openly reactionary attitude.

But in the long run two permanent methods of relief seem to me the only ones:

First. Amend the Constitution sufficiently so that the Government can take any steps it finds necessary to assure every able-bodied, full-grown citizen engaged in useful labor of the comforts of life, as well as to assure the same to the disabled, sick, aged, and minors.

Second. Amend the Constitution so that henceforth the Supreme Court will never again have the power to block humanitarian enactments by branding them unconstitutional.

EXTENSION OF REMARKS

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein certain excerpts not from General Mitchell.

Mr. SNELL. Mr. Speaker, I object to any excerpts, but not to the gentleman's own remarks.

The SPEAKER. Objection is heard.

SUPREME COURT DECISIONS

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a statement that appeared in yesterday's Washington Post on the question of the Supreme Court having the right to nullify acts of Congress.

Mr. SNELL. Mr. Speaker, I object to the inclusion of any extraneous matter.

Mr. MONAGHAN. Then, Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MONAGHAN. Mr. Speaker, the decision of the Supreme Court Monday which was simultaneous with my delivery of the speech criticizing Congress' laissez faire policy in permitting the Supreme Court to exercise this power of voiding acts of Congress should convince Congress all the more of the need of congressional action looking to the curbing of this extreme power.

In two very splendid articles by Raymond Clapper, appearing in the Washington Post on Tuesday, May 28, and Wednesday, May 29, under the caption "Between You and Me", Mr. Clapper points out the very thing which I have pointed out to the Congress before, namely, that such a power, if it exists, should be more in the nature of an advisory power such as that enjoyed by the attorney generals of the various States and the Attorney General of the United States, and that it should be exercised only in that manner. This is fully in line with the statement of Andrew Jackson that we should give only such weight and force as their judgment should command.

Consider the turmoil into which a nation is plunged when it must await upon the judgment of nine men, and when no finality is given to an act of Congress signed by the President of the United States. Destroy that power by legislative act and you will do more to promote human justice in industrial relationships than any single act that could be performed by the Congress. Let this power continue, if you will, only insofar as it may be responsive to the Congress, the duly elected representatives of the people.

Between the time when the law first takes effect and the time when the Supreme Court declares its decision is a period of doubt and uncertainty which shrouds business activity. In the case of the N. R. A., its activities had penetrated into the very vitals of American economic life. If this power is permitted to remain in the hands of the Supreme Court—which I hope and trust the Congress does not further allow—then two things at least should be done: The decision should be made by a more substantial number of the Court, preferably all, and action should be immediate as in the case of the President's vetoing an act of the Congress. All this leads us back to the suggestion made in my first speech to the Congress on this subject, May 8, wherein I stated that the Supreme Court should be invited in by committees to give advisory opinions, as is done in Massachusetts.

The Court in the Schechter case went further, it appears, than in any of its previous decisions in curtailing the application to business activity of the interstate-commerce clause. In so doing it rendered doubtful a great deal of legislation that might come constitutionally within the scope of that clause, even under previous decisions.

Today we are past the day of the oxcart and stagecoach. Means of communication are rapid—radio, telephone, telegraph, wireless, airplanes, fast-moving automobiles, and trains have so linked up our Nation, and it is so interconnected and interrelated that the needs of the time demand

broad rather than narrow legislation in connection with the interstate commerce clause in keeping with the progress of science and our age. The power of the Supreme Court, therefore, it can readily be seen, destroys legislation in keeping with that rapid development.

Speaking in the dicta of former days, the thought of former days, and the reasoning of former days, the Congress of the United States is by sheer expediency, even if you would not concede by any other motive, compelled in a measure to think in terms of modern ideas, advanced principles of invention and science, and interlocked necessities of a great and widely scattered, although collective, peoples. "Forward!" is the cry of America; "forward!" is the cry of the New Deal, forward is what the American people want; and forward they will get to a larger extent when the Congress of the United States exercises its power under the Constitution to curb the Supreme Court's power to void its acts.

AMERICAN PEACE AND NEUTRALITY

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an excellent radio speech on the subject of neutrality, all written by myself. [Laughter.]

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Speaker, we have so many serious problems that talk seems futile, but I think the problem of war is serious enough to consider at any and all times. I have recently made speeches on the subject of neutrality by this country in case of war and have made practically the same speech over Station WMCA in New York on May 27, and on the same night before an audience of four or five thousand at Carnegie Hall in New York City; also over the Columbia Broadcasting System, Sunday, June 2, and people tell me that if my potential audience listened, that altogether some one or two million people have heard it.

And today I again deliver substantially that same talk and at least it will be a matter of record, and time will tell whether or not my statement is worth anything.

We who know war do not want it again, either for ourselves or for our children. No one wants war for their own children, so our hope in life should be not to have war at all for anyone or any nation. And it is a tremendous responsibility for the Congress of the United States.

Mr. Speaker, as the records of this House will show, I have introduced a resolution or bill on the subject of peace and neutrality in event of war; so have my friends Senators NYE and CLARK, Congressman KLOEB, and others. Mine is House Joint Resolution 259, and a full copy is included in the CONGRESSIONAL RECORD of April 24, 1935.

If this resolution is enacted, it becomes a fundamental principle of our relations with foreign nations that is intended to guide us in the future like any other law. Senators NYE and CLARK are on the Munitions Committee, you know, and in my opinion are doing the greatest work of many sessions of Congress, because they are getting information never gotten before out of the archives of the World War, and are bringing to light hundreds and hundreds of facts that the people ought to know. If the people of the United States knew then what they know now, or if they will take the trouble to learn that all wars have no real basis except selfishness and hate, then possibly we can stay out of another. If anyone wants to study the legalistic phases as well as emotional phases of our entry into the World War, I refer them to the CONGRESSIONAL RECORD of 1916 and 1917. All of this is worthy of our study so we will not repeat the same mistakes.

Mr. Speaker, I shall, therefore, with your permission, describe to you the resolution which I have introduced, and which, though differently worded from the Senators', has for its purpose the staying out of war.

The caption says that it is:

To define a national policy of peace and neutrality, to prohibit certain transactions with belligerent nations, to protect American sovereignty—

and then, with a lot of whereases, it is brought out that—

the United States should maintain its neutrality in the event of armed conflict between foreign nations. And that the United States should, prior to any such armed confict—

That is, now—

define by law its policies in such event.

Let us discuss the history of the World War, at least in its psychological phases.

You all remember that hateful summer of 1914. I was a soldier, many of you were, also; and a very few of you were then Members of Congress. Europe had then for some years been in tension. There were all kinds of things that they called "incidents", and these incidents were the things that set off the powder kegs of Europe. Somebody killed an archduke; then, suddenly were heard the marching feet of men across Europe and the rumbling of wheels going on to the war fronts. You remember it; all that terrible tragedy of men going off and waving back, with smiles on their faces, and women kissing them on the streets; and the horror of it is now much worse than it was then, because many of us saw those same men killed on the battlefields. We should realize the falseness of the feelings we had at that time. We are 18 years older now; let us look at our emotions in calm retrospect. Let us coldly analyze ourselves and the war times.

Let us specifically consider the World War. There is no use in being sentimental about this thing, for death marches on. What happened first? About the first thing that happened was that the British got control of all the cables coming into the United States. Right from the first there was a feeling against Germany, and there were people taking sides instead of being neutral. With dozens of the best British novelists serving as war correspondents, giving free hand-outs to the American correspondents, the news that came to America was colored in favor of the Allies. Then, you remember, the Germans sank the *Lusitania*, and the bloody spiral of war whirled faster and faster.

But what were we doing in America at the same time? It is easy enough for the American people to lay it on Wall Street, but what about the people themselves? We got in the war of our own accord just as much as the Wall Street bankers got us into it, and we do not gain anything by merely saying the Wall Streeters did it, anymore than the Wall Streeters gain anything when they accuse somebody of being a Communist for using their own brains. Do not blame it on the Wall Street bankers, but go back into our own souls and our own practices at that time.

And, of course, the game of killing went on. And what were we doing all through that? Our financiers made loans to the Allies, and for the reason that Germany was blockaded and we could not sell merchandise to them. Credit was advanced lavishly, and American goods were also sold by the billions of dollars at excessive profits. German propaganda was clumsy and ineffective; the British propaganda, which was in our own language, kept getting better and better. The British blockade became perfect. So the mad dance went on. Let us remember that the loans to the Europeans were made by bankers; the Europeans never got money, but only credit for merchandise that they purchased at profits from 300 to 600 percent; the industrialists over here got their profit in cash, with which they bought more stocks and bonds, and more and more they concentrated the wealth of this Nation in a few hands. All of which is being paid for today by the ordinary people of the United States. But nothing was improved by the World War; if anything, seeds for more war were sown.

Now, why did we finally enter the World War? It was because we had not maintained neutrality from the first. How are we going to stay out of a war if one starts? The answer is: By maintaining neutrality from the very beginning and by not meddling in affairs that do not concern us. In the last war, we killed ourselves with moral pretense and made money off munitions with which the Europeans killed each other. I propose that in the next war that we drop moral pretense and likewise eliminate moneymaking from

the killing of men, whether Americans or just our fellow human beings.

Here is the policy as expressed in the resolution:

It is hereby declared to be the policy of the United States that the United States maintain peace and good will to all nations.

Of course, the pacifists will say that this will not stop a war and, of course, I promptly agree that it will not. However, our intentions shall be known to all the world and the other provisions of the law may possibly effectuate the policies of peace.

Again, to quote the law exactly. It says:

That the military and naval forces of the United States shall not be used in aid of or against any foreign nation, except to protect the United States and places subject to its territorial jurisdiction.

Get that. We only use troops at home; we do not send our boys off to get killed.

And then it says:

That no part of the military or naval forces of the United States shall be transported to or used upon the soil of any foreign nation for the purpose of engaging on behalf of or against any foreign nation in armed conflict.

This makes it plain.

Now, it seems to me that every honest American, militarist or pacifist, or whatever he is, ought to agree on neutrality. Personally, I am for national defense, and I should think that every person believing in national defense, if he really believes in defense only, should be willing to keep the soldiers at home.

Now comes a very important section, which is the fourth, and deals with the prohibition on contracts and loans. It says that the United States shall not enter into any contract with any belligerent foreign nation to furnish munitions of war, or articles declared to be contraband. Second, to make any loans or extend any credit to any belligerent foreign nations, although this section shall not apply to loans already made; which means that it will not constitute a cancelation of any existing indebtedness. And then, in section 5, it says that no court shall have jurisdiction of any such claim.

Section 6 refers to the limitations on exports and shipping. It says:

There shall not be exported from the United States or any place subject to the jurisdiction thereof, directly or indirectly, to any belligerent foreign nation or national thereof any munitions of war or any article declared to be contraband of war by such belligerent foreign nation or by any foreign nation with which such belligerent foreign nation is engaged in armed conflict.

It also provides that no military vessel or military aircraft shall navigate the waters or air space of the United States; that foreign ships shall not be permitted to fly our flag; that no vessel of American registry shall be chartered for the purposes of any foreign nation, and so on. So, after having made it so that warring nations cannot get any money, we put the kibosh on the shipping. If we had done that in the World War, and if we had not shipped anything or sold anything to the Allies, maybe we would not have gone to war.

The resolution also provides that Americans lose American protection if they enlist in foreign armies. Recruiting for foreign armies is also forbidden in another section. The reason I think this is a good provision is that a lot of boys joined various foreign armies, then came back and stirred up war hysteria. If a man wants to fight, let him fight for his own country, and at home.

Then section 8 prevents American citizens from getting passports, except under rules and regulations as the President shall prescribe. News reporters and others, whose private affairs make it necessary, can probably get passports, but it is presumed that they do so upon their own responsibility.

The last section deals with the severe penalties meted out to all who violate the law.

Again, and, of course, many people will say this will not stop a war. But the provisions certainly directly meet the situation of our recent history in the World War. I think it quite obvious, as I've said before, that if we keep out of situations that lead to war, we may stay out altogether. The war fever might not ever rise. If the contending countries know that they have no chance to get us into the war, or if they think they cannot get any help from the United States of America, they may not only abandon any effort to draw us into war, but even withhold from making war themselves.

My idea is that before there is any situation similar to the World War—before any hysteria begins to be engendered—we get the law passed at this time, and then, perhaps it will hold down war passions and hatred long enough to avert a war.

I believe that this is one of the most important subjects in the world today. I think it extremely important that the American people should develop a pacific type of mind, that is to say, a deep heart-felt desire for peace. We all believe in national defense and we should, of course, defend ourselves. It is probably true that a nation that will not defend itself will be blotted out, but talk of war sometimes leads to war.

Mr. Speaker, I have an idea that is not shared by a great many people, concerning the situation in Europe. I am frank to say that I think there is no danger of war in Europe, and I base this on the fact that all Europe is war weary; that they have already fought themselves to death; that they are sick and tired of it, and that there is not a single European that wants any war, except possibly a few munitions manufacturers.

The psychological state of Europe is of course extremely dangerous, but I am of the belief their war consciousness is based on the fact that they are afraid someone will attack them. I have no idea that Germany intends to attack France, or vice versa; or that Russia, with the largest and most efficient army in the world, desires one inch more of territory than she now owns.

We can remember when the King of Jugoslavia visited France, that he was murdered. In the days of 1914 the spark of war was ignited by the killing of an archduke, but the war-weary people of Europe did not go to war on the killing of a king, this 20 years after; and his tragic death was only viewed as unnecessary, and not the occasion for a war.

I believe that every country on the face of the earth is spending too much on preparation for war; that this money could be better expended upon building up our various nations, and for the propagation of peace. We in this country are spending far too much on the Navy, building worthless battleships. For the price of one of these battleships, as obsolete as a Chinese junk, a thousand planes could be built, but better yet for the same price, 50,000 small farm homes could be built. My hope is, and I think it a safe conclusion, that the peoples of the world will some day realize the waste of great military and naval armaments, as they now realize the horror and futility of actual war, and will stop spending this money and come to their senses. My dream is that the nations of the world will some day, by international cooperation, stop this hideous business of war.

Therefore, we as a nation should establish ourselves as a peaceful people, utterly unwilling to engage in offensive world warfare, and, as I said early in my speech, this will undoubtedly have a good effect upon the world situation. By an absolute policy of neutrality and impartiality, by abandoning the high note of hypocrisy and faking that we assumed concerning the World War, we can first establish ourselves as a country with honorable intentions and then some day we may develop ourselves toward international cooperation for peace.

ASSESSMENT WORK ON MINING CLAIMS

Mr. LEWIS of Colorado submitted the following privileged report (Rept. No. 1038) from the Committee on Rules for printing in the RECORD:

House Resolution 231

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for

consideration of H. R. 1986, a bill to provide for the suspension of annual assessment work on mining claims held by location in the United States and Alaska. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Mines and Mining, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

WATER USERS ON IRRIGATION PROJECTS

Mr. LEWIS of Colorado submitted the following privileged report (Rept. No. 1039) from the Committee on Rules for printing in the RECORD:

House Resolution 232

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 1305, an act to further extend relief to water users on United States reclamation projects and on Indian irrigation projects. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Irrigation and Reclamation, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendments the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

EXTENSION OF REMARKS

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a joint statement issued by four Members of the House this morning, to wit, Hon. GEORGE J. SCHNEIDER, of Wisconsin; Hon. ERNEST LUNDEEN, of Minnesota; Hon. THOMAS R. AMLIE, of Wisconsin; and myself, of New York.

Mr. DUFFEY of Ohio. I object, Mr. Speaker.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, as I understand the situation, it is understood there is no business to come before the House on Friday?

The SPEAKER. Of course, that is a matter for the House to determine, but that is the understanding of the Chair.

Mr. TAYLOR of Colorado. My understanding is, Mr. Speaker, there will be no business transacted this week.

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and an enrolled joint resolution of the Senate of the following titles:

S. 1023. An act to provide for the payment of a military instructor for the high-school cadets of Washington, D. C.; and

S. J. Res. 88. Joint resolution to abolish the Puerto Rican Hurricane Relief Commission and transfer its functions to the Secretary of the Interior.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 14 minutes p. m.) the House adjourned to meet, in accordance with its previous order, on Friday, May 31, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. STACK: Committee on Public Buildings and Grounds. H. R. 5920. A bill to authorize the conveyance of certain Government land to the borough of Stroudsburg, Monroe County, Pa., for street purposes and as a part of the approach to the Stroudsburg viaduct on State Highway Route No. 498; with amendment (Rept. No. 1037). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEWIS of Colorado: Committee on Rules. House Resolution 231. A resolution for the consideration of H. R. 1986; without amendment (Rept. No. 1038). Referred to the House Calendar.

Mr. LEWIS of Colorado: Committee on Rules. House Resolution 232. A resolution for the consideration of S. 1305; without amendment (Rept. No. 1039). Referred to the House Calendar.

Mr. TOLAN: Committee on Public Buildings and Grounds. H. R. 6645. A bill to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926; with amendment (Rept. No. 1040). Referred to the Committee of the Whole House on the state of the Union.

Mr. WEST: Committee on Flood Control. S. 1470. An act to provide a preliminary examination of Spokane River and its tributaries in the State of Idaho, with a view to the control of their floods; without amendment (Rept. No. 1041). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 6988. A bill authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 21 meets Texas Highway No. 45; without amendment (Rept. No. 1042). Referred to the House Calendar.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 7044. A bill authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 6 in Sabine Parish, La., meets Texas Highway No. 21 in Sabine County, Tex.; without amendment (Rept. No. 1043). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H. R. 7346. A bill authorizing the Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point between Easton, Pa., and Phillipsburg, N. J.; without amendment (Rept. No. 1044). Referred to the House Calendar.

Mr. COLE of Maryland: Committee on Interstate and Foreign Commerce. H. R. 7395. A bill authorizing M. R. Carpenter, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Potomac River between Old Town, Md., and Green Spring, W. Va.; without amendment (Rept. No. 1045). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H. R. 7591. A bill granting the consent of Congress to the cities of Donora and Monessen, Pa., municipal corporations, to construct, maintain, and operate a bridge across the Monongahela River between the two cities; without amendment (Rept. No. 1046). Referred to the House Calendar.

Mr. CROSSER of Ohio: Committee on Interstate and Foreign Commerce. H. R. 7807. A bill authorizing the Brookewell Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Wellsburg, W. Va.; without amendment (Rept. No. 1047). Referred to the House Calendar.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. H. R. 7575. A bill to legalize a bridge across Black River on United States Highway No. 60 in the town of Poplar Bluff, Butler County, Mo.; without amendment (Rept. No. 1048). Referred to the House Calendar.

Mr. CROSSER of Ohio: Committee on Interstate and Foreign Commerce. H. R. 7592. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River at Sistersville, W. Va.; without amendment (Rept. No. 1049). Referred to the House Calendar.

Mr. O'BRIEN: Committee on Interstate and Foreign Commerce. H. R. 7620. A bill to extend the times for commencing and completing the construction of a bridge across

the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.; without amendment (Rept. No. 1050). Referred to the House Calendar.

Mr. KELLY: Committee on Interstate and Foreign Commerce. H. R. 7780. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near New Boston, Ill.; without amendment (Rept. No. 1051). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. H. R. 7809. A bill to extend the times for commencing and completing the construction of certain bridges across the Red River, between Moorhead, Minn., and Fargo, N. Dak.; without amendment (Rept. No. 1052). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. S. 1988. An act to extend the time for the construction of a bridge across the Missouri River at or near Rulo, Nebr.; without amendment (Rept. No. 1053). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MAY: Committee on Military Affairs. H. R. 839. A bill for the relief of Frederick Leininger; without amendment (Rept. No. 1036). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND: A bill (H. R. 8266) to amend section 981 of title 4 and section 843 of title 6 of the Canal Zone Code; to the Committee on Merchant Marine and Fisheries.

Also, a bill (H. R. 8267) to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Mr. DALY: A bill (H. R. 8268) to provide for the establishment of the Carpenters' Hall National Monument; to the Committee on the Public Lands.

By Mr. KELLER: A bill (H. R. 8269) to provide for increasing the limit of cost for the construction and equipment of an annex to the Library of Congress; to the Committee on the Library.

By Mr. KING: A bill (H. R. 8270) to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for other purposes; to the Committee on the Territories.

By Mr. LUCKEY: A bill (H. R. 8271) to amend the act entitled "An act to insure adequate supplies of timber and other forest products for the people of the United States, to promote the full use for timber growing and other purposes of forest lands in the United States, including farm wood lots and those abandoned areas not suitable for agricultural production, and to secure the correlation and the most economical conduct of forest research in the Department of Agriculture, through research in reforestation, timber growing, protection, utilization, forest economics, and related subjects, and for other purposes", approved May 22, 1928; to the Committee on Agriculture.

By Mr. EKWALL: A bill (H. R. 8272) to provide for the use of the U. S. S. *Oregon* as a memorial to the men and women who served the United States in the War with Spain; to the Committee on Naval Affairs.

By Mr. LEWIS of Colorado: Resolution (H. Res. 231) for the consideration of H. R. 1986; to the Committee on Rules.

Also, resolution (H. Res. 232) for the consideration of S. 1305; to the Committee on Rules.

By Mr. KEE: Resolution (H. Res. 233) directing the special House committee, appointed under House Resolution 203, to investigate the National Old Age Pension Forum, J. E. Pope, Dr. J. E. Pope, and others; to the Committee on Rules.

By Mr. FISH: Joint resolution (H. J. Res. 303) to pay the adjusted-service certificates as a relief measure; to the Committee on Appropriations.

By Mr. BLAND: Concurrent resolution (H. Con. Res. 23) directing the Federal Trade Commission to investigate and report to the Senate and to the House of Representatives the cause or causes for the high prices of bunker fuel oil to the American-flag vessels and the manner in which such prices are made; to the Committee on Interstate and Foreign Commerce.

By Mr. LAMBETH: Concurrent resolution (H. Con. Res. 24) relative to disposition of certain publications; to the Committee on Printing.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the State of Nebraska, memorializing to make a complete investigation of the sugar-beet industry; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GRAY of Indiana: A bill (H. R. 8273) granting a pension to Minnie E. Brooks; to the Committee on Invalid Pensions.

By Mr. GRISWOLD: A bill (H. R. 8274) for the relief of Bertha M. Harris; to the Committee on Claims.

By Mr. LARRABEE: A bill (H. R. 8275) granting an increase of pension to Charles Bess; to the Committee on Pensions.

Also, a bill (H. R. 8276) granting a pension to Nellie M. Taylor; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 8277) granting an increase of pension to Mary E. Pierce; to the Committee on Invalid Pensions.

By Mr. MOTT: A bill (H. R. 8278) for the relief of Earl Elmer Gallatin; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8650. By Mr. DORSEY: Petition of employees of the John Blood & Co., Inc., Philadelphia, Pa., registering their opposition to the Wagner labor-disputes bill; to the Committee on Labor.

8651. By Mr. KEE: Petition of L. D. Feuchtenberger and other citizens of Bluefield, W. Va., urging the Congress of the United States of America to eliminate the taxation of by the Federal Government; to the Committee on Ways and Means.

8652. By Mr. McLAUGHLIN: Petition memorializing the Congress of the United States to make a complete investigation of the sugar-beet industry; to the Committee on Agriculture.

8653. By Mr. PFEIFER: Petition of the Central Trades and Labor Council of Greater New York and vicinity, concerning the Wagner labor-disputes bill and extension of the National Recovery Act; to the Committee on Labor.

8654. By Mr. TRUAX: Petition of the Council of the City of Cleveland, Ohio, by their clerk, F. W. Thomas, urging adoption of the Costigan-Wagner antilynching law, as many citizens of the United States in various parts of the country have been lynched during the last few years, which shows an increase over previous years, causing public expression of condemnation by the people throughout the country; to the Committee on the Judiciary.

8655. Also, petition of Middlebury Council, No. 364, Jr. O. U. A. M., by their recording secretary, C. W. McDevitt, Akron, Ohio, urging support of House bills 5921, 6367, 7079, and 7223; to the Committee on Immigration and Naturalization.

8656. Also, petition of Western Council of the Dress Manufacturing Industry, representing approximately 500 manufacturing plants and employing tens of thousands of workers throughout the United States, by their chairman, Sam L. Haas, Cleveland, Ohio, urging continuance of the National Industrial Recovery Act for a sufficient period to give business certainty, and that said continuance be in such form that effective and speedy compliance may be had with codes adopted thereunder; to the Committee on Labor.

8657. Also, petition of the Ohio State Federation of Labor, Columbus, Ohio, by their secretary, Thomas J. Donnelly, urging support of the Wagner labor-disputes bill; to the Committee on Labor.

8658. Also, petition of Branch No. 100, National Association of Letter Carriers, Toledo, Ohio, by their secretary, V. M. Hoeffel, urging support of House bill 7688, introduced by Congressman MEAD, providing for the appointment and promotion of substitute postal employees, and also urging support of House bill 6990, which provides for a 40-hour week for all postal employees; to the Committee on the Post Office and Post Roads.

8659. By the SPEAKER: Petition of the Graphic Arts Association, Houston-Galveston region, protesting against rescinding order 7028 of the Post Office Department; to the Committee on the Post Office and Post Roads.

SENATE

FRIDAY, MAY 31, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. MCKELLAR, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, May 29, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ASHURST. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Reynolds
Ashurst	Coolidge	King	Robinson
Austin	Copeland	La Follette	Russell
Bachman	Costigan	Logan	Schall
Bankhead	Couzens	Lonergan	Schwellenbach
Barbour	Dickinson	McAdoo	Sheppard
Barkley	Dieterich	McGill	Shipstead
Black	Donahey	McKellar	Smith
Bone	Duffy	McNary	Steiwer
Borah	Fletcher	Maloney	Thomas, Okla.
Brown	Frazier	Minton	Thomas, Utah
Bulkley	George	Murphy	Townsend
Bulow	Gerry	Neely	Trammell
Burke	Glass	Norbeck	Truman
Byrd	Gore	Norris	Tydings
Byrnes	Hale	Nye	Vandenberg
Capper	Harrison	O'Mahoney	Van Nuys
Caraway	Hastings	Overton	Wagner
Carey	Hatch	Pittman	Walsh
Chavez	Hayden	Pope	Wheeler
Clark	Johnson	Radcliffe	White

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Louisiana [Mr. LONG], the Senator from Nevada [Mr. MCCARRAN], the Senator from New Jersey [Mr. MOORE], the Senator from Montana [Mr. MURRAY], the Senator from Illinois [Mr. LEWIS], and the Senator from Mississippi [Mr. BILBO] are unavoidably absent from the Senate.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] and the Senator from Rhode Island [Mr. METCALF] are necessarily absent, and that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

TRIBUTE TO THE LATE SENATOR CUTTING

The VICE PRESIDENT laid before the Senate resolutions of Local Union No. 271, International Association of Machinists, of Birmingham, Ala., adopted as a tribute to the memory of the late Senator Bronson Cutting, of New Mexico, particularly in appreciation of his activities as a friend and champion of labor, which were ordered to lie on the table.

RIVERS AND HARBOR APPROPRIATIONS—NOTICE

Mr. COPELAND. Mr. President, may I ask Senators who are interested in the river and harbor bill to be good enough to have their amendments ready by the first of next week? The Committee on Commerce has been having hearings for 2 or 3 weeks and has been working to get the bill in shape to be reported to the Senate. Some Senators have suggested to me that they desire to recommend changes in the bill and have amendments to offer to it. We should like very much, if I may make the suggestion, to have such amendments before us by Monday next.

Mr. MCKELLAR. May we file them with the Senator who is the chairman of the committee or with the clerk of the committee? How will they get before the committee?

Mr. COPELAND. They may be filed with the clerk of the Committee on Commerce.

CLAIMS OF CALIFORNIA INDIANS—RECONSIDERATION OF BILL

Mr. KING. Mr. President, on Tuesday last the Senate passed the bill (S. 1793) to amend the act entitled "An act to authorize the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat. L. 6502).

I desire to enter a motion to reconsider the vote by which the bill was passed, and I move that the House of Representatives be requested to return the bill to the Senate.

The VICE PRESIDENT. The motion of the Senator from Utah to reconsider the bill will be entered, and, without objection, the motion requesting the House to return the bill will be agreed to.

PUERTO RICAN SUGAR PRODUCERS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, reporting, pursuant to Senate Resolution 105 (submitted by Mr. VANDENBERG, and agreed to on Apr. 9, 1935), in relation to Puerto Rican sugar activities and producers, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Interstate Commerce:

Joint resolution

Memorializing the Congress of the United States to eliminate the long- and short-haul clause from the fourth section of the Interstate Commerce Act

Whereas the long- and short-haul clause of the fourth section of the Interstate Commerce Act prohibits railroads from making a lesser charge for a longer than for a shorter distance over the same line in the same direction unless authorized to do so by the Interstate Commerce Commission; and

Whereas the higher rail rates from Wisconsin and other States in the Middle West to the Pacific coast than water rates from the Atlantic seaboard to the Pacific coast through the Panama Canal have resulted in Middle West manufacturers losing all or a substantial part of their markets on the Pacific coast to the advantage of their competitors located in the East; and

Whereas the elimination of the long- and short-haul clause from the fourth section of the Interstate Commerce Act would allow the railroads to establish reduced rates from the Middle West to the Pacific coast to meet this water competition without depressing below a reasonable level their rail rates to points inland from the Pacific coast where such water competition does not exist; and

Whereas such a readjustment of rail rates will enable Middle West manufacturers to regain a substantial part of their Pacific coast business, will result in increased employment in Middle West industries, will give added employment to labor in transporting such added rail traffic to the Pacific coast and will enable the railroads to earn some additional net revenue to the advantage of farmers and residents generally of the Middle West and West who must employ the railroads to transport their prod-

ucts to market and furnish them with long-haul transportation; and

Whereas reduced rail rates from the Middle West to the Pacific coast will not result in eliminating eastern manufacturers from the Pacific coast markets or the boat lines from carrying traffic through the Canal, but will simply afford Middle West manufacturers an opportunity to compete with eastern manufacturers for a fair share of the Pacific coast business on a properly related basis of freight rates; and

Whereas the Middle West contributed by taxes to the construction of the Panama Canal and contributes to its maintenance and support and should be permitted to have a basis of rail rates which will prevent the Panama Canal from working an unjust discrimination against Middle West industries and employment: Now, therefore, be it

Resolved by the senate (the assembly concurring), That the Legislature of Wisconsin respectfully memorializes the Congress of the United States to eliminate the long- and short-haul clause from the fourth section of the Interstate Commerce Act, so as to effectively permit railroads to establish rates to the Pacific coast from the Middle West, which will enable Middle West industries to meet the competition of eastern manufacturers using water transportation through the Panama Canal; be it further

Resolved, That properly attested copies of this resolution be sent to both houses of Legislatures of Iowa, Michigan, Minnesota, and Illinois, to both Houses of Congress, and to each Wisconsin Member thereof.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Military Affairs:

Joint resolution memorializing the President, the Cabinet, and the Congress of the United States to keep the United States out of foreign wars, controversies, and entanglements

Whereas in the face of disabled bodies, wrecked minds, economic chaos, and ruined credits, grim reminders of the World War, European nations are again glistening with arms in preparation for another apparently inevitable struggle; and

Whereas the United States and its people but 16 years ago poured forth wealth and lifeblood on foreign battlefields to save the allied nations from destruction; and

Whereas these same allied countries promptly forgot all moral and financial obligations to the United States for that timely rescue and have ungratefully and willfully defaulted on war debts totaling over $12,000,000,000, war debts which represent money actually taken from the United States Treasury and loaned to these countries; and

Whereas failure and refusal of the allied nations to repay this sum to our depleted Treasury has squarely shifted and placed this burden directly on the shoulders of the hard-pressed American taxpayer; and

Whereas unloading that burden from our taxpayers is now a paramount concern of the United States and not whether the Versailles Treaty, a treaty to which we are total strangers, is being respected by the powers signatory thereto; and

Whereas 15 years after that war we need still but look at the lists of war dead, their widows and children, disabled war veterans, economic distress, public debt, and burdensome taxes to comprehend the severe and costly lesson it has taught; and

Whereas to accomplish a solution to this and other grave financial, economic, and social problems confronting the people of this country today requires that the United States Government entirely avoid and keep out of foreign wars and any and all foreign controversies and entanglements and that it confine its attention and resources to the improvement of internal ills: Now, therefore, be it

Resolved by the senate (the assembly concurring), That this legislature respectfully demands that the United States Government keep out of foreign wars and that it completely ignore and refrain from entering into any and all foreign controversies and entanglements and that it continue its attentions to domestic business and the betterment of internal conditions; be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to each member of the Cabinet, and to the presiding officer of each House of Congress.

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Senate of the State of Nebraska, memorializing Congress to make a complete investigation of the sugar-beet industry, which was referred to the Committee on Banking and Currency.

(See resolution printed in full when presented by Mr. NORRIS on the 29th instant, p. 8365, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Illinois Legislative Committee, appointed by virtue of House Joint Resolution No. 31, of General Assembly of the State of Illinois, favoring the making of an appropriation in the sum of $100,000 and the enactment of legislation providing for the duplicating and furnishing for the State of Illinois World War records destroyed in the Springfield Arsenal fire occurring in February 1934, so that the service records of Illinois soldiers, sailors, and marines may be available in Illinois, which was referred to the Committee on Military Affairs.

He also laid before the Senate a resolution adopted by a convention of the New Jersey Mosquito Extermination Association, favoring the enactment of legislation providing for the strengthening and enlargement of research work in relation to mosquitoes, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate the petition of Percy Howard O'Brien et al., of Los Angeles, Calif., praying for the enactment of legislation granting certain suggested banking and monetary relief, which was referred to the Committee on Banking and Currency.

He also laid before the Senate the petition of Charles V. Fyke and R. P. Dunlap, of Kansas City, Mo., praying for the enactment into law of a financial, credit, and monetary plan submitted by them, which, with the accompanying paper, was referred to the Committee on Finance.

He also laid before the Senate a telegram in the nature of a petition from Local Union No. 2935, United Mine Workers of America, Sharples, W. Va., praying for the seating of Rush D. Holt as a Senator from the State of West Virginia when he becomes of the required age, which was referred to the Committee on Privileges and Elections.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana (Mr. LONG and Mr. OVERTON), which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a letter in the nature of a memorial from Mrs. H. B. Turner, of Toulon, Ill., remonstrating against the enactment of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, which was ordered to lie on the table.

He also laid before the Senate the petition of Rebecca Hart and several other citizens, being employees of the Loma Dress Co., of New York City, N. Y., praying for the enactment of legislation extending the National Industrial Recovery Act, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the National Society Daughters of the Revolution, in convention assembled at Garden City, N. Y., favoring the making of adequate appropriations for the increase of the Navy, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the Young Men's Board of Trade of New York City, N. Y., opposing the continuance of the Federal gasoline tax levy, which was referred to the Committee on Finance.

He also presented a resolution adopted by Harmony Council, No. 21, Sons and Daughters of Liberty, of Syracuse, N. Y., protesting against the enactment of House bill 6795, the so-called "Kerr bill", pertaining to the deportation of aliens, which was referred to the Committee on Immigration.

REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 916) to carry into effect the decisions of the Court of Claims in favor of claimants in French spoliation cases not heretofore paid, reported it without amendment and submitted a report (No. 746) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 2743) to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone, reported it with amendments and submitted a report (No. 747) thereon.

He also, from the same committee, to which was referred the bill (S. 2895) to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain lands in the county of Los Angeles, State of California", reported it without amendment and submitted a report (No. 748) thereon.

He also, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 2832. A bill to provide a preliminary examination of Goldsborough Creek, in Mason County, State of Washington, with a view to the control of its floods (Rept. No. 760);

H. R. 6987. A bill authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 7 meets Texas Highway No. 87 (Rept. No. 761); and

H. R. 7081. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr. (Rept. No. 762).

Mr. SHEPPARD also, from the Committee on Commerce, to which was referred the bill (S. 203) to provide for a preliminary examination of the Connecticut River, with a view to the control of its floods and prevention of erosion of its banks in the State of Connecticut, and for other purposes, reported it with an amendment and submitted a report (No. 763) thereon.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 122) granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission, reported it with amendments and submitted a report (No. 764) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 2611) to authorize the Utah Pioneer Trails and Landmarks Association to construct and maintain a monument on the Fort Douglas Military Reservation, Salt Lake City, Utah, reported it without amendment and submitted a report (No. 749) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which were referred the following bills and joint resolutions, reported them severally without amendment and submitted reports thereon:

S. 2818. A bill for the relief of Blanche L. Gray (Rept. No. 750);

S. 2891. A bill to provide for the adjustment and settlement of personal injury and death cases arising in certain foreign countries (Rept. No. 751);

H. R. 4448. A bill to provide funds for acquisition of a site, erection of buildings, and the furnishing thereof for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland (Rept. No. 752);

H. R. 4901. A bill to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions (Rept. No. 753);

H. R. 6504. A bill to amend an act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor" (Rept. No. 754);

H. R. 6673. A bill providing for an annual appropriation to meet the share of the United States toward the expenses of the International Technical Committee on Aerial Legal Experts, and for participation in the meetings of the International Technical Committee of Aerial Legal Experts and the commissions established by that committee (Rept. No. 755);

H. R. 7909. A bill to amend the act creating a United States Court for China and prescribing the title thereof, as amended (Rept. No. 756);

S. J. Res. 139. Joint resolution requesting the President to extend to the International Statistical Institute an invitation to hold its twenty-fourth session in the United States in 1939 (Rept. No. 757); and

H. J. Res. 182. Joint resolution to provide for membership of the United States in the Pan American Institute of Geography and History; and to authorize the President to extend an invitation for the next general assembly of the institute to meet in the United States in 1935, and to provide an appropriation for expenses thereof (Rept. No. 758).

Mr. HAYDEN, from the Committee on Printing, to which was referred the bill (H. R. 6836) to provide for the printing and distribution of Government publications to the National Archives Establishment, reported it with amendments and submitted a report (No. 759) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2551) to make immediately available the unexpended balances of certain appropriations for the construction or reconstruction of roads and bridges in the flood areas of Missouri, Mississippi, Louisiana, Arkansas, Kentucky, and Alabama, reported it with an amendment and submitted a report (No. 765) thereon.

He also, from the same committee, to which was referred the bill (S. 2583) establishing certain commodity divisions in the Department of Agriculture, reported it with amendments and submitted a report (No. 769) thereon.

Mr. BARKLEY, from the Committee on the Library, to which was referred the bill (S. 2865) to amend the joint resolution establishing the George Rogers Clark Sesquicentennial Commission, approved May 23, 1928, reported it with amendments and submitted a report (No. 766) thereon.

He also, from the same committee, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

S. 2737. A bill authorizing the erection in the District of Columbia of a suitable terminal marker for the Jefferson Davis National Highway (Rept. No. 767); and

H. J. Res. 204. Joint resolution authorizing the erection of a memorial to the late Jean Jules Jusserand (Rept. No. 768).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 2955) for the relief of Emil Zumbrunn; to the Committee on Military Affairs.

A bill (S. 2956) for the relief of Herman Edward Rohwer; to the Committee on Naval Affairs.

By Mr. COPELAND:

A bill (S. 2957) for the relief of Helen Mahar Johnson; to the Committee on Claims.

A bill (S. 2958) authorizing the Secretary of the Treasury to execute a quitclaim deed of certain land located in the village of Lyons, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. McKELLAR:

A bill (S. 2959) granting a pension to Samuel E. Jarvis (with accompanying papers); to the Committee on Pensions.

By Mr. BULOW:

A bill (S. 2960) for the relief of John M. Green; to the Committee on Claims.

By Mr. MINTON:

A bill (S. 2961) for the relief of Peter Cymboluk (with accompanying papers); to the Committee on Claims.

A bill (S. 2962) to correct the military record of John Pate; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 2963) to amend the act of Congress approved March 3, 1925 (43 Stat. 1109), relating to the restoration of Fort McHenry, in the State of Maryland; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 2964) for the relief of Lydia M. White; to the Committee on Claims.

By Mr. TYDINGS:

A bill (S. 2965) to amend the Hawaiian Homes Commission Act of 1920;

A bill (S. 2966) to empower the Legislature of the Territory of Hawaii to authorize the issuance of revenue bonds, to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes; and

A bill (S. 2967) to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for

other purposes; to the Committee on Territories and Insular Affairs.

By Mr. WHEELER:

A bill (S. 2968) granting a pension to Elizabeth Campbell (with accompanying papers); to the Committee on Pensions.

By Mr. COOLIDGE:

A bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes; and

A bill (S. 2970) to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, to provide for the legalizing the residence in the United States of certain classes of aliens, and for other purposes; to the Committee on Immigration.

By Mr. COPELAND:

A bill (S. 2971) for the relief of Robert H. Leys; to the Committee on Claims.

By Mr. BARBOUR:

A joint resolution (S. J. Res. 140) authorizing the use of public parks, reservations, and other public spaces in the District of Columbia; and the use of tents, cots, hospital appliances, flags, and other decorations, property of the United States, by Washington (D. C.) 1935 I. B. P. O. E. of W.; and for other purposes; to the Committee on the District of Columbia.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES—AMENDMENTS

Mr. BARKLEY submitted sundry amendments, Mr. ROBINSON (for Mr. MOORE) submitted several amendments, Mr. DIETERICH submitted two amendments, and Mr. RADCLIFFE submitted an amendment intended to be proposed by them, respectively, to the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, which were severally ordered to lie on the table and to be printed.

AWARD OF PUBLIC-BUILDING CONTRACTS—CHANGE OF REFERENCE

Mr. CONNALLY. Mr. President, there is a matter which I desire to take up while the Senator from Arizona [Mr. ASHURST] is in the Chamber.

I ask unanimous consent that the Judiciary Committee be discharged from the further consideration of Senate Resolution 138, providing for an investigation of the awarding of public-building contracts and certain matters in connection therewith, and that it be referred to the Committee on Public Buildings and Grounds, since it relates to a matter which is within the jurisdiction of that committee.

The VICE PRESIDENT. Is there objection? The Chair hears no objection, and it is so ordered.

AIRPLANE ACCIDENTS IN INTERSTATE AIR COMMERCE

Mr. HATCH and Mr. JOHNSON jointly submitted the following resolution (S. Res. 146), which was referred to the Committee on Commerce:

Whereas an airplane owned by Transcontinental Western Air, Inc., while engaged in interstate commerce, was wrecked near Macon, in the State of Missouri, on the 6th day of May 1935, resulting in the death of five persons, among whom was an honored Member of this body, Hon. Bronson M. Cutting; and

Whereas it is imperative that life and property transported through interstate air commerce should be accorded the greatest degree of safety obtainable through the use of every reasonable safeguard; and

Whereas it is essential, in order to protect life and property in transportation through the air, that a thorough and searching inquiry should be made into the causes of the wreck referred to and into the efforts, if any, for the prevention of accidents of like character, and the safeguards, if any, provided both by the companies engaged in interstate air commerce and the precautions and safeguards, if any, required by governmental agencies; and

Whereas such investigation and the knowledge to be derived therefrom are necessary to enable the Congress to adopt legislation for the protection of life and property by air transportation: Therefore be it

Resolved, That the Committee on Commerce, or a subcommittee thereof, be, and it is hereby, authorized and directed to investigate fully and thoroughly the said wreck of the airplane owned by Transcontinental Western Air, Inc., which occurred on the 6th day of May 1935 near Macon, in the State of Missouri, and any other accidents or wrecks of airplanes engaged in interstate air commerce in which lives have been lost; and to investigate fully and thoroughly interstate air commerce, the precautions and safeguards provided therein, both by those engaged in such interstate air transportation and by officials or departments of the United States Government; and to investigate fully and thoroughly the activities of those entrusted by the Government with the protection of property and life by air transportation, and the degree, adequacy, and efficiency of supervision by any agency of Government, including inspection and frequency thereof, and to take testimony in all aspects in relation to any of the matters herein indicated and in relation to any subject related thereto.

Resolved further, That the said Committee on Commerce, or the subcommitee appointed for the purpose, shall determine what legislation, if any, shall be adopted in the interest of safety of life and property transported in interstate air commerce, and what legislation, if any, shall be adopted to prevent accidents in the air and to provide appropriate safeguards for their prevention; be it further

Resolved, That for the purposes of this resolution such committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, sit, and act at such times and places during the sessions or recesses of the Senate during the Seventy-fourth and succeeding Congresses until a final report is submitted; to employ such counsel, experts, clerical, stenographic, and other assistance; and to require, by subpena or otherwise, the attendance of witnesses, the production of books, papers, and documents; to administer oaths, take testimony, and make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee, not to exceed the sum of ———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

COMMITTEE SERVICE

On motion of Mr. ROBINSON, and by unanimous consent, it was

Ordered, on behalf of the majority, That the Senator from New Mexico, Mr. CHAVEZ, be assigned to service on the following committees: Foreign Relations, Indian Affairs, Irrigation and Reclamation, Post Offices and Post Roads, and Public Buildings and Grounds.

Mr. McNARY. In the absence of the Senator from North Dakota [Mr. NYE], who is chairman of the minority committee on committees, I submit an order, and ask unanimous consent for its adoption.

There being no objection, the order was entered, as follows:

Ordered, That Mr. WHITE be excused from further service as a member of the Committee on Territories and Insular Affairs.

That the following Senators be assigned to membership on the following committees:

Mr. McNARY to the Committee on Manufactures;
Mr. NYE to the Committee on Military Affairs;
Mr. WHITE to the Committee on Foreign Relations; and
Mr. GIBSON to the Committee on Territories and Insular Affairs.

AGRICULTURE'S STAKE IN THE BANKING BILL—ADDRESS BY EARL HARDING

Mr. BORAH. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered over the radio by Earl Harding on May 18 last on the subject Agriculture's Stake in the Banking Bill.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I happen to know, from experience, not from textbooks, that this is plowing and planting time. You are very busy. But there is something going on here in Washington more vital to your interests than anything out in the fields; more important than any task in the kitchen.

What will be written into your country's banking and currency laws in the next 2 or 3 or 4 weeks will determine for a long time to come what will be the number of the dollars you may receive for your crops. It will determine the value of your farms and of everything else you own. Surely this is worth 10 minutes of your undivided attention right now. And I believe that you will wish to do something about this yourself.

The Grange and other agricultural organizations have been fighting for years to establish a dollar that will be fair to the farmer; a dollar stable in purchasing power; a dollar with a definite and known relationship to the average value of commodities.

The farm organizations believed their fight for such a dollar was won when President Roosevelt promised definitely to the Nation a managed currency. Who does not recall that promise—of a dollar which should have, a generation hence, the same purchasing and the same debt-paying power as the dollar which Mr. Roosevelt hoped in 1933 to attain in the near future?

Why has that stable dollar not been attained? Why do we still have a dollar that buys 150 cents' worth, on the average, of basic commodities—the products of farms, forests, and mines? What does such a swollen dollar mean to you, to me, to all of us?

It means that farmers, as a class, must deliver a load and a half of their products, on the average, to pay taxes, interest, and debts which should be payable with one load. It means that, even with temporary high prices for restricted crops, and with adjustment benefits counted in, the annual income of American agriculture is still $5,000,000,000 too little. It means, for those who live in cities, that the value of everything they own must remain abnormally low; that unemployment must continue because agriculture, so long as it is denied its normal income, cannot buy normally from industry.

Why has not more been done along the lines of monetary adjustment demanded by the farm organizations? I think I can tell you. The managed-currency policy which President Roosevelt initiated in 1933 was never given half a chance to work. The good results that came directly from it have been ascribed to other things. The monetary policy was discredited by sniping critics, and statements that the monetary policy had failed have been allowed to go unchallenged. Nevertheless, there is abundant proof that it did not fail, excepting insofar as its effects were canceled by other and less successful measures.

Let us look at cotton. The effect on other basic products is similar, but cotton is in everybody's mind right now. Four thousand farmers, a majority of them from the cotton-growing States, came whooping into Washington this week to give thanks for the benefits of triple A. They honestly believed that Agricultural Adjustment alone raised cotton from 6 cents a pound to 12. Not a word was said about the effect upon cotton from devaluing the dollar.

What is the truth? What did raise cotton from 6 cents to 12 cents a pound?

Cotton is an international commodity. It brings an international price, payable in the only international money, which is gold. Drought, destruction, or restriction of acreage, withdrawal of cotton from the market by Government loans—all these factors affect world prices for cotton because they affect the world supply of available cotton. There's no denying that. Give triple A credit for all of them, including the drought, if you wish.

What was the combined effect upon the world price of cotton from drought, destruction, restricting, and Government loans? They put cotton up 17 percent since February 1933; that is, from 6 cents to 7 cents a pound. That was a great achievement. But we would have 7-cent cotton today if we had not devalued the gold dollar—or reduced its gold content, or raised the United States price of gold; they are all one and the same thing, you know. We would have 7-cent cotton if we measured it today on the old gold standard. The rest of the rise, from 7 cents to 12, is the result of dollar devaluation. When uninformed people say that triple A did it—well, you know what President Roosevelt said about people who misrepresent A. A. A.

There is a mass of statistics to prove what I have said. But figures are easier to read than to listen to, and diagrams fit the eye better than the ear. It will be more useful if I send you a brief statement of the facts about cotton. I will attach it to a copy of this radio talk. Will you write the National Grange in Washington and ask for it? It will include some simple, understandable diagrams or charts showing what part of the increased cotton price is due to monetary action, and just how much should be credited to triple A. With it will be a short statement on why we are losing our cotton export market. Let me suggest that you get this information, talk it over with your banker, and give it to your local editor.

Agriculture is now carrying to the Senate its demand that the banking bill be amended. The Grange will be supported in this stand by the American Farm Bureau Federation, the National Cooperative Council, and the Farmers' National Grain Corporation. They will have the same active support which the committee for the Nation gave them in their efforts to amend the bill in the House of Representatives.

A change of only 4 votes out of 250 would have forced the Goldsborough amendment into the bill before it left the House. That amendment embodies the most important of the monetary principles upon which the leading farm organizations stand as a unit. I will attach to the copy of this radio talk the record showing how your Congressman voted on this issue which is so important to agriculture. You may wish to write to him before the banking bill comes back to the House with the Senate's amendments.

The principles embodied in the Goldsborough amendment are:

To make mandatory the prompt reflation of commodity prices to the level prevailing between 1921 and 1929.

To require the Government to keep the dollar stable at the restored price level.

To end the present uncertainty as to the future objective of monetary policy.

To establish an open market for gold, and to permit the price of gold to fluctuate in order to avoid another collapse of commodity prices or another wild inflation. This open market would apply also to silver.

Great Britain has found such an open market for gold to be an essential part of currency management. It is one of the levers of control over the value of money by which Britain is successfully stabilizing the currencies of one-third of the world. Britain is not stabilizing the gold content of money, but its purchasing power—which is all-important. Each time a return to a fixed gold standard is suggested, Great Britain indicates that it has no immediate intention of so doing. It gave the same answer again—only yesterday.

Stabilization of exchanges on a fixed gold basis would be highly satisfactory to international bankers, but it would be ruinous, under present conditions, to American agriculture. You cannot have stability of internal prices and stability in the foreign exchanges at the same time.

The question is, Who shall control and regulate the value of the American dollar? In whose interest shall it be stabilized, and how—with reference to goods, or with reference to gold? Shall the dollar be as international bankers want it, or as American agriculture, industry, and finance need it?

There the issue lies, and on these lines it must be fought out in the Senate in the next few weeks.

There is, I believe, a good chance for agriculture to win this fight. But it is a fight, and it will not be won unless you take a personal interest in it; unless you make your desires known in no uncertain terms to the two Senators from your State. Agriculture will have to take the initiative. It will have to exert all of its influence to see that this banking bill is made over to insure a dollar stabilized as to purchasing power, and that prompt restoration of normal farm income is made mandatory by Congress.

If agriculture fails in this it will face continuing uncertainties.

THE WAY OF PEACE—ADDRESS BY SENATOR THOMAS OF UTAH

Mr. McGILL. Mr. President, on Wednesday evening last the able and distinguished Senator from Utah [Mr. THOMAS] delivered an interesting and timely address on world peace, which I ask to have printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Tomorrow is a day dedicated to our dead. Tomorrow we especially honor those who gave their lives for their country. The least we can do tonight is to lend our thoughts to the consideration of ways that may make it unnecessary for other lives to be sacrificed in times of emotion and of stress. Our prayers are, I am sure, that never again shall men be called to endure the supreme sacrifice until every other medium known to civilization has been exhausted in the settlement of disputes.

Never shall I underestimate war, nor shall I attempt to diminish the spark of appreciation that springs from my heart at sight or mention of that highest of all human proffers—the giving of a life for one's friends. The sentiment which engenders that which we call patriotism I would forever encourage in spite of its abuses, for, like all good things, it has been and is abused. I know the thrill a uniform gives and I deem it a privilege to have felt that thrill. I count it among the noblest that can come to men. A nation in arms fighting for a righteous cause is history's most glorious picture. A nation of thoughtful men, devoted women, and carefree children safe in the arms of justice, freed by a sense of liberty, and in the full enjoyment of happiness is, though, a more perfect accomplishment. For as the Master of Men came to bring life, and that more abundantly, so must those who follow that Master of Men strive for the noblest in life, and that, too, in its fullest abundance. We honor those of the past who died for a better world. We give honor, too, to those of the present who are working for a better world. We pray for understanding which will make that for which men have fought and died an accomplished fact.

Sufficient fighting has been done to end war. Let us build now to insure peace.

In my opinion, war between nations has worn itself out. That does not mean that it may not recur. As an instrument of international expression, it has been outlawed in theory. International war has become useless in fact, but war itself as an instrument of the ambitious, the destructive, and the plunderer has not become an impossibility.

The instrumentalities of war such as armies, navies, air fleets are in no sense outmoded. We cannot hope for their abolition for a number of reasons, the first and foremost being that the constitution of every nation on earth today is built upon and around the concept of force, and every constitution gives to its government not only the right to arm but makes arming a national duty. Armies, navies, and air fleets are part of the national economic, social, and educational scheme quite as much as they are a part of the defensive scheme of all nations. Of these facts we must remain conscious, or we shall waste our energy in trying to bring forth a better world in contending for objectives which are really not essential to the accomplishment of our ideal. Pause long enough, may I ask, to realize the utter chaos which would be introduced into the social life of a nation which now finds itself only with difficulty able to keep all of its people occupied, if the hundreds and thousands of men and women who are directly or indirectly connected with military and naval institutions in their countries were forced into other occupations or made to join the armies of the unemployed. We cannot build the new world out of confusion. It will come only through the processes of growth and adjustment. Armies, navies, and air forces will fall of their own weight when their uses are spent. To develop their constructive rather than their destructive uses should be our aim.

Organization of the world for consultation and discussion is the key to future world peace. Recognition of men's and nation's interdependence in theory must be admitted when we face facts. Within the Nation any function which will result in helping men, women, and children to lead broad, useful, and happy lives should

be accepted as a proper function of government. Internationally any organization, agreement, or way of doing things which makes for the development of good will, peaceful intercourse, an exchange of ideas, a contribution of cultural traits, and habits which in turn make for a broader, better, and more useful living for men and women anywhere and everywhere should be engendered, developed, and supported. A peaceful world will come in no other way. Society itself has gone forward only through organization. We cannot build a lasting civilization on hate, distrust, and ignorance.

Black as the world appears today, from the standpoint of international peace there are nevertheless hopeful signs. Real progress has been and is being made in the development of those attitudes, those principles, and those institutions which must prevail if the world is to be one of peace instead of one of conflict. A generation ago war was accepted as a necessary part in the political life of nations. The test of the worth of a constitution was always judged by the way it functioned in war time. Today international war seems useless when we consider objectives to be attained. It will be difficult for my hearers to appreciate this point unless I illustrate it. When the object for carrying on a war was to rape women and steal wives, the reason for war was tenable and war had a utility. If the object today of war is to plunder, to destroy, to conquer, to bring home mighty triumphs, to enslave, to steal, to get gold, to win honor and glory, or even scatter a gospel of salvation, war might be justified as being useful. But where in the civilized world today, in peace or war, do men get their wives by stealing them? Where do men get land by merely taking it? Where do they acquire gold by capture? Why, today rulers in the world do not even put their relatives on foreign thrones. The dynastic wars are things of the past. The cynic will say the subtle masters of the world today have found more effective ways to accomplish their ends. We might admit that and still make our point that the aim of the nations of the world is quite different from what it was when war was each nation's chief purpose.

I remember the wisdom of a fine old Chinese gentleman who had been captured by Ghenghis Khan and who through use of that wisdom in turn captured the great Khan. This one man by knowing a few of the elements of economics saved millions of Chinese lives. One day the old gentleman said to the great conqueror, "Why do you kill so many men?"

"To get their gold," said the conqueror.

"That is not the way to get their gold," said the philosopher, using the logic of the fable which cautions us against killing the goose that lays the golden eggs, "do not kill them to take their gold, for when you do that you take merely their gold of today. Keep them alive and as they make wealth take it from them from day to day." The great Khan saw the point and changed his habits from that of an ancient conqueror to a medieval exploiter.

War really has no place in our modern international scheme, because every purpose which modern nations have can be accomplished better by some other medium or instrument. When we become thoughtful about the lessons of the last war we find that not a single principle for which men fought was accomplished. Some men might have inwardly accepted the theory of the sordid destruction of a neighbor nation, but this no statesman dared to admit to his people. Our American President even denied being at war with the German people. Our Government told our people and the German people, too, that we were at war only with the rulers of Germany. We may become sordid and say that that idea was put forth by our President to undermine the morale of the German Army and it was so used, but you know and I know that mere hatred of our fellow man had been bred out of American minds and hearts. We had too many German neighbors, too many German wives, husbands, fathers, and mothers for us to want to kill because of a nationalistic hate. We could be made to fight only for a principle and only for a cause. We fought to save democracy. We fought to end war. You may today laugh at the logic we accepted. But the fact remains that the late war was never sordid in its spirit. It was made to seem even sweet, and mothers were happy in the sacrifices they had to offer. I mean to show tonight that the principles for which we fought failed of attainment. Nay more; I am going to try to show that the principles we attempted to attain cannot be attained by war. We cannot build by destroying. We cannot give life by killing. We cannot make the world safe for democracy by fighting, because the very essence of democracy depends upon peaceful processes. How can we bring equality among men in a community where only force is recognized? How can justice prevail if only the mighty speak? How can the rights of a minority be preserved if the majority rules by force? War is a contest of physical power. Democracy depends upon an intellectual and spiritual concept of live and let live.

To repeat, many byproducts both for good and ill have followed in the wake of war. Many material objectives were accomplished, and that is all that can ever be accomplished by war. For instance, in war if a general wishes to take a thousand feet of a given terrain and is willing to sacrifice 10,000 lives to accomplish his objective, that, of course, is attainable. If the object is to destroy, and an army destroys a city, that, of course, is accomplished. If a general wishes to overcome a given government and he succeeds in destroying that government, that is accomplished. But if we fight to make a world safe for democracy, the resultant success of that fight depends not upon what we pull down and destroy but upon what we put up in its place. Modern civilized man cannot be made to fight to take women, to destroy men, or to plunder, or to conquer. Those concepts are as outmoded as the concept of dueling with a friend of yesterday to protect a flippant imaginary insult to our honor. Modern men can be made to fight only for a cause; and the paradox of the present international world situation is that any cause which he will fight for can never be attained by the destruction of his fellow men. It can be attained only by supplanting that which he does not like with that which he does. Whenever war is for a principle in theory or in fact, upon that which is built up, not that which is destroyed, will depend the fulfillment of the purpose for which the war was undertaken. The sacrifice of men is made in vain whenever principles for which men fought are not made into living institutions of peace. For in war the only possible institution is more war. For America the test put upon our Constitution should be not how it functions in war but how it operates and develops in peace. Our first task then is to force national leaders to state the truthful purpose of a proposed war. Let the truth be stated, and a peaceful means for settling misunderstanding will be found.

As we analyze the world today and assume a potential enemy and figure out all we are possibly going to fight that enemy for, we will discover that there is no nation in the world that we will fight to steal its women, to destroy or to take its wealth, to enslave its men, to take its gold, or to wipe out its government. For what, then, will we fight? It will have to be for some concept which is either imagined or taken for granted. We possibly would fight to maintain the open door in the Far East. We might fight to defend our neutrality. We might fight for the freedom of the seas. We surely would fight for our national honor if it were stated just that way. May I ask now for someone to define any one or all of the things for which I have stated we might or would fight. If there are two or three of you listening in one place, there will be two or three different definitions. This illustrates well the absurdity for nations to fight over ideas. Then, say, we do fight, and we win every battle. Will our winning settle the open-door question in the East? Will there be freedom of the seas on all the oceans? Will the ills we don't like in the governments we have destroyed be forever destroyed or will worse ills follow? No; the fighting will settle none of these questions. Theory and principle can be established only by peaceful means.

Let us turn to the history of our own land to illustrate further our point. In the minds of Americans if there was ever a war that was justified, it was our own Revolutionary War. Did the Revolutionary War insure our independence? No; the war made independence possible, but did not guarantee it. Did it bring unity to the Thirteen Colonies? No; real unity was not attained during the war period or under the Articles of Confederation. It came only under the Constitution. Did the Revolutionary War produce the American democracy? No; democracy came only after the establishment of the Constitution. Independence has been assured, unity accomplished, and democracy developed through peaceful processes and institutions, not through war. The first real step toward building America after the Revolutionary War was the peace treaty. Our treaty with the mother country was a result of negotiation and not a result of imposition. America's growth is based upon peaceful processes. Had the Treaty of Versailles been a negotiated peace instead of an imposed one our world would be a better world today. The American Constitution is a fulfillment of peaceful endeavors, not merely a result of the Revolutionary War. It was a fulfillment of a purposeful plan to build for peace. It followed the spirit of the negotiated peace rather than the force habits of the war. The Constitution was negotiated and the compact entered into not imposed. Here is the key to peaceful world progress. No American who knows the history of his own country will ever accept any surer principle for peaceful progress in the world than through the channels of exchange of thought, cooperative action, and organized institutions brought into being by common consent and held together by the power of public opinion.

Continuing the reasoning so far put forth—modern war in its final analysis must be defended only on the fine thread of tense nationalism. A nationalistic war today should come only when governments have exhausted all peaceful mediums of diplomacy, consultation, arbitration, international justice. Governments can fight only by arousing their people to the rally of a principle which can never be attained by war and which after the war must depend upon the very institutions of law and order now open to nations. When the fighting starts, men will be led to kill by engendering hate. Hate of what must we develop? It must be hate of the nation and the people we fight. The killing in modern international war then must be justified on the hate of our opposing enemies because of their nationality. Think that through, and if you do not reach an absurdity I do not know what an absurdity is. To kill a man because he is a Japanese; to kill him because he is a German or because he is French—what logic? What reason? What an indictment of civilized man that is. What a judgment of civilized thinking. War in the textbooks is called "ultima ratio regum"—"the last argument of kings." It is indeed the end of argument and the beginning of madness. Thus we see that any threat of war in any part of the world is a concern of the whole world. That is essentially the spirit of the good neighbor. To be concerned does not mean to meddle. To be concerned does not mean not to mind our own business. The day has gone when we can pass a fire-alarm box and not give the signal just because it is not our house that is on fire. The good citizen no longer takes law into his own hands, but he is no citizen at all if he stands in the way of the orderly processes of law.

AMENDMENTS TO THE AGRICULTURAL ADJUSTMENT ACT—ADDRESS BY SENATOR WALSH

Mr. LONERGAN. Mr. President, I ask to have inserted in the CONGRESSIONAL RECORD a detailed analysis by the Senator from Massachusetts [Mr. WALSH] over the radio on Monday evening, May 27, of the bill recently before the Senate, until it was recommitted to the Committee on Agriculture, known as "the bill amending the Agricultural Adjustment Act."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In April 1933, at the request of the President, undoubtedly desirous of aiding the agricultural industry, and under the stress of the then-existing emergency, Congress passed the Agricultural Adjustment Act. It was sought through a variety of expedients, provided for in this measure, to give relief to agriculture by insuring to the farmer higher prices for the products of the farm.

The act recites that it is the policy of the Congress "to establish and maintain such balances between the production and consumption of agricultural commodities and such marketing conditions therefor as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power in the base-price period." The pre-war period 1909 to 1914 was specified as the base-price period.

We have now had 2 years of practical experience with this experiment. We have seen growing crops plowed under, and livestock slaughtered, and acreage reduction agreements—all in an effort to curtail output, to avoid surpluses, and to lift prices through scarcity.

We have had an exceedingly painful experience with processing taxes which have been levied on wheat, cotton, corn, hogs, tobacco, sugar, and peanuts, as a result of this act. These are nothing less than sales taxes which have touched every pocketbook in the country, and sales taxes, mark you, not on luxuries, but on food and clothing—taxes on the necessities of life.

The processing tax is at the very heart of this farm experiment. It is a big revenue producer. In a period of 18 months more than $731,000,000 has been collected. This money does not go toward the payment of any of the ordinary expenses of government. It does not go toward providing funds for unemployment relief and public works. It does not go toward reducing our Government debt and our deficits. It is turned back to the farmers in benefit payments after first deducting the salaries and the expenses of the army of administrators, agents, collectors, and clerks required to operate the scheme.

Another important phase of this agricultural adjustment experiment has been the marketing agreements which have been sought to be negotiated and enforced, regulating the distribution and sale of various agricultural commodities and products. These have led to numerous difficulties, not the least of which has been the decision of various Federal judges, holding such agreements to be invalid (unconstitutional) and unenforceable.

A bill embodying a series of amendments to the agricultural act is now before Congress, and its passage is very strongly insisted upon by the Secretary of Agriculture and other spokesmen for the administration.

A substantially similar amendatory A. A. A. bill was pressed in the last Congress, but failed of passage. The present bill, however, is on the House Calendar and is now under debate in the Senate. No legislative measure of the present session embodies any more far-reaching economic, social, and political implications or greater possibilities for mischief.

The proponents of this measure insist that its purpose and purport is simply to perfect and to clarify the existing law and to supplement the present act in such a way as to permit the agricultural adjustment program to be made more effective. The Congress and the country have been led to believe that these amendments are of relatively minor and technical character, and of little concern except to the Secretary of Agriculture and his aides, and to the farmers, and that, so far as there is any fight about them, it is a farm fight.

Nothing is further from the fact. The present bill vitally affects and concerns the manufacturers, large and small; the merchants, big and little; and, finally and paramountly, the consumer—and that means every householder and every citizen in the land.

An examination of the amendments and their comperison with the provisions of the present law discloses that the amendments are vastly more drastic and more comprehensive than the law itself.

In proof of this, let me briefly state the substance of the present law before enumerating and discussing these allegedly "perfecting" amendments.

The existing law gives to the Secretary of Agriculture the power to provide for reduction of acreage or production of basic agricultural commodities through agreements with producers or by other voluntary methods. I emphasize the word "voluntary." Rental and benefit payments may be made to farmers in such amounts as the Secretary deems fair and reasonable.

What are basic agricultural commodities?

The Agricultural Adjustment Act, as it now stands, declares that basic agricultural commodities are wheat, rye, flax, barley, cotton, field corn, grain, sorghums, hogs, cattle, rice, tobacco, sugar beets and sugarcanes, peanuts, and milk and its products—that means cheese and butter.

The law authorizes the Secretary of Agriculture or any successor to levy taxes upon the first domestic processing of any basic agricultural commodity for which rental or benefit payments are made. The Secretary determines the rate of the tax, a rate equal to the difference between the current average farm price and the figure which he fixes as the fair exchange value of the commodity.

The present processing tax on cotton, concerning which there is at present such a loud outcry, and which I shall refer to later, is 4.2 cents per pound.

The existing law gives the Secretary of Agriculture power to enter into marketing agreements with processors, producers, associations of producers, and others engaged in the handling of any agricultural commodity. It is important to note that these marketing agreements are not confined to basic agricultural commodities. They may relate to any agricultural commodity. These marketing agreements, under the present law, are a matter of mutual agreement, and the participants are exempt from the antitrust laws.

The Secretary of Agriculture also has, under the existing law, certain restricted authority to issue licenses permitting processors, associations of producers, and others to engage in the handling of any agricultural commodity or product thereof, or any competing commodity or product thereof.

Now, let me briefly enumerate the amendments contained in the bill which is now before Congress—the amendments which, according to the committee report which accompanies the bill, are to permit further desirable flexibility in the agricultural program.

I will enumerate the amendments in the order in which they occur rather than in the order of their importance.

The first amendment is designed to boost the parity standards of farm-commodity prices which the Agricultural Adjustment Administration is directed to establish. The experts of the Secretary of Agriculture are directed, when they figure the price standard, to take into account the increase in mortgage interest and taxes which the farmer pays today over the pre-war level. It is a complicated computation, but the anticipated result, according to the advocates of the amendment, will be to give parity standards approximately 5 percent higher than today. That means the price mark at which this present titanic experiment in economic planning is shooting is lifted another notch.

The second amendment deals with wool and mohair and illustrates the method so often resorted to in an effort to obtain from Congress a special benefit for a favored few at the expense of all—namely, to slip in a word or two in the right place in a long and complicated bill in the hope that it may pass unnoticed.

The existing law provides that the base period—the price-level parity—of all agricultural commodities, except tobacco, shall be the pre-war period 1909–14. In the case of tobacco the present law makes the post-war period 1919–29 the base period. The pending bill adds the words "wool and mohair" after tobacco. The consequence is to shift the price base for wool and mohair from the pre-war to the post-war period.

The average wool prices during the post-war period 1919–29 were substantially double the prices during the pre-war period 1909–14. The post-war prices for wool were at the highest level of the past 50 years.

What is the consequence of this proposed amendment? The consequence is to give the triple A a congressional mandate to unreasonably boost the price of domestic wool. Present wool prices are approximately on a parity now with the pre-war price level.

It is an utterly indefensible proposition. It is without a particle of justification. It will defeat its own ends, because any such perpendicular and artificial lifting of the price of domestic wool and mohair will lift more foreign wools and woven goods over our tariff wall and into our domestic markets at the same time that it turns domestic manufacturers to the use of substitutes and diminishes consumer consumption of woolen fabrics, due to consumer resistance to higher prices. Higher prices for all woolen clothing are the certain consequences if any such price-lifting device succeds. It is estimated it will add from $5 to $10 to the price of a woolen overcoat, and so on all down the line. The processing tax on cotton cloth increased the price of cotton goods substantially.

It will fail to benefit the domestic wool producer, but in the effort will depress the woolen trade. It will, in my opinion, strike another blow at recovery. In a word, it will create the same disaster in the woolen industry as has overtaken the cotton textile industry. If we may judge the future by the past, this price lifting is destined to fail. There have been two recent attempts to control the price of wool in this country, and both were failures.

First, in 1930, the Farm Board sought to hold wool on a fictitious level by making wool and mohair loans on a high level of values. This attempt failed and resulted in a loss to the Government of millions of dollars. As a concrete example, millions of pounds of Texas mohair on which the Government had advanced 30 cents a pound were finally dumped at around 6 cents.

The second example of attempted price control of wool was during the past year, when the Wool and Mohair Advisory Committee, representing the Farm Credit Administration, exerted pressure on consignees handling Government-financed wool to hold the price above that at which wool would move into orderly consumption. Within recent months this attempt was abandoned

and wool allowed to seek its natural price level, resulting in returned confidence, active demand, and, during the last few weeks, higher prices. Consumption of wool during the first quarter of this year was 41 percent above the previous 5-year average first-quarter consumption.

The consumer, of course, is to be the victim of this wool and mohair amendment, as he has been of the cotton, hog, and other processing taxes, and this in face of the fact that the consumer buying power today is still at a pitifully low state. There are still millions on relief and other millions just eking out a bare existence. There has been no corresponding increase in the wages of the salaried or industrial employees to meet these increased costs. How, I inquire, is it possible under such circumstances for recovery to be obtained?

The third amendment substitutes the word "adjustment" for the word "reduction" in the broad grant of authority to the Secretary of Agriculture respecting acreage and production. Up to date the A. A. A. has had a mandate to reduce acreage and production. This is to be changed to "adjustment" so that the program can be reversed and increases in acreage and production can be required and controlled.

The fourth amendment gives the Secretary of Agriculture authority to pay the farmers their benefit and rental payments in kind as well as in cash. Heretofore the farmers have been paid in money. Hereafter wheat growers may be compensated with wheat, cotton planters with cotton, peanut raisers with peanuts, and so on.

Under the present law the Government has loaned money on farm products. If the present bill becomes law the A. A. A. may acquire for itself any commodities pledged for loans, paying whatever price it pleases, holding its purchases as long as it pleases, and then, when it pleases, giving them back to the farmers instead of mailing them bank checks on the United States Treasury.

These amendments are very frankly stated to be to make possible a trial of the so-called "ever normal granary" scheme, whereby the surpluses of the flush years are to be stored in reserve and distributed in the lean years. The immediate reason for the inauguration of such a plan is the fact that the Government is now already holding large stocks of farm commodities as security for loans.

Another amendment empowers the Secretary of Agriculture to make payments for the expansion of domestic and foreign markets of a basic agricultural commodity and payments for removal of surpluses of any commodity or of its products. Such payments may be made irrespective of whether or not an adjustment program is in effect for that particular commodity. That is a blind way of saying such payments may be made without a processing tax.

The foregoing changes have necessarily required important amendments relating to the purposes for which processing taxes may be imposed and for which the proceeds of the taxes may be expended. Needless to say, the changes are in the direction of removing existing limitations. Processing-tax collections hereafter may be employed to purchase agricultural commodities and for anything that the Secretary of Agriculture decides is calculated to expand foreign and domestic markets, and may be spent, in general, in carrying out any of the declared purposes of the law.

The licensing provision of the present law is wiped out and in its place is inserted entirely new language conferring upon the Secretary of Agriculture the power to license processors, associations of producers, and others engaged in handling any agricultural commodity or product thereof, or any competing commodity or product thereof. Licensing is not limited to basic commodities.

It is provided that the licensing system shall not apply to farmers. Yet if the farmer undertakes to process or to distribute his own products, then he, too, must have a license. As the bill is now drawn, the licensing system may be made to apply to every man, woman, and child, association, or corporation who engages in the marketing of agricultural commodities or the products thereof, or competing commodities or the products thereof, in interstate commerce.

The bill contains a brandnew definition of interstate commerce. It is defined as—and I quote from the bill—"in the current of, or in competition with, or so as to burden, obstruct, or in any way affect interstate or foreign commerce." I submit that this definition is so broad that if it were sustained by the Supreme Court, which seems unlikely in view of its momentous decisions of this day, it would bring within its net everyone engaged in any business, however small, which in anywise related to any agricultural commodities and products or any products claimed to be in competition with the produce of the farm.

I will not undertake to describe the complicated provisos and stipulations whereby three separate classifications of licenses are set up. Suffice it to say that if 50 percent of the processors or handlers within the area established by the Secretary of Agriculture accept the marketing agreement, then it is enforceable against all of them, through the medium of a license. If the assent of as many as 50 percent is unobtainable, even then, in various classes of cases, the agreement may be imposed and enforced through licensing, provided two-thirds of the producers approve the terms of the agreement. That means that the Secretary of Agriculture and his aides can frame a marketing agreement which those engaged in the marketing may refuse to accept, yet the triple A, if the approval of the producers is obtained, may impose it.

A marketing agreement covers many matters, but first and foremost it fixes the price. Licenses may be revoked at will. Licensees are required to pay their pro rata share of administrative expenses of supervising them. The present bill provides new penalties for violation of a license—a fine of from $50 to $500, and each day is to be a separate offense.

There is an express provision under which the Secretary of Agriculture may require a license of all retailers of milk, butter, and cheese, and other dairy products. It is estimated that more than 1,000,000 retailers could be licensed under this clause. Under the present law the triple A has approved 66 marketing agreements and issued 7,700 licenses to handlers, processors, and distributors.

When the present bill was reported to the House, six members of the House Committee on Agriculture joined in an explanatory statement in which they affirmed their whole-hearted accord in any constructive effort to restore equality for agriculture, but protested the new licensing provisions. I quote their words: "It is doubtful if any member of the committee has a clear conception of the extent of the authority being conferred by the bill upon the Secretary. Therefore, our only conclusion is that there is no limit to what he can do with the powers delegated to him."

My own conclusion, after study of this bill in the form now before Congress, is that the Secretary of Agriculture, under its terms and assuming that the courts uphold it, will have the power of economic life and death over industries engaged in canning, milling, brewing, distilling, meat packing, cotton, wool, and other textile manufacturing, cottonseed crushing, soap making, and the manufacture of sugars, feeds, tobacco products, various foods, fertilizers, and automobile tires, as well as truckers, commission houses, distributors, and, in many instances, retailers of all kinds of farm products.

I assert that no warrant has been shown for the lodging of such vast power in the hands of an executive official and his subordinates. The Secretary of Agriculture, if these present so-called "perfecting amendments" to the Agricultural Adjustment Act become law, will have power akin to that of a dictator.

There is much more to the present measure than what I have already discussed. There is a new provision authorizing the triple A to examine the books, papers, and records of any signer of a marketing agreement or any licensee, to ascertain whether the agreement or license is being carried out or whether there is any abuse of the privileges of antitrust exemptions. The only limitation on this authority to the A. A. A. to go on a fishing expedition in the private records of a private citizen is that the Government agents may only look at such records as they deem relevant.

There is a new provision relating to the rates to be fixed for processing taxes. The changes are designed to increase the rate by adding new factors into the calculations.

There is a provision that the action of any officer, employee, or agent, in determining the amount of and in making any payment authorized to be made under section 8, shall not be subject to review by any officer of the Government other than the Secretary of Agriculture or Secretary of the Treasury. That clause eliminates Comptroller General McCarl.

The circumstances under which compensatory taxes may be imposed are enlarged by another amendment: "Excessive shifts" in consumption are to be determined and corrected by compensatory taxes.

There is a new provision authorizing the President to limit or embargo imports or impose new tariff duties on any article whatever, whenever he ascertains that the article is being imported, or is likely to be imported, under such conditions or in sufficient quantities as to render ineffective any operation or program under the act.

Finally, there is a new subsidy for agriculture, a new avenue opened for funds for the triple A. It is provided that 30 percent of the gross receipts of the United States customs shall annually be appropriated to the triple A, maintained in a separate fund to be used (1) to encourage exports of agricultural commodities and products thereof by payment of benefits and indemnifying the losses incident to their export. This is the old and familiar export debenture plan in disguise. (2) In the purchase or lease by the United States of submarginal agricultural and grazing lands. (3) In making payments in connection with acreage or production adjustment of basic agricultural commodities. The Secretary of Agriculture may expend this fund (and 30 percent of present customs receipts will amount to roundly $100,000,000 annually) as he deems best, to effect the policy of restoring agricultural purchasing power.

Before closing I want to return to the question of the processing taxes under the present law, and particularly the processing tax on cotton.

In the controversy which is now raging on this subject the effect on retail prices and profit margins has been the source of great difference of opinion. The A. A. A. has made much of the fact that the 4.2 cents tax on cotton is so small an item in the retail price of cotton garments and fabrics that to say the tax is a causative factor in high prices, reduced consumption, and vanishing profit margins in industry is idle talk or else vicious propaganda.

A recent A. A. A. bulletin estimated that the processing tax on the cotton contained in 1 yard of 48 by 48 sheeting was 1.3 cents, a very small fraction of the present retail selling price. What the A. A. A. does not publish is the fact that this 1.3 cents per yard tax cost is nearly 20 percent of the present ruling price—7 cents a yard—of the gray goods from which the sheeting is converted. It disregards the mark-up practice. The converter, the finisher, the manufacturer, the wholesaler, the jobber, and the

retailer each adds a certain specific percentage to cover his individual costs of overhead and profit.

Thus, on each step along the line, that 20-percent extra cost for tax is carried along and proportionately added to. To each of the factors engaged in handling or processing that 1.3 cents is just as much a cost as if it represented labor and material.

I leave it to those who are within the sound of my voice and who have listened to this recital of the contents of this agricultural bill to reach their own conclusions as to where the country is headed under any such program as this measure sanctions, and where this country will land if any such program is put into effect and any such unrestricted power of economic life and death is delegated to a Federal bureaucracy.

GOOD-BYE TO N. R. A.

Mr. VANDENBERG. Mr. President, I ask unanimous consent that an editorial from the Detroit News, which I send to the desk, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GOOD-BYE TO N. R. A.

We make two suggestions following the Supreme Court's upsetting of the N. R. A. structure:

1. To employers: Do not take advantage of the decision to discharge employees and reduce wages.

2. To the administration: Do not try to revamp N. R. A. Turn business back to business and let it run itself. And do not force through Congress other legislation—such as the Wagner bill—which also is likely to be held unconstitutional.

It must be obvious to all that if employers do take advantage of the decision to reduce personnel and wages, recent business gains will be threatened if not wiped out entirely.

Detroit's automobile industry is prosperous today because tens of thousands of citizens all over the country are able to buy cars. Whether they have the money because of or in spite of the N. R. A. may be debatable, but the important fact is that they have it. And they have it because they are working, if employees and selling, if employers.

Therefore, any widespread cutting of wages or discharging of employees will ruin business generally.

As for the administration's program, business has repeatedly in recent months called for freedom of N. R. A. restrictions, guaranteeing that if it were free it could and would proceed on a grand scale.

Well, we say to the administration, let it do so.

It may be argued that N. R. A. was a sort of martial-law emergency measure; that it obviously was drastic and unconstitutional, but that the emergency demanded such treatment. If so, the emergency is past, and it is time to let business take its normal course.

We believe that if the administration will now let business alone, business will be too smart to wreck itself.

WAR AND PEACE—EDITORIAL FROM THE PULSE OF THE NATION

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from the April 1935 issue of the Pulse of the Nation entitled "War and Peace."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

Editorial from the Pulse of the Nation for April 1935

WAR AND PEACE

The Versailles Treaty did not make peace. It crystallized the hates and the fears of the last war and paved the way for international unrest and suspicion. We have been vividly reminded of this fact by the recent German decree that there shall be in that country military conscription and a disciplined, fully equipped army four or five times as large as that prescribed by the Allies in 1919.

Chancelor Hitler and the Nazi Party have received almost universal condemnation for the recent proclamation that threw the capitals of Europe into temporary alarm. However, such censure is not fully justified in the light of what actually has happened. The guarantees that were forced on Germany at Versailles should have been enforced solely by the Allies. The latter had small justification to impose and maintain disarmament on Germany when they themselves failed to carry out their own promises to disarm. Every major power that signed the 1919 peace treaty must share some responsibility for Germany's latest move.

What will happen as a result of the German Government's decision to rearm? Little that has not already happened. Munition makers will continue to supply friend and foe alike with as many arms and as much ammunition as they can buy. War scares such as the current one will be conjured up whenever the ordnance business becomes sluggish. Foreign diplomats and second-rate international statesmen will continue to play that dangerous and cruel game of international politics, vying with this person and that nation for a diplomatic alliance here and a national guarantee there. Every move, every step, and every official pronouncement is leading Europe nearer and nearer to the inevitable conflict. Every coalition and every declaration on one side is creating suspicion and fear on the other. Slowly but surely the armed camps of Europe are growing tenser at the realization that the storm clouds have gathered and that it remains simply a question of when they will break.

The time, the place, the cause—they all remain sealed in the pages of unwritten history. Tomorrow an assassination in France, next year an insult hurled at Italy, even a Japanese sentry shot near the Russian border, might put the ponderous war machines of over half the nations of the world into action. No one can say how near war is, nor where it will start. No one would venture the immediate cause. But one thing is certain—millions realize that an armed conflict is no longer the idle topic of unimaginative conversationalists, but that it has been advanced to the position of realistic possibility.

When the inevitable happens, the United States must take a stand. There is but one course open to us, and that is to remain as disassociated as possible from any European entanglements. Such a course will not be easy. Propaganda will flow from hundreds of sources to every corner of the Nation. International bankers will pipe a tune of protecting millions of dollars of invested capital. Traders and commercial companies will demand protection upon the high seas. American arms manufacturers and war profiteers will resort to their bag full of tricks to involve us. Demagogues and war-minded newspapers will stir the people and demand that our honor be upheld. International politicians and diplomats will urge participation for some such ridiculous slogan as "Save the world for democracy." In short, that vast machinery of propaganda set in motion by a self-centered and selfish minority will spread its cruel and heartless message to a gullible public. It is imperative that the public be forewarned so that it will not fall victim to false doctrines.

We in the United States are blessed by a natural phenomenon. We have two vast oceans, the Atlantic and the Pacific, which protect us from possible enemies. To the north and to the south we have friendly neighbors. If we had not been so fortunate, we would have been forced to maintain at least two gigantic standing armies to protect our borders, one in the east and one in the west. As it is, the American taxpayer has been spared this expense, something which European nationals have never escaped. We should be thankful for geographical position, for it has saved us from innumerable international altercations. We should not break down these formidable natural boundaries by offering to settle problems thousands of miles removed from us. We should not volunteer to criticize foreign governmental policies, especially when those policies are European in character. Such action will tend only to create national hatreds at a time when we can ill afford them.

A policy of strict isolation in case of a European or Asiatic war is the only course we can follow if we are to escape the vital after effects of participation in armed conflict. It is true that some will lose investments, that international trade will come to a virtual standstill, that war profits will not bulge the pockets of a favored few. It is also true that thousands, maybe millions, of young men will be spared their lives, that the normal functions of American life will continue, that billions of dollars will remain, as it should, in the United States.

The whole question revolves around a simple problem. The stake: A few millions of dollars of private capital and a few international ideals. The price: The health and wealth of the Nation represented on the one hand by the slaughter of our youth and on the other by the staggering expense of carrying on a war. The stake is surely not worth the price—no, not even an infinitesimal minute fraction thereof.

LEGISLATIVE APPROPRIATIONS

Mr. TYDINGS. I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate consider at this time the legislative-appropriation bill. I will make a motion to that effect, if necessary, but I thought there would be no objection, and that it could be done by unanimous consent.

The VICE PRESIDENT. The Senator from Maryland asks unanimous consent that the unfinished business be laid aside temporarily for the purpose of considering the legislative appropriation bill.

Mr. WHEELER. Mr. President, will the Senator from Maryland yield?

Mr. TYDINGS. I yield.

Mr. WHEELER. I understand that the Senator feels that it will take only 10 or 15 minutes to dispose of the appropriation bill. I have no objection to taking it up at this time if it does not lead to debate. If it is going to lead to debate, I should prefer to go on with the unfinished business.

Mr. TYDINGS. Of course, I cannot anticipate what the Senate will do; but my opinion is that the discussion will not be lengthy and that the bill will soon be disposed of.

Mr. WHEELER. Let me ask the Senator, in the event that it should lead to debate, would the Senator then be willing to lay the appropriation bill aside?

Mr. TYDINGS. If it shall lead to protracted debate, I will be glad to withdraw the request, or have the bill laid aside temporarily and have its consideration resumed later

in the afternoon, in order to give the Senator from Montana an opportunity to finish his remarks on the unfinished bill.

The VICE PRESIDENT. The Senator from Montana will understand that when unanimous consent is asked temporarily to lay aside the unfinished business at any time a Senator may demand the regular order, and the unfinished business automatically comes back before the Senate.

Mr. NORRIS. Mr. President, the only point I have in mind is that I understood the Senator from Maryland formally made a motion. I do not want the unfinished business set aside by motion, as that would displace it. I have no objection otherwise.

Mr. TYDINGS. I ask unanimous consent that the unfinished business may be temporarily laid aside, in order that the legislative-appropriation bill may be considered at this time.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. TYDINGS. I ask that the formal reading of the bill may be dispensed with, and that the bill be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The clerk will state the first amendment reported by the committee.

The first amendment of the Committee on Appropriations was, under the subhead "Office of the Secretary", on page 2, line 17, before the figures "$5,000", to strike out "minute and Journal clerk" and insert "Parliamentarian and Journal clerk"; on page 3, line 5, after the word "incumbent", to strike out "three" and insert "four"; in line 7, before the words "special officer", to strike out "messenger in library, $1,380"; in line 8, after the figures "$2,460", to strike out "assistant in library, $1,740" and insert "two assistants in the library at $1,740 each"; and in line 11, after the words "in all", to strike out "$120,120" and insert "$123,360", so as to read:

Salaries: Secretary of the Senate, including compensation as disbursing officer of salaries of Senators and of contingent fund of the Senate, $8,000; chief clerk, who shall perform the duties of reading clerk, $5,500 and $1,000 additional so long as the position is held by the present incumbent; financial clerk, $5,000 and $2,000 additional so long as the position is held by the present incumbent; assistant financial clerk, $4,200; Parliamentarian and Journal clerk, $5,000 and $1,000 additional so long as the position is held by the present incumbent; principal clerk, $3,600; legislative clerk, $4,000 and $1,000 additional so long as the position is held by the present incumbent; enrolling clerk, $4,000 and $1,000 additional so long as the position is held by the present incumbent; printing clerk, $3,540; chief bookkeeper, $3,600; librarian, $3,360; executive clerk, and assistant Journal clerk, at $3,180 each; first assistant librarian, and keeper of stationery, at $3,120 each; assistant librarian, and assistant keeper of stationery, at $2,400 each; clerks—one at $2,880 and $300 additional so long as the position is held by the present incumbent, 4 at $2,880 each, 2 at $2,640 each, 1 at $2,400, 4 at $2,040 each, 2 at $1,740 each; special officer, $2,460; 2 assistants in the library at $1,740 each; laborers—1 at $1,620, 5 at $1,380 each, 1 in secretary's office, $1,680; in all, $123,360.

The amendment was agreed to.

The next amendment was, under the subhead "Committee employees", on page 4, line 11, after the figures "$2,400" and the semicolon, to strike out "assistant clerk, $2,220" and insert "two assistant clerks at $2,220 each", so as to read:

Commerce—clerk, $3,900; assistant clerk, $2,880; assistant clerk, $2,580; assistant clerk, $2,400; two assistant clerks at $2,220 each.

The amendment was agreed to.

The next amendment was, on page 6, line 11, before the words "assistant clerks", to strike out "three" and insert "four", so as to read:

Post Offices and Post Roads—clerk, $3,900; assistant clerk, $2,880; four assistant clerks at $2,220 each; additional clerk, $1,800.

The amendment was agreed to.

The next amendment was, on page 7, line 2, after the figures "$2,580" and the semicolon, to strike out "assistant clerk, $2,220" and insert "two assistant clerks, at $2,220 each", so as to read:

Territories and Insular Possessions—clerk, $3,900; assistant clerk, $2,580; two assistant clerks at $2,220 each; assistant clerk, $2,000; additional clerk, $1,800.

The amendment was agreed to.

The next amendment was, on page 7, line 5, to change the total appropriation for committee employees from $493,200 to $499,860.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Sergeant at Arms and Doorkeeper", on page 7, line 23, after the figures "$2,640", to insert "one, $2,100"; in the same line, before the word "at", to strike out "four" and insert "three"; in line 24, before the word "messengers", to insert "one, to secretary for the majority, $1,800"; in line 25, after the word "messengers", to insert "one, $2,640"; in the same line, before "(acting as assistant doorkeepers", to strike out "three" and insert "four"; on page 8, line 2, before "(including two for minority)", to strike out "thirty" and insert "twenty-nine"; in line 3, after the figures "$2,400", to insert "and $240 additional so long as the position is held by the present incumbent"; in line 14, after the figures "$2,460" and the semicolon, to strike out "eleven" and insert "thirteen"; in line 18, after the figures "$1,920" and the semicolon, to strike out "one, $1,440" and insert "three at $1,440 each"; in line 19, after the word "each" and the semicolon, to strike out "twenty-five" and insert "twenty-nine"; in line 20, before the words "special employees", to insert "three, at $480 each"; in line 21, before the word "at", to strike out "six" and insert "seven"; and in line 23, after the words "in all", to strike out "$235,748" and insert "$254,868", so as to read:

OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

Salaries: Sergeant at Arms and Doorkeeper, $8,000; 2 secretaries (1 for the majority and 1 for the minority), at $5,400 each; 2 assistant secretaries (1 for the majority and 1 for the minority), at $4,320 each; Deputy Sergeant at Arms and storekeeper, $4,440; clerks—1, $2,640; 1, $2,100; 3 at $1,800 each, 1, to secretary for the majority, $1,800; messengers—1, $2,640, 4 (acting as assistant doorkeepers, including 1 for the minority), at $2,400 each, 29 (including 2 for minority), at $1,740 each, 4, at $1,620 each, one at card door, $2,400 and $240 additional so long as the position is held by the present incumbent; 2 special messengers, at $1,800 each; clerk on journal work for CONGRESSIONAL RECORD to be selected by the Official Reporters, $3,360; upholsterer and locksmith, $2,400; cabinetmaker, $2,040; 3 carpenters, at $2,040 each; janitor, $2,040; 5 skilled laborers, $1,680 each; laborer in charge of private passage, $1,680; 3 female attendants in charge of ladies' retiring rooms, at $1,500 each; 3 attendants to women's toilet rooms, Senate Office Building, at $1,500 each; telephone operators—chief, $2,460; 13, at $1,560 each; laborer in charge of Senate toilet rooms in old library space, $1,200; press gallery—superintendent, $3,660; assistant superintendent, $2,520; messengers for service to press correspondents—1, $1,920, 3 at $1,440 each; laborers—3 at $1,320 each; 29, at $1,260 each, 3, at $480 each; special employees—7, at $1,000 each; 21 pages for the Senate Chamber, at the rate of $4 per day each during the session, $15,288; in all, $254,868.

The amendment was agreed to.

Mr. KING. Mr. President, I notice the bill carries an appropriation of more than $20,000,000. Will the Senator briefly indicate the principal appropriations and what changes have been made in the House text?

Mr. TYDINGS. Mr. President, I think the report accompanying the bill is pretty comprehensive. The Senate committee generally took the position that at this time we would not recommend any amendments which were not absolutely necessary, such as increasing the cost of upkeep and repairs of the Senate Office Building. However, the Supreme Court Chambers have become available to the Senate, and it is necessary, in order to keep the Supreme Court library for use of the Members of Congress, to buy $50,000 worth of law books to place in the Supreme Court Building so the Justices will not have to come over here to look at them. That is the only major item.

The Senate restaurant amendment will later come up and I shall not go into that at this time.

There are no substantial increases in salaries in excess of $1,500 for the entire force of the Senate.

The appropriation for the Government Printing Office is one of the large items, and there is an additional sum provided for the building of a new main from the power plant, which costs $50,000, because the old one has had extra work put upon it by reason of the construction of the Supreme Court Building and the new House Office Building.

I may say to the Senator that the committee adhered to the policy of not increasing salaries except where there were inequalities in the case of men doing the same character of work, and those increases are a little less than $1,600, according to my recollection. Otherwise the bill is pretty much as it came over to us from the House.

The VICE PRESIDENT. The next amendment reported by the committee will be stated.

The next amendment was, on page 8, line 25, after the name "Sergeant at Arms", to insert "lieutenant, $1,740"; in the same line, before the word "officer", to strike out "Special" and insert "special"; and on page 9, line 1, after the words "in all", to strike out "$51,960" and insert "$53,700", so as to read:

Police force for Senate Office Building under the Sergeant at Arms: Lieutenant, $1,740; special officer, $1,740; 31 privates at $1,620 each; in all, $53,700.

The amendment was agreed to.

The next amendment was, under the subhead "Post office" on page 9, line 4, after the word "Postmaster", to strike out "$3,060" and insert "$3,600"; in line 6, before the words "mail carriers", to strike out "twenty" and insert "twenty-six", and in line 7, after the words "in all", to strike out "$42,840" and insert "$53,100", so as to read:

Salaries: Postmaster, $3,600; assistant postmaster, $2,880; chief clerk, $2,460; wagon master, $2,040; 26 mail carriers, at $1,620 each; in all, $53,100.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses of the Senate", on page 9, line 20, after the word "installments", to strike out "$57,323" and to insert a comma and "$61,094, of which $754 shall be immediately available", so as to read:

For reporting the debates and proceedings of the Senate, payable in equal monthly installments, $61,094, of which $754 shall be immediately available.

The amendment was agreed to.

The next amendment was, on page 10, line 4, after the words "per hundred words", to strike out "$120,000" and insert "$150,000", so as to read:

For expenses of inquiries and investigations ordered by the Senate, including compensation to stenographers of committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words, $150,000.

The amendment was agreed to.

The next amendment was, on page 10, after line 17, to strike out:

No part of any appropriation contained in this act, except the appropriations available for heated and lighted space and janitor service and for equipment for restaurants and kitchens, shall be used for the operation of any restaurant.

The amendment was agreed to.

The next amendment was, on page 10, after line 22, to insert:

For repairs, improvements, equipment, and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Building, including personal and other services, to be expended from the contingent fund of the Senate under the supervision of the Committee on Rules, United States Senate, $35,000: *Provided*, That said Committee on Rules are hereby authorized and directed hereafter to add a minimum of 10 percent to each order in excess of 10 cents served in the said restaurants and 20 percent to all orders served outside of said restaurants, and the proceeds accruing therefrom shall be placed in a fund to be used in the payment of any deficit incurred in the management of such kitchens and restaurants.

The amendment was agreed to.

The next amendment was, on page 11, at the end of line 15, to increase the appropriation for miscellaneous items, exclusive of labor, from $100,000 to $200,000.

The amendment was agreed to.

The next amendment was, on page 11, line 20, after the word "furniture", to strike out "$5,000" and insert a comma and "$10,000, of which $5,000 shall be used in the space vacated by the Supreme Court", so as to read:

For the purchase of furniture, $10,000, of which $5,000 shall be used in the space vacated by the Supreme Court.

The amendment was agreed to.

The next amendment was, on page 12, line 1, after the word "Senators", to strike out "for the second session of the Seventy-fourth Congress", so as to read:

For stationery for Senators and for the President of the Senate, including $7,500 for stationery for committees and officers of the Senate, $19,500.

The amendment was agreed to.

The next amendment was, on page 12, after line 6, to insert:

Payments from the contingent fund of the Senate for materials and supplies (including fuel) hereafter purchased through the Procurement Division of the Treasury Department shall be made by check upon vouchers approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

The amendment was agreed to.

Mr. McNARY. Mr. President, I have not the speed to keep up with the clerk. I am interested in the provision relating to the press gallery in the Senate. May I ask the Senator from Maryland with reference to that?

Mr. TYDINGS. Mr. President, I am authorized on behalf of the committee, when the committee amendments shall have been disposed of, to offer a special amendment to take care of the press gallery matter. That will be offered when the committee amendments shall have been disposed of.

Mr. McNARY. I am very glad to know that. That is the reason why I was asking for a little less speed, so I might be able to find out just where the provision is in the bill.

The next amendment of the Committee on Appropriations was, under the subhead "Contingent expenses of the House" on page 21, line 15, after the word "of", to strike out "any" and insert "the House", so as to read:

For miscellaneous items, exclusive of salaries unless specifically ordered by the House of Representatives, including reimbursement to the official stenographers to committees for the amounts actually paid out by them for transcribing hearings, and including materials for folding, $60,000: *Provided*, That no part of any appropriation contained in this act, except the appropriations available for heated and lighted space and janitor service and for equipment for restaurants and kitchens, shall be used for the operation of the House restaurant.

The amendment was agreed to.

The next amendment was, on page 22, line 6, after the word "widow", to strike out "and/or minor children" and insert "or minor children or both"; and in line 8, before the word "burial", to strike out "and/or" and insert "and", so as to read:

No part of the appropriations contained herein for the contingent expenses of the House of Representatives shall be used to defray the expenses of any committee consisting of more than 6 persons (not more than 4 from the House and not more than 2 from the Senate), nor to defray the expenses of any other person except the Sergeant at Arms of the House or a representative of his office and except the widow or minor children or both of the deceased, to attend the funeral rites and burial of any person who at the time of his or her death is a Representative, a Delegate from a Territory, or a Resident Commissioner from Puerto Rico or the Philippine Islands.

The amendment was agreed to.

The next amendment was, under the heading "Capitol Police", on page 24, line 14, before the word "privates", to strike out "52" and insert "76"; and in line 17, after the words "in all", to strike out "$100,440" and insert "$139,320", so as to read:

Salaries: Captain, $2,460; 3 lieutenants, at $1,740 each; 2 special officers, at $1,740 each; 3 sergeants, $1,680 each; 76 privates, at $1,620 each; one-half of said privates to be selected by the Sergeant at Arms of the Senate and one-half by the Sergeant at Arms of the House; in all, $139,320.

The amendment was agreed to.

The next amendment was, on page 25, line 1, after the word "expenses", to strike out "$10,210" and insert "$13,848", so as to read:

For purchasing and supplying uniforms, for maintenance and repair of motor-propelled passenger-carrying vehicles, and for con-

tingent expenses, $13,848, of which $500 shall be immediately available for the exchange of one such vehicle.

The amendment was agreed to.

The next amendment was, under the subhead "Capitol Buildings and Grounds", on page 27, line 17, before the words "of which", to strike out "$311,799" and insert "$316,599", so as to read:

Capitol Buildings: For necessary expenditures for the Capitol Building and electrical substations of the Senate and House Office Buildings, under the jurisdiction of the Architect of the Capitol, including minor improvements, maintenance, repair, equipment, supplies, material, fuel, oil, waste, and appurtenances; furnishings and office equipment; personal and other services; cleaning and repairing works of art; purchase or exchange (not to exceed $1,000), maintenance, and driving of motor-propelled passenger-carrying office vehicle; not exceeding $300 for the purchase of technical and necessary reference books, periodicals, and city directory; and pay of superintendent of meters, and $300 additional for the maintenance of an automobile for his use, who shall inspect all gas and electric meters of the Government in the District of Columbia without additional compensation, and in his absence, disability, or when there is no superintendent of meters, these duties shall be performed by any other employee designated by the Architect of the Capitol; $316,899, of which sum $28,000 shall be immediately available.

The amendment was agreed to.

The next amendment was, on page 27, after line 10, to insert:

For repairs, improvements, and equipment for the space to be vacated in the Capitol Building by the Supreme Court of the United States, including furnishings for the office of the financial clerk of the Senate, and for personal and other services and for all necessary expenses in connection therewith, to be expended by the Architect of the Capitol under the direction of the Committee on Rules of United States Senate (U. S. C., title 40, sec. 186), $36,850.

The amendment was agreed to.

The next amendment was, on page 27, after line 18, to insert:

Pedestals for busts of Vice Presidents: To enable the Architect of the Capitol to provide four marble pedestals for busts of Vice Presidents in the Capitol Building, $1,400.

The amendment was agreed to.

The next amendment was, on page 29, line 3, after the words "Senate Office Building", to insert a comma and "including increase for personal services, $11,754; indirect lighting system for the Senate Office Building, $12,000; equipment for and replacement, air conditioning, $2,300; new elevator replacement parts, $2,000; rugs, $5,000; four lavatories for the Senate Office Building, $2,000; floor-scrubbing machine, $1,200;"; in line 10, before the words "in all", to strike out the comma and "acting through the Architect of the Capitol, who shall be its executive agent;"; and in line 11, after the words "in all", to strike out "$230,315" and insert "$266,569", so as to read:

Senate Office Building: For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment and for labor and material incident thereto and repairs thereof; and for personal and other services for the care and operation of the Senate Office Building, including increase for personal services, $11,754; indirect lighting system for the Senate Office Building, $12,000; equipment for and replacement, air conditioning, $2,300; new elevator replacement parts, $2,000; rugs, $5,000; four lavatories for the Senate Office Building, $2,000; floor-scrubbing machine, $1,200; under the direction and supervision of the Senate Committee on Rules; in all, $266,569.

The amendment was agreed to.

The next amendment was, on page 29, line 25, after the words "power plant" and the comma, to strike out "$528,660" and insert "$572,560", so as to read:

Capitol power plant: For lighting, heating, and power for the Capitol, Senate and House Office Buildings, Supreme Court Building, Congressional Library Buildings, and the grounds about the same, Botanic Garden, Legislative garage, folding and storage rooms of the Senate, Government Printing Office, and Washington City post office; personal and other services, engineering instruments, fuel, oil, materials, labor, advertising, and purchase of waterproof wearing apparel in connection with the maintenance and operation of the heating, lighting, and power plant, $572,560, of which sum $102,000 shall be immediately available.

The amendment was agreed to.

The next amendment was, under the subhead "Library Building and Grounds", on page 30, line 20, after the word "appurtenances", to insert "including necessary repairs and replacements in the Library cafe and kitchen", so as to read:

For necessary expenditures for the Library Building under the jurisdiction of the Architect of the Capitol, including minor improvements, maintenance, repair, equipment, supplies, material, appurtenances, including necessary repairs and replacements in the Library cafe and kitchen, installation, replacement, and reconditioning of elevators, and personal and other services in connection with the mechanical and structural maintenance of such building, $189,900; and in addition thereto the unexpended balance of the appropriation of $30,300, contained in the "Deficiency Appropriation Act, fiscal year 1934", for elevator work in the Library Building, is reappropriated and made available.

The amendment was agreed to.

The next amendment was, under the subhead "Increase of the Library", on page 35, line 21, after the words "law books", to strike out "$50,000" and insert "$90,000", so as to read:

For the purchase of books and for periodicals for the law library, including payment for legal society publications and for freight, commissions, and all other expenses incidental to the acquisition of law books, $90,000, to continue available during the fiscal year 1937.

Mr. BORAH. Mr. President, what is the $40,000 increase for in this item?

Mr. TYDINGS. Mr. President, the Supreme Court, as the Senator knows, will move into its new building in the near future. Unless some provision of this kind were made, it would be necessary to take away from the Senate wing of the Capitol the law books which are now there and place them in the Supreme Court Library in their own building. Senators and Representatives wishing to have access to the books would have to go over to the Supreme Court Building for that purpose. It was thought wise, after some hearings on the matter, to duplicate some of the books. For that reason, the sum of $40,000 is appropriated so the books will be available for both bodies. If we kept them all here, the Supreme Court Justices would have to come come over here to have access to them. The object of the increase is to avoid that embarrassment. It may not be necessary to use the entire amount to accomplish the result we have in mind. We appropriated a sufficient amount so that if we are going to do it at all it can be done thoroughly at one time.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments.

Mr. TYDINGS. Mr. President, on behalf of the committee, I offer the following amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 1, in line 19, after the word "mileage", it is proposed to insert the words "of the President of the Senate and", and after the numerals "$51,000", in line 10, insert:

And hereafter the President of the Senate shall be paid mileage at the same rate and in the same manner as now allowed by law to Senators, Members of the House of Representatives, and Delegates in Congress.

Mr. TYDINGS. Mr. President, this is merely to put the President of the Senate and the Speaker of the House of Representatives on the same basis with respect to mileage. At the present time the President of the Senate does not receive mileage, while the Speaker of the House of Representatives does. It was an oversight and the amendment is merely to cure that defect.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. TYDINGS. Mr. President, on behalf of the committee I offer the following amendment.

The PRESIDENT pro tempore. The amendment will be read.

The CHIEF CLERK. It is proposed, on page 27, after line 18, to insert the following:

Enlargement of accommodations for the press: For alterations in the gallery area of the Senate wing of the Capitol for the accommodation of the press, and construction changes incident

thereto, in accordance with plans prepared by the Architect of the Capitol, to be expended by the Architect of the Capitol under the direction of the Committee on Rules of the United States Senate, $8,000: *Provided*, That said alterations shall not include any new construction work in corridor areas or alter the existing walls of the Capitol.

Mr. McNARY. Mr. President, I feel that I should suggest to the Senator from Maryland the elimination of the proviso which reads as follows:

Provided, That said alterations shall not include any new construction work in corridor areas or alter the existing walls in the Capitol.

I do that because of my familiarity with conditions surrounding the members of the press gallery. I think I voice their views unanimously when I say it would add much to their comfort and convenience if the proviso were eliminated. For that reason at this time I move to strike from the proposed amendment the proviso which I have just read.

Mr. TYDINGS. Originally when the committee considered the proposition we adopted a plan, which I think was called G–1, prepared by the Architect of the Capitol, in an effort to accommodate the members of the press gallery. That was the plan they wanted. After it was adopted and the committee had gone further into the matter, it was brought out that it would necessitate the cutting of some arches in one of the main Senate walls; and there seemed to be a reluctance on the part of the committee to have arches cut through the wall.

I hope the Senator will not press his amendment, for this reason: It is my desire and disposition, as I think it will be that of the other conferees, when this provision goes to conference, where it can be amended, to consult with representatives of the press gallery and the Architect of the Capitol in an effort to give the press gallery what it desires, and at the same time preserve the architectural features which caused the amendment to be drawn as I now hold it in my hand.

I assure the Senator from Oregon that I shall do everything in my power to cooperate with the members of the press gallery, and with the Architect of the Capitol and others interested, to accomplish the purpose they have in mind, which is the extension of the press room, so that the members of the press may have space and the accommodations to which they are entitled.

Mr. McNARY. Mr. President, of course it was not my purpose in making the request to do anything which would embarrass the chairman of the Senate conferees; but this is only a limitation; and if the proviso should be stricken out it would give full power to the Senator to do that which he pleases.

I should feel more comfortable and better assured if the Senator would accept my proposal to strike out this provision, inasmuch as it is only a limitation.

Mr. TYDINGS. Of course, the Senator knows that I am just as anxious to work the matter out as he is, and I appreciate that his motion is actuated by good faith in every particular; but inasmuch as the committee went into the matter after we had once adopted the plan in question and insisted upon this language until further examination could be made. I do not feel that I should be justified in accepting the Senator's amendment, although I believe we can accomplish its purpose in conference.

Mr. McNARY. The only reason why I appear persistent is, as I stated a moment ago, that the language to which I refer is only a direction or limitation upon the language employed in the main amendment, and my proposal would not in any way circumscribe the authority of the conferees in dealing with the subject.

Mr. TYDINGS. If we take the amendment to conference it can be altered; and the Senator and I both know that we are in no position to pass on whether the main wall of the Capitol should be cut or should not be cut. That is a subject on which we ought to get some good advice before we really straighten out this matter. There is no desire on my part not to give the members of the press gallery what they ask for; but my object is, rather, that we should have some information which we could work out with representatives of the press in the hope that we could give them exactly what they wish.

Mr. McNARY. As chairman of the conferees on the part of the Senate, will the Senator advise me—and then I may be satisfied—that in taking to conference his proposed amendment, including the proviso, it will be worked out acceptably and to the satisfaction of the members of the press gallery?

Mr. TYDINGS. I will say to the Senator from Oregon on behalf of the conferees, with some of whom I have already conferred, that we shall call in representatives of the press at the time we are considering the amendment, and attempt to reconcile the differences and to give the press gallery what it desires.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Florida.

Mr. FLETCHER. I have the impression that it would be a bad thing to cut arches in the walls or to interfere with the walls. I do not know how the matter may be worked out, but I believe we ought not to permit the walls to be cut.

Mr. TYDINGS. I may say to the Senator from Florida that that is the reason why we framed the amendment in this fashion, until we could examine into the matter and see if we could not accomplish what was desired without causing any injury to the building.

Mr. McNARY. With the assurance which has been very frankly and honestly given me by the Senator from Maryland that this matter will be worked out to the complete satisfaction of those occupying the press gallery, I shall not press my motion; and I withdraw it.

The PRESIDENT pro tempore. The motion is withdrawn. The question is on the amendment offered by the Senator from Maryland [Mr. TYDINGS] on behalf of the committee.

The amendment was agreed to.

Mr. TYDINGS. I ask unanimous consent that the clerks be authorized to correct all totals necessitated by the amendments which have been adopted.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TYDINGS. Mr. President, on behalf of the committee I also offer an amendment proposed by the Senator from Oklahoma [Mr. THOMAS]; and before the amendment is read I should like to say a brief word of explanation.

The Committee on Indian Affairs for a great number of years has had an attorney. The appropriation heretofore made has been exhausted, and unless this amendment shall be adopted that attorney will pass out of existence as an adjunct of the committee. The Senator from Oklahoma came before the committee and made out a splendid case, and I was authorized on behalf of the committee to offer the amendment.

The PRESIDENT pro tempore. The Senator from Maryland offers an amendment, which will be stated.

The CHIEF CLERK. On page 5, after line 10, it is proposed to insert:

Law clerk, $3,600.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Maryland on behalf of the committee.

The amendment was agreed to.

Mr. ASHURST. Mr. President, I rise not so much to offer an amendment as to suggest the following situation for the consideration of the chairman of the subcommittee, the Senator from Maryland [Mr. TYDINGS], and other Senators:

In laying this subject before the Senate I am entirely unembarrassed, because I do not happen to be one of those who will require the additional secretarial help of which I am about to speak.

The flood of letters, telegrams, and other communications is greater upon Senators than ever was known before in our national history. I could name, but I shall not do so, Senators who receive 1,000 letters each day. No matter what the country may say or think, the Senate of the United States is a diligent, hard-working body.

I wish now that Senators would permit me to indulge in some philosophical reference by saying that one of the distinguishing marks of an Anglo-Saxon freeman is his privilege at all times to criticize his legislative body. In other countries—in the Levantine and oriental countries, for example—it is not regarded as a badge of liberty to criticize one's parliament. If Senators will investigate, they will find that beginning with the old witenagemote, the father of the English Parliament, the right to criticize the Parliament has everywhere been a distinguishing badge of freedom. We inherited that right by the migration of our ancestors to these shores. It exists in Canada, in Australia, in all the English-speaking world; and whenever the Senate shall find itself immune from criticism, then, indeed, the badge distinguishing a freeman will have gone.

I say, let Senators be not disturbed by the enormous criticism which is being visited upon them. It is one of the most healthful things in a free republic to criticize the lawmaking body. I wish to repeat—and I am not speaking for myself—that the Senate is a diligent body, an industrious body. I look about me, and I see many men—not a few, but many—who could earn five times the amount of their salary if they were in private life. It is fortunate that we have such men here.

I believe that we are a little too thin-skinned, we are a little too sensitive to criticism, when it comes to secretarial help. I shall be able to get along this summer without any additional secretarial help, because it is well known that I do not work as hard and as diligently as many of the other Senators. [Laughter.] Take, for example, my own colleague [Mr. HAYDEN]. There is no more industrious man than he in all the Government service. Our constituents have a right to demand at least some acknowledgment of their communications. I do not know how Senators from populous States, such as Massachusetts, New York, Pennsylvania, Texas, Missouri, Ohio, Indiana, Illinois, California, and others, may fare; but I find it quite difficult, I find it a laborious task, to make acknowledgment of all the communications I receive.

This class of our work will not be relaxed and will not let up during the summer months. Therefore, Senators must remember that the authority granted by my resolution of last January for each Senator to employ an additional clerk will expire when the present session of Congress shall expire. The able Senator from Tennessee [Mr. MCKELLAR], with the foresight and the diligence that always characterize him—and I wish to say now that there is no more diligent or faithful Senator here than the Senator from Tennessee—has submitted a resolution allowing each Senator an additional clerk after the conclusion of this session. I now ask the Senator from Tennessee if he is prepared to offer that resolution as an amendment to this bill?

Mr. MCKELLAR. No, Mr. President. If the Senator will pardon me, that resolution has been offered and has been sent to the Committee to Audit and Control the Contingent Expenses of the Senate, and I had hoped that it would be reported back today. After careful consideration, it was concluded by the Appropriations Committee that we should take that course; and I introduced the resolution virtually by direction of the Committee on Appropriations.

Mr. ASHURST. Let me say that I do not wish the country or my constituents to get the idea that I am lackadaisical or wanting in diligence respecting the performance of my duty; but it would be hypocritical for me to pretend that I work as hard as many of the Senators who are now sitting around me. Therefore, I repeat, I am wholly unembarrassed in the matter, and I am willing that I shall be left out if other Senators can get the extra clerk, because I know how hard they work.

Mr. TYDINGS. Mr. President——

Mr. ASHURST. I yield to the Senator from Maryland.

Mr. TYDINGS. I may say to the Senator from Arizona that the committee very carefully considered this matter, and many Senators came and explained the volume of their mail and stated they were unable to keep up with it. After ample discussion the Senator from Tennessee [Mr. MCKELLAR] agreed to send his resolution to the Committee to Audit and Control the Contingent Expenses of the Senate, and I can say, as a member of that committee, that, generally speaking, the purpose for which the resolution was introduced meets with sympathetic response on the part of the committee, and after we have gone into it a little more carefully, and afforded adequate safeguards so as not to be unduly extravagant, we hope to report the resolution and to give Senators sufficient office force at least to keep up with their correspondence.

Mr. ASHURST. In this age of parsimony, in this age of the Government's history when we scan closely every proposal to spend even a nickel of the taxpayers' money, it would be monstrous if we should be extravagant respecting our own help.

Mr. TYDINGS. I think the matter will work out satisfactorily. I am glad the Senator has offered his observations. They will help us.

Mr. SHIPSTEAD. Even with the extra help we have had the past winter, I have been forced to resort to mimeographed letters, which I think is beneath the dignity of a Senator. We send out thousands of them in order to give legitimate attention to correspondence at all. I do not say this is a matter of complaint, but by way of stating the facts.

Mr. ASHURST. Permit me to say to the Senator that for the first time in my career I have been obliged to do likewise. Such a practice might be offensive to my constituents and might be offensive to the constituents of the Senator from Minnesota, because it is not the polite attention a constituent deserves; but I have been forced to send out mimeographed letters, and I know of a number of Senators, who, out of their own pockets, have been for a year, and are now, paying extra clerks to do the work of the Senate, for which the Government should pay.

Mr. TYDINGS. That is true.

The PRESIDENT pro tempore. Are there other amendments to be offered?

Mr. TYDINGS. I offer an amendment, to come in on page 7, line 2, to strike out the word "Possessions" and to insert in lieu thereof the word "Affairs."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. TYDINGS. Mr. President, I move that the Senate insist on its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. TYDINGS, Mr. BYRNES, Mr. HAYDEN, Mr. HALE, and Mr. TOWNSEND conferees on the part of the Senate.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating or marketing securities in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. WHEELER obtained the floor.

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. DIETERICH. I send to the desk certain amendments which I intend to offer at the proper time, and ask to have them printed and lie on the table.

The PRESIDENT pro tempore. Without objection, the amendments will be received, printed, and lie on the table.

Mr. WHEELER. Mr. President, no doubt I have taken more time of the Senate in explaining the pending bill than has been absolutely necessary, but in view of the tremendous false propaganda which has been carried on by the utility holding companies and their subsidiaries from one end of this country to the other, I have felt that, in fairness to the Senate, I ought to try to take up each and every one of the objections and explain it to the best of my ability, and I desire now to discuss some of the constitutional questions

which were raised the other day, if not directly, at least by implication.

Mr. BORAH. Mr. President, would it interfere with the Senator if I should ask a question or two before he begins the discussion of the constitutional features of the bill?

Mr. WHEELER. Not at all.

Mr. BORAH. I understand that it is not the intention of the framers and proponents of the measure to deal with intrastate matters at all.

Mr. WHEELER. That is correct.

Mr. BORAH. If the general language used could be construed as dealing with intrastate matters, nevertheless the intention is to confine the operation of the bill to interstate matters?

Mr. WHEELER. That is entirely correct.

Mr. BORAH. Let me ask the Senator this: In his opinion, is there anything in the bill which would give jurisdiction over the production of electric power within a State?

Mr. WHEELER. There is nothing that would give jurisdiction over the production of electric power within a State excepting insofar as it was transmitted in interstate commerce.

Mr. BORAH. The generating of power within a State, unless it goes into the channels of interstate commerce, is not supposed to be controlled by this bill?

Mr. WHEELER. That is my understanding of it. Let me say this further to the Senator: The bill as it was originally prepared by the proponents and introduced contained a provision to the effect that a power company would have to come to the commission for a certificate of convenience and necessity before it could construct a power plant, or a transformer, or anything else of that kind, within a State. In the committee I insisted that this should be stricken out, because I felt that we should not go so far in this bill, because it was not necessary. Likewise there was a provision in the bill making transmission lines common carriers. That was stricken out, I may say, at my suggestion, because I did not think that at present transmission lines should be held to be common carriers.

Title II, to which the Senator refers, he will find in reading the bill relates only to such power plants and such streams and such rivers as those over which the Congress has jurisdiction; in other words, the navigable streams over which the Congress at the time has jurisdiction.

Mr. BORAH. There is no authority in the bill, then, to fix rates which would be wholly intrastate rates?

Mr. WHEELER. None whatever. As a matter of fact, while there might be some question as to whether we could not fix retail rates for energy that was transmitted from one State to another, the new bill expressly eliminates the fixing of rates for retail purposes, and confines the authority to wholesale rates in interstate commerce.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. McKELLAR. On page 1, section 1 of the bill starts by providing:

> Public-utility holding companies and their subsidiary companies are affected with a national public interest when, among other things—

And so forth. Then the things are set out. Does not that wording come directly within the ban recently laid down by the Supreme Court in the poultry cases?

Mr. WHEELER. Not at all.

Mr. McKELLAR. The wording "affected with a national public interest" is discussed at length in the opinion, and I think the language here is misleading, and probably the Senator might change it.

Mr. WHEELER. Let me say to the Senator that in the case to which he refers, with which I am very familiar, having studied the opinions, I think the Supreme Court was entirely correct in the decision, that the decision was sound, and, as I said the other day, I do not see how they could have come to any other conclusion. But this is an entirely different thing. What we are proposing to do in this bill has been done by the Congress with reference to the railroads. The same jurisdiction has been given to the Federal Trade Commission, the same jurisdiction has been given to various other Government commissions, and I propose to show that everything in this bill has been upheld by the Supreme Court of the United States in its recent decision.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. WHITE. The question I am about to ask is suggested by the inquiry just propounded by the Senator from Idaho. Will the Senator from Montana point out the precise language in the bill which he contends excludes from the jurisdiction of the Commission an intrastate company?

Mr. WHEELER. There is not anything expressly excluding intrastate companies. However, if the Senator will turn to section 4, on page 19, he will find the definition of a holding company in general language.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Idaho?

Mr. WHEELER. I yield.

Mr. BORAH. There is nothing in the bill which expressly eliminates intrastate business, but the bill does say repeatedly that it is purporting to deal with interstate business.

Mr. WHEELER. Exactly.

Mr. BARKLEY. Will the Senator yield?

Mr. WHEELER. I yield.

Mr. BARKLEY. If the Senator will turn to part II, he will find it has the heading "Regulation of Electric & Utility Companies Engaged in Interstate Commerce."

Mr. WHITE. That is part II.

Mr. WHEELER. That is what the Senator from Idaho was inquiring about. He was inquiring with reference to rates. The subject of rates comes under part II.

Mr. WHITE. That is quite correct if his question was limited to part II, but there is nothing in the definition of a holding company, as it appears in title I of the bill, which confines "holding company" to being one engaged in interstate commerce. A holding company, so far as the definition of a holding company in the bill goes, may be engaged both in interstate or intrastate commerce, and I have not been able to satisfy myself that the language of the bill, insofar as title I goes, is not broad enough to reach the intrastate company.

Mr. WHEELER. If the Senator will turn to section 4 on page 19, entitled, "Transactions by Unregistered Holding Companies", he will find that it simply defines first in general language what a holding company is. That definition of a holding company has no relation to the rest of the bill, excepting as a general definition of a holding company; but the only holding companies which have to apply for registration under the terms of the bill are those engaged in interstate commerce under section 4, because it says:

> SEC. 4. (a) After October 1, 1935, unless a holding company is registered under section 5, it shall be unlawful for such holding company, directly or indirectly—
>
> (1) To sell, transport, transmit, or distribute, or own or operate any capital assets for the transportation, transmission, or distribution of natural or manufactured gas or electric energy in interstate commerce.

Then it provides further that the holding company cannot use the facilities of interstate commerce unless it registers. The bill recognizes that some of the companies are engaged in interstate commerce to the extent that they use the channels of interstate commerce, but it provides exemptions in certain instances for those companies which desire to use the channels of interstate commerce, providing such companies' operations are entirely within a State; and it exempts them from certain provisions even when they are in an integrated system; that is, it exempts them from the provisions with respect to dissolution even if they are in an integrated system, but it does not exempt them from the regulation of their securities.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BARKLEY. In other words, while they themselves may be engaged in the distribution and production of electric or gas energy wholly within a State, and not subject to regu-

lation as to its production or distribution, if they sell their securities in interstate commerce and use the mails for the distribution of their securities they may, under some circumstances, be brought within the purview of title I insofar as the distribution of securities are concerned, and that alone.

Mr. WHEELER. That is exactly correct.

Permit me to call attention to some cases. The statement has been made by some Senator that a distinguished lawyer had told him that there were many places wherein this act could be held unconstitutional, or words to that effect. I myself have given careful consideration to the constitutional features of this bill, and in addition to that it has been studied by lawyers in various branches of the Government.

At the outset, it should be borne in mind that the thing which gives the Congress jurisdiction to regulate or dissolve a corporation or a combination is the interstate character of its business. Is a holding company, with its subsidiaries, in its very nature engaged in interstate commerce?

That is the question, it seems to me, we have to decide right at the outset. Is a holding company, notwithstanding the fact that it is organized in the State of Delaware, but if it has branches in Montana, and branches in Idaho, and branches in South Carolina, and branches in other States, subsidiary companies—is that holding company engaged in interstate commerce?

I submit that one cannot read the Supreme Court decisions in the *Northern Securities Case* (193 U. S. 197); the Continental Insurance case, commonly known as the Reading case, which I cited the other day; the *International Textbook Co.* v. *Pigg Case* (217 U. S. 91); *United States* v. *D. L. & W. Case* (231 U. S. 363, 238 U. S. 516); *Addyston Pipe, etc., Co.* v. *United States Case* (175 U. S. 211); *United States* v. *Joint Traffic Association* (171 U. S. 505); *Champion* v. *Ames Lottery Case* (188 U. S. 321); *So. Pac. Terminal Co.* v. *Interstate Commerce Commission Case* (219 U. S. 498); and numerous others which might be cited, and retain any doubt concerning the power of Congress to deal with holding companies and their operating subsidiaries, when either or both are engaged in interstate commerce.

Let me call the attention of the Senate to the Southern Pacific Terminal Co. case.

Mr. BLACK. Mr. President, will the Senator yield for a question on that line?

Mr. WHEELER. I yield.

Mr. BLACK. May I ask the Senator if the committee had before it any evidence showing that these holding companies themselves had in various States objected to any jurisdiction by the State commission, even though they owned and controlled subsidiary companies within the State?

Mr. WHEELER. They objected in some instances to being regulated by States because they were engaged in interstate commerce.

Mr. BLACK. Have not these holding companies frequently in various States of the Union—I am familiar with some of them—deprived the State commissions of the opportunity to examine their books and to go into their files, on the ground that the States had no authority and that the Federal Government alone had authority?

Mr. WHEELER. Exactly. Mr. Benton, who is the general solicitor for the Association of State Public Utility Commissioners, with headquarters in the city of Washington, appeared before the Senate Committee on Interstate Commerce and testified that they were in favor of some legislation dealing with holding companies because the State commissions were helpless to deal with holding companies; that when they wanted to get at the records and the books of a holding company in order to find out whether or not the charges which were made to the operating companies were just and proper charges to be used for rate-making purposes it was impossible for them to get the facts, because the books would be located in New York City or in the State of Delaware, and it would be impossible, for that reason, for the State commissions to do the job they ought to do.

Mr. BLACK. If a company were organized in Delaware, as most of them are, and it owned, for instance, a subsidiary company in Alabama or Montana—to use for illustration one of our two States—then if the State Commission of Alabama or the State Commission of Montana did not have authority to regulate that holding company within the State, and to obtain the necessary information on which to base regulation of the organization having the real control, and the Federal Government had no such power, there would be no power or control anywhere in the world except in the State of Delaware?

Mr. WHEELER. There is no question about that.

Mr. BLACK. And, of course, the State of Delaware, as it is well known, retains practically no authority over the corporations which it invites to organize in that State.

Mr. WHEELER. The Senator is exactly correct. There has been no power anywhere to regulate these holding companies, and there has been no power in a State commission by which it could ascertain the service charges and the other charges which have been made to the operating companies by the holding companies.

Mr. BLACK. The result has been that there is no regulation anywhere in the United States, municipal, State, or Federal.

Mr. WHEELER. Yes, Mr. President; and, as pointed out by the President of the United States in his message, that is the reason why evil practices and abuses have sprung up, because the holding company of the public-utility company, which is a local monopoly, sits on both sides of the table, and signs the contracts for the operating company as well as the contracts for the holding company. Those practices, together with evils connected with the flotation of their securities, have led to the deplorable situation in which we find ourselves today.

Mr. BLACK. Mr. President, I ask the Senator if there was any evidence before his committee that these holding companies themselves had gone into the Federal court and enjoined the enforcement of rates which had been fixed by the State commissions on their subsidiary companies? I am informed that they have frequently gone into the courts for that purpose.

Mr. WHEELER. My recollection is that a case went to the Supreme Court from the State of Kansas where such a situation existed, with reference to a company which claimed that it was engaged in interstate commerce and could not be subject to State regulation.

Mr. DIETERICH. Mr. President, will the Senator yield for a question?

Mr. WHEELER. Yes.

Mr. DIETERICH. The exemptions which the proposed commission has power to make are included in section 3 of title I. Is that correct?

Mr. WHEELER. That is correct.

Mr. DIETERICH. I am a little confused about this language:

SEC. 3. (a) The Commission, by rules and regulations or order, shall exempt any holding company, and every subsidiary company thereof as such, from any provision or provisions of this title, if and to the extent that it deems the exemption not detrimental to the public interest or the interest of investors or consumers, if—

Then follow clauses 1, 2, 3, 4, and 5. Clause 2 reads:

Such holding company is predominantly a public-utility company operating as such in one or more contiguous States—

In one or more contiguous States—

in one of which it is organized.

That language necessarily means the Commission would have jurisdiction over a company operating in one State.

Then, following the five clauses this language occurs on page 19:

The Commission, upon its own motion or upon application by the holding company, or any subsidiary company thereof, exempted by any order issued hereunder, shall, after notice and opportunity for hearing, revoke, modify, or confirm any such order whenever in its judgment the circumstances warrant such revocation, modification, or confirmation.

I will ask if that provision does not particularly give the Commission, or attempt to give them, jurisdiction over a company operating entirely in intrastate commerce?

Mr. WHEELER. Mr. President, let me state, in answer to the Senator from Illinois, that the provisions to which he has referred should be read in conjunction with section 4, which provides that a holding company in order to be registered must be using the channels of interstate commerce. So only those companies are affected that are compelled to register and are carrying on their business through the medium of the channels of interstate commerce. After they have registered—and this is the point that apparently I have not been able to make plain to a good many Senators——

Mr. DIETERICH. Mr. President, will the Senator pardon an interruption right there?

Mr. WHEELER. Yes.

Mr. DIETERICH. But the provision to which I have alluded has reference to those that are not required to register.

Mr. WHEELER. No; the Senator is incorrect. This bill deals only with companies which are compelled to register. That is all; nothing else. Only those companies which have to register under the bill does the bill deal with, or can it deal with. That is all. So, after the company registers, then the Commission is authorized and directed under certain circumstances to exempt it from the provision with reference to dissolving within a certain period of time and from the provisions of this bill under certain given circumstances.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from Montana yield to the Senator from Kentucky?

Mr. WHEELER. I yield.

Mr. BARKLEY. The language on page 19, quoted by the Senator from Illinois, refers, of course, to the orders of exemption which may have been issued by the Commission under all the five subdivisions that precede it.

Mr. WHEELER. Yes.

Mr. BARKLEY. In other words, the Commission shall exempt a holding company if—

(1) Such company and every subsidiary company thereof * * * are predominantly intrastate in character and carry on their business substantially in a single State in which the holding company and every such subsidiary are organized.

If—

(2) Such holding company is predominantly a public-utility company operating as such in one or more contiguous States, in one of which it is organized.

If—

(3) Such holding company is only incidentally a holding company—

And so on.

If—

(4) Such holding company is temporarily a holding company—

And so on.

And if—

(5) Such holding company is not, and no subsidiary company thereof is, a public-utility company operating within the United States.

That applies to concerns organized in this country but which own their property in foreign countries.

Mr. WHEELER. That is correct.

Mr. BARKLEY. It is conceivable that after an order of exemption shall have been issued by the Commission, the circumstances may change, the set-up of the company may become different, and, in that case, the Commission, either on its own motion or upon application, and so forth, may revoke or modify the order of exemption which has theretofore been issued as to these companies that may be exempt. That is all that means.

Mr. WHEELER. That was the intention of the committee.

Mr. DIETERICH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Illinois?

Mr. WHEELER. I yield.

Mr. DIETERICH. I do not think the Senator from Kentucky understands the point I am making. This particular section could well omit clauses 1, 3, 4, and 5 and permit the exemption to be made of such companies predominantly public-utility companies operating as such in one or more contiguous States. It does not say "operating as such in one State."

Mr. WHEELER. That is the operating company?

Mr. DIETERICH. Yes. It does not mean what the Senator from Kentucky says, and that is the fault of this bill all the way through. That is the reason why this bill, in my judgment, in many places is obnoxious to the Constitution. Of course, that is a matter of opinion always, but it does not lay down any definite rule by which the Commission can revoke its order. It does not say what shall take place in order that they may revoke the order; it does not say if the company changes its mode of operation and falls within the provisions of the act that the Commission can revoke the order; but it simply says whenever, in its judgment, the circumstances warrant such revocation.

Mr. WHEELER. What was the section from which the Senator read? I did not catch it.

Mr. DIETERICH. I read from section 3, on page 19. I do not care to interrupt the Senator's argument, but I thought I should call attention to that point.

Mr. WHEELER. I am glad to have the Senator interrupt me at any time.

What I want to point out is that it has been called to my attention by some that what we were seeking to do is regulate under this bill certain subsidiary companies of the holding company. The Supreme Court of the United States in Southern Pacific Terminal Co. against the Interstate Commerce Commission——

Mr. BARKLEY. Mr. President, will the Senator yield there?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Kentucky?

Mr. WHEELER. I yield.

Mr. BARKLEY. It seems to me that there is a misprint by inadvertence, I am sure, in subsection 1. We take care of the exemption of the public-utility company that is predominantly intrastate. In subsection 2 the language ought to be "in two or more contiguous States", because there cannot be one contiguous State.

Mr. DIETERICH. Mr. President——

Mr. WHEELER. I yield.

Mr. DIETERICH. Now, I wish to call the attention of the Senator from Kentucky and the Senator from Montana to the criticism that has been urged against members of the committee because they asked for an opportunity of reading the bill after it was printed and referred to the committee. It was received one morning, and, without an opportunity to read it, the committee voted to report it. There was not any charge there that someone was trying to commit a fraud or anything of that kind, and I maintain that every member of that committee should have had the opportunity at least to read the bill and satisfy himself that the amendments which were adopted by the committee were correctly printed in the bill.

The Senator from Montana, in his remarks on Wednesday last, used some language which, in a way, jarred my nerves a little bit. I do not want to get into any controversy about that, but that was the request that was made, and we did not have the opportunity to make those very corrections. Now the Senator from Kentucky says that there must be a misprint. Well, we did not have the opportunity to study the bill, and there may be many misprints in the measure. We did not have the opportunity after the new bill was printed and laid on our desks to check the work of those who had charge of the mechanical part of printing the bill to ascertain whether or not some inadvertent mistakes were made in the bill.

Mr. WHEELER. Let me say to the Senator that, as a matter of fact——

Mr. DIETERICH. I want to beg the Senator's pardon for interrupting him, but I could not help but call attention to that matter.

Mr. WHEELER. Of course, there is not a bill which comes out on the floor of the Senate from any committee but that some typographical errors may be found in it. It is a common practice for Senators upon the floor to correct them. It ill becomes the Senator from Illinois to stand on this floor and complain about the Senate committee and say that he did not have a chance to give consideration to the measure, for the Senator did not regularly attend the meetings. He came in there for a few moments every day and complained that members of the Commission were there. I noticed the newspapers the other day commented upon the fact that a couple of experts from the Department were sitting here assisting the committee, when that is a common practice; but did they say anything about the lobbyists for the utilities which the Senator put in the galleries? Not at all. Did they say anything, if you please——

Mr. DIETERICH. Mr. President, I resent the statement of the Senator. I never put any lobbyist in the gallery.

Mr. WHEELER. It was called to my attention that the Senator did; but if he did not, I will retract the statement.

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. WHEELER. If the Senator says he did not put lobbyists in the Senate gallery, if he did not put Mr. Oliphant in one of the Senate galleries, I will retract the statement.

Mr. DIETERICH. I do not even remember that name.

Mr. WHEELER. Then I retract the statement. I have not any objection to it, but I am getting tired and weary of Senators coming in here, when they did not attend the sessions of the committee, and complaining and criticizing the committee's actions, when there has never been a bill brought to the floor of the Senate during this Congress that has had the attention this bill has had by other members of the committee who worked diligently there.

Mr. DIETERICH. Mr. President, will the Senator kindly yield to me a moment further?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Illinois?

Mr. WHEELER. I yield.

Mr. DIETERICH. I have never made any criticism of the committee. I have never charged the committee with my absence from a committee hearing or meeting and not attending them as regularly as I should have. I have never said there was not proper consideration given the bill in the committee, or that proper opportunity was not had for those who were interested to be heard. The only charge I made was that we should have had the courtesy extended to us of an opportunity to read the new bill before the committee voted on reporting it out. There is no need for the Senator to undertake that kind of an argument in this matter because that is not my feeling or my attitude at all.

Mr. WHEELER. I am entirely familiar with the Senator's attitude with reference to the legislation. I am entirely familiar with the attitude of some others who are fighting the legislation. I am not so naive that I do not know what is back of the opposition to the bill. I say that the corridors have been filled and Senators' offices have been filled with utility lobbyists here every day since the day the bill was introduced. They have been sitting in the Senate galleries watching each Senator, calling him out from the floor, giving him suggestions, calling him out of the committee rooms and haunting him from day to day, getting their employees and their poor victims whom they have robbed and cheated to come down here, and their widows and orphans to write down here, and say "Save us from the effects of this bill."

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Michigan?

Mr. WHEELER. I yield.

Mr. COUZENS. As ranking minority member of the Interstate Commerce Committee I want to say that the chairman has, with great diligence, great consideration and patience, listened to everyone who has had any suggestion to make or amendments or modifications or alterations to offer to the bill. Criticism is wholly unbecoming of Senators whose records in the matter indicate that they attended very few of the hearings on the bill.

It happened in the committee that one distinguished Senator even got mad and slammed his fist down on the table and became quite irritated because there were some Government employees in the room. Are we not all Government employees?

The origin of this legislation came about because of abuses about which the Congress knew for many years. It was through the investigations authorized by this body that the disclosures of the reprehensible conduct on the part of these public utilities were made before the Interstate Commerce Committee. It was at the instigation of this body that the reprehensible conduct of these utilities was disclosed before the Banking and Commerce Committee. It so happened that I am a member of both the Banking and Currency Committee and the Interstate Commerce Committee, and during all the years I have familiarized myself with the reprehensible and dishonest conduct of these holding companies.

It ill becomes representatives of the holding companies to come on the floor of the Senate and try to wreck the work which has been going on in the Federal Trade Commission and the committees of Congress during the years. They sit by silently, and after those who have done a constructive and worth-while job present the results of their work to Congress, they come here and heckle.

I recall that when the Interstate Commerce Committee, after days and days of work, revamped the bill and made amendments at the suggestion of State utility commissions and at the instigation of some of the utility companies themselves, the bill was made ready for printing. The amendments had been agreed upon by the committee. There were so many of them that it was on my motion that instead of trying to go through the old original bill and pass upon the hundreds of amendments we had made, we introduced a new bill, the same being the committee bill, the result of committee hearings and committee consideration.

Senators who paid little or no attention to the study and work of the committee are the most vigorous and violent objectors to the work of the committee. I say this in defense of the chairman and those who worked with him in drafting the bill.

Mr. WHEELER. I thank the Senator. I am glad the Senator called attention to it, because after the committee had given diligent and long study to the bill, as a matter of fact it was upon the motion of the Senator from Michigan that the new bill was introduced. It was not done on the motion of the chairman of the committee.

When I was diverted I was about to call attention to a decision of the Supreme Court of the United States in the case of *New York Central Securities Co.* v. *United States* (287 U. S. 12). In this case the appellant insisted that the delegation of authority to the Commission was invalid because the stated criterion was uncertain.

Mr. TYDINGS. Mr. President, would it interrupt the Senator unduly if I asked him a question at this point?

Mr. WHEELER. No, indeed. I am glad to yield to the Senator from Maryland.

Mr. TYDINGS. The Senator is familiar with the practice that where a subsidiary company is incorporated in one State and the holding company in another State, and the subsidiary buys out still another company in another State, and where the minority stockholders feel that they have been defrauded and bring suit in any 1 of the 3 States, they run into the plea of jurisdiction. They cannot get the books of the holding company if they sue in the first State. They have no remedy in the next State under the law as it is now written. I have introduced a bill, which is now pending before the Judiciary Committee, to give the minority stockholders the right to go abroad.

Is there anything in the bill now before us which, in the case of dissolution or acquisition of a company, safeguards the right of the stockholders to have their day in court so they can show the transaction was fraudulent?

Mr. WHEELER. Every order which the Commission may make is reviewable by the Federal courts. I do not know that I quite understand the Senator's question, but every order of the Commission is reviewable by the Federal court in the jurisdiction where the company is located or in the District of Columbia.

Mr. TYDINGS. One of the most common things is that probably millions of dollars have been taken from stockholders in this kind of transaction.

A subsidiary operating company acquires the assets of another operating company. They buy only a majority of the stock, and then they fix the rate or declare the dividends or fix the salaries. The minority stockholders of the company acquired are really defrauded out of their investment. When those stockholders go into court, they find the acquiring or operating company is in another State. If they go into the State court, they find the State court has no jurisdiction. If they go into the United States court, they find the parent holding company is still outside of that particular court's jurisdiction in the United States court.

Under the present law there is no way those stockholders, who have had their property virtually taken from them through what to all intents and purposes appears legal, can go into any court and expose that transaction, because they need all three of the parties, and they cannot get service on them.

In the particular case which I have outlined, how would the Senator's bill deal with the situation?

Mr. WHEELER. There is nothing in the bill that would cure the situation excepting insofar as it prevents that sort of thing taking place in the future. In other words, they could not put across a fraudulent transaction of that kind.

Mr. TYDINGS. In interstate commerce?

Mr. WHEELER. Yes; in interstate commerce. The subsidiary company of a holding company which uses the channels of interstate commerce is engaged in interstate commerce, as was held by the court in the case which I am now discussing and as I shall point out in just a moment.

Mr. TYDINGS. If the Senator will bear with me still further, I believe he is a member of the Judiciary Committee?

Mr. WHEELER. No; I am not.

Mr. TYDINGS. I am sorry the Senator is not, because my bill is pending there and I know the Senator is familiar with many of these transactions.

In the depression period and in the predepression period, when concerns were first being acquired and afterward when they were being dissolved, there was no forum in the United States where the minority stockholders could go in such a case as I have described and get a hearing on petition and summon the books and bring forth the proper evidence so the court could see the whole transaction. The thing was deliberately done so the holding companies could not be taken into court, because the subsidiary companies were acquired with that purpose in mind. Unless that thing is cured it is going to recur in the future and many innocent people will lose their lifetime savings because the court has no jurisdiction to handle cases such as I have described.

Mr. WHEELER. I thank the Senator.

The case which the United States Supreme Court was discussing in this instance——

Mr. McKELLAR. Mr. President, before the Senator goes to that subject, will he yield to me?

Mr. WHEELER. I yield.

Mr. McKELLAR. I wish to say to the Senator that I have not made up my mind how I shall vote on this proposed legislation. There is much of it for which I have sympathy, and I am addressing these questions to the Senator for the purpose of securing information.

As I understood the Senator a while ago, in answer to a question by the Senator from Idaho [Mr. BORAH], he said it was only intended that the bill should apply to interstate transactions.

Mr. WHEELER. That is correct.

Mr. McKELLAR. The question I wish to address to the Senator is, if that is what is intended by the bill, why not have a specific statement to the effect that it applies only to interstate transactions?

I call the attention of the Senator to the recent opinion of the Supreme Court in the poultry case, delivered last Monday, where the Court said:

> In determining how far the Federal Government may go in controlling intrastate transactions upon the ground that they affect interstate commerce, there is a necessary and well-established distinction between direct and indirect effects. The precise line can be drawn only as individual cases arise, but the distinction is clear in principle.

Why not have a statement in the bill that it affects intrastate transactions only when they directly affect interstate commerce?

The Supreme Court has just declared an act of Congress unconstitutional; and, of course, whether we wanted it decided that way or did not want it decided that way, we all wish to abide fully and conscientiously and whole-souledly, if I may so express it, by the opinion of the Supreme Court. I have just heard the Senator say that he thought the Supreme Court was right in its decision, and I join in that view; but when we have the opinion recently delivered by the Court, and the line is so carefully laid down that only transactions directly affecting interstate commerce may be regulated by Congress, why does not the Senator make his bill conform to the recent pronouncement of the Supreme Court without going back to former decisions? Because, in my judgment, the Supreme Court is going to stand by the opinion which was delivered last Monday.

Mr. WHEELER. Let me say to the Senator that the bill does exactly that. What we have stated in the bill, in no uncertain language, is that the transactions regulated are those which affect interstate commerce.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. WHEELER. I yield.

Mr. BARKLEY. This bill does not traverse the territory of any controversy between direct and indirect effect on interstate commerce by intrastate commerce. We are dealing here with interstate commerce alone. We are not attempting to regulate charges, rates, or practices of companies dealing in gas or electric energy wholly within a State.

We are limiting this bill to interstate business; and the only effect the proposed legislation would have upon a company engaged in the production or distribution of electric energy wholly within a State is insofar as it markets its securities in interstate commerce. That theory is based upon the Securities Act and upon the Stock Exchange Act, which deal with the issuance of securities and their marketing upon the stock exchanges of the country. So there really is no room here for any controversy between direct and indirect effect of intrastate business on interstate business.

Mr. McKELLAR. It seems to me, from looking at the bill and studying it, as I have been doing for the past 2 or 3 days, that there ought to be somewhere in the bill a specific statement that it applies only to interstate transactions.

Mr. WHEELER. Let me call attention to the decision recently rendered, so that the Senator can see the difference. We are dealing with holding companies, and only with holding companies that are using the channels of interstate commerce. As I said a moment ago, if a holding company is using the channels of interstate commerce, and it has subsidiary companies scattered all over the country, that company is engaged in interstate commerce, and its subsidiaries are engaged in interstate commerce.

Here is what Judge Knox said in the Electric Bond & Share Co. case (*Federal Trade Commission* v. *Smith*, 1 F., Supp. 247):

> By virtue of the control which respondent exercised over the subsidiary operating companies, it had a direct effect upon all their business, including that in interstate commerce. The power of the National Government over interstate commerce has been held to extend not only to activities which may be formally denominated subjects of interstate commerce, but to acts which, in fact, affect that commerce.

These cases come directly in line with the decisions of the Supreme Court; and not a single rule of law was laid down

in the Schechter case that had not already been laid down in other cases that had been before the Supreme Court. I say that what they said in the Schechter case was sound law, based upon the facts they had before them, but it has no application to the bill which is before us at the present time.

Let me call the attention of the Senator from Tennessee to the following language used in the Schechter case. The Supreme Court, speaking through Chief Justice Hughes, said:

> We have repeatedly recognized the necessity of adapting legislation to complex conditions involving a host of details with which the National Legislature cannot deal directly. We pointed out in the Panama Co. case that the Constitution has never been regarded as denying to Congress the necessary resources of flexibility and practicality, which will enable it to perform its function in laying down policies and establishing standards, while leaving to selected instrumentalities the making of subordinate rules within prescribed limits and the determination of facts to which the policy as declared by the Legislature is to apply.

That is exactly and only what we have done in this instance.

Mr. McKELLAR. Yes, Mr. President; but the trouble is, as I read the bill, that it is very, very complex. There are 151 pages, I believe, which include many complexities; and it seems to me that a specific statement somewhere in the bill as to just what transactions it applies to, in order to bring it within the undoubted right of Congress to legislate, would simplify the measure very much.

Mr. WHEELER. Let me say to the Senator that if he will read section 2, he will see that in the first place a holding company is defined. Then, in reading section 4, the only holding company which has to register is one which is doing the things set forth in section 4. It is one that either is engaged in interstate commerce or one that desires to do an interstate business.

In the *Southern Pacific case* (219 U. S. 498) the Supreme Court said, at page 521:

> Another and important fact is the control of the properties by the Southern Pacific Co. through stock ownership. There is a separation of the companies if we regard only their charters; there is a union of them if we regard their control and operation through the Southern Pacific Co. This control and operation are the important facts to shippers. It is of no consequence that by mere charter declaration the Terminal Co. is a wharfage company or the Southern Pacific a holding company. Verbal declarations cannot alter the facts. The control and operation of the Southern Pacific Co. of the railroads and the Terminal Co. have united them into a system of which all are necessary parts, the Terminal Co. as well as the railroad companies.

The question involved in that case was this: In the city of Galveston, Tex., the Interstate Commerce Commission sought to regulate the Terminal Co. The Terminal Co. went into court and opposed the attempted regulation by the Interstate Commerce Commission, and the case went to the Supreme Court of the United States. The Supreme Court in that case held that although the Terminal Co. was technically entirely separate from the railroad and from the Southern Pacific Co., yet being controlled by the latter company it was in fact engaged in interstate commerce, and therefore came within the jurisdiction of the Interstate Commerce Commission.

Once it is determined that the Congress of the United States has jurisdiction because of the interstate character of the business of the holding company or that of its subsidiaries made single by a holding-company control, the power may encompass the entire system.

In *Federal Trade Commission* v. *Smith* (1 F. Supp. 247) the Court said:

> By virtue of the control which respondent exercised over the subsidiary operating companies, it had a direct effect upon all their business, including that in interstate commerce. The power of the National Government over interstate commerce has been held to extend not only to activities which may be formally denominated subjects of interstate commerce but to acts which in fact affect that commerce. * * *
>
> It follows that the commerce power, in the exercise of which Congress enacted the Federal Trade Commission Act, is indubitably broad enough to comprehend the acts of respondent which have been shown to affect interstate commerce, and, in the light of the foregoing decisions, it would seem clear that respondent is engaged in commerce within the meaning of that art.
>
> The manner in which the affairs of the operating companies having to do with interstate commerce are affected by Electric Bond & Share Co., as well as its own activities in the purchase and shipment of materials and equipment in interstate commerce, are quite sufficient to bring respondent within the investigatory authority of the Federal Trade Commission.

It is to Congress, and not the judicial department, to which the Constitution has confided the power to regulate commerce with foreign nations and among the several States (*Transportation Co.* v. *Parkersburg*, 107 U. S. 701).

To regulate, in the sense intended, is to foster, protect, control, and restrain, with appropriate regard for the welfare of those who are immediately concerned and of the public (*Second Employers' Liability Cases*, 223 U. S. 41).

The power to regulate includes the power to prohibit in cases where such prohibition is in aid of the lawful protection of the public (*Lottery Case* (*Champion* v. *Ames*), 188 U. S. 321; *Reid* v. *Colorado*, 187 U. S. 137; *Addyston Pipe, etc., Co.* v. *U. S.*, 175 U. S. 211; *U. S.* v. *Joint Traffic Association*, 171 U. S. 505; *Rhodes* v. *Iowa*, 170 U. S. 412).

The Addyston Pipe and Joint Traffic Association cases, like the *Continental Insurance Case* (259 U. S. 156), cited by me on Wednesday, or the *Northern Securities Case* (193 U. S. 197), referred to by the Senator from Delaware, were the result of proceedings under the antitrust acts.

The Sherman Anti-trust Act of 1890 provided that every contract, combination in the form of trust, or otherwise, or conspiracy in restraint of trade or commerce among the several States or with foreign nations is hereby declared to be illegal. This act was applied to a transportation holding company in the *Northern Securities Case* (193 U. S. 197). The evil aimed at in the act was the restraint of trade or commerce, hence, of course, competition was of the essence of the jurisdiction of the court to order a dissolution thereunder, although competition is not of the essence of the jurisdiction of Congress to regulate commerce as is clearly shown by such cases as *International, etc., Co.* v. *Pigg* (217 U. S. 91).

The so-called "commodities clause" of the Hepburn Act of June 29, 1906 (34 Stat. 584), made it unlawful for any railroad to transport in interstate commerce any article or commodity, other than timber and the manufactured products thereof, manufactured, mined, or produced by it, or in which it may have any interest, direct or indirect, except such articles or commodities as may be necessary and intended for its use in the conduct of its business as a common carrier." This act was chiefly designed to work the dissociation of railroads and coal mines and to end the evils of discrimination resulting from the commingling of such businesses, *United States* v. *Delaware & H. Co.* (213 U. S. 366); but in *D., L. & W. R. Co.* v. *United States* (231 U. S. 363) it was held that there need not have been discrimination to uphold a conviction, since the statute is general and applies to all shipments, however innocent in themselves, that come within the probability of the evil to be prevented.

Unity of management and control between a carrier and a purchaser of commodities is the test of illegality under the commodities clause, not mere stock ownership of a railroad in a producing company (*U. S.* v. *D. L. & W. R. Co.*, 238 U. S. 516).

In connection with Federal power extending to mere local links in a chain of interstate commerce, see *Southern Pacific Terminal Co.* v. *Interstate Commerce Commission* (219 U. S. 498), and for the converse of that situation, see *Federal Trade Commission* v. *Smith* (1 Fed. Supp. 247, 256).

The criterion of constitutionality of this bill is the existence of the Federal power (*U. S.* v. *D. & H. Co.*, 213 U. S. 366). The Federal power over a given subject may be concurrent with that of the States or it may be exclusive, depending on the nature of the subject to be regulated.

In *Hall* v. *DeCuir* (95 U. S. 487), the Court said:

> * * * The States regulate, as a matter of domestic concern, the instruments of commerce situated wholly within their own jurisdictions and over which they have exclusive governmental control, except when employed in foreign or interstate commerce. As they can only be used in the State, their regulation for all purposes may properly be assumed by the State until Congress acts in reference to their foreign or interstate relations. * * * (Examples are found in the regulation of railroads by the States. See *Minnesota Rate Cases*, 230 U. S. 352.)

In *Cooley* v. *Philadelphia* (12 How. 299), the Court said:

Whatever subjects of this power (over commerce among the several States) are in their nature national, or admit only of one uniform system or plan of regulation may justly be said to be of such a nature as to require exclusive legislation by Congress." (An example is interstate transportation of natural gas not regulated by Congress, but nevertheless held in *Oklahoma* v. *Kansas, etc., Gas Co.* (221 U. S. 229), to be free from State regulation.)

Certain features of the business of the utility holding and subsidiary operating companies would seem to be of this latter type, and since the business is of an interstate nature, no doubt of Federal power exists, and the question is really one as to whether that power is exclusive, or whether, because many instruments of this commerce are local, the power is to be exerted only and to the extent that such instruments are employed in interstate commerce.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Montana yield to the Senator from Texas?

Mr. WHEELER. I yield.

Mr. CONNALLY. Does not the Senator realize that the chief difficulty about that very matter is that each assertion or exercise of the power has to stand on its own feet? In other words, Congress has power to legislate in regard to interstate commerce, but in each particular case the court or some body would have to decide whether the particular transaction was interstate commerce or was intrastate commerce, as was laid down very clearly in the Supreme Court decision the other day.

Mr. WHEELER. The Senator is absolutely correct.

Mr. CONNALLY. So if there are any portions of the measure before us which seem to undertake to deal with matters which are not interstate commerce, of course they will fall.

Mr. WHEELER. Certainly.

Mr. CONNALLY. The law will not necessarily fall, but the application of the law will fall, because it undertakes to deal only with interstate commerce.

Mr. WHEELER. Exactly. The Senator is absolutely correct, and only those holding companies which are engaged in interstate commerce can possibly come within the provisions of the proposed act.

Mr. CONNALLY. Let me ask the Senator further. Suppose the Commission should determine that a certain operating company was an interstate company. Would not that decision be subject to judicial review?

Mr. WHEELER. Positively. Under the bill the companies are given the right to go into the Federal court in the district where they are located and have orders of the Commission reviewed.

Mr. CONNALLY. Even without permission in the act, could they not resist whatever authority the Government undertook to exercise, and, in resisting, raise the issue and have it adjudicated?

Mr. WHEELER. There is no question about it at all. I thank the Senator for the suggestion.

Title I of this bill reaches only those utility holding companies which are actively interstate businesses—interstate in their use of the channels of interstate commerce to transmit energy, to transport gas, to carry on their business with subsidiaries in many States, to sell goods, to distribute their securities to the public, and so on. Sometimes several of these interstate activities are being carried on continuously, sometimes all of them. But unless a holding company is thus a part of the great interstate commerce of this country, it is not reached by this bill as a subject of Federal control. I want to make that very clear and to show as simply as I can how this piece of legislation is constructed and how it will work when in action.

At the beginning of the bill, in section 2, there are 28 defined terms. These definitions are for the sole purpose of clarity and exactness; none of them imposes any duty or liability on any person or company. They are put in the bill merely to make the substantive provisions of the bill easy to understand. Merely to be a holding company within the definition means nothing in and of itself; nor does any obligation arise from the definitions of subsidiary company, affiliate, and so forth.

The definition of holding company—that is, a company which controls operating gas or electric utilities—becomes important only in light of the provisions in the other sections of the bill. In section 4 it is expressly provided that if a company is a holding company, and if it is an interstate holding company, then it must register with the Securities Commission in order to remain entitled to the privilege of carrying on its interstate business. From then on each provision of title I directed at holding companies is applied only to registered holding companies; that is, those which are essentially interstate in their business activities.

But even though a company is an interstate holding company, still it may be exempted from any provision of the bill if it falls within one of the five categories of companies—which classes of exempt companies I discussed fully the other day—which section 3 directs the Commission to exempt except insofar as the Commission makes a finding that the exemption would be definitely detrimental to the public interest.

Some question was raised a day or so ago with reference to the term "public interest." As I pointed out a moment ago, the Supreme Court in the New York Central Securities case said:

Appellant insists that the delegation of authority to the Commission is invalid because the stated criterion is uncertain. The criterion is the "public interest." It is a mistaken assumption that this is a mere general reference to public welfare without any standard to guide determinations. The purpose of the act, the requirements it imposes, and the context of the provision in question show the contrary. Going forward from a policy mainly directed to the prevention of abuses, particularly those arising from excessive or discriminatory rates, Transportation Act, 1920, was designed better to assure adequacy in transportation service.

So, I repeat, the first thing the Congress must do in order to get jurisdiction is to be able to say that the company is engaged in interstate commerce. Before the Congress can reach any evil which we think is detrimental to the public interest, we must first find that the company involved is engaged in interstate commerce, and if we find that the company is engaged in interstate commerce, the Congress of the United States not only has the power to prohibit the evils found to exist, but it has the power to dissolve any company which it sees fit to dissolve if it finds it is carrying on practices in violation of the standards set up.

Now, if a company is an interstate holding company with operating utilities in several States, and if it cannot qualify for exemption, it is the sort of national organization which is of particular concern to the Federal Government and it must register under section 4.

After registration, a holding company becomes subject to the definite regulatory provisions of the bill which are set up to control holding companies in the interest of investors and consumers all over the country. These provisions exerting Federal control over interstate holding companies divide themselves into six well defined classes:

First. Issue and sale of securities, sections 5 and 6.

Second. Acquisition of securities and utility plants, sections 9 and 10.

Third. Intercompany transactions, section 12.

Fourth. Service contracts, section 13.

Fifth. Simplification and reorganization of the holding-company systems, section 11.

Sixth. Reports and accounts, sections 14 and 15.

I would like to set forth the principles and give a short explanation of each of these six classes of provisions controlling holding companies.

First. Securities: The Securities Commission is directed to examine future issues of securities so that the very evils which have crept into holding-company finances in the past will be stopped in the future. The measure sets up requirements which new issues must meet, or else the Securities Commission will have to stop their issue. And these standards are all aimed at specific dangerous abuses of which utility holding companies have been guilty. They are designed to prevent watered capitalizations, unfair distribution

of voting power, deception of investors by calling what is really a common stock a "bond", and similar financial practices which have frequently wronged both the investors and consumers in the past.

Second. There are those provisions which require the companies to obtain Commission approval of their acquisitions of securities and utility plants, so that the growth and development of holding-company systems can be kept within those standards of safety, economy, and honesty which serve the investing public and the consuming public. These provisions are designed to prevent the grabbing up of new properties and securities at fantastic prices which bear no relation to the value of the thing acquired, and to prevent bringing into the system totally unrelated properties which do not further the development of an integrated utility system. It is also expressly provided that holding companies shall not acquire interests in nonutility speculative ventures.

Third. There are the provisions exerting control over intercompany transactions—that is, dealings by companies in the same system with each other. This is to surround these transactions which do not have the checks and balances of free and open competition with all the safeguards which Congress can provide. In this category administrative flexibility is provided in order to meet the varying circumstances which will arise, and the Commission is directed to provide rules and regulations along certain specified lines to safeguard investors and consumers in the matters of loans, fees, sales of securities and assets, dividends, redemption of securities, and so forth.

The fourth class of provisions relating to holding companies relates to the service, sales, and construction contracts which these companies perform for their subsidiaries and which have been in the past a fruitful source of profit to insiders at great loss to the local consumer and to investors in utility operating companies. It is required in this part of the bill that, if these services are to be performed from inside the system rather than from independent outside concerns with which the companies would be free to bargain in an open and competitive market, they must be performed by cooperative associations of the companies themselves so that they will obtain the services at cost.

The fifth class of controlling provisions is the famed section 11, which is probably better known than any other section in the bill. Under this section, as we all know, companies are required to simplify their structures and ultimately to confine themselves to the operation of a single geographically and economically integrated utility system.

And the last group of provisions requires the companies to make periodic reports to the Commission of their business activities—and to keep their accounts in a uniform manner prescribed by the Commission. These provisions are essential in order to provide investors, the public, and State commissions with full, accurate, and understandable information concerning the activities of the companies involved.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. HASTINGS. I should like to know upon what ground the Senator makes the statement that this bill applies only to operating companies engaged in interstate commerce. As I read the bill, it makes no distinction whatever. Does the Senator contend that the definition in the bill of a holding company is "a holding company which is engaged in interstate commerce"? The bill does not even go so far as to say "a holding company of operating companies engaged in interstate commerce."

However, as I pointed out in the minority report which I prepared, under this bill we have a situation where, if a person or a corporation holds as much as 10 percent of the stock of a company, we will say, operating solely in the city of Albany, 10 percent of the stock of another company operating solely in the city of Philadelphia and 10 percent of the stock of another operating solely in the city of Baltimore, such person or corporation owning 10 percent of the stock of those three companies, none of which is engaged in interstate commerce, becomes a holding company. Is that not perfectly clear in this bill?

Mr. WHEELER. No, Mr. President. I have answered that at least a dozen times. I know the Senator from Delaware is a good lawyer. As I pointed out a moment ago—and I will point it out again—if a holding company engaged in interstate commerce controls a company such as the Senator from Delaware described, then that company which it controls is engaged in interstate commerce, because it is a subsidiary of a holding company which is engaged in interstate commerce. Is that clear to the Senator?

Suppose the Electric Bond & Share Co.—I will use that company as an illustration—is engaged in interstate commerce. I could use, for purpose of illustration, the United Corporation or the Commonwealth & Southern. However, I will assume that the Electric Bond & Share Co. is engaged in interstate commerce—as the courts hold—because of the fact that it owns and controls subsidiaries scattered all over the country and it is doing business with those companies. There can be no question about that, because the Supreme Court in the Reading case held that the Reading Co. was engaged in interstate commerce because of the fact that one of its subsidiaries was engaged in interstate commerce.

Likewise in the Smith case to which I called the Senator's attention the other day, decided by Judge Knox, it was held that the Electric Bond & Share Co. was engaged in interstate commerce, as I have pointed out repeatedly on the floor of the Senate, because its subsidiaries were scattered all over.

Not only was the holding company engaged in interstate commerce, but likewise the subsidiary company—the Montana company, we will say—because it is controlled by the Electric Bond & Share Co., becomes by virtue of that fact, engaged in interstate commerce. Will the Senator agree with that statement? Does the Senator subscribe to that?

Mr. HASTINGS. I wish to ask the Senator a question.

Mr. WHEELER. Will not the Senator please answer my question? Does the Senator agree with that statement?

Mr. HASTINGS. Mr. President, first, I desire to be certain that I understand the Senator's position. If I understand his answer to my question, it is that if a holding corporation owns a 10-percent interest in the three companies I mentioned, all of which companies are engaged wholly in intrastate commerce, because they serve only the particular city in which they are located, those three companies become engaged in interstate commerce. I now wish to ask the Senator whether he contends that the fact that some holding company owns all three local companies, which makes it necessary for the holding company to communicate with those local companies, makes the holding company engaged in interstate commerce?

Mr. WHEELER. The holding company would not be engaged in interstate commerce merely by its stock ownership, but only if it availed itself of the instrumentalities of interstate commerce, or, as in the Reading case, its subsidiaries were engaged in interstate commerce. These three operating companies would not be engaged in interstate commerce unless the holding company was engaged in interstate commerce and did, in fact, control the operating companies, regardless of the amount of its stock ownership in them.

I just called attention to the Southern Pacific Terminal Co. case, wherein it was held that the subsidiary was engaged in interstate commerce, although the subsidiary, the Terminal Co., was organized in the State of Texas and admittedly was not engaged in interstate transportation; but the Supreme Court held that the Interstate Commerce Commission had jurisdiction over that company because of the fact that it was controlled by the Southern Pacific Co., a holding company which also controlled railroads, and that the system as a whole was engaged in interstate commerce. The Court said, in substance, that the fact that the Terminal Co. was technically a separate legal entity did not make any difference. It said further that if the reverse of its holding was true, then railroad companies engaged in interstate commerce could get around the law, because they could organize a company in each State and say that such company was engaged only in traffic in that particular State. In that way the railroad companies could get around the

law, and their subsidiaries would not be subject to the Interstate Commerce Commission.

Mr. HASTINGS. Mr. President, I wish to make clear the difference between the Senator and myself. He is constantly stating that all the provisions of the bill apply only to companies engaged in interstate commerce. I merely wish to make it clear to the Senate that his theory is that the mere exchange of correspondence between the holding company and the public utility which is operating in a single State constitutes interstate commerce. I shall in my own time answer that contention, but I shall not now take the time of the Senator to do so.

Mr. WHEELER. Let me answer the Senator right now, and determine whether such a company is engaged in interstate commerce. The question is answered in the Smith case by Judge Knox in express language. The Senator confined his question to the case of a holding company which engaged only in correspondence with an operating company. I now cite a case in which the Supreme Court held that where such a relation existed, where dealings were had only by correspondence, the operating company was engaged in interstate commerce. That is the case of *International Textbook Co.* v. *Pigg* (217 U. S. 91).

Mr. HASTINGS. The Senator will admit that in the International Textbook case the Court distinctly held that in order to carry out and live up to the contract which the company had made with the scholar, it was necessary to send textbooks and other material across State lines; so I do not understand how anyone can reasonably claim that that case supports the Senator's present contention.

Mr. WHEELER. Of course it sustains my contention. If a holding company owns and controls operating companies in the various cities and States, how can it conduct the business of those operating companies except through the medium of the mails and through the channels of interstate commerce?

Judge Knox expressly held that such relationships resulted in operation in interstate commerce. The Senator is familiar with the decision. I have read it repeatedly and I have repeatedly called attention to it.

Mr. HASTINGS. I hope the Senator will not hesitate to stop me from interrupting him when he desires. In the case Judge Knox decided, it was proved conclusively, and the Court went into great detail to show, that the Electric Bond & Share Co. not only was a holding company of the other companies but it was a purchasing agent for those various companies and shared in their profits, which, to my mind, presents an entirely different situation from the one under discussion.

Mr. MINTON. Mr. President, will the Senator from Montana yield in order that I may ask him a question to clear up a point?

Mr. WHEELER. I yield.

Mr. MINTON. If a holding company owns the stock in an operating company, which operating company itself is not engaged in interstate commerce, does the Senator believe the law to be that the mere holding of the stock of the operating company by the holding company makes the operating company an instrumentality of interstate commerce?

Mr. WHEELER. No, Mr. President. Let me make a distinction. The Senator from Delaware said: "Suppose I own 10 percent of the stock of some company." Unless I control that company I am not a holding company under the terms of this bill. The mere ownership of the 10 percent of the stock does not of itself make him a holding company, because unless he actually controls the company he is not a holding company. The Senator may overlook the factor of control. He may show that he actually does not control the company in which he owns 10 percent of stock, and if he does not have control he is not a holding company.

Mr. HASTINGS. Ten-percent ownership constitutes prima facie evidence of control, and it is up to the company owning the 10 percent to prove that it does not control. I agree with the Senator on that proposition.

Mr. WHEELER. I see that the Senator from Maine [Mr. WHITE] shakes his head, but there is no question about it. Ten-percent ownership constitutes prima facie evidence of control, but evidence can be introduced on the subject of the control of the company.

The definition of control in such case has been given by the Supreme Court, and its meaning is well known to every lawyer who has studied the decisions.

So there will be no mistake about the case I will read from the opinion by Judge Knox again.

By virtue of—

What?—

> By virtue of the control which respondent exercised over the subsidiary operating company it had a direct effect upon all their business, including that of interstate commerce. The power of the National Government over interstate commerce has been held to extend not only to the activities which may be formally denominated subjects of interstate commerce, but to acts which, in fact, affect that commerce.

Mr. HASTINGS. In that connection I suggest to the Senator, with respect to how far it affects commerce, that it might be well to read the recent decision of Chief Justice Hughes.

Mr. WHEELER. I have read the decision of Chief Justice Hughes repeatedly, and for the life of me I am unable to understand how the Senator from Delaware, good lawyer that he is, can stand here on the floor of the Senate and for one minute intimate that the decision by Chief Justice Hughes, of which I thoroughly approve, and which I think was clearly right, has the slightest bearing upon the pending bill. I do not believe for a moment that the Senator wants to stand on this floor and, as a lawyer, say that that case has any bearing upon this bill.

Mr. HASTINGS. If the Senator will permit me, I am now talking about the decision rendered by Judge Knox and the effect of that decision on this bill. I merely called attention to the decision of Judge Knox as bearing upon the question of what constitutes interstate commerce. I do not necessarily disagree with Judge Knox, because, as I have said, in that case it was a question, as he states, of fact, and it was an agreed statement of fact that the Electric Bond & Share Co. had a contract with the other companies which it controlled, whereby it purchased various materials for them and did many other things for them, almost as though it were operating for those companies itself; and Judge Knox says, in view of all that, it must be concluded that they were engaged in a business affecting interstate commerce.

Mr. WHEELER. Then the Senator should not have any worry about this bill at all, because, if his theory is correct, and holding companies are not engaged in interstate commerce, then there is not a chance for them to come within the terms of the bill. All they will have to do will be to go into court and claim that they are not engaged in interstate commerce and make a showing that they are not so engaged, and they will then be eliminated from the provisions of the bill.

Mr. HASTINGS. What I am disturbed about is what will happen in the meantime.

Mr. WHEELER. No; the Senator need not be disturbed about that, because the fact is, as I said a moment ago, that the companies can make application for exemption under the terms of this bill. This talk about being disturbed as to what is going to happen in the meantime by some of the utility interests is just to draw a red herring across the trail.

Mr. HASTINGS. If the Senator will pardon me, I happen to know of one instance of two women who had inherited a considerable fortune in this kind of securities. On the day after the President made his speech with respect to holding companies one of them went to her banker and insisted upon selling her stock at great loss compared to its price the day before.

Mr. WHEELER. Oh, yes.

Mr. HASTINGS. It is not so much the actual loss in value as it is the fear of what is going to happen that is causing distress to many ignorant people, if I may so call them, in this country, though I do not know whether they

are ignorant or not, because they may be very much wiser than those who hold on. However, there is great distress in the land on the part of those who do not know what is going to happen to their securities, and if Congress should pass this bill, which is clearly unconstitutional, they will be nervous and disturbed during that period, with the smart speculator picking up their securities at very much lower prices.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BARKLEY. We are all familiar with the decline in value of stocks. I have in mind a certain holding company which peddled its stocks by agents all over the country and sold stock to working girls. They even peddled them around the offices of the Capitol and sold them on the installment plan at $35 and $40 a share, and then the stocks declined in value to less than $2 a share before this bill was ever heard of.

Mr. WHEELER. Of course. I have heard of the same two girls of whom the Senator from Delaware has spoken; that case has been reported to me. I regret that some people may lose some money which they have invested in stocks which have been floated by these unconscionable organizations which have engaged in practices which this bill seeks to prevent.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. MINTON. I do not recall whether the Senator from Delaware was in the committee hearing on the day the testimony was given, but I am sure the Senator from Montana was there, and he will remember that there is evidence in the record to the effect that the securities of 25 of the largest holding companies of this country in 1929, at the peak prices of the stock market were worth something like $19,000,000,000, but when the present administration came into power on the 4th of March 1933 the market value of the stocks of those 25 companies had shrunk to $2,000,000,000, and since the beginning of the present administration the same stocks have shrunk only an additional half billion dollars. In other words, for every $27 such stocks shrunk before the present administration came into power they have shrunk $1 since that time.

Mr. WHEELER. The Senator from Delaware [Mr. HASTINGS] stands here and makes the same plea which the holding companies have been making in their advertisements. He is pleading for the widow and the orphan, for the person who has had a little money. Who is it that robbed these people? They have been robbed by the Associated Gas & Electric Co., by Harley Clark and his crooked outfit, by Cities Service and all the other organizations which have gone out and made house-to-house canvasses of widows and orphans and caused the little bankers throughout the country to invest their savings in these particular watered stocks and watered bonds. The Senator knows that there is not a chance in the world for those stocks ever to come back and be worth anything at all unless we let such companies go ahead with their nefarious practices and continue to rob the people who are the customers of the public-utility companies and to milk them to such an extent as to enable them to obtain money out of the consumers of electricity in order to pay dividends upon the tremendous amount of watered stocks which have been issued with nothing back of them except the common stock of operating companies, and watered bonds which have been issued upon nothing except the common stock of a holding company, and then more bonds issued upon the common stock of another holding company, until stocks outstanding in the hands of the public to the extent of millions of dollars are not worth the paper on which they are printed.

I call attention to the fact that there was a doctor in the State of Illinois who sent me $3,900 worth of preferred stock in the Wisconsin Holding Co., for which he paid $3,900, and when he sent them to me he wrote, "If you can make any use of them, do so; if you cannot make any use of them, burn them up." Yet the Senator from Delaware would stand here and say that the Congress of the United States should not stop these unconscionable practices; that we should not stop this thievery; we should not stop this robbery of the investors and consumers of the country, but we should let these organizations continue to sell their stocks and bonds to widows and orphans and let them continue their nefarious practices, and say that we cannot prevent it because the Constitution of the United States does not give the Congress the power to regulate a holding company. The States cannot regulate them, and then it is said that the Congress cannot regulate them.

I say the Republican Party may make an issue of this question, if they want to. I hope they will. I say to members of that party that they may think they can make an issue out of it. I have been told that the poor unfortunate people of the country who have invested in the securities of these companies will rise up in arms when they understand the facts. When they understand that the values were not only misrepresented but they were induced to put their money, in the first instance, into such securities through fraud and chicanery they will say, "Pass this bill; put these people out of business so that future generations may not be robbed by similar processes in the way that we have been robbed."

Mr. HASTINGS. Mr. President, will the Senator yield for a moment?

Mr. WHEELER. I yield.

Mr. HASTINGS. Mr. President, the Senator suggested a moment ago that if this bill was not constitutional no particular harm could come from it, that it would be declared unconstitutional. I merely pointed out to him what the difficulties would be in the meantime, and I gave him one illustration of what had already happened because of the uncertainty about this situation. I was not undertaking to defend the thievery the Senator is talking about; I was not undertaking to do anything more than to object to the Congress passing a bill which, on its face, is unconstitutional; and, so far as my position is concerned, it is based upon that ground alone. I take that position for the same reason that it seems to me other Senators ought to take it, namely, that I, as have members of the Supreme Court, have taken an oath to support and uphold the Constitution; and if I be satisfied that this bill is unconstitutional, regardless of what I may think of its purposes and how good they may be, it becomes my duty to oppose it. That is the ground of my opposition to this bill.

Mr. BORAH. Mr. President——

Mr. WHEELER. I yield to the Senator from Idaho.

Mr. BORAH. The Senator from Delaware states that the bill, on its face, is unconstitutional. Has the Senator stated the ground why it is unconstitutional?

Mr. HASTINGS. I have not had an opportunity to do so. I do not want to take the time in the course of the address of the Senator from Montana to do that. I have only done it by indirection, by making inquiries of the Senator from Montana; but I shall later discuss that question at some length.

Mr. BORAH. I was not making the suggestion by way of criticism. I was merely desirous of knowing the ground of its unconstitutionality so that I might make some investigation of my own.

Mr. WHEELER. Mr. President, I will be glad to have the Senator from Delaware point out wherein the bill is unconstitutional; but I submit that it is not unconstitutional; and I also submit that every decision of the Supreme Court gives to Congress the power to regulate holding companies when they are engaged in interstate commerce; and that is all this bill seeks to do.

Mr. BORAH. Mr. President, it does not seem to me that there can be any doubt that Congress has the power to regulate holding companies which are engaged in business which is in the nature of intercourse between the States, and I do not assume the Senator from Delaware controverts that contention.

Mr. HASTINGS. Not at all.

Mr. WHEELER. That is all this bill seeks to do.

Mr. HASTINGS. Mr. President, will the Senator permit a further interruption?

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Does the Senator from Montana yield further to the Senator from Delaware?

Mr. WHEELER. I am glad to yield.

Mr. HASTINGS. The ground is found on page 813 of the hearings in a brief prepared by Mr. Corcoran and Mr. Cohen. They start on page 812 of the hearings, by illustrating the Ames case, which was a lottery case. Then they call attention to the fact that the Congress had the right to prevent the interstate transportation of livestock known to be affected with a contagious disease; that they had a right to pass the pure food and drug act prohibiting the transportation in interstate commerce of adulterated or misbranded articles; the White Slave Traffic Act; the National Motor Vehicle Theft Act, punishing the interstate transportation of stolen motor vehicles; to prohibit the importation of prize-fight films designed for public exhibition; to regulate the transportation of prison-made goods. Then they quote from the decision declaring valid the law with respect to stolen automobiles, as follows:

Congress can certainly regulate interstate commerce to the extent of forbidding and punishing the use of such commerce as an agency to promote immorality, dishonesty, or the spread of any evil or harm to the other States from the State of origin. In doing this it is merely exercising the police power, for the benefit of the public, within the field of interstate commerce.

I quote further from the brief:

The prohibition of the use of interstate commerce contained in the present bill is precisely of this nature; it is designed to prevent the use of interstate commerce as an agency to promote the spread of the evil that results from holding companies to the purchasers of their securities and to the consumers served by the public-utility companies which they control.

In order to ascertain whether the Congress has stated a case which comes within that provision, we must read the first section of the bill which sets forth 13 things. If we read those 13 things and admit them to be true and admit the Congress finds those 13 allegations to be true, I submit one cannot conclude that it is the kind of commerce that must be outlawed 100 percent.

Mr. BORAH. The Senator refers to section 1?

Mr. HASTINGS. Yes.

Mr. BORAH. It reads:

Public-utility holding companies and their subsidiary companies are affected with a national public interest when, among other things, (1) their securities are widely marketed and distributed by means of the mails and instrumentalities of interstate commerce.

Does not that bring the holding company within the terms of the interstate-commerce clause?

Mr. HASTINGS. The Senator is reading paragraph (a), but paragraph (b) constitutes the indictment and the thirteenth one summarizes them as follows:

The abuses above enumerated, commonly associated with the activities of many public-utility holding companies, have been so persistent and so wide-spread that they necessitate legislation to control the holding company, and eliminate it as an artificial corporate vice inherently injurious to investors, consumers, and the general public, except where it is useful and necessary for the operations of a geographically and economically integrated public-utility system.

That undertakes to summarize what has been stated heretofore, and it seems to me that drafters of the bill have negatived their own argument and proven that it is not sound by putting at other places in the bill provisions under which a public-utility holding company may exist.

Mr. BORAH. Will the Senator from Montana pardon me a moment further?

Mr. WHEELER. Certainly.

Mr. BORAH. I confess that my knowledge of the details of the bill is very inadequate. I had given no consideration to the details of it until yesterday and therefore I am largely in the attitude of one desiring information.

If the abuses, which are here denominated and characterized, were abuses of corporations which are wholly intrastate, there could be no doubt that the State itself could take control of and correct those abuses. If, by reason of the fact they are dealing across State lines and affecting the people of many States, they come to be interstate, then what the State may have been able to do with reference to intrastate, Congress may do with reference to interstate. Is not that true?

Mr. HASTINGS. I think that is true.

Mr. BORAH. Then the only question involved is whether or not holding companies, which are dealing across State lines and selling their securities, and holding subsidiary companies which send electricity across State lines, are engaged in interstate business. If they are, Congress has the power through the exercise of what we might call a police power—it is not the police power but is the same as police power—to purify and cleanse it of all injustice and evils, just as the State could do with intrastate business. The only question involved is whether or not the holding companies are engaged in interstate business. As far back as Ogden against Gibbons, John Marshall said that interstate commerce is intercourse.

Mr. HASTINGS. That is true.

Mr. BORAH. It is certainly intercourse when we are dealing across State lines with reference to securities and with reference to products which the securities represent. The objection to the bill, to my mind, does not lie along that line. The only question with me is whether or not those drafting the bill have done what they assumed to do, and that is, kept within the interstate commerce provision.

Mr. HASTINGS. Mr. President——

Mr. WHEELER. I will yield to the Senator from Delaware in just a moment.

I agree entirely with the Senator from Idaho. As a matter of fact I am at a loss to understand how the Senator from Delaware can say that section 1 has anything to do with whether or not these companies are engaged in interstate commerce. As a matter of fact all it does is to denounce certain definite practices which we say are bad. But when we say that Congress has jurisdiction it is because the companies are engaged in interstate commerce. Of course, if those bad practices are engaged in only by companies engaged in intrastate commerce and not subject to the commerce clause, we have no jurisdiction over them.

We follow that section, as I pointed out, by section 4. In section 4 we say the holding company must register if it is using the facilities of interstate commerce. In other words, if it is not engaged in interstate commerce it does not register and the Commission has no jurisdiction over it whatever. If it is engaged in interstate commerce, if it is using the facilities of interstate commerce, then it must register. That is when we get jurisdiction.

We say if they do not register and are engaged in interstate commerce, they shall be denied certain privileges and cannot use the channels of interstate commerce for the purpose of carrying on their business until they do register.

After they have registered we say that those companies which are predominantly engaged in intrastate commerce shall be entitled to exemption. In other words, we first bring them in because of the fact they are engaged in interstate commerce. Then we say, "If you are predominantly engaged in intrastate commerce you are entitled to exemption under the bill."

I now yield to the Senator from Delaware.

Mr. HASTINGS. This is not merely regulation. If these practices exist and these companies are engaged in interstate commerce, of course the Congress would have a right to regulate, but the bill goes further than that. The bill destroys them. Take as an illustration, perhaps not a good illustration, a case where beef cattle are sent across a State line. The Congress regulates that traffic and makes it necessary for those who want to ship clean cattle across a State line to get a permit, all of which is perfectly agreeable to the provisions of the Constitution.

But here it is proposed not only to prohibit the bad company from engaging in interstate commerce, but we prohibit them all, and it is admitted many of these companies are perfectly clean and need no regulation at all. It is proposed not only to regulate if improper conditions may be found to exist, but it is proposed to wipe them out entirely.

Mr. WHEELER. I must challenge the correctness of the statement which the Senator has made, because it is not accurate.

Mr. HASTINGS. I shall be glad to have the Senator point out in what respect it is not accurate.

Mr. BORAH. Mr. President, of course, that is a serious assertion. Do I understand the Senator from Delaware to say that this bill wipes out property holdings and property values, regardless of the question of whether or not the parties concerned have in any sense been guilty of wrongdoing?

Mr. HASTINGS. Undoubtedly, Mr. President.

Mr. WHEELER. Not at all.

Mr. HASTINGS. That is a difference of opinion. That is my honest judgment about the matter.

Mr. WHEELER. What the bill does is simply to condemn certain practices by holding companies, just exactly the same as the Congress did in the Hepburn Act. Let us look at the situation with reference to the Hepburn Act, known as the "commodity clause." Let us go back to the Reading case. There the Congress of the United States said to the railroads, "We condemn the practice of a railroad company shipping its own products over its line." In other words, many persons are engaged in interstate commerce who carry their goods over their own lines. I travel by automobile. I take a barrel of potatoes or something else across a State line, and I transport such commodities in my State; but the Congress of the United States said what? They said, "We have jurisdiction over these railroads because they are engaged in interstate commerce. Having jurisdiction over them because they are engaged in interstate commerce, we have a right to lay down a national policy, and to say what in our judgment is bad and what we shall condemn by statute"; and, whether we did it rightfully or wrongfully, we made unlawful the shipment over the railroad of coal and other commodities produced by the railroad company or by any company controlled by the railroad company. Was there anything inherently bad in a railroad company carrying its own products over its own road? Yet see what the Supreme Court of the United States said in that case.

Mr. HASTINGS. It does not touch it.

Mr. WHEELER. It is all right for the Senator to say that it does not touch it, but let me find the language.

Mr. MINTON. Mr. President, while the Senator is looking for his citation, is it not true that the bill not only condemns certain practices in which holding companies have indulged and which everybody condemns but it condemns a certain structure of holding companies, just as the antitrust laws condemn a certain business structure which the Congress of the United States determined should not exist?

Mr. KING. Mr. President, while the Senator is looking for his citation, I desire to ask the Senator from Indiana [Mr. MINTON] a question.

Does not this bill, not quite in harmony with the statement made by the Senator from Montana a few moments ago, place under the jurisdiction and absolute control of the Federal Power Commission a corporation organized to furnish power to a given locality, perhaps within one State, but, having a little surplus, disposes of it in an adjoining State? By uniting the transmission lines so that 5 percent or 10 percent of the power generated in a given State is carried to an adjoining State, under this bill the Power Commission would take jurisdiction of that corporation?

Mr. MINTON. I do not think so, because there are two well-defined exemptions in the bill under which such a company could come.

Mr. KING. I have read the bill very hastily. I should be glad to have the Senator point them out.

Mr. MINTON. The first exemption is found under the first subdivision of section 3, that its business is predominantly intrastate. The second one is found under the third subdivision of section 3, that—

> Such holding company is only incidentally a holding company, being primarily engaged or interested in one or more businesses other than the business of a public-utility company and not deriving, directly or indirectly, any material part of its income from any one or more subsidiary companies, the principal business of which is that of a public-utility company.

Mr. KING. I hope the Senator is correct; but, as I read the bill, it seems to me that the original corporation would be subjected to control under the bill. It would have to register, and would be subjected to all the pains and penalties, whatever they may be, which are imposed under it.

Mr. BARKLEY. Mr. President, if the Senator from Montana will yield in that connection, let me say that the bill provides for exemption only under title I. Title II is the part of the bill which provides that rates and practices in the transmission of power and electric energy across State lines may be regulated. That is entirely different. We do that with respect to railroads which are almost entirely intrastate, but we can regulate their practices insofar as interstate traffic is concerned. We provide here not only for the exemption of companies which are wholly engaged within a State in the transmission of power and electric energy but even where there is an integrated company in two or more States in contiguous territory we provide that it likewise may be exempted from the provisions of title I. That, of course, does not apply to the regulation of the transmission of electric power across State lines, which is entirely different from the provisions of title I.

The bill provides that even a holding company may continue to operate if it operates wholly within a State, or if it operates in half a dozen States in a contiguous territory so that its properties may be regarded as a system of utilities that have something in common.

Mr. KING. Mr. President, if the Senator from Montana will yield further, with respect to the illustration which I gave a moment ago, as I read the bill, a parent company which generated its power, say, in the State of New York, and had a surplus of 5 or 10 percent which was disposed of in a contiguous State, let us say Connecticut, and transmitted across the line, would be brought under the control of the bill. It is true that perhaps the Commission would have power to extend an exemption to such a company, but it would not be done as a matter of right. It would be permissive with the Commission.

Mr. BARKLEY. Is the Senator now referring to the control of the bill insofar as the financial structure is concerned, the issue and sale of stock, or the actual physical transmission of power across a State line?

Mr. KING. The latter—the physical transmission of power.

Mr. BARKLEY. Does the Senator think a concern engaged in the transmission of power across a State line, although it might be a small portion of its business, ought to be exempt from regulation so far as the transmission of that power is concerned?

No State commission could regulate that part of its business, and if we should exempt it entirely from Federal regulation it would go unregulated. In that event, it might be able, by the sale of a sufficient amount of power in competition with a local company which was regulated by a State, to sell it under such circumstances as to do irreparable damage to the local company, merely because its main business was in some other State, but it could sell its surplus power in competition with a company doing entirely a State business.

Mr. KING. I was trying to ascertain the meaning of the bill, and the proper interpretation to be placed upon its provisions. From my hasty reading, I reached the conclusion that a corporation which sold across a State line 1 percent of its power, which it did not need for local consumption, would have to register, and would have to conform to the provisions of the bill.

Mr. WHEELER. No; the Senator is entirely wrong.

Mr. KING. I hope the Senator from Montana is right. My conclusion was that such a company would have to register and be subjected to all the terms and conditions of the bill unless the Commission, for reasons which might or might not appeal to it, should rule otherwise.

Mr. WHEELER. The Senator is entirely incorrect about that, insofar as registration under title I of the bill is con-

cerned. If he will read section 3, I am sure he will find that it is made mandatory upon the Commission to exempt such a company.

Let me call the Senator's attention again to section 3. I have read it a great many times:

The Commission, by rules and regulations or order, shall exempt—

What?—

any holding company, and every subsidiary company thereof as such, from any provision or provisions of this title, if and to the extent that it deems the exemption not detrimental to the public interest.

"Public interest" has been defined by the Supreme Court of the United States as I read a moment ago in the New York Central Securities Co. case, where Congress said that the Interstate Commerce Commission should permit certain things in the public interest; and the Court held that "the public interest" had a definite, fixed meaning within the terms of the Interstate Commerce Act.

So, first, the Commission shall exempt a company, if—

(1) such holding company, and every subsidiary company thereof which is a public-utility company, are predominantly intrastate in character and carry on their business substantially in a single State in which such holding company and every such subsidiary company thereof are organized;

(2) such holding company is predominantly a public-utility company operating as such in one or more contiguous States, in one of which it is organized;

(3) such holding company is only incidentally a holding company, being primarily engaged or interested in one or more businesses other than the business of a public-utility company and (A) not deriving, directly or indirectly, any material part of its income from any one or more subsidiary companies, the principal business of which is that of a public-utility company, or (B) deriving a material part of its income from any one or more such subsidiary companies, if substantially all the outstanding securities of such companies are owned, directly or indirectly, by such holding company;

(4) such holding company is temporarily a holding company solely by reason of the acquisition of securities for purposes of liquidation or distribution in connection with a bona fide debt previously contracted or in connection with a bona fide arrangement for the underwriting or distribution of securities; or

(5) such holding company is not, and no subsidiary company thereof is, a public-utility company operating within the United States.

I do not know how clearer or more concise language than that which we are presenting here could be framed.

Mr. McKELLAR. Mr. President, would it interrupt the Senator for me to ask about a provision which troubles me?

Mr. WHEELER. Certainly not.

Mr. McKELLAR. Subparagraph (f), found on page 49, reads as follows:

(f) If, in the judgment of the Commission, any registered holding company or any subsidiary company thereof is insolvent or unable to pay its debts as they mature, the Commission shall have power to institute proceedings for the reorganization of such company under section 77–B of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended.

Below that is the provision that it shall be the duty of the court to appoint the Commission as sole trustee or receiver. If such a provision had been in existence during the last 5 years, it would have resulted in putting into the hands of this Commission every company, I suppose, for this reason: A company does not have to be insolvent; all that is provided in the paragraph I have read is that if in the judgment of the Commission the company is unable to pay its debts as they mature, it shall be put into the hands of a receiver. The power in the Commission is not circumscribed, and to my mind it is a provision which would ruin the business of the utility companies entirely, and I do not think that is the purpose of the bill. I am quite sure the Senator from Montana desires to put these companies on a firmer basis, to make them more honest, more efficient, and more successful.

It seems to me this sort of power would be an unwarranted one to give to any commission. Under the terms of the proposed act the Commission would be given the power, whenever in its judgment a company was unable to pay its debts, to put it into the hands of a receiver. It would have carte blanche to put any concern in the country into the hands of a receiver.

I should like to have the Senator explain that provision.

Mr. WHEELER. Mr. President, this provision was inserted for the purpose of protecting the investors in public utilities. We have had evidence before the Committee on Interstate Commerce of scandalous receivership matters all over the country in connection with railroad reorganizations. It has been notorious. There have been investigations of receiverships by the Senate, and it has been shown that a court appoints some friend or some politician as a receiver of one of the railroads or one of the corporations, and they keep the company in the hands of the receivers for years, until they take everything away, and the poor stockholders get nothing at all.

Remember this: Under the pending bill a court must decide that the company is unable to pay its debts. The Commission can make application; that is the only power the Commission would have—to apply to the courts for a receivership when it deems a company is unable to pay its debts.

Mr. McKELLAR. The bill does not so provide. Let me read a little further:

In any proceeding pursuant to this section or in any other proceeding in a court of the United States, whether under said section 77–B or otherwise, by whomsoever instituted, for the reorganization, dissolution, liquidation, bankruptcy, or receivership of any registered holding company or subsidiary company thereof or in which a receiver or trustee of any such company or any assets thereof is appointed, the court shall have jurisdiction to appoint a trustee or receiver, and, at the request of the Commission, shall have power, and it shall be the duty of the court to constitute and appoint the Commission as sole trustee or receiver, whether or not a trustee or receiver shall theretofore have been appointed.

Of course, the Commission itself cannot be a receiver. Some agent of the Commission must be the actual receiver.

Mr. WHEELER. Exactly.

Mr. McKELLAR. We all realize that. That is a "cat in the bag." Nobody knows what may be done. It may be like the case of the agent of the Interstate Commerce Commission who appeared before the Committee on Post Offices and Post Roads not long ago in a hearing on aviation matters. I judged from that agent's actions that he was the representative of the aviation companies. I never dreamed, and did not learn until afterward, that he was in the slightest way connected with the Interstate Commerce Commission. So we would be getting a cat in the bag with such a provision.

I think it is very doubtful whether we have the right to say to a court that he must appoint a particular person or a particular class of persons as receivers in his court. Yet that is exactly what we would provide.

Mr. WHEELER. There is no question but that we have the power to do it, and let me say to the Senator that a great many people have come and urged that the Interstate Commerce Commission be appointed receiver for the railroads, and have asked for that power.

First of all, the Commission can appeal to a court and ask the court to put a company into the hands of a receiver. The court does not have to do it, and the court should not do it and will not do it unless the court finds that the company is insolvent.

Secondly, after the court finds that the company is insolvent, it will be the duty of the court to appoint the Commission so as to protect the stockholders and the investors.

Mr. MINTON. Mr. President, is not the power provided in the bill for the appointment of the Commission as trustee or receiver somewhat analogous to the provision in the banking law for the Comptroller of the Currency being made the receiver of insolvent banks? Of course, he does not act as a receiver in every instance, but he nominates the man who actually handles the bank as a receiver.

Mr. WHEELER. I thank the Senator. The Comptroller of the Currency appoints receivers of banks, and he does it rather than let receivers be appointed by the courts, because of the fact that he wants to protect the national banking system from the frauds which have been going on. I do not

think anybody would be in favor of repealing the law giving the power to the Comptroller of the Currency to appoint receivers, rather than leaving such appointments to the courts.

Mr. BARKLEY. Mr. President, as a matter of fact, in his responsibility as Comptroller of the Currency, that officer is receiver for every national bank in this country which has to have a receiver. Of course, he appoints nominal receivers to take charge of the banks locally, because the Comptroller of the Currency cannot be on the ground, but the Comptroller of the Currency is responsible, and passes on all the questions involved in receiverships, through agents who are appointed by him.

Mr. WHEELER. Every one will admit, I think, that there has not been one-tenth of the scandals in connection with receiverships of banks as have occurred in cases of the private receiverships which have been set up all over the country.

I do not desire to take further time of the Senate with reference to the bill, and in pointing out the cases which hold definitely that it is constitutional. I have studied the bill from every angle, and I cannot, of course, subscribe to the theory of the Senator from Delaware that the bill is unconstitutional. I have no doubt that the Supreme Court of the United States will hold that Congress has the power to regulate holding companies which are engaged in interstate commerce, and if it has the power to regulate, it has the power to eliminate. It was held in the Reading case that if it had the power to regulate it had the power to dissolve the company. Likewise they held in the second Reading case that the courts had the right to disregard mortgages and bonds which had theretofore been entered into, and that the court in its wisdom should distribute the securities among the security holders as in its judgment it thought best.

Mr. President, I do not think I shall go into a discussion of title II of the bill. In the committee there was very little if any discussion with reference to it. It merely amends the present law, and gives the Federal Power Commission the right to regulate the interstate transmission of and wholesale rates for electrical energy and extends control over the waters of this country over which the Congress of the United States has control already. All the way through title II it is specifically provided that the Federal Power Commission shall have the power to do this or do that with respect to the matters over which the Commission or Congress has jurisdiction at the present time.

MILITARISM AND THE NEW NAVALISM

Mr. KING. Mr. President, a few days ago the Senate passed the so-called "naval bill", which carried appropriations of approximately $500,000,000 to meet, in part, naval expenditures for the next fiscal year. The naval and military expenditures of the United States for the next fiscal year will exceed $1,000,000,000 and in the aggregate will be approximately two hundred and fifty to three hundred million dollars in excess of the appropriations of any other country for military purposes. I was opposed to the naval bill, and voted against it, and have been opposed to most of the military and naval bills since the World War, the aggregate of which exceeds $5,000,000,000.

We announced that the World War would end war and that the people of the world would be relieved from the frightful burdens imposed by militarism, and that a policy of international cooperation would be developed under which peace would come to the world and a higher standard of civilization attained.

Notwithstanding the professions made, our Government since the World War has appropriated more than that of any other nation, and is today declaring to the nations of the world that its expenditures for the next fiscal year for the Army and the Navy will exceed by several hundred million dollars more than that of the most belligerent and bellicose nation.

Mr. President, during the consideration of the naval bill to which I have referred, I did not have an opportunity of expressing my views upon our military policy, or of challenging attention to the provisions of the bill, many of which were not in harmony with my views. When the bill was under consideration the Senator from North Dakota [Mr. NYE] delivered important addresses condemning the military policy of this and other nations; he directed attention to the profits which had been made by munitions makers in this and in other countries, and attributed, in part at least, to warlike activities throughout the world to the propaganda of the munitions makers and to their indifference to the policies of peace and to the happiness and welfare of this and other nations.

Unfortunately but few Senators gave attention to his presentation, and I fear that the people of the United States were indifferent to the arguments presented and the facts submitted.

During my 18 years in the Senate I have learned that opposition to appropriation bills meets with but little support, and that even the largest appropriations for the Army and the Navy meet with almost unanimous approval.

The American people boast of the greatness and power of this Republic; of its invulnerability to attack from any quarter; of its resources and physical and moral strength, and yet, during the period since the World War, they have exhibited a chauvanistic and militaristic attitude which is at variance with the expressions made by many that the United States desires only the peace of the world.

I have no doubt that the stupendous appropriations made by the United States for its Army and Navy have been regarded by other nations as inconsistent with a pacific and nonaggressive policy, and have aroused fears and apprehensions and led to the strengthening of their military forces.

Mr. President, I protested against the enormous appropriations made by our Government for military purposes. I cannot help but believe that the policy which we have pursued, and are now pursuing, will have unfortunate repercussions in other lands and be a contributing factor to increased military activities.

Mr. President, it is a rational view that in order to prevent armaments there must be a bona fide renunciation of war, and back of that renunciation an international desire and, indeed, determination to accept the obligations implied in such renunciation. If war shall not be ruled out of the conduct of nations, there must be military and naval preparations, the limitation upon which will depend upon the fears or ambitions of the respective nations and upon their resources and financial ability to maintain armies and navies.

Efforts to prevent war by announcing parity will prove ineffective. Parity is an illusive and misleading term. It not only leads to misunderstandings but it is ineffective because it fails to present or define any standard or yardstick by which to determine what would be a just and fair standard providing the factors of national security. The situation of each nation is different, and its strength and its weakness may not be accurately measured or determined; and if the standard to be adopted as the basis of parity is that of national protection, it is manifest that the word "parity" is an indifferent and a wholly unsatisfactory standard.

The fact is that the standard of protection will be determined not alone by the fear of what other nations may do, but by an attempt to fathom the future course of the various nations, which is impossible by reason of the uncertainties existing and the controversies and troubles which may arise. Undoubtedly, interference with trade and commerce motivates some nations in determining the maximum and minimum of their military preparedness.

Attempts to codify maritime law for the purpose of preventing international conflicts have been unsuccessful. The Declaration of Paris and the Declaration of London, from which so much of good was anticipated, yielded to the jealousies and controversies of nations and the impact of war.

Modern war has almost wiped out the distinction between contraband and noncontraband, and, for that matter, between public and private property at sea. It was demonstrated in the World War that almost every commodity fell

within the category of contraband, because so many of the products of man were directly or indirectly employed in warlike activities either upon land or upon sea.

It is difficult to prepare rules limiting or determining what would be proper or improper conduct in warlike activities. Indeed, only when war itself shall be renounced and forbidden, and the letter and the spirit of the Kellogg-Briand Pact accepted and adhered to, may the rules of war be defined. With such a renunciation, it can be foreseen what acts or omissions might lead to international disturbance and therefore fall within the prohibition of the pact. It is obvious that as a preliminary step to the abolition of war there must be a reduction of armaments, continued and progressive, until only a police force or authority exists, the utilization of which will be not for military purposes, but to serve an end akin to that of municipal police organizations.

As armaments increase, the possibilities and, indeed, the certainties of war are multiplied. Military armaments, instead of softening or mitigating conditions provocative of conflicts, aggravate conditions and create situations charged with explosive forces definitely contributing to international conflicts.

Mr. BONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Washington?

Mr. KING. I yield.

Mr. BONE. I am sure the Senator from Utah would have enjoyed the experience had he been able to attend some of the sessions of the Munitions Committee. Some of the manufacturers of armaments were asked concerning the armament race in South America, where a submarine or a battleship or a certain amount of guns would be sold to one of the countries in order to put it on a parity with a neighboring country; and these salesmen were asked whether, if all the nations were to disarm, they would not be on the same sort of a parity that they would be on if they had 50 battleships apiece.

The answer was, "Yes; they would still be on a parity." The armament race there, however, was stimulated by these gentlemen. When they sold guns or ships to one nation they would promptly go across the borders and tell the neighboring nations that if they did not immediately increase their armaments they would not be on a parity with their neighbor. The final statement of one of the witnesses was that the boys and girls were very much interested in all these nice guns, ships, arms, cannon, bombs, and the like, and wanted to use them at the first opportunity which opened to them.

Mr. KING. Mr. President, undoubtedly expenditures for the armies and navies in this and other countries have been stimulated by the course pursued by the manufacturer of arms. Some of these manufacturers have been devoid of patriotism; they have been more interested in finding markets for their wares than in maintaining peace or advancing the cause of civilization. Not only in modern times, but in centuries past there have been men and organizations whose greed for wealth has led them not only to manufacture weapons for the destruction of their fellow men, but to encourage jealousies among nations, and to stir up strife that would and did eventuate in war. Heavy burdens have been laid upon the peoples of many countries in the purchase of armaments, and the makers of armaments in this generation are laying tribute on the people of today and the generations that are to come.

Mr. President, returning to the thread of my remarks, it is contended by some that so long as national armaments exist they must be used either as instruments by which international disputes are settled through war or as instruments by which war may be prevented.

They must be used either for military purposes or for police purposes. There is no third alternative. If war is to be ended, nations must not only cease the use of armaments as instruments of their national policies but they must also agree to use them solely as instruments for preventing successful resort to violence.

We hear much said about "parity." I have stated that it is in practical experience a meaningless term. Certainly it is illusory in the sense that it cannot result in any certain ratio of either military expenses or an acceptable basis for determining which is preparedness. That may be said of land armaments as well as of naval armaments. The geographical situations of the great as well as the smaller powers make it impossible to establish or create a yardstick for the purpose of measuring what would be a just and equitable ratio—if those terms may be employed in connection with military matters—to be applied to each nation. Obviously the naval policy of the United States will be different from that of Great Britain, Japan, or other nations. In the event of international conflicts Great Britain, with her far-flung possessions, depending as they do for protection upon the the mother country, has naval and military problems different from those that appertain to the United States or France or Germany or Russia.

It is only necessary to look at the map to see what difficulties and dangers Great Britain must guard against because of her colonies and dominions in every part of the world. Australia, New Zealand, and the Far East look to the mother country for protection. If, as some writers contend, there is an irrepressible conflict between the Occident and the Orient, if movements are being inaugurated which will consolidate oriental countries, such as Japan and China, not alone for internal development but for the assertion and maintenance of the thesis that the Orient must be liberated from the control or influence of occidental nations, then there may be some justification for Britain's possessions, dominions, and colonies in the Far East relying more and more upon the mother country for protective measures to insure them against threatening dangers. The insularity of Great Britain calls for a naval program different from that of many other countries; and, in passing, it may be said that Japan's position calls for protective measures in a belligerent and warlike world different from those of the United States and some other countries.

Great Britain must depend upon other countries for food supplies, for raw materials, and many products essential to life, as well as for economic and industrial security and development. Self-contained nations have problems quite different from those inherent in the geographical situation of some other lands. These physical and geographical conditions to which I have referred contribute to the difficulty—indeed, to the impossibility—of creating a yardstick by which to measure the defensive steps which each nation may be justified in taking in the absence of world-wide obligations to renounce war and to adjust all international disputes by pacific means.

When the people reach the conclusion that governments do not exist to maintain fleets or armies, or that, if either is maintained, it shall be only for the purpose of serving a conceded national policy of justice and protection, then this madness and frenzy for big armies and great navies will pass away. There will not be this constant talk of parity and of appropriating billions of dollars for the alleged purpose of securing parity—whatever that may mean—in land or naval forces.

So far as the United States and Great Britain are concerned, accepting the interpretation placed upon the word "parity", that condition already exists, because neither nation could drive the other from the seas.

It has been said that exact yardstick equality is impossible; that such incommensurable factors as tonnage, age, speed, gun caliber, cannot be brought into a common denominator. Admiral Fiske has insisted on parity—that is, equality in naval-base strength and in size of merchant marine.

It has been said that if such extended sacrifices of the taxpayers are required it will be found that parity has not been attained because there will still be inequality in oil supply, of gun factories, of nitrate-fixing plants, or something else. The insistence upon equality in all things is the attitude of the professional, who is concerned more with the

equality of his weapon than with the reason for its existence.

> He will never be satisfied unless the scale tips his way, and equality established for the British fleet at anchor in Portsmouth Harbor and the American Fleet in Newport News would become a pronounced inequality if the two were to meet either near the Scilly Isles or off the Windward Passage.

No precise equality is necessary to prevent a domination of the high seas by any country which all other nations agree in finding intolerable.

Manifestly, the factors of safety are not alike in all countries. In some having no naval bases remote from the mainland a different type of war vessel may be required than that deemed necessary by other countries. France, at the Washington Conference, was not so much concerned about battleships or battle cruisers. The same position was taken by Italy. But the representatives of those countries were greatly concerned in the maintenance of submarines. The World War revealed the importance of the submarine, and it is conceded now even by the conservative and rather reactionary naval authorities and officers in this and other countries that if Germany had possessed a larger fleet of submarines the results of the war might have been different.

At no time were there more than 30 German submarines operating in the Baltic or North Sea or in the Atlantic Ocean. During the war 10,000 men, at most, were connected with submarine operations in Germany. The allied nations, including the United States, had at least 100,000 men upon their various war vessels, and their losses of vessels were greater than those of Germany.

There should be an understanding reached—certainly between the United States and the other naval powers—to arrest this dangerous movement devoted to increased military preparations. It is a movement which, unarrested, increases in a geometrical ratio. It deflects the attention of the people from economic and industrial problems. It creates suspicion, international jealousies, racial prejudices, arouses mad passions, which, through many ages have led to sanguinary battlefields, and the destruction of millions of human beings. The professional interest is great in dealing with these problems. Without an understanding each move in a building program is magnified and counted and utilized as the basis for propaganda for increasing military expenditures and influencing the minds of the people to the importance—if not the necessity, under the guise of preparedness—of inaugurating movements that will eventuate in international conflicts.

Without understanding this propaganda the building of more ships takes a provocative form, and creates additional distrust and fear. We are constantly assailed by the demands of munition makers and by the disciples of modern navalism, and by the cry that this country or that country has more battleships or cruisers or submarines than has the United States; and doubtless in other countries similar statements and chauvinistic proclamations are repeated and exaggerated, thus arousing the fears and too often the antagonisms of people whose inclinations might and probably would be for the most amicable relations with the United States, and indeed for the establishment of world peace.

I recall that an American admiral—I think it was Admiral Magruder—recently stated that it has been the policy of the United States since 1912 to arm its ships with the heaviest batteries possible; and he added:

> Let that policy continue and America will have peace, and with a broad human sympathy be in a position to engender a spirit of good will throughout the world.

That is the argument of the navalists here and elsewhere. It rests on the false assumption that preparations for war are the sure means of peace. In my opinion, it disregards the lessons of history; and the adoption and execution of that policy has planted the seeds of distrust and hatred during many centuries and in many countries, resulting in frightful conflicts which destroyed nations and arrested the progress of civilization. Peoples schooled in the psychology of war will develop a mental complex such as finds expression in the teachings of Nietzsche, and which even now influence many who are blindly following Hitler.

It is unfortunate that military cliques too often obtain control of governments and determine their policies; and the irony of it is that under the guise of patriotism and the protection of the people enormous military machines are builded and wars precipitated.

It seems to me that the choice before the world today is cooperation or conflict—peace or war—progressive disarmament to that end or a mad race to increase both defensive and offensive weapons, peaceful development or the collapse into barbarism with the experience of the horrors and savagery of modern war.

And it is not sufficient to merely think of peace, but we must organize for peace. There are many organizations for war but few organizations for peace. It is contended by many that because there are ominous signs in many lands portending fratricidal conflicts, we should join in the mad race for so-called "military preparations" and increase our expenditures for the Army and for the Navy to the extent of hundreds of millions of dollars annually. Undoubtedly we have been caught in the coils of militaristic and navalistic forces which, if not controlled and destroyed, will precipitate the world into a devastating war destructive of civilization. We must make every effort to develop and create world-wide cooperation and loyally support measures and policies to accomplish that end.

I know there are those who deny that the accumulation of armaments produce war; that nothing is gained except by force. This is the philosophy that controlled the German cabal which precipitated the World War; it is the spirit which dominates some of the militarists of Japan and manifests itself in Hitlerism.

It is not too much to say that the most disturbing elements in the world today are Germany and Japan.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LONERGAN in the chair). Does the Senator from Utah yield to the Senator from Missouri?

Mr. KING. I yield.

Mr. CLARK. I agree entirely with what the Senator has been saying, but I think it must be a matter of interest to the Senator, as it is to me, that the United States has actually increased its expenditures for preparation for the next war since the close of the World War in a greater ratio than has any other nation in the world.

Mr. KING. The Senator is correct. We have appropriated more than $5,000,000,000 since the World War for the maintenance of our Army and Navy; and for the next fiscal year our military appropriations, that is, appropriations for the Army and Navy, will be more than $1,150,000,000.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. KING. I yield to the Senator from Maryland.

Mr. TYDINGS. I am glad to hear the Senator from Utah bringing out the necessity for world cooperation to eliminate many of the present-day evils, and I take no issue with what the Senator from Missouri [Mr. CLARK] has said as to the money expended. However, it is only fair to state that in our country it costs more to maintain soldiers and sailors and to produce goods than it does in the countries which compete with us in armaments.

Mr. KING. But the Senator will recall that we have greater wealth and resources and greater productive capacity than any other country.

Mr. TYDINGS. I hope that the purpose for which the Senator is addressing the Senate may be accomplished, but I point out that there are 13 countries which maintain larger standing armies than does the United States. Among the 13 are nations such as Rumania, Czechoslovakia, Poland, Jugoslavia, and others of very small populations. It strikes me that the whole question of armaments is relative; that no one nation is going to reduce its armaments until other nations do likewise, and that the practical way, which the Senator is advocating in his address, to accomplish disarmament, is through voluntary conference and cooperation, for,

in my humble judgment, in no other way can it be accomplished.

Mr. KING. Mr. President, the Senators from Maryland and Missouri have projected into this discussion some factors pertinent to the discussion and some which are extraneous. I shall first comment very briefly upon the observations of the Senator from Maryland as to the armaments in a number of European countries. It is true France, Italy, Poland, Russia, Germany, Japan, and a number of other nations have large military forces. It is a fact that the military burdens imposed upon the world at the present time are greater than it has been called upon to meet prior to the World War. There are disturbing elements in Europe, as well as the Orient, and perhaps in other parts of the world. The effects of the World War have not been eliminated and the psychology there developed still animates and motivates many peoples of the world. Countries contiguous to Russia were apprehensive of her Bolshevik teachings and were fearful that by military force Marxian philosophy would be imposed upon the world.

May I say in passing that the attitude of Russia, however, during the past few years has, in my opinion, adduced reasons to mitigate some of the fears formerly entertained as to her purpose. Undoubtedly many of the Russian people believed that the so-called "capitalistic nations" were organizing to overthrow the Bolshevik regime. In my opinion there was no justification for that view. While the people of many countries entertained serious fears as to the effect of their nationals being indoctrinated into Marxian philosophy, nevertheless, there was no plan contemplated by one or more nations to invade Russia or to oppose by military force the control by the Soviet Government of the Russian people and their internal affairs. It is quite likely that the fear of a military movement by the Soviet Government led a number of European countries to increase their military forces.

That certainly was true of Rumania and Poland. The uncertain attitude of Germany led a number of European countries to maintain rather large military forces. Undoubtedly Poland feared Germany, and France was not free from apprehension as to the purpose of Germany. It was well known that Germany sought to incorporate Austria within her borders, and Italy, Jugoslavia, and perhaps other European countries saw in that purpose another European conflict which would draw many nations into its vortex. The failure of nations to observe the obligations of the League of Nations and the rise of a powerful nationalistic feeling among many nations, gave rise to fears which led to the strengthening of military forces.

Senators will recall that a number of years ago, at one of the conferences participated in by most nations, including Russia, Mr. Litvinoff representing Russia, proposed world disarmament, and at a subsequent congress a similar proposal was submitted. I regret that the proposal was not received by the representatives of the participating nations, including the United States. It is true that many nations of Europe maintain large armies. That may not be said, however, of Great Britain, or the Scandinavian states, or Finland or Switzerland or Holland or Belgium; and even those that do have large standing armies would welcome a world-wide plan that would relieve them of the frightful burdens which press so heavily upon them.

It cannot be said that this Republic is in a position similar to the countries of Europe to which he has referred. Canada, Australia, New Zealand, Central and South American Republics—they are seeking cooperation and a spirit of fellowship which will bring them into closer commercial and political relations. Because some other nations are filled with fears, that fact should not be urged as a reason why the United States should build its structure—political, moral, or otherwise—upon the same foundation, or be guided by similar fears and by the same psychological manifestations. The Senator knows, as we all know, that conditions in Europe were such that when Germany increased her navy other nations saw a hostile movement that threatened their peace if not their territorial integrity.

When the United States in 1913, 1919, and 1920 announced its purpose to carry out the 1916 naval program to build battleships and auxiliary craft that would cost $1,500,000,000, Japan, as well as other nations, took cognizance of that pronouncement. Japan immediately formulated a plan to construct 10 powerful battleships. Great Britain that had laid down not a single keel following the war was moved to inquire into her naval strength. Fortunately, under the leadership of Mr. Harding, a disarmament conference was called which resulted in arresting the competitive building of battleships until at least the end of 1936.

Mr. TYDINGS. Mr. President, does the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield further to the Senator from Maryland?

Mr. KING. Certainly.

Mr. TYDINGS. Not only has the Senator drawn the exact parallel on armaments, but the same thing applies to the tariff and to currency stabilization. When we passed the Smoot-Hawley tariff bill in 1930 about 45 countries within a year retaliated by raising their tariffs. So the vicious circle went all the way around the globe, locking each country up in watertight trade compartments. The same thing applies to currency stabilization. One country went off the gold standard and then another and another, until finally our own country went off the gold standard.

It strikes me the only way these evils, and they are evils, can be rectified, and civilization and order kept and reestablished, is by cooperation which will restore currency, revive world trade, and bring about the commensurate disarmament which should exist in times of peace.

Mr. CLARK. Mr. President, will the Senator from Utah yield?

Mr. KING. I yield.

Mr. CLARK. Does not the Senator think, in view of the very elaborate protests and protestations in favor of disarmament or reduction of armaments on the part of the United States, it comes with singularly bad grace from us, the recognized richest nation in the world, to be constantly increasing our own expenditures?

As the Senator from Maryland said, it is perfectly true that we get less for our money in armament than any other nation in the world. That is possibly because we have been more complacent than other nations in yielding to the extortions of the shipbuilders and munitions manufacturers. Nevertheless, it is admitted that we do get less for our money than any other nation in the world in that respect. But every increased expenditure on our part necessarily creates a suspicion on the part of France, Germany, Great Britain, Japan, and every country in the world and therefore keeps in motion the vicious circle.

It comes with singular poor grace for the United States, which protests its devotion to the principle of disarmament or reduction of armament, to be itself continually keeping in motion that vicious circle.

Mr. TYDINGS. Mr. President, will the Senator from Utah yield further?

Mr. KING. I yield.

Mr. TYDINGS. What the Senator from Missouri said is true, but suppose we were to sink our entire Navy tomorrow morning and disband our entire Army tomorrow morning? I do not believe any Member of this body would contend that that example would be copied by any other country. As long as other countries have armies and navies, I for one propose to vote for appropriations which will keep this country on a parity. I agree to the alternative that it would be a good thing if we could eliminate some of the expense and waste which the program entails, but until there is international cooperation to do that, we have no alternative whatsoever than to keep our Army and Navy on a parity at least with those of any other country.

Mr. KING. Mr. President, the Senator has referred to the tariff and to currency stabilization. Undoubtedly the Senator is correct when he indicates that the passage of high tariff acts resulted in other nations retaliating against the United States. There was and is a school of thought in

the United States which contends that any imports into the United States are injurious to the American people; that the home market is our only market, and that trade and commerce with foreign nations proves disastrous to the American people. Mr. President, that is an old-fashioned archaic view not in consonance with the best economic or political thought. It is in harmony with the theory that each nation should be a law unto itself, and should drive forward along the international sea without reference to other nations. Every person familiar with history knows that what might be called a "Chinese policy" is at variance with the great moral and spiritual movements which in the end must dominate the world. Isolation is not the slogan which leads to progress, peace, and happiness.

The Senator's deduction is correct that militaristic policies find their parallels in economic policies; that when one nation builds battleships to fight other nations and to protect itself against contacts with other nations, it develops a similar attitude toward trade and commerce and, indeed, the cultural and spiritual things of life.

The Senator from Maryland [Mr. TYDINGS] states that as long as other countries have armies and navies he intends to vote for appropriations which will keep our country on a parity. I have indicated that the word "parity" is meaningless, because there are so many factors that are involved in measuring the strength upon land or upon sea of armies and navies. It is insisted that if we had the same number of battleships as some other country and the same number of cruisers and other auxiliary craft there would not be parity until and unless we had as many naval bases and as large a merchant marine and as large oil reserves, nitrate supplies, and many other tangible and, indeed, intangible things and elements that find their way into international conflicts and exercise more or less of potency in determining the final result.

Other nations are doubtless saying that so long as the United States is expending two or three hundred million dollars a year more than any other country in the world for its Army and Navy they propose to maintain their military and naval forces and, indeed, to increase them. I have said—and repeat before I conclude my remarks—that military or naval competition does not produce peace—indeed, it ultimately leads to war.

I return to one of the thoughts suggested by the Senator, namely, world cooperation to bring commercial and international peace. A few years ago, under the leadership of one of the greatest of Americans, Woodrow Wilson, a treaty was negotiated providing for a League of Nations. It was not a new idea. Men in various ages had advocated an international agreement which would terminate military armaments and set up international tribunals for the determination of any conflicts that might arise among nations. In my opinion, if the United States had become a member of the League of Nations, the history of the world since then would have been vastly different.

Notwithstanding the infirmities of the treaty—and no treaty formulated at the time the Versailles Treaty was drafted would have been free from errors—if the United States had been a party to the same it would have given a prestige and strength to the treaty that would have made it a living force among all nations. It aimed not only at ridding the world of war, but it sought to strengthen all of the relations among nations and to bring them into harmonious relations commercially, economically, culturally, and spiritually. It was not an ideal that could not have been realized; it was not a mere dream, but it contained the essence of reality. We rejected the league, however, and this weakened it and led other nations to question its efficacy and its competence to deal with world-wide affairs.

Mr. President, the time has come for some movement to be undertaken that will bring the world together; that will strike down the barriers of prejudice and hate; that will lift from the bowed backs of the people everywhere the heavy burdens of taxation—burdens created by war and the fear of war.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield further to the Senator from Maryland?

Mr. KING. I yield.

Mr. TYDINGS. May I say to the Senator from Utah that quite apart from the saving in taxes which a program of disarmament would bring, the important thing to keep in mind is that if we have another war comparable to the last war the depression through which we are now passing will seem like a summer holiday. The problems which we have today are largely attributable to the last World War, and it is absolutely asinine for the world not to cooperate and, insofar as it may, prevent a recurrence of conflict, because if the last World War made all this trouble, we will have added to our complex problems those created by the next war, which might wipe out the last vestige of civilization.

Mr. KING. That is true; and it seems to me incomprehensible that so many people in the world close their eyes to the dangers which are apparent and to the serious problems which the militaristic and navalistic spirit is developing throughout our country.

May I refer briefly to the Kellogg-Briand Pact, which was designed to remove causes of war and to promote peace. If it had been adhered to in letter and spirit, there would not be the military spirit now prevailing in various parts of the world. Indeed, there would have been a mighty force surging throughout the world for the union and happiness of all.

May I be pardoned for a personal allusion? Following the World War, and after Mr. Harding came to the Presidency, there were many who believed that an international conference should be called, not only to deal with the question of disarmament, but to consider economic, financial, and commercial questions.

It seems to me that impediments to international trade and commerce should be removed, that military barriers should be broken down, that exchange should be stabilized; indeed, that artificial barriers affecting commercial movements should be so far as possible removed. I believed that unless this were done there would be financial difficulties which would finally culminate in a serious world depression. Accordingly I introduced a resolution in the Senate, as I recall in 1921, which authorized the President of the United States to call an international conference to deal with the questions which I have so imperfectly referred to. I believed that if a world understanding were not reached along the lines indicated there would develop a fanatical spirit of nationalism, currency would be depreciated, barriers to trade and commerce would be erected, and the paths of prosperity and peace would be filled with obstacles, dangerous and destructive.

It seemed to me that the time was ripe for the establishment of an international bank to aid in the stabilization of exchange and to facilitate trade and commerce; and in the resolution which I introduced in the Senate the latter point was emphasized. However, we were still under the influence of the malign influences operating in the world, and the resolution failed of adoption. Our foreign trade soon after began to dwindle. My recollection is that immediately following the war our exports were between seven and eight billions of dollars annually, but with the passage of restrictive tariff legislation our exports declined until in 1933 and 1934 they were, as I now recall, less than $3,000,000,000.

Mr. President, what the world needs today is a spirit of conciliation and a desire for more harmonious relations. We should build, not barriers to separate us from the rest of the world but bridges over which we and others may pass, carrying the products of human effort and the thoughts and culture developed in all lands.

Reference was made by the Senator from Maryland [Mr. TYDINGS] to our expenditures. There has not been a year since the war when we have not appropriated for military purposes from one hundred and two hundred million to three hundred million dollars more than any other nation in the world, and

we are appropriating for such purposes this year between three and four hundred million dollars more than any other nation in the world; and yet we hold up our hands with unctuous righteousness and say, "We are the great peacemakers and the other nations of the world are the provokers of war."

The United States is in a position to lead the world. The Senator has referred to our sinking our ships, dismantling our forts, and so forth.

Mr. President, if every ship we have were abandoned, put out of commission—and I do not advocate that—and if every soldier we have were returned to his home, we should be absolutely safe from all other countries. The moral prestige we have, to say nothing of our physical power and our great resources, unlimited and unchallenged and unchallengeable, give to the United States a paramountcy and a preeminence over any and all nations, so that we should be free from molestation under any conditions and under any circumstances; and if all the navies of the world were to mobilize against the United States, their efforts would prove futile.

Admiral Sims said that there never would be a great naval battle which would be carried on across the oceans; and he pointed out, in testimony before the Naval Affairs Committee when I was a member of that committee, the reasons, which I have not time now to go into.

This is a diversion from the course of my remarks, a diversion which was caused—and I am not complaining—by the observations of the Senator from Missouri [Mr. CLARK] and my friend the Senator from Maryland [Mr. TYDINGS].

It is regrettable that both Japan and Germany have withdrawn from the League of Nations. Germany not only has withdrawn from the League but has repudiated the obligations of the Versailles Treaty. She has adopted a philosophy which many believe is paganistic in character, and is hostile to the highest moral and spiritual forces, the maintenance and development of which is essential to progressive civilization and to world peace. The will to power, which was the foundation stone of the philosophy of Nietzsche and Treitschke, has present repercussions; and a creed resting upon so-called "Ayran superiority" is enforced by the Reichstag with a fanatical zeal inconsistent with the highest concepts of justice and morality.

There are evidences that Germany will soon be an armed camp, or at least a Nation devoting most of its resources and no small part of its moral and spiritual power to the building of a State whose objective is to change the boundaries of European countries, and expand the limits of Germany and its authority not only within continental Europe but in other lands.

Evidences are accumulating that during the past few years Germany has secretly been arming, building plants for the manufacture of munitions of war, constructing naval vessels and airships and other implements to strengthen her war machine. She has boldly challenged the allied nations and, for that matter, other nations of Europe, and has decreed conscription, which will draw millions of her man power into the ranks of her military forces.

Before Hitler's accession to power Germany was moving toward a brotherhood cooperating for world peace. There was a growing spirit of friendship for Germany, and the peoples with which she had been at war were giving sincere evidence of their desire for the most cordial and harmonious relations between them and the German people. The war indemnities imposed upon Germany were reduced to approximately $700,000,000—less, I may add in passing, than the annual interest upon the obligations of the United States incurred in its participation in the World War. Credits were being extended to Germany and her people, and Germany's foreign trade was assuming larger proportions. Germany was admitted into the League of Nations and given a seat at the Council, where she was welcomed by all members of the League. Her representatives had a voice in all matters brought before the League, and her influence in the determination of those matters was persuasive. I might add that Germany, together with sixty-odd nations, became a party to the Kellogg-Briand Pact, and her representatives indicated that Germany desired peace and approved of the solemn pledge to renounce war as an instrument of national policy.

But Germany, notwithstanding the manifest desire of the members of the League to promote the welfare of Germany and her people, and to have Germany associated with all members of the League in reaching the objectives sought by it, saw fit to withdraw from this great organization, to denounce and repudiate the Versailles Treaty and her obligations under it, and to embark upon a course that was bound to arouse the fears of members of the League and to compel them, as they believed, to increase their appropriations for military purposes.

Notwithstanding the disturbed conditions of Europe following the World War, there were increasing evidences of a growing spirit of friendship and good will. Great Britain, France, and Italy were cooperating for the maintenance of peace. The members of the Little Entente, though they had internal troubles, were manifesting a growing interest in the League and in the fulfillment of the purposes for which it was organized. Poland was developing industrially and economically. Her relations with Russia were satisfactory, and her adherence to the League was sincere. As stated, though there were clouds in the sky, there were unmistakable evidences of the development not only of a spirit of good will and cooperation, but increasing evidence of the subsidence of national and racial prejudices.

In this improved situation, as I have stated, Germany and Japan left the League. In my opinion, this action upon their part has interrupted the forces that were making for world fellowship and world peace. Their action turned back the hand upon the clock-recording progress in the relationship of all nations. They are responsible, in part, for the recrudescence of navalism and militarism. Their action has increased the military expenditures of many nations, augmented armies upon land and forces upon sea.

That there is a belligerent element in Japan is manifest. I have before me an article written by Viscount Admiral Makoto Saito which appeared in the Christian Science Monitor on the 21st of November last. He states in the article that representatives of organizations in his country urge that Japan serve notice of abrogation of the Washington Treaty, and immediately start building the world's largest and most powerful fleet in all categories.

He stated that if that action were forced, he hoped that—

> • • • The conservative leaders of each country and the right-thinking people of all nations—Japan, the United States, Great Britain, France, and Italy—will recognise before it is too late that nothing—absolutely nothing—will be accomplished by a bankrupting naval race. Such a return to ultranationalism will only result in a setback to civilization and feed the fires of hate.

He further stated—and I hope I shall be pardoned for reading from this wise naval commander and great statesman of Japan, who is running counter to the navalistic clique which infests that land, as naval cliques have infested other lands in the past:

> It has been a long, hard struggle for mankind to rise out of the mire and attain what we call civilization today. But it will be one of the catastrophes of world history if in 1935 the representatives of the nations no longer can sit down calmly around a conference table and say to each other, "Gentlemen, how ridiculous! We are all dumping into armament as much as a half of our respective national incomes. Think what that wealth could do toward making our people happier and their lives more worth while! Let's call a halt to all this needless waste. Let's limit, by mutual agreement, our naval forces to fleets just large enough to provide protection to our commerce and our coast lines. The $40,000,000 'invested' in a super-capital ship would undoubtedly build a super-highway system across your American Continent. It would give Japan the paved highway network which she lacks today. That sum would do much to rehabilitate the coal-mining industry of Great Britain.
>
> "Gentlemen, you know and I know that ultimately the cost of war and the cost of hate and the price of a naval race come out of the pocketbooks of our own people. It is no comforting feeling to the Japanese farmer and the Japanese business man to realize that an increasing amount of his daily earnings is being taken from him to buy armament and to pay the price of international suspicion and distrust."
>
> Your American citizen, way down deep in his heart, feels the same way, and so do the people of Britain. It would be the greatest step-up in civilization we have yet taken if we could announce

to the world that armaments will be reduced to a minimum, and that each citizen in every nation, every taxpayer in the five countries involved, will be relieved of the crushing load of huge navies.

"Gentlemen, that is our responsibility here in London. Are we big enough and courageous enough to see our course and act fearlessly, or will we be stupidly selfish and shirk our responsibility? Let's give civilization a boost, not a blow in the face."

But this distinguished Japanese statesman, who has been a great naval commander, makes it clear that there are forces in Japan not in harmony with the militaristic movement, which many believe has assumed a too powerful control of the Japanese Government, and he stated that Japan must not have an aggressive policy.

* * * I have said it many times, and I say it again, that we must live in this world together, and a belligerent only adds to the burden of all. * * *

Speaking of the London Conference to be held next year, he says:

I say deliberately it must succeed for the peace of the world. * * *

Yet I fear that this and other nations are pursuing a course which constitutes an impediment to the successful issue which ought to be the result of that important conference.

He adds that those advocating the biggest navy in the world should first consider who will pay the bill. He refers to the serious agricultural depression in Japan, and adds that the farmers are in such dire straits that local disturbances have resulted in several places. Numerous delegations of people have come to the central government and pleaded for relief measures. He adds that numerous stories are reported in the press of actual want in whole villages, and in many places school children are being fed at school expense.

To add to the overwhelming burden of these debt- and tax-ridden farmers, he declares, is unthinkable. And that is exactly what will happen if an unbridled naval race is the result of an unsuccessful conference in London in 1935.

Mr. President, there must be, prior to the conference which should be held this year, a movement pervasive and controlling, which seeks relief from these enormous military burdens that are being placed upon the people—a movement that contemplates the organization of societies for world peace. There are too many organizations for war, for militarism, for naval and military expenditures, for the building of battleships, and the manufacture of munitions. There is too much talk of material things, of the importance of national prestige, too belligerent a spirit of nationalism.

I wish we would remember the words of General Pershing, in which he stated, in substance, that the lessons of the war should convince anybody of the danger of nations "striding up and down the earth armed to the teeth." Then he added:

* * * Isn't it, then, time for an awakening among enlightened peoples to the end that the leading powers may reach some rational agreement which would not only relieve the world of this terrible financial load but which in itself would be a long step toward the prevention of war? * * *

I venture to quote what President Hoover said before the International Chamber of Commerce in 1932:

* * * Vast armament continues not only a burden upon the economic recuperation of the world but of even more consequence, the constant threats and fears which arise from it are a serious contribution to all forms of instability, whether social, political, or economic. * * *

He also added that—

* * * the destruction of life and property, the great tax burdens, and the social and political instability which resulted from the Great War have had large responsibility in the origins of the present depression. Of all proposals for the economic rehabilitation of the world, I know of none which compares in necessity or importance with the successful result of that conference. * * *

He was referring to the London Conference which was soon to occur.

Senators will remember that 2 or 3 years ago 56 nations joined in what they called a "truce." It contained a solemn appeal to those who desired peace and justice and urged them * * * to devote all their efforts toward creating a world opinion strong enough to enable the general disarmament conference to achieve positive results, including in particular a gradual reduction of armaments to be continued until such time as the object laid down in article 8 of the Covenant is attained. * * *

The address also adjures the nations to not increase their armaments and thereby help to create an atmosphere of confidence which would prevent competition in armaments and prepare the ground for the success of the forthcoming conference.

Mr. President, I recall that the National Grange, at its national convention held at Madison, Wis., 2 or 3 years ago, contained a demand for—

* * * a drastic reduction in land, naval, and air armaments and progressive reductions of military budgets until all armies of the world are reduced to the status of police forces. * * *

I might add that a number of agricultural gatherings national in scope adopted resolutions somewhat similar to the resolution to which I just called attention, which was adopted unanimously at a meeting of the Grange.

Sir Philip Kerr, now Lord Lothian, one of the outstanding figures in the British Empire, recently said:

* * * So long as war is tolerated as a method of settling international disputes armaments are inevitable, for there is nothing else upon which nations can rely for the protection of their rights and independence. Yet armaments inevitably produce war. They may give security, but only at the price of war. Armaments, of course, are justified on the ground that they are merely legitimate instruments of national security. But no nation can make itself secure by armaments except by having armaments which will give it victory in the event of war, i. e., by making its neighbors insecure. Hence the perpetual repetition throughout history of competition in armaments ending in periodic war. * * *

It was fortunate that President Harding called the international conference of 1921–22, and while not as successful as desired, it did result in terminating a naval race in capital ships until 1936. Unfortunately, it did not deal with cruisers, submarines, airplanes, torpedo boats, destroyers, and the other forces of destruction upon land and sea.

This further statement was made by Lord Lothian:

* * * So long as the settlement of international disputes by war is tolerated it is almost impossible to secure that they are settled justly, for nations will not agree to international solution however just, which will prejudice their own strategic security in the event of war. For instance, the union of Austria and Germany is forbidden, not because people want to keep Austrian and German Germans apart, but solely because of the effect it would have on the strategic situation in Europe. Hence, too, the well-known difficulty of getting territorial readjustments or the revision of peace treaties. So long as there is a risk of war, nations will not disarm, and international injustices which provoke to war, will not be remediable except by war. * * *

Mr. President, I am pleading today, as I have upon various occasions, for an international conference which will bring about a reduction in naval and land armaments and tend to relieve the people of the United States and of the world from the burdens of armaments and result in bringing them into accord and international brotherhood.

From the statement by Lord Lothian, which I just read, as well as from our recognition of the facts of history, the building up of armies and navies will not prevent war; indeed, it is demonstrated, as I have indicated, that the larger the armies and navies the more certain is war. Certainly the magnitude of military forces has never prevented war or made for peace. When Germany, in the days of the Kaiser, determined upon a naval policy which, as was claimed, would give her a place in the sun, and a parity with Great Britain, the latter immediately increased appropriations to strengthen her naval forces—and I might add that we were awakened to a determination to increase our military strength—and as Great Britain's naval strength was augmented, Germany strove with greater vigor to increase her naval forces. The genius of Von Tirpitz developed the submarine; he foresaw that battleships could not secure ocean paramountcy; that they were vulnerable to the submarine and the torpedo as well as to airplanes.

When Great Britain developed the dreadnaught in the days of Lord Fisher, Germany embarked upon a naval policy which sought the development of a more powerful naval vessel; and the dreadnaught yielded to the superdread-

naught, and finally the *Hood* was devised in order to meet the competition of the United States and other countries.

When France and Italy saw the impotency of the Grand Fleet of England in the face of the submarines they were quite indifferent, as was evident from their position during the disarmament conference, to the ratio which might be accorded them in the construction and possession of capital ships. They perceived that new forces had been developed in the World War which diminished the potency and—if I may use the expression—the authority of the capital ship, so that it might no longer be regnant upon the sea.

Senators will recall that in the disarmament conference, Great Britain, France, and Italy were so indifferent to capital ships that they were content with a ratio of 5-5-3 for the United States, Great Britain, and Japan, and 1.87 for each of them. Since then they have done but little toward the construction of battleships, feeling that the days of the battleship's primacy upon the seas had been ended. The manufacturers of munitions, the navalists, and the militarists, envisaged no community of nations, no cooperative movement for the abolition of war, but only bitter, unrelenting, devastating struggles among nations—struggles ending only in the triumph of arms and in the destruction of the less powerful nations.

Competition in arms never reaches a stalemate or a status quo. It assumes that nations are gladiators fighting in the world arena—the stronger gladiator nation striking to the death the weaker, until the strongest alone survives, and yet there are those who effect to believe—and doubtless seriously believe—that peace can only be maintained by strengthening the military and naval forces of the world's great powers. It would seem that they have learned no lessons from the struggles and tragedies of the past; that competition in arms never produces peace; that the competitive race is never won; that weaker nations may be destroyed in the competition, and that the destruction of nations will arouse rivalries among other nations so that competition continues unabated; and thus the history of the world becomes a record of the rise and fall of nations and the writing in blood of pages recording the tragedies and sorrows of the world.

It is written that in an oriental country a young prince who came to the throne, perceiving the sorrows and melancholy history of the past, determined to inaugurate a policy that would avert the serious catastrophes to which his and other peoples had been subjected. The wise men from all parts of the kingdom were gathered and requested to write a history of the world so that he might, from the lessons then taught, devise a plan for the happiness and peace of his own and other lands. After years of laborious effort the wise men brought to him upon loaded camels scores of volumes, the pages of which revealed the rise and fall of nations, and the sorrows and woes of the people. The prince stated that his life was too short to read all the volumes presented, and he requested them to return to their labors and abbreviate and condense the record and to return with the information desired. At the end of many years they again returned bearing a greatly reduced number of volumes, but the prince declared that he would be unable to peruse them, and ordered a further condensation and abbreviation. After years of labor they returned with but one volume borne upon the back of a small donkey. By this time the prince had grown old and feeble, and he declared to the learned men his inability to even peruse the one volume. He asked them to state what lesson was revealed in all the pages of history. The reply was: "Sire, the lessons of the past or comprised in the words 'men are born; they suffer and die.'"

I wonder whether we may not learn from this lesson what course should be pursued to bring to humanity a rich inheritance and the true purposes of life?

May I quote from President Coolidge, who declared that—

> The whole essence of war is destructive and the negation and antithesis of human progress; that no good things ever came out of war that could not better have been secured by reason and conscience. We do not know of any nation which has ever been able to provide arms enough so as always to be at peace.

Before the World War Germany and France had powerful armies. France, having been invaded by Germany, feared a further invasion of her soil. Germany had built a powerful navy, believing that to expand her world commerce she must have, if not the command of the sea, at least an equality with the naval forces of Great Britain. Who shall say that these military preparations contributed to peace? Must it not be admitted that they were provocative of war? History is replete with examples demonstrating that wars have followed so-called "defensive" preparations. Big armies and powerful navies arouse fears, jealousies, suspicions, and hatreds which culminate in bloody and devastating conflicts.

President Hoover stated, in a message to the Senate, on July 7, 1930, that—

> It is folly to think that because we are the richest Nation in the world we can outbuild all other countries. Other nations will make any sacrifice to maintain their instruments of defense against us, and we shall eventually reap in their hostility and ill will the full measure of the additional burden which we may thus impose upon them. The very entry of the United States into such courses as this would invite the consolidation of the rest of the world against us and bring our peace and independence into jeopardy. We have only to look at the state of Europe in 1914 to find ample evidence of the futility and danger of competition in arms.

I repeat that naval competition is a consuming disease which destroys physical resources and weakens the moral and civilizing forces of nations.

The National Farmers Union, at its convention in Des Moines, Iowa, in November 1931, declared—

> That the present world depression makes immediate cut in armament expenditures imperative to lessen the disastrous tax burdens.

And it urged the—

> Reduction of all armaments on land, sea, and air, with a reduction in limitation of armament expenditure and establishment of a permanent disarmament commission.

There are many voices aroused in this and in other countries against the folly—and some call it the wickedness—of burdening the peoples of the world in order to maintain large standing armies and build increasingly large navies. These voices, however, are stifled by the tumultuous cries of the militarists and the thoughtless ones who are controlled by a narrow and selfish spirit of nationalism, which seeks isolation, and is indifferent to the unifying forces which should operate in the world to bring into harmonious relations peoples in all lands and climes. There are too many strident voices crying out for policies of isolation which fail to perceive that the destiny of mankind is world unity and a broad and catholic spirit of internationalism which result in the highest development of individuals, as well as the noblest achievements of all nations.

Unfortunately, there are political leaders in various countries who have been largely responsible for international conflicts. President Wilson differentiated between the German people and their military leaders and attempted to convey the lesson that wars were often the result of sinister forces, of selfish political leaders and military cabals, and not because of the wishes of the people. Indeed, it is a fact that millions of people have been thrown into the horrible vortex of war without knowing the reason why. They had not ordained war. They had desired only peace.

How long shall the world suffer from the crime of war, from the false ambitions of military and political leaders? There is a growing feeling, I believe, throughout the world, particularly upon the part of men who toil, that they will not support men or parties who are indifferent to the peace and happiness of the masses of the people, but who are guided by selfish interests and by a false and reprehensible so-called "patriotism" which inevitably leads to international conflicts.

Senators will recall that President Franklin D. Roosevelt, in his address before the Woodrow Wilson Foundation, said:

> The blame for the danger to world peace lies not in the world population but in the political leaders of that population.

He further stated:

> The League has provided a common meeting place. It provided machinery which serves for international discussion, and in very many practical instances it has helped labor and health and commerce and education; and, last but not least, the actual settle-

ment of many disputes, great and small, among nations great and small * * *.

He stated that the old policies, alliances, combinations, and balances of power have proved themselves inadequate for the preservation of world peace.

The League of Nations, in according as it does the extension of nonaggression pacts, of reduction of armament agreements, is a prop in the world peace structure.

He adds that—

Through all the centuries and down to the world conflict of 1914–18, wars were made by governments. Woodrow Wilson challenged that necessity. That challenge made the people who create and who change governments think. They wondered with Woodrow Wilson whether the people themselves could not some day prevent governments from making war. It is but an extension of the challenges of Woodrow Wilson for us to propose in this newer generation that from now on wars by governments shall be changed to peace by peoples.

I do not think it inopportune to call attention to the general pact for the renunciation of war. I know persons in this and in other countries are speaking of it with more or less scorn and derision. They contend that both it and the League of Nations furnish conclusive evidence of the failure of even the most solemn covenants to secure peace or to restrain nations from warlike preparations. I concede that the high hopes of those who drafted these instruments and the nations which accepted them have not been fully realized.

But I do not concede that the Covenant of the League and the Paris Pact have proved valueless in meeting the storm and stress of the period since the World War. Whatever law and order exist in communities and States are not the product of a day or a year. Municipal law has developed during the centuries, and even in our own and other lands our codes relating to human conduct, and which regulate human relations, are being changed and modified. The advancement of humanity has been slow, but there has been progress since tribal days. The horizon of the peoples has widened, and more and more the world is beginning to realize there is a moral universe and that walls erected by men to prevent world peace and world union will be broken down by the advancing forces of justice and righteousness until the kingdom of righteousness and the kingdom of heaven will be established on earth and its principles and precepts control and inspire the hearts of men.

It is true that in the history of mankind war has been regarded as inevitable and as part of national life. Unfortunately as civilization advanced there was not a corresponding diminution in the nationalistic and belligerent spirit which influenced mankind. It has been said that as a higher standard of civilization was reached a greater proportion of the wealth won by human labor and the best efforts, thoughts, and energies of statesmen, scientists, captains of industry, soldiers, and sailors were devoted to such preparations as would most effectually cope with the eventualities of war. It has been claimed that war was necessary for the improvement of the race by the elimination of the unfit. That was the theory of the German military school as well as corresponding schools of thought in some other lands. It has been contended that force was essential to the development of normal civilized life, and, therefore, nations should devote much of their resources in the preparation for war. Thus, in a kind of vicious circle the nations sought security in armaments and endeavored to justify their military preparations as measures of defense. Whenever there was a policy for peace it was negative and not affirmative, and it is not too much to say that nations were organized for war rather than for peace.

The frightful military armaments burdening the world today are tragic proof of the false philosophy which has prevailed among so many peoples and constitute compelling arguments in favor of affirmative and positive organizations for peace and for an aggressive campaign to ameliorate the fierce and narrow spirit of nationalism. This is necessary in order that the peoples of the various nations may have a broader horizon and perceive the imperative necessity of cooperation among all peoples to the end that there may be ultimately world solidarity. The League of Nations had that thought in mind. Theodore Roosevelt declared it in his great Nobel Prize speech. He there declared for a concert or League of Nations and for a world organization. In effect he contended for an organization which when any recalcitrant nation disturbed the peace of the world it might be held in check by an international police force. Because some nations have failed to respond to the obligations of the League or of the Paris Pact, may it be said that we are justified in ignoring the obligations of the Kellogg-Briand Pact?

This Nation is in a position to lead the world. Its impregnable position, its resources, its material strength, to say nothing of what I hope is its spiritual and moral power, should give to it a crown of leadership in a world movement to organize all peoples for peace. There is an obligation resting upon the United States, in view of the important part which it played in negotiating the Paris Pact, to give to it vitality and binding force among all signatories thereto.

I appreciate that this great international agreement by many is regarded as obsolete and that any effort to bring it to the attention of the people is not only futile but foolish. Have we forgotten the obligation of the treaty which declares that the high contracting parties solemnly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies, renounce it as an instrument of international policy in their relations with one another?

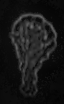
The pact further declares that the signatories to the same agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means. I know that it will be contended by those who are supporting the military measures which we are asked to enact amounting to more than $1,000,000,000 for the next fiscal year, that the United States is not violating the Paris Treaty. They will affirm that we condemn recourse to war and are willing to settle all disputes or conflicts by pacific means and yet it must be conceded that the spirit and not the letter of the Paris Pact disapproves of warlike preparations and of policies which must inevitably lead to international conflicts.

The spirit of the Kellogg-Briand Pact demands disarmament and the abandonment of nationalistic ambitions which are calculated to disturb international relations. I cannot help but believe that all parties to the treaty believed that it would bring about a reduction in armaments. One of the reasons urged for its adoption was the increasing burdens upon the peoples of the world growing out of so-called "national-defense preparations." I cannot believe that the nations joining in the treaty were so hypocritical as to enter into the treaty for the purpose of concealing their militaristic activities in order that other nations might be lulled into a sense of security and refrain from engaging in military developments.

Secretary Kellogg stated in his letter to the French Ambassador that from the broad standpoint of humanity all war is an assault upon the stability of human society and should be suppressed in the common interest. He further stated:

The Government of the United States desires to see the institution of war abolished and stands ready to conclude with the French, British, Italian, German, and Japanese Governments a single multilateral treaty open to subsequent adherence by any and all governments, binding the parties thereto not to resort to war with one another.

Stresemann, that great German statesman—I believe the greatest statesman Germany has produced since the World War, and whose death was a great misfortune not only to his country but to the world—declared that his country had no higher interest than to see the possibility of armed conflicts eliminated, and a development assured in the life of the nations which would guarantee the peaceful settlement of all international disputes. He added that the pact would bring the nations a good deal nearer to this goal.



I have said that the United States, owing to its favored position, can exercise perhaps the most powerful influence of any nation to bring about disarmament. It is true, as I have indicated, that many nations had added to their military forces. It is true that the expenditures for military purposes during the last fiscal year were greater than in any period in the world's history except during the World War. This very fact should compel not only this but other nations to address themselves with courage and sincerity to the formulation of plans that will prevent a universal catastrophe, and will speedily result in diminishing the armed and naval forces in all the world. If our Government appropriates, as it is doing, at least $200,000,000 more than any other nation for military purposes for the next fiscal year, manifestly it is not serving its high purpose as an apostle of peace, but rather is contributing material to the flame of intense nationalism and the arousing of fears and apprehensions, as well as animosities, which will have root in other countries. In my opinion, if the United States should now declare that it is opposed to further armament, and that it insists upon reduction in armament, and evidences its sincerity by reducing its military and naval budget by $200,000,000 rather than by increasing it two or three hundred million dollars, it would furnish an example that would be reassuring to the world, and result in other governments' pursuing a similar course.

Mr. President, it seems to me that notwithstanding the spirit of unrest and fear in the world, the time is ripe for a frontal attack upon war and for a world movement seeking disarmament and world peace, for the establishment of international tribunals to which resort may be had to settle international controversies. The benignant spirit of municipal law and its happy consequences can be imported into international relations, and there can be developed an international spirit, even a code of laws, which will be the precursor of a higher standard of civilization.

It seems to me that our Government should take no step and announce no policy, at this critical period in the history of the world, when there is extreme tension and the nerves of the peoples, particularly in Europe and Asia, are unstrung, that would impair the faith of the world in the American people and in this Government.

President Roosevelt has spoken much about the "good neighbor." The good neighbor is not an isolationist. He does not arm himself and swagger among his associates. He sets an example for peace and seeks cooperation with his neighbors, that they, as well as himself, may be benefited and contribute to the welfare of their respective communities.

Our Nation is not imperialistic. It has no designs upon any other country. It desires that the lanes of the sea shall be open for the ships of trade and commerce of all lands, and that the avenues of truth, of education, of science, art, and literature may be freely traversed by all peoples. In view of our happy situation, the United States should take the lead in the promotion of disarmament. Fearing no foe, it should carry high the standard of international fellowship and world disarmament.

Mr. President, when the World War ended it was believed by millions that there would be no repetition of the frightful holocaust that swept the earth between 1914 and 1918. I believe that a new faith came into the hearts of many. They believed that a new day had dawned, and though there might be clouds and storms that would obscure the light and disturb the serenity of the people, they believed that there would be greater joy and greater progress than the world had enjoyed before. Of course, it was understood that no specific had been discovered that would render the world absolutely immune to selfishness and recklessness and mad ambition; but it was not a foolish faith that led millions to affirm that the future would produce international peace, and that juster and wiser councils would prevail among nations, resulting in increased domestic peace and national security.

The toilers of the world believed that militarism was destroyed. Those who had met upon bloody battlefields, though separated by territorial boundaries, and though differing racially and ethnologically and otherwise, in their desire for peace spoke a common language and were influenced by a common purpose. They desired, if they did not proclaim, that the day of war and conquest should end, and the reign of humanity and justice be ushered in.

During the war racial lines disappeared among those of the allied nations. Deep-seated antagonisms were obliterated and there came into the hearts of those fighting in the ranks, as well as the hearts of millions who were left behind in their homes and factories and fields, whose efforts were being exerted to support on land and sea the soldiers who held the honor of nations and the fate of the world in their grasp, a sublime faith that a new era had come, and that the future would be dedicated to peace and not war, and that, freed from the burdens of militarism, humanity devoted to freedom and justice would advance with unfettered steps to higher levels of moral and spiritual achievement.

Undoubtedly the reactions of the war have been disappointing and the hopes of millions have been shattered. Perhaps too much was expected in the light of our knowledge of human nature. Perhaps it was inevitable that the war would create illusions and that the conditions following it would constitute a tragic period of disillusionment. Human beings are indurated with heavy lines of the pressing centuries of the past. The passions and racial prejudices which have existed are transmitted to succeeding generations, and the behavior of individuals, as well as peoples, is influenced not only by environment and heredity but by extraneous transmissions.

No one can permanently think of war and act under the impulses of peace. No one can think habitually about evil and act the good. The future of this Nation, as well as of other nations, rests upon the character of the people. Character results from many processes and is the structure to which many architects and builders make contributions. Herbert Spencer has declared that institutions are dependent upon character and, however changed in superficial aspects, cannot be changed in their essential natures faster than their characters.

If statesmen and leaders will organize for peace and talk for peace, many of the obstacles to international fellowship will soon disappear. But if they talk of war, and make preparations for war, and build great armies and navies, and impress the people with the importance of leading the world in military preparations, and if they further maintain that our country is in danger at the hands of other nations, and that we must expend enormous sums to prepare our country and to avert disaster, it is certain that the minds of the people will respond to such representations. A war psychology will develop, and the institutions and policies of the country will be made to conform to the mental pictures created.

Mr. President, removed as we are from the antagonisms and animosities of Europe, this Nation is in a situation to direct the thoughts and lives of the world and to lead the way out of the mire, as suggested by Viscount Saito, and attain a higher standard of civilization.

Another war, Mr. President, with the developments in the field of chemistry and the progress in the mechanization of the instrumentalities of war, would produce a holocaust greater than any that has overwhelmed the world. Cities would be destroyed, peoples annihilated, and civilization laid in ashes. It seems a horrible mockery that the miracles of science and the great discoveries which have improved the conditions of the world should be converted into instrumentalities of death and national ruin and destruction. Viscount Bryce stated that the World War struck mankind with terror and dismay and that it revealed that our civilization had but little softened.

Mr. President, the naval bill which we voted upon a day or two ago ought to awaken the American people to the enormous burdens which we are laying upon them. As I have stated, more than a billion dollars will be expended during the coming fiscal year for the maintenance of the Army and

the Navy and the construction of additional naval war vessels. The entire cost of the Government a few years ago under Mr. Wilson's first administration was approximately seven or eight hundred million dollars annually.

We now appropriate more than a billion dollars for military purposes for the coming year, and we are admonished by the navalists and this new navalism that the annual appropriations for the maintenance of the Navy will be more than $500,000,000. Already plans are being devised calling for the construction of battleships and cruisers and auxiliary naval craft, the cost of which will be many billions. Already the naval mind is projecting itself into the near future when the disarmament treaty is terminated and, as stated, is providing plans to give our country the greatest navy in the world. In the midst of the depression, with millions without employment, charitable institutions without sufficient funds for their maintenance, children without opportunities for education, we do not hesitate to lay a burden of more than a billion dollars upon the backs of the people to meet the military expenses for the next fiscal year. And we must not forget that we have been appropriating since 1920 approximately $200,000,000 annually in excess of any government in the world under the pretense that these huge sums were necessary for so-called "national defense." Hundreds of millions of dollars have been wasted and hundreds of millions of dollars more will be wasted in carrying out the plans which it is claimed are important for the defense of our country.

The burdens of the last war bear heavily upon the people. Our annual interest charge, largely the result of the World War, amounts to many hundreds of millions annually. Few understand the magnitude of the cost to our Government of the World War. The cost of the Revolutionary War was only $142,000,000. The War of 1812 cost our country approximately $133,000,000. The Civil War cost $13,000,000,000. The Spanish-American War resulted in an expenditure of $826,000,000, but the cost of the World War to June of last year is estimated to be nearly $42,000,000,000. And I might add that there are not included in these figures the loans made to the Allied Governments.

I have seen some figures which showed that the direct cost of the World War was approximately $200,000,000,000, and yet with a knowledge of the financial burdens imposed by war, to say nothing of the loss of life, we blithely, and I submit without desiring to be critical, with a spirit of indifference, vote away hundreds of millions of dollars for military purposes for the next fiscal year. It is not improper to challenge attention to the fact that our Government is indebted to an amount in excess of $40,000,000,000. The States and their political subdivisions have great debt burdens resting upon them, and the indebtedness of individuals and corporations of our country have assumed monumental proportions—perhaps more than $100,000,000,000.

May I call attention to our military and naval expenditures for a number of years? In 1884, $56,720,000 were the total expenses of the War and Navy Departments. In 1896 our military expenditures had increased to $77,977,000. In 1900 the appropriations for the War Department were $134,774,000 and for the Navy Department $55,953,000. In 1905 the expenditures for military purposes had increased to $243,643,000. In 1910 they amounted to $312,996,000. In 1913, $202,228,000 were appropriated for the Army and $133,263,000 for the Navy Department. During the World War our military expenses were greatly increased. For instance, in 1919 the War Department expended $9,900,000,000, and the Navy Department $2,022,000,000. From 1921 to 1935 the appropriations for the Army have oscillated between $462,000,000 and $329,000,000, and the expenditures for the Navy Department between the same years have ranged between $650,000,000 and $492,000,000. For the Army and the Navy for the next fiscal year it is certain that there will be expended from direct appropriations and from Public Works or other Federal organizations more than $1,000,000,000.

The annual report of the Secretary of the Treasury for the fiscal year ended June 30, 1934, contains figures showing the receipts and expenditures of the Government for the fiscal year from 1789 to and including 1934. It is interesting to note that in 1792 the total ordinary expenses were only $5,791,532, whereas the total ordinary receipts, including postal revenues amounted to $3,737,403. In 1900 the total ordinary receipts and postal revenues amounted to $669,592,431. In 1910 the total ordinary receipts were $675,511,715, and the postal receipts were $224,128,000. For the fiscal year 1934 the total ordinary receipts were something over $3,377,733,940, and the total ordinary expenditures for the fiscal year 1934 were $6,883,861,532.

However, the so-called "emergency expenditures for 1934" are many billions of dollars. For the coming fiscal year, the expenditures of the Government for all purposes will be in excess of those for the present fiscal year. Yet in the face of these enormous burdens, Congress goes forward, as many believe, recklessly in its demand upon the Public Treasury and upon the taxpayers of our country.

I have here an article from the Saturday Evening Post entitled "Billionitis", which contains some interesting figures concerning the demands made upon Congress by Senators and Representatives. The writer states that the appropriations asked for in the bills which have been introduced aggregate $200,000,000,000—fifty times, the writer states, the current annual Federal deficit, and nearly twice as much as it cost to run the Government from 1789 to July 1934. The writer further states that no Congress in history has ever attempted to cover so much financial ground. It has become the "spendingist" Congress in history.

Mr. President, the United States is following what some have called the "new navalism" of this generation. The thesis submitted by Admiral Mahan in 1890 in his work, The Influence of Sea Power on History, has in my opinion exercised a malign influence upon this and other countries. His thesis was not based alone upon the defense of nations or the winning of battles, but rested upon the theory of "command of the sea." We hear the statement occasionally from some Americans that our Navy must be sufficient to defend our coasts against invasion. That view, however, is not Mahanistic. It is regarded as provincial and not adequate for the present day when the Navy is to cruise around the world and impress other peoples of the prestige and power of the Nation which it represents. It is true that Mahan's theory assumed the potential strength to win battles, but he also developed the theory of ships of war for commerce in war times and also in peace times. He contended for a Navy that would "command the sea" in peace times and protect national trade against war or threats of war.

One of his propositions has been adopted by Great Britain—that respecting a multitude of outlying bases. Japan accepted Mahan's theories and began the building of shipyards and battleships. Our own country in the eighties followed the navalistic policy. Prior to that time we had been content with a modest navy, believing that we had no foes and were in danger from no country or from a combination of nations. But, as stated, in the eighties more and more we fell under the influence of Admiral Mahan's theory. Japan, in 1890 and 1892, authorized four battleships covering a 5-year naval program. Undoubtedly, the defeat of Russia by Japan gave strength to the sea-power theory and in this and other countries the claim was made that the cure for navalism was more navalism. It was insisted by many Americans that industrial development called for more warships and as a corollary the protection upon the seas of American commerce.

When we began to expand our Navy, Captain Mizuno said that Japan was compelled to expand her naval policy, which had been confined to the Yellow Sea and the Japanese Sea, "to comprehend Pacific Ocean strategy." As Senators know, for a number of years we had only a small Asiatic squadron in the Pacific; but with this new command of the sea theory a new psychology was developed and we embarked upon a larger and, of course, costlier naval program. There were jingoists and chauvinistic influences in the United States which inflamed many of the people and led them to believe that war with Japan was not far distant. Indeed, we had a number of naval scares, influenced, as

many believed, by the Navy Department, by manufacturers of munitions, and by exporting organizations. It will be remembered that our battle fleet was ordered to circumnavigate the globe, doubtless to impress upon Japan and other countries that this Republic had embarked upon the new navalism and was accepting the command of the sea theory.

In 1909 we had 25 predreadnaughts, Japan 11; in 1913 we had 13 new dreadnaughts and Japan 9; and in 1914 Congress appropriated for a double tonnage and for new dreadnaughts. No nation contested Great Britain's sea power until this new navalism had obtained strong support in various countries. Germany became an aggressive supporter of the new naval theory and embarked upon a naval program of enormous proportions. She built not only battleships and auxiliary craft but, as I have heretofore stated, she brought a new element into naval warfare, namely, the submarine.

Lord Fisher, when he perceived the naval competition which was being developed by Germany and the United States, if not Japan, suggested larger ships for Great Britain, and the dreadnaught of 17,900 tons was developed, carrying as it did twelve 10-inch guns. In 1911 the United States built a number of ships, among them the *Utah*, *Delaware*, and *Florida*—all superdreadnaughts of 32,000 tons. In 1921 we had 21 capital ships and a large number of auxiliary craft, as is shown by the records presented at the Disarmament Conference of 1921 to 1922.

Not satisfied with the powerful Navy which had been developed during the World War, immediately upon its conclusion there was an insistent demand in the United States that the 1915–16 naval program be carried into effect. That program demanded the largest navy in the world, the most powerful battleships and battle cruisers at a cost of more than a billion dollars. I should add that it did not comprehend the lessons of the World War, the importance—indeed the supreme importance—of submarines, airplanes, airplane carriers, and torpedoes and destroyers.

I was a member of the Naval Affairs Committee at the time and insisted that the plans of the Navy were archaic; that they were not drawn with reference to the lessons of the war, and particularly as those lessons were emphasized during the Battle of Jutland. It will be remembered that the British fleet was unable to meet the German fleet, but took refuge immediately following the battle, as it had before, in the harbor of Scapa Flow. Submarines were the terror of the British Navy, as they were of the merchant marine.

Representatives of the Navy Department appeared before the Naval Affairs Committee, of which I was a member, and urged that the 1916 program be rapidly carried forward. Opposition developed, and later President Harding, in one of the first acts of his administration, called the international conference, to which I have referred, for the purpose of limiting naval armament. I shall not detain the Senate or recapitulate the results of the conference, but will content myself by stating that a ratio was agreed upon covering capital ships only. It was well known at and prior to the calling of the international conference that Japan was aroused by the apparent determination of the United States to carry forward the 1916 program, and accordingly Japan made preparations to construct 8 capital ships to counter the great capital-ship program of the United States, which called for 18 battleships and cruisers.

Unfortunately no agreement was reached respecting auxiliary craft—submarines, airplanes, airplane carriers, and so forth—and since then no large development has taken place in the building of war craft. The London Conference dealt with cruisers, but it must be said that it scarcely touched the core of the problem of disarmament, but rather tended to increase the tension and to provoke further naval building.

Since the Washington Conference we have appropriated for the Navy more than $5,000,000,000, and plans are being laid not only to build up to what is called the "London Treaty ratio", but when the Disarmament Conference treaty terminates in 1936 to go forward upon a broad construction policy which will cost billions of dollars.

The appropriations for military and naval purposes by the United States have been, as I have indicated, much larger than those in other countries. For instance, in 1913 the expenditures for military purposes were $244,600,000. In 1930 they totaled $727,700,000, or an increase of 197 percent; and, as I shall show, since then our appropriations for the Army and the Navy have increased. In 1913 Japan's appropriations for military purposes were the equivalent of $95,000,000 and in 1930 they were $232,000,000, or an increase of 142 percent. Italy's appropriations for military purposes for 1913 in dollars amounted to $179,000,000 and in 1930 to $258,900,000, or an increase of 44 percent. Great Britain's expenditures for the army and navy in 1913 were $375,000,000 and in 1930 amounted to $535,000,000, or an increase of 42 percent. France appropriated for military purposes in 1913, $348,700,000 and in 1930, $455,300,000, or an increase of 30 percent. Russia's 1913 appropriation for military purposes was $447,700,000 and in 1930, $592,400,000, or an increase of 30 percent. Germany's expenditures in 1913 were $463,300,000 and in 1930, $174,400,000. The naval appropriations for the fiscal year 1935, including the allocation from the Public Works, totaled $492,213,456 and for 1936 they will approximate $600,000,000.

The naval program for the year 1933 was in part financed from the Public Works Administration, and the aggregate amount authorized for the Navy was the largest single program undertaken by any country since the World War. It provided for the construction and equipment of 32 vessels and supplements to replacement program previously authorized by Congress and financed by congressional appropriations. The combined program then totaled 66 vessels with a total tonnage of 220,060. Not since the war years of 1917 to 1918 has our Government had so many ships under construction at one time. These large appropriations undoubtedly had repercussions abroad, particularly in Great Britain and Japan.

Mr. President, when Congress was asked to approve the first regular installment under the so-called "Vinson Act", I took occasion to point out to the Senate some of the international effects of this huge building program. As I have just stated, the Navy Department was building 32 ships under a $238,000,000 Public Works allotment. Congress was asked last year to vote funds for 24 additional ships, and today the Navy Department is building a total of 66 vessels of 220,000 tons and asking for money to begin the construction of 24 more—a larger and greater tonnage than any other power.

I pointed out last year that the naval program of the United States was used in Great Britain and in Japan to justify new and larger building programs in those countries. As Senators know, Lord Beatty and Lord Lloyd and other English statesmen made effective use of the American program in their campaign for additions to the British Navy. In 1934 the British program was increased as a direct result of the naval construction in the United States. A spokesman of the Japanese Navy Department declared on June 22, 1933, that it was decided to carry out the replacement program when President Roosevelt reviewed the construction schedule of the American Navy. Japanese naval officials declared that the American program—

* * * places Japan in a distinctly disadvantageous position unless it is offset, as Japan would be outbalanced by 1936.

During the last 12 months the naval competition against which I sounded a warning has increased in various countries. A number of great powers have increased their military and naval expenditures; they have voted larger sums for naval expansion, increased their air forces, and strengthened their navies. The great naval powers are spending far more today than they expended in 1914.

I do not contend that all of this increase is due to American naval expansion but I do insist that the larger part may be traced directly to the huge increase which has been voted and the large increases in expenditures which our Government has made during the past 2 years.

I have said that our naval expenditures have practically doubled since 1934. During that year we appropriated

$300,000,000 for the Navy Department. This year we are asked to appropriate $457,000,000. In addition, however, the Navy Department will expend $118,000,000 largely for new construction from funds allocated by the Public Works Administration, making a total expenditure of $576,131,000. This is the largest amount expended in peace time by any nation.

Those who are directing our naval program aver that other nations declined to follow the example of the United States during the years following the Washington Conference; and that the United States is now compelled to appropriate for ship construction in order to keep pace with other nations.

Precisely the same argument is used by each of the great naval powers. Justifying an increase in the British navy the officials of the British Government have publicly declared that they too are compelled to increase the navy because other powers have failed to follow Great Britain's example of disarmament. On March 11 of this year the British Government published a white paper on national defense which awakened great interest in Germany as well as other countries. This white paper, initialed by Premier Ramsay MacDonald, called attention to the increase in Germany's armament, and also added—

> * * * Nor is the increase of armament confined to Germany. All over the world—in Russia and Japan, and in the United States of America and elsewhere—armaments are being added to. We cannot afford to overlook all of these increases and so have had to begin to meet our deficiencies. * * *

I have heretofore referred to Germany's military activities during the past 3 or 4 years. Not only has Germany built war vessels but she has expended large sums secretly for the manufacture of war munitions to be used both upon land and upon sea, and also a large number of airplanes. Many of the chemical and other manufacturing plants of Germany have been utilized for the production of war material.

Speaking in the House of Commons, Stanley Baldwin, on March 11 of this year, stated that—

> * * * the United States of America is building up to the treaty limits, which we have not done, and whereas in 1933 her naval estimates were $350,000,000, a figure at which I think they had been fairly constant up to then, they jumped to four hundred and ninety-two million in the current year, and for next year they are to be five hundred and eighty million. I just mention that in passing to show that even under a treaty we have not found that so far as strength goes it has helped us to secure control. * * *

Mr. President, these enormous appropriations which we have voted are not a mere temporary thing; they will not stop when we have reached and surpassed the so-called "treaty limits." On the contrary, we are now confronted with annual appropriations of more than half a billion dollars for the upkeep of the Navy. Undoubtedly if before the expiration of the 1936 treaty another treaty has not been entered into restricting and limiting armaments, the demands made upon the Treasury of the United States for naval construction and naval maintenance will be staggering in amount and in excess of $600,000,000 which we will expend upon the Navy during the next fiscal year.

Admiral Standley, testifying before the House Appropriations Committee, as shown by the hearings, page 53, submitted a table showing that the average annual cost of a treaty Navy will amount to $555,146,641. This includes only the regular maintenance cost and allows for regular replacement of over-age vessels. Replacements alone will cost $138,000,000 a year. Notwithstanding this large appropriation there will be additional demands made for fighting craft above and in addition to the replacements. In this table Admiral Standley reveals for the first time that the Navy Department is preparing to replace the 15 capital ships which we have just finished modernizing, and on which we have spent for that purpose more than $100,000,000. These huge capital ships were limited under the Washington and London Treaties. Their age limits were extended at London in 1930 and they cannot be replaced until December 31, 1936. As indicated, if no agreement is reached at the naval conference scheduled for 1935, a new competition will begin in these costly battleships. The Navy Department apparently is already working out its plans for replacement of these huge dreadnaughts. They are already budgeting their cost.

In Admiral Standley's table—page 53 of House hearings—there is an item of $39,322,500 for the first year's cost of the new capital ships. The item shows that the Navy Department expects to lay down 26,250 tons in the battleship category. We are not advised whether this is for one battleship or for several. It may be that a number of battleships will be projected and the 26,250 tons be distributed among them. Of course, the battleships, without treaty limitations, will have a tonnage as great, or perhaps greater than the largest in our Navy.

Efforts are constantly made by Navy enthusiasts to convince the American people that our Navy is unimportant, or at least belongs in the third or fourth class. The fact is that the United States has, if not the most powerful Navy in the world, the equal of that of any other power. Our Navy consists of 373 warships of 1,092,025 tons. Great Britain's Navy consists of 275 warships of 1,158,659 tons; Japan has 220 warships of 756,561 tons.

The United States is now building 68 war vessels with a tonnage of 234,000; Great Britain is constructing 62 vessels of 171,410 tons; Japan is building 45 vessels of 124,990 tons.

The strength in the new under-age vessels which are expected to be in existence when the treaty ends is as follows: United States will have 113 ships of 734,580 tons, Great Britain will have 125 ships of 636,322 tons, and Japan will have 150 ships of 597,429 tons.

As I understand, though Japan may have a larger number of under-age ships, they will be much smaller, less powerful, and less serviceable in naval combat.

In 1936 the strength of the American Navy will be approximately 83 percent of the maximum tonnage allowed in the London and Washington Treaties. The strength of the British Navy will also approximate 83 percent of the total treaty tonnage. The Japanese Navy will approach the 100-percent limit allowed by the treaty. However, as stated, the American Navy will be infinitely superior to Japan's and will be as powerful as Great Britain.

Mr. Hector C. Bywater, one of the most eminent naval writers, stated 2 or 3 years ago that—

> The United States Battle Fleet of 18 capital ships is the only completely oil-burning fleet in the world, which gives an immense advantage over all others in steaming radius and strategic homogeneity. It is the only fleet of which every pre-Jutland unit has been or is being extensively reconstructed or modernized to embody war experience. It mounts 192 heavy turret guns as against 166 corresponding guns mounted in the British Fleet.

As I have stated, large expenditures have been made during the past 5 or 6 years in modernizing the capital ships of our Navy. The result of these improvements, as well as the general character of our naval vessels, furnishes, I believe, convincing proof that our Navy is the equal of the most powerful navy of the world.

In passing, it is worthy of note that the United States appropriates more than 18 percent of her entire Budget to national defense.

Mr. President, Great Britain, as we all know, relinquished absolute supremacy at sea and accepted parity with the United States. There are jingoists who contend that we must arm against Great Britain. Recently two Army officers testified before a committee of the House to the effect that we must prepare against Great Britain and be ready to seize some of her possessions near American shores and be ready to invade Canada in the event of a conflict. I remember reading an editorial a year or two ago from the Baltimore Sun. It criticized the claim that we should build up to the London Treaty, declaring that naval expansion of that character would produce echoes in Japan and in Great Britain, and would not be likely to create an atmosphere conducive to the renewal of the treaty on terms even as favorable to naval reduction as the present arrangement. The editorial then asks:

> Will the hard-ridden liberal parties of Japan find it easier to regain power when their Fascist opponents can point to America's declared ambition to build a fleet capable of dominating the Pacific? Will England's blue-water admirals be more amenable to

reason now that national recovery has won to their standards people who would never have been won by the blunter and franker arguments of an earlier age?

It is a poor service to American realism, this studied effort to stampede the country into a great naval building program by minimizing the purpose of navies as fighting forces and emphasizing, if not exaggerating, their part in industrial recovery. Recovery of a sort might be provided by expanding the machine-gun industry until every citizen was on a two-gun basis, but in the end we might wish we had paid the dole instead. There is still time for the American people to pause in adding up the profits from battleship building and ask themselves what they intend to do with the product of this enterprise in recovery. But they will have to hurry.

Mr. President, the efforts to arouse a military and naval spirit in the United States is most unfortunate. It is an impediment to peace and will be an obstacle to the sincere efforts of patriotic men and women everywhere to bring about world peace and relief from the crushing military armament burden resting upon the people. The Navy Department for a number of years has been publishing an official document called "United States Naval Policy." I have been curious to know by what authority this publication was issued and what act of Congress gave the Navy the right to announce the naval policy of our country. My recollection is that this publication first appeared following the Washington conference in 1922.

From time to time it has been revised and republished. Neither the Constitution nor Congress has given the Secretary of the Navy or the Navy Department authority to formulate naval policies for the Government. Undoubtedly there are certain policies respecting operation and naval maneuvers that fall within the province of the Navy Department to determine. The Commander in Chief of the Army and the Navy likewise has prerogatives which he may assert with respect to the Army and the Navy.

It is my understanding that fundamental policies of the Navy, as they affect our trade and commerce, would be formulated by Congress or the Commander in Chief of the Army and the Navy. In a recent edition of this publication the statement is made that it is a fundamental naval policy of the United States to maintain the Navy in sufficient strength to support the national policies and commerce, and to guard the continental and overseas possessions of the United States.

Under the Paris Pact the United States renounced war as an instrument of national policy. Nevertheless, the Navy Department continues to assert that the fundamental object of the Navy is to support the national policies of this country. It further announces as the naval policy, to create, maintain, and operate a navy second to none in conformity with treaty provisions.

It may be said in passing that the London Treaty is merely permissive—not obligatory. There is no duty resting upon the United States to construct naval vessels up to the limit which is authorized in the Treaty of London. The publication further declares that it is the fundamental policy of the Navy to develop the Navy to the maximum of battle strength and ability to control the sea in defense of the Navy and its interests, to protect American lives and property, to support American interests, and especially the development of American foreign commerce and the merchant marine. It is obvious that under the treaties the United States may not exceed the ratio of 5 to 3 with respect to Japan. Is that ratio sufficient to give the United States control of the sea in the eastern Pacific? Could a 5 to 3 Navy control the sea in a war with Japan west of Hawaii? Naval experts agree that the United States could not meet on equal terms Japan in Japanese territory waters unless the American fleet outnumbered the Japanese fleet by at least a ratio of 4 to 1 or 5 to 1.

The question is pertinent, What size Navy is needed to protect American life and property? Is it possible for a treaty navy to protect American lives and property in China, Manchuria, or eastern Asia? That question is additionally pertinent in view of the limitations upon the United States forbidding its fortification of the Philippine Islands. Is it possible under the treaties for the Navy to protect and defend the commerce of the United States in waters where it does not have absolute control of the sea?

These various questions might be proper in analyzing the objectives stated by the publication referred to, and it may be asked in conclusion what size Navy is required for the sole purpose of defending American territory; and if the object stated cannot be carried out by a navy of full treaty strength and can be achieved only by complete world supremacy on the sea, what justification is there for voting larger sums for the Navy?

Mr. President, I sincerely hope that this Republic will assume the high place which it should occupy, and lead all nations into paths of peace and world fellowship.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. NORRIS obtained the floor.

Mr. ROBINSON. Mr. President——

Mr. NORRIS. I yield to the Senator from Arkansas.

Mr. ROBINSON. I understand that the Senator from Nebraska has taken the floor for the purpose of discussing the pending so-called "utilities bill" and that in view of the lateness of the hour he does not desire to proceed with the discussion this afternoon. If that be so, I shall ask for an executive session, and then it is my expectation to move a recess until Monday.

Mr. NORRIS. I yield to the Senator for that purpose.

The PRESIDING OFFICER. It will be understood that the Senator from Nebraska will have the floor at the next meeting of the Senate.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably, without reservation, Executive M (74th Cong., 1st sess.), being a supplementary extradition treaty between the United States of America and the Grand Duchy of Luxemburg, signed at Luxemburg on April 24, 1935, and submitted a report (Exec. Rept. No. 10) thereon.

Mr. HARRISON, from the Committee on Finance, reported favorably the following nominations:

Giles Kavanagh, of Michigan, to be collector of internal revenue for the district of Michigan, to fill an existing vacancy; and

Martin R. Bradley, of Hermansville, Mich., to be collector of customs for customs collection district no. 38, with headquarters at Detroit, Mich., to fill an existing vacancy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. LONERGAN in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of George A. Gordon, of New York, to be Envoy Extraordinary and Minister Plenipotentiary to Haiti.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

MISSISSIPPI RIVER COMMISSION

The legislative clerk read the nomination of Harry N. Pharr, of Arkansas, to be a member of the Mississippi River Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

RECESS TO MONDAY

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 20 minutes p. m.) the Senate, in legislative session, took a recess until Monday, June 3, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 31 (legislative day of May 13), 1935

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

George A. Gordon to be Envoy Extraordinary and Minister Plenipotentiary to Haiti.

MISSISSIPPI RIVER COMMISSION

Harry N. Pharr to be a member, Mississippi River Commission.

POSTMASTERS

MISSOURI

Howard L. Stephens, Eldon.
Carl E. Latimer, Frankford.
Oren Simpson, Richland.
Thomas W. Withrow, Troy.

NORTH CAROLINA

Henry A. McNeely, China Grove.
Ferdie B. Johnson, Clinton.
James O. Purnell, Franklinton.
Patrick N. Gallagher, Nazareth.
Fletcher C. Mann, Pittsboro.
Marguerite W. Maddrey, Seaboard.
Duncan F. McGougan, Tabor City.

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 31, 1935

The House met at 12 o'clock noon and was called to order by the Clerk, Hon. South Trimble, who read the following communication:

THE SPEAKER'S ROOM,
HOUSE OF REPRESENTATIVES, UNITED STATES,
Washington, D. C., May 31, 1935.

I hereby designate Hon. JOHN J. O'CONNOR, of New York, to act as Speaker pro tempore today.

JOSEPH W. BYRNS, *Speaker.*

The Chaplain, Rev. J. Shera Montgomery, D. D., offered the following prayer:

Blessed Lord God, we pray that we may feel Thy presence, disturbing us with elevated thoughts and with that sublime sense that we should be something other than what we are. So abide with us that we may reach out to larger realities and thus reflect in our personality the likeness of our Creator. As the right must be defended and the wrong defied, grant that our convictions may struggle on toward open expression. Basing our primary duty on loving and serving Thee, Heavenly Father, beckon us on, for other foundation can no man lay. Open our understanding, dwell in our hearts, that we may deeply sympathize with the faults and failures of others. Let it become the ruling passion of the strong to help the weak, the wise the foolish, the rich the poor, and the good the bad. Shield us all from the polluting hand of sin, harmonize our thoughts with Thy thoughts and our ways with Thy ways, and Thine will be the glory. In the Master's name. Amen.

The Journal of the proceedings of Wednesday, May 29, 1935, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had agreed to a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 16. Concurrent resolution to rescind the action of the Vice President and Speaker in signing S. 2105, "An act to provide for an additional number of cadets at the United States Military Academy, and for other purposes."

RESIGNATION

The SPEAKER pro tempore laid before the House the following communication, which was accepted:

MAY 28, 1935.

Hon. JOSEPH W. BYRNS,
Speaker House of Representatives,
Washington, D. C.

MY DEAR MR. BYRNS: Because of my appointment as United States attorney for the northern district of Illinois, I hereby tender my resignation as a Member of the House of Representatives, Congress of the United States, effective June 2, 1935.

Respectfully yours,

MICHAEL L. IGOE.

ALIENS IN THE UNITED STATES AND THOSE HERE ILLEGALLY

Mr. DIES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein some statements and figures in relation to immigration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. RICH. Reserving the right to object, I would like to know what those figures pertain to and how much of the RECORD it will take.

Mr. DIES. Not much; about a page or a page and a half.

Mr. RICH. I think that is too much.

Mr. BLANTON. The gentleman from Texas has been for years looking up this question, and I hope the gentleman from Pennsylvania will not object.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DIES. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to make the following statement:

In my speech of May 20 I gave some figures in reference to Mexican population and immigration which were not complete. It is my desire at this time to set forth these figures in more detail.

In 1900 we had about 103,000 Mexicans in the United States. In 1930 we had approximately 1,422,533 Mexicans, according to the census of 1930. This included the foreign-born and native-born Mexicans. It did not include all of the Mexicans who were illegally in the United States, because this class of aliens avoid the census enumerators. In the absence of a law requiring the registration and fingerprinting of aliens, it is impossible to accurately determine how many aliens are in the country. However, we can arrive at a fairly accurate figure by taking into consideration a number of known factors. For instance, the 1930 census shows 805,535 native-born Mexicans in the United States and 616,998 foreign-born Mexicans residing in the United States. Between 1900 and 1930 there were 698,146 Mexicans born in the United States who were not older than 29 years on April 1, 1930. Of this number, 351,209 were male and 346,937 were female. Of the foreign-born Mexicans 348,782 were males and 268,216 were females.

In 1900 there were about 103,345 Mexicans residing in the United States. While we have no definite figures we may assume that half of them were foreign born and half of them were native born. If we deduct 51,500, being the number of native-born Mexicans residing in the United States in 1900, from the 805,535 native-born Mexicans residing in the United States in 1930, we have 754,035 Mexicans who were born in this country from 1900 to 1930. The parents of these 754,035 native-born Mexicans were either foreign born or native born. Most of the parents must have been foreign born, because there were 698,146 native-born Mexicans who range in ages from infancy to 29 years of age, and who were born between 1900 and 1930. Five

hundred and fifty-two thousand four hundred and eighty of such native-born Mexicans were born since 1920. This is proven by your 1920 census, which shows that there were 252,045 native-born Mexicans in the United States at that time. So that the 552,480 native-born Mexicans who were born between 1920 and 1930 could not have been old enough to be parents of any children. The census shows 162,280 native-born Mexicans in the United States in 1910, so that 633,235 Mexicans were born from 1910 to 1930. None of these Mexicans could have been over 20 years of age, and 552,480 could not have been over 10 years of age. It is, therefore, evident that the majority of native-born Mexicans were the children of foreign-born Mexicans who came to the United States from 1900 to 1930.

According to the Census Bureau there were 238,077 female Mexicans, including foreign born and native born who were married up to 1930. A much smaller number were married up to 1920 and a still smaller number were married up to 1910.

From the above figures we may account for the 754,000 Mexicans born in the United States from 1900 to 1930 by assuming they were the children of Mexicans who entered the United States illegally or that the Mexican women are prolific to a remarkable extent. There would, of course, be no record of such illegal entrants, either in the Immigration Bureau or the Census Department. The Secretary of Labor, in 1929, said:

> We estimate that more than 1,000,000 Mexicans are illegally in this country.

The Secretary was in a better position to estimate the number of Mexicans illegally in this country than anyone else.

Roy L. Garis conducted studies in 1929 at the request of the Immigration Committee in reference to Mexican immigrants. He says, among other things:

> How many—
>
> Meaning Mexicans—
>
> have waded the Rio Grande is a matter of conjecture, for many Mexicans prefer to enter without the formality of passing through the immigration offices for the simple reason that the head tax and other charges are high, to say nothing of their ability, or rather inability, to pass the literacy test. Many Mexicans who state to our immigration officials that they wish to cross the border merely to shop in American stores simply fail to return to Mexico. It seems to be thus that many of them enter this country illegally.

In this connection it is interesting to note that, according to the Census Bureau, the total number of illiterate Mexicans in the Texas population 10 years old and over was 163,622, or 33.8 percent. For the entire State of Texas the total number of illiterates was 308,021, or 6.8 percent.

Continuing from the report of Mr. Garis, we find this startling statement:

> Some of these working with Mexicans say that for every one who enters legally there are three who enter illegally.

Speaking of the illiteracy among the Mexicans, Mr. Garis has the following to say:

> According to their last census, only 3,000,000 persons in a population of 15,000,000 could both read and write, while over 7,000,000 Mexicans, 12 years of age or over, could neither read nor write.

Since only one-fifth of their population could read and write, it is reasonable to assume that not more than one-fifth of the Mexicans who entered the United States could pass the literacy test and enter the country legally. Former Attorney General U. S. Webb, of California, addressed a communication to Secretary of Labor Davis some time ago in which he cited many cases to prove that the average Mexican immigrant is ineligible to citizenship in the United States and hence should be excluded from admission into this country under the ineligibility provision in the Immigration Act of 1924.

On December 28, 1928, Secretary of Labor Davis stated:

> In connection with the marked increase during the years 1923 and 1924 it may be noted that numbers of Mexicans multiplied in spite of the fact that every feasible attempt was being made to bring about a more strict enforcement of the law on the border, and the increased immigration in those years is simply another indication of the fact that the provisions of the law relative to illiteracy, physical condition, etc., afford no adequate barriers so far as numbers are concerned.

In the case In re Camille the court held that a person of half white and half Indian blood is not a white person within the meaning of the phrases as used in the naturalization laws. The father of this person was a white Canadian and his mother an Indian woman of British Columbia, and he was, therefore, of half Indian blood. In the case of In re Burton the court held that an Indian born in British Columbia cannot be admitted to citizenship by naturalization of the United States.

Mr. Garis says:

> Today, therefore, the population of pure Indian blood or of mixed Indian blood outnumbers very greatly the pure European stock. * * * It is evident, however, from what has been written, that the stock of the Mexican population is principally of mixed Indian blood.

Since this is true, many authorities believe that the vast majority of the population living in the nonquota countries to the south of us are ineligible for citizenship. Mr. Garis says:

> It is difficult to see how the court could hold otherwise except in the case of those persons living there who can properly be designated as "white" or "Caucasian", the burden of proof being upon the person seeking admission to the United States. The Immigration Act of 1924 states that all persons ineligible for citizenship under our naturalization law shall be excluded from the United States.

So from every angle of approach, when we consider the Mexicans who came across the border without any permit to do so or those who came without complying with the literacy test and other requirements, or those who are ineligible on account of their Indian blood, it is certainly a conservative statement to say that there are 500,000 Mexicans who are illegally in the United States.

In my speech of May 20 I also stated that there were 500,000 aliens who entered the country illegally in the guise of seamen and who became lost in our population.

Since some of my figures have been challenged, I desire to be more specific in this connection. Under the La Follette Act an alien seaman has the right to land on our shore upon the arrival of his ship and to remain in our country for 90 days. We have had no accurate way to check up upon the number of desertions. We have had to rely upon the reports of the shipowners. However, it has been carefully estimated that not less than 500,000 aliens deserted their ships in the period of 10 years prior to 1930 and were lost in our population. The present Commissioner of Immigration, Mr. MacCormack, stated in his annual report for the year ended June 30, 1933, as follows:

> In the past oftentimes as many as half of the crew of vessels of certain flags, passed as bona fide seamen, would desert in port and when the vessel came to sail the master would sign on none or very few others to replace them, a plain indication that the crew was excessive upon arrival, and a moral certainty that aliens had been signed on for a consideration and with foreknowledge that illegal entry into the United States was planned. This is one of the many rackets to circumvent the immigration laws, but is not actionable unless convincing and corroborative evidence of conspiracy is obtained, which is almost impossible, as the deserters speedily lose themselves in our population.

The former Commissioner General of Immigration, in his annual report for 1931, states:

> For the 21 years, from 1907 to 1927, a total of 271,197 alien seamen deserted at seaports, and this number, added to the recorded desertion since then, brings the figure to 307,320 in just 25 years, or an average of 12,292 per year.

Mr. Frank Morrison, the secretary of the American Federation of Labor, testified on February 24, 1931, before the House Committee on Immigration and Naturalization in reference to alien seamen. He submitted evidence to show that at least 500,000 immigrants have unlawfully entered the United States disguised as seamen since 1921. This figure has been used by many authorities as accurate.

In the petition and memorials submitted to Congress by Andrew Furuseth, president of the American Seamen of America, it is stated that Chinese have paid from $1,000 to $1,100 for being landed in the United States, and excluded Europeans and South Americans have paid from $200 to $400.

He states that the reported desertions represent only those reported by foreign-ship masters to our immigration officers.

> The real number is at least 50 percent more as it now stands. It is quite common to carry a much larger crew in coming to the United States than in going away. The difference in number of desertions reported to the consuls is very great. Comparison between the number given by the masters of vessels of 10 firms and the number furnished to consular officers in New York showed an increase in the consular offices of 40 percent, and that comparison was made in New York alone and in 10 firms only.

I do not have time now to deal with the aliens who illegally cross the Canadian border and lose themselves in our population. It is well known, however, that the number that have done this in the past 15 years is very great.

The Commissioner General of Immigration states in his annual report ending June 30, 1933, that the value of vehicles which were seized by the Government and which had been largely used to smuggle aliens into the United States was $283,744. The Government seized 13 aircraft worth $89,500. In the same report he says:

> Illegal entries have not greatly decreased on the Mexican border.

The very fact that the Labor Department is advocating the passage of the Kerr bill, H. R. 8163, which, among other things, would legalize the entrance of all aliens who came between 1921 and 1924 and who cannot show a record of admission for permanent residence, is recognition of the fact that there are many aliens in this country who are unlawfully here. The act of June 3, 1921, legalized all entries to that date. This date was used because the temporary 3-percent quota act went into effect on that date. The reason for this act was expressed by Hon. Albert Johnson, who at that time was Chairman of the Immigration Committee:

> The reason for extending what you term as charity prior to June 3, 1921, was that among the entries in the years before that date it was found that the Government had not kept complete records of entry, and certainly no records prior to 1906. It had been found also that among the old-time immigrants over the country were many who could not prove the date or find the name of the ship when they came up for naturalization. The Naturalization Bureau had to refer these applications to the Immigration Bureau so that the latter Bureau could search the records. Many clerks were kept busy at Federal expense, principally at Ellis Island, going over ship manifests of 25 years or more ago, in an effort to find the name of the man and the ship. It was decided to relieve such aliens up to the time we began to admit immigrants under restrictions by number.

In 1929 efforts were made to legalize all entrants prior to July 1, 1924. Mr. Hull, who was then the Commissioner of Immigration, favored the bill and made this significant statement:

> This bill changes the date so that we could proceed with that legalizing up to July 1, 1924. After that date, of course, no one will propose any further extension of that time, and the reason of that is clear if you understand the law. After July 1, 1924, if an alien came in here without a legal entry we can deport him, but before that we cannot.

Of course, no one knows how many aliens entered the country illegally from July 1, 1921, to July 1, 1924, but it is safe to say that there is a considerable number of such aliens; otherwise, the pressure would not be so great to pass this law and legalize the illegal entrants. No one will contend that Congress does not have the power to deport these aliens if it sees fit. How many of these aliens were smuggled into the United States, no one knows. How many of them walked across the borders, no one knows.

In discussing the matter of legalizing these entrances, Hon. THOMAS JENKINS, one of the ablest and most consistent advocates of immigration in the Congress, stated:

> The reason we allow all those who were in before 1921 to have the rights to first papers was because we had no quota law and we forgave them all their exigencies and let them have their first papers. After that time we always maintain that there was a law and any man who came in contrary to that law, after that time, came in violation of the law. If we now seek to pass this bill we are affording protection to those who violated the law, and will place in position for naturalization 5,000,000 people.

In the Annual Report of the Commissioner General of Immigration for 1932, we find the following significant statement:

> The virtual shutting off of European immigration to Canada, as a protection to that country, has now decreased the number of European aliens who would make the Dominion a stepping stone or training center for smuggling into the United States, their real destination in the first place, but plenty now are continuing to try to get across the line. On the Mexican border there has been a great increase in the number of illegal entries.

The World Almanac gives a total foreign-born population, as of 1930, at 13,366,407, which includes white persons, 98,620 Negroes, 116,998 Mexicans, 44,086 Chinese, 70,477 Japanese. According to the World Almanac, arrivals here from 1920 to April 1, 1930, account for 35.5 percent of the Negro immigrants, 39.6 percent of the Mexican, 21.9 percent of the Indian, 36.2 percent of the Chinese, and 20.1 percent of the Japanese. The Negroes have come in a large part from Cuba, Jamaica, Haiti, Santo Domingo, and the other islands of the West Indies. Of this total number of foreign-born population, according to the World Almanac, 7,859,193 were naturalized, according to the 1930 census, and only 1,246,521 had first papers. This left approximately 5,505,214 aliens who had not been naturalized. Since 1930 approximately 392,293 aliens were admitted to citizenship in 1931, 1932, and 1933. I do not have the exact figures for this. The World Almanac says that only 1,246,521 aliens had their first papers in 1930. I do not have the number of aliens who have first papers as of this date. But, according to the 1930 census, nearly 4,000,000 aliens had not taken out their first papers. There was certainly a reason for this. Of course, some of these aliens may not care to become American citizens, but there is every reason why the great majority of them should want their citizenship papers. Many States are passing laws excluding aliens from public works and from old-age pensions, and for economic reasons there is the greatest incentive for the alien to become an American citizen if he can do so.

In my judgment, a large part of these aliens are unlawfully in the country and are ineligible to citizenship.

I am wondering if the fact that many of these aliens are unlawfully in the country and subject to deportation is responsible for the provisions in the Kerr bill which would authorize an interdepartmental committee to permit certain classes of aliens under certain circumstances to remain in the United States even though they are mandatorily deportable under existing law, and that provision of the bill which would legalize illegal entrants.

I have shown that there are approximately 5,000,000 aliens in the United States according to the census records. But this does not by any means include all aliens who are unlawfully here. Many aliens who were smuggled into the United States or who crossed the borders illegally or came in in violation to our laws would naturally avoid the census enumerators. Knowing that they are subject to deportation, they would not give any information to the census enumerators. But even according to the information disclosed by the census, there are about 5,000,000 aliens who are not naturalized and 4,000,000 of such aliens who have never taken out their first papers. The very fact that these 4,000,000 aliens have not taken out their first papers and the fact that there is such tremendous pressure to legalize illegal entrants and to permit certain classes of deportable aliens under certain circumstances to remain in the United States should be sufficient evidence to any thinking person that a large part of the known aliens in the United States are here illegally.

If, therefore, we take the 5,000,000 known aliens in the United States and add to them 2,500,000 aliens who avoided the census enumerators, we have 7,500,000 in this country. Based upon careful study, I have reached the conclusion that there are perhaps 3,500,000 aliens illegally in the United States. There may be considerably more. If anyone disputes these figures and conclusions there is one way that we can settle this matter for all times. We can pass a law requiring every alien in the United States to be registered and be fingerprinted and appropriate sufficient money to see that this is done. We can require every alien to prove within 1 year from date that he is in the country legally and show

that he is eligible for citizenship. All aliens who cannot comply with this requirement can be permitted to voluntarily depart the country or be deported. We can make allowances for meritorious cases that should be shown clemency and still be able to get rid of aliens who are unfit for citizenship and have no business in this country.

It must not be forgotten that most figures used in regard to the admission of aliens and departure of aliens are taken from the records of the Immigration Bureau. The Bureau, however, does not have any record of the number of aliens who illegally entered. Much is said about the figures of the Immigration Bureau showing that about 67,619 more aliens departed in 1932 than were admitted and that about 56,913 more aliens departed than were admitted in 1933, and that about 17,000 more aliens departed in 1934 than were admitted. This does not take into account the illegal entrants and is more than offset by the fact that in 1930 about 190,000 more aliens were admitted than departed, and that in 1931 about 36,000 more aliens were admitted than departed. This does not take into account the temporary conditions resulting from the depression. Neither does it take into consideration the fact that there are about 900,000 aliens ready to enter the United States as soon as the temporary administrative restrictions are removed.

So that if we take into consideration the number of aliens who are illegally in the country and whose presence is not disclosed by the census or by the records of the Immigration Bureau, it is certainly a conservative statement to say that there are 16,500,000 foreign born in this country today and 7,500,000 aliens who have not been naturalized and probably 6,000,000 who have not made any attempt to become American citizens.

Later on I shall submit additional evidence to prove my contention that there are at least 3,500,000 aliens illegally in the United States.

It is equally difficult to accurately state how many aliens in this country are on public relief. The Relief Administration made a rough estimate that there were approximately 600,000. This figure does not check with other information that I have received. From all the information that I have been able to obtain from public and private sources there are from 1,000,000 to 1,500,000 aliens directly and indirectly on public relief. If, however, this figure is challenged, I suggest that the Relief Administration immediately take an accurate and dependable census of all aliens on public relief.

Mr. Speaker, my investigation of the number of aliens in the United States and those illegally here is by no means completed. I am making a comprehensive survey of the entire situation. I have requested a number of citizens in various parts of the country to furnish me with information in regard to the aliens in their particular localities. I am seeking information from various public officials who are in position to know about this. I have requested the Bureau of Immigration to furnish me with their interpretation of the statistics. What I am chiefly concerned with is to get the facts regardless of what they show. From time to time, as I collect this information, I shall give Congress the benefit of it, because in my judgment this is one of the most important questions that confronts the American people. Its proper solution will mean much to the future happiness and well-being of this Republic. I am not actuated by racial or religious prejudice but I do believe that charity should begin at home and that self-preservation is the first law of nature.

ACADEMIC FREEDOM

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a speech by the Honorable Harold Ickes, Secretary of the Interior, delivered at the University of Alabama commencement exercises on Monday, May 27, 1935.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. STEAGALL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. Harold L. Ickes, Secretary of the Interior, at University of Alabama commencement exercises, University, Ala., May 27, 1935:

I would speak to you tonight of academic freedom—freedom to trail the truth into its most secret hiding place; freedom to proclaim the truth when found and verified; freedom to live one's life with the window of the soul open to new thoughts, new ideas, and new aspirations.

It may seem strange that with the twentieth century more than one-third gone it should be necessary to make a plea for the recognition and preservation of those precious civil liberties to enjoy which our forefathers, enduring every privation and braving every peril, sought these shores; to establish which as part of the fundamental law of the land, they fought the War of the Revolution. Yet it is not strange after all. If you have read your history, you know that from the beginning of time it has been a never-ending struggle, not only to acquire freedom, but to hold onto that most worth while of all possessions even after it has been won at great cost.

There always has been, and probably there always will be, a small group of men, lustful for power and ruthless in the means they adopt to acquire it, who would tear up Magna Carta, our own Bill of Rights, and every other charter of liberty that has ever been written by the hand of man, in order to aggrandize themselves at the expense of those least able to protect themselves. Constant pressure to this end always exists. Over long periods it may be so subtle as almost to be imperceptible, but at times of social and economic unrest, such as the present when, anxiously and soberly, we are trying to work our way back to solid ground, an open assault is all too likely to be made to capture the citadel of our liberties.

The beginning of such an effort is apparent today. As yet it is more or less tentative. It does not yet possess the vigor or the proportions that it can acquire. But if we fail to understand certain significant political trends of the moment or if, understanding them, we are too slothful or too indifferent to defend the priceless heritage that our forefathers have bequeathed to us, then, indeed, there is little hope that our once free America will not in her turn meekly submit to the manacles that already have been riveted upon the wrists of many of the countries of the world that until recent years were composed of free peoples.

The Bill of Rights guarantees to every American citizen the right of free press, free speech, and free assemblage. These rights are of equal importance. The man who insists on the right freely to give voice to his own opinions and who at the same time would deny the same right to a newspaper because he does not agree with the views of that newspaper is no true American. By the same token, the newspaper that will not tolerate the abridgment of its right freely to print the news and to comment thereon while at the same time spurring on those who would suppress the equally valid rights of free speech and free assemblage is slowly but surely undermining the very foundations upon which it is built. It is inconceivable that the right of a free press can long survive if the rights of free speech and free assemblage have been seriously abridged or altogether denied.

Certain people today are not only encouraging, but apparently leading what appears to be a deliberate and concerted onslaught on academic freedom, which is of the very essence of free speech. In the final analysis, our colleges and universities are the citadels, not only of our liberties, but of civilization itself. During the Dark Ages when men hermetically sealed the doors of their minds against new ideas, the only faint gleam of the light that was life was kept burning in those cloistered retreats where the scholar bent over his illuminated vellum in his intent search for the truth that comes only from knowledge. Thanks to him, the faint flicker that became a flaming torch during the days of the Renaissance has grown, in these modern times, into a giant beacon of glorious incandescence whose beneficent light is shed over all the world. It is inconceivable that any group of men should undertake ever to dim that light. It is even more strange that, in order to assist sinister influences in their attempt to discredit the universities, some of the graduates of our colleges and universities should sell to the highest bidder in the market place the brains that would be of little account if they had not been developed by some institution of higher learning.

Looking back over the last 2 years, we can now trace certain significant events. In the beginning, this administration was derided and jeered at because, in its efforts to meet wisely the social and economic crisis that it had inherited from its predecessors, it called to its aid men of trained intelligences. It seemed outrageous to certain people that a highly paid lobbyist or the representative of selfish interests should be relegated to the rear and, instead, a college professor consulted on a subject on which he had special knowledge. That was revolutionary; our Government had not recently been run on the bizarre theory that disinterested and trained intelligences should be called into the public service instead of practical men who knew exactly what they wanted and how to go about getting it.

So in all parts of the country, but with particular enthusiasm in circles of entrenched privilege, hymns of hateful ridicule were sung in derision of the so-called "brain trust." From this initial attack upon particular professors it was natural that criticism should widen and become more general. Soon it began to be hinted that something was wrong with the colleges themselves. Not only did they produce ridiculous professors, specialists capable of giving advice in political science, political economy, and cognate subjects, but the interests of the students were permitted to range too widely. It came to be charged that our colleges were not conservative in their teachings. In due course it was discovered that some of them had radical leanings. The next step was to allege that the colleges generally were hotbeds of radical-

ism, following which came accusation that communism is actually being taught in certain of our institutions of higher learning.

The charge is as ridiculous as it is unfounded. But those who would destroy academic freedom needed some excuse for their onslaught on the colleges and they are not notorious for their scrupulous adherence to the truth.

Now, I call your attention to one significant fact and that is that not a single newspaper in the country has ever made the charge that fascism is being taught in any of our institutions of higher learning. If any has it has escaped my notice. One or two liberal magazines have been concerned about the attempt that they fear fascism has been making to gain a foothold in one of our universities but this charge has never been made, to my knowledge, by those who support the absurd accusation that our colleges are teaching communism. The explanation of this curious circumstance is not far to seek. There are selfish men in this country who, in their hearts, would like to see the United States swing to fascism. They believe that under such a system they and their kind could secure control of the Government. They would be able then, in the name of patriotism, to destroy our liberties and build on the ruins of our beloved free America an economic state, the concern of which, with the exploiting class once firmly in control, would be to see to it that the rich would even grow richer, whatever might happen to the poor.

The true American will not tolerate a dictatorship either of the right or of the left. Fascism and communism are equally abhorrent to us: Both are tyrannies. Both should be resisted with all our strength.

Point out to me the man who glorifies the Fascist system and who insists that the times require the firm hand of a ruler clothed with dictatorial power and I will show you the man who either has become rich and powerful as a result of the enjoyment of special privileges or who wants to become rich and powerful by whatever ruthless means may be available to him. Or show me the agitator who would tear up our Constitution and create a communistic state and I will show you a man who, equally with the Fascist, has no respect for the rights of the individual; who would destroy for the sake of destroying; who would take what another man possesses, not under the forms of law, not as the result of the legitimate exercise of constitutional powers, but merely because he desires to take and is able to take.

Fascism would be as destructive of our rights and liberties as would communism, and it is my deliberate judgment that if we should foolishly adhere to fascism, because it seemed to point a way out of our present economic difficulties, or because it appeared to offer the surest bulwark against communism, we would find that after the dictatorship of the right would have run its course, we would swing over to the other extreme into a dictatorship of the left. Fascism would be only a brief interlude on the road to communism.

The preservation of academic freedom, the maintenance of the civil liberties guaranteed in the Constitution, out of which the right of academic freedom grows, is of extraordinary importance to this Nation at this time. The truly educated, and by that I mean those who have trained minds that they use, must gravely heed the signs of danger that are implicit in the attacks on academic freedom that have become more and more threatening during recent months. The sinister purposes of those who would establish a Fascist state on our free American soil are clear from the very nature of this bold assault upon our institutions of higher learning.

If it is to be supposed that the present attack on freedom of thought and of research in our universities is not merely a whimsical and momentary thing, but has some purpose behind it, then the inference is inescapable that it represents an attempt to force upon America either a dictatorship of the right or of the left. A free America, serenely and confidently pursuing the course charted for it by our forefathers, has no interest in impinging upon academic freedom; the contrary, rather, because we know what a priceless contribution our institutions of higher learning have made to our civilization. That controlled and regimented schools of all grades are necessary to both the Fascist and the Communist state is well known to whomsoever is sufficiently interested to look into the matter. However, the present onslaught on our colleges comes from sources which completely negative any idea of a desire to establish a Communist state. Therefore, the weight of the evidence is that it is the Fascist element in America that would muzzle our professors and put wax in the ears of their students as a preliminary step in the direction of the establishment of a dictatorship in this country of, by, and for beneficiaries of special privilege.

Academic freedom could not long survive under either fascism or communism. If you would have proof of this statement, consider the situation today anywhere that universities are permitted to teach only what the government permits them to teach. Turn to the universities elsewhere which were formerly among the greatest in the world—universities to which some of our own outstanding scholars have gone for special training after winning the highest scholastic honors in their own country. Ruthlessly deprived of their right to search for the truth and to proclaim it for the benefit of mankind, they are now mere bondslaves to the political philosophy and economic theories of whatever faction may be in power.

The near future may tell how much of the stuff of real Americanism still remains in this country. After all, those who would destroy our liberties and seize power—not to improve our social order for the benefit of all the people but merely as a means of adding to their own wealth and position—are but a mere handful out of the millions of our population. But although they are a very small minority, they constitute no mean foe. By far the greater part of the wealth of the Nation is within their control. Their alliances and ramifications reach everywhere. They are entrenched where one would least expect to find them. They have the advantage of knowing precisely what they want and the single-minded purpose to achieve their ends regardless of the cost to others.

But despite the power of these men, their preparedness and their ruthlessness, they cannot prevail unless we have become so indifferent to the fundamental liberties upon which our American civilization rests that we do not consider them worth fighting for. This I, for one, refuse to believe, once the issue becomes clear to the people. Especially am I confident that when the faculties, the graduates, and the students of our colleges and universities are made aware of the implications in the subtle attack that is now being made upon academic freedom, the curtailment or loss of which would destroy any incentive on the part of a free man to go to college, they will swarm to the defense of their fundamental rights in the same spirit in which their forefathers have rallied on every occasion when an attempt has been made to deprive them of that degree of freedom that they had already acquired.

The nature of the attack on academic freedom is such that we must be especially on our guard. We must not permit ourselves to be frightened into acceptance of a Fascist dictatorship by stimulated clamor against an imaginary communistic threat. As I have suggested, either system would be a noxious and dreadful growth if permitted to take even shallow root in the soil of our free country. The prospect of a dictatorship, either of the privileged class or of the proletariat, is too dreadful to contemplate. We want this country to continue to be one of free institutions, a land of equal opportunity under the law for every citizen, whether he be rich or poor and whatever may be his race, or color, or creed.

Almost 50 years ago a man who was twice honored by being elected President of the United States made a statement which is worth repeating in these times. This man was Grover Cleveland, and no one, by the widest stretch of the imagination, ever considered him either a radical or a dangerous citizen. He was talking about communism, and this is what he said:

"When to the selfishness of the beneficiaries of unjust discrimination under our laws there shall be added the discontent of those who suffer from such discrimination, we will realize the fact that the beneficent purposes of our Government, dependent upon the patriotism and contentment of our people, are endangered.

"Communism is a hateful thing and a menace to peace and organized government but the communism of combined wealth and capital, the outgrowth of overweening cupidity and selfishness, which insidiously undermines the justice and integrity of free institutions, is not less dangerous than the communism of oppressed poverty and toil, which, exasperated by injustice and discontent, attacks with wild disorder the citadel of rule.

"He mocks the people who proposes that the government shall protect the rich and that they in turn will care for the laboring poor.

"Any intermediary between the people and their government or the least delegation of the care and protection the Government owes to the humblest citizen in the land makes the boast of free institutions a glittering delusion and the pretended boon of American citizenship a shameless imposition."

There was no such term as "fascism" at the time Cleveland made this penetrating statement, but that fascism existed and that Cleveland recognized it for what it was is shown by his phrase "communism of combined wealth and capital." Today we know communism of combined wealth and capital as fascism, and we know it, just as Cleveland knew it, as being an equal, if not a greater, threat to our liberties than the "communism of oppressed poverty and toil." I suspect that if Grover Cleveland, clear-thinking and forthright American that he was, were here today and should again denounce in his vigorous fashion the overweening cupidity and selfishness of combined wealth and capital he would find himself under suspicion of being a dangerous citizen. And if, perchance, as a member of a college faculty, he should make any such subversive statement as I have quoted, he would in all likelihood become the subject of an investigation by a legislative committee.

Some 3 months ago one of the truly great men of the Anglo-Saxon race died in Washington. It is especially inspiring at a time when we are once more going into battle to maintain our liberties to be able to drink at the pure stream of the philosophic Americanism of Mr. Justice Holmes. No one knew better than he what the Constitution meant. No one ever had greater zeal than was his to follow the light of liberty that has beckoned through all the ages since man first realized that he was free and Godlike in that degree to which he permitted the rays of truth to enter the window of his soul.

Who would not wish that he might have the ability and the courage to speak out with the clarity of this great American on the subject of our constitutional rights? Well might we make these ringing and profound words of Mr. Justice Holmes our American credo:

"* * * If there is any principle of the Constitution that more imperatively calls for attachment than any other, it is the principle of free thought—not free thought for those who agree with us but freedom for the thought that we hate * * *."

And what greater justification of full and unimpaired academic freedom for every university in the land could be urged than in

these words of this man who was aptly described by Prof. Felix Frankfurter as our "most civilized American":

"* * * when men have realized that time has upset many fighting faiths, they may come to believe even more than they believe the very foundations of their own conduct that the ultimate good desired is better reached by free trade in ideas—that the best test of truth is the power of the thought to get itself accepted in the competition of the market, and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution. It is an experiment, as all life is an experiment. Every year, if not every day, we have to wager our salvation upon some prophecy based upon imperfect knowledge. While that experiment is part of our system, I think we should be eternally vigilant against attempts to check the expressions of opinions that we loathe and believe to be fraught with death * * *."

I have just quoted Justice Holmes as saying that the best test of truth is the power of the thought to get itself accepted in the competition of the market. This view is at distinct variance with the theory of those who would abridge academic freedom, who insist that there must be no competition, no interchange of ideas, no testing of obnoxious political theories in the laboratory of truth. Such a position is no compliment to our form of government. It has always seemed to me that the American system stands out in clear and favorable relief in comparison with other systems. But a comparison must be made in order to afford one a clear appreciation of the superiority of our institutions over those of many less-favored countries. He is a timid American indeed and a shabby patriot who is so little sure of the American form of government that he avoids measuring it with others.

When I was in college I recall that a course was offered in comparative religions by the brilliant first president of the University of Chicago, the late William Rainey Harper. No one objected to the college student learning about Hinduism, Shintoism, Mohammedanism, ancestor worship, or even voodooism. There were no demands made for legislative investigations, no trials for heresy, no faintest suggestion on the part even of ministers of the church that the university cease and desist from a study of alien religions because such a study might undermine Christianity.

The historian in lecturing to his classes tells of kings and emperors and of oligarchies with never a thought that he may be engendering in the minds of his students a desire to supplant the President of the United States with an absolute and hereditary monarch. In your anthropology classes you learn that at other times, or even presently in other places, there exist social systems based upon polygyny or polyandry, and such studies are not interdicted because some busybody is fearful lest you may advocate such a social system for the United States of America. And it is taken for granted that scientists may study noxious poisons and virulent diseases without laying themselves open to the suspicion that they harbor some diabolical design upon the welfare of their fellow citizens.

But those members of our college faculties who are charged with the responsibility of educating their students in the highly important subject of political science are not to be allowed, if certain meddling and censorious persons have their say, even to mention the subject of communism in their classes. According to this theory universities are expected to send their graduates out into the world to resist communism without knowing what it is or where it is. In many States the Communist Party is entitled to a place on the ballot. If ignorance is, indeed, bliss, then there is danger that if the graduates of our colleges are to be kept in the dark as to what communism is, they might vote that ticket by mistake. To quote briefly from a statement by Congressman HAMILTON FISH, which was published on May 10 last: "* * * We have a right and a duty to find out the facts as to how it (communism) works in Russia and expose its tragic and horrible failure."

Ignorance has never yet proved to be either virtue or strength of character. If communism is the menace that we believe it is, then, instead of keeping the students in our educational institutions in abysmal darkness on the subject, we ought to prepare their intelligence to grapple with it by the fullest possible exposition of its defects and fallacies. It is to be regretted if we feel so little sure of the firmness of the foundations upon which this America of ours rests that we are fearful that they will be undermined by false theories, especially if the error that threatens them has been thoroughly exposed. If we are in peril from the enemy either within or without our gates, then in all good conscience let us learn what manner of enemy it is, what is the nature of its attack, and what is the best means of meeting that attack.

I am in full agreement with what Mr. Thomas W. Lamont, a partner in the firm of J. P. Morgan & Co., recently said. Here are his words: "These are days when among the teaching forces * * * the freest sort of academic freedom should prevail."

For my part, looking ahead, I am content as I reflect that the witch hunters in times past have burned thousands of books that their feeble intellects could not comprehend. They have racked the bodies of philosophers and burned scientists at the stake, but the truth they sought to crush has always arisen again all the stronger by reason of its attempted crucifixion.

There is a fine old aphorism, "Seek the truth and the truth shall make you free." Considering the times, I would express this in this wise: "Hold onto the truth and the truth will keep you free." The university that can send its graduates into the world inspired with this belief as a fighting faith will of a verity be sending out educated men and women and, more important still, free Americans, who will never permit the precious heritage of freedom which is theirs to be impaired.

HOW CAN WE HELP THE MORTGAGED FARMERS?

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the effect of the legislation on farm mortgages.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BURDICK. Mr. Speaker, the defeat of the Frazier-Lemke farm-mortgage moratorium in the Supreme Court of the United States has once more brought the Nation's attention to the situation confronting the mortgaged farmer. Today the farmers of America owe more money than they can ever pay, no matter what process tax, what price, or how much of a crop they may produce. Nothing can bring solvency except a cancelation of the debt, or at least that part of it which the farmer cannot pay and which threatens his home and the lives of his family.

The Frazier-Lemke bill provided at least some relief, and unless the mortgagee was willing to take all the property was worth, then the Court might extend a 5-year period to the farmer during which he could remain on his farm, paying a reasonable amount for the use of the property. The hope was that during the 5-year period conditions might change so that the farmer could redeem his property. The supporters of this bill never dreamed that when a farmer was willing to pay all his property was worth, that the Supreme Court would say that it was taking property from the mortgagee without due process of law. The Supreme Court is of the opinion that the National Bankruptcy Act, which the Frazier-Lemke bill sought to amend, was enacted in the first place for the benefit of the creditor and not the debtor.

Under the interpretation of the Supreme Court a farmer must pay even if his property is of insufficient value with which to pay. There is no escape for the farmer. What will be the result of this decision? It means that foreclosures will start up with considerable enthusiasm on the part of the Shylock mortgage holders. Under the Constitution they have that right, and the farmers will be foreclosed upon and evicted. Whole families will be driven from their homes and sent to the relief rolls for their daily bread. The farm home will be destroyed and the farm family scattered to the four winds. All because the creditor cannot be denied his pound of flesh, all because we cannot reduce the unpayable debt without violating the Constitution with respect to due process of law.

Those who make an argument against the seriousness of the farmer's condition financially are dishonest in their statements. They say that the farmer is in better condition now than he was in 1929. They seek to prove this statement by showing that the farm indebtedness in 1929 was approximately $9,000,000,000, but that today the farm indebtedness is only $8,000,000,000. That statement proves nothing. If the farmers of America still had the farms they had in 1929, a just comparison could be made. The glaring fact is that since 1929 a large percentage of the farms have been taken under foreclosure, and once taken, the debt no longer shows up in the farmer's debt column. The debts were reduced as the foreclosures increased. Speaking for my own State alone—North Dakota—I can advise this House that since the year 1920, 62 percent of all farm homes in North Dakota have been foreclosed, and very few redemptions have been made. The owner has been forced to change his position; in fact, in many cases his position has changed twice since 1920. From owner he found himself to be a renter, and, finally, from renter he has sunk lower in the scale and has finally landed on the permanent relief rolls.

If we, as farmers, still had the same property upon which we owed $9,000,000,000 in 1926, we would owe today approximately $14,000,000,000. From this huge debt, using this comparison, there is no relief under any Government finance plan now upon the statute books. The only agency in existence is the Federal land bank system, and that cannot relieve, because the old debt is very much more than any commitment that can be obtained from the Federal land bank. In North Dakota alone, with a farm indebtedness of $300,000,000, the Federal land bank has not refinanced more

than 27 percent of the debt, and that leaves 73 percent of the farms in jeopardy. I think it perfectly fair to state that this condition which prevails in North Dakota is similar to the conditions which prevail in 16 of the best agricultural States in America.

What can the farmers do to save their homes in view of this smashing blow dealt them by the Supreme Court? That will depend upon what States farmers live in. In North Dakota, under the proclamation of the Governor, foreclosures have been, during the past 3 years, practically unknown. As the emergency increases the proclamations will no doubt be further extended. Should a farmer live in New Mexico he will have to move from his farm and look up the nearest relief office. Recently in that State the courts and the Governor permitted a holding company of the First National Bank of St. Paul to foreclose a contract and oust a colony from the possession of their premises where there was less than $2,000 due on a contract and where the value of the farm property to the extent of $143,000 was swept away. To make the devastation more complete, the court permitted the holding company to attach all the personal property and even the food of the colony. The 48 members of the colony have now lost all their property, both real and personal, and will be compelled to remain on permanent relief with their families until some new work opens for them.

Many States, fortunately, have moratorium laws, and that will be the only salvation for the people. Even that cannot be continued indefinitely. More substantial legislation must be passed by Congress. In my judgment, the following measures before Congress should be immediately passed:

First. A national moratorium—Burdick resolution, House Joint Resolution 83—which provides a period of 2 years in which the loans financed directly and indirectly by the Government will not be foreclosed. The need for this action is apparent now in the increased activity in some States of the Federal land bank and the Crop Production Loan Division of the Farm Credit Administration in foreclosing on loans.

Second. The immediate passage of the Frazier-Lemke refinancing bill, which will make it possible for farmers to refinance their loans and thus spread the debt over a long period of time, at low interest rates, which will insure the preservation of the farm home until our conditions become again normal. Many organizations oppose this bill because they say it means inflation to issue Treasury notes instead of bonds. Nothing could be further from the truth. Both bond issues and currency issues if carried beyond a sound currency base, either metals or commodities, would be inflation. In this country we can issue at least $8,000,000,000 more in currency before we ever reach a point where the present currency base, gold and silver, is not a sufficient protection against inflation.

The only real difference in the two methods is that in the issue of Treasury notes in the amount of $3,000,000,000 as a revolving fund for the refinancing of the farm mortgages it will cost nothing in interest. While a bond issue would cost the American people 3½-percent interest on the full amount needed to refinance the farm mortgages.

The day is not far distant when we shall have come to the end of the road in issuing bonds and paying interest on them, when we could, with perfect safety, make a clear saving of this interest. Some day we will look back in our history and understand how miserably we have failed to understand that the payment annually of an interest toll of a billion and a quarter dollars on the public debt was as unnecessary as it was insane. Some day the American people will wrest from the hands of private interest the authority to use the Government's cash and credit for their own private profit. Some day the general good of all will transcend the right of private interest to reap a reward while the millions suffer.

Third. The passage of the Massingale cost-of-production bill. While the farmer is struggling under this unbearable load of debt, created because we have turned our Government finances over to private interests, the least this Congress can do for the farm millions is to say, "Loyal friends of this Government, from this time forward the people of the United States do not wish to have you toil in the fields for our food and clothing, and then compel you to sell those products to us for less than the cost of production, including in such cost, a living wage for the toilers." I think it fair to say that, naturally, there are but few people in this country who will deny the farmers this natural right. On that part of the crops as are consumed in this country the farmer should have the cost of production; if he raises more, do not prevent him from raising it, but say to him, "We cannot guarantee you cost of production on this surplus—you should keep this surplus until a time comes when you underproduce."

This temporary surplus will find its way to necessary human use, and the safety of the country is more secure with too much food on hand than not enough. In the history of mankind there have never been surpluses. The human race does not produce more than the human race needs. Temporary surplus which looks like mountains in some short periods vanish the next instant. From the days of 6,000 years before Christ to the present moment, I ask the Members of this House to tell me where all these surpluses are. I repeat to you now what I have said before, that the destruction of food and clothing or the deliberate refusal to produce food and clothing, when God sends the rain and the sunshine is a crime against humanity.

Why will Congress not report these bills out under a rule that will permit open discussion on the merits of the bills? Why will Members refuse to sign petitions to bring in a rule under which these bills can be freely discussed? To arbitrarily prevent this consideration is too un-American for this great body to entertain. I trust every Member who has not signed the petition to bring in a rule under which the Frazier-Lemke bill can be discussed, will sign petition no. 7, and do it now. I trust Members will support the resolution for a national moratorium and the Massingale cost-of-production bill. These are the ways, the only ways, provided in pending legislation, which can now bring relief to 30,000,000 people who live in farm homes and to 30,000,000 who are directly identified in crop production in this country.

During the months of January, February, and March, in speeches in this Chamber, I tried to impress the Congress with the necessity for speedy action in seed and feed for the farmers in the drought area. I was then apprehensive that aid would come too late and that fear has now proven real. Thousands of farmers lost their livestock because of insufficient feed, thousands now are unable to secure sufficient seed, some none at all. Rains have come and the drought is definitely broken, and in spite of this our delay in our action is responsible for the situation where farmers now have no seed.

Let us not make any further mistakes. Let us not delay action on these relief bills for the mortgaged farmer until they are so desperately backed to the wall that they will revolt in mass against all foreclosures and cause themselves and the Government itself unnecessary trouble. That they will, when finally confronted with ouster from their homes of half a century, fight for the possession of that home, no one will question. I believe I am as close to mental attitude of the farmers as anyone in this House, and I know they will not meekly submit to being driven from their homes, due to no fault of their own. This Congress should not push the unfortunate farmers too far, and all serious difficulty can be avoided if we will immediately pass legislation that will give them a chance to save their homes.

The situation calls for prompt and nonpolitical action in the interest of those people who form the backbone of this Nation. We owe it to them to strip all procedure of redtape and get down to business. If we are not permitted to provide them with a law to scale down debts that never can be paid, we can offer them another avenue of escape through the Frazier-Lemke refinancing bill, the Massingale cost-of-production bill, and a national moratorium.

EXTENSION OF REMARKS

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include

therein certain statements and an essay by a young fellow from my district who won in a contest on What I Would Do if I Were President. It is very brief.

The SPEAKER pro tempore. Is there objection?

Mr. RICH. I object.

AN ACT TO LIQUIDATE FARM MORTGAGES AND PROVIDE HOMESTEADS FREE OF DEBT FOR ACTUAL FARM FAMILIES

Mr. PETERSON of Georgia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a short table that I prepared myself.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PETERSON of Georgia. Mr. Speaker, I have introduced in the House today a measure which proposes to liquidate the farm debts of this Nation, reestablish the farm families in their homes, free of debt, restore their purchasing power, and protect them in the enjoyment of the fruits of their labor.

In our country today over two-thirds of the farmers are either tenants or have their farms heavily mortgaged, and this percentage is steadily growing each year.

I live in the country and I know it is not right for the millions of boys and girls who are born in the rural sections to be forced to live in poverty and serfdom, with no hope of ever owning a home, free of debt.

The farm lands of this Nation are fertile. They provide ample means for the support of any industrious family.

An unfair and unjust economic system has forced our people from their homes. It has deprived us of the fruits of our labor; and it has robbed us of our freedom and our happiness.

FEDERAL GOVERNMENT SHOULD COME TO FARMER'S AID

Our Federal Government can and should remedy this deplorable condition. It can lift the mortgages from our lands and give back to deserving farm families their homes. It can protect the mothers and fathers as they earnestly strive to properly rear their families and make them secure in their homes by preventing these homes from again being sold or mortgaged; and it can give to the boys and girls who are reared in the country an opportunity to develop their lives in freedom and independence.

In an effort to regain for my people their homes and these rights I have prepared this measure which is known as "An act to liquidate farm mortgages and provide homes, free of debt, for actual farm families."

ACT CREATES NO NEW BOARD

This act does not set up any new board or Government agency. Neither does it provide for any additional public officials.

The law is to be administered through the General Land Office, which is one of the oldest departments of our Federal Government, and which is now ready to put it into force just as soon as it is adopted.

LAND PROGRAM WILL COST ONE-HALF AMOUNT WE HAVE GIVEN EUROPE

The entire cost of this great land-redemption program will equal about one-half the amount of money that our Nation has donated to the people of Europe since 1914, or about $10,000,000,000.

Our contribution to the people of Europe has only won their hatred.

The contribution which we will make to the people of our country by carrying out the provisions of this measure will cause millions of good men, women, and children throughout our great Nation to "arise up and call her blessed."

This Government will lift from the backs of the farmers and producers of new wealth the curse of an ever-mounting debt that is crushing their happiness and freedom, and will promote and encourage private initiative—checking the ever-increasing tendency toward governmental regulation of and interference with the private affairs of our people.

It will make us again a Nation of home owners.

This measure provides that the General Land Office purchase farm mortgages; liquidate farm debts; and give small farm homesteads, free of debt, back to deserving farm families. Through its provisions the entire farm-mortgage debt, which is now approximately $9,000,000,000, may be liquidated. However, these provisions are optional, permitting each individual an opportunity to take advantage of them, but forcing none to do so.

It in no way affects the ownership of private lands free of debt. Neither does it in any manner prohibit or interfere with such ownership.

It does not set up one group of farmers in competition with another or grant special privileges or rights to any group.

It does, however, give exactly the same opportunities to every farm family of this Nation.

RENTS AND MORTGAGE DEBTS PREVENT RETURN OF PROSPERITY

The basic reason for the present depression continuing to exist is the fact that the producers of the raw products—our farmers—cannot now exchange the full value of their new wealth for the finished products. They are denied this right.

Since it is the farmer who produces the new wealth, certainly it is to the farmer that the finished product must be sold or exchanged.

When the farmer enjoys the full use of his raw products, produced by him and his family by applying their energies to the soil, there is no reason why, under normal conditions, he cannot and will not exchange them for the full output of finished products.

However, at present the farmer does not enjoy the full use of his new wealth. A large portion of it is lost in rents, interest, and royalties, for which he receives nothing in exchange.

Rents, interest, and royalties contribute nothing toward producing this new wealth. Therefore such portion of it as is used in this manner completely loses its exchange value insofar as the producer is concerned.

The farmer is forced to throw on the market that portion of his new wealth which is used in this manner, but he and his family are unable to buy it back in the finished product. It therefore becomes the surplus.

This surplus has continued to grow each year—as rents, interest, and royalties have continued to consume larger portions of the farmer's new wealth.

The natural result has been that the farmer has grown poorer while the surplus of raw products and finished products has steadily increased, until during the last few years we have witnessed a nation of people starving in the midst of plenty.

A normal and natural adjustment of this condition can never be attained until the full exchange value of the farmer's raw products, or new wealth, is restored to him.

The measure which I have presented is designed to accomplish this result.

It gives the farmer free access to the soil, eliminates rents, interest and royalties, and fully restores the purchasing power of the farmer's new wealth.

The inevitable result of this procedure will be a return to normal prosperity.

THE LAND LAWS OF MOSES EMBODIED IN BILL

This measure includes a simple land redemption program, and carries out the command of our Divine Creator as set forth in the law of Moses in directing that, "in all the land of your possession ye shall grant a redemption for the land."

In this same law of Moses the people are warned against selling their farms—"The land shall not be sold forever: for the land is mine; for ye are strangers and sojourners with me."

This law, in conformity with these commands, places the farmer again in the possession of his home and his farm. It also prevents this farm from again being mortgaged or sold forever.

It thus protects the hard-working farmer and his family who are earning an honest living by the sweat of their brow from the selfish schemes of designing money lenders. It protects them in their right to use in exchange the full value of the products of their labor.

The principles of this law are as fundamental and as sound as the other fundamental principles upon which this Government is built.

They are simple and practical. And they are essential to the continued existence of our free institutions.

FARM HOMES, FREE OF DEBT, ESSENTIAL TO LIFE OF OUR GOVERNMENT

Our people are dependent upon agriculture for life and existence; and our freedom, which we so greatly cherish, cannot possibly survive when those of our people who are engaged in agriculture and in the production of the raw products or new wealth do not have free access to the soil and are not protected in the enjoyment of the fruits of their labor.

Our Government is especially designed so as to provide for each citizen equally the greatest possible safety, liberty, and independence.

Our Federal Constitution sets forth specifically the rights of each citizen.

It further protects from oppression those who become indebted to other citizens by providing for national bankrupt laws.

However, the founders of this Government did not visualize the time when the entire area of this country would become settled. They did not foresee the day when a citizen who has lost all his worldly possessions would have no new land to which he could move with his family and begin life anew, continuing to enjoy his unalienable rights. Therefore, they made no provisions and no safeguards for such people under such conditions.

The time has arrived when such provisions and safeguards must be made if our people are to continue to enjoy their freedom and if our principles of free government are to be maintained.

At the time our Government was established, other than Negro slavery, there was no tenant system in this country. Such tenantry as existed was of a voluntary nature and could be terminated at the will of the tenant.

This condition wherein the producers of the raw products or new wealth had free access to the soil and unrestricted use of their new wealth was an essential factor in the building of our Government.

This same condition, which has ceased to exist, is still essential to the life of our Government. And the bill which I have introduced in the House of Representatives is designed to reestablish such condition in this Nation.

One hundred years ago when a man's business affairs became so involved that he was burdened with a great debt he could seek refuge through the bankruptcy courts, liquidate his debts, and free himself of the burden. He could then move his family into new lands where he could acquire a home, rear his family in freedom and independence, and enjoy the fruits of his labor.

Today the free lands are gone.

When a man's business affairs now become so involved that he is burdened with a great debt he can still seek refuge through the bankruptcy courts, liquidate his debts, and free himself of these particular burdens.

However, there is no longer an avenue of escape from tenantry. There is no place in this country where he can go with his family, establish a home in freedom and independence, and enjoy the fruits of his labor.

The result of this condition is that the free home owner in this Nation is rapidly vanishing.

THE METABOLISM OF THE FARMER: HOME OWNER, MORTGAGOR, TENANT

We are degenerating into a Nation of tenants and serfs, and no nation can long survive as a free people when the vast majority of its farmers are tenants.

The number of farmers who own their homes free of debt grows less each year.

The number of tenant farmers who have no equity whatever in the land they tend becomes greater each year.

There is a middle class.

It is the group of farmers who own their homes but have a mortgage on them. This group in many respects is in worse condition than the tenant farmer. They must not only provide through their own initiative and efforts a living for the family, but they must also meet every obligation of a free home owner. At the same time they must also meet every obligation due the mortgage holder and his agents.

About the only advantage this group can boast over the tenant farmer is the pride of home ownership, and that in name only. They labor under a burden which ultimately crushes their freedom and drives them to tenantry and serfdom.

In the transition period, or disintegration, from a home owner free of debt to a tenant farmer, practically all farm families pass through this second or middle stage which we may safely designate as "the mortgage period of metabolism."

First, the home owner free of debt.

Second, the home owner with mortgage.

Third, the tenant farmer.

After tenantry and serfdom comes disintegration and destruction.

We are today dangerously near that period.

STATISTICS SHOW FARMERS RAPIDLY DEGENERATING INTO CONDITION OF SERFDOM

In order that the farmers of this Nation may clearly see the importance of this statement, I wish to remind you that the 1930 census shows there to have been 6,288,648 farmers in this Nation.

First. Home owners reporting free of debt, 1,845,997, or 29.4 percent of total.

Second. Home owners reporting mortgage debt, 1,497,766, or 23.8 percent of total.

Third. Home owners not reporting and managers, 280,520, or 4.4 percent of total.

Fourth. Tenant farmers, 2,664,365, or 42.4 percent of total.

When 1930 figures are compared with previous census years since 1890 it is found that—

First. The percentage of home owners free of debt has steadily decreased.

Second. The percentage of home owners with mortgages has remained practically the same.

Third. The percentage of tenants has steadily increased.

In 1890, of the total farms 48.80 percent were home owners free of debt, 19.1 percent were home owners mortgaged, 3.7 percent showed no report or managers, and 28.4 percent were tenants.

In 1930, 40 years later, the percentages were almost exactly reversed. They show that of the total farms 29.4 percent were home owners free of debt, 23.8 percent were home owners mortgaged, 4.4 percent showed no report or managers, and 42.4 percent were tenants.

In 1890, of the total farmers reporting, 48.8 percent were home owners free of debt, while 47.5 percent of the total farmers were either tenants or home owners with mortgage.

In 1930, of the total farmers reporting, 29.4 percent were home owners free of debt, while 66.2 percent of the total farmers were either tenants or home owners with mortgage.

It is interesting and important to observe that during this 40-year period the percentage of home owners with mortgage, or the middle group, has made but little change. In 1890 it was 19.1 percent of the total farms. In 1930 it was 23.8 percent of the total farms.

THE FARM MORTGAGE IS DESTRUCTIVE OF HUMAN RIGHTS

It thus becomes evident that the farm mortgage is simply the vehicle which conveys the farmer from a condition of home ownership and freedom to one of tenantry and serfdom.

I have made a rather careful search of history and of human nature in an effort to learn of some manner in which this vehicle, the farm mortgage, could be made to go in the opposite direction, and thus convey the farmer back from a condition of tenantry to that of free ownership of his farm home.

My efforts have failed.

Human beings under ordinary conditions do not buy farm lands and pay for them out of the fruits of their labors on the farm purchased. They have never done this in the recorded history of the human race.

The farm mortgage is of no value in reestablishing our farm families in their homes and in regaining for them the purchasing power of their new wealth. It is of no constructive value to anyone, either the borrower or the lender.

The farm mortgage is destructive in its nature. It is, therefore, an enemy to society and should be prohibited. The law which I propose shall accomplish this highly desirable result.

METHODS BY WHICH FARMERS OBTAIN TITLE TO FARM HOMES FREE OF DEBT

If a farmer cannot become a home owner by going in debt, by what method can this result be obtained?

I have been able to learn of only three methods by which farmers, under ordinary conditions, have gained title to their farms free of debt.

First. By forcibly taking them from someone else.

Second. By earning the money with which to pay for them in some other manner than out of the fruits of their labor on the farm.

Third. By having the farm given to them.

The first method, of forcible entry, was that used by our forefathers in gaining this country from the Indians. However, it would hardly be now considered a proper means of reestablishing our farm families in their homes.

The second method, that of earning the purchase price in some other manner than from the soil, was used to a great extent in a portion of this country when the land was covered with forests which were easily and readily removed from the land and sold, thus providing revenue for paying the purchase price. This method is still used to a very small degree by those who earn sufficient funds in some other avenue of endeavor and then purchase their farm and move on it to live. Experience has demonstrated, however, that this method is of small value under normal conditions.

The third method, that of having the farm given to the farm family, is that which was used almost altogether in the settling of this Nation. It has proven itself to be not only a practical method but also a highly desirable one.

It was practiced by the Thirteen Original Colonies after their governments had been established.

Our Nation purchased the fertile midwestern portion of this country from the nation of France. This land was then, in turn, given to farm families.

This method has also been used in establishing farm families in the other portions of this Nation.

SIMPLE METHOD OF LAND DISTRIBUTION PROVIDED IN BILL

It is this same simple method of land distribution that is embodied in this measure. It is the surest and simplest way of restoring to our farmers, the producers of our raw products and our new wealth, their homes, and their right of free access to the soil and to the source of our national existence as a free people.

This method is the most economical, the simplest, and the surest way to restore this Nation to normal prosperity.

Make us again a nation of home owners and we again become a healthy and prosperous nation.

The plan which I have offered here will accomplish this result. It is in harmony with the laws of nature and the divine laws of God.

I am presenting for publication in the CONGRESSIONAL RECORD a table which shows the actual farm conditions in every State of the Union, giving the number of farmers who own their homes free of debt and the number of farmers whose farms are mortgaged or who are tenants with no title whatever to their farms.

Total land area, farm acreage, and number of farms of specified classes, by States, census of 1930

	Total land area (acres)	Area in farms (acres)	Total number of farms	Farms operated by owners free from debt		Farms of tenants and owners mortgaged		Farms of managers, and owners mortgage status not reported	
				Number	Percent of total	Number	Percent of total	Number	Percent of total
United States	1,903,216,640	986,771,016	6,288,648	1,845,907	29.4	4,162,131	66.2	280,520	4.5
Alabama	32,818,560	17,554,635	257,395	47,406	18.4	202,837	78.9	7,152	2.8
Arizona	72,838,400	10,526,627	14,173	4,822	34.0	5,937	41.8	3,414	24.1
Arkansas	33,616,000	16,052,962	242,334	47,494	19.6	186,393	77.0	8,447	3.5
California	99,617,280	30,442,581	135,676	43,852	32.3	79,056	58.3	12,768	9.3
Colorado	66,341,120	28,876,171	59,956	15,741	26.2	40,708	67.9	3,507	5.8
Connecticut	3,084,800	1,502,279	17,195	7,024	40.9	9,066	52.7	1,105	6.4
Delaware	1,257,600	900,815	9,707	3,470	35.7	5,689	58.6	348	5.6
District of Columbia	39,680	3,071	104	35	33.7	44	42.3	25	24.0
Florida	35,111,040	5,026,617	58,966	25,535	43.3	26,457	44.9	6,974	11.8
Georgia	37,584,000	22,078,630	255,598	46,479	18.2	199,807	78.2	9,312	3.7
Idaho	53,346,560	9,346,908	41,674	11,466	27.5	27,977	67.1	2,231	5.3
Illinois	35,867,520	30,695,339	214,497	62,990	29.4	141,941	66.2	9,566	4.4
Indiana	23,068,800	19,688,675	181,570	61,731	34.0	111,483	61.4	8,356	4.5
Iowa	35,575,040	34,019,332	214,928	41,371	19.3	166,940	77.3	7,317	3.5
Kansas	52,335,360	46,975,647	166,042	41,728	25.1	119,405	71.9	4,909	3.0
Kentucky	25,715,840	19,927,286	246,499	103,780	42.1	126,601	51.4	16,118	6.6
Louisiana	29,061,760	9,355,437	161,445	30,339	18.8	125,231	77.6	5,875	3.7
Maine	19,132,800	4,639,938	39,006	22,535	57.8	13,688	35.1	2,783	7.1
Maryland	6,362,240	4,374,398	43,203	17,575	40.7	23,089	53.4	2,539	5.9
Massachusetts	5,144,960	2,005,461	25,598	9,961	38.9	13,601	53.1	2,036	7.9
Michigan	36,787,200	17,118,951	169,372	68,046	40.2	95,168	56.2	6,158	3.6
Minnesota	51,749,120	30,913,367	185,255	53,830	29.1	125,708	67.8	5,717	3.1
Mississippi	29,671,680	17,332,193	312,663	44,271	14.2	261,428	83.7	6,984	2.2
Missouri	43,985,280	33,743,019	255,940	80,056	31.3	169,260	66.1	6,624	2.6
Montana	93,523,840	44,659,152	47,495	14,498	30.6	30,620	64.5	2,377	5.0
Nebraska	49,157,120	44,708,565	129,458	24,893	19.2	99,981	77.2	4,584	3.5
Nevada	70,285,440	4,080,906	3,442	1,332	38.7	1,595	46.3	515	15.0
New Hampshire	5,779,840	1,960,061	14,906	7,704	51.7	5,721	38.4	1,481	9.9
New Jersey	4,808,960	1,758,027	25,378	9,316	36.7	14,611	57.6	1,451	5.7
New Mexico	78,401,920	30,822,034	31,404	15,655	49.9	12,057	38.4	3,692	11.8
New York	30,498,560	17,979,633	159,806	68,786	43.0	82,659	51.7	8,361	5.3
North Carolina	31,193,600	18,055,103	279,708	89,364	31.9	176,847	63.2	13,497	4.8
North Dakota	44,917,120	38,657,894	77,975	14,124	18.1	60,990	78.2	2,861	3.6
Ohio	26,073,600	21,514,059	219,296	94,179	42.9	113,692	51.9	11,425	5.2
Oklahoma	44,424,960	33,790,817	203,866	31,779	15.6	163,887	80.4	8,200	4.1
Oregon	61,188,480	16,548,678	55,153	19,754	35.8	32,860	59.6	2,539	4.6
Pennsylvania	28,692,480	15,309,485	172,419	85,616	49.7	75,602	43.9	11,201	6.5
Rhode Island	682,880	279,361	3,322	1,619	48.7	1,441	43.4	262	8.0
South Carolina	19,516,800	10,393,113	157,931	32,222	20.4	121,088	76.7	4,621	2.9
South Dakota	49,195,520	36,470,083	83,157	15,394	18.5	64,381	77.4	3,382	4.0
Tennessee	26,679,680	18,003,241	245,657	87,010	35.4	147,935	60.2	10,712	4.3
Texas	167,934,720	124,707,130	495,489	99,440	20.1	377,118	76.1	18,931	3.8
Utah	52,597,760	5,613,101	27,159	9,488	35.0	15,198	55.9	2,473	9.1
Vermont	5,839,360	3,896,097	24,898	9,945	40.0	14,043	56.4	910	3.6
Virginia	25,767,680	16,728,620	170,810	87,031	51.1	75,584	44.3	7,995	4.7
Washington	42,775,040	13,533,778	70,904	25,774	36.3	40,909	57.7	4,221	5.9
West Virginia	15,374,080	8,802,348	82,641	49,259	59.7	26,904	32.6	6,478	7.8
Wisconsin	35,363,840	21,874,155	181,767	55,509	30.5	119,801	65.9	6,457	3.6
Wyoming	62,430,720	23,525,234	16,011	4,773	29.9	10,013	62.5	1,226	7.6

H. R. 8286 (74th Cong., 1st sess.), in the House of Representatives, May 31, 1935

Mr. PETERSON of Georgia introduced the following bill, which was referred to the Committee on the Public Lands and ordered to be printed:

A bill to provide homesteads free of debt for actual farm families

Be it enacted, etc., That the purposes of this act are to provide for every family an opportunity to own a home, encourage private initiative, protect each citizen in the enjoyment of the fruits of his labor, and more firmly secure for our people their natural right of pursuit of happiness in freedom and independence.

SEC. 2. The Secretary of the Interior, through the General Land Office, is hereby authorized—

(a) To purchase any and/or all obligations secured by liens on farm lands, paying for the same an amount not exceeding the normal value of such lands plus the useful value of buildings and improvements thereon.

(b) To settle and liquidate all obligations acquired under this act where the mortgagor is still in possession of such lands and where the total normal value of the lands plus the useful value of the buildings and improvements thereon exceeds the total encumbrances thereon, in the following manner: The mortgagor shall be permitted to retain of the mortgaged lands, free of any such obligation, an amount of the land involved which will equal in value to the difference between (1) the total normal value of the total lands encumbered plus the useful value of buildings and improvements thereon and (2) the total amount of the encumbrances. Such settlement shall be made in such manner as will vest in the General Land Office fee-simple title and possession to the remainder of such lands.

(c) To recognize the right of every mortgagor to carry out the provisions of his obligation, and upon receipt from such mortgagor of complete payment of his obligation and satisfaction of indebtedness according to the terms of his contract, to cancel such obligation and convey it back to the mortgagor.

SEC. 3. The Secretary of the Interior is hereby authorized to purchase fee simple title to any and/or all farm lands held by the mortgagee or lienholder under a foreclosure concluded after January 1, 1920, paying for the same an amount not exceeding the normal value of such lands plus the useful value of buildings and improvements thereon and not exceeding the amount of indebtedness under the mortgage or other lien at the time of foreclosure.

SEC. 4. The Secretary of the Interior is authorized and directed—

(a) To make all lands coming into possession of the General Land Office under this act a part of the public domain.

(b) To classify all lands in the public domain according to their fertility, adaptability, and usefulness for farm purposes.

(c) To withhold and retain from private ownership all the public domain not suited for farm purposes.

(d) To divide all public lands suitable for farm purposes into tracts, to be known as homesteads, of suitable size for the support of a family of average size under normal conditions, taking into consideration the fertility of the soil and general farm conditions and requirements in the section where said lands are located in determining the size of such tracts.

SEC. 5. The Secretary of the Interior, through the General Land Office, is hereby authorized and directed to grant homesteads provided for in this act to any person who is the head of a family, subject to the following terms and conditions:

(a) The applicant must have met the general requirements of the homestead acts now in force, not inconsistent with this act, before homestead under this act may be granted.

(b) Preference must be given to farm families living on farms at the time this act goes into effect—a prior right in mortgagors living on encumbered lands at the time of liquidation of indebtedness to acquire homestead within the bounds of said encumbered lands shall be recognized as a fundamental policy of this act.

SEC. 6. (a) Homestead grants shall include only the rights of possession and use of the lands included in such homestead tract, but such rights shall be just as full and complete as though the lands were held under fee-simple title.

(b) The Secretary of the Interior shall provide regulations whereby homestead grants provided for in this act may be exchanged.

(c) No person shall be permitted, at any given time, to have title to more than one homestead tract under this act.

(d) No person who is the owner of farm land shall be granted a homestead under this act.

(e) Authority to sell, encumber, or in any manner make such homestead tract subject to any debt shall not be granted and is hereby prohibited as a fundamental policy of this act, and any exercise of or attempt to exercise any such power is hereby declared to be void and of no legal effect.

(f) Homestead grants, under this act, shall be free except that a nominal registration fee of not exceeding $10 may be charged.

SEC. 7. (a) The laws, including those relating to taxation, of any State or political subdivision in which any lands coming into the possession of the Secretary of the Interior under the terms of this act are situated shall apply in the case of such lands in the same manner and to the same extent as such laws apply in the case of privately owned lands.

(b) Upon failure of any owner of homestead grant under this act to meet all such obligations on the lands held under such homestead grant, his rights under said grant shall be forfeited and shall revert to the General Land Office, and said Office shall have power to eject the owner from possession and repossess such lands, making them again eligible for entry by other qualified applicants under this act.

SEC. 8. There is hereby authorized to be appropriated, from time to time, such sums as may be necessary to carry out the provisions and intent of this act.

DEPORTATION OF ALIENS—MINORITY VIEWS

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to have 5 days in which to present minority views on the bill (H. R. 7120) respecting the deportation of aliens.

The SPEAKER pro tempore. Is there objection?

There was no objection.

HOURS AND CONDITIONS OF LABOR

Mr. FORD of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of a constitutional amendment, which I have introduced this morning.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FORD of California. Mr. Speaker, I wish to bring before the House and urge the support of all liberal Members for my resolution proposing an amendment to the Constitution of the United States empowering Congress to regulate hours and conditions of labor and to establish minimum wages in any employment, and to regulate production, industry, business, trade, and commerce to prevent unfair methods and practices therein.

This is a companion bill to Senate Joint Resolution 3, introduced in the Senate on January 4, 1935 by Senator COSTIGAN, of Colorado. I take no credit for it, but I am in complete accord with its purpose.

In view of the decision of the Supreme Court on the N. R. A., it becomes evident that the Constitution must be amended if Congress is to be free to cope with the existing economic problems.

If our democratic and constitutional form of government is to prevail, the Congress must have the unquestioned power to regulate industry and commerce in such a way as to protect the workers, the consumers, and the investors. Unless a government can meet the problems of the machine age by legislation which will enable the workers to make a living, such a government will fail. Political rights are meaningless if economic rights are not recognized and protected. The very life of the mass of our people is dependent upon a security of employment, fair wages, and fair living costs.

This is what the N. R. A. was designed to secure for our people. It has in the less than 2 years of its operation raised the wages of millions of workers, shortened the hours of labor, shut out child labor, and eliminated most of the unfair methods and practices that were ruining alike the employer and the employee.

No thinking American can fail to agree with me that we must not give up the ground we have gained, but must march forward in the onslaught on unemployment and all its attendant evils.

The N. R. A. was predicated on the proposition that legitimate business could be so conducted as to afford good wages for the workers, reasonable hours of employment, and a fair profit on the capital invested. To achieve this it was absolutely necessary to impose restrictions on all industry in order to prevent a minority from taking advantage of the majority of right-thinking employers who had come to realize that business can prosper only when purchasing power is available to the worker.

The N. R. A. checked and attempted to outlaw the activities of the chiseler, whose cutthroat methods and practices made it impossible for honest business and industry to carry on under fair rules.

While Congress may be able to write a new N. R. A. law in which definite standards for the codes are clearly stated, there will always be the uncertainty as to how the Supreme Court will act on this. It is unfair to business, to labor, and

to the entire public to leave any uncertainty as to the validity of such acts as the public welfare clearly demands.

That the public welfare demands that Congress shall have the power to regulate hours and conditions of labor and to require codes of fair business practice is clear. We who believe in the soundness of our democratic constitutional system feel that it now faces a major crisis. We also believe that our system can meet that crisis and prove itself able to meet the problems of our machine age efficiently, and thus insure to all of our people that equal opportunity which the Constitution guarantees. Unless we can regulate business so that it can pay living wages and employ all of our employable people, thus enabling us to use our resources and our productive power for the benefit of all our people, we shall face such a storm as may wreck our beloved country and the democratic principles for which it has so long stood.

Since certain direct ways are barred or made difficult, through the decision of the Supreme Court, we must take the harder but surer method by placing an amendment to the Constitution before the people for their approval or rejection. They will approve and will be glad to do so.

For most of them agree with Mr. Edward A. Filene, who says:

As I understand the decision, the depression is perfectly constitutional, but organized, planned recovery is not.

Most of them will favor a change in the Constitution by which plenty may be equitably distributed in a democracy.

It devolves upon Congress to meet the situation courageously and intelligently. Let us make this needed change to our Constitution and thus insure the blessings of liberty to our people and prove our ability to master the new problems of a new age.

I have complete confidence in the high principles of the membership of this House. I believe that in the face of this crisis we will act. We must not falter. We must not procrastinate. We must act promptly, vigorously, and wisely so that the blessings of liberty may be retained for our people.

MEMORIAL DAY ADDRESS

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a Memorial Day address which I delivered yesterday.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. McFARLANE. Mr. Speaker, under permission to extend my remarks, I include a copy of a Memorial Day address delivered by me on May 30, 1935, Haines Point, in Potomac Park, Washington, D. C., under the auspices of Admiral Robert E. Peary Ship No. 427, Veterans of Foreign Wars of the United States, as follows:

Mr. Chairman, ladies, and gentlemen, I am glad to come here today and in my humble way have some little part in observing this seventy-second annual Memorial Day service now being observed throughout the Nation.

We are glad to honor and pay tribute to those of our comrades who have made the supreme sacrifice and have passed on to the great beyond. We have not always celebrated a Memorial or Decoration Day in our country. I believe it is fitting and proper to relate the history of this great holy day set aside to honor our dead.

In April 1863 a little group of southern women, after 2 years of sorrowful, weary waiting and in fond remembrance of a father, brother, husband, or sweetheart, had journeyed to the graveyard near Columbus, Miss., and there decorated the graves of their loved ones. One elderly lady of the group, after she had finished decorating the graves of her two sons who had lost their lives in defense of the southern cause, was seen walking over toward a corner of the churchyard where lie buried two unknown Union soldiers.

One of the ladies of the group asked her what she was doing.

"Do you forget," said the first woman, "whose graves those are?"

"They are two Union soldiers—they are Yankees who"——

"Hush," said the mother of the two heroes, "you are wrong; I do not forget. They are nameless graves marking where two soldiers lie buried, but somewhere in the North in some little city, or village, or perhaps in some lonely farmhouse, a mother or a young wife or a sweetheart mourns for them just as you and I grieve for the loss of our loved ones." She turned back to the unmarked grave and stooped down, gently she pushed aside the long grass, cleared the grave, and tenderly spread her flowers over the two mounds. With tears in her eyes but with her head held proudly she faced the women who had silently gathered about her.

"We bring these flowers," she pointed to the graves of her sons, then to the others decked with blossoms, "to express our love and devotion. They are dead, our heroes of the South; they are dead, these unknown soldiers of the North, lying here in our churchyard at Columbus, in nameless graves. But when the war is over and peace comes again, we shall call them our heroes. So here are my lilacs and roses—red, white, and blue for both alike."

"And mine."

"And mine."

"And mine, too," said the other women softly as they added their flowers to the lovely blossoms on the unmarked graves in the corner of the churchyard.

The next April the women of Columbus, Miss., in increasing numbers repeated this beautiful deed, and they continued these rites year after year, although with each year the privations and sufferings of the war were greater and the losses of the South more irreparable. More and more graves filled the churchyard—brave southerners who fell at Vicksburg, Chancellorsville, Gettysburg, and in the Wilderness; yes, and graves of brave northerners who died fighting in the South, fighting for the Union. Each succeeding year more women joined the memorial services and went to the graveyard and decorated the graves of the soldiers—those who wore the blue as well as those who wore the gray. Each mound in the cemetery was decorated. From these acts of these good women of Columbus, Miss., came the most beautiful of our holidays.

In 1867 the New York Tribune printed this story of how these southern women had decorated the graves of all soldiers who had fallen—those from the North as well as those from the South—and the story was published throughout the Nation. In 1868 Gen. John A. Logan, then commander of the G. A. R., issued an order naming May 30 as the Decoration Day for the graves of our soldiers; and this custom has been continued throughout the Nation since that time. The different States in the South have different days set aside for this purpose, but all States join in this solemn, patriotic observance. Throughout the Nation, each city, town, and part of the country have sent their sons to all the different wars our Nation has experienced. Many of these sons have failed to return, and the decoration of the graves of our loved ones throughout the years has been an effective agency in helping heal the scars of the Civil War as well as the wars since then.

In 1899 the veterans of the Spanish War began decorating the graves of their comrades. In 1919 the veterans of the World War who lie buried on the battlefields of France have found the same loving response by the French peasants, who come and decorate the graves of our American boys who died overseas.

In just a few moments a beautiful poppy anchor will be cast into the Potomac in revered memory of those who have gone down to the sea in ships. A little later today we will decorate the grave of the Unknown Soldier in Arlington Cemetery and in so doing pay our respects to all of those heroes who gave their all in defense of their country in the last great war.

Other nations observe some memorial ceremony. The Greeks' impressive rites, called "Zoal", are performed over each grave. The Romans had a special festival in honor of their dead called the "Parentalia" or "the day of the fathers."

England, France, and other European countries have similar services in honor of their dead heroes.

In China and Japan they have ancestral worship.

Hate, malice, or greed for gold have been largely responsible for all wars of the past. It seems that periodically we have always had war, and if our actions in the past are to continue to mark the course of the future we shall continue to be torn by such conflicts. If the nations of the world could be made to understand and follow the teachings of the great Master, "Love thy neighbor as thyself", as the Good Book teaches that we should, this would stop all such future conflicts; then we could beat our swords into plowshares and our spears into pruning hooks. The millions of dollars each nation is spending for national defense would be unnecessary and all of these great sums thus expended could and would be used for the economic and social betterment of mankind. Peace would be truly ours. However, until we can make such progress we must be adequately prepared to defend ourselves against all nations, whomsoever.

Let us not forget the mistakes of the past; but let us be ever mindful of our duties to our Government, to see that the same honest, patriotic service is rendered by the manufacturers of our national defense equipment as is rendered by the great masses of the people who are periodically called to the colors to render their patriotic, unselfish services for the defense of the principles of government that we all hold so dear. Let us not forget on Memorial Day our departed comrades. Let us pledge anew our loyalty to our flag while we honor the memory of the men who have died for it. Let us also remember that many of our comrades lie buried in unmarked and undecorated graves.

Cover the thousand who sleep far away—
Sleep where their friends cannot find them today;
They who, in mountain and hillside and dell,
Rest where they wearied and lie where they fell.

Softly the grass blade creeps round their repose,
Sweetly above them the wild flowret blows;
Zephyrs of freedom fly gently o'erhead,
Whispering names for the patriot dead.

So in our minds we will name them once more,
So in our hearts we will cover them o'er;
Roses and lilies and violets blue
Bloom in our souls for the brave and the true.

Cover them over—yes; cover them over—
Parent and husband, brother and lover;
Think of those far-away heroes of ours,
And cover them over with beautiful flowers.

MODERNIZE THE CONSTITUTION

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, there is a phrase that refers to "beating the living with the bones of the dead."

This phrase applies with graphic—and perhaps gruesome—force to the present situation when a Constitution of the eighteenth century prevents millions of men, women, and children in the twentieth century from enjoying the benefits of laws aiming at providing a larger share of social justice.

In the Washington Post of May 30 Raymond Clapper, discussing the situation arising from the decision of the Supreme Court regarding the N. R. A. and the Frazier-Lemke law, well says that the various factors "make it even more ridiculous for persons to be saying that the Supreme Court has cleared up everything and we can go back where we were and that everything will work out if just let alone."

The Supreme Court instead of clearing up everything has done the reverse—unless something specific is done to put government really in the hands of the people who produce. In another sense, maybe it has cleared up everything—for it has, by giving us a Nation-wide jolt, made it evident that certain fundamental changes are inevitable.

Permit me to repeat my assertion of May 29 that two amendments to the Constitution of the United States are imperative: One enabling the Government to take any steps it finds necessary to assure every able-bodied, full-grown citizen engaged in useful labor of the comforts of life, as well as to assure the same to the disabled, sick, aged, and minors; and another making it impossible in the future for the Supreme Court to block humanitarian laws by branding them unconstitutional.

It is gratifying to note that the idea of the necessity of altering the Nation's basic law so that it will fit the needs of the time is meeting with considerable favor and has been endorsed by various Members of Congress within the last day or two. The constitutional amendment offered by Senator COSTIGAN at the beginning of the session expressly authorizing Congress to regulate hours and conditions of labor and to establish minimum wages in any employment and to regulate production, industry, business, trade, and commerce, to prevent unfair methods and practices therein, may be sufficient to serve the purpose. However, we should bear in mind that the amendment ought to be clear, definite, and comprehensive enough so that never again shall we find ourselves fettered when we attempt to legislate in the interest of the common people of our country. By all means, the amendment should leave no doubt as to the Government's authority to socialize any industry, whether it be railroads, as provided in the Wheeler bill, or others. Able lawyers have sometimes maintained that the law of eminent domain would cover this, but after the latest experience with the Supreme Court we can afford to take no further chances. It is a safe assumption that the present high tribunal would never sustain such an interpretation of the law of eminent domain. It might also be a long time before any other Supreme Court in the United States would do so. If the Constitution is to be amended, let us play safe and draw up an amendment that will unmistakably establish the right of the people to have both an industrial democracy and a political democracy.

It is well to mention that in a period like this, when the citizenship of the country has come to look at social justice laws in a different light than that in which they regarded them some years ago, a constitutional amendment might not require such a long time, after all. Especially so when millions of Americans are firmly resolved that they do not want to return to the tragic days of the regime of Herbert Hoover and that they want to see poverty fully and finally eliminated.

We decided to get rid of prohibition, you know. Less than 10 months were required to secure the repeal of the eighteenth amendment. Perhaps far less than that would be needed to write into the Constitution articles legalizing measures to keep people from going hungry, homeless, and ragged.

I have previously referred to the reactionary nature of most of the decisions of the Supreme Court. They have usually been rulings that protected the owners of vast wealth. They have also frequently been one-man decisions—that is, decisions by a vote of 5 to 4. Bryan, speaking of the Supreme Court's interpretation of the income-tax law as unconstitutional by a 5-to-4 vote in 1893, after one of the Justices who was originally favorable had taken a different view, said, "We can't be expected to know when a judge is going to change his mind." I could add that there is no reason in science, nature, or logic why this Nation of over 100,000,000 people should have to care what any judge thinks if it genuinely wants to enact a humanitarian statute.

There is considerable merit in Congressman LEMKE's plan to allow passing a major legislative measure by direct referendum of the people if 5 percent of the voters petition for it. This would enable the voters to enact a law regardless of congressional action if they were unable to get their representatives in the national lawmaking body to obey the popular will. Such legislation would also be unassailable by the Supreme Court, it appears. Nevertheless, even if the Lemke proposal should be approved, there would remain the necessity of amending the Constitution to obviate further interference by the Supreme Court with economic security measures.

It is a well-known fact that no court in England ever presumes to declare an act of Parliament unconstitutional. Haines, in his American Doctrine of Judicial Supremacy, even says:

> Authorities seem to accord in the opinion that there is no specific case on record in which an English court of justice has openly taken upon itself to overrule or disregard the plain meaning of an act of Parliament.

In 1799 in our own country, Charles Pinckney, of South Carolina, went emphatically on record against judicial interference with legislation. He said:

> Upon no subject am I more convinced that it is an unsafe and dangerous doctrine in a republic ever to suppose that a judge ought to possess the right of questioning or deciding upon the constitutionality of treaties, laws, or any act of the legislature. It is placing the opinion of an individual or of two or three above that of both branches of Congress; a doctrine which is not warranted by the Constitution and will not, I hope, long have many advocates in this country.

Abraham Lincoln, in his first inaugural address, declared:

> • • • At the same time, the candid citizen must confess that if the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by the decisions of the Supreme Court the instant they are made, in ordinary litigation between parties in personal actions, the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal.

PERMISSION TO ADDRESS THE HOUSE

Mr. KELLER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. The Chair will not entertain that request.

MEMORIAL DAY

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered at Arlington yesterday by my colleague from Connecticut, Mr. KOPPLEMANN.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SHANLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the Memorial Day address by Hon. HERMAN P. KOPPLEMANN, of Connecticut, at Arlington National Cemetery, Washington, D. C., May 30, 1935, as follows:

Another Memorial Day has rolled around and once more Americans the world over are pausing in reverence for the memory of comrades, friends, and relatives who have made the supreme sacrifice for humanity. We in particular are joined in service to honor the memory of Vincent Bambary Costello, who was the first employee of the government of the District of Columbia to fall in combat during the World War.

The tragedy of the early death of this young man, the sorrow which his passing brought to his family and his friends, the tragic end which came to his fiancée, who herself died of grief shortly after the message arrived telling that Vincent Bambary Costello was killed in action, merely exemplified the thousands of similar tragedies which were experienced by families the world over as each day brought messages from "over there" dealing out the sinister words, "Killed in action."

It is to the credit and to the glory of this country that we have never willingly sought war. We have never entered war for the purpose of commercial advantage nor of national expansion. Neither greed nor selfishness has ever motivated our entrance into war. Always it was because this Nation was impelled to enter war for the sake of preserving the freedom of our people and the freedom of others.

To defend their liberty, the choicest heritage of man, the Thirteen Colonies revolted against their mother country, England. That revolt, attended by privation and hardship inconceivable to those of us who have known the softer ways of living, but not unknown to you who were over there during the World War, produced a nation consecrated to freedom which opened its doors as a haven for the persecuted and the downtrodden of the world.

> We grant no dukedoms to the few
> We hold like rights * * *
> Each honest man shall have his vote
> Each child shall have his school.

Refugees from other countries, whether they came to this land because they sought freedom from religious persecution or the opportunity of self-advancement, built and expanded this Nation from an immense, undeveloped region to a nation which today has no peer.

A divine Providence must itself have approved the motives which led this country into conflict with other nations, must surely have given its seal of approval that we were in the right, because victory has attended every combat in which we have ever engaged. Thus it was with the War of 1812; thus it was with the skirmishes with Mexico and the frontier battles when our pioneers left civilized places of habitation to open up unknown and untraveled regions of our land.

In 1861 a serious threat menaced the unity and progress of our Nation when the Civil War broke out and States fought States. Severance of this country into separate divisions, each under different forms of government and under different flags, is unthinkable.

The war which kept the country whole ended successfully for that section which sought to keep the country under one flag. Time has erased the bitterness which caused the rift between the States. In the painful period of reconstruction the South was aided by the more plentiful resources of the North. Progress and development were shared alike by all, and when the tremendous holocaust of 1914 swept over the world, America, strong in its unity of 48 States, stood ready as one nation.

But war at best does not help civilization. Every war sets us back for generations. Its toll is inestimable. Money which is spent in building munitions machinery to slaughter the people of other nations is money ill spent. Money which is spent to build ships to wage battles on sea could better be used to foster the commercial and the cultural growth of our people. Money spent to teach the youth of our land to kill the youth of other lands is money squandered in maintaining and promoting a barbarism which should long, long ago have been relegated to the dusty pages of our earliest history.

You members of the Vincent B. Costello Post have been through war. You know its horrors, you know its ordeals, you know its futility and its desperation. Today there is a battle going on in this country. It is a battle for peace. Is it possible that we have reached this year of 1935, thousands of years along in the development of civilization, and that still nations cannot sit down in counsel to settle their difficulties without hurling their young into a bloody struggle in which death is the victor?

> "Every one of you won the war,
> But you, you dead, most of all."

Before us there are three graves, side by side. The one is of the man whose memory will forever live through the existence of the Vincent B. Costello Post. On either side of him are two friends of carefree school days. Vincent Bambary Costello himself was only 28 years old when he was killed while serving with a raiding party in the Vosges (Vozsh) Mountains. Thousands of other American men of his age, and even younger, lost their lives in that same futile conflict of which this raid was but a small part. Must this sort of thing go on? Will there never come a time when even one generation can go on peacefully from birth to death without throwing the youth of the world into the caldron of war?

In Europe they are again arming. Everywhere they are planning for the next war. Always statesmen are talking of peace, and all the while the munitions factories are turning out their contribution, and young men, who were babes in arms when their fathers were killed during the last war, are receiving military training, equipping themselves for the next war and death. The children of today will be the victims of the next war. In some lands even women and girls are being trained to go into the trenches.

The gratitude of an entire nation goes out to those who gave their lives in the cause. No less glowing should the tribute be to those of you who are living, for you were there ready to make the supreme sacrifice, and only by the grace of Providence were you saved. Tragic is the lot of you who came back disabled, who for the rest of your lives will carry a scar perpetually reminding you of those days and weeks and months of marching, disease, mud, hunger, and the zero hour which took you over the top into No Man's Land, from which so many never returned.

But that is in the past, and we as Americans must forever keep our eyes to the future, for that is where progress lies. I commend you and praise you for what you have done. No one better than you knows the terror and the futility of war. That is the reason why you are the men who can best be called into the leadership in today's war against war.

The valor and the sense of sportsmanship which buoyed up the spirit of Vincent Bambary Costello when he was separated from his family and his loved ones was the same courage and good sportsmanship each one of you displayed. Your thoughts were not for yourselves, they were for those who were left behind. The greatest sorrow and the heaviest burden was upon those whose boys came back on Government transports wrapped in flags.

Memorial Day should forever be observed. Not alone because we who remained at home want this day set aside to do you honor but as a constant reminder that there must never again be reason for adding another to the already long list of wars that call for Memorial Days.

During the war as a civilian I was active in the service of the country. I do not often mention my war record. I would to God there had never been need for such a record. All through the war, even while I was serving my country, I longed and prayed for the day when peace would be restored in order that the citizens of this country could join in the mighty task for a permanent world peace. If we cannot dictate to other nations we can keep peace within our own borders. We can refuse to enter a war with any other nation unless invaded. Keeping the peace is the task of the American people and, in particular, it is the task of every man and woman who had a part in former wars.

Vincent Bambary Costello gave his life for his country, for freedom and to save the world for democracy. His life will have been given in vain unless you, his comrades, and his thousands of other comrades throughout the country, take up the new war for everlasting peace.

WHY "CHISEL" THE CONSTITUTION WHEN THE CONSTITUTION WILL POSITIVELY SAVE OUR COUNTRY

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HOEPPEL. Mr. Speaker, I have the fullest confidence in the integrity and the ability of the representatives of the people to initiate and enact legislation free from outside interference, and I condemn and abhor the enactment of legislation which is initiated and drafted by synthetic and capitalistic economists who have been appointed—not elected—in the new deal.

I am not an economist, nor am I an attorney; but I am American enough to believe that when our forefathers wrote the Constitution and adopted it, they gave us a document which we may well observe in the interest of justice, freedom, and democracy. It is not necessary to chisel away the foundation stones of the Constitution through the adroit use of words, terms, and phrases in order to attain national recovery. Positive national recovery may be brought to our Nation without destroying in the least any portion of our Constitution, and, in my opinion, the Congress may well be censured for not observing the precepts of the Constitution and for failing to exercise the right and the responsibility to coin money and regulate the value thereof granted to Congress in our Constitution.

I am convinced that we can take every alphabetical organization of the new deal and drop them into the darkest oblivion and that our recovery will be assured, provided the Government will take over at least 51 percent of the stock of all banks, permitting private individuals to own the remaining 49 percent. Certainly no banker who is honest, who patriotically believes in his country, and is concerned

over the welfare of our people should oppose selling to the Government bank stock at its present par value. The truth is that the Government today owns just about this amount of stock in all the banks. Therefore, the private financier would suffer no handicap. With the Government owning 51 percent of the stock of all banks and the private financiers 49 percent, and the management of the banks thus divided, the profits accruing to the banking structure should be divided also upon this ratio, with the stipulation, however, that in no event would the private financier receive more than 10 percent of bank profit on his actual cash investments.

Under a plan such as I propose, the enormous profits accruing to our banking structure, under our present system, which profits are based entirely on our own governmental extension of credit, would come into the pockets of the people rather than into the pockets of the private financiers, as today applies. Why the banker, under existing laws, should be authorized to extend credit in an amount from 10 to 22½ times more than his actual cash reserve and to reap an inordinate interest profit on this fictitious or fountain-pen credit is beyond my comprehension. I cannot believe that the Congress is so blind that it does not recognize this inordinate subsidy which goes into the pockets of the private bankers each year.

In addition to the socialization of banking, Congress should enact the provisions of the Goldsborough bill in order to save the taxpayers approximately $1,000,000,000 of interest payments per year on our national debt. Also, the Goldsborough proposal for a commodity dollar should be enacted into law in the interest of a square deal to the small business man and the worker. Both of these Goldsborough measures are admittedly constitutional. Through a socialized bank structure, controlled by the Government somewhat along the lines indicated in the Sweeney-Nye bill, it will be possible to maintain the commodity dollar, thus preventing our small business men, farmers, and workers from being mulcted of their savings and investments through periodic depressions, all of which have been manipulated by the private financiers who control our present banking structure.

Until "Crackdown" Gen. Hugh Johnson and others of the "brain trust" group evidence a sincere "cracking down on the profiteers of finance I feel that all their other suggestions are puerile and merely sepulchral echoings of the financial group who have enslaved the American people and who wish to divert attention from their nefarious acts by proposing artificial—and I wish to reaffirm that they are absolutely artificial—schemes, such as the N. R. A., the A. A. A., and other alphabetical agencies which thrive only under the stimulus of governmental coercion.

Private business can resume its proper functions and competition may again enter the realm of business in a free and open market, provided we will exercise the intelligence to free the American people from the hold which the private banking group now has on the entire business structure of America. Under a socialized banking plan the people themselves—that is, the Government—will have this control and the benefits accruing will redound to the interest of the people.

The private bankers, who oppose Government control of the banking structure, also oppose any interference with the monopoly which is theirs through their control of the machine in our present progressive machine age.

A FAIRY TALE WHICH CAN BE REALIZED

Those of us who have been listening to the ballyhoo of "Crackdown" General Johnson and who have witnessed the ineffective legislation of the Congress may well consider the following fairy tale before proceeding further on the road to chaos. This fairy tale pertains to a manufacturer whom we shall call "Jones", whose principles, fortunately, were not of the Morgan type nor of those of Andy Mellon, who, paradoxically enough, is the kind of humanitarian who robs the people with one hand and with the other gives millions to the churches and to art.

This manufacturer, Jones, made dingbats which may be considered somewhat along the order of clothespins, bathing caps, or can openers—only different. He had a great factory that gave employment to 1,000 working men and women. He paid his workers good wages and they were very happy, contented, and loyal to their big-hearted boss.

One day an efficiency man from Wall Street came into the factory and said to Jones:

"Jones, you must modernize your plant. I can furnish you with machines that will turn out those dingbats in less time than your workers can possibly make them. Why, I can reduce your working force to 400 men. Just see how much extra profit you would make that way."

"Oh, no," answered Jones, who was a conscientious man and a member of the church; "I would never do that. What would happen to the other 600 people? They would starve if I did not employ them in my factory, or else the Government would have to put them on the dole. No; I can't do that. I must provide for my people. I can't take the bread from their mouths, for they would curse me."

They debated the matter at great length, but, while the salesman used his most persuasive arguments, Jones was adamant. He would not do injury to his working people, even though it meant greater profits for himself.

Finally the salesman, who was a very resourceful young fellow and had studied ethics in college, hit upon an idea.

"I have it!" he exclaimed to Jones. "You buy the machines for producing these dingbats, but, instead of discharging the extra 600 men, just shorten the working hours of all the employees so that each one will have to work only about half as long. You can keep their wages just the same as they were before you put in the machines. After all, these people must live. They have to feed and clothe their families and educate their children."

Jones was delighted at this solution of the problem, and, being by nature a progressive man, he immediately bought the machines and had them installed. Soon the men were working shorter hours and even more dingbats were being turned out, so that they were all very happy and praised their boss as an upright and just employer; and to show their affection for him they bought him a red upholstered sofa and chair for his birthday, and he made a nice speech to them and they all went to their homes filled with contentment.

Soon all the other manufacturers of the country, seeing how the plan had worked out, also bought labor-saving machinery to make their dingbats and their thing-a-ma-jigs. And the people all praised their employers and said, "See what progress the machine has brought about. Is not this a wonderful machine age?" And they all bought abundantly of the goods the factories produced, and prices were good, and everybody was prosperous and happy because they all had good jobs and enough income to buy everything they needed. And so they all lived happily ever after.

WHAT REALLY OCCURS UNDER CAPITALISM

Mr. Speaker, the fairy tale which I have related could be a true story; but, unfortunately, it is only a fairy tale. There is not a word of truth in it. Jones did not really behave the way I have described him—no, not by 40,000 dingbats. Let me tell you what the Joneses and all the other big industrial men of America really have been doing. They have installed power-driven machinery in their factories, and because of the efficiency of the machines they have turned workers into the streets by the hundreds and by the thousands. They have put women and even children at the controls of the machines, because women and children can be had for less wages than men. They have driven the wages down and speeded the machines up under the N. R. A., until today there are 30,000,000 of God's people idle and desperate—kept from starvation only by the meager dole which a kindly but bewildered Government offers them from loans obtained from the machine owners in return for tax-exempt securities.

And now by the irony of fate—or possibly by divine dispensation, who knows?—the Joneses and the other industrial men cannot sell their dingbats and their thing-a-ma-jigs to these 30,000,000 dependents of the Government, because the

people no longer earn wages and have scarcely any buying power. There are no foreign markets either, because the dingbat makers in Japan and elsewhere have also put in machinery (sold to them by our international bankers), and are trying to unload their surplus here in America. Unfortunately, under the reciprocal-trade agreements and the free-trade attitude of the administration, the foreigner is now invading our market and adding to our unemployment problem. The Government has borrowed nearly all the surplus money it can get from the dingbat makers and their banker friends, and now the Government is about at the end of the rope—with inflation and collapse just around the corner, while the new deal calls for additional billions for relief and other doles.

TAXING THE MACHINE—A SUBSTANTIAL CURE

Mr. Speaker, this is a heck of a mess, you no doubt will agree. It is a mess, but not hopeless. I made a speech on April 13 in the House advocating the technotax—that is, a tax on the machines according to the workers they displace. The technotax is a simple little word. It means just one thing—tax the machines. If we will tax Jones and all the other manufacturers using labor-saving machines which displace workers, we will do more toward recovery than has thus far been advanced under the new deal. This tax should be graduated according to the workers each machine puts out of a job. With the funds thus derived we could employ several million men in public works—building roads, reforesting the hillsides, constructing bridges, digging ditches, guarding dangerous crossings, and doing a hundred other necessary tasks.

The Joneses would find it expensive to pay taxes on the new machines and would stop buying so many of them. In a short time there would not be an unemployed abled-bodied man or woman in America. Business would pick up and farmers would be able to sell their products at good prices again, because the people would have buying power, and there would be no more reason, in the name of relief, to float tax-exempt bonds for which they and their children's children must pay. This awful depression would be less difficult to surmount, provided we controlled the agencies which brought on the depression and turned them to the service of mankind.

Mr. Speaker, this is no fairy tale. This is just plain common sense. The plan has been worked out by practical economists and business men. I am indebted to the American Technotax Society, of Whittier, Calif., for the details of the plan. They have done a great deal of investigating and have spent considerable effort and expense in advancing the technotax idea as a recovery measure. They are cooperating with me 100 percent in my efforts.

Since making my speech on this subject in the House on April 13, and my radio address over the National Broadcasting System on May 17, I have found numerous societies and organizations which are in favor of this permanent and sensible means of recovery. Technotax is a concrete, sensible program, and the best part of it is that it will work.

I have introduced in Congress a bill asking for an appropriation of $100,000 to conduct a survey of machine-created unemployment. This step is necessary to provide Congress with the essential data for technotax legislation. An able, nonpartisan commission should be chosen to gather this data to be used as a basis for the enactment of graduated taxes on machinery.

Technotax is simple, honest justice to the workingmen and equally fair to the manufacturer and the public. It is in accord with the ethics of the Bible—from each according to his ability.

We should insist that the benefits of machine production and the products of labor be more equitably distributed among all the people. Technotax will wipe out unemployment, reduce our mounting national debt, and take relief burdens off the shoulders of the taxpayers. It will stabilize business by breaking up the vicious competitive circle which is destroying American industry with its own efficiency. Tax the machines according to the workers they displace. It is the only means known for getting the power-driven machine geared into time with the needs of humanity.

In conclusion, it is my candid opinion that we are today on the very precipice of a momentous decision. Capitalism or communism—which will we have? The question at issue is—Will the capitalistic system be retained in a modified form which will provide for a more equitable distribution of wealth under the stimulus of individual initiative, or must we resort to the other alternative of Government ownership of the machines and the abolition of the capitalistic system of profit? We have gone too far. There is no half-way measure and no turning back. We are definitely and positively at the crossroads. Taxing the machines according to the workers they displace and the control of credit through the socialization of banking offer the solution to our present dilemma and would outlaw as absolutely unnecessary our present ineffective new-deal attempts to bring about recovery.

THE PRESENT NATIONAL CRISIS—THE SUPREME COURT, N. R. A., AND T. V. A.

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MAVERICK. Mr. Speaker, I rise today to speak on a subject which is probably one of the most important, if not the most important, before the American people. It concerns the powers of the Supreme Court; and the occasion of my talk is its recent decisions on the National Industrial Recovery Act, the Frazier-Lemke act, and the Humphrey case.

My original intention was to speak on the Tennessee Valley Authority, but I will first make some observations on the Supreme Court and will then discuss the T. V. A. in its wider implications, with its bearings on other projects of the United States, as well as its connection with the institutions and hope of progress in this country.

These decisions that came from the Supreme Court the other day, invalidating the Frazier-Lemke bill for farm mortgages and all of the N. R. A., struck like lightning right in the middle of the United States and have brought up questions of so serious a nature that they have startled the entire American people.

Personally, I believe that we face one of the gravest crises in our national history. And none of our problems can be solved by bellowing, shouting, or bragging; by selfish business psychology, or by political demagoguery. The time has come when the people must recognize the possibilities of our national situation. You know, of course, that in holding the N. R. A. and all codes unconstitutional, illegal, and inoperative, practically all regulation of industry by the Nation has ceased.

The N. R. A. was originally advocated by the Chamber of Commerce of the United States as a conservative antidote to statutory minimum-wage and maximum-hour laws, which were being considered in Congress at that time. The employers of America were frankly frightened at the prospect of a nation overrun by hordes of desperate, hungry, unemployed men, women, and children. In their anxiety to get insurance on the survival of property our employers traded some rudimentary social legislation for a relief from the antitrust laws and a relief from the gnawing fear of rioting. The code of fair competition, which is an American expression for the European price cartel, brought increased profits to most lines of industry, but the social phases of the legislation made imminent the unpleasant danger of having to share some of these increased profits with employees.

Like a child frightened by the dark, American industry and finance ran to its parent, the Government, for protection in 1933. Like the same child, growing ever more boastful in the daylight, industry has spent the past year boasting that it neither needed nor wanted the guidance of its parent. The spoiled child has again had its way, with the Supreme Court's help. If the situation were not tragic, it would be amusing to read the already panicky squeals of the Chamber of Com-

merce to its members to be sure to live up to the provisions of the unconstitutional codes.

If we can survive a protracted period of no N. R. A., and practically no protective laws, without falling into a depression which will make the past 5 years child's play, the revocation of the N. R. A. may be beneficial to the extent that it will force our public servants to get off the easy bandwagon of Roosevelt partisanship and to bring before the people of this country the real economic issues with which we are faced. If Mr. Roosevelt will follow the clear mandate of the Constitution as interpreted by the Supreme Court and turn the attention of the various new-deal legal staffs to a vigorous enforcement of the antitrust laws, it will quickly be plain whether or not American industry really wants rugged independence.

We failed in the N. R. A., now we know what we could have had, yet we also know that if Congress cannot legislate we can have nothing.

Of course, I personally feel that a constitutional convention should be called as quickly as is humanly possible to consider our unique situation of the elected Representatives of the people being unable to pass legislation for the betterment of the people. Unfortunately, our Constitution was developed by and for 13 semi-independent rural colonies in the days before the development of machines and effective transportation and communication made this into one nation. The Supreme Court of the United States is a valuable safeguard of American liberties. Unfortunately, however, it necessarily lags behind in the kaleidoscopic change of conditions of American life. At a time when these changes are rapid and violent, the Supreme Court must be made more responsive to the actual needs of the people, as is our Congress.

It is granted that the N. R. A. was far from perfect, but none but the very old and tired, or the very young and inexperienced, will throw away even an imperfect mechanism, contrived to render a vital service until a better machinery has been found. No longer is it intelligent to attempt to separate which parts of our business do or do not affect interstate business. Were such a scheme practical, the regulation of wages and hours on interstate projects, without identical regulation of intrastate labor would be in effect a special tariff on interstate commerce, and obviously unfair.

One of the most serious effects of the abolition of the N. R. A. is the loss of the effective power of the labor-relations boards. The evidences of internal economic struggle are written into the history of every ancient and modern nation. The principal difference between labor troubles in this country and in many other countries is that here labor has a chance to be articulate while in many places what we call "labor troubles" is called "revolution", and is arbitrated with machine guns. It is never difficult to beat down local labor troubles with clubs and tear gas and other modern conveniences. Bitter economic struggles always have a tendency toward violence, but if that violence is too successfully employed by one side alone, it will eventually take deep enough root to support a full-grown revolution. Surely the pages of history are plain enough to prove to us that labor problems have never been permanently solved by force, and for this country to scrap the gradually developing system of labor-board arbitration and mediation and return to the jungle law of force is a shocking backward step in civilization from which this country will not speedily recover.

I think that I have made myself clear in discussing the N. R. A., and I am not here extolling its merits. The point that the American people must understand is that you have elected a Congress, and you never elected any Supreme Court. You elected the President, too. Now, with your elected representatives, you can pass a law and then nine men, whom you did not elect and who have jobs for life, can tell you, the American people, 130,000,000 of you, that you cannot progress, that you cannot change, that you cannot keep children from working in factories, that you cannot have pensions, that you cannot have decent working conditions; they tell you that you cannot live like human beings. This is not said in the spirit of criticising the Supreme Court—they are worthy and honorable men—but the point nevertheless arises, as a fundamental governmental problem, that these men, with an economic philosophy of 1890, or 40 or 50 years ago, tell us how and what we must do. Considering this from the viewpoint of political science, the question is whether or not that character of system is suitable to the American people.

It seems to me that the effect of the Supreme Court's decision is that we are legally ordered, 130,000,000 of us, by 9 men, to go into social disintegration.

Let us now pass to the Tennessee Valley Authority, which, in my opinion, is now the most important issue before the American people. I talked of the N. R. A., because some people seem to think that decision may have some bearing on the Tennessee Valley Authority, but competent lawyers tell me, and I think it is correct, that there is no similarity in the legal questions whatever. Be that as it may, the T. V. A. is the one big issue before the American people, although many of them do not realize it. The issue concerning T. V. A.—and T. V. A. is the turning point—is whether or not the American people are to have a right to enjoy the things which they already own.

Now, let us talk plainly about the Tennessee Valley Authority. You hear of the Government being in business and destroying private initiative and private business.

Some of it is true and some of it is untrue, but it is absolutely untrue as applied to the T. V. A. in its larger implications. Now I ask you, Could any individual private company have all this vast program of soil erosion, which is so vitally necessary, reforestation, and all the rest of those things? Do you think they could do that? And why should not the American people use their own cheap power? If the T. V. A. rates of electricity were applied to all of America, there would be a saving every year of $791,000,000.

Now, history shows that civilization after civilization has been destroyed because people have come in, have cut the trees down, and tilled the soil, and have not conserved it, and have allowed the soil to wash away, and then would come waste and soil erosion, followed by wholesale abandonment or starvation. Precisely the same thing is happening now in the United States of America.

The western part of the United States will be a great desert unless we do something about it. The portion around the Tennessee Valley Authority will wash away.

Oh, yes, sure, let the Government get out of business. Oh, sure, get the Government out of business! That's the thing. But how in the world are we going to save our own country, except through the cooperation of the American people; through the agency of their own Government? You know, I always sort of smile when people knock our Government. That old propaganda of the inefficiency and graft in government has gone on for years and years so certain speculative groups can exploit the American people. And that's all there is to it. Everybody ought to know that. And so let us look at this thing intelligently, in a governmental sense, from a true viewpoint. Government is supposed to be of and by the people—although it may not be—and, of course, we ought to try to make it that way.

When government is for the few, it is when the government does not let the people develop themselves, and protects a few people in the making of money, leaving the large bulk of the people as more or less peons or serfs of the few who are speculating and exploiting these large masses of the people. Now, that may sound bad to you, it may sound what they call "socialistic", or something of that kind. But I must tell you that it is just plain common sense.

You go down into the Tennessee Valley and here is what you see: You see a beautiful new town of small but well-designed homes, entirely electrically operated, even with electrical heat. You see one of the finest school systems in this new town, where children can enjoy the very best of education. You see fine roads; you see men at work building one of the largest dams in the history of this country; a dam 250 feet high and a thousand feet wide across a great canyon,

building it with great machinery at the lowest cost known in dam construction in this country.

You see these men receiving high wages and enjoying the best of living conditions. You see a whole great valley being rejuvenated; floods being prevented; you see the water of this great public stream being used, not for private speculation of the few but to generate power to be made available in every home and factory through this great area, and made available at prices which do not include the high cost of financial skullduggery and those dizzy pyramids that Mr. Insull taught his associates to build. All of this is going on right here in the United States. All of it is being done by your own Government, and you naturally ask: "Well, if these fine living conditions can be had, and this preservation of natural resources can be done in the Tennessee Valley, why cannot it be done all over the United States? In Indiana, in California, in Montana, and Kansas, or Maryland?" The answer is: "It can be." There is no reason why the higher standards of living, the comfort, the conveniences, the high wages, the preservation of natural resources, which is being carried on in this project in the Tennessee Valley through your Government, your own Government, cannot be done equally well in your congressional district, mine, anywhere in the country, or wherever the streams are washing away our natural resources.

That is what this great cooperative unit in the Tennessee Valley is all about. It is an effort to show that the American people have the ingenuity, have the courage and the ability, have the technical resources, have the will to establish a standard of living that is consistent with American ideals. And I repeat: What is being done in the Tennessee Valley can be done in every part of this country. But it cannot be done if you let the utility crowd, the coal outfits, and the other special private interests destroy this first unit in establishing a real American standard of living for America. If they do not stop T. V. A., there is nothing that can prevent our people having these same benefits.

Now get this point: Think of this as one great war, one big battle. We have one point that must be protected, or at least one battle line that we cannot let go, and that is T. V. A. If we lose that battle, we lose all the rest. If T. V. A. is licked, Grand Coulee and Boulder Dams are licked. So is Caspar Alcova, Bonneville Dams and many others all over the United States.

If T. V. A. is beaten, so is any program to protect all the farms of the Middle West. If the T. V. A. is defeated, the hopes of the Wabash Valley and all the people of Illinois and Indiana will be dashed to pieces. You know about Fort Peck, out in Montana. Well, of course, that will go by the boards, too. What about the Missouri Valley? It will be lost. What about the whole Mississippi Valley? The truth of the matter is, Mr. Speaker, that if the T. V. A. is defeated, then the whole program of national conservation, the whole program of saving this country for itself and future generations will be lost. It seems to me the T. V. A. is absolutely the most important piece of legislation and the most important endeavor before the American people today. You might as well expect a human body to live with its head cut off as to expect any plan of conservation to succeed with this great measure defeated.

The whole point is, Have the American people the right to own what is already theirs? Have you and I and all of the people a right to use the light of the stars at night, the heat of the sun in the day, the rivers, the water, the energies, and forces of nature which God gave us, or are these to be used by only a few to exploit the whole American people? Everyone admits that there are enough natural resources in this country to feed and clothe 10 times as many people as we now have.

Now, Mr. Speaker, in closing I want to leave two vital thoughts with you:

First. The time has arrived when we, the Members of Congress, and all the American people, must give thorough consideration to our whole political system and its relations to the Supreme Court of the United States.

Second. That the T. V. A. must be allowed to succeed if the people are to preserve their own rights and to be allowed to progress and save their own country.

There is no short-cut to prosperity and economic and social justice. To attain these requires clear-eyed thinking and courage to act. We of Congress—a part of the 130,000,000 Americans—face both these tests today, and unless we meet them great will be our loss.

THE NATCHEZ TRACE PARKWAY

Mr. TURNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the Natchez Trace Parkway, and to include a short address delivered by the Honorable Jeff Busby, a former Member of Congress.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. TURNER. Mr. Speaker, the Natchez Trace Parkway, which was outlined in a bill that was before the last Congress to construct a parkway along the route of the old Natchez Trace, leading from Nashville to Natchez in Mississippi, has progressed to the point where the survey has been completed, under the authority of the Busby bill passed by the last Congress. The complete plan of this survey for the construction of the parkway will be available, I am informed, in a few days.

I appeared on March 5, 1934, before the Roads Committee of the House in favor of the bills H. R. 7312, to provide $50,000 with which to make the survey, and H. R. 7345, to provide $25,000,000 with which to construct the Natchez Trace Parkway. I introduced a map in those hearings covering the portion of Tennessee through which the parkway is to be built. It passes through Maury, Lewis, and Wayne Counties in my district. The people of my district are greatly interested in the construction of the Natchez Trace Parkway. From a national standpoint, this project is necessary, and it is my purpose to direct the attention of Congress, in every way I can, to the importance of the early completion of this work.

In a Natchez Trace Parkway celebration, held the 19th of July 1934, which was attended by a number of people from Nashville, as well as from my section of Tennessee, an address was delivered by former Congressman Jeff Busby, author of the bills proposing the parkway. Because that address was filled with so much information which should be available to everyone, I am extending it in my remarks:

We are gathered today to further a cause begun more than a century ago. We have come here, on this occasion, a united force, to plan the consummation of a work undertaken by our forefathers in the early days of our Republic. The Natchez Trace was one of the most ancient and useful Indian roads found in the new country by the early settlers. It was from the vicinity of your fair city that the warlike tribe for which it is named—the Natchez—sallied forth over this trail under the leadership of their chief ruler, called the "Great Sun", to strike terror among the neighboring Indian tribes. This Indian trail, the Natchez Trace, was the chief overland route used by immigrants of every class in coming to the new country. We are told they came by the thousands, all sorts and conditions of men, mountaineers from the Blue Ridge and the Yadkin Valley, pack peddlers, traders, Army men, disgruntled soldiers, original settlers of Tennessee composed of a large number who had fought in the Revolution, farm boys, city men, men of all trades, carpenters, hostlers, mechanics, men embittered seeking solitude—Aaron Burr, John Fitch, Fannie Wright, and Robert Owens seeking Utopia; proud, fearless men and men with heavy secrets to conceal, desperadoes flying from justice, suspected or convicted felons escaped from the grasp of the law, the horse thief, the counterfeiter, and the robber. By water and by land they came, hammering their way into the wilderness, pushing on toward the scented river, the dreamed-of Mississippi that lay like a liquid spine in the wilderness' midst. There also came the leaders in culture, refinement, and education from New England and the East, from Pennsylvania and Virginia, the oldest and best families of every section. So rapid was the migration to Mississippi, the chief settlement being about Natchez, that the population increased from 8,850 in 1800 to 40,352 in 1810, and 75,448 by 1820.

THREE PERIODS OF NATIONAL ROAD BUILDING

Road building has passed through three periods in the United States. The first was in the early days of the Republic when the only two modes of travel were by water and over land. Rivers and streams furnished an easy means of travel while going downstream, but a very laborious one when the traveler was going upstream. This of necessity required the development of land routes,

and roads better than the Indian trails. During this period, which extended from the earliest days of the settlements to about 1830, the Congress of the United States undertook a number of road improvement projects and in some instances authorized the President to lay out, open, and make convenient wagon roads for long distances.

The second period, or policy of the Government toward road building, came about 1830 with the coming of the steam engine and railroad transportation. The interest of the Government in road building during that time, from 1830 to about 1910, drifted to a low level. It donated millions in land and money to railroad building, but nothing to the construction of highways. Poor systems of highways, if such roads as existed then could be called highways, were developed locally, over which the farmer drove his horse or mule team, and in some sections of the country his slow-moving ox team to the railroad station to market.

The third period, or policy of the Government toward highway construction, has been forced by necessity with the coming of the automobile and motor power. The Federal Highway Act was passed by Congress in 1916, and since that time there has been a gradual broadening of the Federal policy toward highway construction. President Roosevelt said recently when signing the $400,000,000 road bill "As long as the roads of the Nation are used by more than 24,000,000 automobiles and trucks, construction and improvement of roads will be of major importance." It is no longer expected that the farmers along the routes shall supply the funds with which to construct the links in a national highway system. They now find themselves heavily burdened with bonds because of their early efforts to do this. Three-fourths of the people live in cities, and pay little or no ad valorem tax for road building. Nine-tenths of the income of the Nation is in the cities. It is but just and fair that the Federal Treasury contribute liberally to national highway building. One thing we have woefully lacked—proper planning of a national highway system. It has been said that our roads "start nowhere and go nowhere." Local politics has often done much to divert roads from proper locations. With the Federal Government supervising, these mistakes will be largely avoided.

In the year 1806 the Congress of the United States passed an act which was approved on April 21, authorizing President Jefferson to lay out and open a road from Nashville, Tenn., to Natchez, Miss. The particular part of that act pertaining to the establishment of this road is in section 7, and reads as follows:

"*Be it enacted, etc.*, That the President of the United States be, and he is hereby, authorized to cause to be opened a road from Nashville, in the State of Tennessee, to Natchez, in the Mississippi Territory: *Provided*, He shall not expend more than $6,000 in opening the same."

This appropriation was followed by another appropriation of $3,000 in 1809, which sums were used to convert the old Natchez Trace from an Indian foot-and-bridle path into a usable wagon road. Thus the ancient trail leading from the section about Nashville was established as a national highway connecting the white settlements of Tennessee, Kentucky, and the East with the white settlements that had sprung up in the Spanish, French, and later in the English territory on the lower Mississippi.

At this period of our Nation's history white settlements were rapidly developing in different parts of the southern territory being acquired by the United States from other nations. The obstacles in development lay in the fact that accessibility between the several parts of the country was difficult because there were no roads. Rivers and streams were largely depended upon, and along them white settlements first sprang up. To a certain extent Indian trails were utilized, and some of the most important of them were converted by the Government into wagon roads.

Realizing the importance of the Natchez Trace leading through the lands of the Chickasaws, in 1801 a treaty was entered into between the United States and the Chickasaw Indians, who occupied the southern part of Tennessee and the northeastern part of Mississippi, in which treaty it is provided that the Chickasaws "* * * give leave and permission to the President of the United States of America to lay out, open, and make a convenient wagon road through their land between the settlements of Mero District, in the State of Tennessee, and those of Natchez, in the Mississippi Territory, in such a way and manner as he may deem proper, and the same shall be a highway for the citizens of the United States and the Chickasaws."

In the same year a treaty was entered into at Fort Adams between the United States and the Choctaw Indians, whose territory lay just south of that of the Chickasaws, in which treaty it was provided that the Choctaws "* * * do hereby give their free consent that a durable and convenient wagon road may be explored, marked, opened, and made under the orders and instructions of the President of the United States through their lands, to commence at the northern extremity of the settlements of the Mississippi Territory, and to be extended from thence, by such route as may be selected and surveyed under the authority of the President of the United States, until it shall strike the lands claimed by the Chickasaw Nation; and the same shall be and continue forever for the citizens of the United States and the Choctaws."

Natchez Trace Road was secured, and the basis for the action of Congress in 1806 was laid for the establishment and construction of a wagon road by the United States between Nashville, Tenn., and Natchez, Miss. Along this roadway, established by the Government, and used throughout its length by the citizens of the United States and the Indians, much history was made by the pioneers; taverns were established, stagecoaches were operated, and many are the stories of bravery, chivalry, violence, and crime told even today of the happenings along this road of some 500 miles in length. It was over this road that part of Jackson's forces traveled from Nashville to New Orleans, and it was over this road that Jackson returned with his army from New Orleans to Nashville after his famous victory where he so overwhelmingly defeated the British in the last battle of the War of 1812.

Much history has been compiled concerning the Indian trails which were used prior to the coming of the white man. In the Forty-second Annual Report of the Bureau of American Ethnology, published by the Smithsonian Institution, at page 811, is an article headed "The Natchez Trace." It begins: "When the whites first came into middle Tennessee they found an Indian path or trace running from the former Indian settlements around Nashville to the Chickasaw towns about Pontotoc in northern Mississippi, where it connected with trails leading to all sections of the southern United States. The middle Tennessee whites called it the 'Chickasaw Trace' because it went to the Chickasaw towns, but later it was known as the 'Natchez Trace.'"

NATCHEZ TRACE CONNECTS PARTS OF UNITED STATES

This same article further recites concerning this trace that it was regarded by our early whites as being ancient, and was spoken of by them as the old Chickasaw Trace. Its route was the logical one for movements between large and important sections in the central United States. Over it, beyond question, passed in later times parties of Chickasaw, Choctaw, Natchez, and other southern tribes on their way to middle Tennessee, Kentucky, and the territory of our present North Central States, while the many unknown peoples who preceded them must also have traveled it. Its key situation forced its use, and it played a vital part in the life of the region, both in war and in peace.

When settlements began to spring up in different parts of the country, mostly along rivers and watercourses, because they could be used as a means of transportation, it also became apparent to the settlers that the land routes to connect these settlements must be planned and developed.

The white man began using this trail as soon as he came into the region. Over it passed many southern Indian war parties to attack the feeble white settlement in Tennessee, and over it in return hurried armed white bands to attack and destroy their red enemies south of the Tennessee River.

As the number of white settlers increased and their land and water traffic grew, Natchez, in the Mississippi territory, became of more and more importance. The whites floated their products to Natchez or beyond, but many of them preferred to return by land over the old Chickasaw Trace and its connections rather than by the long and laborious upstream pull-and-push-against-the-current journey by river. The newly formed United States Government very soon began to realize the possibilities of this great southern section and planned to open better means of communication through it.

Thus, the celebrated Natchez Trace was established. It followed substantially the route of the Chickasaw Trace and its connections, departing therefrom only where the necessities of a wagon road varied from the requirements of aboriginal foot travel or where the newly formed settlements of the whites drew it slightly from its ancient course.

Park Marshall, a well-known historian of Tennessee, writing on the Natchez Trace, states: "General Wilkinson (who supervised the laying out of the road under President Jefferson) is reported as saying to the Indians, 'The Chickasaw Trail is a very uncomfortable road and we wish to improve it for the use of both the Indians and the white people.'"

Mr. Marshall also states: "I have looked upon the Chickasaw Trail as a route or path leading from the main villages of the Chickasaws in what is now Pontotoc County, Miss., to the vicinity of Nashville. The trail crossed the Tennessee at the northwest corner of Alabama, close to the mouth of the Big Bear Creek. It was planned for the Natchez Trace to cross at the same place, but the officers in charge (Captain Butler and Lt. E. Pendleton Gaines), perhaps with the consent of General Wilkinson, were persuaded to cross it 1 or 2 miles above, at Colberts Ferry."

ROUTE OF THE NATCHEZ TRACE

The old Chickasaw Trace and later the Natchez Trace passed from Nashville through the following points in Tennessee: Near Belleview, Davidson County; near Leipers Fork, in Williamson County; near Leatherwood, in Maury County; through Gordonsburg, in Lewis County; near Victory, in Wayne County. It then passed into Alabama. At or near Dart, in Lauderdale County, the Natchez Trace left the old Chickasaw Trace in order to cross the Tennessee about 2½ miles downstream from Colberts. The Natchez Trace joined the old Chickasaw Trace near Aisboro, in Colbert County, and thence passed into the State of Mississippi, where it went through Tishomingo, Saltillo, and on to the mass of Indian trails and Chickasaw towns in Pontotoc County. Here the old Tennessee Chickasaw Trace ended, but it connected with other Indian trails leading to all parts of the southern United States.

THE ROUTE FROM PONTOTOC TO NATCHEZ

Leaving the Chickasaw region in Pontotoc County, the Natchez Trace continued on to Natchez over another old Indian trail, passing through or very near the following towns: Houston, in Chickasaw County; Mathiston, in Webster County; French Camp, in Choctaw County; Kosciusko, in Attala County; Thomastown, in Leake County; Canton in Madison County; Clinton and Raymond, in

Hinds County; Port Gibson, in Claiborne County; Washington, in Adams County.

The United States mail was carried over the Natchez Trace in the years immediately following its opening. Along this trace were established many taverns for the entertainment and accommodation of foot, horseback, and stagecoach travelers.

Some years ago while making a search at the Census Bureau for certain material I came across an old atlas published in Philadelphia by Anthony Finley in 1830.

The map of Mississippi in this atlas marked very distinctly the boundaries of the Indian lands in the State. The Indian tribes then remaining in Mississippi were chiefly the Chickasaws and the Choctaws.

On this map of 1830, which was published in the time of Jackson, and only 16 years after the Battle of New Orleans, are plainly marked the leading Indian trails and wagon roads that had been developed in the State. Some of the settlements that have served as landmarks, even to the present time, were in existence then. Monroe, a missionary station, and the Chickasaw Agency near what is now Pontatoc, are noted on this map. On it the Natchez Trace passed through the Chickasaw Agency. Some few miles north of this is Longtown; to the east of these several miles on the Tombeekee River is located Cotton Gin Port; just south of it are Bolivar, Hamilton, and Columbus.

From Columbus to Columbia, both of which are noted on this map, leads the Jacksons Road; from Columbus to what is now Canton in Madison County leads the Robinson Road. It joined the Natchez Trace 7 miles northeast of the present town of Canton.

Very plainly shown is the old Natchez Road, beginning at Natchez, then passing through Washington, Seltzertown, Uniontown, Greenville (in Jefferson County), Port Gibson, Grindstone Ford; thence to Mount Satus (near Raymond); Old Agency (near Madison Station), Doaks (through the present city of Kosciusko); Pigeon Roost, Folsoms (just south of Mathiston), Underwoods (near the location of Old Cumberland); then through Houston; then Chickasaw Agency, already mentioned; Longtown, Underwood Village, which is just over the line of Mississippi into Alabama, near where the village of Alsboro now stands. From there the trail crossed Bear Creek, proceeded across the corner of Alabama, and crossed the Tennessee River to the north side to a village marked on the map, "Havana."

I wrote and introduced two bills in Congress—one providing for $50,000 with which to make a survey of the old Indian trail known as the "Natchez Trace" with a view to constructing a national road on this route to be known as the "Natchez Trace Parkway." I have designated this "The Natchez Trace Parkway" because there is in the Department of the Interior the Division of National Park Service which can handle this Natchez Trace memorial road as a parkway better and more expeditiously than could be done through the road-building set-up. The road now being constructed from the Shenandoah National Park to the Great Smoky Mountain, a distance of about 500 miles, is under this authority. It has jurisdiction of Government parkways but does not have jurisdiction over roads or highways.

In the preamble to the bill providing funds for the survey I call attention to the fact that the Natchez Trace is located almost throughout its entire length on highlands between watersheds on the most suitable route over which to establish the national parkway through a section of the country greatly in need of such road facilities from the national standpoint to connect the North and East directly with Natchez, New Orleans, and Southwest section of the country; and that the Natchez Trace was made famous for the service it rendered in affording General Jackson a route over which much of his forces moved to take part in Jackson's famous victory over the British at New Orleans, and also by reason of the fact that General Jackson returned with his army over this trace to Nashville after the Battle of New Orleans; and that the Natchez Trace is known as one of the Nation's most famous old roads, and has been marked by handsome boulders with suitable inscriptions by the Daughters of the American Revolution at great expense, these boulders being placed every few miles from one end of the trace to the other; and that unusual interest is being manifested in the building of a national parkway by the Government, Natchez Trace organizations having been perfected in almost every county through which the trace passes. This bill has now become law, and $50,000 is now set apart with which to make the survey, which is expected to be begun at an early date.

The second bill provided for a $25,000,000 appropriation with which to construct the Natchez Trace Parkway along the route of the old Natchez Trace as established by Congress under the act of 1806, and as laid out and developed under that authority.

The country with poor roads is a country undeveloped, regardless of what other advantages and improvements it may have. People living close to each other remain strangers and places only a few miles away inaccessible. The most notable thing for which ancient Rome is remembered is the Appian Way, the construction of which was begun in 312 B. C. Perhaps this is the oldest and most celebrated of all great roads, because of its permanence and the grandeur of its construction. England was known for her poor roads and poor internal developments even 150 years ago. A well-constructed, permanent highway is a permanent asset of the Nation. It does not benefit the people living close to it solely; it does not belong solely to the generation living at the time of its construction. It is traveled by and becomes a benefit to the people of all the States and passes down to the succeeding generations a heritage from us who have gone before.

THE LIBRARY ANNEX

Mr. KELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in relation to the bills H. R. 8269 and S. 2899.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KELLER. Mr. Speaker, I desire to call the attention of the House to House bill 8269 and Senate bill 2899, which are identical bills providing for the authorization of the remaining amount of money necessary to complete the Library annex. The advertisements for bids have all been received, so we now know the exact amount that will be required. This additional amount is $2,866,340. The contracts are ready to let as soon as this amount is authorized. I am going to ask unanimous consent on next Monday, immediately after reading the Journal, to take from the Speaker's desk Senate bill 2899, which is identical to House bill 8269, and substitute it for the House bill. I am asking immediate consideration of this measure, because no contract can be let until the authority is given. If the authorization is not made before the 15th of June the appropriations already made will lapse. The Library Committee makes a unanimous report in favor of this authorization as did the Senate Library Committee, and it passed the Senate unanimously.

This additional amount is not only required but well justified. The plans for the building have all been made. The foundation is in and ready to receive the building. The increased amount over the original authorization is due to a very large advance in cost of materials and labor since the original authorization of 3 years ago as well as a slight advance caused by the substitution of marble by the Building Commission in the place of cheaper material.

COURT DICTATORSHIPS AND OLIGARCHIES

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a letter and telegram addressed to me.

The SPEAKER pro tempore. Is there objection?

Mr. MAPES. Mr. Speaker, I reserve the right to object. Upon what subject?

Mr. TRUAX. Upon the Supreme Court decision in the Frazier-Lemke Act.

Mr. MAPES. How long is the letter?

Mr. TRUAX. It is very short.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. TRUAX. Mr. Speaker, on March 13, 1933, in the House of Representatives I made the following statement:

Back in Ohio we have not only money lenders, but the State banking department has been just as ruthless in the foreclosure of mortgages as any private money lender. Three sessions of the general assembly have been held within the last 6 or 9 months, and now they are in regular session. At the opening of each session I dispatched an open letter to the Governor, calling his attention to the deplorable situation of the farmers, but they were ignored. Today an average of 500 farmers are being evicted daily by the money lenders. What we need in our legislation is to enact a law giving the President dictatorial power to declare a national moratorium against foreclosures.

Again on March 27 I urged the House of Representatives to take cognizance of the then alarming, depressing, and terrifying mortgage-foreclosure situation. I quote from my remarks:

The most pressing, the most vital issue concerning the farmers of this country and the home owners of the country today is a moratorium or suspension of foreclosures. An average of 5,000 farms and homes are confiscated daily by the money lenders of this country. We have on the way to this House this week another phase of the President's program that proposes to refinance the farms and the homes of this country. In the face of what is coming to us if we refuse to take action, are we not a party to this confiscation that is going on in the country day by day? Is it not our duty to enact legislation that will give to these people the same protection that will be given to others later on? Ten years ago I predicted the coming of a farm peasantry. Today that peasantry is here; and

> Bowed by the weight of centuries, he leans
> Upon his hoe and gazes on the ground,
> The emptiness of ages in his face
> And on his back the burden of the world.
> Who made him dead to rapture and despair,
> A thing that grieves not and that never hopes?

I know the American farmer is not a hoe farmer. Nevertheless he leans heavily upon his high-priced tractors and machinery and equipment. The emptiness of certain foreclosure is in his face, and on his back the crushing burden of mortgage indebtedness that is bearing him to the ground. So I say to you, let the strong arm of the law step in today and say to these money lenders, "You shall not sell out these worthy people until they, too, by the provisions that will be made for them—through money that will be loaned to them—shall have an opportunity to work out their salvation."

That was in 1933.

It was not until June 15, 1934, however, that these supplications were answered, because it was on that day, 15 months later, that the Frazier-Lemke farm-bankruptcy bill was enacted into law. About 1 week later the bill was signed by President Franklin D. Roosevelt despite the objections of the money-lending crowd made up of bankers, life-insurance companies, and other usurers.

You will note that in those remarks made on March 13, 1933, I urged that the President be given dictatorial powers to declare a moratorium or national holiday on farm foreclosures. Now, to our utter amazement, disappointment, sorrow, and resentment we find that a dictatorship just as depressing and costly has been arrogantly assumed by the Supreme Court. It is depressing and oppressing to note that this Court, and sometimes one individual of that Court, can negative and nullify the acts of the Congress of the United States, the acts of the President of the United States, the acts of Governors, and the acts of State legislatures. If this is not a dictatorship, then what is it? Most regrettable of all is that this dictatorship is sometimes used to uphold the property rights of the overprivileged, favored few. This form of supergovernment is imposed upon the people, not through any desire or wish of their own, not by representatives who are duly elected by all the people, not by those who would destroy once and for all this arrogant usurpation of authority and power but by men who govern seemingly by the divine right of kings, who can do no wrong, nor work no hardships upon the masses of our fellow men, a usurpation of power unwarranted and unjustified in any manner, shape, or form.

Here is a letter from a constituent and friend that is one of many:

THE NORTHERN OHIO LAND CO.,
Paulding, Ohio, May 27, 1935.

Hon. CHARLES V. TRUAX,
Congressman at Large, Washington, D. C.

DEAR CHARLEY: Wow! I have just heard the radio announcement of the adverse decision of the Frazier-Lemke bill.

Mein Gott und Himmel! This is awful and especially to poor, impoverished, and helplessly encumbered farmers, who will now be knocked off by the thousands to join that innumerable caravan of dispossessed.

Have you in mind some other proposal of relief for such unfortunates that can be enacted without unnecessary delay?

Surely something constitutionally can be enacted for relief.

Your numerous friends here figure that such progressives as you will be able to protect them with some measure, and you would be surprised at the number that talk in this vein.

Have FRAZIER and LEMKE anything to offer in lieu of the old measure?

With kind regards, I beg to remain,
Yours always most respectfully,

SAMUEL T. PRICE.

To my friend Price I will say that my remarks will no doubt be of interest to you, hence I am sending you copy of the CONGRESSIONAL RECORD for today.

At this point I also insert a telegram received today from a warm friend of mine who is most apprehensive of the ill effects to industry that will follow the scrapping of the N. R. A. by the Supreme Court:

GALION, OHIO, *May 27, 1935.*

Hon. CHARLES TRUAX,
House of Representatives:

We trust you will use your influence to extend the N. R. A. at least 2 years. To extend it only 10 months would be worse than nothing at all. It would keep industry unsettled. It would create disrespect, and would increase noncompliance with present code. The N. R. A. has stabilized our industry; increased our employment; been helpful to small manufacturers. For God's sake don't return us to the cutthroat day of 1932. Don't let the chiseler deceive you. The nonpolitical manufacturers desire and will comply with codes of fair competition.

L. M. LIGGETT,
President Galion Metallic Vault Co.

In my remarks today I am not addressing myself to the status of the N. R. A. under the Supreme Court ruling. That will be taken care of later.

The framers of the Constitution in their day and time gazed upon a country that was new. It was young. It was well started on the onward path of progress. Ninety-eight percent of its citizens lived upon the farms. They tilled the soil. They lived simply and frugally. They lived not in the time of the airplane, steam transportation, the automobile, the radio, nor the racketeering bankers, swashbuckling plutocrats, shylocking money lenders, nor bloodthirsty 36-percent loan sharks. Mortgages were the exception and not the rule. Foreclosures were unheard of, undreamed of. At last the sons and daughter of a new-born republic had cast off the shackles of monarchial tyranny and depression, had gazed upon the blazing sun of freedom and liberty, both for their country and for their economic selves, had been led out of the valleys of special privilege and property rights as dominated and directed by the Tories of their mother country, England, up to the mountain tops of justice and equality for all under American standards and concepts.

A constitution was then needed for this new republic so that it might wisely and sanely build its future and to posterity so that here might be the one country in the whole world that might say to its citizenry, "Go forth, seek your fortunes and guarantee your destinies secure in the knowledge that the same privileges and protection will be extended with equal force and application to all."

When the United States was embroiled in the World War as Woodrow Wilson pointed out to make the world safe for democracy, it was not the people's wishes which put us into the war nor was it the dictum of the Supreme Court. It was the act of Congress of the United States. Following that titanic struggle which cost us billions of dollars and many thousands of human lives, the farmer exerted herculean struggles to produce as he had never produced before. American food coupled with American youth, brawn, courage, and energy won the war, not to make the world safe for democracy but as was afterward proved to make it safe for Wall Street plutocracy.

The vested interests were protected as they always were protected by Congress and the courts. They said that there was nothing too good for the soldier when he returned from the war, and that is exactly what he has received—nothing.

The farmer plunged into an economic tailspin, forced there by the Federal Reserve Board, Andy Mellon, and his fellow Wall Street buccaneers. President Roosevelt possessed the honesty of purpose and the courage necessary to sponsor legislation that after 15 years at last placed the farmer in the circle of protected industries by government. The Seventy-third Congress were the possessors of the will and the intestinal fortitude to declare a mortgage foreclosure holiday and to enact into law the Frazier-Lemke bankruptcy bill.

Now along comes the United States Supreme Court, a tribunal of justice, a bench of justice, occupied by nine men appointed by the Presidents of the United States, serving during good behavior, drawing salaries of $20,000 per year, now about to be housed in a $10,000,000 palatial edifice paid for by taxpayers' money—taxpayers, the larger portion of which have no decent incomes, no appreciable property or wealth, taxpayers who are hounded from the cradle to the grave by obnoxious sales taxes, pernicious real-estate taxes, avaricious 36-percent loan sharks and money lenders.

The past 6 years have witnessed the most terrific saturnalia of mortgage foreclosures ever recorded in the annals of American history. The legislatures of many States called a halt upon the money lenders' predatory operations; they enacted moratorium laws; the Congress of the United States heeded the call of an outraged and terrified farm citizenry; the President of the United States turned not a deaf ear to the pleadings of those who were being dispossessed. It remained for the Supreme Court of the United States, this avowed tribunal of justice and economic liberty, to negative these humanitarian acts of Congress, of the President of the United States, of the Governors, and of State legislatures, by

saying, "No; it cannot be done; the Constitution is a sacred, holy thing; it must be preserved at all costs." Property rights must be sustained. Shylocks must have their pound of flesh. The sword of Damocles that ever hangs over the farmer's head by a slender thread must be perpetuated by the now decreed constitutionality and legality of deficiency judgments.

The question naturally arises in the hearts and minds of these tillers of the soil who now see themselves slipping back into the strangling clutches of money lenders: Can any tribunal be liberal, be fair and just and human, on $20,000 a year for life?

We hear much that it is unconstitutional to confiscate property without due process of law. Is it due process of law to take away a man's farm simply because forces beyond his control have beaten down his prices to a level that will not pay taxes or expenses? Is it due process of law to say that a farm shall be confiscated by the money lender simply because there is not money enough in the country? Is it due process of law to force 20,000,000 American citizens on relief rolls or doles simply because there are too many billionaires and too many paupers? Is it due process of law to permit insurance companies and others to steal unemployed workmen's homes because of an iniquitous, vicious monetary and currency system directed and controlled by the private bankers of the Federal Reserve System? No; it is nothing more than the same old moth-eaten worn-out argument used for decades and generations to distinguish the line between the rich and the poor, between the special privileged and the working classes, between property rights and human rights.

The question is, How much longer will an ever-suffering and constantly increasing penniless citizenry stand for this sort of dictatorial usurpation of power and ruthless exploitation and domination by a court oligarchy functioning apparently for those upon whom fortune has smiled abundantly?

I doubt seriously that the lawyers who sit on this highest of tribunals would have been as coldly legalistic in their mental and judicial processes had their economic conditions and needs been the same as those 20,000,000 sufferers who cry for food and raiment and shelter, as those 11,000,000 men who tramp the streets looking for jobs that are nowhere to be found, as those 4,000,000 heroic soldiers who were denied their bonus so justly earned and deserved.

Fair prices for farm commodities existing today place the farmer in a much better position. All he needs is time—time to produce a good crop, to sell that crop, and apply the proceeds thereof on his mortgage. Farm rents are definitely on the upturn; the Shylocks and the money lenders know this too well. Therefore they will foreclose from now on with ruthless impunity and abandon. The Supreme Court decision now closes the door not only to a 5-year extension for more time but to those commendable efforts made to scale down debts and mortgages to actual value today.

I hesitate to prophesy what may happen in this coming mortgage-foreclosures crisis. When the mortgagor cannot pay and the mortgagee insists on his pound of flesh, perhaps some more judges will be jerked off their bench and hurried to the nearest tree as was done in the State of Iowa in 1933.

The Court says the number of dollars owed must remain constant; it cannot be changed. Like the old gold standard, it was immutable. Commodity prices and the price levels of everything generally might go to the devil, but the prices of that old god, gold, must be always the same.

Now we are told that the farmers' debt is immutable. It is fixed; it cannot be scaled down, so we are told. Throughout all the ages some philosophers have sagely remarked that there is an eternal conflict between agriculture and manufacturing industry and finance, and that in the end agriculture always goes down. This trite observation seems to be peculiarly applicable to the decision of the Supreme Court on the Frazier-Lemke bankruptcy bill.

If American agriculture must and will go down under court dictatorships and oligarchies, let the conflict be a final and conclusive one. The weapons used may be ballots or even more effective ones.

HOLDING-COMPANY PROPAGANDA

Mr. RANKIN. Mr. Speaker, I am getting such a flood of propaganda sent by the people interested in the Power Trust in opposition to the Wheeler-Rayburn bill, that I ask unanimous consent to extend my remarks in the RECORD by including a letter of my own, which is my reply thereto.

The SPEAKER pro tempore. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object. I might say to the gentleman from Mississippi that I have some letters condemning some remarks that he made in reference to the Power Trust.

The SPEAKER pro tempore. Is there objection?

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania may have permission to extend his remarks.

Mr. RICH. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, in their frantic efforts to block the passage of the Wheeler-Rayburn holding company bill the power interests have resorted to every conceivable means to get letters written or telegrams sent to Senators and Members of this House protesting against the passage of this measure.

They have even resorted to coercion, and forced their employees to sign letters which they themselves have written. They have forced their employees to put these signed letters in envelops, stamp them at their own expense, and return them to the writers unsealed, to be inspected by them before being mailed to Members of the House and Senate. That is what I call using the mails to defraud.

I had noticed sometime ago that another wave of this propaganda was coming. I was sent a copy of the instructions mailed out by one of these holding companies to its stockholders telling them just what to write their Congressmen and Senators.

To show you that they had coached their investors, not wisely but too well, letters began to pour in immediately that were not only verbatim copies of each other but were verbatim copies of suggestions contained in those instructions.

To my mind, the most cruel and inhuman phase of this movement is the fact that they had even induced their victims—the widows, the aged, and even the orphans onto whom they had unloaded their worthless watered stocks—to write their Congressmen or their Senators protesting against the passage of this measure, the purpose of which is to protect innocent investors as well as the helpless consumers of electric lights and power from these ruthless racketeers in the years to come.

To the large number of these inspired letters that have come to me from these investors in utility stocks I am sending the following reply:

WASHINGTON, D. C., *May 31, 193—*.

MY DEAR ———: Your communication relative to the Wheeler-Rayburn holding company bill has been received.

Evidently you have been misled by Power-Trust propaganda, both as to the conditions that render this legislation necessary and as to the objects which it is designed to accomplish.

The power companies, and especially the holding companies, have run wild in recent years, issuing what is called "watered" stocks when they knew that their values were merely speculative, based upon gambling prospects of the rankest sort, and sold them out to innocent purchasers like yourself. Now, for fear you will demand that they be brought to justice and forced to make good the representations on which you were induced to buy, they falsely represent to you that Congress is about to perpetrate an injustice on innocent investors—the very people Congress is trying to protect.

But you are not without your remedy. The power interests know that, and they use this subterfuge to keep you from demanding your rights until you are barred by the statute of limitations.

If you own common stock in an operating company, then the passage of this bill will enhance its value instead of injuring it. The power interests know that, but they don't want you to know it if they can prevent it.

If you own preferred stock in a power company or a holding company and they fail to pay your dividends, you can make them pay. If they sold you these stocks on the representation that you could get your money out of them at any time, as was done generally in Mississippi, then you can sue and make them pay

your money back, as was done in the case of *Bennett* v. *Mississippi Power Co.*, decided by the Supreme Court of Mississippi on April 29, 1935.

I am enclosing some material which I hope you will read carefully.

Sincerely yours,

J. E. RANKIN.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 5. An act to prevent the adulteration, misbranding, and false advertising of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 11. An act to amend section 389, title 18, of the United States Code, being section 239 of the United States Criminal Code; to the Committee on the Judiciary.

S. 12. An act to amend the Packers and Stockyards Act; to the Committee on Agriculture.

S. 272. An act for the relief of William Frank Lipps; to the Committee on Military Affairs.

S. 280. An act for the relief of Hazel B. Lowe, Tess H. Johnston, and Esther L. Teckmeyer; to the Committee on Claims.

S. 430. An act for the relief of Anna Hathaway; to the Committee on Claims.

S. 490. An act for the relief of F. T. Wade, M. L. Dearing, E. D. Wagner, and G. M. Judd; to the Committee on Claims.

S. 578. An act authorizing the Secretary of the Interior to permit citizens of Bear Lake County, Idaho, to obtain timber from Lincoln County, Wyo., for domestic purposes; to the Committee on the Public Lands.

S. 658. An act for the relief of K. W. Boring; to the Committee on Claims.

S. 895. An act to carry out the findings of the Court of Claims in the case of the Atlantic Works, of Boston, Mass.; to the Committee on Claims.

S. 928. An act for the relief of Rene Hooge; to the Committee on Claims.

S. 1010. An act for the relief of Fred Edward Nordstrom; to the Committee on Military Affairs.

S. 1045. An act for the relief of A. Cyril Crilley; to the Committee on Claims.

S. 1046. An act for the relief of E. Jeanmonod; to the Committee on Claims.

S. 1070. An act for the relief of William A. Thompson; to the Committee on Claims.

S. 1326. An act for the relief of Robert A. Dunham; to the Committee on Claims.

S. 1577. An act for the relief of Skelton Mack McCray; to the Committee on Claims.

S. 1604. An act to provide for the better administration of justice in the Navy; to the Committee on Naval Affairs.

S. 1640. An act for the relief of Dan Meehan; to the Committee on Claims.

S. 1793. An act to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat. L. 602); to the Committee on Indian Affairs.

S. 1833. An act for the relief of W. L. Horn; to the Committee on Military Affairs.

S. 1929. An act to clarify the status of the National Zoological Park; to the Committee on Public Buildings and Grounds.

S. 1943. An act to prescribe the procedure and practice in condemnation proceedings brought by the United States of America, including acquisition of title and the taking of possession under declarations of taking; to the Committee on the Judiciary.

S. 1949. An act authorizing the President to order David J. Fitzgerald before a retiring board for a hearing of his case and upon the findings of such board determine whether he be placed on the retired list; to the Committee on Military Affairs.

S. 1960. An act for the relief of the Florida National Bank & Trust Co., a national banking corporation, as successor trustee for the estate of Phillip Ullendorff, deceased; to the Committee on Claims.

S. 1973. An act to amend section 5 of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved March 3, 1925, to authorize the payment of a per diem in connection with naval aerial surveys and flight checking of aviation charts; to the Committee on Naval Affairs.

S. 1977. An act to amend the act approved February 15, 1929, entitled "An act to permit certain warrant officers to count all active service rendered under temporary appointments as warrant or commissioned officers in the Regular Navy, or as warrant or commissioned officers in the United States Naval Reserve Force, for the purpose of promotion to chief warrant rank"; to the Committee on Naval Affairs.

S. 2076. An act for the relief of Domenico Politano; to the Committee on Claims.

S. 2119. An act for the relief of Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard, and/or the widows of such of them as may be deceased; to the Committee on Claims.

S. 2168. An act for the relief of the Bell Telephone Co. of Pennsylvania; to the Committee on Claims.

S. 2230. An act to authorize the Secretary of the Navy to acquire a suitable site at Pearl Harbor, Territory of Hawaii, for a rear range light; to the Committee on Naval Affairs.

S. 2259. An act to amend sections 966 and 971 of chapter 22 of the act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, and for other purposes; to the Committee on the District of Columbia.

S. 2326. An act to authorize the Secretary of War to sell to the Eagle Pass and Piedras Negras Bridge Co. a portion of the Eagle Pass Military Reservation, Tex., and for other purposes; to the Commitee on Military Affairs.

S. 2361. An act to fix the compensation of registers of district land offices; to the Commitee on the Public Lands.

S. 2364. An act relative to the retirement of certain officers and employees; to the Commitee on the Civil Service.

S. 2373. An act for the relief of Harry Jarrette; to the Committee on Claims.

S. 2374. An act for the relief of Elliott H. Tasso and Emma Tasso; to the Committee on Claims.

S. 2378. An act authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dr. Malcolm Storer, of Boston, Mass.; to the Committee on Naval Affairs.

S. 2393. An act for the relief of the widow of Ray Sutton; to the Committee on Claims.

S. 2462. An act to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county Kootenai, Idaho; to the Committee on Indian Affairs.

S. 2520. An act for the relief of T. D. Randall & Co.; to the Committee on War Claims.

S. 2584. An act to amend the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, by including therein the name of Gustaf E. Lambert; to the Committee on Military Affairs.

S. 2589. An act to authorize the award of a decoration for distinguished conduct to Lewis Hazard; to the Committee on Military Affairs.

S. 2591. An act for the relief of Lyman C. Drake; to the Committee on the District of Columbia.

S. 2621. An act to provide funds for cooperation with the public-school board at Devils Lake, N. Dak., in the construction, extension, and betterment of the high-school building at Devils Lake, N. Dak., to be available to Indian children; to the Committee on Indian Affairs.

S. 2635. An act authorizing the appropriation of funds for the payment of the award in claim of Sudden & Christenson, Inc., and others; to the Committee on Claims.

S. 2638. An act to amend the law governing the leasing of unallotted Indian lands for mining purposes; to the Committee on Indian Affairs.

S. 2642. An act to incorporate The American National Theater and Academy; to the Committee on the Judiciary.

S. 2656. An act to authorize the Secretary of the Interior to grant concessions on reservoir sites and other lands in connection with Indian irrigation projects, and to lease the lands in such reserves for agricultural, grazing, or other purposes; to the Committee on Indian Affairs.

S. 2738. An act to authorize the use of park property in the District of Columbia and its environs by the Boy Scouts of America at their national jamboree; to the Committee on Military Affairs.

S. 2899. An act to provide for increasing the limit of cost for the construction and equipment of an annex to the Library of Congress; to the Committee on the Library.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 11 minutes p. m.), in accordance with the order heretofore made, the House adjourned until Monday, June 3, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BURCH: Committee on the Post Office and Post Roads. H. R. 7936. A bill to adjust the salaries of rural letter carriers, and for other purposes; with amendment (Rept. No. 1054). Referred to the Committee of the Whole House on the state of the Union.

Mr. JOHNSON of Texas: Committee on Foreign Affairs. House Joint Resolution 293. Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes; with amendment (Rept. No. 1055). Referred to the Committee of the Whole House on the state of the Union.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H. R. 7438. A bill to amend the act entitled "An act to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.", approved June 4, 1934; without amendment (Rept. No. 1056). Referred to the House Calendar.

Mr. DICKSTEIN: Committee on Immigration and Naturalization. H. R. 7221. A bill to authorize the shortening or termination of the stay in the United States of certain aliens not admitted for permanent residence, to authorize the deportation of certain aliens admitted for permanent residence, and for other purposes; without amendment (Rept. No. 1057). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER: A bill (H. R. 8279) to authorize the Reconstruction Finance Corporation to make loans to institutions organized for the purpose of making loans for the payment of taxes on real estate, and for other purposes; to the Committee on Banking and Currency.

By Mr. DORSEY: A bill (H. R. 8280) prescribing prohibition of burials of the human dead at sea, and providing for proper care and disposal of same; to the Committee on Merchant Marine and Fisheries.

Also, a bill (H. R. 8281) amending the act of June 3, 1916, entitled "The National Defense Act", adding section 15½ thereto, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 8282) amending the act of June 3, 1916, entitled "The National Defense Act", adding section 16½ thereto, and for other purposes; to the Committee on Military Affairs.

By Mr. HULL: A bill (H. R. 8283) to authorize the Secretary of War to loan to the city of Eau Claire, Wis., Army cots for the accommodation of an American Legion convention; to the Committee on Military Affairs.

By Mr. KING: A bill (H. R. 8284) to amend an act entitled "An act to provide a Government for the Territory of Hawaii", approved April 30, 1900, as amended, and known as the "Hawaiian Organic Act", by amending section 73 thereof, relating to public lands; to the Committee on the Territories.

By Mr. NELSON: A bill (H. R. 8285) granting the consent of Congress to Saline County, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Miami, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. PETERSON of Georgia: A bill (H. R. 8286) to provide homesteads free of debt for actual farm families; to the Committee on the Public Lands.

By Mr. KOCIALKOWSKI (by request): A bill (H. R. 8287) to establish an assessed valuation real property tax in the Virgin Islands of the United States; to the Committee on Insular Affairs.

By Mr. MASSINGALE: A bill (H. R. 8288) to increase the efficiency of the Regular Army; to the Committee on Military Affairs.

By Mr. GREEVER: A bill (H. R. 8289) to amend an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, and 226), as amended; to the Committee on the Public Lands.

By Mr. BURDICK: A bill (H. R. 8290) to provide funds for cooperation with the public-school board at Devils Lake, N. Dak., in the construction, extension, and betterment of the high-school and elementary-school building at Devils Lake, N. Dak., to be available to Indian children; to the Committee on Indian Affairs.

By Mr. CANNON of Missouri: A bill (H. R. 8291) for the relief of the State of Missouri; to the Committee on the Judiciary.

By Mr. DORSEY: A bill (H. R. 8292) establishing rules for the interstate transportation of dead human bodies within the United States and the Territories and possessions thereof; to the Committee on Interstate and Foreign Commerce.

By Mr. LLOYD: A bill (H. R. 8293) to amend the Longshoremen's and Harbor Workers' Compensation Act; to the Committee on the Judiciary.

By Mr. ROBSION of Kentucky: A bill (H. R. 8294) to reenact provisions of law relating to disability compensation and pensions for World War veterans, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. WHITE: A bill (H. R. 8295) to extend further, in certain cases, the provisions of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law", approved April 1, 1932, as extended; to the Committee on Irrigation and Reclamation.

Also, a bill (H. R. 8296) to add certain lands to the Challis National Forest; to the Committee on the Public Lands.

By Mr. O'CONNOR: A bill (H. R. 8297) to amend so much of the First Deficiency Appropriation Act, fiscal year 1921, approved March 1, 1921, as relates to the printing and distribution of a revised edition of Hinds' Parliamentary Precedents of the House of Representatives; to the Committee on Printing.

By Mr. SISSON: Resolution (H. Res. 234) to investigate the legislative power of Congress; to the Committee on Rules.

By Mr. MANSFIELD: Resolution (H. Res. 235) providing for additional compensation to the clerk of the Committee on Rivers and Harbors of the House, with certain restrictions; to the Committee on Accounts.

By Mr. FORD of California: Joint resolution (H. J. Res. 304) proposing an amendment to the Constitution of the United States empowering Congress to regulate hours and conditions of labor and to establish minimum wages in any employment, and to regulate production, industry, business, trade, and commerce to prevent unfair methods and practices therein; to the Committee on the Judiciary.

By Mr. BACON: Joint resolution (H. J. Res. 305) accepting the invitation of the Government of France to the United States to participate in the International Exposition of Paris—Art and Technique in Modern Life, to be held at Paris, France, in 1937; to the Committee on Foreign Affairs.

By Mr. TREADWAY: Concurrent resolution (H. Con. Res. 25) to terminate all trade agreements; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the General Assembly of the State of Illinois, urging that Congress appropriate the sum of $100,000 and to enact legislation for the purpose of duplicating and furnishing the State of Illinois those World War records which were destroyed in the Springfield Arsenal fire February 1924; to the Committee on Military Affairs.

Also, memorial of the General Assembly of Maryland, requesting that the President and the Congress of the United States station the frigate *Constellation* at Fort McHenry, Balimore, Md.; to the Committee on Naval Affairs.

Also, memorial of the Wisconsin Legislature, memorializing the President, the Cabinet, and the Congress of the United States to keep the United States out of foreign wars, controversies, and entanglements; to the Committee on Foreign Affairs.

Also, memorial of the Wisconsin Legislature, memorializing the Congress of the United States to eliminate the long- and short-haul clause from the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the General Assembly of the State of Maryland, endorsing the proposed boulevard from the city of Washington to the battlefield of Gettysburg; to the Committee on Roads.

Also, memorial of the General Assembly of the State of Maryland, endorsing the proposed Centenary Planning and Building Commission of the United States Naval Academy; to the Committee on Naval Affairs.

Also, memorial of the General Assembly of the State of Maryland, requesting the Congress to appropriate promptly a sufficient sum to provide for an immediate and thorough biological and practical survey of the Chesapeake Bay and tributaries, etc.; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARLSON: A bill (H. R. 8298) granting a pension to Martha Breakey Ellis; to the Committee on Invalid Pensions.

By Mr. CHANDLER: A bill (H. R. 8299) conferring jurisdiction upon the District Court of the United States for the Western District of Tennessee to hear, determine, and render judgment upon the claim of Annie May Carter; to the Committee on Claims.

By Mr. GREEN: A bill (H. R. 8300) to authorize a preliminary examination of Suwannee River, in the State of Florida, from Florida-Georgia State line to the Gulf of Mexico; to the Committee on Flood Control.

By Mr. GUYER: A bill (H. R. 8301) to authorize a supplemental examination of the Marais des Cygnes River, in the State of Kansas, with a view to the control of their floods; to the Committee on Flood Control.

By Mr. HALLECK: A bill (H. R. 8302) granting a pension to Elizabeth Morehead; to the Committee on Invalid Pensions.

By Mr. HIGGINS of Connecticut: A bill (H. R. 8303) granting a pension to Vernon E. Buell; to the Committee on Pensions.

By Mr. HULL: A bill (H. R. 8304) granting a pension to Carrie Taylor; to the Committee on Invalid Pensions.

By Mr. MILLARD: A bill (H. R. 8305) for the relief of Arthur C. Knox; to the Committee on Claims.

By Mr. RANDOLPH: A bill (H. R. 8306) granting increase of pension to Laura B. Strider; to the Committee on Pensions.

By Mr. SNYDER: A bill (H. R. 8307) granting an increase of pension to Margaret A. Inks; to the Committee on Invalid Pensions.

By Mr. TURNER: A bill (H. R. 8308) for the relief of Claude Almon Fox; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8660. By the SPEAKER: Petition of the Louisiana-Arkansas Refiners Association, Shreveport, La.; to the Committee on Ways and Means.

8661. Also, petition of the committee of the toilet-goods industry, New York City; to the Committee on Ways and Means.

8662. By Mr. BOYLAN: Letter from the members of the United Upholsterers' Union of New York, Local No. 44, affiliated with the American Federation of Labor, favoring the passage of the Wagner labor-disputes bill; to the Committee on Labor.

8663. By Mr. RUDD: Petition of the United Upholsterers' Union, Local 44, New York City, concerning the Wagner labor-disputes bill; to the Committee on Labor.

8664. By Mr. DOBBINS: Resolution adopted by the House of Representatives of the State of Illinois, advocating the issuance of a special commemorative stamp in honor of the one hundred and fiftieth anniversary (on July 9, 1935) of the completion of Commodore John Barry's services with the American Revolutionary Forces; to the Committee on the Post Office and Post Roads.

8665. Also, resolution by the Illinois legislative committee, acting pursuant to appointment by the General Assembly of the State of Illinois, urging Congress to appropriate the sum of $100,000, and the supplementary legislation necessary for the purpose of duplicating and furnishing to the State of Illinois records of Illinois veterans in the World War, to replace those destroyed by the burning of the Springfield Arsenal; to the Committee on Military Affairs.

8666. By Mr. HEALEY: Resolution of the second interstate assembly of the American Legislators' Association, urging the Members of Congress to support the proposed appropriation of $40,000 to the Interstate Reference Bureau for the current year; to the Committee on Ways and Means.

8667. Also, resolutions of the General Court of Massachusetts, memorializing Congress for the enactment of Federal legislation to substitute another tax for the discriminatory tax on cigarettes selling at a low price, and that Congress is hereby requested to repeal the present unfair and discriminatory tax burden, and to impose, in lieu of the present tax, levied according to volume, of $3 per thousand cigarettes, or 6 cents per package of 20, regardless of the selling price of the same, a tax of $2.70 per thousand on 10-cent cigarettes, or $3 per thousand on 15-cent cigarettes, and of $3.30 per thousand on higher-priced cigarettes, as provided in pending Federal legislation, the Secretary of the Treasury having recommended such change in tax and hav-

ing stated that it would protect and maintain Federal revenues; to the Committee on Ways and Means.

8668. By Mr. KING: Petition of the Legislature of the Territory of Hawaii, requesting Congress to pass legislation enabling the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes; to the Committee on the Territories.

8669. Also, petition of the Legislature of the Territory of Hawaii, requesting Congress to amend section 202 of the Hawaiian Homes Commission Act, approved July 9, 1921, relating to the membership of the commission and the appointment of officers; to the Committee on the Territories.

8670. Also, petition of the Legislature of the Territory of Hawaii, requesting Congress to enact legislation to authorize the Legislature of the Territory of Hawaii to provide for the issuance of certain bonds; to the Committee on the Territories.

8671. Also, petition of the Legislature of the Territory of Hawaii, requesting the Congress of the United States to amend the act entitled "An act to provide a government for the Territory of Hawaii", approved April 30, 1900, as amended, and known as the Hawaiian Organic Act, by amending section 73 thereof, relating to public lands; to the Committee on the Territories.

8672. By Mr. REED of Illinois: Petition signed by John W. Denver and 57 others, requesting passage of House Joint Resolution No. 219; to the Committee on Interstate and Foreign Commerce.

8673. By Mr. SADOWSKI: Petition of the Detroit Regional Advisory Committee to Bureau of Foreign and Domestic Commerce, urging an increase in appropriation to carry on work of the Bureau; to the Committee on Interstate and Foreign Commerce.

SENATE

MONDAY, JUNE 3, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, May 31, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Robinson
Ashurst	Copeland	Lewis	Russell
Austin	Costigan	Logan	Schall
Bachman	Couzens	Lonergan	Schwellenbach
Bailey	Dickinson	McAdoo	Sheppard
Bankhead	Dieterich	McCarran	Shipstead
Barbour	Donahey	McGill	Smith
Barkley	Duffy	McKellar	Steiwer
Black	Fletcher	McNary	Thomas, Okla.
Bone	Frazier	Maloney	Thomas, Utah
Borah	George	Metcalf	Townsend
Brown	Gerry	Minton	Trammell
Bulkley	Gibson	Murphy	Truman
Bulow	Glass	Neely	Tydings
Burke	Guffey	Norbeck	Vandenberg
Byrd	Hale	Norris	Van Nuys
Byrnes	Harrison	Nye	Wagner
Capper	Hastings	O'Mahoney	Walsh
Caraway	Hatch	Overton	Wheeler
Carey	Hayden	Pittman	White
Chavez	Johnson	Pope	
Clark	Keyes	Radcliffe	
Connally	King	Reynolds	

Mr. ROBINSON. I announce that the Senator from Mississippi [Mr. BILBO], the Senator from Louisiana [Mr. LONG], the Senator from New Jersey [Mr. MOORE], the Senator from Montana [Mr. MURRAY], and the Senator from Oklahoma [Mr. GORE] are unavoidably detained from the Senate.

Mr. AUSTIN. I desire to announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

REPORT ON CRUDE PHOSPHATE AND SUPERPHOSPHATE

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the United States Tariff Commission, transmitting, in compliance with Senate Resolution 298, Seventy-second Congress, a report of an investigation with respect to phosphates, crude, and superphosphate, which, with the accompanying report, was referred to the Committee on Finance.

ELECTRIC RATE SURVEY—STATE OF RHODE ISLAND

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Power Commission, transmitting, pursuant to law, a compilation, completed through the Electric Rate Survey, of the domestic and residential rates in effect in the State of Rhode Island on January 1, 1935, which, with the accompanying papers, was referred to the Committee on Interstate Commerce.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1609. An act for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps; and

S. 2899. An act to provide for increasing the limit of cost for the construction and equipment of an annex to the Library of Congress.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CARY, Mr. UMSTEAD, Mr. THOM, Mr. JOHNSON of West Virginia, Mr. SCRUGHAM, Mr. MCLEOD, and Mr. DITTER were appointed managers on the part of the House at the conference.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolutions of the Legislature of the State of California, which were referred to the Committee on Education and Labor:

Senate joint resolution relative to memorializing the President and the Congress of the United States to enact H. R. 4688 which proposes to aid in the rehabilitation of employable blind persons in the United States and urging the Committee on Labor of the House of Representatives to expedite consideration favorable to said bill

Whereas during recent times there has been a great deal of public interest and discussion on the part of social and welfare organizations and individuals of the necessity to enact immediate legislation for the purpose of rehabilitating employable blind persons in the Unted States; and

Whereas the problem of the blind and the training thereof for fitness to find lucrative employment in the trades and professions has long challenged resourcefulness of agencies engaged in bettering the conditions of the blind; and

Whereas on January 24, 1935, there was introduced in the House of Representatives by JENNINGS RANDOLPH, of West Virginia, a bill known as H. R. 4688 which has as its purpose "to rehabilitate employable blind persons in the United States by permitting them to operate news stands in the Federal buildings, to find other suitable stand locations and to make a national survey of industries wherein blind persons can be employed, and to train, place, and advise blind persons in such job"; and

Whereas there is now no form of employment as suitable and as satisfactory for blind persons which enables such persons to approach a normal economic status as the operation of news stands in Federal buildings; and

Whereas Federal and State agencies are now assisting which are capable of administering this humanitarian project: Now, therefore be it

Resolved by the Senate and Assembly of the State of California, jointly, That the President and Congress of the United States are respectfully urged to enact legislation proposed by H. R. 4688, and that the Committee on Labor of the House of Representatives

is also urged to expedite consideration favorable to said bill; and be it further

Resolved, That the Governor of the State of California is hereby requested to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives and to the Chairman of the Committee on Labor of the House of Representatives, and to each member of the Committee on Labor of the House of Representatives and to each Senator and Member of the House of Representatives from California in the Congress of the United States and that such Senators and Members from California are hereby respectfully urged to support such legislation.

Assembly joint resolution relative to memorializing the President and the Congress to enact H. R. 5359, which provides for the creation of a National Civil Academy

Whereas scientific training for public responsibility is a recognized necessity in the efficient administration of public affairs; and

Whereas parliamentary government needs men and women with technical education and broad experience in political science and sociology to efficiently administer the complex problems which a self-governing agency is more and more called upon to execute in behalf of the citizens of the United States; and

Whereas there has been introduced in the House of Representatives a bill known as H. R. 5359, which proposes to create a National Civil Academy to train qualified young men and women in all branches of public service through a school of public administration maintained by the Federal Government in conformity with a plan promulgated by the Midtown Association of Los Angeles to secure a professionalized public service personnel: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the President and the Congress of the United States are respectfully urged to enact legislation proposed by H. R. 5359; and be it further

Resolved, That the Governor of the State of California is hereby requested to transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States and that such Senators and Members from California are hereby respectfully urged to support such legislation.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Mines and Mining:

Senate joint resolution relative to memorializing the President and Congress to adopt legislation for the employment of jobless citizens in the mining of chromium and tin deposits of the United States

Whereas there are many millions of men in these United States who still find themselves without employment in gainful occupations; and

Whereas there are many valuable but low-grade deposits of chromium and tin in California and in other parts of the United States, which said deposits though of low grade, could still be worked to the benefit of said jobless citizens and for the welfare of the United States as a whole; and

Whereas the employment of citizens at such mining industry would not in any way compete with private industry but would promote desirable public development: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California jointly, That the President and Congress be memorialized to investigate and enact legislation toward the employment of jobless citizens of the United States by Government control and development of chromium and tin deposits of the United States; and be it further

Resolved, That copies of this resolution be respectfully submitted to the President of the United States, President of the Senate, the Speaker of the House of Representatives, and to each of the Senators and Representatives of the State of California and Congress.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was ordered to lie on the table:

Assembly joint resolution relative to memorializing the President and Congress to enact S. 1952, which proposes to protect the unclassified postal employees people, extending to them a civil-service status

Whereas many of the special-delivery messengers, boys in former years but now mature men with parental responsibilities, have been summarily dismissed or indefinitely furloughed to make vacancies for civil-service substitute clerks and carriers during these depressing years; and

Whereas the special-delivery messengers have served from 5 to 25 years in the Postal Service as faithful public servants; and

Whereas the work of these unclassified Federal employees is as important, exacting, responsible, and requires an intelligence on a par with that of any other postal employee, and that the Post Office Department does consider the Special Delivery Service as an important postal activity; and

Whereas the special delivery department is the only branch of the United States Postal System not as yet included under civil-service status; and

Whereas on February 15, 1935, there was introduced in the United States Senate by Hon. M. M. LOGAN, of Kentucky, a bill known as S. 1952, which has as its purpose the extending of the classified executive civil service of the United States: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the President and Congress of the United States are respectfully urged to enact the legislation proposed by S. 1952 and that the Committee on Civil Service of the Senate and the Committee on Civil Service of the House of Representatives are also urged to expedite consideration favorable to said bill; and be it further

Resolved, That the Governor of the State of California is hereby requested to transmit copies of this resolution to the President and Vice President of the United States, to the President of the Senate and Speaker of the House of Representatives, and to the chairman and members of the Committee on Civil Service of both Houses, and to each Senator and Member of the House of Representatives from the State of California, and that such Senators and Members of the House of Representatives from California are hereby respectfully urged to support such legislation.

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Young Democratic Club of Grand Forks County, N. Dak., favoring the enactment of the bill (H. R. 7982) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a resolution adopted by the Maine State Petroleum Code Committee, favoring the enactment of legislation abolishing the Federal tax on gasoline sales, which was referred to the Committee on Finance.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana (Mr. LONG and Mr. OVERTON), which were referred to the Committee on Privileges and Elections.

He also laid before the Senate the petition of Rank and File Veterans (Post No. 19, American League of Ex-Service Men), assembled at Gateway Park, Minneapolis, Minn., praying for the enactment of legislation providing for the immediate cash payment in full of veterans' adjusted-service certificates, which was ordered to lie on the table.

Mr. TYDINGS presented a memorial of sundry citizens of Baltimore, Md., remonstrating against the enactment of the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and especially against the authorization or making of an appropriation for the building of a canal from Struthers, Ohio, to Beaver Falls, Pa., which was referred to the Committee on Commerce.

Mr. FLETCHER presented a petition of sundry citizens of Tampa, Fla., endorsing a petition to Congress of the American Petroleum Institute, praying that Federal control of the petroleum industry be relinquished, which, with the accompanying paper, was referred to the Committee on Finance.

Mr. FLETCHER also presented the following concurrent resolutions of the Legislature of the State of Florida, which were referred to the Committee on Finance:

House concurrent resolution

Whereas it is a matter of record in both branches of Congress, and in the United States Tariff Commission, that the rates of duty on imports of fresh vegetables provided by the tariff bill of 1930 were arrived at by official research and sworn testimony as merely the difference in cost of growing, processing, and marketing such produce in our American Gulf States as compared with like costs in Cuba and Mexico, thus placing such foreign imports on a level with the domestic production in the markets of the United States; and

Whereas the Florida Agricultural Tariff Association, representing the interests of the Florida growers, packers, and shippers of such winter- and early spring-grown fruits and fresh vegetables, has consistently and continuously defended, for the past 6 years, numerous attacks on such import rates of duty by both Cuban and Mexican interests; and

Whereas the Florida Agricultural Tariff Association is the only organized body in Florida backed and supported by our farmers, packers, and shippers, and by the State through the legislatures of 1931 and 1933: Now, therefore, be it

Resolved by the House of Representatives of the State of Florida (the senate concurring), We approve of the objects for which the Florida Agricultural Tariff Association is striving, and hereby express our confidence in its management, and that it will continue to function to the end that thousands of Florida farmers and thousands of farm laborers may be able to maintain the American standards of living, and to that end pledge it our support; and that copies of this resolution be mailed by the secretary of state of the State of Florida to President Roosevelt; the Secretaries of State, Agriculture, and Commerce; the United States Tariff Commission; chairman of the Committee for Reciprocity Information; and the Florida delegation in Congress

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House Concurrent Resolution 16

Be it resolved by the House of Representatives of the State of Florida in session assembled (the senate concurring), Whereas the vegetable growers of Florida are brought into direct competition with the growers of vegetables in Cuba and Mexico; and

Whereas the President of the United States has the right under the tariff laws of the United States to raise or lower the tariff rate on crops shipped in from foreign countries; and

Whereas the reciprocal trade agreement between the United States and Cuba on August 24, 1934, permits the importation of Cuban products at the lowest rates during the months when Florida, Texas, and California are heavy shippers of tomatoes, peppers, green peas, egg plants, and cucumbers; and all other vegetables grown, raised, produced, and harvested in the State of Florida, and the Southern States similarly located competing with foreign-grown products: Therefore be it

Resolved that the house and senate concurring, Respectfully and earnestly request the President of the United States to restore the tariff on all imported vegetables to the maximum rates allowed in the reciprocal agreement, during the entire year; and be it

Resolved, That a copy of this resolution under the great seal of the State of Florida be forwarded to the President of the United States, Hon. Franklin D. Roosevelt; a copy to the Federal Tariff Commission in Washington, D. C., and a copy to each of the Senators and Representatives in Congress from Florida.

Mr. LA FOLLETTE presented the following joint resolution of the Legislature of the State of Wisconsin, which was ordered to lie on the table:

Joint resolution requesting the Works Allotment Board for a portion of the P. W. A. fund for repair of city sidewalks and streets

Whereas the expense of repairing sidewalks in our cities is charged to the parcel of land benefited, entered in the tax roll as a special tax against such property, and collected like other taxes on real estate; and

Whereas the cost of repairs to city streets also falls indirectly on the owners of city property; and

Whereas repairing sidewalks and streets in our cities has been generally postponed throughout the State because funds have not been available for such purposes; and

Whereas such postponement has resulted in many unsightly and hazardous thoroughfares, which in many instances have become unsafe for the travel of pedestrians and motorists; and

Whereas the city property owner is now overburdened with high taxes and will suffer severe hardship if now required to pay additional taxes sufficient to finance such needed repair work; and

Whereas the Works Allotment Board by allotting a small portion of the $4,800,000,000, which have been appropriated by Congress for public-works projects, for repairing city sidewalks and streets in the State of Wisconsin, would at one and the same time provide relief for the overburdened city taxpayer, make safe for travel such neglected sidewalks and streets, and furnish State-wide employment for great numbers of unemployed: Now, therefore, be it

Resolved by the assembly (the senate concurring), That the Legislature of the State of Wisconsin respectfully requests the National Emergency Council and the Works Allotment Board to allot a sufficient sum of money out of the Public Works Administration fund for repairing neglected sidewalks and streets in the cities of the State of Wisconsin; be it further

Resolved, That properly attested copies of this resolution be sent to the National Emergency Council, the Works Allotment Board, and to each Wisconsin Member of Congress.

Mr. LA FOLLETTE also presented a joint resolution adopted by the Legislature of the State of Wisconsin, memorializing Congress to enact legislation to eliminate the long- and short-haul clause from the fourth section of the Interstate Commerce Act, which was referred to the Committee on Interstate Commerce.

(See joint resolution printed in full when laid before the Senate by the Vice President on May 31, 1935, pp. 8417–8418, CONGRESSIONAL RECORD.)

Mr. DUFFY presented a joint resolution adopted by the Legislature of the State of Wisconsin requesting the National Emergency Council and the Works Allotment Board to allot a sufficient sum of money from the P. W. A. fund for repairing neglected sidewalks and streets in the cities of Wisconsin, which was ordered to lie on the table.

(See joint resolution printed in full when presented today by Mr. LA FOLLETTE, p. 8485.)

REPORTS OF COMMITTEES

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 810) equalizing annual leave of employees of the Department of Agriculture stationed outside the continental limits of the United States, reported it with an amendment and submitted a report (No. 770) thereon.

Mr. HATCH, from the Committee on the Judiciary, to which was referred the bill (H. R. 5456) relating to the powers and duties of United States marshals, reported it without amendment.

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (S. 2556) to amend and supplement the steering rules respecting orders to helmsmen on all vessels navigating waters of the United States, and on all vessels of the United States navigating any waters or seas, in section 1 of the act of August 19, 1890, section 1 of the act of June 7, 1897, section 1 of the act of February 8, 1895, and section 1 of the act of February 19, 1895, reported it with amendments and submitted a report (No. 771) thereon.

Mr. O'MAHONEY, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 2286) providing for the allocation of net revenues of the Shoshone power plant of the Shoshone reclamation project in Wyoming, reported it with an amendment and submitted a report (No. 772) thereon.

Mr. AUSTIN, from the Committee on Immigration, to which was referred the bill (S. 2015) to extend the time for naturalization of alien veterans of the World War, reported it with an amendment and submitted a report (No. 773) thereon.

Mr. McCARRAN, from the Committee on the Judiciary, to which was referred the bill (S. 2689) for the relief of the city of New York, reported it without amendment.

He also, from the same committee, to which was referred the bill (H. R. 5917) to appoint an additional circuit judge for the ninth judicial district, reported it with amendments and submitted a report (No. 774) thereon.

Mr. BANKHEAD, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 1389) to amend section 7, title 1, of the Agricultural Adjustment Act (Public, No. 10, 73d Cong., 48 Stat. 31 (1933), 7 U. S. C., art. 601 et seq., as amended by sec. 221 of the National Industrial Recovery Act, Public, No. 67, 73d Cong., 48 Stat. 210, 15 U. S. C., art. 607), so as to eliminate from said section as amended the limitation of time allowed to the Secretary of Agriculture for disposing of all cotton held by him, and for other purposes, reported it with an amendment and submitted a report (No. 775) thereon.

Mr. BURKE, from the Committee on the Judiciary, to which was referred the joint resolution (H. J. Res. 26) requesting the President to proclaim October 9 as Leif Erikson Day, reported it without amendment.

INVESTIGATION OF "MORRO CASTLE" AND "MOHAWK" DISASTERS

Mr. COPELAND, from the Committee on Commerce, submitted a preliminary report, pursuant to Senate Resolution 7 (agreed to Mar. 16, 1935), of an inquiry relating to the steamships *Morro Castle* and *Mohawk* disasters and the adequacy of methods and practices for the safety of life at sea, which was ordered to be printed as Report No. 776.

AIRPLANE ACCIDENTS AND INTERSTATE AIR COMMERCE

Mr. JOHNSON, from the Committee on Commerce, to which was referred the resolution (S. Res. 146) to investigate certain airplane accidents and interstate air commerce, reported it with an amendment, and moved that the resolution be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, which motion was agreed to.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on May 29, 1935, that committee presented to

the President of the United States the following enrolled bill and joint resolution:

S. 1023. An act to provide for the payment of a military instructor for the high-school cadets of Washington, D. C.; and

S. J. Res. 88. Joint resolution to abolish the Puerto Rican Hurricane Relief Commission and transfer its functions to the Secretary of the Interior.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. CAREY and Mr. O'MAHONEY:

A bill (S. 2972) to extend the boundaries of the Grand Teton National Park of Wyoming and to create the Jackson's Hole National Game Refuge in the State of Wyoming, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. COPELAND (by request):

A bill (S. 2973) to create the office of Commissioner of Publications; to the Committee on Commerce.

By Mr. TRAMMELL:

A bill (S. 2974) for the relief of Walter W. Johnston; to the Committee on Claims.

By Mr. GIBSON:

A bill (S. 2975) for the relief of Harry C. Taber; to the Committee on Military Affairs.

By Mr. TYDINGS:

A bill (S. 2976) for the relief of John Edgar White, minor; to the Committee on Claims.

A bill (S. 2977) authorizing the George Washington Memorial Bridge Public Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Potomac River at or near Dahlgren, Va.; to the Committee on Commerce.

By Mr. STEIWER:

A bill (S. 2978) granting a pension to Elizabeth Fahrenwald (with accompanying papers); to the Committee on Pensions.

By Mr. COPELAND:

A joint resolution (S. J. Res. 141) creating a committee to improve the requirements for vessel construction, to prepare rules covering personnel of vessels, and for other purposes; to the Committee on Commerce.

CHANGES OF REFERENCE

On motion of Mr. LOGAN, the Committee on the Judiciary was discharged from the further consideration of the following bills, and they were referred to the Committee on Claims:

S. 2570. A bill directing the Court of Claims to reopen certain cases and to correct the errors therein, if any, by additional judgments against the United States; and

S. 2571. A bill directing the Court of Claims to reopen the case of William G. Maupin, Jr., and others against United States, Docket No. 34681, and to correct the errors therein, if any, by an additional judgment against the United States.

On motion of Mr. SCHWELLENBACH, the Committee on Pensions was discharged from the further consideration of the bill (S. 1107) for the relief of Sarah E. Thompson, and it was referred to the Committee on Claims.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. LONERGAN submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

STRENGTH AND DISTRIBUTION OF LINE OF NAVY—AMENDMENT

Mr. COPELAND submitted an amendment intended to be proposed by him to the bill (H. R. 5599) to regulate the strength and distribution of the line of the Navy, and for other purposes, which was ordered to lie on the table and to be printed.

DISPOSITION OF CERTAIN OBSOLETE PUBLICATIONS

Mr. HAYDEN submitted the following concurrent resolution (S. Con. Res. 17), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That a statement of certain noncurrent and obsolete publications now in the folding rooms of the Senate and House of Representatives, respectively, shall be prepared by the Sergeant at Arms of the Senate and Doorkeeper of the House of Representatives, respectively, and submitted to the Joint Committee on Printing, which is hereby authorized to dispose of the same in the following manner:

First. A printed statement of such publications shall be submitted to each Senator, Representative, Delegate, Resident Commissioner, and officer of the Senate and House of Representatives, and any Member or officer of either House having any of such publications to his credit may dispose of the same in the usual manner at any time before September 1, 1935.

Second. Upon the expiration of the aforesaid time the Joint Committee on Printing shall furnish to all Members of the Senate and House of Representatives, respectively, as promptly as practicable, a list of the publications herein referred to then remaining in the folding rooms, and thereupon such publications shall be subject to the order of any Senator, Representative, Delegate, or Resident Commissioner, in the order in which they are applied for, for a period of 30 days after the day when such list shall be furnished by the Joint Committee on Printing, but no application for the transfer of these publications may be honored.

Third. The Joint Committee on Printing shall furnish a list of all such publications remaining in the folding room at the expiration of the last-named period to the various departments, independent offices, and establishments of the Government at Washington, including the Superintendent of Documents, Smithsonian Institution, Library of Congress, National Archives Establishment, Bureau of American Republics, and the Commissioners of the District of Columbia, and such publications shall be turned over to any department, independent office, or establishment making written request therefor and shall be allocated in the order in which their application is made, and all such publications which shall remain in the folding rooms for a period of 10 days after such list shall have been furnished to the departments, independent offices, or establishments aforesaid shall be delivered to the Superintendent of Documents, Government Printing Office, for such disposition as he may deem to be to the best interests of the Government.

Fourth. No publication which is described in the list aforesaid shall thereafter be returned to the folding rooms from any source.

INVESTIGATION OF STEAMSHIP DISASTERS—LIMIT OF EXPENDITURES

Mr. COPELAND submitted the following resolution (S. Res. 147), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the sum of $25,000 be made available to the Committee on Commerce from the contingent fund of the Senate to cover expenses incurred by the committee in the continued exercise of its privileges and duties prescribed by Senate Resolution No. 7, Seventy-fourth Congress, first session.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

THE CONSTITUTION—ADDRESS BY SENATOR BORAH

Mr. VANDENBERG. Mr. President, on last evening the distinguished senior Senator from Idaho [Mr. BORAH] delivered a brilliant address, over a national radio network, discussing the grave and vital constitutional challenge now confronting the people of the United States. Senator BORAH speaks with a voice of great courage and equal authority when he deals with the great charter of the Nation.

It is sound public policy that this sturdy address should be given every possible distribution. The American people should know the import of this new question which involves their birthright. I ask that Senator BORAH's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, we live under a written Constitution. Many people believe that is our good fortune. Some people seem to think otherwise. But, fortunate or unfortunate, it is a fact. This fact is the cause of much debate at the present time.

The constitution of Italy is the fertile and restless brain of Mussolini. The constitution of Germany is the daring and resourceful character of Hitler. The constitution of Russia is the iron will of Stalin. The Constitution of the United States is the will and purpose of the American people crystallized into a written document binding upon rulers and people alike.

The characteristic of the former constitutions is the restraint and repression they place upon the people and the latitude of power they allow to the rulers. The crowning virtue of the latter Constitution is the restraint and the control it imposes upon the agents and the representatives of, and the liberty it allows to the people. Under the former constitutions the people are subjects. Under the latter Constitution, they are masters. The former constitutions are often referred to as "modern" and "progressive." The latter as "ancient" and "out moded."

Modern forces—political and economic—are chafing under the restraint of our written Constitution. It may be that it is destined to go. That would not be so strange. It is 146 years old; the oldest constitution in the world. But, if it should go—either by absolute rejection or by a transformation, which would leave little of its former spirit and purpose—still it would have served the cause of human freedom and the advancement and the enlargement of human happiness as has no other document in the history of the world. Under it the average citizen emerged from a state of serfdom to that of a sovereign. Greater progress and more universal happiness has been the portion of the masses since the year 1789 than in all the 5,000 years preceding it.

Whatever, therefore, may be the future of the American Constitution, the past is secure. The oxcart system may pass out under the demand of a different civilization and of greater leaders. The political philosophy of General Johnson, Mr. Richberg, and Dr. Tugwell may supplant the political philosophy of General Washington, Madison, and Jefferson; nevertheless, in my judgment, the oxcart Constitution should and will hold a high place at the bar of history. It has nobly served and marvelously wrought during the oxcart period.

The only thing I shall urge is that in the matter of the change the people be consulted. The Constitution should not be changed by the Supreme Court. It should not be changed in Washington. It should be changed by the people alone.

The decision of the Supreme Court—wherein national-recovery legislation was involved—has renewed interest in our constitutional form of government.

The Court decided three main questions: First, that the Supreme Court in rendering its opinions is bound by the written terms of the Constitution. Second, that Congress alone under the Constitution as it now stands possesses the legislative power of the National Government. Third, that the States alone may legislate touching matters wholly within the State.

Those who criticize the Court seem to contend that the Court under certain circumstances ought not to be bound by the terms of the Constitution; second, that the executive departments should be permitted to exercise legislative power; and, third, that the Federal Government should be permitted to regulate and control the purely internal affairs of the State.

During recent years there has grown up a theory wholly at war with American principles of constitutional government, and that theory is: When an emergency exists, or when the Congress and the President declare an emergency to exist, this in some way enlarges the power of the Congress and the Executive under the Constitution. It is further contended that the courts are justified under such circumstances to consider matters other than the terms of the Constitution itself. This theory was urged in this case, but the Court held unanimously that it was bound by the terms of the Constitution. It declared, in effect, that it would sustain in the fullest measure all powers which the people had written into the Constitution, but the Court declared that it did not feel justified in wholly disregarding the language of the Constitution. A decision of the Court based upon the theory that the Court could consider anything other than the terms of the Constitution itself would create a complete judicial oligarchy. It would leave the question of the extent of power to the determination of those exercising power—a complete definition of despotic power.

In rejecting the doctrine that an emergency justifies a disregard of the plain terms of the Constitution, the Supreme Court announced no new doctrine. Sixty-nine years ago a man, a civilian, was tried by military court and sentenced to death. He appealed to the Supreme Court, claiming he was entitled to be tried by a jury. The argument was made that the great Civil War was an emergency of such a nature that the Court would be justified in disregarding the provisions of the Constitution which guarantees the right of trial by jury. The Court rejected this vicious doctrine, saying: "No doctrine involving more pernicious consequences was ever invented by the wit of man than that any of its provisions (the Constitution) can be suspended during any of the great exigencies of the Government. Such a doctrine leads directly to anarchy or despotism."

If any such power is to be given the Court or to the Congress or to the Executive, let those who urge that such powers be given come forward with a proposal in the way of an amendment to the Constitution. A change of this stupendous moment should not be made by the Court through strained and unnatural construction, or by the Congress through disregard of its constitutional obligations.

The second proposition which the Court decided was that Congress, elected by the people, alone may make Federal laws for the people. This is an old theory. It cost the friends of liberty a vast amount of suffering and bloodshed in order to establish it. At least two great wars were fought upon the subject. It is a principle as old as free institutions. The Court held that under the Constitution as it now stands, Congress could not abrogate its power and surrender to the Executive its power to make laws.

The Court did say, however, and in so saying held—it seems to me to the full limit—that if Congress would provide in the law a standard, a guide, or a rule governing the Executive in making rules and regulations which would have the force of law, that such rules and regulations thus made would be valid. The criticism of the Court, however, implies that the power to make such rules and regulations having the force of law should be unrestrained and unlimited. This the Court declared it was not authorized to approve under the Constitution.

Under the riotous power given the Executive in the National Recovery Act, to make rules and regulations with the force of law, marvelous things have happened. Over 5,000 laws have been promulgated by the executive departments, the violation of which would constitute crimes. Over 17,000 rules and regulations have been promulgated, the violation of which might not constitute a crime, but which regulated and controlled personal conduct. These rules and regulations or laws are to be found in some 10,000 pages of printed material. The cost of administering these laws has been, it is estimated, at over $41,000,000—all of which must be paid by the people. Men have been charged with the violation of laws which they had no knowledge and could not, as a practical matter, secure knowledge concerning them. The Court declared this was carrying the matter too far; that such information ought to be provided in the law passed by Congress which would, at least, indicate to the citizen the limit of authority on the part of the executive department. It held that the Congress must, at least, specify rules and standards by which the executive departments were to be guided, limited, and controlled. The criticism of the decision means nothing less than that the law-making departments should include the executive department. If the people of this country want the executive departments to have unlimited power to make laws for every conceivable activity of the citizen, violation of which would send a man to jail, they at least should have an opportunity to pass upon the question. No such power should be established by the courts or by the surrender of duty by the Congress. Let us have an open proposal by way of a constitutional amendment submitted by those who want such power.

I undertook to frame an amendment. I wanted to get a full view of its hideous legal and moral aspect. My draft reads as follows:

"The legislative power is hereby vested in the Congress of the United States and in the different executive departments which may be created from time to time."

That is brief, but I believe it will accomplish all that is desired by those who are dissatisfied with our present Constitution.

I would not want it to be inferred from anything I say that this effort of the executive departments to take over the law-making power is of entirely recent growth, or that it is characteristic of any particular administration. It is an evil of long standing. It is one of the subtle and dangerous demands of bureaucracy made under the guise of efficiency and public interest which nothing less than eternal vigilance can restrain and, apparently, no power can wholly prevent.

For myself, I am not at all annoyed that this tyrannical practice has boldly intruded itself upon the public attention by its startling demand that it shall enjoy this privilege unrestrained. Under loose and vague rules and standards set up by Congress, authority has been given from time to time to make rules and regulations having the force of law, until today the people are subjected to a species of annoyance that is almost unbearable. The Congress and the courts had already gone to the limit and—to some of us it seemed—beyond the limit in acquiescing in this practice. It was only when the demand was made that this power be practically unlimited that the Court called a halt and in the language of Hamlet to the ghost as it led him toward the precipice said thus far and no farther.

The third proposition decided by the Court was that Congress, the Federal Government, could not regulate or control the purely internal affairs of the State—that the Constitution had left to the State the right and power to regulate its local concerns. The Court said, in substance and in effect, that however expedient it may be deemed for the Federal Government to invade the State and take over its affairs, the Constitution has given no such power and we feel bound by the terms of the Constitution.

When Governor of the State of New York, our President declared that the great strength of our Government was due to the basic fact that we had 48 laboratories in which the people could acquaint themselves with and work out their policies; that this responsibility was indispensable to a self-governing people.

Upon another occasion the Governor of New York, now our President, addressing the Nation over the radio, said: "The preservation of this home rule by the States is a fundamental necessity if we are to remain a truly united country. * * * To bring about government by oligarchy masquerading as democracy it is fundamentally essential that practically all authority and control be centralized in our National Government; the individual sovereignty of our States must first be destroyed. * * * We are safe from the danger of any such departure from the principles upon which this country was founded just so long as the individual home rule of the States is scrupulously preserved and fought for whenever they seem in danger. Thus it will be seen that this home rule is a most important thing—a most vital thing if we are to continue along the course on which we have so far progressed with such unprecedented success."

The integrity of the State so ably outlined and defended by the man who was soon to become our President and to be intrusted

with the duty of preserving our free institutions is the same doctrine embodied in our Federal Constitution and in the recent decision of the Supreme Court, now so sadly misunderstood or so unjustly denounced. I am glad to join with the President in saying that there is no such thing as a Federal Union after the States have been whipped and bullied into cowardly submission. I go further and say that so long as the Supreme Court rigidly preserves the rights of the States under the Constitution, it will deserve, and I venture to believe it will have, the respect and the support of the people of this country and, upon reflection, the commendation of the highest of our officials.

Nothing should blind us to the fact, no emergency should confuse us to the great truth that the rights of the States are peculiarly the rights of the people and touch their habits and customs and daily way of living as nothing else may. It is important when one department of government invades the jurisdiction of another department of government but that is comparatively unimportant with the invasion of the rights of the people in their everyday living. If any change is contemplated in this respect the first to be consulted should be the people themselves and that can only be brought about through an open proposal for an amendment to the Constitution. The people know what if any portion of ther local rights they are safe in surrendering better, far better than the courts or the Congress or the executive departments can possibly know. There is an instinct in regard to such matters more to be trusted than the wisdom of rulers. The Court should be commended for jealously guarding such rights. The lawmakers should resolve all doubts in favor of such rights and when it is proposed to curtail them it should be done only through the approval of the voters. If the people wish to wipe out State lines and consolidate the Union into one unbroken empire they have the power under the Constitution to do so. No one else has. Those who feel, therefore, that the States should be shorn of their power in whole or in part owe it to the people to submit their proposals to the people in the way of a definite amendment. That is the American way to meet this issue. That assailment of the Court is wholly without justification in this particular instance. The Court could not have decided otherwise under the Constitution. The attack is really upon the Constitution itself and that can only be remedied through a constitutional amendment.

One can sympathize with the President, with his almost dread responsibility in dealing with this great emergency. Abraham Lincoln, the truest child of democracy ever born under the American flag, it will be recalled in a special message to Congress put the query whether the power necessary to save the Republic might not be of such nature as to destroy the Republic. With great responsibility in a great emergency must necessarily come impatience with opposition in the effort to meet that responsibility. But what can be said in justification of the chirping satellites who hope to win favor and make sure of their salaries by decrying the handiwork of Washington, Jefferson, and Madison; who because they have not the patience or the ability to frame a statute within the terms of the Constitution seek to cover their failure by talking loud and constantly about an outmoded Constitution and inadequate institutions.

I see in the morning paper that the President has ordered to be dismissed some 500 cases pending against persons for supposed offenses under the rules and regulations of the codes. It was fine to have acted promptly in this matter. The President will hardly be able to realize the relief that this will bring to those persons and to millions more who have stood in fear of violating some rule or regulation of which they had no knowledge or of receiving letters threatening them for doing something which seemed of right to an American citizen. These are the things, this everlasting fear and mortal dread of the truly law-abiding American citizen, which would have brought the National Recovery Act to ruin sooner or later had the Court not spoken. It is useless now to go into details, but the record is at hand, and the annoyances which have been unnecessarily visited upon millions of American citizens were working to the utter break-down of the law. Before we fully make up our minds, therefore, to govern permanently 130,000,000 people from Washington in all their local affairs of daily life, from the farmer's wife marketing her chickens to the discretion of the husbandman in his planting and sowing, let us bear in mind that these things cannot be done, cannot even be overseen by a President. It is not humanly possible. These things are done by thousands of bureaucratic ascaridae, whose glory is the display of arbitrary power. Let us bear in mind that in the prolific mucus of delegated power are laid and hatched these ravenous insects as fatal to the liberty of the citizen as the locusts to the field of the toiler. I rejoice that the President is putting an end to these activities and is giving rein to the initiative, the personal aims and ambitions, the judgment of the citizen touching his own personal affairs. The value of this in the matter of recovery cannot be overestimated.

In conclusion, I do not wish to be understood as contending that the Constitution is a sacred document, never to undergo amendment. Neither do I wish it to be inferred that the decisions of the Supreme Court are above the consideration and criticism of the people. But I do wish to be understood as contending that the great underlying principles of the American Constitution are indispensable to a republican form of Government—that to strike at those underlying principles is to strike at the life of a representative democracy.

I do not forget either in these days that hardly had the Constitution been adopted before there were those who declared it unworkable, inadequate, and a failure. There has never been a time of stress in our history when there were not those who were fully prepared and anxious to write a much better Constitution and give us a more progressive form of Government. But, in spite of doubts and fears and against all emergencies, and in spite of the efforts of impatient critics, the work of the combined views of Hamilton and Jefferson lived on. Under it the Nation has grown in strength and grandeur. The people have advanced in all things which contribute to responsible citizenship. It has successfully encountered the devastating forces of two great wars and effectively met the exigencies of more than one depression. It has accomplished these things, not only because of its inherent worth and wisdom but also because in a large measure of the respect for and faith in the Constitution upon the part of the people, a thing which should at no time be underestimated.

We all appreciate the serious task devolving upon the general Government at this time, but the constitutional powers which have been sufficient to deal with the great emergencies of the past we still enjoy unimpaired. The decision of the Supreme Court curtails them in no respect. These powers of the National Government under the Constitution are very great—they were designed to be and are equal to all the demands of a powerful nation in distress if faithfully and patiently employed. They seem to be ample now as they have been at all times to sweep away all obstacles which stand in the way of their constitutional exercise. The power to regulate and control interstate commerce is full and complete. It may be that greater care and more patient consideration of measures are required. But the country need not doubt, it seems to me, that the constitutional authority is sufficient to meet the emergency at hand.

STABILIZATION OF WORLD CURRENCIES—ADDRESS BY SENATOR THOMAS OF OKLAHOMA

Mr. DUFFY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered over the National Broadcasting network on May 31, 1935, by the senior Senator from Oklahoma [Mr. THOMAS], who makes some interesting observations on financial affairs.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

During the past few days the Congress has witnessed developments of major importance at home and abroad.

At home the Supreme Court has held some of our emergency relief measures unconstitutional.

Abroad the Government of France has been voted out and a new Cabinet is now in process of formation.

Throughout the world the trouble is unemployment, excessive taxes, interest, and debts, stagnated trade, fear of war, chaotic and fluctuating currencies, and a general distrust of peoples and governments.

Nations, one after another, have been and are realizing that the major cause of their economic troubles is the fluctuation and instability of their currencies.

Nations are learning that as taxes, interest, debts, and expenses increase and expand, currency units must be correspondingly cheapened.

Nations which have escaped or checked the depression have done so through regulation and adjustment of their systems of money.

Japan is an outstanding example of a nation which has adjusted its currency to suit Japanese domestic economy. The result is that Japan is not only out of the depression but is enjoying unparalleled prosperity.

Governments refusing and failing to adjust their monetary systems to conditions confronting their peoples have been changed or destroyed.

The Government of France on yesterday, May 30, does not exist today, May 31.

Today there is but one major problem before the world, and that problem is the regulation and adjustment of the value of national currencies and the stabilization of international exchange.

Already practically every country in the world has taken steps to cheapen its monetary unit.

Our Government has been and is following this policy.

A few weeks ago a world cotton conference met at Rome and recommended a general policy of further cheapening of currency units to the end that the general world price level might be raised.

Within the past 24 hours the Government of France has fallen because it refused to accede to the demand for cheaper francs and higher commodity prices as an aid to business recovery.

The value of money and the general price level are controlled by the amount of money in circulation.

When money is scarce, money is high, and high money makes low prices.

The authority in control of the issuance of money has the power to make money scarce or plentiful; hence such authority has power to make prices high or prices low.

During this depression we have lost one-third of our money; hence money became scarce and high, resulting in low prices, unpaid taxes, defaulted interest, repudiated debts, bank failures, bankruptcies, and economic chaos.

Those who have their wealth in bonds, notes, and fixed investments want scarce and high-valued money; while those who are in debt and those who produce the wealth of the Nation want plentiful and cheaper money and the resultant higher prices.

History records that scarce and high money brings unemployment, depression, and panic; while plentiful and cheap money produces expanded business, good times, and prosperity.

The regulation and fixing of the value of the dollar is the domestic problem of the United States.

The regulation and fixing of the value of the several units of currencies of the nations is the domestic problem of such nations.

Inasmuch as domestic trade depends upon the value and stability of domestic units of money and likewise world trade depends upon the stability of international exchange, therefore the adjustment and stabilization of world currencies is the supreme demand of this hour.

All agree that the regulation and adjustment of domestic currencies must precede world-wide stabilization of exchange.

The foregoing provokes the following questions:

First, Has the United States completed adjustment and regulation of the value of the dollar? And, second, Is the United States now ready to stabilize at such value?

To both questions my answer is, emphatically, "no."

While the value of the dollar has been cheapened, yet dollars are still too scarce and their value is still too high to permit the people to secure such dollars with which to pay their taxes, interest, and debts.

Hence our next step is to complete the regulation and adjustment of the value of the dollar.

The second step is to decide whether we will use gold or gold and silver at some fixed ratio as the basis for the issuance of our currency.

When we have taken these two steps then we will be ready to suggest to the other nations our readiness and willingness to confer upon international stabilization.

Other nations find their monetary systems as chaotic as our own.

Only a few of the more powerful nations have power to act.

The smaller nations have their monetary units tied to the financial systems of the more powerful; hence such weaker nations are wholly powerless to act.

Heretofore approximately one half the peoples of the earth used gold as the basis for their currency and the other half have used silver as money and as the basis for money.

Today the United States possesses almost $9,000,000,000 in gold and approximately $1,000,000,000 in silver, making a total metallic base of approximately $10,000,000,000.

Because of the financial resources of the United States, we have it in our power to fix and maintain the value of both gold and silver throughout the world.

In fact, we have been and are doing this identical thing.

If the United States, acting in conjunction with Great Britain and France, will agree upon the value for both gold and silver, and then adjust their monetary units in relation to such value, the other nations will have no alternative other than to join in maintaining such value as fixed.

In order to accomplish and maintain the stabilization of world currencies, two new forward steps should be considered:

First: Because the world has become so small relatively, it now appears not only desirable but necessary to agree upon a world currency unit.

The name of such unit is not important.

Here we have the dollar; Great Britain has the pound; France has the franc; Germany has the mark—hence, the name of such international unit could be any term that could be agreed upon.

Inasmuch as nations refer to their domestic national standard coin as the unit, the term "unit" might be given to the theoretical international coin herein suggested and proposed.

This international "unit" could be based upon either gold or silver, or it could be based upon both gold and silver at a fixed and agreed ratio.

Inasmuch as both gold and silver are used as money throughout the world, and inasmuch as it is now demonstrated that even one nation can increase or decrease the value of either gold or silver, internationally it becomes more apparent that the value of each of these metals should be fixed by international agreement, and thereafter such fixed values should and must be maintained.

During the past 12 months the United States alone has been able to raise the value of silver approximately 50 percent, and now has the undoubted power to double the present price of silver.

This power in the hands of one government places the currencies of all silver-using nations at the mercy of the stronger power; hence, the future economic security of silver-using countries is wholly dependent upon a stabilized value for silver.

I contend that it is absolutely necessary for the nations to agree to the use of both gold and silver at a fixed ratio as the basis for the issuance of the world's currencies.

I contend that it is necessary for the nations to agree upon a world unit of currency.

As the second step I contend that in order to facilitate the exchange of the world's goods, the development and expansion of world trade and the extension of world credits, it is necessary to organize, set up, and develop a world bank to serve the world-trading nations.

I do not suggest a world banking system.

I do not suggest a world currency system.

In its inception the world bank could be no more than the establishment at one point of a number of branches of the several banks of nations, each under the exclusive control of each nation's own agents.

Such a bank, consisting of a number of branches of banks of nations, could serve as a clearing house for transaction in world trade.

In conclusion, the financial adjustment steps we must take are few and plain, but imperative.

First, we must adjust and regulate the value of our own dollar.

Second, we must cooperate with the other nations in bringing about world stabilization of currencies.

Third, the creation of an international unit of currency is as necessary and important to the world today as was the agreement among the colonists to use the Spanish milled dollar as the common unit in pre-Revolutionary days in America.

Fourth, the need for a world bank to facilitate international trade is comparable to the need for a clearing house in the larger cities of the country.

At last nations, parliaments, and peoples have come to realize the importance of money systems in relation to trade, industry, and prosperity.

With such an awakening we look forward with hope and confidence to the future.

THE ECCLES BANKING BILL—LETTER BY SAMUEL UNTERMYER

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter on the subject of The Eccles Banking Bill, written by Samuel Untermeyer, and published in the New York Times of June 1, 1935.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE ECCLES BANKING BILL—OPPOSITION RECALLS FIGHT AGAINST THE FEDERAL RESERVE ACT

To the EDITOR OF THE NEW YORK TIMES:

I am fearful that this tempest in a teapot over the decision in the N. R. A. case, which is, in my judgment, readily capable of sane solution in a modified and less all-embracing form that will still preserve its leading manifest advantages, will divert the attention of the country that should now be concentrated upon the equally important pending banking bill. That would be unfortunate, for it may mean that the bill will be done to death, or emasculated beyond recognition by its powerful enemies in the financial world.

The testimony of Winthrop W. Aldrich, Owen D. Young, and other outstanding banking authorities before the Senate Banking Committee, unanimously and in unstinted terms condemning the underlying principles of the Eccles bill and predicting dire disaster to our banking system if the bill is passed, has a familiar echo. It forcibly reminds one of the peril to the country in taking such opinions too seriously or leaning too heavily upon them, in the light of past experience.

ALDRICH COMMITTEE MEMORIES

My memory takes me back to the days of the elaborate and long-drawn-out investigation of the Aldrich Senate committee covering this subject, when Senator Aldrich, the distinguished then Chairman of the Senate Banking Committee and father of the present witness (the president of the Chase National Bank) and the committee traveled over most of Europe gathering evidence. That committee made a most elaborate report in support of a central bank controlled by bankers, but fortunately no legislative action resulted from its labors.

Some years later, in 1921, as the direct outcome of the House committee investigation, of which Congressman Pujo was chairman, into the problem entitled "The Concentration of the Control of Money and Credit", the question again arose, in acute form, between the discredited Aldrich bill and the system of regional banks as embodied in the Federal Reserve Act as finally passed and subsequently emasculated from year to year by selfish, unwise, and misguided banking influences.

The point I desire to emphasize by this brief historical survey is the fallibility and short-sightedness of banker judgment on questions of finance where their own interests are concerned, and the danger of Congress and the public being misled by their predictions of disaster unless their advice is followed.

FEDERAL RESERVE ACT OPPOSED

Among the many banking authorities who, without exception, during the investigation that preceded the enactment of the Federal Reserve Act, testified to the disaster that would surely result if that bill were passed, there is space here to quote only a few:

1. Charles G. Dawes, then president of the Central Trust Co. of Chicago and subsequently Vice President of the United States, warned the country of the disastrous possibilities of the bill and declared: "The administration's plan of reforming the currency would be calamitous to the Nation, would cripple the present national banking system, and pave the way for panic." (See the New York Times, July 29, 1913, p. 2.)

2. James J. Hill (deceased), at a meeting of the American Bankers Association, denounced the bill as vesting the control of our banking credit and note issues in men chosen with reference to political considerations, and said: "The bill in its present form is too socialistic to suit the temper of the body of our people. The plan differs essentially but little from the direct assumption by the Government of complete ownership and control of the banking business." (See the New York Times, Oct. 10, 1913, p. 8.)

BANK EXODUS PREDICTED

3. Frank A. Vanderlip, in an address before the Catholic Club, warned his hearers that the Owen-Glass bill, as the Federal Reserve Act was then known, would cause many banks to give up

their Federal charters and take State charters, and added: "I am certain, if the legislation is enacted by the Senate, there will be a tremendous exodus of national banks from the System." (See the New York Times, Nov. 14, 1913, p. 13).

4. George W. Rogers, chairman of a committee representing the country bankers, said: "The bill would wipe two-thirds of the business off my books." (See the New York Times, Oct. 10, 1913, p. 8.)

5. J. W. P. Lombard, president of the National Exchange Bank of Milwaukee, as representative of the midwestern banks, is quoted as having said: "The currency bill must have been drawn on a theory basis by persons who have little knowledge of the banking situation, without considering its practical effect." (See the New York Times, June 21, 1913, p. 2.)

I could go on indefinitely multiplying instances of this kind, yet within 2 years after the act was passed these same bankers who had denounced it and tried to defeat it before its passage were lauding it to the skies. History is repeating itself in the united denunciation of the underlying principles of the Eccles bill. There are none so blind as those whose interests so becloud their perspective of usually farsighted and clear thinking as will not permit them to see.

The sole responsibility for the control of money is essentially a governmental function that should be exercised by governmental agencies, and should not to any appreciable extent rest in the keeping of men who are to be regulated.

SAMUEL UNTERMYER.

NEW YORK, May 31, 1935.

ANNIVERSARY OF THE DISCOVERY OF RADIUM BY MADAM CURIE

Mr. COPELAND. Mr. President, I ask permission to have printed in the RECORD an address which was broadcast on Monday, May 20, 1935, by Edward C. Rybicki, president of the National Marie Curie Memorial Association, on the thirty-seventh anniversary of the discovery of radium by Mme. Curie.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Today, May 20, the world of science and medicine, joined with the laity, celebrates the thirty-seventh anniversary of the discovery of radium by Marie Sklodowska Curie, Polish scientist, and world's foremost woman scientist of all times.

On May 20, 1898, 37 years ago, from an old abandoned shed in the city of Paris, came the announcement by Mme. Curie, of the discovery of this highly radioactive metallic element which marked a new era in the world of science, and later brought hope to humankind in the treatment of cancer, and a means of lessening the suffering of those afflicted by this dreaded malady.

Those who knew Mme. Curie in her life know that her discovery of radium, in which she had the aid of her husband, Pierre Curie, was accomplished under conditions of uncomplaining ill health, overwork, comparative poverty, and tragically handicapped by the lack of proper equipment.

The highest scientific ideal and unselfish spirit guided Mme. Curie in her great work. She might have, by merely signing her name to a patent, become a woman of great wealth and power. In her autobiography, she has written thus:

"So it is fortune that we have sacrificed in renouncing the exploitation of our discovery, a fortune that could, after us, have gone to our children. * * * Humanity needs practical men who make the best of their work for the sake of their own interests, without forgetting the general interests. But it also needs dreamers for whom the unselfish following of a purpose is so imperative that it becomes impossible for them to give much attention to their own material benefit."

Mme. Curie chose to be one of those dreamers whose only thought was to contribute something to man's welfare, and she never complained about the poverty and hardship that followed her choice. She had only one regret—lack of equipment to continue her work.

Marie Sklodowska Curie was born in Warsaw, Poland, 67 years ago. Her father, Ladislaus Sklodowski, was a professor of physics and mathematics in a university at Warsaw, and from whom she received her first instructions and scientific attainment.

Her mother was the director of one of the leading schools for girls in that city. Marie graduated at 15 from a girls school in Warsaw, and at 17, because of financial necessity, she accepted employment as governess in a wealthy family, and which permitted her to continue her studies in science. It was during this period that she organized a class of Polish children from the village who could not be educated under the Czarist Government of Russia, then the master of her country. Her devotion to her Polish inheritance was deepened by this work.

At 24 she came to Paris. Her object, study. Ten cents a day was all that she could afford for bread and milk, so that, as she said herself, she had to reacquire the taste for meat and wine. Marie thought her luck was with her when she obtained employment at the Sorbonne, cleaning the furnace and washing bottles in the laboratory. Yet we must not forget that she had a scientific education, and that she was a student at the Sorbonne under great physicists and not merely a furnace cleaner and bottle-washer.

She was a student under Dr. Pierre Curie, and 4 years later, in 1895, she married him, and became Mme. Curie. She continued her studies and research despite the birth of two children.

During the World War, Mme. Curie conceived the idea of equipping automobiles with radiograph apparatus for the examination of wounds and the location of bullets or pieces of shell. In this way, many lives were saved by prompt treatment on the field. Her daughter Irene, herself a scientist, became a radiological operator for one of the motors. Mme. Curie also established a school to train radiological operators, and herself taught more than 150 girls.

Mme. Curie received the Nobel prize for physics and chemical achievements in 1903 and 1911, with scores of other honors never before given a woman. She was acclaimed by scholars and governments in all parts of the world, but remained the most modest and retiring of distinguished persons, devoting her life to her scientific researches and to her family.

Presidents Harding and Hoover in the name of the generous men and women of America presented her with 2 grams of radium that she might continue her work in the interest of mankind.

The death of Mme. Curie last July, a martyr to her discoveries, deprives the world of a benefactor, superwoman, scientist, scholar, teacher, writer, dutiful daughter, wise wife, and tender mother. She exemplified the highest feminine achievements and remained a simple human being through the years when fame was hers.

The city of New York pays the memory of Mme. Curie and her achievements a well-deserved recognition and honor when it named one of the streets in Manhattan "Marie Curie Avenue." Servant of mankind, her name, like Newton's, "belongs to the ages."

PORTLAND, OREG., TAX RATES

Mr. STEIWER. Mr. President, some days ago, information was placed in the RECORD concerning the tax rates and the basis of assessments for tax purposes of a number of cities in the United States. I have received a letter from Mr. C. C. Chapman, of Portland, Oreg., complaining that information which was published at page 5496 of the CONGRESSIONAL RECORD does injustice to the situation in the city of Portland, Oreg. Mr. Chapman is a thoroughly well-qualified student of tax matters, and the editor of a paper which devotes considerable attention to this subject. In order that his views may be expressed in the RECORD, I ask unanimous consent that his letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OREGON VOTER,
Portland, Oreg., May 7, 1935.

Hon. FREDERICK STEIWER,
United States Senate, Washington, D. C.

DEAR SENATOR: An injustice is done to Portland in a table printed on page 5496 of the CONGRESSIONAL RECORD.

The city tax rate is set forth on a so-called "Legal basis of assessment" under which property is supposed to be assessed in Portland at 100 percent of its value, and only 50 percent of its value in Seattle. This is a legal fiction.

According to the reports of the State tax commissions in the respective States, the property of Multnomah County, in which Portland is located, is assessed at 54 percent of its full value, while property in King County, in which Seattle is located, is assessed at only 47 percent of its full value.

The respective net rates for the two cities, after applying these ratios, would be: Seattle, $18.13; Portland, $12.15.

The application of these official ratios as reported by the respective tax commissions will give a more correct picture of the tax rates in these two cities.

As the table published in the RECORD is being used to Portland's disadvantage in tax comparisons, I believe it would be wise to have this correction inserted in the RECORD. However, I do not wish to embarrass you, so be governed by your own judgment.

Yours respectfully,

C. C. CHAPMAN, *Editor.*

JOHN BARRY, FATHER OF THE AMERICAN NAVY

Mr. McNARY. Mr. President, on March 1, 1935, there appeared in the Peninsula Herald, a paper published in Portland, Oreg., an article concerning the passage of a bill providing for the issuance of a special stamp in honor of Commodore John Barry, father of the American Navy. I ask that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Portland (Oreg.) Peninsula Herald of Mar. 1, 1935]

JOHN BARRY, FATHER OF THE AMERICAN NAVY

The passage of the bill before Congress for the use of a special United States commemorative stamp in honor of Commodore John Barry, father of the American Navy, advocated by many American organizations, was strongly endorsed at an Irish meeting last night.

Cornelius O'Donovan, Portland, Oreg., who presided, said: "The issue of the stamp to the Irish commander, John Barry, is a graceful tribute to his patriotic heroism for Old Glory, and will serve as a belated acknowledgment of the early alliance of the Irish

with America. It is proposed that the stamp be issued July 9, 1935, in commemoration of the one hundred and fiftieth anniversary of the retirement of Commodore Barry's service in the Revolutionary Navy, as an outstanding fighter for American independence as a sea commander under the leadership of Washington."

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. NORRIS. Mr. President, on the 13th and 14th of July 1932, in this Chamber I delivered quite an extended address on holding companies. It had become my duty, as Chairman of the Committee on Agriculture and Forestry, to hold extensive hearings on what was commonly known as the "Muscle Shoals legislation." The investigations of the committee extended over two or three Congresses. In the course of my studies of the subject, it became apparent to me that one of the great evils of the country, and particularly in the electric field, was the holding companies. I undertook in that address in 1932 to try to explain and expose what I believed to be the evils of the system. What I said, however, attracted but little notice and I am delighted now, after several years have elapsed, to realize that younger and more able minds have taken up the subject, that an admirable message from the President of the United States on the subject has been received, and that the Committee on Interstate Commerce, headed by the Senator from Montana [Mr. WHEELER], have made an extensive investigation and reported a bill with the object of relieving the country of the evils that are now inherent in the holding-company system.

I desire today, Mr. President, to show by a few illustrations and charts the absurdities into which the holding company system leads not only as it affects the consumers of electricity but also the honest investors in securities. In my opinion, holding companies constitute the greatest evil of our civilized age.

In all the years of my investigation I have been unable to find a single instance where a holding company in the second degree is of any benefit to society. On the contrary, it is always a great danger, and affords a strong temptation for dishonest men, or men moved only by the desire to create great wealth for themselves, to perpetrate a great injustice upon the people of the country.

I have had placed on walls of the Senate about 20 charts illustrating the condition of some—only a very few, as a matter of fact—of the holding companies which control the electric-light field in the United States. If I should illustrate by a chart similar to these all the intricacies of the holding-company system and should cover the system completely from bottom to top, it would require a chart which would cover more than a square mile of territory. I could not in this Chamber or in any other chamber in the city of Washington find sufficient wall space to put up a chart which would show completely the evils of the system. The charts which I have here today barely touch the subject. It will be seen as I proceed that the opportunity for extension of the holding-company system in this country is almost limitless.

Charts nos. 1 and 2 illustrate some of the conditions existing in the Stone & Webster group.

Chart no. 3 has to do with the North American group.

Charts nos. 4, 4–A, 5, 5–A, and 6 are illustrative of the Insull group.

Chart no. 8 covers the Associated Gas & Electric group.

Chart no. 9 refers to electric-transmission lines in holding companies in the United States.

Chart no. 10 relates to the Electric Bond & Share group.

Chart no. 11 has to do with the Columbia Gas & Electric group.

Chart no. 12 is illustrative of the United Corporation group.

Chart no. 13 pictures the Niagara-Hudson group.

Chart no. 14 deals with the Standard Gas & Electric group.

Chart no. 15 covers the Louisville Corporation of Standard Gas & Electric group.

Chart no. 16 relates to the Central Public Service group.

Chart no. 17, the largest chart I have, being somewhere in the neighborhood of 12 feet long by about 6 feet high, is a map of the United States showing the existing danger from holding companies in the case of the pipe-line system for natural gas, a danger which I shall show as I proceed is now facing the country; and unless something is done in regard to the holding companies, the pipe-line system will soon be, if it is not already, in the control of such companies to the same extent as is the electric-light industry.

The charts depict but a small number of the groups of a Nation-wide character, and none of them is carried out to the end. Lack of space and time prohibits such an undertaking. If the charts covered from the bottom to the top all the groups of holding companies in the United States, it would take a year to explain them.

I shall pass over some of the charts quickly, because I do not have the time, unless I should keep the Senate in session for many days and even weeks to go into detail.

I invite attention first to charts numbered 1 and 2, which constitute the Stone & Webster group. The Stone & Webster group, in addition to having holding companies of operating public utilities, also own engineering corporations. It is not only a holding-company organization but an operating one as well. For instance, Stone & Webster Corporation owns all the other corporations which I have shown on chart no. 1. The capitalization, bonds, stock, and so forth, are given of the various subcompanies owned by the head corporation, Stone & Webster.

For instance, they have a Stone & Webster Utilities Corporation. They own the Sierra Pacific Electric Co. They own the Sierra Pacific Power Co. These organizations are incorporated in various States of the Union. They own the Carson City Coal Gas Co. of Nevada. They own the Stone & Webster Service Corporation, incorporated in Massachusetts. They own two other companies, the Stone & Webster Engineering Corporation, which is incorporated in Massachusetts, which corporation in turn owns McClellan & Junkersfield, Inc., incorporated in Delaware. The two corporations just named are owned by another subholding company of Stone & Webster, known as the "Stone & Webster Engineering Co. of Delaware."

The Stone & Webster Engineering Co. of Delaware owns A. L. Hartridge Co., of New York. The same corporation owns the Engineers Realty & Improvement Corporation, incorporated in Delaware, and that corporation in turn owns the Stonebridge Building Corporation, incorporated in New York. Stone & Webster directly own the Northern Boulevard Development Co., of New York; they also own the Stone & Webster Building, Inc., of New York. They own the Stone & Webster Realty Co., of Massachusetts. Thus it goes all the way around.

Chart no. 2 goes a little more into detail as to the ownership of the various corporations. Some of them are holding companies, and through them other holding companies come in, and through the other holding companies operating companies come into the picture. Some of them are engineering companies. They are all controlled, however, by Stone & Webster, the parent company.

Mr. VANDENBERG. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. NORRIS. I yield.

Mr. VANDENBERG. Before the Senator leaves that point may I ask whether there are any figures available to show the sum total of financial control represented by the charts?

Mr. NORRIS. Yes. The Senator can get them in detail I am sure from the report of the Federal Trade investigation. Before I conclude I shall give some figures as to some of the holding companies and subsidiaries, and some figures applying to all of them showing the fictitious capital stocks and bonds which have been floated and sold to an innocent public, for which absolutely no real value existed.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. NORRIS. I yield.

Mr. ROBINSON. If it will not interrupt the Senator, may I ask what reasons are assigned for this very complex system of organization? Why it is necessary, or why is it deemed necessary by those who effectuate the organization, to have so many corporations in order to carry on what appear to be rather simple business activities?

Mr. NORRIS. Mr. President, the Senator has asked a very proper question. It will be part of my task today to show that there is no possible reason for the existence of these holding and subholding companies. I shall come to other corporations before I conclude which will make Stone & Webster look like 50 cents.

Mr. ROBINSON. Mr. President——

Mr. NORRIS. I yield.

Mr. ROBINSON. One not skilled in financial affairs may readily understand the justification for a single holding company.

Mr. NORRIS. Yes.

Mr. ROBINSON. But it is very confusing to note that a single organization has so many interlocking corporations.

Mr. NORRIS. I will say to the Senator that, in my opinion, that is one of the objects of the holding company—to cover up, to make it impossible for the ordinary person to see or to find out just what the various steps are through which he must travel, in some cases from an operating company through 13 or 14 corporations, before he reaches the top. It is one of the evils of the holding company. There is no good in it anywhere that I can see. I have asked a great many Senators and investigators whether, in the study of holding companies, they ever found an instance where there was justification for a holding company in the second degree. As the Senator from Arkansas says, we can see that sometimes it might be necessary to have one in the first degree; but no man yet has ever expressed an opinion to me except to say that there was no justification for having a holding company in the second degree.

Mr. MINTON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Indiana?

Mr. NORRIS. Yes.

Mr. MINTON. Is not the justification, from the standpoint of those who have organized and control the holding companies, that the higher they pyramid them the less money it takes at the top, as they go up, to control the entire structure?

Mr. NORRIS. Yes. Of course, all this is done for the purpose of making money. As a matter of fact, none of these companies, holding or operating, has any possibility of making any money, as I see the matter, except in one of two ways. One is from the consumer who buys the electricity of the operating company. The other is by the issue of stocks and bonds in various complicated ways which the ordinary person cannot understand, usually coupled with a large write-up and the pouring in of a lot of water. All these companies—I am speaking now of operating electric companies—must get their funds, and get the oil to oil the machinery all the way up, in one or both of the ways I have mentioned. I know of no other way. So the result is that even though false bonds and watered stock are issued, the man at the bottom, the consumer of electricity, must bear the burden in the end. It is from him in the end that all the money is received to pay for the operation of all these corporations.

(Chart no. 1 appears on pp. 8494–8495.)

Mr. NORRIS. Chart no. 2 carries out in detail one of the controlling corporations shown in chart no. 1. That covers only one of them. It will be seen from chart no. 1 that one of the companies held by Stone & Webster is the Engineers' Public Service Co. Chart no. 2 takes the Engineers' Public Service Co. and carries it out in detail, showing what it in turn controls; so that, as a matter of fact, all the corporations noted on chart no. 2 are controlled by Stone & Webster, shown in chart no. 1.

Chart no. 2 illustrates what can be done in the way of extending the holdings in a great many of the charts I have on exhibition. It only goes to show that the holding-company device is almost endless. It will be seen from chart no. 2 that Engineers' Public Service Co. controls the Baton Rouge Electric Co., the Louisiana Steam Generating Corporation, the Key West Electric Co., and the Virginia Electric & Power Co. The Virginia Electric & Power Co. owns in turn the Virginia-Carolina Power Co., the Commonwealth Ice Co., Inc., and the Atlantic Coast Terminal Co., Inc.

If Senators will notice, chart no. 2 carries out only one corporation that is named in chart no. 1. If we should carry them all out we should have as many charts like chart no. 2 as there are corporations named in chart no. 1.

(Chart no. 2 appears on pp. 8496–8497.)

Mr. NORRIS. Now let us pass to chart no. 3.

Chart no. 3 is the North American group as of January 1, 1931. Harrison Williams owned 100 percent of the New Empire Corporation. The New Empire Corporation owned over 54 percent of the Central States Electric Corporation. It also owned over 14 percent of the Electric Shareholding Corporation.

The Trade Commission's investigation shows that as of January 1, 1931, Harrison Williams, the owner of the top holding company in chart no. 3, owned 100 percent of the New Empire Corporation, as I have said, and that the New Empire Corporation owned 100 percent of the Federal Utilities, Inc., Electric Investment Corporation—all shown on the chart—and 54½ percent of the Central States Electric Corporation.

The Central States Electric Corporation owned 61 percent of the American Cities Power & Light Corporation, 47.8 percent of the Shenandoah Corporation, and 51.9 percent of the Electric Shareholding Corporation.

The Shenandoah Corporation in turn then owned 85 percent of the Blue Ridge Corporation.

The several corporations I have named together owned 27.8 percent of the North American Co.

The North American Co. owned 100 percent of most of the large group of direct operating subsidiaries shown on the bottom on the left side of this chart, no. 3. These operating companies include the Union Electric Light & Power Co., which supplies St. Louis; the Cleveland Electric Illuminating Co., which supplies most of Cleveland; and numerous operating companies through Wisconsin, Missouri, Iowa, and Texas.

The North American Co. owned 50.02 percent of the local Washington Railway & Electric Co., which in turn owned 100 percent of the stock of the Potomac Electric Power Co. and a number of other local corporations.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Are any of these intermediary companies operating companies?

Mr. NORRIS. Some of them are operating companies. Some of them are only holding companies. Some of them are both holding and operating companies.

Mr. SHIPSTEAD. Being intermediaries, those that are operating companies own subsidiaries beneath them?

Mr. NORRIS. Yes, sir.

Mr. SHIPSTEAD. Are they operating companies?

Mr. NORRIS. Some of them are both operating and holding companies, and some of them are only holding companies.

The North American Co. also owned from 81 to 100 percent of a group of direct subsidiaries, including the North American Utilities Securities Corporation of Maryland, the Sixty Broadway Building Corporation, The St. Louis County Gas Co., the West Kentucky Coal Co. and three subsidiaries, and Wired Radio, Inc. It owned the Western Power Corporation, which in turn held 18.1 percent of the stock of the big Pacific Gas & Electric Co. of California.

The North American Co. also held 18-percent interest in the Detroit Edison Co. and 39½ percent of the North American Light & Power Co., in which at that time the Insull interests held an equal interest, with Clem Studebaker holding the remaining 20 percent.

Since the date of this chart the North American Co. has come into control of the North American Light & Power Co., the original McKinley system, later called the "Studebaker system." The North American Co. also owned directly 14.1 percent of the big Pacific Gas & Electric Co. of San Francisco, Calif., making the North American Co.'s interest in the Pacific Gas & Electric Co. 32.2 percent.

Senators will notice that often the ownership is not 100 percent. Usually it is more than 50 percent, and sometimes it is even less than 50 percent.

Mr. President, it is remarkable how often the ownership of a very small percentage of the stock controls a corporation, especially if the ownership of the remainder of the stock is in friendly hands. As I shall show, the large holding companies never quarrel with each other. They are often interlocked and intertwined, and some company, although it may own a comparatively small amount of stock, nevertheless controls completely and rigidly the operation of the corporations which it thus controls.

(Chart no. 3 appears on p. 8498.)

Mr. NORRIS. Now I come to chart no. 4. This chart presents a brief outline of the ownership and the capitalization of a number of holding companies which are owned by different corporations controlled by the Insull interests.

(Chart no. 4 appears on p. 8499.)

Mr. NORRIS. Charts nos. 4–A, 5, 5–A, and 6 represent the condition of the Insull interests prior to the time when Mr. Insull failed, and prior to the time of his trial.

(Chart 4–A appears on p. 8500, chart 5 appears on p. 8501, chart 5–A appears on pp. 8502–8503, chart 6 appears on p. 8504.)

Mr. NORRIS. Mr. President, Senators will get an idea from chart 4 of the large amount of stocks and bonds and the number of holding companies which the Insull interests control, and when we get to the next chart we will find it gives a subdivision of some of the corporations named in chart no. 4. For instance, let us take chart no. 4–A. Just to illustrate, and only to illustrate, let us see how these things work.

Portland, Maine, is supplied with electricity by the Cumberland County Power & Light Co. That company is marked in red as "A" on chart 4–A. The city of Portland gets its electricity from that company, but that company is owned by the New England Finance & Investment Co., which, in turn, is owned by the New England Public Service Co., of Maine. The New England Public Service Co. is owned by the National Electric Power Co. Senators will trace it on the line on the chart.

The National Electric Light & Power Co. is owned by the Middle West Utilities Co., which appears over to the right. That is incorporated in Delaware.

The Middle West Utilities Co. is owned by the Corporation Securities Co., which appears over at the left. That is incorporated in Illinois. This chart shows that the company is owned by the Corporation Securities Co. of Chicago together with the Insull Utility Investments, Inc., of Chicago, both of which were owned by the Insull family.

I submit that there is no use for all these things existing if we are looking for service. Every one of these corporations must be oiled by somebody's money. They are parasites, in the main. They are not only useless, but they are harmful, and in the end the little, humble home with electric light is contributing to the payment for the oil necessary to grease all those corporations.

Let us take York, Pa. We have considered Portland, Maine. Now we go back to Pennsylvania, and we find that the same outfit controls, as we see from the map. York, Pa., is supplied with light by the Edison Light & Power Co. The Edison Light & Power Co. is owned by the York Railways Co., incorporated in Pennsylvania, and the York Railways Co. is owned by the Municipal Service Co., which is incorporated in Maine.

The Municipal Service Co., of Maine, is owned by the National Public Service Corporation incorporated in Virginia.

The National Public Service Corporation is owned by the National Electric Power Co.

The National Electric Power Co. is owned by the Middle West Utilities Co., and the Middle West Securities Co. is owned by the Corporation Securities Co. and the Insull Utility Investment Co. They were both owned by the Insull family.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER (Mr. HAYDEN in the chair). Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. NORRIS. I yield.

Mr. McKELLAR. May I ask, for information, what became of all these companies controlled by the Insull interests after the failure?

Mr. NORRIS. I cannot answer the question. Some of them are in the hands of receivers. Some of them were sound financially. They had all degrees of soundness. The Senator must realize that when a holding company issues a lot of watered stock of an operating company, let us say $5,000,000 worth of watered stock, and sells it to the public, there is not a cent of money put into the concern. But the property, like other liabilities, is worth something. So the owners of the stock, even though it were bought under such conditions, would not necessarily lose everything. They would have an equity in the property of the company.

Chart no. 5 shows in a very general way the division and the ownership of some of the Insull group, showing what the interests own, not carried out in any detail whatever.

Chart no. 5–A consists of three pages. It shows the further extension of one of the groups shown on a preceding chart, the Middle West Utilities Co., shown by these three pages [indicating], which company appears on chart no. 2 as one of the subsidiaries owned or controlled by the Insulls. This carries out, as is done on one of the other charts somewhat in detail, just one item shown on the larger chart.

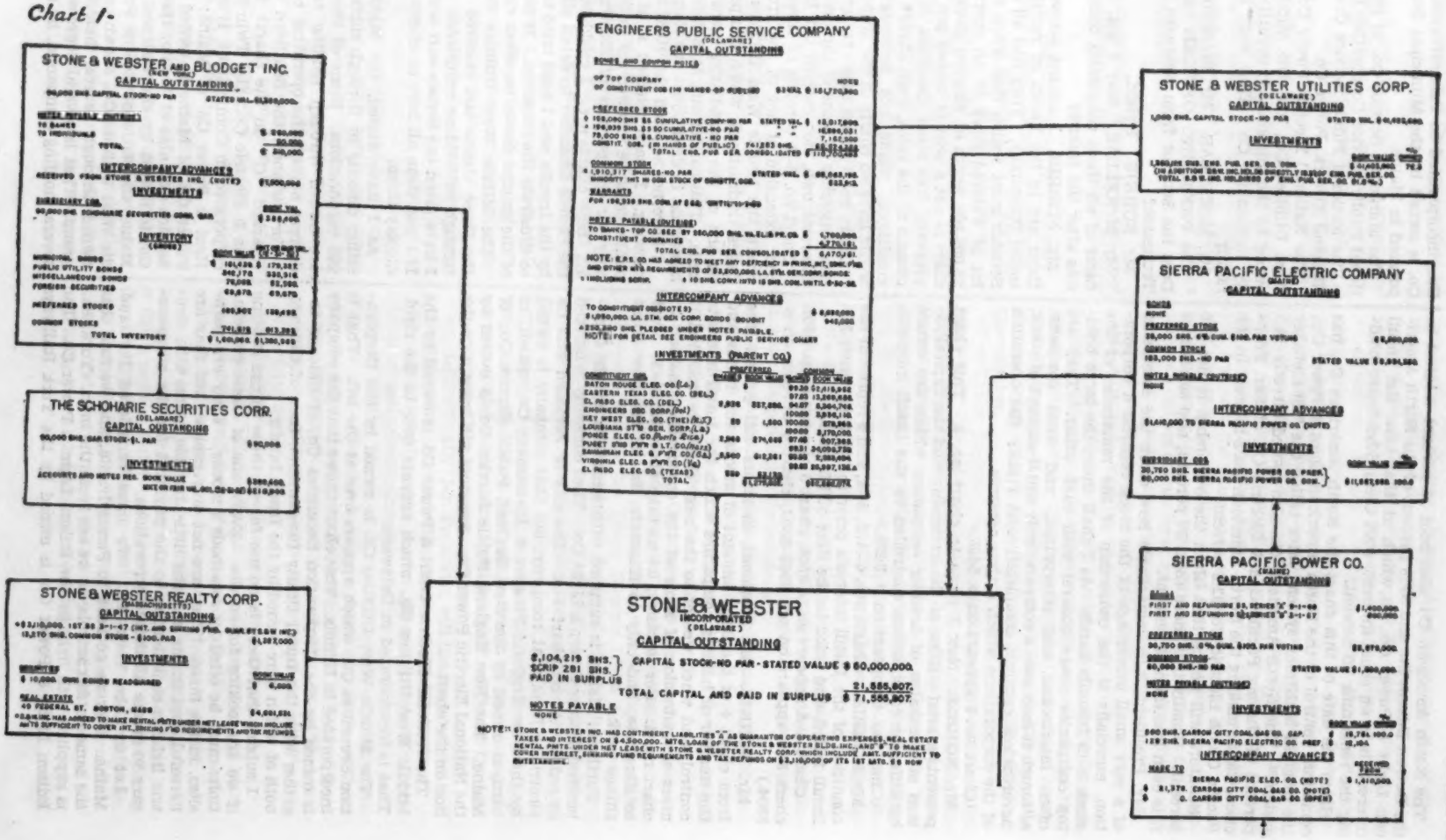
I have not selected this item for the purpose of making a showing. I have selected it at random. All of the companies could be followed out in the same way. This is shown only for the purpose of illustrating how incomplete, after all, these charts are. I could not find wall space enough in the Senate Chamber to detail all the corporations controlled by the Insulls, and I have tried to carry out only one in order to illustrate the situation. It pictures the further extension of the groups shown on other charts.

The Middle West Utilities Co., the company shown on the three charts last referred to, owns, either directly or through subholding companies, more than 280 corporations. I have given the Senate only a glimpse of these corporations. If I had them all here on charts there would not be room to display them.

As I have stated, the Middle West Utilities Co. owns either directly or through subholding companies more than 280 corporations. Some of these are owned directly; some are owned through holding companies, extending several degrees beyond the operating companies.

For instance, the Southern Vermont Light & Power Co. (marked "C" on the chart) is owned by the Twin State Gas & Electric Co.; the Twin State Gas & Electric Co., incorporated in Connecticut, is owned by the National Light, Heat & Power Co. of Maine; the National Light, Heat & Power Co. of Maine is owned by the New England Public Service Co., also of Maine; the New England Public Service Co. is owned by the National Electric Power Co., also of Maine; the National Electric Power Co. is owned by the Middle West Utilities Co., shown on chart 4, which, in turn, was owned through several holding companies by the Insull group. That is several degrees off. It is all owned, through several holding companies, by the Insull group.

Chart 1-


STONE & WEBSTER AND BLODGET INC.
(NEW YORK)
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
INVESTMENTS
INVENTORY
THE SCHOHARIE SECURITIES CORP.
(DELAWARE)
CAPITAL OUTSTANDING
INVESTMENTS
STONE & WEBSTER REALTY CORP.
(MASSACHUSETTS)
CAPITAL OUTSTANDING
INVESTMENTS
REAL ESTATE
40 FEDERAL ST. BOSTON, MASS
ENGINEERS PUBLIC SERVICE COMPANY
(DELAWARE)
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
INVESTMENTS (PARENT CO.)
STONE & WEBSTER
INCORPORATED
(DELAWARE)
CAPITAL OUTSTANDING
8,104,219 SHS.
SCRIP 281 SHS.
PAID IN SURPLUS
CAPITAL STOCK-NO PAR - STATED VALUE $ 60,000,000.
21,585,807.
TOTAL CAPITAL AND PAID IN SURPLUS $ 71,585,807.
NOTES PAYABLE
NONE
STONE & WEBSTER UTILITIES CORP.
(DELAWARE)
CAPITAL OUTSTANDING
INVESTMENTS
SIERRA PACIFIC ELECTRIC COMPANY
(MAINE)
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
INVESTMENTS
SIERRA PACIFIC POWER CO.
(MAINE)
CAPITAL OUTSTANDING
INVESTMENTS
INTERCOMPANY ADVANCES

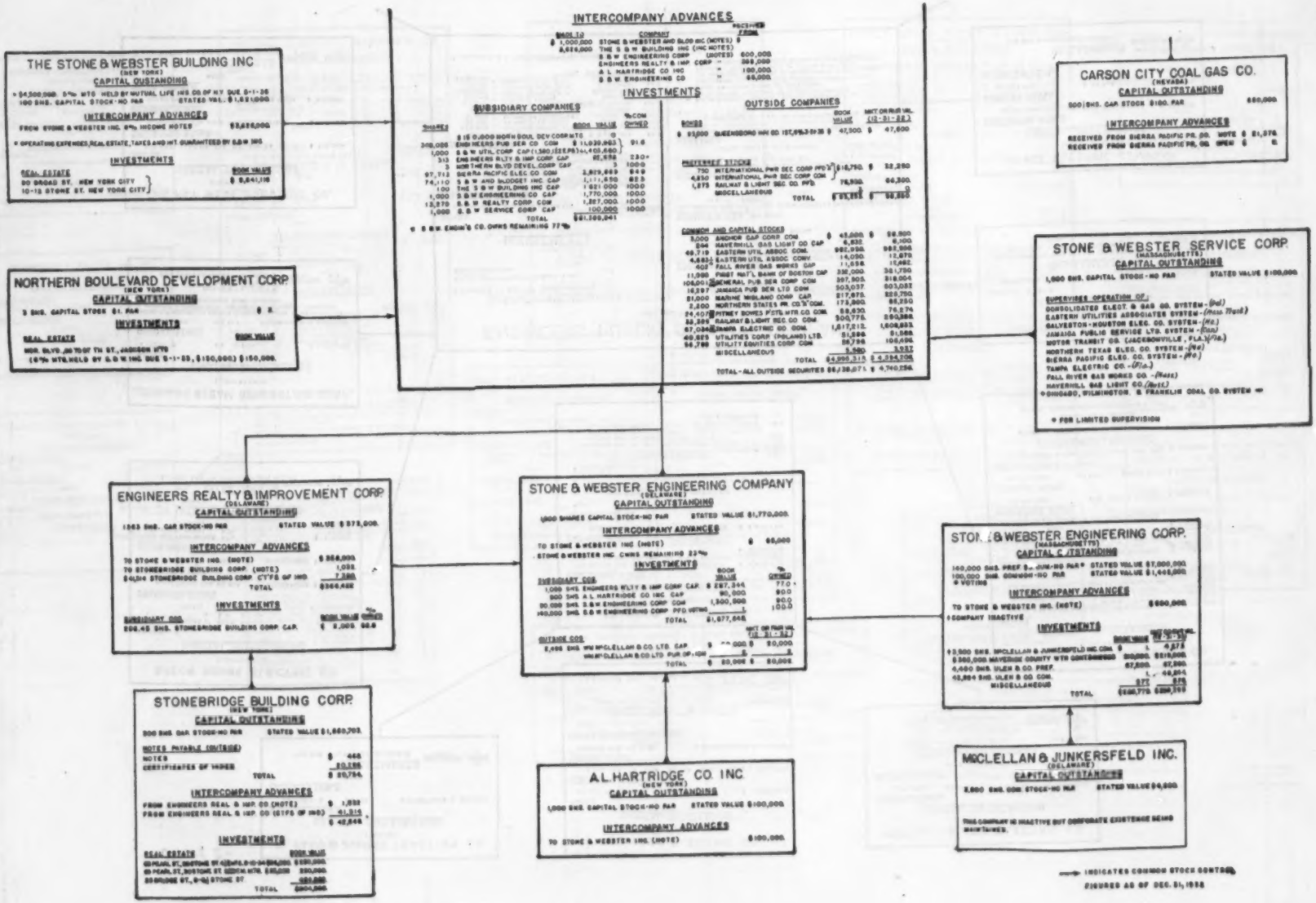

THE STONE & WEBSTER BUILDING INC
(NEW YORK)
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
INVESTMENTS
INTERCOMPANY ADVANCES
SUBSIDIARY COMPANIES
OUTSIDE COMPANIES
CARSON CITY COAL GAS CO.
(NEVADA)
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
NORTHERN BOULEVARD DEVELOPMENT CORP.
(NEW YORK)
CAPITAL OUTSTANDING
INVESTMENTS
STONE & WEBSTER SERVICE CORP.
(MASSACHUSETTS)
CAPITAL OUTSTANDING
SUPERVISES OPERATION OF:
ENGINEERS REALTY & IMPROVEMENT CORP.
(DELAWARE)
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
INVESTMENTS
STONE & WEBSTER ENGINEERING COMPANY
(DELAWARE)
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
INVESTMENTS
STONE & WEBSTER ENGINEERING CORP.
(MASSACHUSETTS)
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
INVESTMENTS
STONEBRIDGE BUILDING CORP.
(NEW YORK)
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
INVESTMENTS
A.L. HARTRIDGE CO. INC.
(NEW YORK)
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
McCLELLAN & JUNKERSFELD INC.
(DELAWARE)
CAPITAL OUTSTANDING
INDICATES COMMON STOCK CONTROL
FIGURES AS OF DEC. 31, 1935

Chart 2-
MESILLA VALLEY ELECTRIC CO.
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
INVESTMENTS
SAVANNAH ELECTRIC & POWER CO.
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
INVESTMENTS
ENGINEERS SECURITIES CORP.
CAPITAL OUTSTANDING
INVESTMENTS
PONCE ELECTRIC COMPANY
CAPITAL OUTSTANDING
INVESTMENTS
EL PASO ELECTRIC CO.
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
INVESTMENTS
EL PASO ELECTRIC CO.
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
INVESTMENTS
ENGINEERS PUBLIC SERVICE COMPANY
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
INVESTMENTS
EL PASO & JUAREZ TRACTION CO.
CAPITAL OUTSTANDING
INVESTMENTS
BATON ROUGE ELECTRIC CO.
CAPITAL OUTSTANDING
INTERCOMPANY ADVANCES
INVESTMENTS
LOUISIANA STEAM GENERATING CORP.
CAPITAL OUTSTANDING
INVESTMENTS
THE KEY WEST ELECTRIC CO.
CAPITAL OUTSTANDING
INVESTMENTS

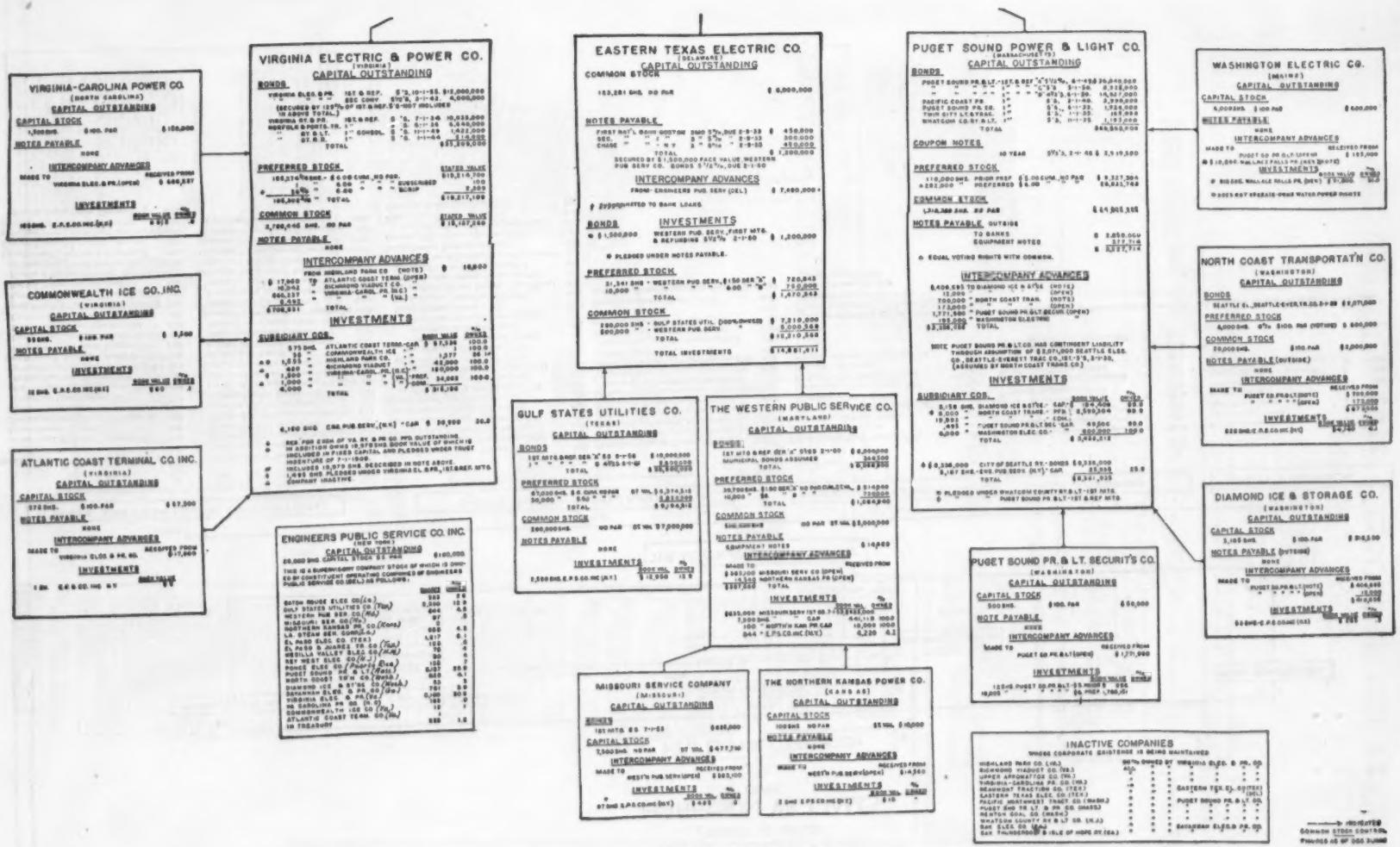
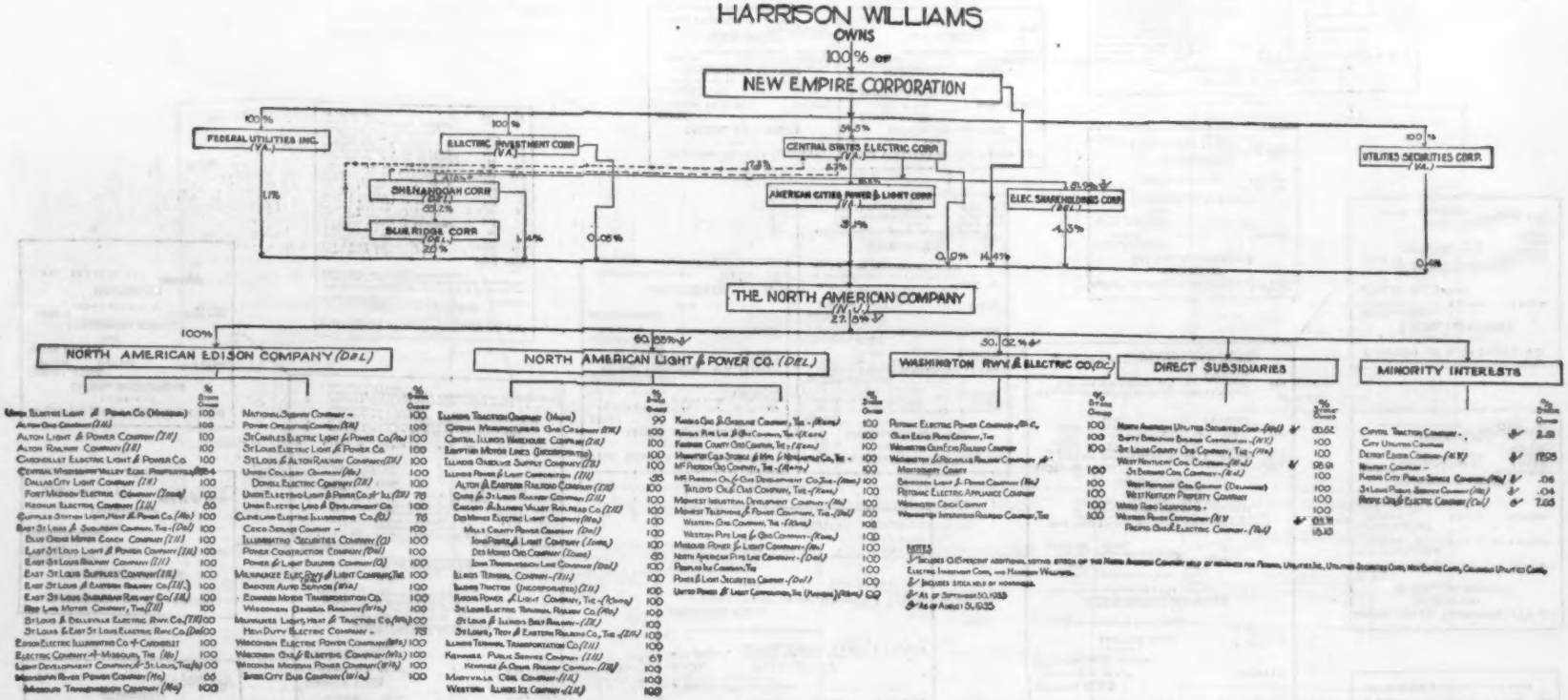

VIRGINIA-CAROLINA POWER CO.
(NORTH CAROLINA)
CAPITAL OUTSTANDING
CAPITAL STOCK
NOTES PAYABLE
NONE
INTERCOMPANY ADVANCES
INVESTMENTS
COMMONWEALTH ICE CO., INC.
(VIRGINIA)
CAPITAL OUTSTANDING
CAPITAL STOCK
NOTES PAYABLE
NONE
INVESTMENTS
ATLANTIC COAST TERMINAL CO. INC.
(VIRGINIA)
CAPITAL OUTSTANDING
CAPITAL STOCK
NOTES PAYABLE
NONE
INTERCOMPANY ADVANCES
INVESTMENTS
VIRGINIA ELECTRIC & POWER CO.
(VIRGINIA)
CAPITAL OUTSTANDING
BONDS
PREFERRED STOCK
COMMON STOCK
NOTES PAYABLE
NONE
INTERCOMPANY ADVANCES
INVESTMENTS
SUBSIDIARY COS.
ENGINEERS PUBLIC SERVICE CO. INC.
(NEW YORK)
CAPITAL OUTSTANDING
EASTERN TEXAS ELECTRIC CO.
(DELAWARE)
CAPITAL OUTSTANDING
COMMON STOCK
NOTES PAYABLE
INTERCOMPANY ADVANCES
BONDS
INVESTMENTS
PREFERRED STOCK
COMMON STOCK
TOTAL INVESTMENTS
GULF STATES UTILITIES CO.
(TEXAS)
CAPITAL OUTSTANDING
BONDS
PREFERRED STOCK
COMMON STOCK
NOTES PAYABLE
NONE
INVESTMENTS
THE WESTERN PUBLIC SERVICE CO.
(MARYLAND)
CAPITAL OUTSTANDING
BONDS
PREFERRED STOCK
COMMON STOCK
NOTES PAYABLE
INTERCOMPANY ADVANCES
INVESTMENTS
MISSOURI SERVICE COMPANY
(MISSOURI)
CAPITAL OUTSTANDING
BONDS
CAPITAL STOCK
INTERCOMPANY ADVANCES
INVESTMENTS
THE NORTHERN KANSAS POWER CO.
(KANSAS)
CAPITAL OUTSTANDING
CAPITAL STOCK
NOTES PAYABLE
NONE
INTERCOMPANY ADVANCES
INVESTMENTS
PUGET SOUND POWER & LIGHT CO.
(MASSACHUSETTS)
CAPITAL OUTSTANDING
BONDS
COUPON NOTES
PREFERRED STOCK
COMMON STOCK
NOTES PAYABLE OUTSIDE
INTERCOMPANY ADVANCES
INVESTMENTS
SUBSIDIARY COS.
PUGET SOUND PR. & L. SECURITIES CO.
(WASHINGTON)
CAPITAL OUTSTANDING
CAPITAL STOCK
NOTE PAYABLE
NONE
INTERCOMPANY ADVANCES
INVESTMENTS
INACTIVE COMPANIES
WASHINGTON ELECTRIC CO.
(MAINE)
CAPITAL OUTSTANDING
CAPITAL STOCK
NOTES PAYABLE
NONE
INTERCOMPANY ADVANCES
INVESTMENTS
NORTH COAST TRANSPORTATION CO.
(WASHINGTON)
CAPITAL OUTSTANDING
BONDS
PREFERRED STOCK
COMMON STOCK
NOTES PAYABLE (OUTSIDE)
NONE
INTERCOMPANY ADVANCES
INVESTMENTS
DIAMOND ICE & STORAGE CO.
(WASHINGTON)
CAPITAL OUTSTANDING
CAPITAL STOCK
NOTES PAYABLE (OUTSIDE)
NONE
INTERCOMPANY ADVANCES
INVESTMENTS

Chart 3 - THE NORTH AMERICAN COMPANY GROUP

AS OF JANUARY 1, 1931
(EXCEPT AS NOTED)



	% Direct Owner
Union Electric Light & Power Co. (Missouri)	100
Alton Gas Company (Ill.)	100
Alton Light & Power Company (Ill.)	100
Alton Railway Company (Ill.)	100
Carondelet Electric Light & Power Co.	100
Central Mississippi Valley Elec. Properties, Inc.	88.6
Dallas City Light Company (Ill.)	100
Fort Madison Electric Company (Iowa)	100
Keokuk Electric Company (Ill.)	60
Cuppies Station Light, Heat & Power Co. (Mo.)	100
East St. Louis & Suburban Company, The - (Del.)	100
Blue Cross Motor Coach Company (Ill.)	100
East St. Louis Light & Power Company (Ill.)	100
East St. Louis Railway Company (Ill.)	100
East St. Louis Supplies Company (Ill.)	100
East St. Louis & Eastern Railway Co. (Ill.)	100
East St. Louis Suburban Railway Co. (Ill.)	100
Red Line Motor Company, The (Ill.)	100
St. Louis & Belleville Electric Ry. Co. (Ill.)	100
St. Louis & East St. Louis Electric Ry. Co. (Del.)	100
Edison Electric Illuminating Co. of Carondelet	100
Electric Company of Missouri, The (Mo.)	100
Light Development Company, of St. Louis, The (Mo.)	100
Mississippi River Power Company (Mo.)	66
Missouri Transmission Company (Mo.)	100
National Service Company -	100
Power Operating Company (Ill.)	100
St. Charles Electric Light & Power Co. (Mo.)	100
St. Louis Electric Light & Power Co.	100
St. Louis & Alton Railway Company (Ill.)	100
Union College Company (Mo.)	100
Dowell Electric Company (Ill.)	100
Union Electric Light & Power Co. of Ill. (Ill.)	76
Union Electric Land & Development Co.	100
Cleveland Electric Illuminating Co. (O.)	76
Cinco Service Company -	100
Illuminating Securities Company (O.)	100
Power Construction Company (Del.)	100
Power & Light Builders Company (O.)	100
Milwaukee Elec. Ry. & Light Company, The	100
Badger Auto Service (Wis.)	100
Edwards Motor Transportation Co.	100
Wisconsin General Railway (Wis.)	100
Milwaukee Lights, Heat & Traction Co. (Wis.)	100
High Duty Electric Company -	70
Wisconsin Electric Power Company (Wis.)	100
Wisconsin Gas & Electric Company (Wis.)	100
Wisconsin Michigan Power Company (Wis.)	100
Inter City Bus Company (Wis.)	100
Illinois Traction Company (Maine)	90
Cahokia Manufacturers Gas Company (Ill.)	100
Central Illinois Warehouse Company (Ill.)	100
Egyptian Motor Lines (Incorporated)	100
Illinois Gasoline Supply Company (Ill.)	100
Illinois Power & Light Corporation (Ill.)	35
Alton & Eastern Railroad Company (Ill.)	100
Cairo & St. Louis Railway Company (Ill.)	100
Chicago & Illinois Valley Railroad Co. (Ill.)	100
Des Moines Electric Light Company (Mo.)	100
Mills County Power Company (Del.)	100
Iowa Power & Light Company (Iowa)	100
Des Moines Gas Company (Iowa)	100
Iowa Transmission Line Company (Del.)	100
Illinois Terminal Company - (Ill.)	100
Illinois Traction (Incorporated) (Ill.)	100
Rantoul Power & Light Company, The - (Conn.)	100
St. Louis Electric Terminal Railway Co. (Mo.)	100
St. Louis & Illinois Belt Railway - (Ill.)	100
St. Louis, Troy & Eastern Railroad Co., The - (Ill.)	100
Illinois Terminal Transportation Co. (Ill.)	100
Kennebec Public Service Company - (Ill.)	67
Kennebec & Omaha Railway Company - (Del.)	100
Maryville Coal Company - (Ill.)	100
Western Illinois Ice Company - (Ill.)	100
Kansas Gas & Gasoline Company, The - (Kans.)	100
Kansas Pipe Line & Gas Company, The - (Kans.)	100
Fairbury County Gas Company, Inc. - (Kans.)	100
Hampton Gas Stoves & Htrs. (Incorporated Co., Inc. -	100
Mc Pherson Gas Company, The - (Kans.)	100
Mc Pherson Oil & Gas Development Co., Inc. - (Kans.)	100
Tayloid Oil & Gas Company, The - (Kans.)	100
Midwest Industrial Development Company - (Del.)	100
Midwest Telephone & Power Company, The - (Del.)	100
Western Gas Company, The - (Kans.)	100
Western Pipe Line & Gas Company - (Kans.)	100
Missouri Power & Light Company - (Mo.)	100
North American Pipe Line Company - (Del.)	100
Peoria Ice Company, The	100
Power & Light Securities Company - (Del.)	100
United Power & Light Corporation, The (Kansas) (Colo.)	99
Potomac Electric Power Company - (D. C.)	100
Glen Echo Park Company, The	100
Washington Gas Light Company, The	100
Washington & Rockville Railway Company -	
Montgomery County	100
Bethesda Light & Power Company (Md.)	100
Potomac Electric Appliance Company	100
Washington Coach Company	100
Washington Interurban Railway Company, The	100
North American Utilities Securities Corp. - (Md.)	63.62
Derby Enterprises Building Corporation - (N.Y.)	100
St. Louis County Gas Company, The - (Mo.)	100
West Kentucky Coal Company - (Ill.)	98.91
St. Bernard Coal Company - (Ky.)	100
West Kentucky Coal Company (Delaware)	100
West Kentucky Property Company	100
Wired Radio Incorporated -	100
Wisconsin Power Corporation (Wis.)	91.71
Pacific Coast Electric Company - (Cal.)	15.10
Capital Traction Company -	2.49
City Utilities Company	2.18
Detroit Edison Company - (N.Y.)	17.58
Newport Company -	
Kansas City Public Service Company - (Mo.)	.06
St. Louis Public Service Company - (Ill.)	.04
Pacific Gas & Electric Company - (Cal.)	7.65

NOTES

1/ Includes 0.6 percent additional voting stock of the North American Company held by nominees for Federal Utilities Inc., Utilities Securities Corp., New Empire Corp., Colorado Utilities Corp., Electric Investment Corp., and Harrison Williams.

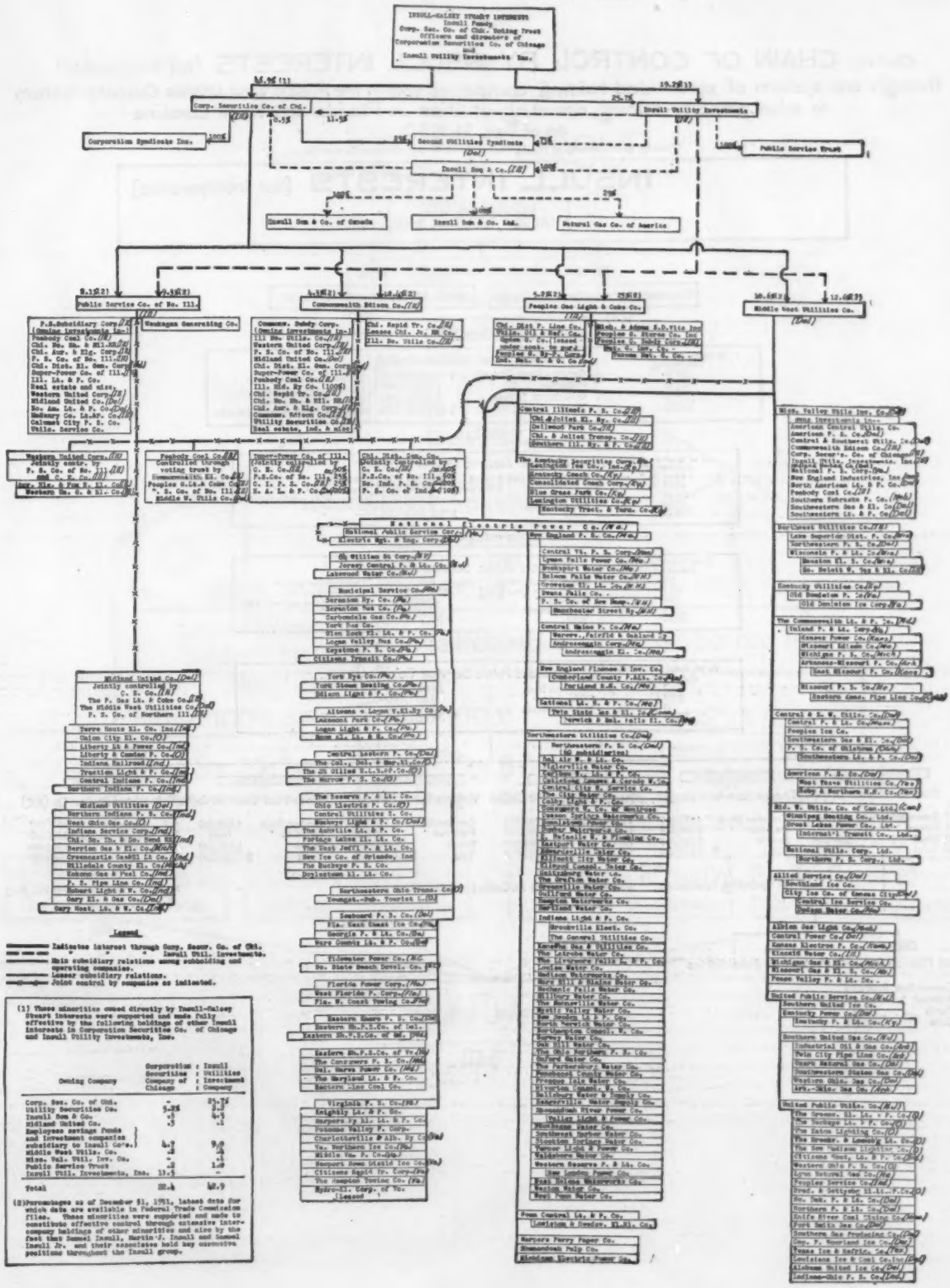
2/ Includes stock held by nominees.

3/ As of September 30, 1933.

4/ As of August 31, 1935.

Chart 4 - INSULL GROUP—CORPORATE RELATIONS

APPROXIMATELY JAN. 1, 1932



(1) These minorities owned directly by Insull-Saley Stuart Interests were supported and made fully effective by the following holdings of other Insull interests in Corporation Securities Co. of Chicago and Insull Utility Investments, Inc.

Owning Company	Corporation Securities Company of Chicago	Insull Utilities Investment
Corp. Sec. Co. of Chi.	-	21.7%
Utility Securities Co.	5.2%	4.3
Insull Son & Co.	.3	4.3
Midland United Co.	.3	.1
Employees savings funds and investment companies subsidiary to Insull Corp.	4.7	9.2
Middle West Utils. Co.	.2	.2
Miss. Val. Util. Inv. Co.	-	.1
Public Service Trust	.2	1.2
Insull Util. Investments, Inc.	13.5	-
Total	22.4	40.9

(2) Percentages as of December 31, 1931, latest date for which data are available in Federal Trade Commission files. These minorities were supported and made to constitute effective control through extensive inter-company holdings of other minorities and also by the fact that Samuel Insull, Martin J. Insull and Samuel Insull Jr. and their associates hold key executive positions throughout the Insull group.

Chart 4a. CHAIN OF CONTROL BY INSULL INTERESTS (not Incorporated) through one system of pyramided holding companies within the Middle West Utilities Company System to actual property-owning, operating utilities in Florida and North Carolina as of Dec. 31, 1930.

(Previous to receivership of Middle West Utilities Co. and affiliated Corporations)

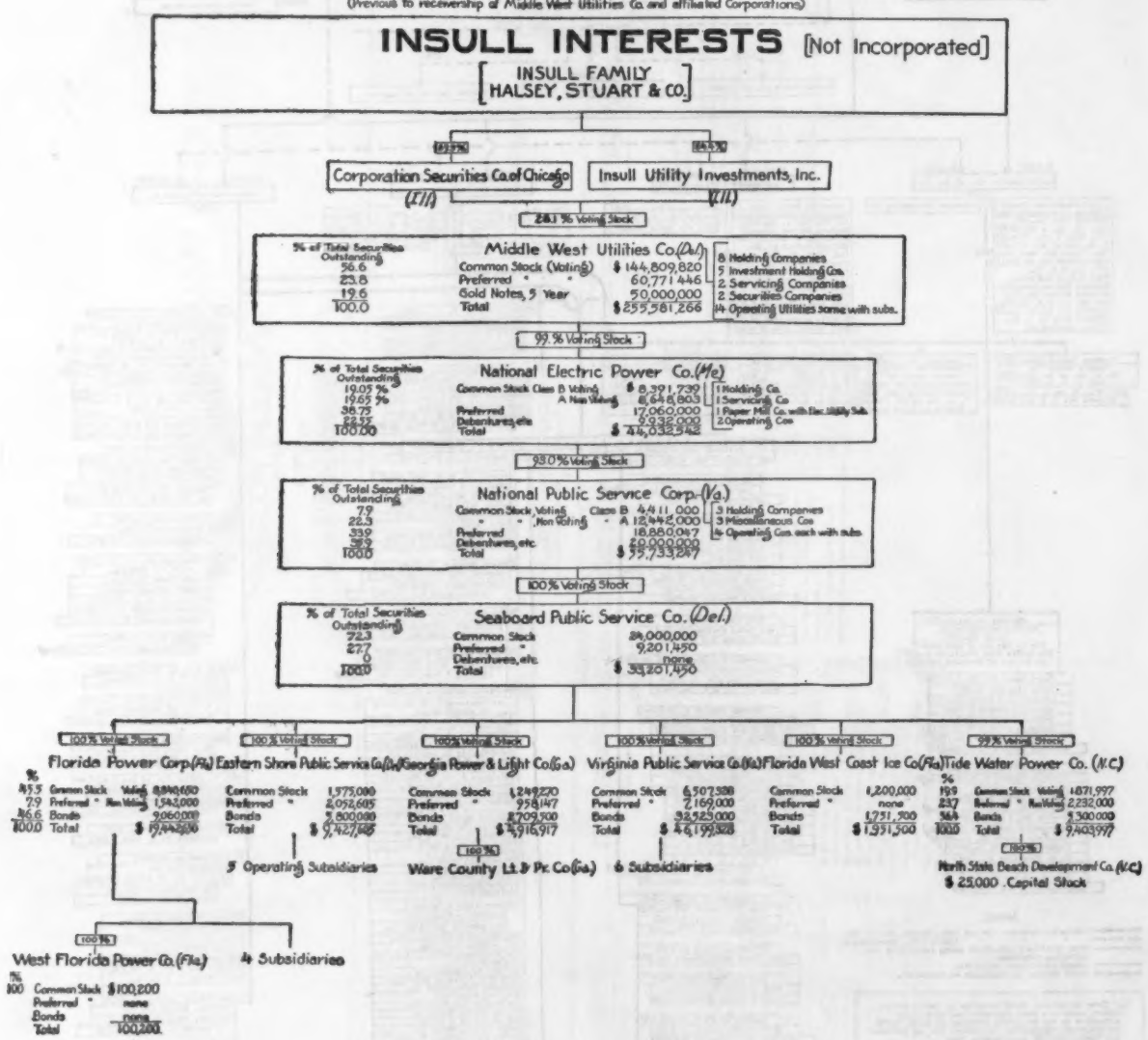


CHART 5

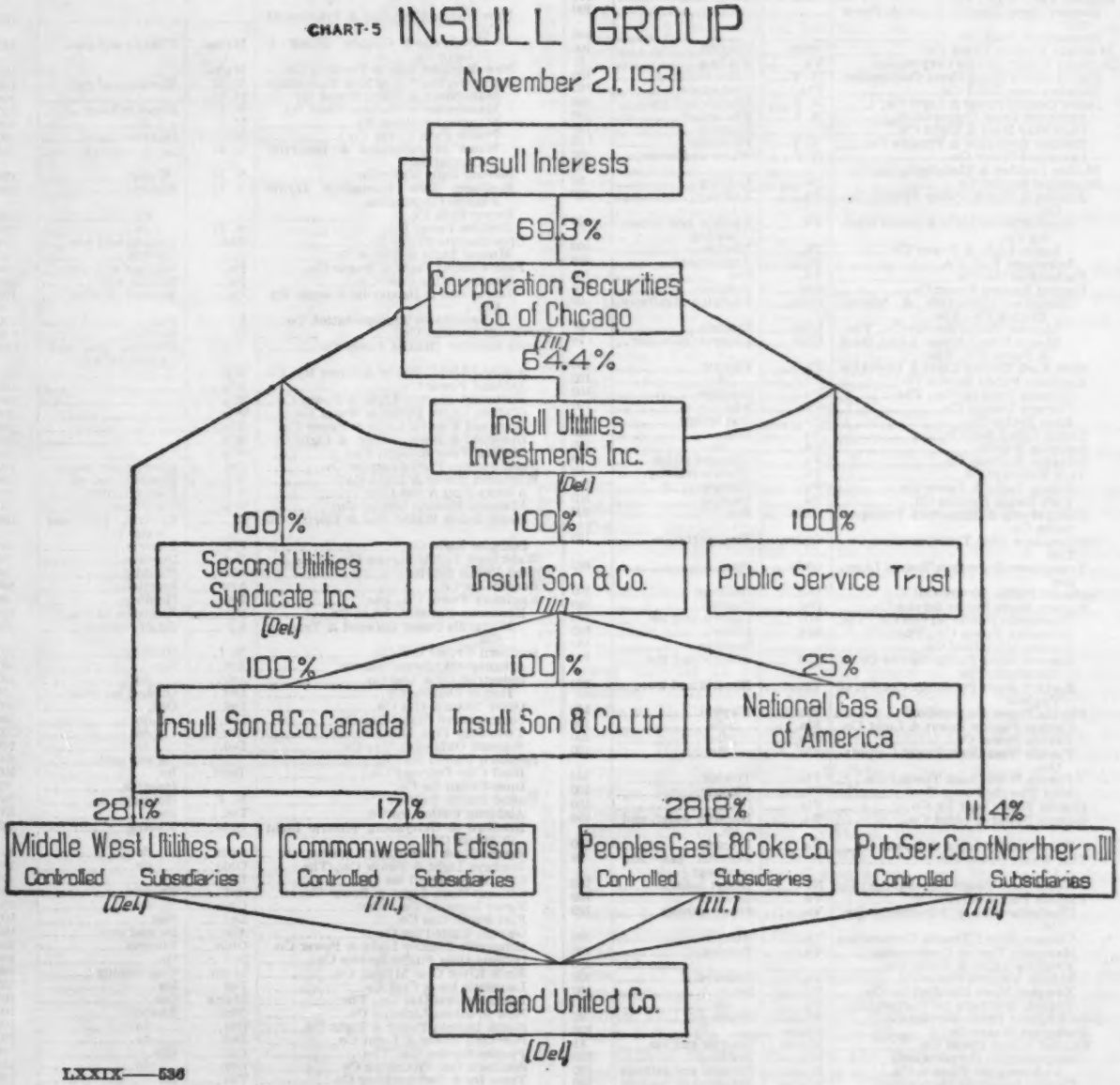


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CHART 5-A.—INSULL GROUP

Corporate chart of Middle West Utilities Co. subgroup showing percent of voting control as of Dec. 31, 1930

Name of company	State of incorporation	Character of business	Voting stock
			Percent
National Electric Power Co	Maine	Holding	99
Electric Management & Engineering Corporation.	Del	Management	[1] 50
Everett Water Co	Pa	Water	100
Harpers Ferry Paper Co			100
Harpers Ferry Electric Light & Power Co.			100
Shenandoah Pulp Co			100
Michigan Electric Power Co	Mich	Electric	100
National Public Service Corporation	Va	Holding	93
Eighty-four William Street Corporation	N. Y	Office building	100
Gadsden Leon Land Co	Fla	Real estate	100
Jersey Central Power & Light Co	N. J	Electric and gas	100
Agincourt Land Corporation	N. J	Real estate	100
Cape May Heat & Light Co		Inactive	100
Electric Appliance & Finance Co	N. Y	Financing	[1] 16
Lakewood Water Co	N. J	Water and sewer	100
McRae Lumber & Manufacturing Co			100
Municipal Service Co	Pa	Holding	99
Altoona & Logan Valley Electric Ry. Co.	Pa	Railway	100
Home Electric Light & Steam Heating Co.	Pa	Electric and steam heating.	98
Logan Light & Power Co	Pa	Electric	100
Lakemont Park Co	Pa	Amusement	100
Carbondale Gas Co	Pa	Gas	100
Central Eastern Power Co	Del	Holding	[1] 75
Columbus, Delaware & Marion Electric Co., The.	Ohio	Electric and railway.	99
Morrow Public Service Co., The	Ohio	Electric	97
Mount Gilead Water, Light, Heat & Power Co., The.	Ohio	Electric and water	78
Glen Rock Electric Light & Power Co.	Pa	Electric	100
Keystone Public Service Co	Pa	do	100
Citizens Traction Co., The	Pa	Inactive	100
Citizens Transit Co	Pa	Bus	100
Reno Bridge Co	Pa	Toll bridge	100
Logan Valley Bus Co	Pa	Bus	100
Scranton Bus Co	Pa	do	100
Scranton Railway Co	Pa	Transportation	99
York Railways Co	Pa	Electric railway	60
Edison Light & Power Co	Pa	Electric	100
York Steam Heating Co	Pa	Heating	100
Youngstown & Suburban Transportation Co.	Ohio	Bus	100
Northeastern Ohio Transportation Co., The.	Ohio	Transportation	100
Youngstown Suburban Tourist Lines, Inc.	Ohio	Bus	100
Seaboard Public Service Co	Del	Holding	100
Eastern Shore Public Service Co	Del	Electric	100
Consumers Public Service Co., The	Md	Electric and ice	100
Delmarva Power Co., The	Md	Electric	100
Eastern Mine Coal Co		Inactive	100
Eastern Shore Public Service Co. of Maryland, The.	Md	Electric and gas	100
Eastern Shore Public Service Co. of Virginia.	Va	Electric and ice	100
Florida Power Corporation	Fla	Electric	100
Central Florida Power & Light Co	Fla	do	100
Florida Power Co	Fla	do	100
Florida West Coast Power Corporation.	Fla	do	100
Florida West Coast Towing Co	Fla	Towing	100
West Florida Power Co	Fla	Electric	100
Florida West Coast Ice Co	Fla	Ice	100
Georgia Power & Light Co	Ga	Electric, water, and ice.	100
Ware County Light & Power Co	Ga	Electric	100
Tide Water Power Co	N. C	Electric, gas, and railway.	99
North State Beach Development Co	N. C	Resort hotel	100
Virginia Public Service Co	Va	Electric	100
Charlottesville & Albermarle Ry. Co.	Va	Street railway	100
Citizens Rapid Transit Corporation	Va	Bus	100
Hampton Towing Corporation	Va	Towing	100
Knightly Light & Power Co			100
Middle Virginia Power Co	Va	Inactive	100
Newport News Distilled Ice Co	Va	Ice	100
Virginia Northern Ice Corporation	Va	do	100
New England Public Service Co	Maine	Holding	92
Bucksport Water Co	Maine		100
Central Maine Power Co	Maine	Electric and gas	81
Androscoggin Corporation	Maine	Holding	100
Androscoggin Electric Co	Maine	Electric and railway	100
Central Securities Corporation	Maine	Investment holding	100
Kennebec Co	Mass		74
Waterville Fairfield & Oakland Ry	Maine	Street railway	100
Central Vermont Public Service Corporation.	Vt	Electric and gas	100
Groveton Electric Light Co	N. H		100
Lyman Falls Power Co	Maine		100
National Light, Heat & Power Co	Maine	Holding	99

[See footnotes at end of table]

Corporate chart of Middle West Utilities Co. subgroup showing percent of voting control as of Dec. 31, 1930—Continued

Name of company	State of incorporation	Character of business	Voting stock
National Electric Power Co.—Continued.			
National Public Service Corporation—Continued.			Percent
New England Public Service Co.—Con.			
Twin State Gas & Electric Co., The	Conn	Electric and gas	100
Berwick & Salmon Falls Electric Co.	Maine	Electric	100
Southern Vermont Light & Power Co.			100
New England Finance & Investment Co.			100
Cumberland County Power & Light Co.	Maine	Electric and gas	[1] 47
New England Pole & Treating Co	Maine		100
Public Service Co. of New Hampshire	N. H	Electric and gas	100
Manchester & Derry Street Ry	N. H		100
Manchester & Nashua Street Ry	N. H	Street railway	100
Manchester Street Ry	N. H	do	100
Profile Falls Power Co	Maine	Inactive	100
Weare Improvement & Reservoir Association.	N. H		65
Salmon Falls Water Co	N. H	Water	100
Southern New Hampshire Hydro Electric Corporation.	N. H	Electric	100
Swans Falls Co		do	100
Utilities Power Co	N. H	do	100
Ohio Electric Power Co	Ohio	Electric and gas	100
Mutual Light & Power Co		Electric	65
Penn Central Light & Power Co	Pa	Electric, gas, etc	100
Bradley Mine Coal Co	Pa	Mining coal	100
Lewistown & Reedsville Electric Ry. Co.	Pa	Electric railway	100
Lewistown Transportation Co	Pa	Bus	100
Northwest Utilities Co	Ill	Holding	[1] 80
Lake Superior District Power Co	Wis	Electric, gas, and street railway.	[1] 48
Ashland Light, Power & Street Ry. Co	Wis		100
Ashland Power Co	Wis		100
Butternut Electric Light & Power Co	Wis		100
Glidden Light, Power & Water Co	Wis		100
Hayward Electric Light & Power Co	Wis		100
Ironwood & Bessemer Ry. & Light Co	Wis		100
Mellon Water & Light Co	Wis		100
Northwestern Public Service Co	Del	Electric and gas	100
Wisconsin Power & Light Co	Wis	Electric, gas, etc	100
Albany Fuel & Feed Co	Wis	Feed grinding	100
Mauston Electric Service Co	Wis	Telephone	100
South Beloit Water, Gas & Electric Co.	Ill	Electric, gas, and water.	100
Sumpter Light Co	Wis	Electric	58
Watertown Public Service Co	Del	Inactive	64
United Public Service Co	N. J	Holding	96
Border Gas Co	Ark	Inactive	100
Kentucky Power Co., Inc	Del	Holding	98
Kentucky Power & Light Co	Ky	Electric and gas	100
Maysville Street Railroad & Transfer Co.	Ky	Street railway	100
Southern United Gas Co	N. J	Holding	100
Arkansas-Oklahoma Gas Co	Ark	Gas	100
Industrial Oil & Gas Co	Ark	do	100
Harper Drilling Co	Del	Oil and gas wells	51
Ozark Natural Gas Co	Del	Gas	100
Southwestern States Gas Co	Del	do	100
Twin City Pipe Line Co	Ark	do	100
Western Oklahoma Gas Co	Del	do	100
Southern United Ice Co		Ice and coal	100
Bluff City Delivery Co	Tenn	Ice	100
Inter-Urban Ice Co		Inactive	62
United Public Utilities Co	N. J	Holding	100
Alabama United Ice Co	Del	Ice	100
Bradford & Gettysburg Electric Light & Power Co.	Ohio	Electric	100
Brookville & Lewisburg Lighting Co	Ohio	do	100
Buckeye Light & Power Co., The	Ohio	do	100
Cap. F. Bourland Ice Co	Del	Ice	100
Citizens Heat, Light & Power Co	Ind	Electric	100
Eaton Lighting Co., The	Ohio	do	100
Fort Smith Gas Co	Del	Gas	100
Georgia United Ice Co	Ala	Ice and coal	100
Greenville Electric Light & Power Co	Ohio	Electric	100
Indiana Ohio Public Service Co	Ind	Gas	100
Knife River Coal Mining Co	Minn	Coal mining	100
Louisiana Ice & Coal Co	Del	Ice	100
Lynn Natural Gas Co., The	Maine	Gas	100
New Madison Lighting Co	Ohio	Electric	100
North Dakota Power & Light Co	Del	do	100
Northern Power & Light Co	Del	do	100
Peoples Service Co., The	Ind	Gas	96
Southern Gas Producing Co	Del	do	100
Texas Ice & Refrigerating Co	Tex	Ice	100
Western Ohio Public Service Co	Ohio	Gas	100
United Securities Co	Ill	Inactive	100
Central & South West Utilities Co	Del	Holding	[1] 55
American Public Service Co	Del	do	99
Abilene Traction Co	Tex	Street railway	100
Marshall Traction Co	Tex	do	100
Roby & Northern R. R. Co	Tex	Railroad	100

[See footnotes at end of table]

Corporate chart of Middle West Utilities Co. subgroup showing percent of voting control as of Dec. 31, 1930—Continued

Name of company	State of incorporation	Character of business	Voting stock
			Percent
Central & South West Utilities Co.—Con.			
Ameri. an Public Service—Continued.			
West Texas Utilities Co	Tex.	Electric, gas, etc	100
West Vernon Sewer Co	Tex.	Sewer	100
Central Power & Light Co	Mass.	Electric	100
Cia Electrica Matamoras, S. A	Mex.	Foreign—electric	100
Laredo Electric & Railway Co	Tex.	Electric and street railway.	100
Nueces Ry. Co	Tex.	Street railway	100
Texas Central Power Co	Tex.	Electric	100
Valley Electric & Ice Co	Tex.	do	100
McAlester Canning Co	Okla.		100
Public Service Co. of Oklahoma	Okla.	Electric and ice	[8] 30
Pittsburg County Ry. Co	Okla.	Electric railway	100
Southwestern Gas & Electric Co	Del.	Electric, gas, etc	[9] 84
Southwest Arkansas Utilities Corporation.	Ark.	Electric	100
Southwest Power Co	Del.	Investment holding	100
Texarkana Street Ry. Co	Tex.	Street railway	100
Southwestern Securities Co	Del.	Holding	100
Southwestern Light & Power Co	Del.	Electric, gas, and ice	[10] 82
Lawton Corporation	Del.	Petroleum	100
Welectka Pipe Line Co	Okla.	Gas	100
Adams Street Securities Co			52
Albion Gas Light Co	Mich.	do	100
Allied Service Co	Del.	Holding	100
City Ice Co. of Kansas City	Del.	Ice	100
Dodson Water Co	Mo.	Water	100
Hammond Car Icing Co	Mo.	Ice	100
Southland Ice Co		do	100
American Public Service Co. of Illinois	Del.	Inactive	100
Bureau of Safety	Ill.	Accident and fire prevention.	100
Central Illinois Public Service Co	Ill.	Electric	48
Central Illinois Traction Co	Ill.	Bus	100
Chicago & Joliet Electric Ry. Co	Ill.	Electric railway and bus.	100
Chicago & Joliet Transportation Co	Ill.	Bus	100
Dellwood Park Co	Ill.	Amusement	100
Southern Illinois Ry. & Power Co	Ill.	Electric railway	100
Central and North West Utilities Co	Del.	Investment holding	51
Central Power Co	Del.	Electric, gas, and water.	64
Commonwealth Light & Power Co	Md.	Holding	[11] 67
Inland Power & Light Corporation	Va.	do	100
Arkansas-Missouri Power Co	Ark.	Electric and ice	100
East Missouri Power Co	Kan.	Electric	100
Dalhart Public Service Co	Tex.	Electric, water, and ice.	100
Kansas Power Co., The	Kan.	do	100
Michigan Public Service Co	Mich.	Electric and water	100
Missouri Edison Co	Mo.	Electric and gas	100
Missouri Public Service Co	Mo.	Electric, gas, etc	100
Eastern Kansas Pipe Line Co	Kan.	Gas	99
Consumers Ice Co	Okla.	Ice	100
Dowagiac Light & Power Co	Mich.	Electric	100
Hill, Joiner & Co	Ill.	Investment holding	78
Holland Gas Co	Mich.	Gas	100
Illinois Northern Utilities Co	Ill.	Electric and gas	48
Sterling Hydraulic Co	Ill.	Water power	72
Wisconsin Utilities Co	Wis.	Rental of utility property.	100
Kansas Electric Power Co., The	Kan.	Electric	100
Kentucky Securities Corporation	Va.	Holding	74
Blue Grass Park Co	Ky.	Amusement	82
Consolidated Coach Corporation	Ky.	Bus	51
Alabama Bus Co	Ala.	do	91
Motor Coach Service Co			[12] 47
Appalachian Bus Co			83
Barnes Brothers, Inc			99
Big Six Bus Lines			82
Blue Coach Lines			99
Capital Coaches, Inc	Ala.	Bus	99
Cumberland Bus Co			99
Greyhound Bus Lines Co			100
Gold Seal Transit Co			99
Harbell Bus Co			96
Hazard Bus Co			82
Safety Coach Transit Co			99
Union Transfer Co			99
Lexington Utilities Co	Ky.	Electric and ice	80
Kentucky Coach Co	Ky.	Bus	98
Kentucky Traction & Terminal Co	Ky.	Street railway	99
Lexington Gas Co	Ky.		99
Lexington Ice Co	Ky.	Ice	99
Kentucky Utilities Co	Ky.	Electric, gas, etc	100
Dixie Power & Light Co	Tenn.	Electric	100
Kentucky Hydro Electric Co	Del.	Inactive	100
Old Dominion Power Co	Va.	Electric	100
Old Dominion Ice Corporation	Va.	Ice	100
South Fulton Light & Power Co	Tenn.	Electric	100
Kincaid Water Co	Ill.	Water	82
Michigan Gas & Electric Co	Mich.	Electric and gas	100
Middle West Stock Transfer Co	Ill.	Transfer agent	100
Middle West Utilities of Canada, Ltd			100
Middle West Utilities Corporation	Del.	Investment holding	100
Middle West Utilities Securities Co	Ill.	do	100
Mississippi Valley Utilities Investment Co	Del.	do	100
American Central Utilities Co			[13] 44
New England Industries, Inc		Holding	[14] 66
Edwards Manufacturing Co	Me.	Cotton goods	76
Missouri Gas & Electric Service Co	Mo.	Electric, gas, and ice.	100
Myers, L. E., Co., The	Del.	Construction	95
L. E. Myers Construction Co., Inc., The	Del.	do	[15] 63
Southwest L. E. Myers Co	Del.	do	[16] 64
Northwest Utilities Co. of Illinois	Ill.	Inactive	100
Oklahoma Power & Water Co	Del.	Electric, gas, and water.	100
Creek Osage Gas Co			100
Pecos Valley Power & Light Co			98
Saline Water & Power Co	Mo.	Water	100
Sterling, Dixon & Eastman Ry. Co		Inactive	100

[See footnotes at end of table]

Corporate chart of Middle West Utilities Co. subgroup showing percent of voting control as of Dec. 31, 1930—Continued

[1] National Public Service Co. held the remaining 50 percent.

[2] The remaining 84 percent was held by 19 other companies in the Middle West Utilities group. See table no. 16 within Commission's exhibit no. 5153.

[3] Remaining 25 percent held by Commonwealth Utilities Corporation, a subsidiary of United Gas Improvement Co.

[4] New England Public Service Co. held 7 percent.

[5] Hill Joiner & Co. held about 1 percent.

[6] An additional 2 percent was held by the L. E. Myers Co. and Ironwood & Bessemer Ry. & Light Co.

[7] 6 subsidiaries of Middle West Utilities Co. held 10 percent and other Insull interests hold 25 percent. See table 14 within Commission's exhibit no. 5153.

[8] 3 subsidiaries of Central & South West Utilities Co. held 21 percent. See table 15 within Commission's exhibit no. 5153.

[9] American Public Service Co. held the remaining 16 percent.

[10] Central & South West Utilities Co. held the remaining 18 percent.

[11] North American Light & Power Co. held 33 percent.

[12] Capital Coaches, Inc., also held 47 percent.

[13] Middle West Utilities Co. held 11 percent.

[14] New England Public Service Co. held 33 percent.

[15] The remaining 37 percent was held by 5 other companies in the Middle West Utilities Co. group. See table no. 18 within Commission's exhibit no. 5153.

[16] The remaining 36 percent was held by 6 other companies in the Middle West Utilities Co. group. See table no. 17 within Commission's exhibit no. 5153.

Chart 6 carries out in more detail another one of the holding companies owned by the Insull group, to wit, the Midland United Co.

The Midland United Co., as shown on chart 4, is several degrees removed from the original holding company owned by the Insulls. Even this parent company is several degrees removed, and it is impossible, for lack of time and space, to illustrate the entire story as it runs on.

However, the Midland United, itself a holding company, owns directly 21 corporations, many of which are in turn holding companies. The Midland United Co. owns the Midland Utilities Co., incorporated in Delaware, the Central Indiana Power Co., the Public Service Co. of Indiana, the Indiana Hydro Electric Power Co., the Midland Cooperative Investment Co., Utilities Building, Inc., Interstate Public Service Realty Co., South Construction Co., Union City Electric Co. (Ohio), Midland Stock Transfer Co., Midland Utilities Co. of Indiana, Indiana Industrial Land Co., Liberty Light & Power Co., Liberty & Camden Power Co., Midland United Securities Corporation, and Indiana Railroad Traction Light & Power Co., Terre Haute Electric Co., Terre Haute & Western Railway Co., Shirley Realty Co., Consolidated Transport Co., Inc.

Many of these corporations themselves own other companies. For instance, the Midland Utilities Co., one of the corporations I have just named, owns 14 subsidiary companies, and of these subsidiary companies the Gary Electric Light & Gas Co. owns the Gary Heat, Light & Water Co. If we wanted to find out how the people of Gary, Ind., are supplied with heat, we would discover that Gary is supplied with heat, light, and water by the Gary Heat, Light & Water Co., marked "D" on the chart, and that the Gary Heat, Light & Water Co. is owned by the Gary Electric & Gas Co.; that the Gary Electric & Gas Co. is owned by the Midland Utilities Co. of Delaware; that the Midland Utilities Co. of Delaware is owned by the Midland United Co.; that the Mid-

land United Co., as shown on chart 4, is owned by the Public Service Co. of Northern Illinois; that the Public Service Co. of Northern Illinois is owned by the Corporation Securities Co. of Chicago, and the Middle West Securities Co., jointly, both of which are owned by the Insulls.

CHART 6

PRINCIPAL SUBSIDIARIES OF MIDLAND UNITED CO. (DELAWARE) AS OF DECEMBER 31, 1931

Midland Utilities Co. (Delaware):
- West Ohio Gas Co. (Ohio).
- Kokomo Gas & Fuel Co. (Indiana).
- Public Service Pipe Line Co. (Indiana).
- Northern Indiana Public Service Co. (Indiana).
- Berrien Gas & Electric Co. (Michigan).
- Calumet Motor Coach Co. (Indiana).
- Indiana Service Corporation (Indiana).
- Chicago South Shore & South Bend Railroad (Indiana).
- Gary Railways Co. (Indiana).
- Hillsdale County Electric Co. (Michigan).
- Greencastle Gas & Electric Light Co. (Indiana).
- Gary & Southern Traction Co. (Indiana).
- Hobart Light & Water Co. (Indiana).
- Gary Electric & Gas Co. (Delaware).
- Gary Heat, Light & Water Co. (Indiana).

Central Indiana Power Co. (Indiana):
- Northern Indiana Power Co. (Indiana).

Public Service Co. of Indiana (Indiana).
Indiana Hydro-Electric Power Co. (Indiana).
Midland Cooperative Investment Co. (Indiana).
Utilities Building, Inc. (Indiana).
Interstate Public Service Realty Co. (Indiana).
South Construction Co. (Indiana).
Union City Electric Co. (Ohio).
Midland Stock Transfer Co. (Illinois).
Midland Utilities Co. (Indiana).
Indiana Industrial Land Co. (Indiana).
Liberty Light & Power Co. (Indiana).
Liberty & Camden Power Co. (Ohio).
M. U. Securities Corporation (Delaware).
Indiana Railroad (Indiana).
Traction Light & Power Co. (Indiana).
Terre Haute Electric Co. (Indiana).
Terre Haute & Western Railway Co. (Illinois).
Shirley Realty Co.
Coordinated Transport, Inc.

It is difficult to follow that story. It is difficult to realize that the ingenuity of man has been such that all these corporations have been piled one on top of the other for the purpose, I think, of deceiving the people of the United States, in order that those who have done it may obtain unjust and unreasonable returns, as I shall show later on, sometimes with the investment of a very small amount of money.

It all seems impossible. It seems like a fairy tale; yet when we are confronted with a bill the purpose of which is to get rid of this unnecessary, expensive, and illogical machinery, it is pounced upon from all quarters by those trying to find something wrong with the bill, trying to find a "t" which is not crossed, trying to find an "i" which is not dotted, and yelling at the top of their voices, "After all, it is unconstitutional."

If we must continue to live under this system, and even if the courts hold that the Constitution is going to continue our slavery under holding-company domination and rule, it seems it would be fair, and it ought not to be called "bolshevistic", nor should it be considered disgraceful, in a very humble and respectful way to suggest that the Constitution ought to be amended, if that is the only way out.

Samuel Insull is the uncrowned king of the utility world. His operations in building up, through the instrumentality of holding companies, a vast empire extending almost all over the United States is a wonderful illustration of the power of the holding company. He could not have done it without the holding company. It is also a wonderful illustration of the fact that the holding companies have been organized and utilized for the purpose of deceiving the people who really pay the bill and keeping them in the dark as to the immoral and inhuman uses to which the holding company can be put. His colossal kingdom collapsed because it was fundamentally and inherently dishonest and wrong.

It was a collapse which cannot be ascribed to this bill, because the collapse took place before the bill was born. It collapsed because no consideration was ever given anywhere to the rights of the consumer. Its object was always to make money, by any means possible, and to conceal from the people and the consumers the method by which this was done.

The Insull group of holding companies is just the same as other holding companies. It collapsed of its own dishonest weight, as other similar companies must do. Catastrophe will come to others just as it has come to the Insull group. With the collapse will go down millions of dollars of honest investments.

I can see no better way by which to give to the consumer electricity at a fair price, and to protect honest investors—widows and orphans, if you please—than to pass this bill. There can be no excuse anywhere under the sun for the operations which have been going on and are now going on to control elections; to control the election of an assessor; of a member of a school board in a village; to control the election of a commission which passes on the rate for a State; to control the election of Governors and members of the legislatures of the States; to control the election of Members of the House of Representatives in the National Congress—yes; to control the election of Senators—and last, but not least by any means, to control the election of the President of the United States.

There is no limit to which these holding companies will not go. There is no limit to which they have not already gone. Yet we are now hesitating because through their power they have covered this country with a network of propaganda, never before known or equaled, of false advertisements, false claims, misleading claims, and appeals, which are coming every day now in the shape of telegrams and letters to the Members of this body and to the Members of the House of Representatives to save the "poor investors." Unless we pass some bill such as this to prevent this kind of depredation against the people, the whole structure will ultimately collapse. We ought long ago to have enacted such legislation; and if we had done so, we would have saved millions to investors.

The Insull group had 2 superholding, 2 holding, 27 subholding companies, 253 operating companies, of which 38 operating companies, in turn, own 67 other operating companies; altogether, 284 companies, serving 5,931 communities in 32 States, supplying, approximately, 3,588,000 consumers.

The Insull group was not the largest of the holding companies. In 1930, 3,900 utility companies were selling light to the American people. The Insull group controlled, in all, as stated, only 284 companies.

Mr. Harold C. Hatcher, in Social Action for April 1935, shows that in 1900 Insull's share of each dollar spent for electricity was 4 cents; in 1910 it was 6 cents; in 1920 it was 7 cents; in 1925 it was 9 cents; and in 1929, it was 11½ cents; showing that as the holding company expanded and grew the price paid by the consumer of electricity to this unconscionable outfit was increasing every year, starting, when the holding-company idea was rather new, with 4 cents out of each dollar and reaching at the last stated time to 11½ cents out of each dollar.

Now, I am going to read an extract from Mr. Hatcher's magazine article. He says:

Were these communities dependent upon the Insull group only for electricity?

No. Many had to use its cars and trains to get to work each day. This business in 1930 would amount to three rides for each person in the United States. Many got their gas from it also. The branch of the business which stood the depression best was water. The Insull companies assumed the responsibility for supplying 205 communities with water. Annual revenue from this source amounts to some $3,900,000.

The Insull group is not simply properties. It is men and women also—employees, stockholders, and customers. The empire's army—

That is the Insull empire—

the empire's army of employees is more than one-half as large as the United States Army—

Put all that army into a propaganda movement, and see what they could do—

If all the employees should line up at the president's office in Chicago, a solid line would extend down into Indiana. Or if the line

formed in the other direction, the person at the end would be up in Wisconsin. * * * A half million people have money invested in the Insull companies. Their average investment in 1930 was $5,040—the price of a modest home. Let us see how fast they were investing new capital in these companies from 1922 to 1930. We will suppose the shares were paid for in silver—something we are all acquainted with. In that case it would have required a fleet of 10 trucks hauling over 2 tons of money each day, per day, throughout the 8 years—

That is the 8-year period Mr. Hatcher is considering—

The total was $1,552,000,000. * * * If the Insull companies collected from only one of its customers every minute during business hours, it would require 35 years to make the round. * * *
But how can one person or a few persons control a big company or even a hundred companies?

And this quotation will to some extent answer the question that arises in any man's mind and will explain why, with a little money, it is possible to control some very large corporations. Quoting further from Mr. Hatcher:

One of the most usual ways is by "pyramiding." This means owning a majority of the voting stock of one company which in turn owns a majority of the voting stock of a second company, and so on to the third, fourth, or tenth company.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. NORRIS. I yield.

Mr. BARKLEY. In what magazine was the article from which the Senator is quoting published?

Mr. NORRIS. It was published in the magazine called "Social Action."

Mr. BARKLEY. Of what date?

Mr. NORRIS. For April 1935. I quote further from Mr. Hatcher's article:

* * * The Insull family, with an investment of $66.68, controlled the West Florida Power Co., capitalized at $100,000,000. In the case of the North State Beach Development Co., Insull's $1 controls $3,378.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. ROBINSON. Is there an explanation as to how that control was effectuated with so small an amount of capital?

Mr. NORRIS. There is not such an explanation in this article, but a good many explanations can be given of the way it is done; and it has often been done. I think I have, further on in my address, the facts as to some other companies which show that by the control of a majority of the common stock—and, as Mr. Hatcher says, it is not always necessary to have a majority of the stock—they can control one company and then issue some watered securities, probably to be sold to the public; and when they take over the company, as they usually do, they issue some more stock and sell all the preferred stock and keep all the common stock. The common stock has voting privilege; no other stock has any vote. So when such an operation is performed three or four times it can be appreciated that with one voting share of common stock it will be possible to control, if the manipulator is at the top of pyramid, thousands of other investments aggregating many million dollars.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. COSTIGAN. It is also true, is it not, that the use of proxies is admirably adapted to such control?

Mr. NORRIS. Yes; that is one of the ways in which control is often obtained. I shall probably cite later on an instance where complete control was obtained by the ownership of less than 6 percent of the stock. In that case, the remainder of the stock, enough to constitute a majority, was in friendly hands.

Suppose Mr. Insull owned 5 percent of the stock, that Mr. Webster owned 10 percent of the stock, and the president of the Electric Bond & Share Co. owned some more; it would not be difficult for them to let Mr. Insull control the whole thing, if he was controlling it in the way they wanted it controlled, and, of course, he would do that.

* * * The market value of their stock—

Says Mr. Hatcher—

in the two top companies in 1930 amounted to approximately $100,000,000. These stocks cost them—

Now listen to this—

$966,953 in cash—

As he points out in another part of his article. Yet their ownership amounted to approximately $100,000,000.

Thus $1,000,000 controlled a $2,500,000,000 empire. Through pyramiding, each Insull dollar controlled 2,500 of other people's dollars.

It would also be interesting to know of the salaries which at the trial of Insull it was shown he received in 1929, 1930, and 1931. Poor people, students studying their lessons by electric light, had to contribute to some of these thousands; the washerwoman who used an electric washing machine paid something toward Insull's salary, and the poor devil who bought a lot of worthless stock, who thought he was getting something gilt-edged, paid much of it. According to the evidence brought out at the trial, the following salaries were paid Insull in 1929, 1930, and 1931, all at the same time:

Commonwealth Edison Co. and subsidiary	$150,000
People's Gas, Light & Coke Co. and subsidiary	100,000
Public Service of Northern Illinois and subsidiary	86,000
Middle West Utilities Co.	50,000
Midland Utility Co. and subsidiary	41,000
Chicago Rapid Transit Co.	25,000
Chicago, North Shore & Milwaukee R. R.	12,000
Chicago, Aurora & Elgin Railroad (1931)	49,000
Peabody Coal Co. (1931)	48,000

His other profits in 1931—and he had other profits—consisted of dividends and profits from the sale of stock, amounting to somewhere in the neighborhood of a half million dollars. It must be remembered that these salaries and these profits had to come either from the amounts paid by consumers of electricity, water, and gas, or they had to come through fraudulent manipulation of stocks and bonds of little or no value sold to the investing public. Of course, these Insull companies took every means within their power to control public opinion. They invited favored persons, representatives of large business institutions, representatives of publishing houses, high officials in State, Nation, and municipality to participate in stock deals upon which a large profit could be made without any risk and practically without any investment.

They interested themselves in elections—congressional elections, State elections, and in those of school districts and municipalities. They had their agents all over the country, secretly working in behalf of their various deals. They employed fake financiers to sell their stocks over the radio. Senators will recall that Samuel Insull spent several hundred thousands of dollars in different elections in the State of Illinois. They even tried to control the Senate of the United States. It is worth recalling that in the campaign of the election of a Senator from Illinois to the United States Senate contributions were made to both the Republican and Democratic Parties. They were taking no chances.

His operations remind me of the traveling man who, when he was out on the road, received a telegram from a friend which read: "Your mother-in-law is dead. Shall we embalm or cremate or bury?" He wired back: "Embalm and cremate and bury. Take no chances." [Laughter.] That is the way with this group and all the other groups. They run no risks.

In 1931 the Insull companies controlled one of the leading papers of Chicago and a radio station.

Mr. Insull was always opposed to public ownership of public utilities. He believed in public regulation, but he was careful to regulate the regulators.

That is what those who are opposed to the bill now believe. "Give us regulation and we will let the holding companies regulate the regulators."

Mr. Insull was always opposed to public ownership of public utilities. He believed in public regulation, but he was careful to regulate the regulators. He believed in, and one of the means he used was, customer ownership of stock. He once said:

It is not at all uncommon, out in the country districts, to have 90 percent of our employees stockholders. You can well understand what this means to us from the viewpoint of influencing public opinion.

We are getting some of it now from the other companies. That is the way to influence public opinion.

Is there any wonder, Mr. President, with the immense salaries which he was receiving from the various companies that he could bribe a kingdom; that he could charter a boat; that he could sail the high seas of the world and avoid the pursuit of the United States Government? Is there any wonder that he should succeed in compelling the United States Government to expend hundreds of thousands of dollars to trail him over the great Mediterranean Sea? Is there any wonder that when he got back to Chicago, and an attempt was made to convict him for these inhuman crimes, he should be turned loose by a Chicago jury?

If any Senator will read the testimony in that case he will find that Insull was freed notwithstanding the whole world knew he was bribing high officials; that he had wrecked hundreds of thousands of humble homes; that he had floated watered stock, placing it in the hands of innocent men and women; that he had hired men to sell the fraudulent stocks over the radio and otherwise; that he controlled newspapers; that he controlled elections; and that he was guilty of crimes almost without end?

If an ordinary person had committed those crimes he would have been found guilty and would have been sent deeper into hell than a flying machine could go in a million years. All that was known to everybody except to the jury in Chicago and except, perhaps, to Chicago people.

But Insull had a remarkable array of witnesses. He had testimony from all the high dignitaries of all the churches—the Catholic Church, the Protestant Church, the Jewish Church. Jew and Gentile, politicians, and others testified for him, including a former Vice President of the United States, all of whom said he was a remarkably perfect man, that he was a remarkably fine man; so we should not blame the jury very much if they got lost in the maze of the investments which ran from $1 into millions of dollars; if they listened to the great men who said Insull was a model, who said, "Do we want to hold him up before the oncoming generations as a bad man? Do we want the rising generations to believe that such chicanery, such trickery, such diabolically dishonest practices are necessary to make a man good?" He was turned loose because Chicago loved him so.

We are now confronted with a similar situation in other holding companies which have not been broken up and which have not fallen down. We are asked to save the oncoming generations and the people who have invested their honest savings. We are asked to save them and make them comfortable in their old age. Mr. Insull could not have done these things if it had not been for the holding companies, and he covered up his tracks so well that officially it has never been possible to convict him, although outside of Chicago every man, woman, and child in the United States knew that he was so black with guilt that one could not see through the black which covered him.

Senators, all these things could not have happened without the holding companies. Of what use is a holding company?

Who, either here or elsewhere, can tell any honest or useful purpose they have ever served? What is the use of having them? I know we do not want people who have invested their money to lose it, but should we stop it now or should we listen to the cry of the holding companies who are now saying, "After we have robbed the American people of millions and billions of dollars we have not enough yet. Stop this legislation. Give us time and we will rob them some more." That is what it all means.

Before I conclude I shall show that the water pumped into the stocks of these various companies has been almost unconscionable, almost unbelievable.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. VANDENBERG. In respect to the protection of the investor, will the Senator be good enough to point out to me whether or not the Securities Act which we passed a year ago is in any degree efficient to meet the situation, and, if not, in what respect it fails?

Mr. NORRIS. I will say to the Senator that I shall not be able to analyze that act as it applies to this subject.

Mr. VANDENBERG. Was it not supposed to stop some of these abuses?

Mr. NORRIS. Oh, no; I do not think it was supposed to stop the operation of holding companies.

Mr. VANDENBERG. Was it not supposed to regulate the issuance of all securities by interstate corporations, and prevent the exploitation which manifestly has been quite as calamitous and terrible as the Senator indicates?

Mr. NORRIS. Probably. I think there will be a great deal of good done through that act; but we come to regulating, let us say, in a State, the price paid for electricity. The State commission fixes the rate. The company which runs the electric plant is incorporated in a different State, and the State commission travels through half of the United States before it gets to that company. It immediately says, "You have not any authority." It immediately says, "It is contrary to the Constitution for the State to regulate us. Only the Federal Government can do that." When the Federal Government attempts to regulate the company, the first cry that goes up is, "Why, the Federal Government cannot do it. The State ought to do it"; and between the State and the Federal Government, neither one of them has ever regulated the holding company.

Mr. VANDENBERG. The Senator will understand, if he will allow me to interrupt him further, that I was not adverting to the phase of regulation. I am simply perplexed to contemplate the complete failure of the Securities Act.

Mr. NORRIS. I do not consider it a complete failure. I should not say it is a failure by any means. If the Senator implies that I am arguing to that effect, he is entirely wrong; but I do not see how the Securities Commission will be able to do away, if I may use that term, with the operation of the holding company.

Mr. VANDENBERG. I do not think they can.

Mr. NORRIS. If holding companies have not any use, if they cannot do an honest business, if they cannot perform some public service, why should they exist at all?

Mr. VANDENBERG. That is another question. The general question I am asking the Senator at the moment in respect to the securities of the holding companies which the bill permits to continue to exist is how we can hope to get better regulation of their securities under this new structure than under the Securities Act, which I heartily favored, and which I had hoped would accomplish some of the things the Senator is discussing.

Mr. NORRIS. I think the Securities Act will accomplish some of them; but, as I see it, that act will not rid us of the holding company.

Mr. VANDENBERG. Oh, no; there is no question about that.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. NORRIS. I yield to the Senator from Florida.

Mr. FLETCHER. The Securities Exchange Act has to do with requiring all corporations selling stocks and bonds to the public to register with the Commission, which then decides whether the corporations will be allowed to sell these stocks and bonds to the public. It does not control the creation of the corporations.

Mr. VANDENBERG. Mr. President, will the Senator from Nebraska permit me to ask the Senator from Florida a question?

Mr. NORRIS. Yes.

Mr. VANDENBERG. I fully understand that the act in question does not even undertake to regulate holding companies, but may I ask the Senator from Florida, who is one of the authors of the Fletcher-Rayburn bill, whether, in respect to the issuance of securities in the future by holding companies, there is not complete regulation in the new Securities Exchange?

Mr. FLETCHER. I think the holding company would be governed by the law, just as any other corporation would be.

Mr. VANDENBERG. Does the Senator think the Securities Commission will be able to stop much of the stock exploitation we have had in the past?

Mr. FLETCHER. I think probably it will; yes.

Mr. VANDENBERG. I thank the Senator from Nebraska.

Mr. NORRIS. Mr. President, before I leave the Insull group, I desire to call attention to the fact that a year or two ago the National Electric Light Association changed its name to the Edison Electric Institute. Mr. Insull and his brother were very prominent and active in controlling the National Electric Light Association. It was an association of all the holding companies and subholding companies, organized for what I believe to be an illegal purpose.

For instance, when there was pending before the Senate the resolution providing for an investigation of the electric companies, the National Electric Light Association had a committee appointed, and they gave them $400,000 to fight three things then pending in Congress. One of those things was the resolution providing for an investigation, which was afterward passed, and resulted in the investigation of the past several years by the Federal Trade Commission. Four hundred thousand dollars was expended in that fight. Another thing they wanted to fight here was the passage of the Boulder Dam bill. The third was the passage of the Muscle Shoals bill. Those were the three proposals which they were fighting.

Both Mr. Insull and his brother were prominent in the activities of the National Electric Light Association; and outside of this particular undertaking, where $400,000 was appropriated to control the action of Congress, they were engaged in various activities all over the United States, most of which were dishonorable, all of which were secret, in attempts to control elections and to build up a sentiment in their favor and against municipal ownership of public utilities.

When Mr. Insull's kingdom collapsed, and while he was on the deep seas trying to evade arrest by the officers of the United States, the National Electric Light Association reorganized. At the time of their reorganization they issued statements to the public which practically said, "We are going to be good. We have done some bad things in the past, but now we are going to reorganize. We have got religion"; so they changed their name from the National Electric Light Association to the Edison Electric Institute and they went right on doing the same things they had always done before, except that they had a different name, and except that Mr. Insull was out of the picture. They exist now; and there is not anything the National Electric Light Association have ever done which in my judgment is equal to the propaganda they have up now to control the sentiment of the country, and to make the very men and women whom they have robbed come to their relief and ask Congress not to pass this bill. On their part, their game is to continue their robbery and their chicanery if this bill shall be defeated.

Now let us pass to chart no. 8.

Chart no. 8 is a chart showing the operations of the Associated Gas & Electric Co. The Associated Gas & Electric Co. comprises 262 corporations—holding and operating companies—scattered practically all over the United States, Nova Scotia, the Philippine Islands, and in various degrees of pyramiding up to 8 or 9, up to the owners, Hopson and Mange.

Let us take the case of one of the various corporations shown on this map; and I use it only as an illustration. We will take the New Matamoras Electric Co., in Ohio.

The New Matamoras Electric Co. is owned by the West Virginia Light, Heat & Power Co. That company is incorporated in West Virginia. The West Virginia Light, Heat & Power Co. is owned by the Pennsylvania Electric Corporation, incorporated in Delaware. You will notice on the map that between the Pennsylvania Electric Corporation and the corporation I am talking about there are a large number of other corporations. They also are all owned by the Pennsylvania Electric Corporation.

The Pennsylvania Electric Corporation is owned by the Associated Electric Co. of Delaware. The Associated Electric Co. of Delaware is owned by the Associated Gas & Electric Corporation, also of Delaware. The Associated Gas & Electric Corporation of Delaware is owned by the Associated Gas & Electric Co., incorporated in New York.

The Associated Gas & Electric Co. of New York is owned by the Associated Securities Corporation, incorporated in Delaware, and the Associated Securities Corporation of Delaware is owned by the Associated Gas & Electric Properties of Massachusetts. So we jump from one State to another, from one corporation to another, clear across the continent. All the companies shown on the chart here are samples of the interlocking of these companies, some of them in a greater and some of them in a lesser degree of relationship.

The last corporation mentioned, the Associated Gas & Electric Properties of Massachusetts, is owned by two men, Hopson and Mange. So, as a matter of fact, all these nearly 300 corporations are directly controlled by the two men at the top, and these various corporations are incorporated in almost every State of the Union.

Let us take another little town shown on this map. Senators will notice it is not nearly so far away from the top company as some of the others are. I refer to Patchogue, a city in New York of about 5,000 people. It is supplied with electricity by the Patchogue Electric Light Co. of New York. The Patchogue Electric Light Co. of New York is owned by the New York Electric & Gas Corporation, incorporated in New York. The New York Electric & Gas Corporation is in turn owned by the New York Electric Co., incorporated in Delaware. The New York Electric Co. is owned by the Mohawk Valley Co. of Delaware. The Mohawk Valley Co. of Delaware is owned by the Mohawk Valley Co. of New York. They bear exactly the same name, except that one is of Delaware and the other of New York. The latter company, in turn, is owned by the Rochester Central Power Corporation, incorporated in Delaware. We go back to Delaware again. That company in turn is owned by the Associated Gas & Electric Corporation of New York, and that corporation in turn is owned by another corporation known as the "Associated Securities Corporation", incorporated in Delaware. The Associated Securities Corporation of Delaware is owned by the Associated Gas & Electric Properties, incorporated in Massachusetts, and that corporation is owned by Hopson and Mange.

Is there any way for an individual buying electricity living in this little town of 5,000 people to tell that, after all, these two men at the top are the owners of the little company supplying him with electricity, and that, after all, they may be a thousand miles away, beyond his own State line, and if he wants to get to them he has to travel through several other States?

Is there any way a user of electricity in that town may reach these men to make complaint, for instance, if he has one, or thinks he has, about his treatment, or the price he has to pay for electricity? Is there any State authority that is going to regulate that company? It is an impossibility. The statement of the case shows that the condition is indefensible.

Several days ago in the Senate one of the Senators in discussing another proposition said that in a few days, when this matter came up, I would be referring to the holding companies in varying degrees as children and grandchildren. I had not thought of that before, but it gave me a bright idea. Let us apply that suggestion to this case and see how we come out.

Here are Hopson and Mange. They are at the top of the pyramid. The Associated Gas & Electric Properties, of Massachusetts, is the first child. The Associated Securities Corporation of Delaware is a grandchild. The Associated Gas & Electric Co. of New York is a great-grandchild. The Associated Gas & Electric Co. of Delaware is a great-great-grandchild. The General Gas & Electric Corporation of Delaware, also, is a great-great-great-grandchild. The New York Electric Co., of Delaware, also—there are two or three grandchildren in the same State, it will be noted, and that ought not to be—is the great-great-great-great-grandchild. So we get on down to the Patchogue Electric Co., several degrees further down, and we find that this corporation is in the thirteenth degree. Between the consumer of electricity who

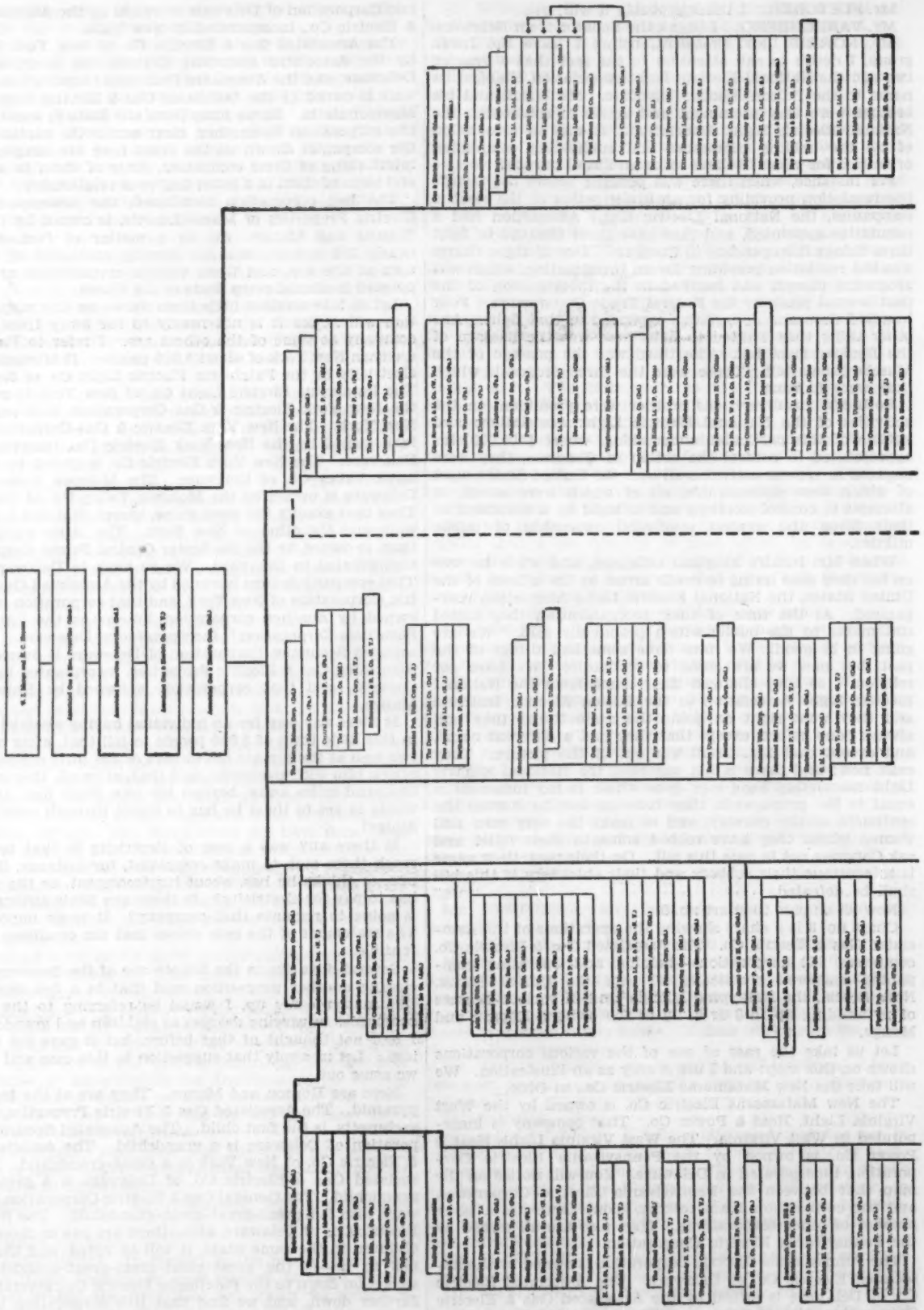
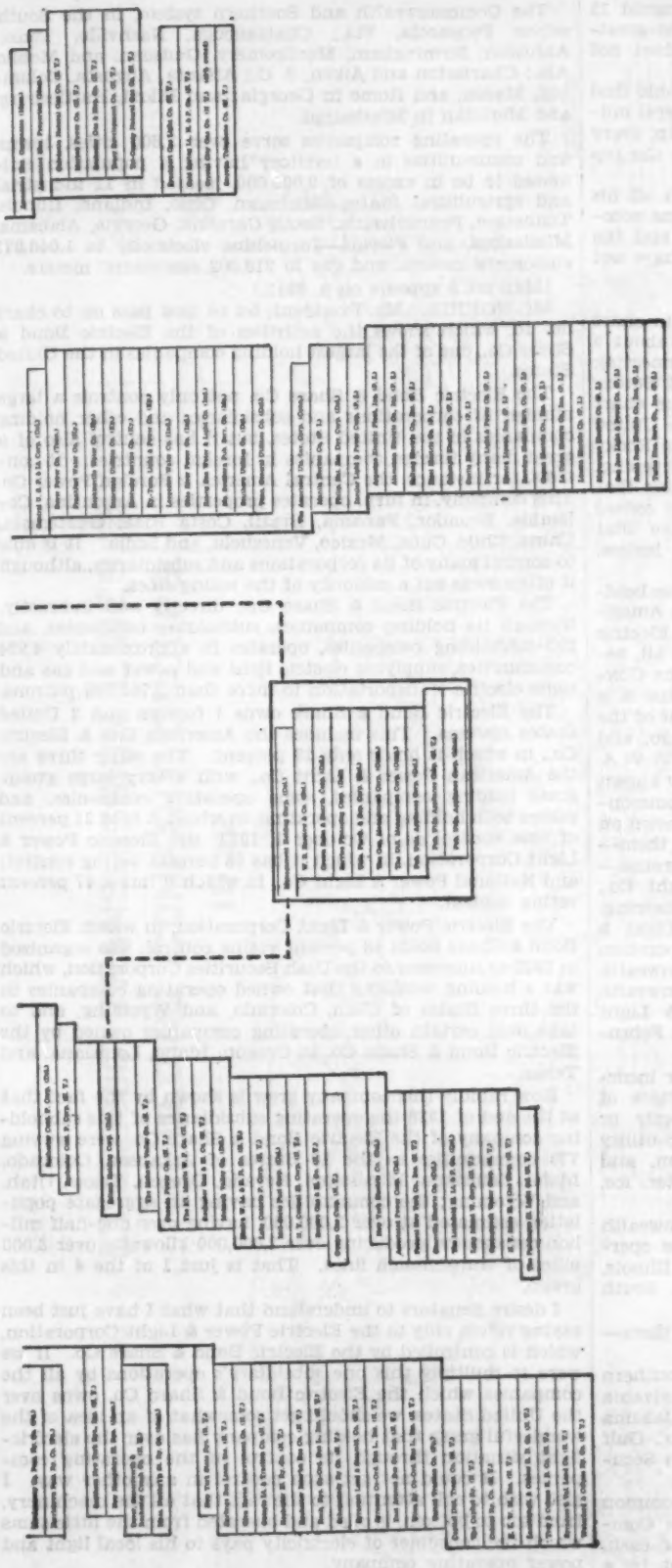


Chart 8—ASSOCIATED GAS & ELECTRIC SYSTEM
CORPORATE CHART, MARCH 31, 1932



has finally to pay the bill and the top of the pyramid 13 corporations intervene, and this great-great-great-great-grandchild down here has more than 5,000 children not shown on this map.

If we should run all these companies down, we would find that the old man at the top of the pyramid has several million grandchildren in varying degrees of relationship, every mother's son of them working for the old man at the top of the pyramid, every one of them.

Mr. President, Solomon in all his glory and with all his wives was not knee-high to any one of these holding companies. They are polygamous in the last degree, and the laws against polygamy ought to apply, even if we have not the courage to enact any other law.

(Chart no. 8 appears on pp. 8508–8509.)

Mr. NORRIS. Mr. President, I have now come to chart no. 9, which is a map of the United States. It is about 5 feet long by 3 feet wide, and shows the lines connecting practically all the holding companies of the United States. They are 35 in number. It will be seen from the chart that they almost completely cover the map of the United States east of the Mississippi River and west of the Rocky Mountains, with quite a number in the territory intervening.

I wonder how anyone looking at that map, knowing that all the companies represented here are practically owned and controlled by holding companies, can conceive that there is any chance for a little consumer to get justice. There is no possible way to get justice.

At the right of the chart appear the names of these holding companies—the American Gas & Electric Co., the American Waterworks & Electric Co., the Associated Gas & Electric Co., and so on. I shall not stop to enumerate them all, because they will appear on the chart as printed in the CONGRESSIONAL RECORD. I will take up one of them because it is in the minds of practically all the Senators on account of the bill which was passed by the Senate some time ago, and which is still pending in the House, concerning the T. V. A.

That section of country is controlled by a company known as the "Commonwealth & Southern", and the Commonwealth & Southern is one of the holding companies shown on this chart. It was organized—this is only one of them—in 1929 for the purpose of merging three utility groups—Penn-Ohio Edison Co., Southeastern Power & Light Co., Commonwealth Power Corporation—and one engineering, managing, and financing corporation—the Allied Light & Power Corporation. The Allied Light & Power Corporation and Penn-Ohio Edison Co. were merged with Commonwealth & Southern as of February 11, 1930. The Commonwealth Power Corporation and the Southeastern Power & Light were merged with the Commonwealth & Southern in February 1930.

The Commonwealth & Southern Corporation was incorporated on May 23, 1929, under the laws of the State of Delaware as a holding company controlling directly or indirectly, through common-stock ownership, public-utility companies engaged in the generation, transmission, and distribution of electricity and gas, in supplying water, ice, and heat, and in furnishing transportation services.

The principal subsidiary companies of the Commonwealth & Southern Corporation are public-utility companies operating in the States of Alabama, Florida, Georgia, Illinois, Indiana, Michigan, Mississippi, Ohio, Pennsylvania, South Carolina, and Tennessee.

The names of the principal subsidiaries—not all of them—are as follows:

Consumers' Power Co., Central Illinois Light Co., Southern Indiana Gas & Electric Co., Ohio Edison Co., Pennsylvania Power Co., The Tennessee Electric Power Co., Alabama Power Co., Georgia Power Co., Mississippi Power Co., Gulf Power Co., South Carolina Power Co., Transportation Securities Corporation, and The General Corporation.

In May, June, and July 1929, 2,250,000 shares of common stock and a like number of option warrants of the Commonwealth and Southern Corporation were sold for cash, at a price of $20 per one share and one option warrant, for a total of $45,000,000.

The Commonwealth and Southern system, in the South, serves Pensacola, Fla.; Chattanooga, Nashville, Tenn.; Anniston, Birmingham, Montgomery, Gadsden, and Mobile, Ala.; Charleston and Aiken, S. C.; Atlanta, Augusta, Columbus, Macon, and Rome in Georgia; and Biloxi, Hattiesburg, and Meridian in Mississippi.

The operating companies serve over 2,600 cities, towns, and communities in a territory having a population estimated to be in excess of 9,000,000, located in 11 industrial and agricultural States—Michigan, Ohio, Indiana, Illinois, Tennessee, Pennsylvania, South Carolina, Georgia, Alabama, Mississippi, and Florida—furnishing electricity to 1,046,971 customers' meters, and gas to 218,002 customers' meters.

(Map no. 9 appears on p. 8511.)

Mr. NORRIS. Mr. President, let us now pass on to chart no. 10, which shows the activities of the Electric Bond & Share Co., one of the largest holding companies in the United States.

The Electric Bond & Share Co. not only controls a large number of corporations and subsidiaries and other holding companies in the United States, but it has control also of a great many foreign companies in foreign countries. It controls, for instance, the Central America & Foreign Power Co. This company, in turn, operates properties in Argentina, Colombia, Ecuador, Panama, Brazil, Costa Rica, Guatemala, China, Chile, Cuba, Mexico, Venezuela, and India. It is able to control many of its corporations and subsidiaries, although it often owns but a minority of the voting stock.

The Electric Bond & Share Co., directly and indirectly, through its holding companies, subholding companies, and sub-subholding companies, operates in approximately 4,934 communities, supplying electric light and power and gas and some electric transportation to more than 2,765,000 patrons.

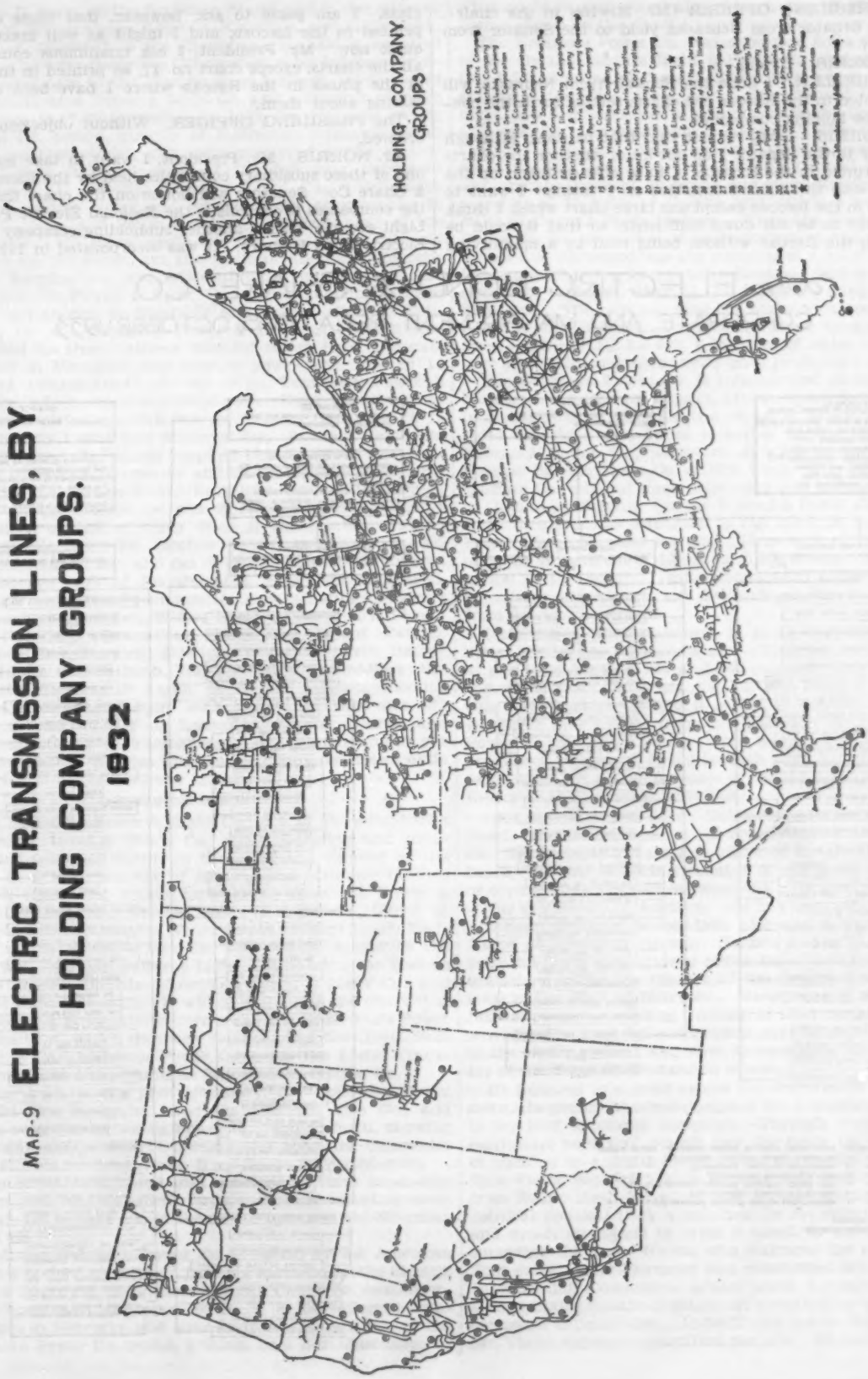
The Electric Bond & Share owns 1 foreign and 3 United States systems. This includes the American Gas & Electric Co., in which it holds only 17 percent. The other three are the American Power & Light Co., with a very large group, some holding companies, some operating companies, and others both holding and operating, in which it held 21 percent of vote control as of October 1, 1933; the Electric Power & Light Corporation, in which it has 48 percent voting control; and National Power & Light Co., in which it has a 47 percent voting control.

The Electric Power & Light Corporation, in which Electric Bond & Share holds 48 percent voting control, was organized in 1925 as successor to the Utah Securities Corporation, which was a holding company that owned operating companies in the three States of Utah, Colorado, and Wyoming, and to take over certain other operating companies owned by the Electric Bond & Share Co. in Oregon, Idaho, Louisiana, and Texas.

How rapidly this company grew is shown by the fact that at the end of 1928 the operating subsidiaries of this subholding company of the Electric Bond & Share Co. were serving 773 communities in the 10 States of Arkansas, Colorado, Idaho, Louisiana, Mississippi, Nevada, Oregon, Texas, Utah, and Wyoming; the communities having an aggregate population estimated at over 2,000,000, having over one-half million consumers, producing over 2,000,000 kilowatts over 8,000 miles of transmission lines. That is just 1 of the 4 in this group.

I desire Senators to understand that what I have just been saying refers only to the Electric Power & Light Corporation, which is controlled by the Electric Bond & Share Co. If we were to multiply this one subsidiary's operations by all the companies which the Electric Bond & Share Co. owns over the United States, we should get somewhat of an idea of the wonderful grasp that holding company has over the electric-light situation through its control of the operating companies. It could not get such control in any other way. I also wish to call attention to the fact that all the machinery, from top to bottom, is oiled and operated from the little sums which the consumer of electricity pays to his local light and power operating company.

Mr. WHEELER. Mr. President, will the Senator yield?


MAP-9 ELECTRIC TRANSMISSION LINES, BY HOLDING COMPANY GROUPS.
1932
HOLDING COMPANY GROUPS

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Nebraska yield to the Senator from Montana?

Mr. NORRIS. I yield.

Mr. WHEELER. I hope the Senator from Nebraska will have printed in the RECORD the charts setting forth the control by the holding companies.

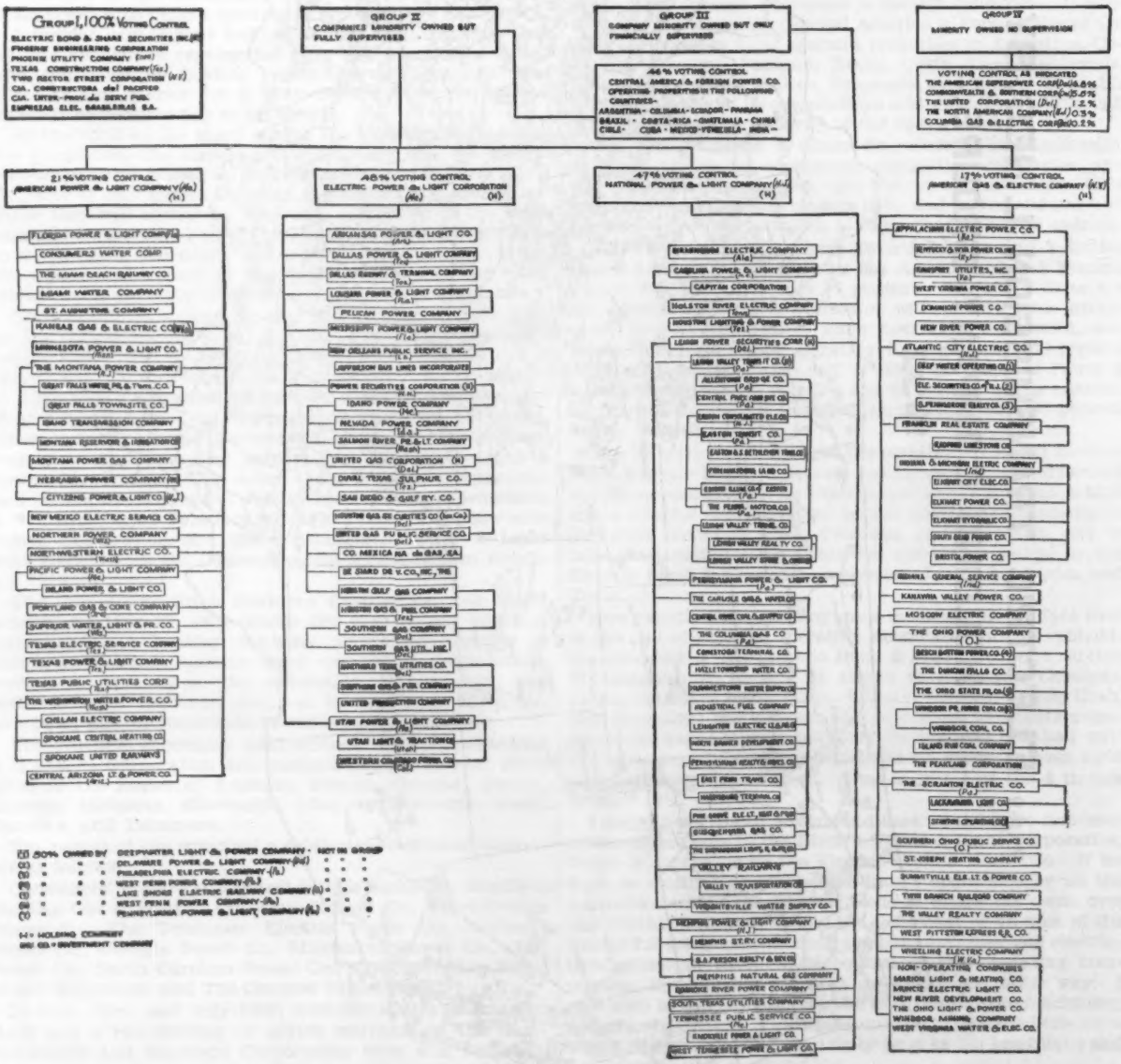
Mr. NORRIS. I will request that that be done, although I may say to the Senator I do not know whether the charts can be printed in the RECORD. I have already taken up the question with the Joint Committee on Printing. I want to put them in the RECORD except one large chart which I think is too large to be cut down sufficiently so that it could be printed in the RECORD without being read by a magnifying glass. I am going to ask, however, that these charts be printed in the RECORD, and I might as well make the request now. Mr. President, I ask unanimous consent that all the charts, except chart no. 17, be printed in the RECORD at the places in the RECORD where I have been especially talking about them.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NORRIS. Mr. President, I want to take up another one of these subsidiary companies held by the Electric Bond & Share Co. Senators will notice on the chart that one of the companies it controls is the National Electric Power and Light group. This is another subholding company group of Electric Bond & Share. It was incorporated in 1921 in New

Chart 10 - ELECTRIC BOND & SHARE CO.

CORPORATE AND MANAGEMENT RELATIONS, OCTOBER 1, 1933.



Jersey. It began in the Southern States and in the cities of Memphis, Birmingham, Houston, Knoxville, and Little Rock, and, later, extended to the Carolinas. In 1928 it acquired the Lehigh Power Securities Corporation, a big holding corporation supervised by the Electric Bond & Share, which owned the Pennsylvania Power & Light Co. and a number of other companies in Pennsylvania. In 1928 the National Power & Light Co. owned, directly or indirectly, substantially all of the common stocks, and some preferred stocks as well as long-term indebtednesses, of the following important companies: (1) Carolina Power & Light Co., which alone supplied electric power and service in 208 communities in North Carolina and South Carolina, including many of the large cities; (2) Birmingham Electric Co., which not only supplied electric power, but also transportation and domestic gas in Birmingham and adjacent cities in Alabama; (3) the Knoxville Power & Light Co., which supplied electric power and service at Knoxville and nearby cities in Tennessee; (4) the Memphis Power & Light Co., which also controlled the street railway, supplied power, light, and natural gas in Memphis, and electric power and light in 14 adjacent communities; (5) the West Tennessee Power & Light Co., which supplied electric power, light, manufactured gas, and electric transportation in Jackson, Tenn., and in 15 other nearby towns and communities; (6) East Tennessee Light & Power Co., which supplied electric power and light service in eastern Tennessee and in 67 adjacent communities; (7) the Lehigh Power Securities Corporation, which owned all the common stocks of some subsidiaries and a substantial control of other ones of these subsidiaries in Pennsylvania, supplied electric power and light in 399 principal communities and gas in 19 communities throughout an extensive part of Pennsylvania, embracing industrial, coal, and agricultural communities, and including the larger cities such as Allentown, Wilkes-Barre, Bethlehem, Williamsport, Hazelton, Shenandoah, Shamokin, Mount Carmel, Mahanoy City, Berwick, Steelton, Tamaqua, North Hampton, Milton, and so forth, and another sub-subsidiary, the Lancaster Railway & Light, controlled companies which supplied power and light service in Lancaster and 105 principal communities in Lancaster, Chester, Burks, and Lebanon counties in Pennsylvania, and manufactured gas in other places. Besides this, this company controlled quite a number of electric railway systems.

AMERICAN POWER & LIGHT CO.

The American Power & Light Co., one of the subsidiaries of Electric Bond & Share Co., owns operating and holding companies, as shown in the left-hand column of the chart, in a large number of States. For instance, Electric Bond & Share Co., which controls the American Power & Light Co., owns the Florida Power & Light Co., which in turn owns the Consumers Water Co., the Miami Beach Railway Co., the Miami Water Co., and the St. Augustine Co. Then the American Power & Light, again, owns the Kansas Gas & Electric Co., the Minnesota Power & Light Co., and the Montana Power Co. It will be seen from the chart that the Montana Power Co. in turn owns the Great Falls Power & Transit Co., which company in turn owns the Great Falls Townsite Co. Montana Power Co. owns the Idaho Transmission Co. and the Montana Reservoir Irrigation Co.

Going back to the first subsidiary, the American Power & Light Co., it, again, owns the Montana Gas Co., and it also owns the Nebraska Power Co., and so forth, showing ownership and control of holding and operating companies from Florida to Oregon and from Texas to Washington.

It must be remembered that each one of these companies in turn owns and operates a large number of operating companies. Let us take one of them—for instance, the Nebraska Power Co.

First, the Nebraska Power Co. is owned by the American Power & Light Co., which in turn is controlled by the Electric Bond & Share Co. Now, the Nebraska Power Co. owns operating companies and operates in 20 or 30 different communities in Nebraska and some in Iowa. An analysis of the Nebraska Power Co. would, I think, be a fair illustration of what could be said about almost every one of the 150 companies shown on the chart.

The Nebraska Power Co. was developed from the systems of the Omaha Electric Light & Power Co. and the Citizens Gas & Electric Co., of Council Bluffs, Iowa, which was a subsidiary of the Omaha company. The Council Bluffs company, now a subsidiary of the Nebraska Power Co., is known today as the "Citizens Power & Light Co." The Omaha and Council Bluffs companies together serve a population of about 214,000 in Omaha and 42,000 in Council Bluffs, and also operate in about 40 towns and rural territories within a radius of 50 miles of Omaha and within a radius of 25 miles of Council Bluffs in Iowa. When the Electric Bond & Share Co. got possession of these properties, one of the first things that happened was the pumping of a lot of water into the capitalization. The Omaha Electric Light & Power Co. closed its books on May 31, 1917, with a fixed capital of $6,432,000. The next morning the books were opened in the name of the Nebraska Power Co. These books showed a fixed capital of $13,500,000, a transfer of water into gold of over $7,000,000, making a pretty good profit for 1 day's work.

The Nebraska Power Co. is incorporated in the State of Maine. A law firm in Augusta, Maine, which looks after the incorporations of the Electric Bond & Share enterprises, votes the stock and issues securities in the name of the Nebraska Power Co., whenever directed so to do by the Electric Bond & Share Co. of New York. The Electric Bond & Share Co. selected some prominent and influential people in Omaha as directors for the Nebraska Power Co. Each of these directors was permitted to buy stock in the Nebraska Power Co. at 50 cents a share. Thus each of them had to make an investment of $2,500 for 5,000 shares. The investigation of the Federal Trade Commission shows that these prominent citizens received dividends on this investment of from 240 to 260 percent.

I will repeat that statement in order that Senators may better appreciate its significance. They received dividends at a rate of between 240 and 260 percent. But that is not the whole story, for when the Electric Bond & Share sold this stock to these citizens it agreed to take the stock back whenever they retired from the operation of the Nebraska Power Co. at $1.50 a share. That made a net profit to the prominent citizen of $3,760 in each case, all of which was paid for by the common people of Omaha and vicinity when they paid their electric-light bills.

One of these prominent Nebraska citizens was Walter Head. He was chairman of the board of the Nebraska Power Co. He was also a managing officer of the Omaha National Bank. He was likewise a member of the board of directors of several large railroad corporations. He was likewise head of the Boy Scouts of America. He had been president of the American Bankers' Association. He was a warm personal friend of President Hoover. He was treasurer of the Republican State committee of Nebraska. He enjoyed the reputation of being the teacher of the largest Sunday school class in the State of Nebraska. He was one of the powerful influences in controlling politics of that great Commonwealth. His financial connections gave him great influence in the banking world, and when he took snuff half the bankers of the State commenced to sneeze.

He financed to a great extent the activities of Victor Seymour, the person who had charge of the campaign against me in my 1930 senatorial campaign. Through Victor Seymour canvassers were sent out all over the State for the purpose of building up a sentiment to defeat me for the nomination. This Victor Seymour, while he was thus borrowing money from Walter Head, conceived and put into execution the diabolitical political trick which had for its object my defeat, and which attempted to bring it about by putting into the campaign the bogus Norris, who disgraces the name I bear. This same Victor Seymour was summoned before the Nye Investigating Committee, acting under a resolution of the United States Senate directing an investigation of senatorial campaign expenditures. In testifying before this committee Mr. Victor Seymour committed perjury. He was indicted by

a grand jury for giving this false testimony, and after the usual delays and the technical objections made by able attorneys in his behalf he was finally convicted, and is in prison at this very moment.

Perhaps it does not have a direct bearing, but I think it has a very interesting indirect bearing when I say that the man who financed these operations was Walter Head, chairman of the board of directors of the Nebraska Power Co., the man who was making more than 250 percent on investments in the power company which the poor people of Omaha and vicinity had to pay. He was a valuable man for the Electric Trust because he had a national reputation. He had been president of the American Bankers' Association. He was then and is yet the head of the Boy Scout movement of America.

That was only one of the sub-subsidiaries of the Electric Bond & Share Co. I am going to comment some more upon their activities.

Let us consider briefly another one of the financial activities in which the Nebraska Power Co., the subsidiary of the Electric Bond & Share Co. engaged. During the entire life of the Nebraska Power Co. it has been paying commissions and fees amounting in the aggregate to millions of dollars to the Electric Bond & Share Co. In 1917 the Nebraska Power Co. issued $1,500,000 of notes. These notes were drawn for 10 years; they bore an interest rate of 5 percent. But the Electric Bond & Share Co., operating through its agents in Maine, where the Nebraska Power Co. was legally chartered, caused $400,000 of these notes to be retired after 2 years. The bond issue to secure money for retiring these notes bore interest likewise at 5 percent. But when the bankers' discount, the commission of the Electric Bond & Share Co., and expenses of the issue were deducted from the proceeds, the real rate of interest paid by the Nebraska Power Co. for the money it actually received was 6.64 percent. The Nebraska Power Co., under the terms of the notes it owed, had the right to keep the money for 10 years, but the Electric Bond & Share Co. was interested in making a commission, and hence, after 2 years of the 10 had elapsed, $400,000 of the indebtedness was paid off by the issuance of more bonds. But that is not the worst view of the picture. Three years later, in 1922, the remaining $1,100,000 of these notes were retired. They were retired again by the action of the Electric Bond & Share Co. This time the refinancing operation cost 6 percent on the money borrowed, and when the fees of the Electric Bond & Share Co. were taken out and expenses paid, the interest amounted to 7.49 percent.

This is an illustration of financial jugglery which only the experienced holding-company officials know how to carry out successfully.

The Nebraska Power Co. at one time issued $1,100,000 of general mortgage gold bonds. These bonds drew interest at the rate of 8 percent. It is interesting to note that the Nebraska Power Co. was not in need of money at this time. But evidently the Electric Bond & Share was. As a matter of fact, the Nebraska Power Co. did not know for 40 days that they had borrowed this money. They did not find it out until the Electric Bond & Share notified them they had borrowed the money, that the bonds had been sold, and that they were credited on the books of the Electric Bond & Share Co. for $951,500. This shows what a wonderful benefit this holding company has been to the Nebraska Power Co., the operating company, when customers of the Nebraska Power Co. were saddled with all this additional indebtedness by the activities of the Electric Bond & Share Co., acting in New York directly through the instrumentality of its agents in Augusta, Maine. Thus the Electric Bond & Share netted a nice little profit of $148,500, by which operation the customers of the operating company in Nebraska were compelled to pay that amount to the holding company in New York.

Again, in 1924, the Nebraska Power Co., through this same holding company, floated securities in the amount of $1,000,000. The proceeds for which the Nebraska Power Co. were actually given credit by the Electric Bond & Share Co. were only $902,000. The balance was the fee of the Electric Bond & Share Co., amounting practically to $100,000 for this useless operation.

I am giving the Senate now only a brief outline of what occurred. In the address which I delivered in the Senate on Wednesday, July 13, 1932, and Thursday, July 14, 1932, I went into more detail in showing the activities of the Electric Bond & Share Co. in manipulating the finances of the Nebraska Power Co., always to the detriment and the injury of the customers of that company in Nebraska and Iowa. It is fair to say that the financial operations which have taken place regarding the Nebraska Power Co. are very similar to hundreds of other transactions and manipulations which have taken place in the hundred other subsidiary companies which are shown on chart 10. It can readily be seen what an enormous income and what an enormous profit must come through such manipulations, carried on for the benefit of the financial gamblers of Wall Street; and this is the same outfit that in the past month or 6 weeks has covered the United States with a propaganda the like of which has never before been known, scaring investors by telling them that Congress is about to destroy these blessed holding companies, and that if such destruction shall take place their financial investments will be ruined.

Are Members of the Senate to be frightened by such propaganda?

The real culprits behind the scenes are those who have been issuing dishonest stocks and bonds, who have been pumping water into capitalization, floating this fraudulent stuff, and unloading it upon an unsuspecting and honest public. They are clamoring now and using the "widow and orphan" argument to ask that their ungodly procedure shall be allowed to continue.

Mr. President, now let me pass on to chart no. 11.

Chart no. 11 deals with the Columbia Gas & Electric Corporation. It is one of the so-called "Morgan group." Its field of operation includes Pennsylvania, West Virginia, Maryland, Kentucky, and Ohio. Besides that, it controls extensive natural-gas pipe lines from these various fields to the big industrial and populous centers.

As Colonel Chantland, attorney in charge of the utilities investigation of the Federal Trade Commission, said in his testimony before the committee upon this bill, "This is another illustration of starvation in the land of plenty", as to this commodity.

Chart no. 11 shows the corporations, or some of them, owned by the Columbia Gas & Electric Corporation. It shows also the subsidiaries of these corporations which they own. It shows also what kind of corporations they are. There are many corporations in this group which are not, strictly speaking, electric corporations. Some of them deal in gas only. Some of them are holding companies only. Some of them are both holding companies and operating companies. Some of them are holding companies in the third or fourth degree. Some of them deal in electricity and in gas and in water.

The column at the right of this chart shows the percentage of ownership by which the Columbia Gas & Electric Corporation own these various companies. I shall pause only to say that practically all of them are owned 100 percent. Here is one that is owned 72 percent, one at 99 percent, another at 99 percent, still another at 99 percent, another one at 99 percent, one at 90 percent, one at 97 percent, one at 98 percent, one at 93 percent, one at 73 percent, and one at 75 percent. All the others in the group are owned 100 percent.

It will be observed on this chart that the list of corporations in the left-hand column shows also where they are incorporated; and it will be observed that they are incorporated in nearly all the States of the Union, some of them jumping from Maine to California. I do not know that this particular one does; but they go from Oregon to Florida, from California to New York, all over the country, back and forth, back and forth, back and forth, until the network of their ownership would defy any careful student trying to find out just what the real situation is.

CHART 11

Columbia Gas & Electric group—Corporate chart showing percent of voting control as of Dec. 31, 1930

[Compiled from information furnished by the holding companies]

Name of company	Character of business	Voting control
		Percent
Columbia Gas & Electric Corporation (Delaware).	Holding	
Amere Gas Utilities Co. (West Virginia)	Gas	100
American Fuel & Power Co. (Delaware)	Holding	76
Buckeye Fuel Co., The (Delaware)	Gas	100
Buckeye Gas Service Co. (Ohio)	do	100
Carbreath Gas Co. (Delaware)	do	100
Inland Gas Corporation (Delaware)	do	[1]73
Inland Gas Distributing Co. (West Virginia).	do	100
Kentucky Drilling Co., The (Delaware)	Drilling wells	100
Kentucky Fuel Gas Corporation (Delaware).	Gas	99
Bellevue Water & Fuel Gas Light Co. (Kentucky).	Inactive	100
Binghamton Gas Works (New York)	Gas	100
Bracken County Gas Co. (Kentucky)	do	100
Bridge Gas Co. (Ohio)	Pipe line	100
Central Kentucky Natural Gas Co. (Kentucky).	Gas	99
Cincinnati Gas & Electric Co., The (Ohio)	do	100
Cincinnati Gas Transportation Co. (West Virginia).	Pipe line	97
Cincinnati, Newport and Covington Light & Traction, Co. (New Jersey).	Holding	90
Cincinnati Newport & Covington Railway Co., The (Kentucky).	Street railway	100
Licking River Bridge Co. (Kentucky)	Toll bridge	100
Union Light, Heat & Power Co., The (Kentucky).	Electric, gas, and water	100
Columbia Corporation (Delaware)	Holding	100
Columbia Industrial Co. (Ohio)	Industrial development	100
Columbia Securities Co. (Delaware)	Securities	100
Dayton Power & Light Co., The (Ohio)	Electric, gas, and water	100
Miami Development Co., The (Delaware).	Real estate and securities	100
Harrison Electric & Water Co., The (Ohio).	Electric and water	100
Huntington Gas Co. (West Virginia)	Gas	100
Huntington Development & Gas Co. (Delaware).	do	99
Southwestern Ohio Power Co., The (Ohio)	Electric	100
Columbia Engineering & Management Corporation (Ohio).	Engineering	100
Columbia Gas Construction Co., The (Maryland).	Construction	100
Columbus Gas & Fuel Co., The (Ohio)	Gas	99
Cumberland & Allegheny Gas Co. (Maryland).	do	100
Eastern Pipe Line Co. (New Jersey)	Pipe line	100
Edgewater Gas & Light Co., The (Ohio)	Gas	100
Fayette County Gas Co. (West Virginia)	do	99
Fayette Gas Fuel Co. (Pennsylvania)	Inactive	100
Federal Gas & Fuel Co., The (Ohio)	Gas	100
Gas & Electric Appliance Co., The (Ohio)	Retailing appliances	100
Gettysburg Gas Corporation (Pennsylvania).	Gas	100
Gibson Auto Storage Co., The (Ohio)	Auto storage	100
Greensboro Gas Corporation (Delaware)	Holding	100
Greensboro Gas Co. (Pennsylvania)	Gas	100
Hamilton Service Co., The (Ohio)	Electric	100
Home Gas Co. (New York)	Gas	100
Howe Oil & Gas Co. (Delaware)	do	100
Kentucky Electric Co. (Kentucky)	Inactive	100
Keystone Gas Co., The (Pennsylvania)	Gas	100
Keystone Gas Co., Inc., The (New York)	do	100
Loveland Light & Water Co., The (Ohio)	Electric and water	100
Manufacturers Gas Co. (Pennsylvania)	Gas	100
Manufacturers Light & Heat Co., The (Pennsylvania).	do	99
New Cumberland Water & Gas Co. (West Virginia).	Inactive	100
Sewickley Gas Co. (Pennsylvania)	do	100
Maryland Gas Transmission Corporation (Delaware).	Gas	100
Miami Power Corporation (Indiana)	Electric transmission	100
Municipal Light Co. (Kentucky)	Inactive	100
Natural Gas Co. of West Virginia (West Virginia).	Gas	100
Northern Gas Co. (Delaware)	Inactive	100
Northern Gas Co. (Ohio)	Gas	100
Northern Industrial Gas Co. (Delaware)	Inactive	100
Northwestern Ohio Natural Gas Co., The (Ohio).	Gas	100
Ohio Fuel Gas Co., The (Ohio)	do	100
Pennsylvania Fuel Supply Co. (Pennsylvania).	do	100
Point Pleasant Natural Gas Co. (West Virginia).	do	100
Reserve Oil Corporation (Pennsylvania)	do	100
Springfield Gas Co., The (Ohio)	do	100
Suburban Electric Co. (Kentucky)	Inactive	100
Union Gas & Electric Co., The (Ohio)	Electric and gas	100
United Fuel Gas Co. (West Virginia)	Gas	100
Big Marsh Oil Co. (West Virginia)	Oil	72
Warfield Natural Gas Co. (Kentucky)	Gas	100
Virginia Gas Transmission Corporation (Virginia).	do	100

[1]An additional 26 percent was held by Kentucky Fuel Gas Corporation.

Chart no. 13 shows the Niagara Hudson Power Corporation. We now come to discuss the group which spreads itself over New York State. It does not cover the country, as some of the other groups do. This is the Niagara Hudson group, regarded as a Morgan group. The chief interests in it originally were the Schoellkopf interests, the Aluminum Co. of America, and, later, the Floyd Carlisle interests. By this chart, in the next to the last column, it is shown that the different companies of the group own in the top company (the Niagara Hudson) only 5.6 percent.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. ROBINSON. Is this group subject to regulation under the pending bill?

Mr. NORRIS. I cannot answer that question.

Mr. ROBINSON. The reason why I ask the question is that the Senator from Nebraska, in making his statement, declared that this group extends over New York, and implied that it is limited in its operations to the State of New York.

Mr. NORRIS. It is, as I have just said.

Mr. ROBINSON. In the statement made in answer to a question I asked the Senator from Montana [Mr. WHEELER] a few days ago, I understood the Senator from Montana to say that corporations whose activities are limited to a single State are not subject to regulation under this bill.

Mr. NORRIS. I think that is a correct statement as to this bill. If there are no interstate operations involved in the case of this company, it would not be affected by the bill. I cannot say off-hand whether or not there are any such operations. It is the only exception; it comes nearest to being an intrastate corporation of any of the holding companies of which I know.

Morgan and his associates and others—I cannot state exactly in what degree—and the general public own 94.34 percent of the Niagara Hudson Power Corporation. The exact percentages of the different companies of the United States and the other group I have just given are from chart no. 12. The big Niagara Falls Power Co. and the Frontier Corporation own the Niagara Falls power and practically all the power sites along the St. Lawrence until it leaves the New York boundary line. This probably tells a big part of the opposition to our proposed St. Lawrence Waterways Treaty.

(Chart no. 12 appears on p. 8516.)

Mr. NORRIS. Inside of this group certain companies function as power-producing companies and sell power to other companies, which distribute it. This group is one of the few that is strictly an intrastate group, and under the theory of the bill we are discussing might possibly be considered an economically integrated system. It is true that the Federal Trade Commission reports show that for a considerable time its operations and issues have been supervised more or less effectively—sometimes less than more so—by the New York commission. I am not saying there is not now and has not been watered stock in the structure, but by reason of this supervision given over a term of years to this intrastate group, it does not rank so badly in that line as many others.

(Chart no. 13 appears on p. 8517.)

Mr. NORRIS. Mr. President, chart no. 14 is of the Byllesby group, sometimes known as the "Standard Gas & Electric Co." group. It would be a very interesting study, if we had time, to follow out the Byllesby group. Its operations are scattered from San Diego, Calif., to the vicinity of Pittsburgh, Pa., with large operations in Minnesota and Kentucky.

Chart 14, which is exhibit 4947 of the Federal Trade Commission's investigations, shows the corporate set-up of this group. At the top is the Byllesby Corporation. It owns 47 percent of the voting control of H. M. Byllesby & Co. H. M. Byllesby & Co. in turn owns 39 percent of the Standard Gas & Electric Co., and H. M. Byllesby & Co. also owns 100 percent of the California-Oregon Power Securities Co. and 19 percent of the Utilities Industrial Corporation.

The Standard Gas & Electric Co., as shown by the chart, owns practically 100 percent of the voting stock of most of the numerous companies, comprising more than 120 corporations, shown on the chart. The companies include an appli-

Chart-12 THE UNITED CORPORATION

Corporate chart showing stock ownership relations among certain companies and stock holdings of the Morgan, Carlisle and Thorne-Loomis (Bonbright) interests in these companies as of Dec. 31, 1931.

(Constructed from information furnished by the Companies.)

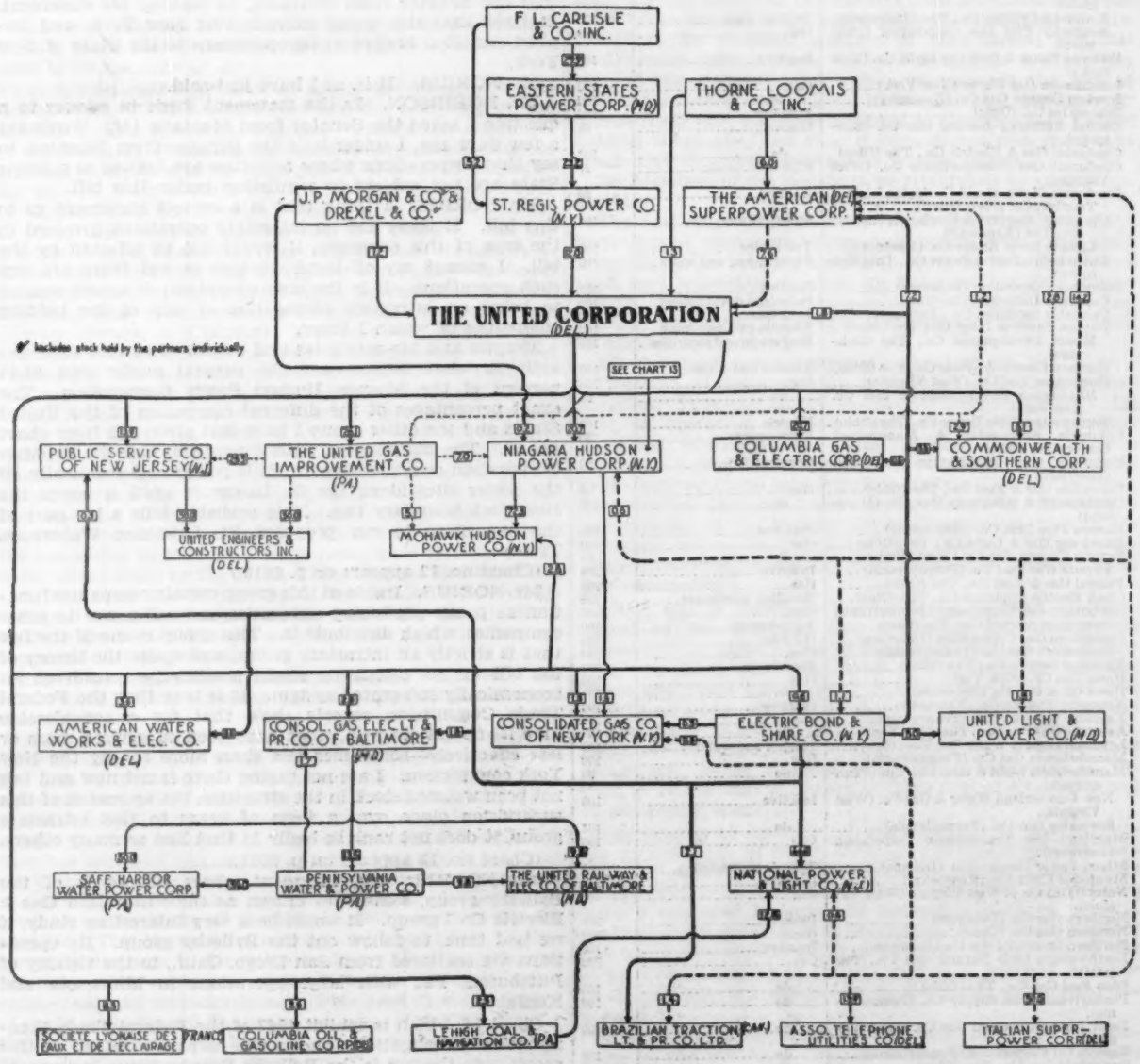


Chart-13

NIAGARA HUDSON POWER CORPORATION

Statement of Voting Stock Control of Companies of the Niagara Hudson Power Corporation System as of December 31, 1932.

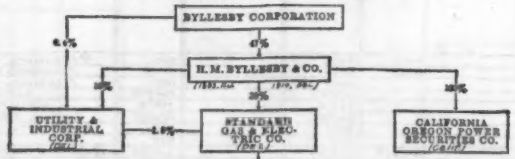
NAME OF COMPANY	CHARACTER OF BUSINESS	NUMBER OF SHS. OF VOTING STOCK - OUTSTANDING			NUMBER OF SHARES OWNED WITHIN NIAGARA HUDSON SYSTEM						PERCENT OWNED BY NIAGARA HUDSON SYS.	PERCENT OWNERSHIP OF TOTAL VOTING STOCK OWNED BY PUBLIC
					OWNED BY NIAGARA HUDSON POWER CORP.			OWNED BY OTHER SYSTEM COMPANIES				
		COMMON	PREFERRED	TOTAL	COMMON	PREFERRED	TOTAL	COMMON	PREFERRED	TOTAL		
NIAGARA HUDSON POWER CORPORATION (N.Y.)	SECURITY HOLDING COMPANY	9259329		9259329				523548		523548	5655	94345
BALDWINSVILLE LIGHT and HEAT COMPANY	GAS UTILITY	1000		1000							100	
BUFFALO, NIAGARA, and EASTERN POWER CORP. (N.Y.)	SECURITY HOLDING COMPANY	2017925		2017925	1000		1000				90631	.369
BUFFALO GENERAL ELECTRIC COMPANY (N.Y.)	ELECTRIC UTILITY & SEC. HOLDING CO.	733790		733790	2010472		2010472				100	
NIAGARA ELECTRIC SERVICE CORPORATION (N.Y.)	ELECTRIC UTILITY	60000		60000				731790		731790	100	
LOCKPORT & NEWFANE POWER & WATER SUPPLY CO. (N.Y.)	ELECTRIC UTILITY	19475		19475				60000		60000	100	
NIAGARA, LOCKPORT and ONTARIO POWER COMPANY (N.Y.)	ELECTRIC UTILITY & SEC. HOLDING CO.	327500		327500				19475		19475	100	
BRADFORD ELECTRIC COMPANY (PA)	ELECTRIC UTILITY	300000		300000				327500		327500	100	
HYDRAULIC RACE COMPANY	REAL ESTATE HOLDING COMPANY ✓	780		780				300000		300000	100	
LOWER NIAGARA RIVER, POWER & WATER SUPPLY CO.	REAL ESTATE HOLDING COMPANY ✓	9		9				780		780	100	
THE NIAGARA FALLS POWER COMPANY (N.Y.)	ELECTRIC UTILITY & SEC. HOLDING CO.	743241		743241				9		9	100	
CANADIAN NIAGARA POWER COMPANY, LTD. (CAN.)	ELECTRIC UTILITY	300000		300000				743241		743241	100	
GORGE VIEW PARK INCORPORATED	REAL ESTATE HOLDING COMPANY	200		200				300000		300000	100	
NIAGARA JUNCTION RAILWAY COMPANY (N.Y.)	ELECTRIC TERMINAL RAILROAD	10000		10000				200		200	100	
THE NIAGARA GORGE RAILROAD COMPANY (N.Y.)	ELECTRIC SCENIC RAILROAD	10000		10000				10000		10000	100	
NIAGARA GRAY BUS LINE INCORPORATED	MOTOR BUS COMPANY	440		440				10200		10200	100	
TONAWANDA POWER COMPANY (N.Y.)	ELECTRIC UTILITY	38200	100	540				440	100	540	100	
EASTERN NEW YORK UTILITIES CORPORATION (N.Y.)	EX-ELECTRIC INTERURBAN RAILWAY ✓	12750	20390	38200				38200		38200	100	
FRONTIER CORPORATION	SECURITY & REAL ESTATE HOLDING CO. ✓	33056		34040	13744	20269	34013				99960	.040
ST. LAWRENCE POWER COMPANY (LIMITED)	ELECTRIC UTILITY	4000		33966	33966		33966				100	
FULTON FUEL and LIGHT COMPANY (N.Y.)	GAS UTILITY	4000		4000							100	
LOUISVILLE POWER CORPORATION	INACTIVE COMPANY ✓	2500		2500	2500		2500	4000		4000	100	
MOHAWK HUDSON POWER CORPORATION (N.Y.)	SECURITY HOLDING COMPANY	3		3	3		3				100	
HUDSON VALLEY FUEL CORPORATION (N.Y.)	COKE and GAS MANUFACTURING CO.	1,595432	667861	2263293	1693491	93150	1628601				100	
MOHAWK VALLEY SECURITIES CORPORATION	SECURITY HOLDING COMPANY ✓	49000		49000				11291	11291	72.716	27.232	
NEW YORK POWER AND LIGHT CORPORATION (N.Y.)	ELECTRIC and GAS UTILITY ✓	100		100				49000		49000	100	
ADIRONDACK REALTY HOLDING CORPORATION	REAL ESTATE HOLDING COMPANY ✓	1207815	144639	1207254				100		100	100	
THE CORTLAND COUNTY TRACTION COMPANY (N.Y.)	ELECTRIC UTILITY ✓	5		5				1037895	243599	1281494	60807	9.193
THE SYRACUSE LIGHTING COMPANY, INC. (N.Y.)	ELECTRIC and GAS UTILITY	52000		52000				5		5	100	
UTICA GAS and ELECTRIC COMPANY (N.Y.)	ELECTRIC and GAS UTILITY	1000000	20000	1020000				52000		52000	100	
KANATA REALTY COMPANY, INC.	REAL ESTATE HOLDING COMPANY	400000		400000				1800000	13800	1813800	98.309	1.691
MOOSE RIVER POWER COMPANY, INCORPORATED	REAL ESTATE HOLDING COMPANY ✓	1000		1000			4000	400000		400000	100	
OSWEGO RIVER POWER CORPORATION (N.Y.)	SECURITY & REAL ESTATE HOLDING CO. ✓	4000		4000				1000		1000	100	
OSWEGO INDUSTRIES CORPORATION	REAL ESTATE HOLDING COMPANY ✓	100000		100000			166000				100	
PEOPLES GAS and ELECTRIC CO. ✓ (OSWEGO) (N.Y.)	ELECTRIC and GAS UTILITY	1000		1000							100	
THE OSWEGO CANAL COMPANY	REAL ESTATE HOLDING COMPANY ✓	46941		46941				1000		1000	100	
ST. LAWRENCE SECURITIES COMPANY	SECURITY HOLDING COMPANY ✓	100		100				46941		46941	100	
ANTWERP LIGHT and POWER COMPANY (N.Y.)	ELECTRIC UTILITY	59277		59277			59277	100		100	100	
NORWOOD ELECTRIC LIGHT and POWER CO.	ELECTRIC UTILITY	430		430				100		100	100	
OGDENSBURG STREET RAILWAY COMPANY (N.Y.)	STREET RAILWAY COMPANY ✓	671		671				430		430	100	
ST. LAWRENCE COUNTY UTILITIES, INC. (N.Y.)	ELECTRIC and GAS UTILITY	1500		1500				671		671	100	
ST. LAWRENCE VALLEY POWER CORPORATION (N.Y.)	ELECTRIC UTILITY	37586		37586				1500		1500	100	
THE EASTERN GAS and ELECTRIC SECURITIES CORP.	SECURITY HOLDING COMPANY	110772		110772				37586		37586	100	
FULTON LIGHT, HEAT and POWER COMPANY (N.Y.)	ELECTRIC UTILITY	12880		12880	12880		12880	110772		110772	100	
THE POWER CORPORATION OF NEW YORK (N.Y.)	SECURITY & REAL ESTATE HOLDING COMPANY ✓ ✓	18099		18099							100	
RACQUETTE RIVER POWER COMPANY (N.Y.)	ELECTRIC UTILITY	677911		677911	677716		677716	18200		18080	100	
PULHAM MANUFACTURING COMPANY, INC.	REAL ESTATE HOLDING COMPANY ✓ ✓	400		400							99.971	.029
THE POWER & ELECTRIC SECURITIES CORPORATION (DEL.)	SECURITY HOLDING COMPANY	1500		1500				400		400	100	
MALONE LIGHT and POWER COMPANY (N.Y.)	ELECTRIC and GAS UTILITY	130000		130000				1500		1500	100	
NORTHERN NEW YORK UTILITIES, INC. (N.Y.)	ELECTRIC and GAS UTILITY	30741		30741				130000		130000	100	
TRI-RIVER POWER CORPORATION	REAL ESTATE HOLDING COMPANY ✓	200000		200000				30741		30741	100	
UNION BAG and PAPER POWER CORPORATION (PA.)	REAL ESTATE HOLDING COMPANY ✓ ✓	1000		1000				193741		193741	100	
VALLEY IMPROVEMENT CORPORATION	REAL ESTATE HOLDING COMPANY ✓ ✓	5000		5000	5000		5000	1000		1000	100	
		7046		7046	7046		7046				100	

✓ INCLUDES UNDEVELOPED WATER POWER RIGHTS
2/ ALSO OWNS HYDRO-ELECTRIC PLANTS
3/ MERGED OR DISSOLVED SUBSEQUENT TO DECEMBER 31, 1932
4/ IN PROCESS OF DISSOLUTION

Chart No. EXHIBIT NO. 4947

Corporate Chart Byllesby Group

[Showing per cent of voting control, December 31, 1930]



	Character of business	Voting stock
		Per cent
Byllesby Engineering & Management Corporation[1]	Engineering	100
Northern States Power Co. (Delaware)	Holding	[2] 30
Northern States Power Co. (Minnesota)	Electric and gas, etc.	100
Northern States Power Co. (New Jersey)	Electric	100
Interstate Light & Power Co. (Delaware)	do	100
Elizabeth Light & Power Co.[3]	do	100
St. Croix Power Co.	do	100
Interstate Light & Power Co. (Wisconsin)	Electric and gas	100
Minneapolis General Electric Co., The	Electric	100
St. Croix Falls Minnesota Improvement Co.	do	100
St. Croix Falls Wisconsin Improvement Co.	do	100
Minneapolis Brush Electric Co.	do	100
St. Croix River Navigation Improvement Co.	Water for power	100
St. Croix Lumberman's Dam & Boom Co.	do	100
Northern States Securities Corporation	Holding	100
Northern States Power Co. (Wisconsin)	Electric, gas, railway, and heating	100
Chippewa Power Co.	Electric	100
Midland Public Service Co.	do	100
St. Anthony Falls Water Power Co.[4]	Water power	100
Minneapolis Mill Co.	do	100
Chippewa Valley Construction Co.	Land holdings	100
Chippewa River Power & Light Co.	do	100
United Power & Land Co.	do	100
Union Light, Heat & Power Co.[5]	Electric, gas, and heating	100
Red River Power Co.	Electric and gas	100
Northern Transit Co.	Bus line	100
Mississippi & Rum River Boom Co.	Holdings real estate	100
Hutchinson Lighting & Manufacturing Co.	Electric (inactive)	97
Louisville Gas & Electric Co. (Delaware)	Holding	97
Louisville Gas & Electric Co. (Kentucky)	Electric, gas, and steam	97
Louisville Hydro-Electric Co.	Electric	100
Madison Light & Power Co. (Indiana)	do	100
Kentucky Coke Co. (Kentucky)	Electric and gas	100
Bystana Oil & Gas Co.	Natural gas	100
Kentucky Pipe Line Co. (Kentucky)	Gas	100

	Character of business	Voting stock
		Per cent
Standard Power & Light Corporation[6]	Holding	[7] 97
Philadelphia Co.	do	[8] 92
Duquesne Light Co.	Electric	100
Allegheny County Steam Heating Co.	Steam heating	100
Pittsburgh & West Virginia Gas Co.	Natural gas	100
Southside Gas Co.	do	[9] 10
Kentucky-West Virginia Gas Co.	do	[10] 45
Consolidated Traction Co.	Street railway	99
Ardmore Street Ry. Co.	do	100
Fort Pitt Traction Co.	do	100
Duquesne Traction Co., The	do	66
Duquesne Street Ry. Co., The	do	100
Central Traction Co., The	do	97
Central Passenger Ry. Co., The	do	100
Pittsburgh Traction Co.	do	99
Pittsburgh Railways Co.	do	100
Allegheny, Sylvanus & Perrysville Ry. Co.	do	100
Allenport & Roscoe Electric Street Ry. Co.	do	100
Ben Avon & Emsworth Street Ry. Co.	do	100
Bon Air Street Ry. Co.	do	100
Cedar Avenue Street Ry. Co.	do	100
East McKeesport Street Ry. Co.	do	100
Mount Washington Street Ry. Co.	do	100
Mount Washington Tunnel Co.	Tunnel railroad	100
Pittsburgh, Canonsburg & Washington Ry. Co.	Street railway	100
Pittsburgh & Charleroi Street Ry. Co.	do	100
Saperior Avenue & Sandy Avenue Street Ry. Co.	do	100
United Traction Co. of Pittsburgh	do	99
Federal Street & Pleasant Valley Passenger Ry. Co.	do	94
Second Avenue Traction Co.	do	100

	Character of business	Voting stock
		Per cent
Kentucky Pipe Line Co. (Indiana)	Natural gas	[11] 25
George O. Felter Lighting & Heating Co.	Holding franchises	100
Kentucky Pipe Line Holding Co. (Delaware)	Holding	100
Mountain States Power Co.	Electric, gas, etc.	41
Lander Electric Light & Power Co.	Electric	100
Wyoming Hydro-Electric Co.	do	100
Thermopolis Northeast Electric Co.	do	100
Thermopolis Gas Co.	Natural gas	70
Northwest Transmission Co.	Electric	100
Northwest Gas & Pipe Line Co.	Natural gas	100
Oil Fields Power Co.	Electric	100
Buffalo Northwest Electric Co.	do	100
Oklahoma Gas & Electric Co.	do	52
Mississippi Valley Power Co.	do	100
San Diego Consolidated Gas & Electric Co.	Gas and electric	61
San Diego Gas & Electric Co.	Electric	100
California Power Corporation	Holding	100
The California Oregon Power Co.	Electric and water	[12] 43
Southern Colorado Power Co.	Electric and street railway	100
Wisconsin Public Service Corporation	Electric, gas, bus, and street railway	100
Menominee & Marinette Light & Traction Co.	do	100
Wisconsin Valley Electric Co.	do	100
Wisconsin Valley Power Co.	Electric light and power	100
Waupaca Electric Service Ry. Co.	do	100
Valley Transit Co.	Bus	100
Fort Smith Traction Co.	Street railway	100
Deep Rock Oil & Refining Co.	Oil	100
Shaffer Oil & Refining Co.	do	98
Home Oil Co.	do	100
Deep Rock Oil Co. of Wisconsin	do	100
Southern Illinois Service Stations Co.	Petroleum and equipment	100
High Test Oil Corporation	Petroleum	100
Deep Rock Oil Co. (Delaware)	do	75
Tri-State Land Co.	Land holdings	100
Empresa de Servicios Publicos de los Estados Mexicanos, S. A.	Electric, water, and ice	100

	Character of business	Voting stock
		Per cent
The Second Avenue Traction Co.	Street railway	100
Second Avenue Passenger Ry. Co.	do	100
Glenwood and Dravosburg Electric Street Ry. Co.	do	100
McKeesport & Raymelton Passenger Ry. Co., The	do	100
Pittsburgh, Allegheny & Manchester Traction Co.	do	100
Pittsburgh, Allegheny & Manchester Passenger Ry. Co.	do	100
Pittsburgh Union Passenger Ry. Co.	do	100
West End Traction Co.	do	100
Pittsburgh & West End Passenger Ry. Co.	do	100
Pittsburgh, Crafton & Mansfield Street Ry. Co.	do	100
Pittsburgh, Neville Island & Coraopolis Ry. Co.	do	100
Washington & Canonsburg Ry. Co.	do	100
West Shore Electric Street Ry. Co.	do	100
West Liberty & Suburban Street Ry. Co.	do	100
Pittsburgh Motor Coach Co.	Bus	100
Pittsburgh & Beaver Street Ry. Co.	Street railway	100
Morningside Electric Street Ry. Co., The	do	100
Beaver Valley Traction Co.	do	100
Beaver Valley Motor Coach Co., The	Bus	100
Equitable Automobile Co.	Automobile service	100
Chesswick & Harmar R. R. Co.	Freight	100
Seventeenth Street Incline Plane Co.	Inclined plane railway	100
Equitable Sales Co.	Electric and gas appliances	100
Harwick Coal & Coke Co.	Mining	100
Warwick Coal Co.	do	100
Equitable Real Estate	Holding real estate	100
Ohio River Coal Co.	Mining (inactive)	100
Philadelphia Oil Co.	Petroleum	100
Consolidated Gas Co. of the City of Pittsburgh	Gas (inactive)	100
Market Street Ry. Co.	Street railway	100
South San Francisco R. R. & Power Co.	do	100
Gough Street R. R. Co.	do	100
Sutter Street Ry. Co.	do	100
San Francisco & San Mateo Electric Ry. Co.	do	100
Metropolitan Ry. Co.	do	100
Sutro Heights Co.	do	100

[1] H. M. Byllesby owned 1.5 per cent; Northern States Power Co. (Minn.) owned 6.6 per cent; Utility & Industrial Corporation owned 2.8 per cent.
[2] Louisville Gas & Electric Co. controlled 5 per cent.
[3] Standard Gas & Electric Co. owned 5 per cent; California-Oregon Power Securities Co. owned 0.6 per cent.
[4] H. M. Byllesby & Co. owned 5 per cent.
[5] Utility & Industrial Corporation owned 1.2 per cent.
[6] Pittsburgh & West Virginia Gas Co. owned 30 per cent.
[7] H. M. Byllesby & Co. owned 15 per cent; Ivyton Oil & Gas Co. owned 17 per cent; Kentucky Pipe Line Holding Co. owned 15 per cent.
[8] Property leased to and operated by another company within the group.
[9] Operating agreement with another company within the group.
[10] Pittsburgh & West Virginia Gas Co. owned 20 per cent.

ance company, pipe-line companies, water and traction companies, as well as many electric operating companies. But the Byllesby Engineering & Management Corporation, a 100-percent owned corporation, has management contracts with practically all of the operating companies in this group.

To tell the story of the Byllesby Co. to a great extent would be to repeat the story I have told in regard to some of the other holding companies. The same methods are used. The same connection exists between this group and its subsidiaries, consisting of many corporations, and the same method is followed in the way of issuing stocks, and in the way of burdening the operating companies with having to produce sufficient revenue, disguised in one way or another, in order to keep in luxury the men at the top of the pyramid, and to hold in bondage as nearly as possible those who actually have to pay the bill.

(Chart no. 14 appears on p. 8518.)

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Robinson
Ashurst	Copeland	Lewis	Russell
Austin	Costigan	Logan	Schall
Bachman	Couzens	Lonergan	Schwellenbach
Bailey	Dickinson	McAdoo	Sheppard
Bankhead	Dieterich	McCarran	Shipstead
Barbour	Donahey	McGill	Smith
Barkley	Duffy	McKellar	Steiwer
Black	Fletcher	McNary	Thomas, Okla.
Bone	Frazier	Maloney	Thomas, Utah
Borah	George	Metcalf	Townsend
Brown	Gerry	Minton	Trammell
Bulkley	Gibson	Murphy	Truman
Bulow	Glass	Neely	Tydings
Burke	Guffey	Norbeck	Vandenberg
Byrd	Hale	Norris	Van Nuys
Byrnes	Harrison	Nye	Wagner
Capper	Hastings	O'Mahoney	Walsh
Caraway	Hatch	Overton	Wheeler
Carey	Hayden	Pittman	White
Chavez	Johnson	Pope	
Clark	Keyes	Radcliffe	
Connally	King	Reynolds	

The PRESIDING OFFICER. Eighty-nine Senators have answered to their names. There is a quorum present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 448. An act to authorize a preliminary examination of the Coquille River and its tributaries in the State of Oregon with a view to the control of its floods;

S. 449. An act to authorize a preliminary examination of Umpqua River and its tributaries in the State of Oregon, with a view to the control of its floods;

S. 654. An act authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands;

S. 1317. An act authorizing a preliminary examination of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the controlling of floods; and

S. 2241. An act to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484).

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4665) authorizing the filling of vacancies in certain judgeships, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. GREGORY, and Mr. PERKINS were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 59) to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MCSWAIN, Mr. HILL of Alabama, and Mr. RANSLEY were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H. R. 65. An act to provide for the establishment of a Coast Guard station on the coast of Virginia, at or near the north end of Hog Island, Northampton County;

H. R. 231. An act for the relief of Thomas M. Bardin;

H. R. 285. An act for the relief of Elizabeth M. Halpin;

H. R. 1291. An act for the relief of the Muncy Valley Private Hospital;

H. R. 1492. An act for the relief of Harbor Springs, Mich.;

H. R. 2015. An act for a Coast Guard station at the eastern entrance to Cape Cod Canal, Mass.;

H. R. 2689. An act for the relief of Mary Ford Conrad;

H. R. 3073. An act for the relief of William E. Smith;

H. R. 3285. An act authorizing a preliminary examination of the Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Onondaga, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates, and Ontario Counties, N. Y., with a view to the controlling of floods;

H. R. 4528. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 4630. An act for the relief of William A. Ray;

H. R. 4708. An act for the relief of E. F. Droop & Sons Co.;

H. R. 5210. An act to provide funds for cooperation with school district no. 17–H, Big Horn County, Mont., for extension of public-school buildings, to be available to Indian children;

H. R. 5213. An act to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children;

H. R. 5216. An act to provide funds for cooperation with Harlem School District No. 12, Blaine County, Mont., for extension of public-school buildings and equipment to be available for Indian children;

H. R. 5547. An act to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo.;

H. R. 6204. An act to authorize the assignment of officers of the line of the Navy for aeronautical engineering duty only, and for other purposes;

H. R. 6315. An act to provide funds for cooperation with the school board at Medicine Lake, Mont., in construction of a public-school building, to be available to Indian children of the village of Medicine Lake, Sheridan County, Mont.;

H. R. 6372. An act to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail;

H. R. 6834. An act to revive and reenact the act entitled "An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.";

H. R. 6859. An act granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Waccamaw River at or near Old Pireway Ferry Crossing, N. C.;

H. R. 6997. An act authorizing the State of Illinois and the State of Missouri to construct, maintain, and operate a free highway bridge across the Mississippi River between Kaskaskia Island, Ill., and St. Marys, Mo.;

H. R. 7291. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Boca Chica, Tex.;

H. R. 7873. An act to give the consent and approval of Congress to the extension of the terms and provisions of the present Rio Grande compact signed at Santa Fe, N. Mex., on February 12, 1929, and heretofore approved by act of Congress dated June 17, 1930 (Public, No. 370, 71st Cong., 46 Stat. 767);

H. R. 7874. An act to change the name of the German Orphan Asylum Association of the District of Columbia to the German Orphan Home of the District of Columbia; and

H. J. Res. 107. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1935, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating or marketing securities in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. NORRIS. Mr. President, chart no. 15 is an extension of one of the corporations shown in chart no. 14. In other words, the Louisville Gas & Electric Co. is one of the corporations shown on chart no. 14 as one of the subsidiaries. I have taken that subsidiary and extended it on chart no. 15, so chart no. 15 is just an explanation of one line of chart no. 14; and I have an idea that to a very great extent a similar chart would follow as an extension of any of the other lines on chart 14.

Chart 15, which, as I said, is an extension of one of the corporations in chart 14, shows how, if we should continue the analysis to the bottom, we should find it an almost endless job. The Louisville Gas & Electric Co., incorporated in Delaware, but doing business in Kentucky, is one of the corporations shown on chart 14. Chart 15 shows an analysis of this sub holding company, the Louisville Gas & Electric Co. This company has voting stock outstanding to the number of almost 400,000 shares class B common. Of this, more than 279,000 shares, or a little more than 92 percent, are held by the Standard Gas & Electric Co., shown on chart 14.

Another big group of the Standard Gas & Electric group, similar to this Kentucky and Indiana group, is the Northern States Power Corporation in Minnesota. This includes the Twin Cities, and a great many other towns and communities in the State of Minnesota, many of them under individual corporate existence, but not shown on any of the charts.

I desire to digress, Mr. President, only long enough to say that I think this illustration, and one or two others which I gave ought to be borne in mind by any Senator who considers these charts, or any reader who examines them, and it should be realized that it has not been my intention to put on charts and make a picture of as many holding companies as possible, but to try as nearly as I can to present to the mind a true picture of what the holding companies really are, and to show, as I think chart 15 does show, how far it might lead us if we were to undertake to present in graphic form the holdings and the ownerships of these various corporations, all owned by the top holding company.

I have already said, but I wish to repeat, that I defy and challenge any Senator or any person anywhere to give any reasonable excuse for the existence of these thousands and thousands of corporations piled one on top of another into a pyramid, with someone sitting at the top of the pyramid. The pyramid has been constructed for the purpose of covering up and for the purpose of trying to rob the people of the country, and making charges which the operators of these companies would not dare to make openly and squarely. There is no excuse for holding companies. There is not anything honest in their management as they have been handled in the past, and there is not any reason for their existence, even though they were all operated honestly and without any intention to deceive.

(Chart no. 15 appears on p. 8521.)

Mr. NORRIS. We now come to the Central Public Service Co., commonly referred to as the Peirce group. It appears on chart 16. This is one of a group which was so bad in its set-up and practices that it is now in bankruptcy, being administered by the Federal court, Baltimore, Md. The dominating person in the set-up of this group was Mr. A. E. Peirce, of Chicago. When it was in existence, its operations covered 24 States and 7 foreign countries, serving in the year 1931 a population of 5,270,545 persons in 725 communities, the total number of customers being 620,224.

The largest operating properties were located in Portland, Oreg., Atlanta, Ga., and Rockford, Ill. In other words, this company's operations extended over States scattered from the Atlantic to the Pacific and from New Jersey to the Gulf.

This demonstrates again, Mr. President, if it were necessary to do so, that some of these corporations are organized and doing business on the Atlantic coast, some others are organized and doing business on the Pacific coast, some others are organized and doing business on the Gulf of Mexico, and some of them in northern Illinois near the Great Lakes. If there is any man who can find any excuse for that sort of diversification of ownership and operation by holding companies, I should like to have him inform me what it is. For the 12 years during which I have studied the holding-company situation I have never found a single case where it seemed to me there was a reasonable or decent excuse for the existence of these companies in the third or fourth or greater degrees.

I wish some of the Senators who are fighting this bill which is aimed at holding companies would name the holding companies which ought to be preserved and tell the Senate what they are and where they are, and give the reasons why they should still continue to be permitted to rob and to steal from an unsuspecting, honest, investing public.

Mr. President, to me it is a bitter thought to realize that it is possible in this free country for a propaganda to be spread broadcast by men who have been exposed in their robbery and their thievery, and who, without denying their guilt, go before the country and ask their own victims to plead with their legislators to let them have a lease of life to continue their robbery and disgraceful operations.

It seems to me it is a sorry spectacle. I do not understand it. In my experience I have not found instances where similar things could be done, where a man could be wronged and then, while he was suffering under the injury, be called to the assistance of those who had wronged him so that they might continue to rob his brother man. That is about what this propaganda means.

(Chart no. 16 appears on pp. 8522–8523.)

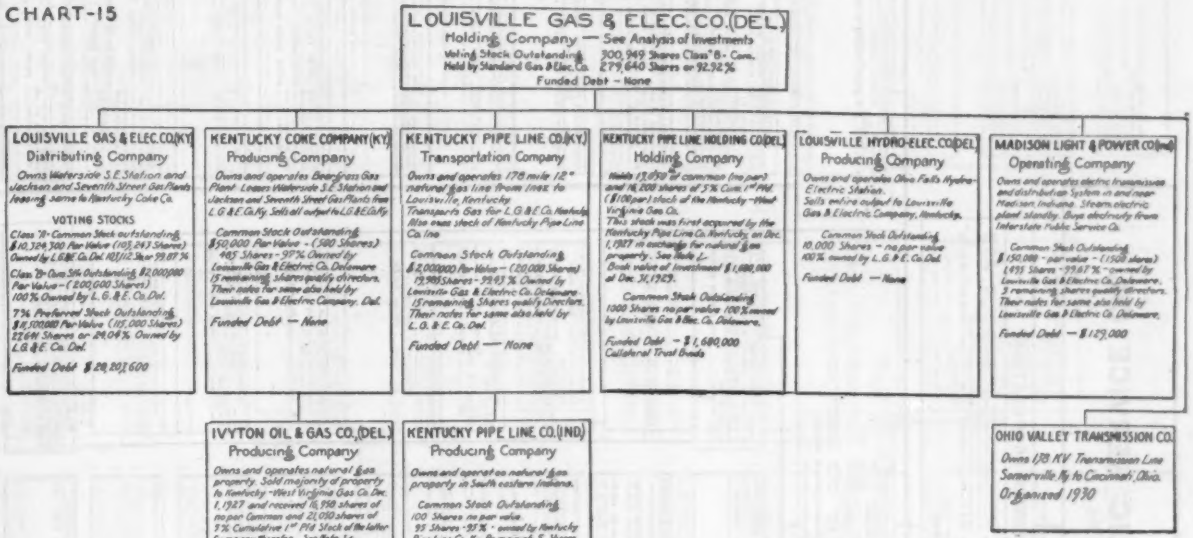
Mr. NORRIS. Now, Mr. President, I come to the largest of the charts, no. 17. It has not anything to do directly with the electric situation. It is a pipe line and gas chart, which I have numbered 17. The Federal Trade Commission is devoting the present year to completing the studies of the natural-gas producing and pipe-line companies. Chart 17 is a map of the United States showing the existing natural-gas pipe lines. It shows that the danger now is that the same interests that control electric production are on the verge of controlling natural gas. In fact, the Federal Trade Commission's report, in part 68, shows that three big electric groups, two of them under Morgan control or influence, the Electric Bond & Share Co. and the Gas & Electric Corporation, and the third, the Cities Service, plus the big Standard Oil Co. of New Jersey, already own or control over half the pipe lines in the United States. Not only that, but these same four groups produce over half the commercial natural gas, or, to put the picture in another way, one of the group, the Columbia Gas & Electric, which is Morgan controlled and operates largely in the East—that is, in Ohio, Pennsylvania, West Virginia, Kentucky, and Maryland—sells in gas, mostly natural gas, half as much energy as is sold by the entire electric industry of the United States.

To show how great and important this problem has already started to be in the face of this combination of big electric and gas groups, it need but be said that gas has a potential energy nearly six times the present production of electricity and actually equals or exceeds the entire electrical energy produced commercially in the United States per annum. This control of the situation in natural gas has slipped in upon us in a very few years, for it practically began with the introduction of seamless pipe about the year 1926.

Chart 17 is intended to show these pipe lines from which, as I have said, we are in danger of having put upon us and upon the country the same kind of a holding-company control in gas as we now have in electricity. I thought it would be fitting, simply in passing, to call attention to what I believe to be the danger that is shortly to confront us.

STANDARD GAS & ELECTRIC COMPANY GROUP
LOUISVILLE GAS & ELEC. CO. DEL. AND SUBSIDIARIES
1930

CHART-15



SUMMARY OF INVESTMENTS

LOUISVILLE GAS & ELECTRIC CO. (DELAWARE)

Item		Date Acquired	Par Value	No. of Shares	Book Value
Louisville Gas & Elec. Co. Ky. Class "A" Common Stock		June 30, 1925	$10,311,200	103,112	
" " " Class "B" " "		Dec. 31, 1925	2,000,000	[illegible]	
Kentucky Pipe Line Co. Ky.	Common Stock	July 1, 1913	1,598,500	19,985	
Kentucky Coke Co. Ky. 1	Common Stock	July 1, 1913	98,500	485	
Geo. G. Fetter Lighting & Heating Co.	Preferred Stock See Note 2	July 1, 1913	130,000	1,300	
" " " " "	Common Stock	July 1, 1913	50,000	500	
Louisville Hydro Elec. Co. Del.	Common Stock	July 31, 1922		10,000	
Kentucky Pipe Line Holding Co. Del.	Common Stock	July 3, 1928		1,000	
Sub total				$14,558,200	736,502	$19,595,277.91
Madison Light & Power Co. Ind.	Common Stock	Feb. 29, 1929	$ 149,500	1,495	$ 141,077.35
Louisville Gas & Elec. Co. Ky.	7% Preferred Stock	Misc.	2,764,100	27,641	$ 3,031,504.30
Totals			$17,471,800	765,718	$22,717,859.56

KENTUCKY COKE COMPANY — (KENTUCKY)

Item	Date Acquired	No. of Shares	Book Value
Ivyton Oil & Gas Co. Del. Common Stock	July 1922	15,000	$ 154,000

KENTUCKY PIPE LINE CO. (KY.)

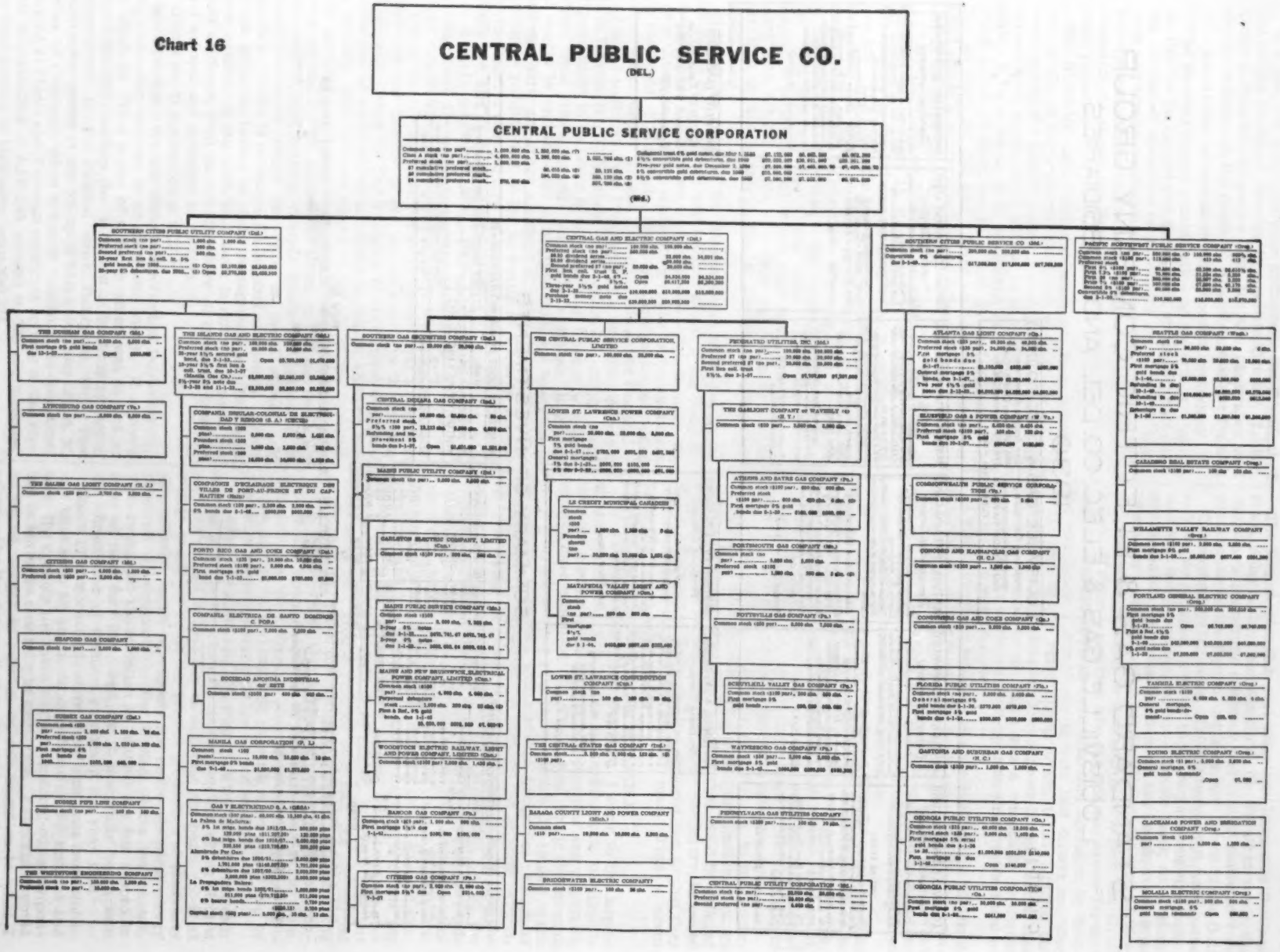
Item	Date Acquired	No. of Shares	Book Value
Kentucky Pipe Line Co. Indiana	Sept. 1925	95	$ 9,500

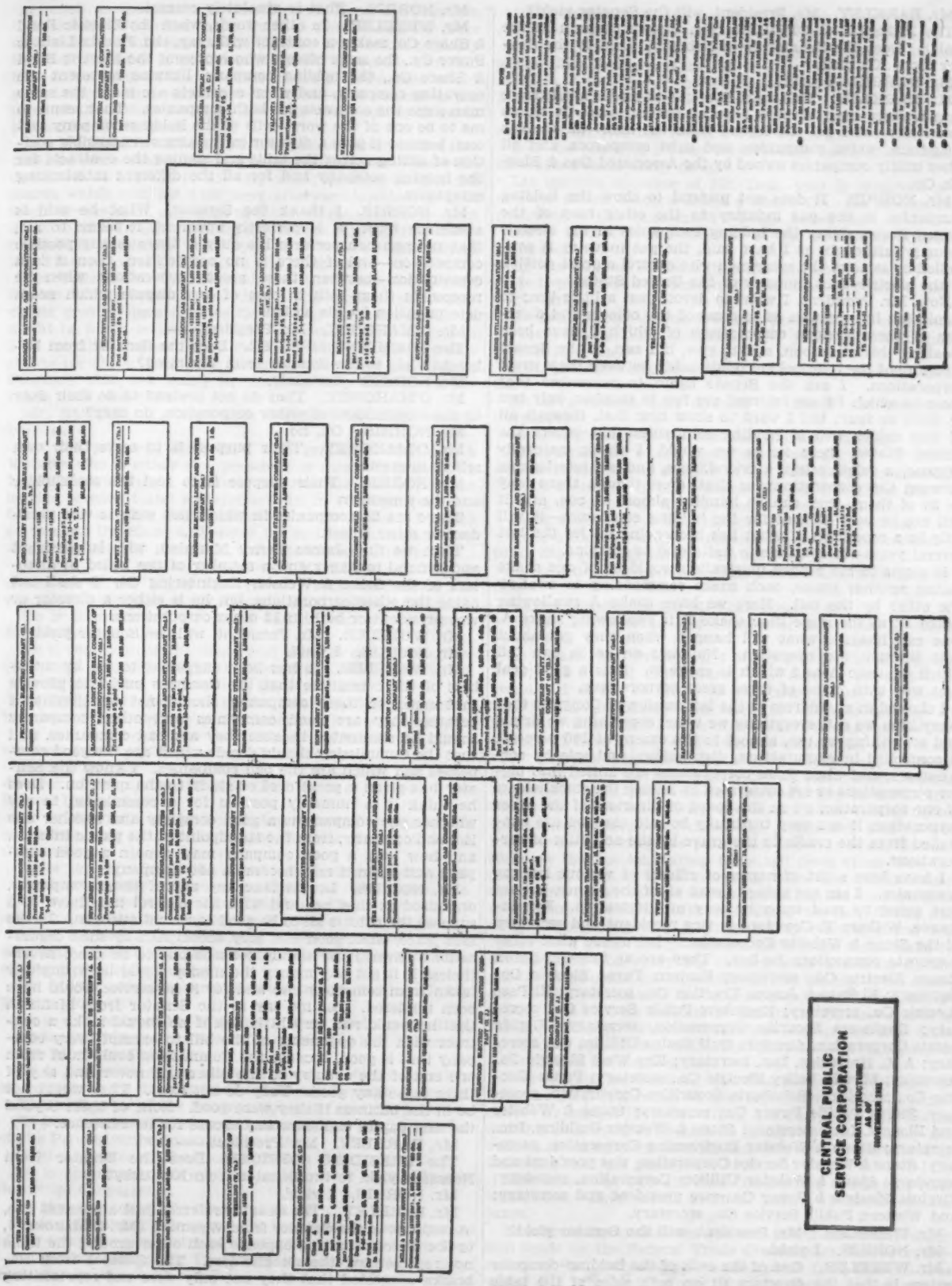
Notes: 1/ — Kentucky - West Virginia Gas Company, (Inc. Nov. 23, 1926, West Virginia)

Stock Outstanding as at Dec. 31, 1929	Held by: Ivyton Oil & Gas Co. Del.	Ky. Pipe Line Holding Co. (Del.)	Phila. Co. (Pa.)	H. M. Bullock & Co.	Ladenburg - Thalmann & Co.
100,000 Shares - no par value - common Stock.	16,950	13,050	45,000	14,996 (minority interest)	10,000
37,210 Shares - 5% Cumulative 1st Pfd Stock ($100 par)	21,050	16,200	-	-	-
68,700 Shares - 7% Cumulative 2nd Pfd Stock ($100 par)	-	-	68,700	-	-

Note 2/ Company Inactive Since 1913

Chart 16


CENTRAL PUBLIC SERVICE CO.
(DEL.)
CENTRAL PUBLIC SERVICE CORPORATION
(Del.)
SOUTHERN CITIES PUBLIC UTILITY COMPANY (Del.)
CENTRAL GAS AND ELECTRIC COMPANY (Del.)
SOUTHERN CITIES PUBLIC SERVICE CO. (Del.)
PACIFIC NORTHWEST PUBLIC SERVICE COMPANY (Cons.)
THE DUNHAM GAS COMPANY (Del.)
THE ISLANDS GAS AND ELECTRIC COMPANY (Del.)
LYNCHBURG GAS COMPANY (Va.)
COMPANIA INSULAR-COLONIAL DE ELECTRICIDAD Y RIEGOS (S. A.) (CUBA)
THE SALEM GAS LIGHT COMPANY (N. J.)
COMPAGNIE D'ECLAIRAGE ELECTRIQUE DES VILLES DE PONT-AU-PRINCE ET DU CAP-HAITIEN (Haiti)
CITIZENS GAS COMPANY (Del.)
PORTO RICO GAS AND COKE COMPANY (Del.)
COMPANIA ELECTRICA DE SANTO DOMINGO
SHAFORD GAS COMPANY
SOCIEDAD ANONIMA INDUSTRIAL del ESTE
SUSSEX GAS COMPANY (Del.)
MANILA GAS CORPORATION (P. I.)
SUSSEX PIPE LINE COMPANY
GAS Y ELECTRICIDAD S. A. (CUBA)
THE WHITEFORD ENGINEERING COMPANY
SOUTHERN GAS SECURITIES COMPANY (Del.)
CENTRAL DEMARA GAS COMPANY (Del.)
MAINE PUBLIC UTILITY COMPANY (Del.)
CARLETON ELECTRIC COMPANY, LIMITED (Can.)
MAINE PUBLIC SERVICE COMPANY (Me.)
MAINE AND NEW BRUNSWICK ELECTRICAL POWER COMPANY, LIMITED (Can.)
WOODSTOCK ELECTRIC RAILWAY, LIGHT AND POWER COMPANY, LIMITED (Can.)
BANGOR GAS COMPANY (Pa.)
CITIZENS GAS COMPANY (Pa.)
THE CENTRAL PUBLIC SERVICE CORPORATION, LIMITED
LOWER ST. LAWRENCE POWER COMPANY (Can.)
LE CREDIT MONICIPAL CANADIEN
MATAPEDIA VALLEY LIGHT AND POWER COMPANY (Can.)
LOWER ST. LAWRENCE CONSTRUCTION COMPANY (Can.)
THE CENTRAL STATES Gas COMPANY (Del.)
BANAGA COUNTY LIGHT AND POWER COMPANY (Mich.)
BRIDGEWATER ELECTRIC COMPANY?
PENNSYLVANIA GAS UTILITIES COMPANY
CENTRAL PUBLIC UTILITY CORPORATION (Del.)
FEDERATED UTILITIES, INC (Del.)
THE GASLIGHT COMPANY OF WAYNESLY (N. Y.)
ATHENS AND SAYRE GAS COMPANY (Pa.)
PORTSMOUTH GAS COMPANY (Va.)
POTTSVILLE GAS COMPANY (Pa.)
SCHUYLKILL VALLEY GAS COMPANY (Pa.)
WAYNESBORO GAS COMPANY (Pa.)
ATLANTA GAS LIGHT COMPANY (Ga.)
BLUEFIELD GAS & POWER COMPANY (W. Va.)
COMMONWEALTH PUBLIC SERVICE CORPORATION (Del.)
CONCORD AND KANNAPOLIS GAS COMPANY (N. C.)
CONSUMERS GAS AND COKE COMPANY (Ga.)
FLORIDA PUBLIC UTILITIES COMPANY (Fla.)
GASTONIA AND SUBURBAN GAS COMPANY (N. C.)
GEORGIA PUBLIC UTILITIES COMPANY (Ga.)
GEORGIA PUBLIC UTILITIES CORPORATION (Ga.)
SEATTLE GAS COMPANY (Wash.)
CASADERO REAL ESTATE COMPANY (Cons.)
WILLAMETTE VALLEY RAILWAY COMPANY (Cons.)
PORTLAND GENERAL ELECTRIC COMPANY (Cons.)
YAMHILL ELECTRIC COMPANY (Cons.)
YOUNG ELECTRIC COMPANY (Cons.)
CLACKAMAS POWER AND IRRIGATION COMPANY (Cons.)
MOLALLA ELECTRIC COMPANY (Cons.)


CENTRAL PUBLIC
SERVICE CORPORATION
CORPORATE STRUCTURE
AS OF
NOVEMBER 1935

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield.

Mr. BARKLEY. This map, it seems to me, is much more than a mere map of pipe lines of natural gas. It shows practically—as I get the legend from the map—all the gas companies, water companies, and light companies, and all other utility companies owned by the Associated Gas & Electric Co.

Mr. NORRIS. It does not pretend to show the holding companies in the gas industry as the other map of the United States shows the holding companies in the electric industry, although, as I have said, the gas industry is controlled by some of the same men who control a great portion of the electric-light industry of the United States.

Now, Mr. President, I want to devote just a little time to furnishing information as to some of the officers and directors of these various corporations of which I have been speaking this afternoon, and to give, if I can, to the Senate a picture of the interlocking relationship between these great corporations. I ask the Senate again to remember that those to which I have referred are few in number, only two or three or four; but I want to show now that, through all of this spider web of holding companies that covers the United States, there is, as we would, I think, naturally suppose, a relationship, a friendliness, and an interlocking between the corporations, so that, even though there may be 35 of them, they can be handled almost as one, and it will not be very difficult for the holding companies—it will only be a repetition of what has been going on for the last several years—to continue to unite and to combine.

It seems to me a good illustration would be of one snake eating another snake, each snake commencing to swallow the other by the tail. Here we have snake A swallowing snake B; at the same time snake B is swallowing snake A. One can imagine what will happen when they get about half through the operation. No man on earth can tell which is snake A and which is snake B. It is a good deal that way with many of these great corporations.

I showed in an address at the last session of Congress that everything we eat, everything we wear, everything we drink, and everything we use, almost to the extent of 100 percent, is controlled in manufacture, distribution, and sale by corporations, and when those corporations are united into bigger corporations or are integrated by having the stockholders of one corporation sit on the board of directors of the other corporation, it can very truthfully be said that we are controlled from the cradle to the grave by the activities of corporations.

I have here a list of names of officers of various holding companies. I am not going to read all of the names, but am just going to read some by way of illustration. For instance, William T. Crawford is vice president and secretary of the Stone & Webster Corporation. Let us see what other corporate connections he has. They are as follows: Baton Rouge Electric Co., secretary; Eastern Texas Electric Co., secretary; El Paso & Juarez Traction Co., secretary; El Paso Electric Co., secretary; Engineers Public Service Co., secretary; Engineers Security Corporation, secretary; Florida Assets Corporation, director; Gulf States Utilities Co., secretary; A. L. Hartridge, Inc., secretary; Key West Electric Co., secretary; Mesilla Valley Electric Co., secretary; Ponce Electric Co., secretary; Schoharie Securities Corporation, secretary, Sierra Pacific Power Co., secretary; Stone & Webster and Blodget, Inc., secretary; Stone & Webster Building, Inc., secretary; Stone & Webster Engineering Corporation, secretary; Stone & Webster Service Corporation, vice president and secretary; Stone & Webster Utilities Corporation, secretary; Virginia Electric & Power Co., vice president and secretary; and Western Public Service Co., secretary.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. WHEELER. One of the evils of the holding-company system is that the directors sit on both sides of the table when contracts are being made.

Mr. NORRIS. That is absolutely correct.

Mr. WHEELER. In other words, when the Electric Bond & Share Co. makes a contract with, say, the Florida Light & Power Co., the same officers who represent the Electric Bond & Share Co., the holding company, likewise represent the operating company, and when contracts are made the same man signs the contracts for both companies. That seems to me to be one of the worst evils of the holding-company system, because it puts a director in the almost impossible position of sitting across the table and signing the contracts for the holding company and for all the different interlocking companies.

Mr. NORRIS. I thank the Senator. What he said is absolutely true. It is perfectly apparent, it seems to me, that no man can perform his duty if there is any possible competition—and if there is no competition, then it is a combination—between these great corporations when he represents them both in case of any dispute which needs determination by his action.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Wyoming?

Mr. NORRIS. Certainly.

Mr. O'MAHONEY. They do not pretend to do their duty to the stockholders of either corporation, do they?

Mr. NORRIS. Oh, no.

Mr. O'MAHONEY. Their purpose is to serve their own selfish interests.

Mr. NORRIS. Their purpose is to fool the stockholder and the consumer.

There are 21 companies in which this man is vice president or other officer.

Then we find James Henry Manning, who is president and general manager and a member of the board of directors of the Stone & Webster Engineering Co. I shall not name the other corporations, but he is either a director or vice president or both in 12 other corporations.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. WHEELER. It has been suggested to me by members of the committee that the Congress ought to provide that some of these companies should not be eliminated because they are good companies and other companies should be eliminated because they are bad companies, and that the Commission should decide which are the good companies and which are the bad companies. I know the Senator has given a great deal of study to the question. Does he think it is humanly possible for a commission to say whether one company is a good company and another one is a bad company, from the standpoint of the public interest, and how long a good company may remain a good company and when it may become a bad company?

Mr. NORRIS. Let us take any one of these companies, organized as they are and with the control they have, and suppose the officers all to be good conscientious men. In the first place, what good can they accomplish by such organization? Even if we should concede one to be good, nevertheless if it got any money the money would be wrongfully taken from somebody else and for it no service would have been rendered. Let me say to the Senator from Montana that he would run very little risk if he should make a contract with the opponents of the bill to exempt every company that is good, because the Commission could hunt from one end of the country to the other and never find any of them to be any good. They do not exist. They would not be in the business if they were good. None of them beyond the first degree can show any excuse for its existence.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield.

Mr. BARKLEY. The Senator referred just a moment ago, in response to the Senator from Wyoming [Mr. O'MAHONEY], to the directors sitting opposite each other around the table not representing the stockholders. The Senator from Nebraska suggested that they not only were not representing the stockholders, but they were deliberately fooling them.

Inasmuch as the shares of the Electric Bond & Share Co. in 1929 were sold to the public for $189 a share, and the price of the shares on the market in February 1933, before anybody was talking about a public-utilities bill or before any had been introduced, had gone down to $10 a share, that would seem to prove that somebody was fooled with respect to the price of those shares at the time they were selling them to the public at the peak.

Mr. WHEELER. I would further call attention to the fact that the same shares which sold for $189 at one time went down, not to $10 but to $5. My understanding is that the shares which sold for $189 were afterward divided or split into 3 shares each, and each of those shares eventually went down to $5. In other words, the shares representing three times $189 eventually went down to $5 before legislation of this kind was ever proposed in the Congress.

Mr. BARKLEY. Mr. President, if the Senator will yield further, it has been claimed that utility stocks have depreciated greatly since this legislation was first discussed. It might be worth considering that the same shares selling in 1929 for $189 and selling in February 1933 for $10 are now selling for $8; so they have not gone down very much since February 1933, not nearly so much as they went down between 1929 and 1933.

Mr. NORRIS. I thank both Senators for their contributions.

Let me proceed. Here is a vice president of Stone & Webster who is either vice president or director, or both, in 15 other corporations. Here is another one who is director or vice president and sometimes both in 16 other corporations; and another one in 13 other corporations. I might go through the Stone & Webster list and the same condition would be found to prevail in the case of man after man.

Let me refer now to the case of Mr. Groesbeck. He is chairman of the board and director and member of the executive committee of the Electric Bond & Share Co.

He is chairman of the board and director of the American & Foreign Power Co.

He is chairman of the board and member of the executive committee and director of the American Gas & Electric Co.

He is a director in American Investors, Inc.

He is director, chairman of the board, and a member of the executive committee of the American Power & Light Co.

He is a member of the executive committee of the Association of Edison Illuminating Companies.

He is a director of the Carolina Power & Light Co. and a director of the Cuban Electric Co. He is a trustee of the Edison Institute.

He is chairman of the board, a member of the executive committee, and a director of the Electric Power & Light Corporation.

He is the director of the Electrical Testing Laboratories.

He is a director of Empresas Electricas Mexicanas, Inc.

He is a director of the Far East Power Co.

He is a director of the Havana Electric & Utilities Co.

He is a director of the Lehigh Power Securities Co. and chairman of the board and a member of the executive committee of the same company.

He is vice president and director of the Lehigh Valley Transit Co.

He is a director of the Mississippi River Fuel Corporation.

He is a member of the executive committee and a director of the Montana Power Co.

He is chairman of the board, a member of the executive committee, and a director of the National Power & Light Co.

He is a director of the Panama Power & Light Corporation.

He is a member of the executive committee and a director of the Pennsylvania Power & Light Co.

He is a director of the Phoenix Utility Co.

He is chairman of the board and director of the Power Securities Corporation.

He is a director of the Shanghai Power Co.

He is a director, chairman of the board, and vice chairman of the executive committee of the South American Power Co.

He is a director of the Tri Continental Corporation, whatever that is.

He is chairman of the board, a member of the executive committee, and director of the United Gas Corporation.

He is a member of the executive committee and a director of the Utah Power & Light Co.

He is a director in the Empressa Electricas Argentinas. That is in South America somewhere.

He is a director or other officer in 32 other corporations scattered all over the world.

I do not want to fill the RECORD with cases of this kind, although I could easily do so.

Let me cite the case of Mr. Inch, who is president and director of the Electric Bond & Share Co. He is also vice chairman of the American & Foreign Power Co.

He is president and director of the American Power & Light Co.

He is a director of the Cuban Electric Co.

He is president and director of the Electric Power & Light Corporation.

He is a director of the Montana Power Co., a constituent of the Senator from Montana [Mr. WHEELER], I suppose, part of the time.

He is president and director of the National Power & Light Co.

He is president and director of the Power Securities Corporation.

He is a director of the Havana Electric Railway.

He is a director of the Shanghai Power Co.

He is president and director of the United Gas Corporation.

He is a director of the Havana Electric & Utilities Co.

He is a director of the Far East Power Corporation.

He is a director of the Carolina Power & Light Co.

He is a director of the Empressa Electricas Argentinas. I think that has something to do with royalty.

He is a director of the Lehigh Power Securities Corporation.

He is a director of the Mexican Electric Cos.

He is vice chairman and director of the South American Power Co.

As I said, Mr. President, I could go on almost without limit; but I shall not proceed any further on that line, because it seems to me it is unnecessary, and is evidence which only duplicates and adds to what is already in. Suffice it to say that I have not picked out anybody in particular. I have on my desk here the names of a great many other persons, and there are a great many that I do not have; but I will say that this is the universal rule, running all through these corporations, from one end of the United States to the other. They are interlocked, intermingled, intertwined, interwoven, mixed up, scrambled, and all put together so that they are practically like one man, bleeding those at the bottom, taking their toll from those who toil and sweat, levying upon everybody who uses electric light or electric power in this country, putting the cost of their murderous operations into everything we eat, drink, and wear. Everything that is produced by electric power has contributed to it. Every common little home must make its contribution, and every big factory with a million dollars capital must make its contribution. In the end it all comes out of the consumers, the common people of the United States; and still we hesitate to put forth the strong arm of the law and say, "You shall not proceed further with these murdering operations, with this dishonorable business of controlling a necessity of life."

Why should we hesitate, Mr. President? I defy any of these holding companies to give an excuse for their existence? It cannot be done. They are parasites; and in the end this country, if it lives, must get rid of them, or they will own us as completely as a master ever owned his slaves in the years that are past.

This is not the only sin that the holding companies have committed. They have avoided paying Federal income taxes.

In a great many instances it was found in the investigation made by the Federal Trade Commission that reorganization of various corporations took place from time to time where the principal purpose of such reorganization was to

avoid the payment of Federal income taxes. Practically all the systems I have shown on the various charts, together with others not shown, made what the law formerly permitted—that is, returns for taxation purposes on a consolidated basis—resulting in a great saving of taxes to the holding-company groups, although, as a matter of fact, operating groups as a rule were subject to a tax. However, the holding companies, taking advantage of the law permitting consolidated returns, collected the taxes from their operating companies, and then, by setting off losses sustained by some of the operating companies, it was possible in this way to retain these taxes by balancing losses of some operating companies against profits of other operating companies. Thus it has often happened that operating companies have paid taxes which ordinarily would have been due the Federal Government, and the holding companies by balancing off losses from other operating companies paid no tax to the Federal Government, but retained the money the operating company had paid as taxes. So some operating companies actually paid their taxes, expecting the money to go to the Federal Government through the holding companies, but by the process I have just described the holding companies kept the taxes and paid nothing to the Federal Government. If anybody can square that with honesty, I should like to have him do it.

In this way the United Gas Improvement Co. was able to avoid the payment of the Federal income tax on a profit of $9,307,540 in a single transaction. The Associated Gas & Electric Co. was able, in the same way, to avoid payment of the Federal income tax on a profit of $37,000,000 realized by its subsidiary, the General Gas & Electric Corporation.

Mr. President, it seems to me no excuse can be given for objecting to this bill. I have not yet heard a single voice raised in defense of the various holding companies; but objection to the bill which, if successful, will have the effect of saving the lives of the holding companies, will result in just as much harm to the American people if the bill shall be defeated for some other reason, and no attention paid to the harm and the injustice being perpetrated by the various holding companies at the present time.

I now come to another important matter connected with the holding companies. That is what is ordinarily referred to as write-ups.

In my discussion this afternoon, except in one or two instances, I have said nothing about write-ups. I did give one or two illustrations; but one of the murderous things that has come upon the American people through holding companies has been the water they have injected into the capitalization of the various operating companies, with the idea that the consumer of electricity through all time to come must pay interest on that kind of an investment, because when he thought he was getting something valuable he perhaps bought nothing but water. It was dishonorable; it was dishonest; it was criminal; and, so far as I know, no man anywhere has risen to defend watering the stocks of these corporations to the detriment of the investor and the consumer.

The investigation of the Federal Trade Commission shows that all these companies have pumped an enormous amount of water into their capitalization. The report of the Federal Trade Commission shows that in the aggregate the various companies have illegally put into their capitalization, in round numbers, about one and a half billion dollars of water. This does not mean that this is all the water that has been put into the capitalization of the various electric holding and operating companies. It does mean, however, that this is all the Federal Trade Commission has discovered.

Illustrative of the methods employed by holding companies—I gave one of them awhile ago showing how they operated, the case of the Nebraska company, operated through the Electric Bond & Share Co.—illustrative of the methods employed by holding companies to finance operating plants and to make profits by the operation, the Federal Trade Commission gives as an example the construction of the Keokuk Dam on the Mississippi River. The Commission found that, while the cost of the dam was actually $22,009,169, the total "ledger cost" charged to the operating company exceeded that figure by $21,909,000. That is all in one case—water to the amount of $21,000,000 pumped into the capitalization.

The report also shows that the proceeds realized from the sale of securities issued against this increased capitalization accruing to Stone & Webster and their associates in the transaction amounted to $16,102,500 after deducting commissions and other expenses.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. WHEELER. The purpose of getting these write-ups was so that stocks and bonds could be issued based upon the fictitious value which had been placed on the company involved, and then those stocks could be unloaded upon the widows and orphans on whose behalf the companies are appealing today.

Mr. NORRIS. Yes.

Mr. WHEELER. It has been suggested to me and to the other members of the committee that we should not pass the pending bill because it would result in wiping out the investments of these widows and orphans. That argument, it seems to me, overlooks entirely the millions of people who are consumers of the electricity who, if this practice is permitted to continue, will have to pay charges, as consumers, in order that holding companies may continue to earn dividends upon the tremendous amount of watered stock which is outstanding.

Mr. NORRIS. The Senator is absolutely correct, but there is something more that should be said along that line.

Let us assume, for the sake of the argument, that it is our duty, notwithstanding everything else, to protect every investor whether he bought water or whether he bought gold. Let us assume we have to protect him. Would that be fair? Is it fair to me, when I have bought a bond for $100 based upon $100 worth of water, to say to the people of my community, "You through your lifetime and your children through their lifetime must pay interest on that fraudulent investment; you must continue to do it forever"?

Mr. President, another reason why we ought to pass the bill and stop this kind of procedure is that if we do not do so, the practice will continue on and on. Children yet unborn will invest their savings when they grow up, honestly, with good intentions, in watered stock, and when they find out that we had an opportunity to save them and make it possible for them to make honest investments, they will condemn us, as they should. It must be stopped now.

Mr. WHEELER. Mr. President, will the Senator yield again?

Mr. NORRIS. I yield.

Mr. WHEELER. I wish to call the attention of the Senator to the fact that some of the bonds issued upon some of this watered stock will mature as late as the year 2800 and something. So they will have to run on for nearly a thousand years before they will really mature, and the people in the future generations for these hundreds of years will have to go on paying dividends if the theory of some of the opponents of the proposed legislation is correct; they will have to be paying dividends for hundreds upon hundreds of years upon the watered stock and the bonds which are outstanding.

Mr. NORRIS. Absolutely.

Mr. ROBINSON. Mr. President, have securities been issued and sold which will not mature for over 900 years?

Mr. WHEELER. That is exactly correct. The evidence shows that some of them will mature in the year 2800 and something.

Mr. ROBINSON. Practically a thousand years hence?

Mr. WHEELER. Practically a thousand years hence.

Mr. ROBINSON. That is an astonishing statement.

Mr. NORRIS. All the statements about the holding companies are astonishing; they are astounding.

Mr. ROBINSON. It is almost incredible.

Mr. NORRIS. It seems almost incredible, almost unbelievable.

Mr. McKELLAR. What concern was it which issued such bonds?

Mr. ROBINSON. If it will not interfere with the Senator from Nebraska I should like to have that matter pursued a little further.

Mr. WHEELER. I will get the exact name of the company.

Mr. ROBINSON. Let it be pursued a little further, a little more in detail.

Mr. WHEELER. I will get the information. I may say that I was perfectly astounded, myself, when we came across evidence of some of the practices of the holding companies. I actually would not have believed it, and if anybody had told me some of the things they have been doing I would have said it was not possible that such things could have been carried on in the manner indicated in the proof adduced in the investigation by the Federal Trade Commission.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. ROBINSON. All the protests I have seen purport to come from the holders of stocks and bonds of the holding companies, the protests representing that the holders invested their money in good faith in the securities, and that the effect of the proposed legislation would be to destroy, or impair, at least, the value of their holdings. Some of those protesting have said that the returns from the securities constitute practically the only income they receive, and they therefore assert that the proposed legislation is confiscatory in its nature. I should like to have that phase of the matter discussed. I should like to have it explained just what will be the effect of the legislation on the securities which are held by persons other than those who are interested in the floating of the securities.

Mr. WHEELER. Mr. President, let me say, in answer, that in the Delaware & Hudson case in the Supreme Court, in which I think Chief Justice Taft wrote the opinion, Congress had passed the so-called "Hepburn Act", under which the Government was seeking to compel a railroad company and a coal company to dissolve the combination they had effected. The corporations contended that because of the fact that they had been organized under the laws of the State of Pennsylvania, and that, as a matter of fact, the State authorities and the Legislature of the State of Pennsylvania had encouraged the railroads of that State to buy coal companies for the purpose of aiding in the employment of laborers in the State, and promoting the coal industry, therefore Congress had no right to dissolve them, because they had been encouraged and asked by the State of Pennsylvania to do what they had done.

Chief Justice Taft, I think it was, said that, unfortunate as it might be, that some innocent people had invested in the stock of these corporations, nevertheless the Supreme Court could not take that matter into consideration, even though some people would lose by it, particularly when it had been asserted in the law that a national interest was affected, and that the Congress had determined that the national interest demanded, that the sort of thing done in the case at bar should be stopped.

In the bill before us, as distinguished from the class of cases just referred to we simply say, as was said in the Hepburn Act, "You can divorce yourself from this super holding company; as a matter of fact, you can set yourself up into an integrated territory, and you can have a holding company." Some members of the committee felt that we should not be so liberal as we were in the bill. Some of them objected to providing for an integrated district. Some of them said we should not permit a holding company in one State. Some argued that there not only should not be a holding company in one State, but that there should not be holding companies which would cover two or three States. But in all of these instances all that one of these holding companies has to do in order to live is to divest itself of the control of the operating companies. What the Congress would denounce in this bill is the very thing the Senator from Nebraska has been suggesting, namely, that in the case of one of these holding companies one sits at the table as the president of the holding company on the one hand, and also as the president or chairman of the board of directors of the operating company, and in making contracts one with the other, he has either to be unfair with the holding company or to be unfair with the operating company. In other words, as the President of the United States said in his special message, that evil is inherent in the system of holding companies, it is bound to creep in, and it is impossible to prevent the bad practices which have been followed.

Mr. ROBINSON. Mr. President, what happens in a case such as that cited by the Senator from Nebraska, when these companies are pyramided one upon the other, sometimes to the number of 10? I think there were instances in which that number were involved.

Mr. NORRIS. Sometimes there were more than that.

Mr. ROBINSON. Yes; there were cases where the number exceeded 10. Do all of these companies issue stocks and sell them to the public?

Mr. WHEELER. Exactly.

Mr. ROBINSON. And is the consumer expected to pay a return on the stocks of all the various companies?

Mr. WHEELER. He has to. The only place where they can get the money is from the operating company. They have taken an operating company, we will say, in Montana, and an operating company in the State of Washington, and an operating company in Florida. They have organized them into a holding company and they have taken the common stock of the operating companies and issued bonds upon that common stock. Then they have issued preferred stock based upon those bonds and then they have issued common stock. Then they have taken a group of holding companies controlling the operating companies and they have taken the common stock and the voting stock of those companies and put it into a company and they have issued bonds—"gold bonds", as they call them—upon the common stock of a holding company.

Mr. ROBINSON. Is it true that the result of the whole transaction relating to capitalization and financing is to build up a financial structure which has in the aggregate little relationship to the actual former value?

Mr. NORRIS. There is absolutely no question about that.

Mr. WHEELER. Yes, Mr. President; and, as a matter of fact, figures were pointed out to me showing that in one instance the top holding company, with an ownership of stock in the ratio of 1 cent to a hundred dollars, controlled the operating company. In other instances, 5 cents and in some cases 10 cents of stock held by the super holding company controlled $100 or more of the operating company's stock. That would mean that Harley Clarke or some operator of that kind could actually control, by means of investment of a few hundred dollars, a complete electrical system throughout the country.

Mr. NORRIS. I gave at least one illustration right along the same line and furnished supporting figures.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LEWIS. Having in mind the query of the Senator from Arkansas [Mr. ROBINSON], I call attention to the fact that in my own State it is claimed there are holding companies of great value and of great property, some of which are designated by name, and that other companies may be said to come under the ban of the criticism made here. Is there anything in the bill by which those companies which are really properly and honestly administered, with their stock fully paid, can be severed in their administration and be administered under the bill separately from those which are under the condemnation of the Senator from Nebraska?

Mr. NORRIS. I think there is.

Mr. LEWIS. Is it not necessary that we refrain from doing wrong to those companies which are honestly organized and conducted?

Mr. NORRIS. The bill is drawn on the theory that whatever of value there is will be saved. It will be impossible to save a million dollars of water when the value is not there. If the company is an honest one, it will be saved. The intention of the bill is to save for the investor every dollar

possible; but we cannot promise that all the investors will get back full returns. Some of them will get very little, some of them will get all, and some of them will get a very large percentage.

Mr. LEWIS. What system is provided under this bill, may I ask the Senator, by which a good company may be saved, and those holding stock in a good company rescued, as distinguished from those who are holding stock in a vicious and illegal one?

Mr. NORRIS. I discussed that subject a moment ago.

Mr. LEWIS. I am sorry I missed hearing the Senator's statement.

Mr. NORRIS. In my judgment, when we get into the holding field beyond the first degree there are no good holding companies, and I do not think any of them ought to be saved.

Mr. LEWIS. The Senator takes that position without regard to what property they have, or how valuable the property is, or how valuable the stock is?

Mr. NORRIS. Yes, Mr. President. They are not rendering any service. They are doing no good. They are just parasites on a great system.

Mr. LEWIS. Would the bill destroy all the stock of those which are valuable?

Mr. NORRIS. No; if the companies have anything of value in them the bill will help the stockholders get it.

Mr. LEWIS. Are the persons holding the stock to suffer a complete loss?

Mr. NORRIS. Oh, no; if there is value in the company they will get it. If there is no value in the company they will get nothing.

Mr. LEWIS. Is there something in the bill which makes that distinction?

Mr. NORRIS. I think so, as I understand the bill.

Mr. LEWIS. There are those who protest that there is nothing in the bill which makes that distinction.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. The bill provides, in the first place, for the exemption even of holding companies which are engaged only in operations in a State, or in two or more States where it is in an integrated territory so that the systems of utilities may have something in common. It gives all others 7 years in which to reorganize and adjust their financial structure; so, as to them, there must at the end of that period be elimination, either because they do not operate wholly within a State or in an integrated territory of adjacent States so that their operating territory may be contiguous and have something in common, regardless of the number of States, because two or more States might include half a dozen States where there is an integrated system. The former companies may be entirely exempt from title I of the bill, although not exempt from title II, which gives the Power Commission the right to regulate the transmission of power from one State to another. The bill gives all those which ultimately must be eliminated—which is a small number in comparison, I think, with those which exist—7 years in which to reorganize their financial structure, and save whatever is worth saving, as the Senator from Nebraska says, and readjust their capital structure on a sound basis, so that they may continue to operate under the terms of the bill.

Mr. NORRIS. Mr. President, it is not right for me as an investor, if I bought $100 worth of water, to ask the consumers of electricity to pay me interest on that $100 for 10 years and then pay me the $100. If somebody has deceived you by selling you a horse which is balky, and there has not been any guarantee, you cannot require the public to tax itself to make your deal good. This bill provides—and I think it is too liberal in that respect—that as much shall be done as we humanly can do to save every investor from harm. However, to be fair we have to admit, it seems to me, that there are some men and some investments that cannot be saved, unless we defeat the bill and do not legislate on the subject. In that event we shall go on as we have been going on in the past, and the coming generations will be robbed as Insull robbed the present generation, and as other holding companies have been robbing it; and that practice will continue through the ages.

We ought to stop the practice even though somebody may lose something at this time. The investors eventually will lose, because I believe companies like the Insull companies will topple over of their own weight. If they keep on pyramiding and pyramiding, trying to make something out of nothing, and keep it up year after year, the time will come when their house of cards will fall and the investors will lose their investments. We had better stop this illegal, inhuman business now, so that in the future there will not be any such investments, and no such day of loss to come.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. The Senator thinks, then, that a great deal of the stock about which we hear so much was bought under circumstances analogous to the case of the purchaser of a horse who in a day or two after purchasing the horse discovered he was blind and went back to the seller and said, "You sold me a blind horse without saying anything about his being blind. "Well," said the seller, "the fellow who sold him to me did not tell me about it, and I thought it was a secret." [Laughter.]

A great deal of this stock was sold to the public in the same way as if it were buying a blind horse on the theory that it was secret, and nobody would tell anyone about the stock, and it has gone down and down in value. Millions of our people have lost billions of dollars of their money—the loss having no connection with any bill which Congress has been considering—and they never can get it back. Billions of dollars which never can be recovered have been lost by these investors.

Mr. NORRIS. Absolutely, Mr. President. It is the purpose of this bill to stop that sort of thing.

I was giving some illustrations when I was interrupted by this line of debate. Another instance of this kind of dishonest financing is shown in the case of the financing of the Laclede Gas Light Co. at St. Louis by Utilities Power & Light Corporation. In that case the report of the Federal Trade Commission shows that the promoters realized $20,030,500, and that the investment was only $5,650,000, thus turning $14,380,500 of water into gold.

That is a beautiful illustration of what these Christianized holding companies have been doing to the poor investors and the poor, helpless consumers of electricity.

Mr. President, I now desire to have printed in the RECORD three tables in reference to so-called "write-ups", illustrating the amount of water which has been pumped into the capitalization of holding, subholding, and operating companies. I ask unanimous consent to have the first table printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Table I is as follows:

TABLE I.—*Summary of write-ups included in the capital assets of operating companies*

Group and company	Volume	Exhibit no.	Page	Amount
ELECTRIC BOND & SHARE CO.				
American Power & Light Co. subsidiaries:				
Kansas Gas & Electric Co.	29	4634	727	$2,547,542
Texas Power & Light Co.	29	4634	948	8,160,000
Florida Power & Light Co.	29	4634	885	30,232,008
Nebraska Power Co.	41	5038	732	7,387,516
Washington Water Power Co.	29	4782	92, 97, 730, 731	2,591,426
Pacific Power & Light Co.	35	4912	145	5,679,426
Northwestern Electric Co.	35	4912	155	5,000,000
Minnesota Power & Light Co.	26	4712	433, 465, 467, 470.	30,206,347
Inland Power & Light Corporation.	35	4912	138	1,695,500
Total				93,587,857

TABLE I.—*Summary of write-ups included in the capital assets of operating companies*—Continued

Group and company	Volume	Exhibit no.	Page	Amount
ELECTRIC BOND & SHARE CO.—con.				
Electric Power & Light Corporation subsidiaries:				
Arkansas Power & Light Corporation.	42	5077	730	$8,957,913
Louisiana Power & Light Corporation.	42	5080	813	9,672,220
Mississippi Power & Light Corporation.	43	5138	Revised	9,357,695
Idaho Power Co	35	4920	234	9,692,315
Utah Power & Light Co	45	5164	1664	25,230,120
Western Power & Light Co	45	5170	1902	1,621,255
Total				62,531,518
National Power & Light Co. subsidiaries:				
Memphis Power & Light Co	25	4676	681	10,511,223
Birmingham Electric Co	25	4676	696	10,393,572
Carolina Power & Light Co	26	4706	83	22,100,478
South Texas Utilities Co	25	4676	706	143,164
Tennessee Public Service Co		6031	82	4,388,157
Total				47,536,594
Total Electric Bond & Share Co. group				201,545,959
American Gas & Electric Co. subsidiaries:				
Appalachian Electric Power Co	22	4581	1199	66,418,193
The Ohio Power Co	22	4581	1199	2,775,372
Indiana & Michigan Electric Co	22	4581	1199	5,958,475
The Scranton Electric Co	22	4581	1199	4,426,327
Kentucky-West Virginia Power Co., Inc.	22	4581	1199	3,300,000
Atlantic City Electric Co	22	4581	1199	2,212,775
Wheeling Electric Co	22	4581	1199	901,518
Total				85,992,660
Associated Gas & Electric Co. subsidiaries:				
New York State Electric & Gas Corporation	46	5180	1090	10,021,634
Staten Island Edison Corporation.	46	5182	1252	3,222,692
Erie Lighting Co	46	5188	1401	1,788,735
Johnstown Fuel Supply Co	46	5190	1481	1,078,707
Pennsylvania Electric Co	48	5231	778	17,284,354
Clarion River Power Co	46	5191	1519	5,136,765
Broad River Power Co		5806	85	13,238,893
Metropolitan Edison Co		5777		25,857,403
Total				77,629,193
New England Gas & Electric Association subsidiaries:				
Worcester Gas Light Co	48	5218	490	5,831,833
Cambridge Gas Light Co	48	5218	502	10,394,824
Cambridge Electric Light Co	48	5218	513	4,344,822
Cape & Vineyard Electric Co	48	5218	522	473,976
New Hampshire Gas & Electric Co.	48	5218	555	957,754
New Bedford Gas & Edison Light Co.	48	5218	475	15,772,473
Dury Electric Co	48	5218	579	191,610
Total				37,967,592
Cities Service Co		5097	87	134,057,442
Columbia Gas & Electric Corporation subsidiaries:				
Manufacturers Light & Heat Co	47	5215	1143, 1149, 1193	13,779,297
United Fuel Gas Co	49	5236	256	41,042,462
Total				54,821,759
W. B. Foshay Co. subsidiaries	25	4654	299	4,018,954
Public Utilities Consolidated Corporation (Arizona).	25	4653	155	966,024
Total				4,984,978
Middle West Utilities Co. subsidiaries:				
Kansas Electric Power Co	40	5011	340	1,583,351
Penn Central Light & Power Co	40	5011	304	5,899,062
Tide Water Power Co	41	5030	434	2,714,968
Florida Power Corporation	41	5032	616	770,938
Central Illinois Public Service Co	44	5144	397	5,721,247
The Twin State Gas & Electric Co.	44	5146	539	2,847,625
Central & South West Utilities Co American Public Service Co	62	5612	555	19,946,392
Total				39,482,683
New England Power Association	31	4834	636, 659	20,469,857
Niagara Hudson Power Corporation subsidiaries:				
Cohoes Power & Light Corporation.	59	5415	786	2,531,033

TABLE I.—*Summary of write-ups included in the capital assets of operating companies*—Continued

Group and company	Volume	Exhibit no.	Page	Amount
ELECTRIC BOND & SHARE CO.—con.				
Niagara Hudson Power Corporation subsidiaries—Continued.				
Municipal Gas Co. of the City of Albany.	59	5414	720	$804,761
The Niagara Falls Power Co	63	5633	404, 406, 435, 558, 393.	20,919,816
Canadian Niagara Power Co., Ltd.	63	5633	403	6,250,953
Hydraulic Race Co	54	5348	1204	250,823
Niagara, Lockport & Ontario Power Co.	54	5348	1148	2,444,154
The Power Corporation of New York.		6033	23, 24, 28, 81	9,452,971
Sulham Manufacturing Co		6033	157	655,569
Valley Improvement Co		6195	203	199,575
Total				43,509,669
The North American Co. subsidiary: Mississippi River Power Co.	33	4885	1341	21,909,500
Southeastern Power & Light Co. subsidiaries:				
Alabama Power Co	30	4793	258	35,044,613
Georgia Power Co	28	4737	140	33,453,500
Appalachian Development Co	27	4722	254	4,389,680
Total				72,887,793
Standard Gas & Electric Co. subsidiaries:				
Louisville Gas & Electric Co. (Kentucky).	37	4975	744	3,132,065
Oklahoma Gas & Electric Co	36	4950	762	3,263,560
Northern States Power Co. (Minnesota).	43	5132	561	8,394,975
Minneapolis General Electric Co	43	5136	723	13,563,481
Total				28,354,081
Stone & Webster, Inc., subsidiary: Virginia Electric & Power Co.		6126	194	3,391,695
The United Gas Improvement Co. subsidiaries:				
Connecticut Light & Power Co	54	5342	790	8,657,449
The Northern Connecticut Power Co.	58	5389	65	1,633,052
Total				10,290,501
Grand total of operating companies.				839,395,343

Mr. NORRIS. The table shows the water pumped into the capitalization of operating companies. It gives a list of the operating companies of various groups under holding companies and sub holding companies.

For instance, one of the subsidiaries of the Electric Bond & Share Co. is the American Power & Light Co. and its subsidiaries, of which it has quite a number—seven or eight. One of them is the Texas Power & Light Co. Water was pumped into that company to the extent of $8,160,000. There was a total valuation of water turned into gold in those subsidiaries of the American Power & Light Co. of $93,587,857.

Another subsidiary of the Electric Bond & Share Co. was the Electric Power & Light Corporation. It had five or six subsidiaries. They were operating companies. The total water pumped into the capitalization of those six subsidiaries was $62,531,518.

The Electric Bond & Share Co. had another subsidiary, the National Power & Light Co. The amount is given in each case of the subsidiaries, showing a grand total write-up for the operating companies of $839,395,343. That is the water pumped into the capitalization of the operating companies. That is a large amount. I do not want Senators to get the idea that I am trying to unduly blame the operating companies. As I showed today in giving an illustration of one operating company, it had to do just what the holding company told it to do. The water pumped into the capitalization of the operating companies came about because they were controlled by holding companies. Without consulting the operating companies, the holding companies controlled the pumping in of water whenever they thought it was necessary and could escape notice.

The operating companies, in my opinion, are but little to blame. I believe perhaps none of the operating com-

panies would have done these things had it not been for the holding company. Most of the cases are similar to that which I illustrated by the Nebraska Power Co. The holding company in New York, controlling probably the local board in Maine when the operating company was in Nebraska, told them what to do. In one instance they pumped water into the capitalization and told the operating company after it was done that it had been done, that they had borrowed some money, had taken out their rake-off, and "Here is the balance for you."

Mr. WHEELER. Mr. President, a few moments ago I called attention to the fact that some of these bonds did not mature until 2800. That was correct. They were bonds of Associated Gas to which the Senator called attention. Those bonds were issued to mature in the year twenty-eight hundred and something. Likewise when they issued the bonds they inserted a provision, which the average purchaser did not see, that the bonds should be convertible into common stock.

Mr. ROBINSON. Mr. President, were they able to sell bonds having such a maturity?

Mr. WHEELER. They have already sold them and issued them—gold bonds, too.

Mr. ROBINSON. At what rate of interest?

Mr. WHEELER. I have not the figure. People bought those bonds and then found the bonds were convertible into common stock. In 1932 some of the bonds were converted into common stock.

Mr. LEWIS. Mr. President, I am led to ask the able Senators with reference to their States. I ask the Senator from Nebraska [Mr. NORRIS] and the Senator from Montana [Mr. WHEELER] if those States do not have local commissions before whom the applicants must go ere they can issue bonds and stocks? Is it possible that they have no State organization of that character which must pass upon the matter before these companies can issue such securities as are described by the able Senators?

Mr. WHEELER. In most instances the States have no authority whatsoever over the issuance of holding-company bonds. As a matter of fact, the national organization of State public-utility commissioners has condemned the holding-company practices in its conventions for a number of years, but never has been able to do anything about it. The holding companies have run wild because there has been no law to prevent them doing so.

Mr. LEWIS. I was of the opinion, though I may be disclosing ignorance, that commissions similar to that which prevails in Illinois existed in other States, and that an application had to be made for the privilege of issuing bonds, together with a showing of the financial condition of the company, the terms of the bonds, the date of maturity, and that the issuing company had to obtain the consent of such commission of the State before the securities could be issued.

Mr. NORRIS. I have pointed out this afternoon—and I do not like to repeat it—how the Nebraska Power Co. had foisted upon it a loan of $5,000,000. The officers of the company never knew about it until 40 days after the money had been borrowed, when the Electric Bond & Share Co. notified them that after taking their rake-off there was $900,000 left for the Nebraska company.

Mr. LEWIS. Is there not a commission in the State of Nebraska?

Mr. NORRIS. Yes; there is a State commission.

Table I consists of four pages, giving, as I have said, the total of the write-ups for the operating companies.

Now I offer for the RECORD table II and ask permission that it may be printed in the RECORD at this point.

There being no objection, table II was ordered to be printed in the RECORD, as follows:

TABLE II.—*Summary of write-ups included in the capital assets of the subholding companies*

Subholding companies	Volume	Exhibit no.	Page	Amount
Associated Gas & Electric Co. group:				
Associated Gas & Electric Co.	46	5177	1016	$28,247,400
Associated Properties, Inc.	46	5174	774	6,443,517
Associated Electric Co.	46	5174	800	5,427,203
Associated Electric Co.'s	46	5175	839	235,813
New York Electric Co.	46	5179	1022	17,401,185
Pennsylvania Electric Co.	46	5186	1379	1,867,860
General Gas & Electric Corporation.	70	6132	183	37,883,040
Associated General Electric Corporation.	45	5156	172	2,238,280
New England Gas & Electric Association.	48	5218	473, 474, 475	15,437,402
Total				115,181,699
Central Public Service Co. group:				
Central Gas & Electric Co.	56	5334	442	6,944,890
Federated Utilities, Inc.	52	5322	949	1,759,394
Central Public Utility Corporation.	52	5322	949	3,822,103
Southern Cities Public Utility Co.	52	5322	863	3,312,512
Total				15,838,899
Cities Service Co. group	66	5997	S 7	70,900,585
Columbia Gas & Electric Corporation group:				
Columbia Corporation	47	5193	923	$721,022
Huntington Gas Co.	49	5238	397	2,257,629
Total				2,978,651
Electric Bond & Share Co. group:				
American Power & Light Co.	23	4634	923	5,555,090
Electric Power & Light Corporation.	23	4642	1183	42,341,947
National Power & Light Co.	25	4676	654	3,723,958
Total				51,620,995
Middle West Utilities Co. group:				
National Electric Power Co.	40	5011	348, 369	8,894,771
National Public Service Corporation.	40	5016	434	5,870,208
National Light, Heat & Power Co.	44	5145	413	1,841,551
United Public Service Co.	38	4988	778	739,190
North West Utilities Co.	38	4986	673	3,000,000
American Public Service Co. / Central & South West Utilities Co.	62	5612	555	13,212,000
Total				33,557,720
Niagara Hudson Power Corporation group:				
Mohawk Hudson Power Corporation.	66	5999	254	29,810,002
Oswego River Power Corporation.	67	6013	26	3,600,000
Total				33,410,002
The North American Co. group: North American Edison Co.	33	4868	759	1,862,349
Stone & Webster, Inc., group: Engineers Public Service Co. (Delaware).	67	5038	75	5,263,498
The United Gas Improvement Co. group:				
The American Gas Co. (New Jersey).	54	5341	637	2,821,435
Connecticut Electric Service Co.	54	5342	760	11,118,649
Total				13,940,084
Grand total of subholding companies.				350,554,482

Mr. NORRIS. Table II gives the write-up of the subholding companies only. It lists the subholding companies and the amount of write-ups in which they have indulged. It shows the grand total of the subholding company write-ups to be $350,554,482.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. NORRIS. Certainly.

Mr. ROBINSON. Just what does the term "subholding company" mean or imply?

Mr. NORRIS. It means something below a holding company. For instance, if holding company A owned corporation B, and corporation B owned a lot of other corporations below it, then corporation B would be a subholding company.

Mr. ROBINSON. So the write-up was not confined to the operating company, but it also extended, in the cases the Senator is citing now, to the subholding companies?

Mr. NORRIS. This has no application to the operating company. It is just the subholding company. That is the company existing between the operating company below and the holding company at the top of the pyramid.

Mr. ROBINSON. The write-ups were not limited to one class of corporations in the chain?

Mr. NORRIS. Oh, no.

Mr. ROBINSON. The write-ups occurred with respect to other corporations in the same chain?

Mr. NORRIS. Yes. Table II relates to the subholding companies, while table I relates to the operating companies. We are climbing toward the top of the pyramid.

I now come to table III. At this point in my remarks I ask unanimous consent to have table III printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

TABLE III.—*Capital assets of the top holding, subholding, and operating companies*

Group	Companies			Total
	Top holding	Subholding	Operating	
Electric Bond & Share Co.	$8,484,274			$8,484,274
American Power & Light Co. and subsidiaries		$5,555,000	$93,587,857	99,142,947
Electric Power & Light Corporation and subsidiaries		42,341,947	62,531,518	104,873,465
National Power & Light Co. and subsidiaries		3,723,958	47,526,594	51,250,552
Total Electric Bond & Share Co. group	8,484,274	51,620,905	203,645,969	263,751,238
American Gas & Electric Co. and subsidiaries [1]	2,500,000		85,992,660	88,492,660
Associated Gas & Electric Co. and subsidiaries	33,362,152	115,181,699	115,596,765	264,140,616
Central Public Service Co. and subsidiaries		15,838,899		15,838,899
Cities Service Co. and subsidiaries	35,557,283	76,900,585	134,057,442	246,515,310
Columbia Gas & Electric Corporation and subsidiaries	47,033,495	2,978,651	54,821,759	104,833,905
W. B. Foshay Co. and subsidiaries	2,985,183		4,984,978	7,970,161
Middle West Utilities Co. and subsidiaries	34,938,204	33,557,720	39,482,683	107,978,607
New England Power Association and subsidiaries	19,492,089		20,469,857	39,961,945
Niagara Hudson Power Corporation and subsidiaries	1,240,538	33,410,002	43,509,660	78,160,200
North American Co. and subsidiaries	4,223,390	1,862,349	21,909,500	27,995,239
North American Light & Power Co.	23,180,934			23,180,934
Southeastern Power & Light Co. and subsidiaries	42,632,184		72,887,793	115,519,977
Standard Gas & Electric Co. and subsidiaries	5,400,000		28,354,081	33,754,081
Stone & Webster, Inc., and subsidiaries		5,263,498	3,391,695	8,655,193
Tri-Utilities Corporation	7,453,049			7,453,049
United Gas Improvement Co. and subsidiaries		13,940,064	10,290,501	24,230,565
Utilities Power & Light Corporation	4,902,292			4,902,292
Total	273,385,067	350,554,482	839,395,343	1,463,334,892

[1] Affiliated with Electric Bond & Share Co.

NOTE.—Including write-ups in 1929 of $399,201,827 in the investments of Electric Bond & Share Co. and $140,109,788 in the investments of Niagara Hudson Power Corporation, the total write-ups for all companies examined amount to $2,002,646,507 However, Electric Bond & Share Co. subsequently wrote down its investments $441,387,724 and Niagara Hudson Power Corporation subsequently wrote down its investments $138,869,250.

Mr. NORRIS. This table consists of one page only. It shows the write-ups in the top holding companies and a summary of all other write-ups in the subholding and operating companies.

The top holding companies had a write-up, water had been pumped into the capitalization of the top holding companies, to the total amount of $273,385,067. Add the three columns together and we have a total write-up, a total amount of water put into the capitalization of electric companies, of $1,463,334,892—practically a billion and a half dollars of water in the capitalization of the electric-light companies of the country.

Mr. ROBINSON. Mr. President, has the Senator stated the basis for the write-up, the justification which was given for that practice?

Mr. NORRIS. No; I have not attempted to do that. The only write-ups included in this table, however, are those where there is not any basis. The table does not include any instances where any property was put in to increase the capitalization. It includes only water; nothing else—one billion and a half dollars, in round numbers, of water pumped into the capitalization of the electric companies of the United States, on which we are asked to pay a return through all eternity.

Mr. LEWIS. Mr. President, may I ask the able Senator what he means by the word "write-ups" in this connection?

Mr. NORRIS. "Write-ups" means water. It means raising the capitalization without any consideration.

Mr. BARKLEY. Without any money being put in?

Mr. NORRIS. Without any money or property of any kind being put in; in other words, the issuance of bonds or stock without any property whatever behind it. To put the matter in another picture for the Senator from Illinois, the capitalization of these electric companies has been increased by one and a half billion dollars without putting in any property upon which to issue the stocks or bonds.

Mr. ROBINSON. Is the increase of capitalization sometimes based on what is commonly termed "goodwill"?

Mr. NORRIS. I cannot say as to that. There is not anything, as I understand, in these write-ups that is based on goodwill. This is just an arbitrary pumping of water into capitalization.

What does all this mean, Mr. President? Are we going to hesitate? Are we afraid to pass this bill? Are we afraid of the men who have engrafted upon the consumers of electricity of the United States the necessity of paying interest on a billion and a half dollars of water, and who now cry out, "Do not put us out of business. We want to rob you some more. We are going to 'do' you; therefore, you do something for us?"

I cannot understand the psychology of such a thing. I cannot understand why the men and women who have been robbed and robbed and robbed should now cry out in sympathy for the robber and ask that he may be permitted to continue to rob them still further.

Mr. WHEELER. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. NORRIS. I yield; yes.

Mr. WHEELER. A few moments ago the Senator from Arkansas suggested that there was in the minds of some Members of the Senate the idea that what is proposed under this bill would be confiscation of property by law. I now call his attention to the opinion of Chief Justice White in the case of *U. S.* v. *Delaware & Hudson Co.* (213 U. S. 366).

The Chief Justice quoted from the lower court as follows:

> The general situation is that for half a century or more it has been the policy of the State of Pennsylvania, as evidenced by her legislative acts, to promote the development of her natural resources, especially as regards coal, by encouraging railroad companies and canal companies to invest their funds in coal lands so that the product of her mines might be conveniently and profitably conveyed to market in Pennsylvania and other States. Two of the defendant corporations, as appears from their answers, were created by the Legislature of Pennsylvania, one of them three-quarters of a century ago and the other half a century ago, for the expressed purpose that its coal lands might be developed and that coal might be transported to the people of Pennsylvania and of other States. It is not questioned that pursuant to this general policy investments were made by all the defendant companies in coal lands and mines and in the stock of coal-producing companies, and that the coal production was enormously increased and its economies promoted by the facilities of transportation thus brought about. As appears from the answers filed, the entire distribution of anthracite coal in and into the different States of the Union and Canada for the year 1905 (the last year for which there is authoritative statistics) was 61,410,201 tons; that approximately four-fifths of this entire production of anthracite coal was transported in interstate commerce over the defendant railroads from Pennsylvania to markets in other States.

Then, after discussing this question, the Court says, speaking by Chief Justice White:

> We at once summarily dismiss all the elaborate suggestions made in argument as to the alleged wrong to result from the enforcement of the clause, if it be susceptible of the construction which the Government has placed upon it. We do this because

obviously mere suggestions of inconvenience or harm are wholly irrelevant, as they cannot be allowed to influence us in determining the question of the constitutional power of Congress to enact the clause.

Let it be conceded at once that the power to regulate commerce possessed by Congress is in the nature of things ever enduring, and therefore the right to exert it today, tomorrow, and at all times in its plenitude must remain free from restrictions and limitations arising or asserted to arise by State laws, whether enacted before or after Congress has chosen to exert and apply its lawful power to regulate.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. ROBINSON. I did not understand, and do not understand, that any question of constitutional power to enact the legislation, but rather the question of public policy, is involved in the protest of those who are opposing the proposed legislation on the ground that its effect would be to impair the value of their securities.

Mr. WHEELER. I was about to say that the reason why I called attention to this case was because some Member of the Senate had suggested that he doubted the constitutional power of Congress to do the very thing which Chief Justice White, in that case, said could be done.

With reference to the question of policy, as a matter of fact, as I have said, under the provisions of this bill the holding companies can go ahead and divorce themselves of the control of the operating companies, set themselves up as investment trusts, and do all the things that they could do legitimately except control the operating companies.

Mr. NORRIS. Mr. President, what does this $1,460,000,000 of water mean to the ordinary consumer of electricity in the ordinary home? It will have to be an estimate, of course; but, as I estimate it and calculate it, estimating that we have about 120,000,000 people in the United States, and that the average family consists of about 5 persons—a father, mother, and 3 children—if they were all taking electricity, which, of course they are not, if they were all under some one of the various companies controlled by these holding and subholding companies, it would mean, as I estimate it, that the member of the ordinary family would pay during his entire life a reasonable interest on an investment of about three or four hundred dollars, and that when he died his children would pay it during their lives, their children would pay it during their lives, and so on without limit. To the man of larger family it would mean more.

Is that fair? Can any honest man defend that? Will any opponent of the bill say that he can defend such an atrocious, ungodly thing as that? Yet in reality, whether they believe it or not, that is what the opponents of the bill are asking Congress to do. They say to us, in effect, "Keep your hands off from this murderous machine. Stand back and let those who have been robbing the American people by the millions go on with their work. Let us sell some more watered stock. If you will give us a year or two more, instead of having a billion and a half of water in our capitalization, we will have five billion of water in it."

They will be able by that time, through the methods they have pursued for the past few years, to elect a President of the United States, to elect a Senate of the United States, to elect a House of Representatives, and the governors, the commissioners, and the school directors in the States.

Yet someone asks me whether I believe there is a Power Trust. Can one look at these charts, which show only a glimpse of one little corner, and doubt that there is a Power Trust? Can one examine into the facts and deny that there is a Power Trust? I do not care what it is called, it is a mighty octopus which is levying its unholy tribute upon the men and women and children of the United States, and asking leave to continue to defraud and continue to deceive and continue to charge exorbitant and unreasonable prices for electricity.

I think the bill will accomplish more good than any other one piece of legislation that is pending before the Congress at this session. The bill will go far toward opening the eyes of the people of the United States to the wrongs and ills they have suffered from greedy corporations that think of nothing but their own pockets, which they want to line with gold that comes from the men and the women who toil and who by the sweat of their faces contribute this money to these overlords.

Consideration of common justice demands that we should remedy this situation. It is common sense, it seems to me, that we should stop this method of control of a necessity of life. If it were not a necessity of life I would not feel so strongly about it, but in our modern civilization electricity is a necessity of life. We cannot get along without it if we live on a modest standard of living, and we find these holding companies collecting their unholy tribute—companies incorporated in Maine, then in Delaware, then in New York, then across the country and back again, down again, and up again, until one is lost in a maze of incorporations in the various States, and finally it comes down to the little man in the humble home who does bear and must bear the burden.

Justice demands that we pass this legislation. Common honesty demands it. The impulses of the human heart, which prompt us to give justice to those who toil and are honest, upright citizens, demand it. It will not injure anyone who has an honest, fair investment.

Mr. DIETERICH obtained the floor.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. DIETERICH. I yield.

Mr. ROBINSON. I understand the Senator from Illinois has taken the floor, but that in view of the lateness of the hour he does not desire to proceed with his remarks this afternoon. I shall, therefore, if he will yield, ask for an executive business.

Mr. DIETERICH. I yield for that purpose.

APPOINTMENT OF ADDITIONAL JUDGES

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 4665) authorizing the filling of vacancies in certain judgeships, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ASHURST. I move that the Senate insist upon its amendments, accede to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ASHURST, Mr. KING, and Mr. BORAH conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MCGILL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing a nomination, which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. DIETERICH, from the Committee on the Judiciary, reported favorably the nomination of John C. Mahoney, of Rhode Island, to be United States district judge, district of Rhode Island, vice Ira Lloyd Letts, resigned.

Mr. BURKE, from the Committee on the Judiciary, reported favorably the nomination of Edward L. Burke, of Vermont, to be United States marshal for the district of Vermont, to succeed Albert W. Harvey, term expired.

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nominations of sundry midshipmen to be officers in the Navy and the Marine Corps, revocable for 2 years, from the 6th day of June 1935.

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

BUREAU OF INTERNAL REVENUE

The legislative clerk read the nomination of Giles Kavanagh to be collector of internal revenue, district of Michigan.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

CUSTOMS SERVICE

The legislative clerk read the nomination of Martin R. Bradley to be collector of customs, customs collection district no. 38, Detroit, Mich.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask that the nominations of postmasters be confirmed en bloc.

Mr. CONNALLY. Mr. President, Balda J. McMillan was nominated to be postmaster at Hughes Springs, Tex., and the nomination was reported favorably by the Committee on Post Offices and Post Roads some days ago, but at my request was recommitted to the committee. The nomination having been regularly reported heretofore, I ask that the nomination be confirmed, along with those of the other postmasters.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations of the postmasters whose names appear on the calendar and the nomination referred to by the Senator from Texas are confirmed en bloc.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 25 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Tuesday, June 4, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 3 (legislative day of May 13), 1935

DISTRICT JUDGE, DISTRICT OF ALASKA

Harry E. Pratt, of Alaska, to be district judge, division no. 4, District of Alaska, to succeed E. Coke Hill, resigned.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Capt. Clyde Lloyd Hyssong, Infantry (detailed in Adjutant General's Department), with rank from November 7, 1925.

TO QUARTERMASTER CORPS

Capt. Francis Beeston Laurenson Myer, Infantry (detailed in Quartermaster Corps), with rank from July 1, 1920.

Second Lt. Archibald William Lyon, Coast Artillery Corps (detailed in Quartermaster Corps), with rank from June 10, 1932.

TO COAST ARTILLERY CORPS

Second Lt. Erskine Clark, Infantry, with rank from June 10, 1932.

Second Lt. Victor Haller King, Air Corps, with rank from June 13, 1933, effective June 13, 1935.

PROMOTIONS IN THE REGULAR ARMY

MEDICAL CORPS

To be colonels

Lt. Col. Henry Clay Coburn, Jr., Medical Corps, from May 23, 1935.

Lt. Col. Arnold Dwight Tuttle, Medical Corps, from May 24, 1935.

Lt. Col. William Richard Dear, Medical Corps, from May 25, 1935.

Lt. Col. Daniel Parker Card, Medical Corps, from May 26, 1935.

Lt. Col. Ralph Harvard Goldthwaite, Medical Corps, from May 26, 1935.

Lt. Col. Frederick Starr Wright, Medical Corps, from May 26, 1935.

Lt. Col. Daniel Warwick Harmon, Medical Corps, from May 27, 1935.

Lt. Col. James C. Magee, Medical Corps, from May 27, 1935.

Lt. Col. Norman Lincoln McDiarmid, Medical Corps, from May 28, 1935.

To be lieutenant colonels

Maj. Frank Henry Dixon, Medical Corps, from May 24, 1935.

Maj. Robert DuRant Harden, Medical Corps, from May 25, 1935.

Maj. David Durward Hogan, Medical Corps, from May 27, 1935.

DENTAL CORPS

To be lieutenant colonel

Maj. Donald William Forbes, Dental Corps, from May 29, 1935.

To be captain

First Lt. H. Beecher Dierdorff, Dental Corps, from May 27, 1935.

APPOINTMENTS IN THE REGULAR ARMY

TO BE SECOND LIEUTENANTS WITH RANK FROM JUNE 12, 1935

Corps of Engineers

1. Cadet John Drake Bristor.
2. Cadet Donald Abeel Phelan.
3. Cadet Aaron Evan Harris.
4. Cadet David Hamilton Gregg.
5. Cadet Albert Joseph Shower.
7. Cadet Arthur Houston Frye, Jr.
8. Cadet Herbert Caran Gee.
9. Cadet Jack Wallis Hickman.
10. Cadet Donald Allen Elliget.
11. Cadet Clyde Calhoun Zeigler.
12. Cadet Leighton Ira Davis.
13. Cadet Charles Bernard Rynearson.
14. Cadet Oliver Joseph Pickard.
15. Cadet John Blackwell Davenport, Jr.
16. Cadet Otto Jacob Rohde.
17. Cadet John Somers Buist Dick.
18. Cadet William Winston Lapsley.
19. Cadet James DeVore Lang.
20. Cadet George Rosse Smith, Jr.
21. Cadet Charles Jephthiah Jeffus.
22. Cadet Henry Lewis Hille, Jr.

Signal Corps

42. Cadet Harry James Lewis.
59. Cadet Clyde Benjamin Sims.
69. Cadet Walter Albert Simpson.
107. Cadet James Mobley Kimbrough, Jr.
123. Cadet Willis Fred Chapman.
135. Cadet Russell Eugene Nicholls.

Cavalry

28. Cadet John Sutton Growdon.
58. Cadet Richard Elmer Ellsworth.
75. Cadet Kelso Gordon Clow.
95. Cadet Richard Marvin Bauer.
122. Cadet Eugene Nall.
128. Cadet Norman Arthur Loeb.
133. Cadet Maynard Denzil Pedersen.
136. Cadet Thomas Wildes.
139. Cadet James Dyce Alger.
140. Cadet Ralph Edward Haines, Jr.
142. Cadet Ewing Chase Johnson.
144. Cadet Francis Johnstone Murdoch, Jr.
149. Cadet Wilhelm Cunliffe Freudenthal.
155. Cadet Thomas Duncan Gillis.
167. Cadet John Foster Rhoades.
171. Cadet William Vincent Martz.
178. Cadet Lawrence Edward Schlanser.

180. Cadet Henry Thomas Cherry, Jr.
184. Cadet Edgar Joseph Treacy, Jr.
185. Cadet Paul Montgomery Jones.
189. Cadet Caesar Frank Fiore.
195. Cadet Charles Phelps Walker.
197. Cadet Charles Joseph Hoy.
198. Cadet Vernon Price Mock.
210. Cadet Edward William Sawyer.
216. Cadet Andrew Jackson Boyle.
220. Cadet Albert Ambrose Matyas.
222. Cadet Benjamin White Heckemeyer.
227. Cadet John James Davis.
229. Cadet Pelham Davis Glassford, Jr.
232. Cadet Robert Hollis Strauss.
237. Cadet Ralph Shaffer Harper.

Field Artillery

6. Cadet David Campbell Wallace.
24. Cadet George Ruhlen.
25. Cadet Cornelis DeWitt Willcox Lang.
29. Cadet John Joseph Duffy.
31. Cadet Carl Watkins Miller.
32. Cadet Salvatore Andrew Armogida.
33. Cadet William Paulding Grieves.
34. Cadet Stanley Tage Birger Johnson.
35. Cadet James Van Gorder Wilson.
36. Cadet Frank Alexander Osmanski.
38. Cadet Frederick Benjamin Hall, Jr.
39. Cadet Langfitt Bowditch Wilby.
43. Cadet Elmer John Koehler.
44. Cadet Charles Albert Symroski.
47. Cadet Harry Jacob Lemley, Jr.
48. Cadet Duncan Sinclair.
49. Cadet John Kimball Brown, Jr.
50. Cadet Geoffrey Dixon Ellerson.
51. Cadet Robert Morris Stillman.
55. Cadet George Blackburne, Jr.
57. Cadet George Stafford Eckhardt.
62. Cadet Edward Stephen Bechtold.
65. Cadet Ivan Clare Rumsey.
66. Cadet Raymond William Sumi.
67. Cadet Daniel John Murphy.
70. Cadet Edward Gray.
71. Cadet Hugh McClellan Exton.
72. Cadet Durward Ellsworth Breakefield.
74. Cadet Sanford Welsh Horstman.
76. Cadet David Gilbert Presnell.
77. Cadet Harry Herndon Critz.
80. Cadet Edward Kraus.
83. Cadet Earl Leo Barr.
84. Cadet John Alexis Gloriod.
85. Cadet Nathaniel Macon Martin.
88. Cadet James Martin Worthington.
90. Cadet Robert Clarence McDonald, Jr.
91. Cadet Joseph Waters Keating.
93. Cadet Kenneth Paul Bergquist.
94. Cadet John Newton Wilson.
96. Cadet Lawrence Robert St. John.
97. Cadet Gerald Frederick Brown.
99. Cadet Robert Van Roo.
100. Cadet Arthur Allison Fickel.
101. Cadet Charles Maclean Peeke.
103. Cadet Raymond Boyd Firehock.
104. Cadet Downs Eugene Ingram.
106. Cadet Edgar Allan Clarke.
109. Cadet Harrison Barnwell Harden, Jr.
112. Cadet James Luke Frink, Jr.
113. Cadet Elmer John Gibson.
115. Cadet James Howard Walsh.
116. Cadet Walter Joseph Bryde.

Coast Artillery Corps

27. Cadet Clarence Carl Haug.
37. Cadet Bernard Sanders Waterman.
41. Cadet George Raymond Wilkins.
52. Cadet Ray Allen Pillivant.
54. Cadet Ellery Willis Niles.
60. Cadet Alvin Dolliver Robbins.
61. Cadet Sidney George Spring.
63. Cadet Seth Lathrop Weld, Jr.
64. Cadet Harry John Harrison.
78. Cadet Henry Porter van Ormer.
79. Cadet Clifford Wellington Hildebrandt.
81. Cadet Kenneth Irwin Curtis.
82. Cadet Joseph Charles Moore.
89. Cadet James Michael Donohue.
92. Cadet Halford Robert Greenlee, Jr.
98. Cadet Willard George Root.
119. Cadet Harry Rich Hale.
124. Cadet Seneca Wilbur Foote.
125. Cadet James Willoughby Totten.
126. Cadet William Henderson Baynes.
127. Cadet Eugene Henry Walter.
130. Cadet Russell Melroy Miner.
131. Cadet John Nevin Howell.
137. Cadet Alfred Ashman.
141. Cadet Franklin Bell Reybold.
143. Cadet Robert Monroe Hardy.
145. Cadet Pennock Hoyt Wollaston.
148. Cadet Francis Mark McGoldrick.
150. Cadet John Alfrey.
153. Cadet Kermit Richard Schweidel.
160. Cadet Robert Morris.
162. Cadet John Brown Morgan.
163. Cadet William Robert Murrin.
168. Cadet Richard Carlton Boys.
173. Cadet Robert Edward Frith, Jr.
174. Cadet Norman Arvid Skinrood.

Infantry

23. Cadet John Lathrop Throckmorton.
26. Cadet John Richards Parker.
30. Cadet Warren Sylvester Everett.
40. Cadet John Dudley Cole, Jr.
45. Cadet Henry Chaffee Thayer.
46. Cadet James Yeates Adams.
53. Cadet William Henry Brearley, Jr.
56. Cadet Robert Rigby Glass.
68. Cadet Clarence Bidgood.
73. Cadet Robert Whitney Wood.
86. Cadet Joseph Gordon Russell.
87. Cadet Salathiel Fred Cummings, Jr.
102. Cadet Horace Wilson Hinkle.
105. Cadet Milton Lawrence Rosen.
108. Cadet John Ralph Wright, Jr.
110. Cadet Edward Moseley Harris.
111. Cadet Carl Mosby Parks.
114. Cadet Julius Desmond Stanton.
117. Cadet Thomas Washington Woodyard, Jr.
118. Cadet Stuart Gilbert Fries.
120. Cadet Charles Frederick Leonard, Jr.
121. Cadet James Frank Skells.
129. Cadet Albert Curtis Wells, Jr.
132. Cadet John Mason Kemper.
134. Cadet Hamilton Austin Twitchell.
138. Cadet Aaron Warner Tyer.
146. Cadet German Pierce Culver.
147. Cadet Carl Theodore Isham.
151. Cadet Joseph Rieber Russ.
152. Cadet John Henry Dilley.
154. Cadet Eugene Charles Orth, Jr.
156. Cadet Autrey Joseph Maroun.
157. Cadet Willard Leo Egy, Jr.
158. Cadet Milton Clay Taylor.
159. Cadet George Frederick Marshall.
161. Cadet Joseph Cobb Stancook.
164. Cadet Albert Frederick Johnson.
165. Cadet Joseph Henry Wiechmann.
169. Cadet George Robert Oglesby.
170. Cadet John Calvin Stapleton.
172. Cadet Kent Kane Parrot, Jr.
175. Cadet Noel Maurice Cox.
176. Cadet Joseph Crook Anderson.
177. Cadet John Hart Caughey.

179. Cadet Edwin Major Smith.
181. Cadet Leroy William Austin.
182. Cadet Charles Jordan Daly.
183. Cadet Samuel Cummings Mitchell.
186. Cadet Reuben Henry Tucker, 3d.
187. Cadet William Genier Proctor.
188. Cadet Lamont Saxton.
190. Cadet Elmer Hardie Walker.
191. Cadet Clair Beverly Mitchell.
192. Cadet John Williamson.
193. Cadet John Pearson Sherden, Jr.
194. Cadet Jack Jones Richardson.
196. Cadet Louis Duzzette Farnsworth, Jr.
199. Cadet John Allen Beall, Jr.
200. Cadet Lamar Fenn Woodward.
201. Cadet Orin Houston Moore.
202. Cadet Charles Wythe Gleaves Rich.
203. Cadet Donald William Bernier.
204. Cadet Harvey Bower.
205. Cadet Allen Harvey Foreman.
206. Cadet Wilson Dudley Coleman.
207. Cadet Floyd Garfield Pratt.
208. Cadet Thomas Cebern Musgrave, Jr.
209. Cadet Glenn Cole.
211. Cadet William Lee Herold.
212. Cadet William Bradford Means.
213. Cadet John Eidell Slaughter.
214. Cadet Robert Gibson Sherrard, Jr.
215. Cadet John Alfred Metcalfe, Jr.
217. Cadet Stephen Disbrow Cocheu.
218. Cadet John Neiger.
219. Cadet Thomas Joseph Gent, Jr.
221. Cadet Benjamin Walker Hawes.
223. Cadet Nassieb George Bassitt.
224. Cadet Ducat McEntee.
225. Cadet William Robert Patterson.
226. Cadet Oscar Rawles Bowyer.
228. Cadet Norman Basil Edwards.
230. Cadet Robert Eugene Tucker.
231. Cadet Herbert Frank Batcheller.
233. Cadet Maurice Monroe Simons.
234. Cadet Richard Cathcart Hopkins.
235. Cadet Alfred Kirk duMoulin.
236. Cadet Walter Edward Bare, Jr.
238. Cadet Charles Barry Borden.
239. Cadet Paul James Bryer.
240. Cadet Raymond Clarence Adkisson.
241. Cadet Emerson Oliver Liessman.
242. Cadet Burnis Mayo Kelly.
243. Cadet Lester Lewes Wheeler.
244. Cadet Carmon Ambrose Rogers.
245. Cadet Russell Batch Smith.
246. Cadet Marcus Samuel Griffin.
247. Cadet James George Balluff.
248. Cadet Richard Hayden Agnew.
249. Cadet Francis Regis Herald.
250. Cadet John Leroy Thomas.
251. Cadet George Brendan O'Connor.
252. Cadet Russell Lynn Hawkins.
253. Cadet Eric Per Ramee.
254. Cadet Edwin Hood Ferris.
255. Cadet Jack Roberts.
256. Cadet Robert Middleton Booth.
257. Cadet George Madison Jones.
258. Cadet David Albaugh DeArmond.
259. Cadet Rives Owens Booth.
260. Cadet Wilson Larzelers Burley, Jr.
261. Cadet James Louis McGehee.
262. Cadet Walter Albert Riemenschneider.
263. Cadet William Pierce O'Neal, Jr.
264. Cadet George Place Hill, Jr.
265. Cadet Melville Brown Coburn.
266. Cadet Alvin Louis Mente, Jr.
267. Cadet Harry Franklin Sellers.
268. Cadet David Bonesteel Stone.
269. Cadet Roland Joseph Rutte.
270. Cadet Glenn Curtis Thompson.
271. Cadet Samuel Barcus Knowles, Jr.
272. Cadet Jack Moore Buckler.
273. Cadet James Baird Buck.
274. Cadet Ralph Osborn Lashley.
275. Cadet Thomas Robert Clarkin.
276. Cadet John Pope Blackshear.
277. Cadet John Trueheart Mosby.

TO BE SECOND LIEUTENANT WITH RANK FROM JUNE 13, 1935

Infantry

Cadet Lea Campbell Roberts.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 3 (legislative day of May 13), 1935

COLLECTOR OF INTERNAL REVENUE

Giles Kavanagh to be collector of internal revenue, district of Michigan.

COLLECTOR OF CUSTOMS

Martin R. Bradley to be collector of customs, customs collection district no. 38, Detroit, Mich.

POSTMASTERS

NEW JERSEY

Hattie C. Dixon, Bellemead.
John V. Anders, Grasselli.
Frederick Baxter, Hohokus.
Elizabeth Novak, Keasbey.
Estella L. McMurtry, Mendham.
Eugene Rambone, Newfield.
Anna Belle Willey, Pennsville.
Margaret J. Lippincott, Seaside Park.

TEXAS

Balda J. McMillan, Hughes Springs.

WITHDRAWAL

Executive nomination withdrawn from the Senate June 3 (legislative day of May 13), 1935

POSTMASTER

WYOMING

Frank W. Chambers to be postmaster at Lusk, in the State of Wyoming.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 3, 1935

The House met at 12 o'clock noon.

Rev. Clifford H. Jope, pastor of the Ninth Street Christian Church, Washington, D. C., offered the following prayer:

Our divine Father, we are thankful that Thou art our refuge and ever-present helper. Create in us a clean heart and renew a right spirit within us. Inspire us with a proper sense of duty and high resolve.

Grant that all our leaders in high office may have a true vision of the possible future of our great Nation. May our country's servants have in their hearts this day the faith and daring of the kingdom of righteousness for the sake of the freedom, justice, and happiness of all the people. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, May 31, 1935, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8021. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. TYDINGS, Mr.

BYRNES, Mr. HAYDEN, Mr. HALE, and Mr. TOWNSEND to be the conferees on the part of the Senate.

The message also announced that the Senate had ordered that the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 1793) to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat. L. 602).

ANNEX TO LIBRARY OF CONGRESS BUILDING

Mr. KELLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2899) to provide for increasing the limit of cost for the construction and equipment of an annex to the Library of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the limit of cost for the construction of the annex, Library of Congress, as fixed in section 4 of the act entitled "An act to provide for the construction and equipment of an annex to the Library of Congress", approved June 13, 1930, is hereby increased by $2,866,340; and the Architect of the Capitol is hereby authorized to enter into a contract or contracts for such amount or so much thereof as may be necessary in addition to the contract authority heretofore fixed by law for such annex.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

NAVY DEPARTMENT APPROPRIATION BILL, 1936

Mr. CARY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CARY, UMSTEAD, THOM, JOHNSON of West Virginia, SCRUGHAM, MCLEOD, and DITTER.

RETIREMENT OF LEADER OF NAVY AND UNITED STATES MARINE BANDS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1609) for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MARTIN of Massachusetts. Reserving the right to object, will the gentleman explain the bill?

Mr. VINSON of Georgia. I will state that this is a private bill. A similar bill is on the Private Calendar. It has been recommended by the Budget and by the Navy Department, and unanimously reported by the Naval Affairs Committee. It simply permits the band leader of the Navy Band, after 30 years' service, to retire with a rank higher than that which he now holds, and the same thing with reference to the leader of the Marine Band.

Mr. MARTIN of Massachusetts. Is there any reason why it should not await its turn on the calendar?

Mr. VINSON of Georgia. Of course, there is no valid reason; but we do not have very much to do, and I saw no reason I should not make this request. I trust the gentleman will not interpose any objection.

Mr. MARTIN of Massachusetts. I will not object.

Mr. TRUAX. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. TRUAX. Will the gentleman permit me to say that in my judgment this bill ought to be passed now? I have made a careful study of it, and it should be passed.

Mr. VINSON of Georgia. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. VINSON]?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That from and after the date of approval of this act the present leader of the United States Navy Band and the present leader of the band of the United States Marine Corps shall have the rank, pay, and allowances of a lieutenant in the Navy and of a captain in the Marine Corps, respectively; and in the computation of their pay and allowances all services in the Navy and the Marine Corps of whatever nature rendered by said leaders shall be counted as if it were commissioned service; and the said leaders of the United States Navy Band and the band of the United States Marine Corps shall, at such time as the President in his discretion may direct, be entitled to retirement as a lieutenant in the Navy and as a captain in the Marine Corps, in the same manner as other officers of the Navy and the Marine Corps of such rank and length of service, computed as stated above, would be entitled to retirement.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

POWER OF CONGRESS TO LEGISLATE ON LABOR AND SOCIAL PROBLEMS

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a speech by our colleague the gentleman from Massachusetts [Mr. CONNERY] delivered over the radio.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MONAGHAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech of Hon. WILLIAM P. CONNERY, Jr., over Station WEVD, May 31, 1935:

The question of the moment is, Shall the Congress of the United States, elected by the people and possessing a real knowledge of the conditions existing among our people, be denied the right to legislate constructively for the best and humane interests of the people of the United States, or shall the United States Supreme Court, a body of nine men, highly estimable and learned in the way of the law, be allowed to set aside continually the mandate of the people and the action of the Congress of the United States? In passing it might be well for my listeners to know that none of these men were elected by the people. They are appointed by a President of the United States and confirmed by action of the Senate of the United States.

I will agree that the Congress should not enact legislation which is beyond the powers conferred upon the Congress by the Constitution. I do not complain against the constitutional limitations placed upon the Congress. I do complain against a system wherein it takes 2 years before the Congress is advised that its action in enacting certain legislation is contrary to the Constitution.

At this time it might be well for me to direct your attention to the conditions which would ensue if the Supreme Court, in its wisdom, saw fit to render a decision similar to that recently rendered in nullifying the National Recovery Act at a time when the Congress was not in session. Can you visualize the condition in which the country would find itself?

In these days, with some twelve or more millions of our workers unable to secure profitable employment, when we have some twenty millions or more, or about one in every six of our entire population, dependent upon Government relief, is it too much to expect that the learned members of the Supreme Court should find some way of advising the Congress that the legislation which they are considering enacting, or at least advising the Chief Executive that the legislation which the Congress has enacted and which is awaiting his signature, is unlawful and unconstitutional?

However, if it is constitutional for the United States courts to enjoin workers in New York City from refusing to work upon a product produced in Indiana, as they did some years ago, because it was then contended that the product of the workers in Indiana, when delivered at a building site in New York City, and even until it was later placed in a building in New York City, was still in interstate commerce, then certainly woolens, leathers, boots and shoes, and other products produced in my State, and through interstate commerce delivered in New York City, are amenable to regulation in interstate commerce.

The Constitution specifically grants to the Congress the right to regulate interstate commerce.

The recent decision of the Supreme Court in finding that the Congress had delegated unwarranted powers to President Roosevelt has created a chaotic condition in American industry comparable only to those conditions which existed when the present administration took office in March 1933. This decision has not only placed the death notice on the National Industrial Recovery Act, but many contend that the reasoning pronounced by the Supreme Court in the National Industrial Recovery Act decision will also nullify and set aside the Agricultural Adjustment Act, the Reciprocal Tariff Act, and the recent $4,000,000,000 Work Relief Act.

In substance, all of the legislation enacted for the better protection of the toilers of America since the advent of the present administration has either been nullified or is greatly endangered.

The result is that at the present moment many Members of the Congress, supported by a large portion of our people, are advocating an amendment to the Constitution whereby the States would specifically delegate to the Congress the constitutional authority to legislate in the matter of maximum hours of work, minimum rates of wages, and economic liberty for the toilers in that they would be authorized to enter into collective bargaining with their employers.

To my mind, while such an amendment to the Constitution is proper and would be helpful I am inclined to the belief that it would take too long a time to prevail upon 36 State legislative bodies to enact the necessary legislation.

It is my belief that Congress can, if it will, constitutionally enact legislation which is necessary to protect our workers and advance the humane interests of all of our people.

The battle to secure through legislative enactment protection for the interests of the toilers is not new. It is but a continuation of the fight which has raged ever since man was freed from serfdom. The fight in those days, many centuries ago, was the question of human rights above property rights. That fight has yet to be won.

The Civil War was fought over the question whether man should be free or be enslaved. In the days prior to the Civil War our colored population were held in slavery for the enrichment of a comparatively few cotton planters. Today, despite the fact that all our people are free in that they have the right to work and live where they please and are upon a basis of equality in electing public officials, there are many who contend that our toilers live in virtual economic slavery in that they are denied an income which will provide a decent standard of living for themselves and their families and too often they are denied the right of collective bargaining. In fact, legally, we find that while our Government recognizes the right of collective action for those possessing property in that we issue corporate charters in order that the owners of the corporation may act collectively and bargain collectively, this privilege is denied to the workers employed by these same corporations.

The question which confronts the Congress and the American people at this moment is, Can the Congress constitutionally enact legislation which will protect the workers in one State from being reduced to penury and pauperism by the willingness or the necessity of workers in other States producing goods, articles, or commodities which are shipped in interstate commerce into another State and sold in that State for prices which are less than the costs of production in the other State, thus depriving the workers of that State of employment at decent wages and working a reasonable number of hours per week?

The Congress, realizing that we have some twelve or more millions of workers unable to secure work, wishes to shorten the number of hours of those employed so as to distribute among those unable to secure work employment at wages which will permit of the workers being self-sustaining. Under the terms of the recent decision of the Supreme Court, many contend that the Congress has not the power to interfere in the matter of hours and wages. I will admit that such contention is true insofar as it relates wholly to those who are engaged in intrastate trade—that is, trade which emanates wholly within one State and which trade does not use any product which has entered or enters into interstate commerce.

However, I am advised that the proportion of our trade which comes wholly within the terms of intrastate trade provides employment for less than 20 percent of our workers.

There are but few products which we use in our daily life that are wholly produced and consumed within the confines of one State. The cotton which we use is produced in our Southern States, and may be spun, may be woven, and may be fabricated either in some Southern State or more likely in some of our North Atlantic States. For many years child labor and pauper wages have been outlawed in most of our Northern States. The same is not true, however, of all of our States.

Recently, while delivering an address on the floor of the House of Representatives, protesting against the exploitation of child labor by unscrupulous employers, I was challenged by a Member of one of the Southern States who contended that there wasn't any child labor or exploitation of workers in the textile mills of the Southland. However, in answer to a question of mine he admitted that he had himself gone to work in a textile mill at the age of 9 and he had received the munificent wage of 5 cents per day. Naturally, his protestations and his championing of the textile mill owners of the Southland did not make much of a hit with Members of the House of Representatives.

The Congress in enacting the National Industrial Recovery Act sought to and did accomplish the elimination of child labor and prevented the continued exploitation of our youth; it did secure a reduction in the hours of labor from around an average of 50 to something less than 40 per week; it did provide a minimum hourly wage of something in excess of 35 cents per hour in place of the 10 and 12 cents per hour which were paid in too many places in our country. It is true that it would have accomplished much more if those entrusted with the administration had not set aside the evident intent of the Congress which was that the representatives of the workers should have equal representation with industry in the administration of the codes of fair competition.

The Senate of the United States had specifically acted on the question of company unions and voted by a large majority against language which would have legalized them. However, with big business in full control and the workers denied opportunity of action, those intrusted with the administration of N. R. A. not only recognized but, I regret to say, I feel that they encouraged their formation.

When you place in high authority in the administration of the N. R. A. representatives of the Cigarette Trust and other monopolies, those who immediately upon the Supreme Court nullifying the N. R. A. make possible the distribution of the products of workers at less than the costs of production, which means a lowering of the miserly wages of 25 cents per hour, as is now provided, it is hard for the toilers of America to expect much constructive or humane consideration.

It is my belief that the Congress can, if it will, constitutionally enact legislation which will provide that protection which the workers of our country must have.

The Congress has the unquestioned constitutional right to regulate interstate and foreign commerce. In carrying out this power the Congress has the right to license those who engage in interstate and foreign commerce. Likewise, the Congress can specifically declare the conditions under which these licenses can be granted.

It is my intention to present for the consideration of the Congress a bill whereby those who engage in, those who handle or who receive goods, articles, or commodities which enter into interstate commerce shall be licensed by the United States Government.

My bill will create a Federal licensing commission, which commission, as an agency of the Congress, shall be authorized and directed to regulate interstate commerce.

It is true that those who do not transport, handle, or receive goods, articles, or commodities which enter or have entered in interstate commerce will not be affected by this legislation. However, I believe it will affect more than 80 percent of all of those engaged in American trade and commerce. With decent weekly wages, maximum hours not to exceed a number which will permit of steady employment of all of our workers, and the economic liberty to bargain collectively established for this 80 percent of our workers, it is my strong conviction that between the collective action of the workers who are thus freed from economic bondage and public opinion the other 20 percent of our workers will be benefited.

My bill will provide that as a condition precedent to the issuance or the continuance of such a Federal license to transport, handle, or receive those goods, articles, or commodities which enter into interstate commerce that such licensee, shall agree that they will not handle any goods, articles, or commodities which are produced by child or penal labor; by workers employed more than 30 hours per week except where the Commission finds that exemptions are necessary; by workers who receive weekly wages which are not sufficient to maintain a decent standard of living for themselves and their families; by workers who are denied economic liberty in that the employer refuses to bargain collectively with the chosen representatives of the majority of his workers.

In order that there may be no possible infringement of the right of free press newspapers, magazines, and operators of radio broadcasting station will be exempt from the act. Likewise agricultural or farm products processed for first sale by the original producer will be exempted from the provisions of this bill.

I trust that I will have the cooperation of my listeners in securing favorable consideration in the early enactment of this legislation.

I thank you.

WAGNER-CONNERY BILL

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for 4 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, I have taken the floor at this time in order to get into the RECORD for the information of the Members of the House some questions in regard to the constitutionality of the Wagner-Connery bill, the labor relations bill. I know there will be a great deal of discussion about that, and I would like to have this in the RECORD before the bill comes up in the House, as we confidently hope it will within the near future.

The pending Wagner-Connery bill, creating a National Labor Relations Board, rests upon a constitutional basis which is not adversely affected by the recent decisions of the Supreme Court in the Railway Retirement and the Schechter cases. Upon the contrary, the implications of those decisions, and the specific holding of the Supreme Court in previous decisions now cited with approval, make it clear that what is sought to be done in the Wagner-Connery bill is within the constitutional power of Congress. In the present situation, the need for the Wagner-Connery bill, if anything, is enhanced rather than diminished.

Section 7 (a) of the National Industrial Recovery Act reads as follows:

Every code of fair competition, agreement and license approved, prescribed, or issued under this title shall contain the following conditions: (1) That employees shall have the right to organize

and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; (2) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; * * *

Section 7 (a) was not self-executing; it did not forthwith confer any new legal rights upon employees, nor impose any new legal duties upon employers. Until an employer became subject to a code of fair competition approved by the President, he could still, without violating any Federal law, discharge an employee for union activity or otherwise interfere with the self-organization of his employees for the purposes of collective bargaining. This was so, because section 7 (a) did not directly prohibit employers from interfering with the self-organization of employees, as Congress might well have done, but provided only that prohibitions of this type of conduct should be included in every code of fair competition.

The Supreme Court held that the code-making process under section 3 of the Recovery Act was invalid because it constituted an attempt by Congress to delegate legislative power to the President "to exercise an unfettered discretion to make whatever laws he thinks may be needed or advisable for the rehabilitation and expansion of trade or industry." The protection to employees which Congress sought to establish in section 7 (a) is nullified by the decision in the Schechter case, not because the subject matter of section 7 (a) is beyond the congressional power of regulation, but because the codes of fair competition, in each of which the provisions of section 7 (a) have been embodied, have been knocked out by that decision.

This difficulty on the score of improper delegation, which for the reasons stated indirectly resulted in the invalidation of section 7 (a), is entirely removed in the Wagner-Connery bill. In that bill Congress specifically prohibits certain unfair labor practices, which by fair interpretation would constitute infringements upon the substantive rights of employees declared in section 7 (a). These prohibitions, and the substantive rights are made applicable, to the extent of Congress' power under the commerce clause, to employers and employees irrespective of whether the industry in question is subject to a code of fair competition. The bill, therefore, is entirely independent of the code-making process, and stands on its own constitutional footing quite apart from the ultimate disposition of the pending legislation affecting the National Recovery Administration.

It is significant that throughout the decision in the Schechter case the Court drew a sharp distinction between the delegation of legislative power and the Executive procedure provided in the National Industrial Recovery Act, on the one hand, and the formulation, on the other hand, of a specific congressional policy to be administered by boards with procedure of a quasi-judicial nature, such as the Federal Trade Commission, the Interstate Commerce Commission, the Radio Commission, and the Federal Tariff Commission. Perhaps the most striking example given by the Court, and at the same time the closest analogy to the proposed National Labor Relations Board, is the Federal Trade Commission Act, which declared to be unlawful "unfair methods of competition", a phrase which, as the Court recognized, "does not admit of precise definition, its scope being left to judicial determination as controversies arise." The Court goes on to say:

> What are "unfair methods of competition" are thus to be determined in particular instances, upon evidence, in the light of particular competitive conditions and of what is found to be a specific and substantial public interest. * * *
>
> To make this possible, Congress set up a special procedure. A Commission, a quasi-judicial body, was created. Provision was made for formal complaint, for notice and hearing, for appropriate findings of fact supported by adequate evidence, and for judicial review to give assurance that the action of the Commission is taken within its statutory authority. * * *
>
> In providing for codes, the National Industrial Act dispenses with this administrative procedure and with any administrative procedure of an analogous character.

The Board set up under the Wagner-Connery bill is just such a tribunal as the court describes. It is a quasi-judicial body, which acts upon formal complaint, after due notice and hearing. Provision is made for appropriate findings of fact, supported by adequate evidence and for judicial review to give assurance that the action of the Board is taken within its statutory authority.

Furthermore, in view of the court's approval of the Federal Trade Commission Act, the constitutionality of the Wagner-Connery bill on the score of delegation is beyond question, because the unfair labor practices in section 8 of the bill are defined with precision, whereas the Federal Trade Commission Act broadly prohibits unfair methods of competition.

Turning now to the interstate commerce aspect, the Wagner-Connery bill is on firm ground as a permissible regulation within the commerce clause of the Constitution.

The decision in the railway retirement case did not turn on a distinction between intrastate and interstate commerce, as has been erroneously asserted, but proceeded on the ground, whether rightly or wrongly, that legislative provision for pensions to retired railway employees was so remotely related to the facilitation and promotion of interstate commerce as not to amount to a regulation thereof. The Court expressly affirmed its previous decision in *Texas & New Orleans R. R. Co.* v. *Railway Clerks*, 281 U. S. 548, coming up under the Railway Labor Act—

> Upon the express ground that to facilitate the amicable settlement of disputes which threatened the service of the necessary agencies of interstate transportation tended to prevent interruption of service and was therefore within the delegated power of regulation.

In that case a railway brotherhood, composed of railway clerks who were not themselves physically engaged in interstate transportation, sued to restrain the railroad from interfering with the right of its employees to self-organization and to designate representatives for collective bargaining in violation of the Railway Labor Act of 1926. The lower court gave equitable relief of the sort contemplated in the Wagner-Connery bill by ordering the company (1) to disestablish its company union as representative of its employees; (2) to reinstate the Brotherhood (which was the recognized representative chosen by the majority before the company began its unlawful interference) as the representative of all employees until they should make another free choice; and to restore to service and to stated privileges certain employees who had been discharged for activities in behalf of the Brotherhood. The Supreme Court in a unanimous opinion affirmed the decree of the lower court.

The decision in the Schechter case is limited, on the interstate commerce point, to the attempted regulation of wages, hours, and certain trade practices in the case of a New York company engaged in the business of slaughtering chickens, which were bought almost entirely in the State of New York and sold exclusively to buyers in the same State. The Supreme Court held that in such a business the attempted regulations had no direct relation to interstate commerce and were therefore invalid. The Wagner-Connery bill is not materially affected by this decision for two reasons: (1) The decision does not touch industries or businesses which are interstate in character; (2) the regulations in the bill are of an entirely different legal nature from those in the Schechter case and have many times been recognized by the Supreme Court itself as having a direct effect upon the free flow of interstate commerce.

First. The Schechter decision is confined, as stated above, to a business which was wholly intrastate in character. The Court, on the other hand, reaffirmed the undoubted power of Congress to regulate businesses and industries which are interstate in character. The Court expressly pointed out that not only were the instrumentalities of interstate commerce subject to regulation but that those industries in which the products flowed in a continuous stream from State to State were likewise subject to regulation. It follows that any industry engaged in the transportation of goods between the States would be subject to the provisions of the bill. So

also all the large manufacturing or processing industries, with wide-spread interstate ramifications, would be subject to the terms of the bill. In these industries raw materials are secured from all States of the Union or from foreign countries, and the products manufactured or processed are shipped out again to every State and to foreign countries. The whole process plainly constitutes a continuous movement of goods in interstate commerce within the meaning of the Court's decision.

Second. Of perhaps greater significance is the second reason why the Wagner-Connery bill is not affected by the Schechter decision, namely, that the regulations provided in the bill are of a different legal character from those before the Court in the Schechter case. The bill thus rests upon a constitutional basis entirely different from that urged by the Government in the Schechter case and not considered by the Supreme Court in that case. The provisions of the bill are designed to remove burdens and obstructions to interstate commerce arising out of strikes and other forms of industrial unrest.

There can be no question but that industrial strife burdens the flow of commerce among the States. This fact has received express recognition by the Supreme Court itself in such well-known cases as *In re Debs* (158 U. S. 564); *Duplex Printing Press Co.* v. *Deering* (254 U. S. 443); *American Steel Foundries* v. *Tri-City Central Trades Council* (257 U. S. 184); *Coronado Coal Co.* v. *United Mine Workers* (268 U. S. 295); and *Bedford Cut Stone Co.* v. *Stone Cutters Association* (274 U. S. 37). Especially is the burden on interstate commerce of industrial strife significant in times of depression or periods of recovery. As recent experience has demonstrated, a single strike in a large industry at such a time raises grave dangers of throwing the whole economic system out of gear and retarding recovery by many months.

The provisions of the Wagner-Connery bill are aimed to remove these obstructions to interstate commerce. The bill accomplishes this result in two ways: First, it is a well-known fact that many of the most serious and violent industrial disturbances arise out of the resistance by employers to self-organization among their employees or out of the refusal by employers to accept the procedure of collective bargaining. These issues have been paramount in many cases which have come before the Supreme Court, including the Debs case, the Coronado case, and *International Organization* v. *Red Jacket C. C. & C. Co.* (18 Fed. (2d) 839, cert. den. 275 U. S. 536). The bill by compelling employers to refrain from interference with self-organization of employees and to accept the procedure of collective bargaining thus directly eliminates the causes of much industrial strife. Second, other industrial disturbances arise out of the struggle between employers and employees over the terms of the wage bargain. The bill by protecting employees in their designation of representatives and by compelling employers to sit down in conference with those representatives establishes the machinery of a method of proved effectiveness for the amicable adjustments of disputes and grievances. So completely accepted has this conference procedure for avoiding industrial conflict become that it constitutes a vital part of virtually every effort in the States and foreign countries to set up machinery for the peaceful settlement of labor disputes.

The Supreme Court has recently expressly ruled that provisions similar to those embodied in the bill have, for the reasons stated, a direct relation to interstate commerce, and are therefore valid. In *Texas & New Orleans Railroad* v. *Brotherhood of Railway Clerks* (281 U. S. 548), which, as has already been noted, was cited with approval in the recent Railway Retirement case, the Court ruled that the provisions of the Railway Labor Act of 1926, applying to the railroad industry substantially the same regulations as provided in the Wagner-Connery bill, were valid regulations under the commerce power, not only as to employees actually engaged in interstate transportation but also to clerks, ticket sellers, and other employees not physically so engaged. The power of the Federal Government to regulate industrial relations as the means of avoiding obstructions to commerce has likewise been approved by the Supreme Court as to other industries in a number of decisions holding that a strike which threatens to burden interstate commerce is subject to regulation under the antitrust laws. Two of these decisions—*Coronado Coal Co.* v. *United Mine Workers* (268 U. S. 295) and *Bedford Cut Stone Co.* v. *Stone Cutters Association* (274 U. S. 37)—were expressly reaffirmed by the Supreme Court in the Schechter decision. Thus, in the Bedford case, the stonecutters refused to work upon stone which had been shipped into the State from quarries in other States where nonunion labor was employed. The stone upon which the cutters refused to work was no longer in the stream of commerce or destined for use outside the State in which it rested. The Supreme Court held that the activities of the stonecutters constituted a combination prohibited by the Sherman Act, at pages 46, 47:

> That the means adopted to bring about the contemplated restraint of commerce operated after physical transportation had ended is immaterial (citing cases). The product against which the strikes were directed, it is true, had come to rest in the respective localities to which it had been shipped, so that it had ceased to be a subject of interstate commerce * * *. In other words, strikes against the local use of the product were simply the means adopted to effect the unlawful restraint.

In *Coronado Coal Co.* v. *United Mine Workers* (268 U. S. 295), another celebrated case under the antitrust law, there was a strike of union men in the Arkansas mines of the Coronado Coal Co. The company broke a union contract, declared an open shop (avowedly to reduce the cost of production), shut down the mine, ordered its union employees to vacate company houses, and reopened with nonunion men. Considerable violence followed. The Court found the strikers and the district officers of the union guilty of a conspiracy in restraint of interstate commerce, based upon evidence which the Court held sufficient to sustain a finding that the purpose of the defendants was to stop the production of nonunion coal and prevent its shipment to markets in other States where it would by competition tend to reduce the price of the commodity and affect injuriously the maintenance of wages for union labor in competing mines. From the point of view of constitutional power, of course, if a strike has the intent or necessary effect indicated by the Court, it is immaterial whether the local means adopted were lawful or tortuous.

How is the Federal Government to deal with the vexing problems of industrial disturbance or strife which in fact burdens and obstructs commerce, whether so intended or not, and where, as is increasingly the case, such obstructions are traceable to the denial of the right of employees to organize, the refusal of employers to accept the procedure of collective bargaining, or the absence of machinery for the amicable adjustments of disputes over wages and working conditions? The solution lies neither in compulsory arbitration, which has never been acceptable to the American people, nor in government by labor injunction, now effectively restrained by the Norris-LaGuardia Act, nor in subjecting labor organizations to the shifting canons of the antitrust laws, which were never intended by Congress to be applied against them. The Wagner-Connery bill goes to the heart of the problem by eliminating specific, well-recognized causes of industrial disturbances substantially burdening or obstructing commerce, and by mitigating or eliminating such obstructions where they have occurred.

It is clear that unfair labor practices which tend to provoke industrial strife substantially burdening interstate commerce may be enjoined before any actual obstruction to commerce arises. Civilized law is preventive as well as punitive. As Chief Justice Taft said in the first *Coronado case* (259 U. S. 344):

> If Congress deems certain recurring practices, though not really part of interstate commerce, likely to obstruct, restrain, or burden it, it has the power to subject them to national supervision or restraint.

For this reason the Wagner-Connery bill aims to eliminate practices on the part of employers that tend to provoke manifestations of industrial strife recognized in the Bedford, Coronado, and other cases as directly and substantially affecting interstate commerce, and to substitute the orderly processes of collective bargaining, thereby making the appropriate collective action of employees an instrument of peace rather

than of strife, as the Supreme Court said in the Texas case. The appropriateness and success of such regulation as is here provided is amply demonstrated by the experience with the railroads of the country and the experience of the National War Labor Board during the World War.

To sum up the point on interstate commerce, the Schechter decision relates only to a business engaged solely in intrastate commerce and applies only to regulations of wages, hours, and certain trade practices in such intrastate business. It does not affect in any way the application of the Wagner-Connery bill to industries and businesses which are interstate in character and does not touch in any way the validity of regulations designed to remove obstructions to the free flow of commerce by eliminating and alleviating industrial strife and unrest.

I close with this observation: We are faced now with a barrage of propaganda from inspired sources to the effect that in view of the recent Court decisions the Congress has no alternative but to abondon its pending legislative program and go home. Implications are being read into those decisions in an endeavor to make them applicable to other situations and problems not before the Court. The President, in his press conference on Friday, painted a vivid picture of national impotence to cope with national problems which would be our plight, if the Supreme Court in future cases does not limit its decision in the Schechter case to the particular facts before the Court.

The Supreme Court, in Rathbun against United States, which case was decided on the same day that it handed down its opinion in the Schechter case, invoked the following language from the opinion of Chief Justice Marshall in *Cohens* v. *Virginia* (6 Wheat. 264, 399):

> It is a maxim, not to be disregarded, that general expressions, in every opinion, are to be taken in connection with the case in which those expressions are used. If they go beyond the case, they may be respected, but ought not to control the judgment in a subsequent suit when the very point is presented for decision. The reason of this maxim is obvious. The question actually before the Court is investigated with care and considered in its full extent. Other principles which may serve to illustrate it are considered in their relation to the case decided, but their possible bearing on all other cases is seldom completely investigated.

In view of this salutary reminder by the Supreme Court that its decisions are controlling only on the facts of the case before it, we are guilty of no disrespect for that tribunal in pressing for the passage of the Wagner-Connery bill. I have no doubt that Congress believes in the principles and purposes of the bill, and this being so, the Congress would be shirking its plain duty if dubious, and I believe unwarranted implications from recent court decisions stampede it into an abandonment of its legislative functions. This is no time to yield to defeatist talk and haul down the flag.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. CONNERY] has expired.

EXCHANGE OF LANDS OF SEMINOLE INDIANS IN FLORIDA

Mr. WILCOX. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 654) authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I would like to ask the gentleman whether he has taken this bill up with the committee which will have jurisdiction over that sort of legislation?

Mr. WILCOX. Yes, sir; it has been taken up and reported favorably by them.

Mr. JENKINS of Ohio. By a committee of the House?

Mr. WILCOX. By a committee of the House.

Mr. JENKINS of Ohio. An identical bill?

Mr. WILCOX. Yes, sir.

Mr. JENKINS of Ohio. With a unanimous report?

Mr. WILCOX. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to exchange lands in the State of Florida reserved for the Seminole Indians by Executive order of June 28, 1911, or purchased for said Indians, or any part thereof, for lands owned by the State of Florida. Upon conveyance to the United States by the State of Florida of a sufficient title to the lands to be acquired for the use of the Seminole Indians, the Secretary of the Interior is authorized to issue a patent in fee or to make other proper conveyance to the State of Florida covering the lands granted in exchange.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MEMORIAL DAY AT CAMP MERRITT

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a Memorial Day address I delivered at Camp Merritt, N. J.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KENNEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the address made by me on Memorial Day, May 30, 1935, at Camp Merritt in New Jersey, as follows:

We, neighbors, friends, and our children, together with the veterans of our wars, gather here on this Memorial Day with a common purpose—to pay tribute to those who gave up their lives that we might have preserved to us the fundamental principles and purposes to which our country is dedicated.

Americans, we assert and stand ever ready to defend our right to live in a land of liberty, partaking of the happiness that liberty brings as guaranteed by the Federal Constitution.

That right has been purchased by the blood of our forefathers amongst whom are numbered noble, worthy, and gallant Jersey men. New Jersey was one of the Thirteen Colonies. No colony joined in the cause of liberty more readily than did New Jersey. Our State more than any other was battle scarred in Revolutionary days. British and Hessian troops invaded and roamed this immediate vicinity. The stout defense offered in this part of our country harassed the enemy to such an extent that its attack was so weakened as to render powerless and ineffective the offensive which was designed to subdue us.

Five important battles were fought on New Jersey soil—the most important taking place at Trenton. But the Battle of Monmouth will forever be remembered in association with Molly Pitcher, the heroine of that battle. Tourists every summer pause at Molly Pitcher's well in Monmouth County in recognition of her patriotic heroism. And New Jersey likes to think of its Richard Stockton, who signed the Declaration of Independence. No State has surpassed New Jersey in its patriotism, fair dealing, and sense of justice.

Indeed, even the Indians of the Six Nations Tribe of New York early conferred upon New Jersey the honorary title of "Sagorihwigogstha"—doer of justice.

To the Civil War—fought for the preservation of our great Union—New Jersey made its full contribution, a generous quota of boys in blue. Amongst them were gallant Phil Kearney, the outstanding New Jersey general, who, famed for his bravery, has found a niche in the National Gallery at Washington. And some of our beloved elders who fought in the Civil War still remain with us and come to offer their tribute to fallen comrades, along with Spanish-American War veterans, who fought disease and the enemy, and, in large numbers, with us are the veterans of the World War, whose posts are represented here.

Through this place passed most of our boys to the battlefields of France and the World War. It was the principal gateway to the foreign battle grounds. We well remember camp life here and cherish the memory of the gallant troops as they lingered on their march to battle—the boys of yesterday—our veterans of today.

It may be recalled perhaps that I have introduced in Congress a bill for the establishment on the site of Camp Merritt a national shrine. The measure is now pending and undoubtedly some day, I hope in the near future, we shall have added to the granite monument about which we now assemble, a part at least of the old camp site dedicated to the memory of the boys who came here, remained awhile, and embarked for Flanders Fields, the Argonne, and points along the Hindenburg line in far-away Europe.

President Roosevelt has proclaimed that Camp Merritt should become a national shrine, as troops from every State in the Union came here before shoving off for fighting in France. General Pershing has written that Camp Merritt is entitled to a place in any commemoration in this country of the great World War.

So we are hopeful of having in our midst a great shrine commemorating the part Camp Merritt played in the War of the World.

But you and I must persist in our efforts for the just recognition of Camp Merritt. Let us not be remiss. Persistence will prevail.

Strange to relate, the project for a monument for the battlefield of Trenton commemorating the battle fought there during the Revolutionary War was discussed for more than 50 years before it materialized. On September 20, 1891, ground was broken for the monument and the cornerstone was laid December 26, 1891, 115 years after the battle. The monument was finally unveiled October 19, 1893. The State appropriated for its erection $15,000, individuals $15,000, and the contribution of the United States Government was $30,000.

To the credit of the Camp Merritt Memorial Association, Inc., and the people of Bergen County, our monument to the memory of the boys at Camp Merritt was speedily erected, this tall granite spire, the last vestige of the camp. Yet, we shall not be satisfied until this ground becomes, as it deserves, a national shrine. Each year, we make our pilgrimage and pay homage to the vibrant youth who came here from every section of the country. They were of the whole Nation—this place where they came rightfully belongs to the Nation.

Just why more of New Jersey does not belong to the Nation is hard of understanding, for in the minutes of the Convention of 1787, which framed the Constitution of the United States, is found this resolution:

"*Resolved*, It is the opinion of this Convention that the State of New Jersey should offer a cession to Congress of a district not to exceed 10 square miles for the seat of government of the United States, over which they may exercise exclusive jurisdiction."

By urging we can, perhaps, have the National Government come now to this part of New Jersey through a shrine established here under national auspices to the memory of our honored dead.

Patriotism called them to the colors. For them it was die for your country. Today they speak to us from their graves and tell us patriotism calls upon us to live for our country. Yes; we must live hard for our country and hold the gains we have made.

We can and will hold them and go forward if we but remember our mission so well expressed in the words of Edward Everett Hale, left for our inspiration:

To look up and not down,
To look forward and not backward,
To look out and not in—
And to lend a hand.

LIFE AND EDUCATION

Mr. GRAY of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address I delivered recently.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GRAY of Pennsylvania. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address made by me to the graduating class of Spangler, Pa., High School, Wednesday, May 29, 1933:

My dear young friends, this is, and properly so, a great event in your young lives, and one that you will doubtless always remember. Whether you take it in thought or in want of thought, it is likely to remain with you; and, as the years go by, it will become more plainly imprinted on your minds as a milestone on your way through life.

There are so many subjects which one could appropriately talk about at your graduation exercises that the real difficulty is the making of a pertinent choice from the wealth of material at hand.

It is probably best that, from this abundance, I should confine my remarks to one or two particulars in order that there be as little confusion in the carry-over as possible, and as little tiresomeness in the attention as might reasonably be expected.

Let us, therefore, have some comment tonight on two very familiar and very easy subjects—life and education. Here are two problems so disgustingly easy of solution that no one but wise men know anything about them; and the age of wise men, as you well know, has long since passed into the realm of fairy tale and fable.

With your permission, I should like to impress upon your young minds the utter hopelessness of any ordinary man dealing even moderately successfully with those questions; and I shall have to ask your pardon for talking to you as if you were young people. Making necessary allowances for different degrees of development, none of you are children as we usually understand that word; nor are you by any means yet grown-up. Don't misunderstand me, please. I am not trying to talk down to you; most emphatically, I am trying to talk up to you.

Up to this time, if you have been fairly diligent in your school work, you have spent many trying hours storing in your minds what the historian, the mathematician, the geographer and others have written on the particular study in hand. Except for those of you who have prospects of advancing further in school work, and to some extent even for those also, you are about to enter upon an entirely different avenue of industry and instruction.

Thus far in your lives others have been paid to work for you. From now on you will be paid to work for others. This is true whether you are later an employee or in an independent business on your own account. And what a world of difference that reversal of position makes.

Your instructors, whether you think so or not, have been bending their efforts to accommodate themselves and their work to your needs and your advancement. Henceforth, it will be your duty to accommodate yourselves to someone else—to your employer, to your superiors, to your inferiors, to your organization, to your husband, to your wife, to the public—in your own need and for your own advancement. The whole world is thrown wide open for your passage, and the way you pass is in a very considerable measure your own doing.

You will understand that any broad principle such as that just stated has its limits of application and we must have in mind some modifications, those that are apparent and those that are probable.

Let me illustrate what I mean if I assert the rule that the way you pass through life is your own doing. I must, at the same time, have in mind other related or affecting rules.

Suppose a month from tonight you receive a message stating that you have been accepted for a position by means of which you expect to earn a living. Next morning you hustle around in order to be at the appointed place on the dot. You are more or less excited, you hurry along all aquiver with expectation, you dart across the street, you are hit by an oncoming automobile. Sometime later you come to consciousness and learn you are in a hospital, permanently, perhaps totally, disabled for the remainder of your life.

It does not make any difference so far as this incident and its application is concerned whether you were at fault or whether the negligence was that of the driver of the car. The point is that suddenly, somehow, the whole course of your life is changed—abruptly, fundamentally, and irrevocably redirected.

Assuming now that you were entirely without fault in the foregoing picture, it is evident that even though in a broad sense your path through life is your own making, in another and a very intimate and crucial sense, some other person, or object, or thing may very materially alter that path.

That brings us up sharply to such important considerations as companionships, associations, the books we read, the friends we admire, the acquaintances we ignore, the individuals we dislike, the course we follow, the machine we operate, the clothes we wear, the thoughts we think, and so forth never endingly.

So, we say, if it be true that our path through life is our own making, yet in saying that we must have in mind the modifiers and qualifiers which existence of itself alone attaches to the rule. We must live this life with other people and other things and other forces outside ourselves, simply because there is no other way of living. And that's an end on't.

* * * * * * *

This idea is properly applicable to your education. What education you now have is the result of your own doing, with and because of the talents you were born with. It may be that some or all of you have very definite ideas and opinions on many things in life. It is not so much how you came by your ideas and opinions; the important thing is that you have them and the use you will make of them.

If I say to you that you are very likely to make some wonderful discoveries in this arena within the next 20 years, do not be utterly shocked. Life is growth. The physical life growth on the average has almost finished before the mental growth really begins. This mental growth, barring the unusual and accidentals, continues on into old age if the growing is not inhibited.

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Here, it seems, is fundamentally what education is, and what schools are for—something that you strive for and, having acquired, keep—thought for the consideration of reasons and ideas. In this attainment it is necessary to acquire a golden mean between wishy-washy, dilly-daily indecision and an obstinate opinionativeness.

If you already have very definite ideas, let us say, on politics and government, it will be interesting and probably worth while to examine those ideas at some near future date.

Let me be practical by giving you an example of what I mean. If you have interested yourself in your studies on civil government, you have learned that the Constitution of the United States established three coordinate branches. First, the legislative, the Congress; secondly, the executive, the President; thirdly, the judicial, the Supreme Court.

Within the last fortnight we have witnessed some terrific clashes among these three coordinate branches of our Government. The effect of the Presidential veto of the so-called "bonus bill" has been far-reaching. I do not mean to argue the bill or the Presidential action on it, although I have my own opinions about the bill and the veto. I merely point out that as you have been reading the dry statement in the books about the veto power of the executive side of the Government you have not thought that it would be exercised on a subject that pointedly, perhaps, concerned your own future.

By another name, but in effect the same thing as the Presidential veto of the action of Congress, the Supreme Court on Monday of this week very decisively and very effectively vetoed the combined action of the Congress and the President.

You may never have heard or been taught that one of the three branches of Government had a veto over the other two, yet that is exactly what happened in the Schechter poultry case. The action of Congress, the legislative or lawmaking branch of the Federal Government combined with the executive or law-enforcing branch, was summarily halted and reversed by the judicial branch, the Supreme Court.

Now, there is no express authority in the Constitution by which the Supreme Court can veto the action of the Congress and the President, yet it was done, it has been done before, and very likely will be done again in the future.

The veto by the Supreme Court has, though you may not yet know or realize it, seriously and profoundly and vitally affected your lives.

But the point I would make is that in the present state of uncertainty, of distress, of anxiety, and of turmoil, it is necessary that we keep our thoughts open to the reception of new ideas, and that instead of rushing headlong into God only knows what condition in the blindness of closed minds, we strive valiantly to balance our emotions and our reasons; that we attain a golden mean and by its exercise achieve ultimate public good and welfare.

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My young friends, may I congratulate you very heartily on having advanced thus far in your educational career. May I further wish you an abundant life, one in which you shall reap richly the fruits of your student years and live long to enjoy the ripe harvest of your own earnest and arduous application.

LOYALTY

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein an address by my colleague the gentleman from Michigan [Mr. BLACKNEY], delivered to the Front Line Post, Veterans of Foreign Wars, on Memorial Day.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOODRUFF. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. WILLIAM W. BLACKNEY, of Michigan, at Washington, D. C., May 27, 1935:

I was greatly pleased to receive your invitation to deliver the memorial address in commemoration of the members of your post that have gone to the Great Beyond. I have long been an admirer of the veterans of our great country. In every great crisis, men from every walk of life have responded to their country's call and made the supreme sacrifice, if necessary, that their country might endure.

It has been my pleasure in my home State of Michigan to have been associated with a splendid group of veterans in my district and in my State, and I have been imbued with their loyalty and patriotism, so on this occasion I gladly join with you in paying tribute to your deceased brothers.

Tennyson, in his beautful poem Break, Break, Break, said:

"And the stately ships go on
To their haven under the hill,
But oh, for the touch of a vanished hand,
And the sound of a voice that is still."

You are paying tribute tonight to your veteran friends whose voices are still but whose memory still lingers on.

America during the last 5 years has been passing through a period that has tested the manhood and the womanhood of this country. Back in the prosperous days we took our Government as a matter of course, but after the depression came, then we realized that no government could be automatic, that it depended upon the intelligence and integrity and loyalty of its citizens.

During the last 5 years we have heard many expressions of disloyalty to our country—expressions of radicalism, expressions of despondency—and yet we have looked to your great group of veterans during this period of economic stress to be just as good soldiers of peace as you were soldiers of war during the time that you served in your country's cause.

I realize your own great disappointment when the bonus failed to pass. I voted for the bonus when it first came before the House of Representatives. On May 7 this bill passed the Senate, and had the President signed it, it would have become a law; but the President, being opposed to the bonus measure, vetoed this bill in a message which he delivered to the joint session of Congress on May 22. In order to make this bonus bill a law, after the President had vetoed it, it became necessary, under the Constitution, that the bill should pass each House of Congress by a two-thirds vote. The bill passed the House by a vote of 322 for to 98 against, this vote being more than the necessary two-thirds. I voted for the bill. It then went to the Senate, and on May 23 the Senate voted on this measure by a vote of 54 for to 40 against. This not being the necessary two-thirds vote, the bill failed of passage.

Personally, I was sorry that the Senate did not override the President's veto. I have favored the soldiers' bonus all the way through, because I felt that our veterans were entitled to their compensation.

I have chosen as my subject tonight "Loyalty", because that was the motive that called you to the defense of your country.

The first phase of loyalty that I desire to call your attention to is that of loyalty to country and to Constitution. I think that we could safely say that no matter how we have been affected by the depression, we are all willing to admit that we are still living in the greatest country that the world has ever known; that we are still living in a country that gives to its citizens more rights and privileges than any other country; and that at this particular time every liberty-loving man and woman owes to their country the most affectionate loyalty.

I shall never forget the first time that I visited Mount Vernon, the ancestral home of Washington, Father of our Country. As I stood in that old historic mansion it seemed to me that a panorama of my country's history came before me and I realized as never before the loyalty of that great leader. And I visioned him not only as a soldier of war during the dark, trying days of the Revolution but also as the soldier of peace during the equally dark period of the adoption of the Constitution and the promulgation of our Government.

Washington has long stood as the polar star of American patriotism, and it is still fine at this date to turn back the pages of history and to read of his contribution to his country. It was under Washington's guidance that the Constitutional Convention met in Philadelphia and under his leadership as President of that august body that the Constitution of the United States was adopted.

Historians in speaking of Washington and his character say:

"Alone, in all its glory, stands forth the character of Washington in history. Alone, like some tall mountain peak that has no fellow in the mountain range of human greatness."

Just 9 years after the death of Washington, in the lowly hills of Kentucky, Abraham Lincoln was born, who, when he grew to manhood, was destined to be the savior of the country that Washington had founded. During the dark days of the Civil War the guiding hand and spirit of Lincoln was everywhere manifest, and at the conclusion of that war our Constitution was still in effect and we were still a united Nation.

How important it is, in these times when we are apt to lose faith in our Government, to turn back the pages of history and gain inspiration and loyalty from the life of Washington and the life of Lincoln. I love to quote the great statement made by Joseph Fort Newton with reference to Washington and Lincoln:

"Stately, graceful, nobly fashioned; a giant among freemen in a new world; a man of the out-of-doors, lithe, sinewy, wise in the lore of field and forest; uniting dignity with simplicity; austere of aspect but gentle of heart; a great soldier in whom mental clarity was joined with moral majesty; a man of faith and prayer; a descendent of kings who refused a crown and founded a Republic; an aristocrat leading a democracy; our first President, whose platform was his own character; the greatest man of his age—Washington, the Father of his Country.

"Tall, angular, homely, eloquent; a child of the South, a leader of the North, who grew up in the backyard of the Nation; the son of a pioneer untrained in schools; a village fabulist, postmaster, and country lawyer; hater of slavery and lover of men; a humorist with a heart full of tears; a logician with a soul of pity and pathos; a high priest at the altar of blood and fire and terror; unbendingly firm, incredibly merciful, infinitely patient; a martyr in the hour of victory; the tallest soul of his time—Lincoln, the savior of his country.

"Washington came up from Virginia; Lincoln came down from Illinois. They came with one honor, one purity, one high, disinterested dedication; providential men, providentially trained to do the work appointed; and the Republic is at once their monument and their enduring memorial. May the God who gave us such men to guide us in days agone give us men of like make and mold to lead us in the days ahead."

The second loyalty that I desire to call your attention to is loyalty to our schools and to our educational system. In 1787, the same year that our Constitution of the United States was adopted, the Ordinance of 1787 said:

"Religion, morality, and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged."

So that from the very inception of our Government, America has guaranteed to her boys and girls the benefit of an education. And today the public schools of our State and Nation are graduating hundreds of thousands of young men and women who are better prepared by their education to take up the battle of citizenship.

We are all believers in education because we realize that there is a solace and a joy in education that we cannot glean from any other source.

We all owe it to our country to become posted in the affairs of government. We die mentally the day we cease our efforts to learn. There is a fine saying attributed to Michelangelo that expresses the central maxim of this whole new psychology of education. Angelo was made superintending architect of St. Peter's Cathedral on his seventy-second birthday, and he carried on through the reigns of five popes. When he was nearly 90, and had lost his eyesight and became enfeebled in body, he still had his servants carry him into the great temple. As he ran those marvelous hands of his—marvelous because he still continued to use them—over the statues and decorations of that great temple, the old, blind man exclaimed: "I still learn! I still learn!"

And so, my friends, it is with you. Whether you have a great mind or a common mind, whether you are a genius or just an average man or woman, you are still a vital and effective factor in your home, your workshop, your community, and the world so long as you can say with Michelangelo, "I still learn."

The third loyalty that every soldier owes allegiance to is the home. The American home has always been the very bulwark of our civilization. Whether the home is rich or poor in America has made no difference. Some of the greatest characters in American history have come from the humblest American homes.

Recently I was amazed to hear a speaker assert that the American home no longer served its purpose; that it was deteriorating;

that fathers and mothers no longer love their children; that children no longer love their fathers and mothers. To me this statement is absurd. I question whether there ever has been a time in America when the home has better served its purpose than now. Fathers and mothers today are constantly making sacrifices that their boys and girls may attend school and fit themselves for American citizenship, and these boys and girls are loyally responding.

Let me illustrate. Some few months ago an old factory man of my city came to my office to consult me. He had lost practically all of the property that he had in the recent depression, and yet he had not lost faith in American institutions. In the course of our conversation he proudly told me that his three children, for whom he had made so many sacrifices, had not lost one day of school in the last three years, and stated that while he would not be able to leave them any money, it was his thought and his prayer that he might be able to leave them an education to fit them for the battles of life. This spirit of self-sacrifice is evident everywhere among our fathers and mothers.

And, finally, the last loyalty of which I shall speak is loyalty to church. From the inception of America we have recognized the right of every man and woman to worship God according to the dictates of their conscience. In this country Jew or Gentile, Catholic or Protestant, can worship God as they see fit. Such is one of the glories of America.

I wish to take this occasion of congratulating the veterans of Front Line Post, Veterans of Foreign Wars, and also all other veteran organizations throughout the country, for manifesting Americanism so prominently during the last few years. In these days when old landmarks are being removed and when expressions of radicalism are being heard on every hand and condemnation heard of our form of Government, it is exceedingly refreshing to meet a group of American citizens who believe in American institutions and in American Government.

You are not interested in communism; you are not interested in socialism; you are not interested in fascism. But you are vitally interested in Americanism. It was for Americanism that you enlisted in your country's cause. It was for Americanism that you fought; it is for Americanism that you today are active citizens in this great country of ours.

Under our American Constitution, which has so safely guided our country during the 146 years of its existence, we have three divisions of Government—the legislative, the judicial, and the executive—each independent of the other and each working together harmoniously to make a united country and a united Government.

During the last few years the feeling seems to have been growing in certain sources that the executive branch of our Government was predominant, that it was the right and duty of the executive department of our Government to dictate to the legislative department with reference to the passage of laws.

Unfortunately, Congress, for the time being, fell from its high estate and was instrumental in passing laws against the judgment of many leaders of Congress, laws delegating great powers to the executive department unwisely and unconstitutionally. But fortunately for the American Constitution and for American institutions, we have the great Supreme Court of the United States that since 1789 has functioned so efficiently and so well, with no taint of scandal or dishonor attached to it. The Supreme Court now stands out as the very balance wheel of the American Constitution.

Let me illustrate. In the National Industrial Recovery Act which was passed by the Seventy-third Congress, great delegations of power were given to the executive department of the Government; delegations of power to such an extent as to greatly weaken Congress itself and to make it appear as though Congress was subservient to the executive department. Today the Supreme Court, in one of the most fundamental decisions that has been handed down in many years, declared the N. R. A. unconstitutional, in that Congress had made delegations of its power to the executive department unconstitutionally; and also in that Congress had no authority over intrastate commerce, jurisdiction of which is reserved exclusively to the States.

It is to be hoped that this decision settles, once and for all time, the equal supremacy of the legislative, executive, and judicial departments; and that from this time on, each department of Government will recognize its duty and will perform it, leaving to the other departments of Government their duty to perform. I do not hold that the American Constitution is an unchangeable document, but I do hold that attempts to encourage nullification of provisions of this Constitution should be discouraged and discontinued. The Constitution itself provides methods of amendment, and when the occasion arises that our fundamental document should be changed in some particulars, then there is a constitutional way of bringing that about.

In conclusion, let me urge upon you to renew your love and allegiance to our Constitution and to our flag; to do everything in your power to raise the standards of American citizenship to the highest possible, and to work so that America will be as Lincoln said many years ago, "A Government of the people, by the people, and for the people."

THE MILITARY COLLEGE OF SOUTH CAROLINA—THE CITADEL AT CHARLESTON

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address made by myself at the commencement of the Citadel Military College at Charleston, S. C., on June 1.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I append hereto for printing as a part of my remarks, by permission of the House, a copy of the address delivered by me on June 1, 1935, at the commencement of The Citadel, the military college of South Carolina, located at Charleston, S. C. On that day 97 outstanding and very promising young men received the degrees of A. B. and B. S. after 4 years of faithful study and thorough training.

This school has a high standing for scholarship and discipline. It has a long history of nearly 100 years of splendid service to the State and Nation. Her sons have always taken high places in all walks of life, and especially as soldiers in time of war. Citadel graduates adorn the pulpit, the bench, the bar, the medical and engineering professions, and most other professions and lines of business and industry. The faculty of The Citadel consists of ripe scholars and experienced teachers. Men of distinction and of high character have always headed this historic college as its president. At the present time we South Carolinians are fortunate to have Gen. Charles P. Summerall give his rare ability as a scholar, his great fame as a soldier, and his stalwart character as a citizen and gentleman to the presidency of The Citadel. His life and example are an inspiration to the young men of the cadet corps. His leadership in many civic enterprises is a great asset to all our people.

The student body of the Citadel usually consists of something less than 600 cadets, and the military discipline is thorough and exacting, while the scholarship requirements are high and widely recognized. The climate of Charleston during the scholastic year is mild and genial, and is well adapted to outdoor sports, games, and athletic exercises, and permits outdoor drill all through the winter season. I regard it as an ideal location for a military college, and am happy to note that parents from other States, especially from the northern tier of States, are coming to recognize the advantages to be had at The Citadel as a place for the education of their sons.

I was particularly honored to receive the invitation of the faculty and of the board of visitors to deliver the commencement address on June 1, 1935, and herewith submit the same for printing as a part of my remarks.

Mr. President and gentlemen of the faculty, trustees of The Citadel, and cadets, especially of the graduating class, ladies, and gentlemen: It is good to be in Charleston. It is great to try to serve The Citadel. This city and this institution personify the permanent, the worth-while in character. When all the world seems in flux, when change is thought by many to have a value all its own, when to tear down just to rebuild in another fashion is a popular pastime, it is restful and reassuring to pause a little while here, where age as age is respected, where needless change is resented, and where history, tradition, and even sentiment are revered, not reviled, and sincerely fostered, not cynically flouted.

I used to think that Patrick Henry and Thomas Jefferson were 100 percent right when they declared, though in different words, "that men are disposed to bear the ills they have than fly to those they know not of." Is it true today? Is it not too often true that the more extreme, radical, even revolutionary the voice may be, the greater the following, at least the larger the audience? Reverent, sincere questioning of existing institutions is always desirable. But now reckless, superficial, defiant, contemptuous challenging of our whole social structure is too often the rule, and breeds the germs of danger.

The ultramodernistic fashion prevailing in so many colleges and universities of following after the strange gods of pacifism, communism, fascism, nazi-ism, and other destructive devitalizing notions, is not in vogue here at The Citadel and in Charleston. Such silly sentiments find no comfort in your faculty and your student body. Recently a college student from a distant State wrote me he would never fight for this country or any other. If he will not volunteer, and if the draft does not catch him, he would cowardly let others defend his country, his home, his life. Does such a person deserve to enjoy the blood-bought blessings of liberty and civilization? Yet he threatens to fight to maintain his claim of right not to fight.

Not all change or desire for change is bad. In the long stretches of history revolution often appears as an essential stage in social evolution. Such indeed was the American Revolution. But it was not a violent uprooting of economic, social, or family ideals and institutions. Rather it was a rededication to the noblest and best in the transported, inherited English civilization. It was a change in the superstructure of government, with the intent and result of giving new force and vigor to the individual, the family, the community, the State, the Nation.

RIGHTEOUS WAR OF DEFENSE

Surely no sane person would even try to justify an unprovoked war of aggression upon the territory or rights of any other people. Such a war by America is impossible. All her diplomacy, which is openly published, is conducted by direct representatives of the people. Under our constitutional set-up war may be declared only by Congress, which is constantly kept in close touch with people. No Napoleon, king, czar, or kaiser can for his own ambition or greed make cannon fodder of American youth. But, by the same token, no foreign potentate or power should ever have reason to think that American manhood will shrink before any invading forces upon our land, or our waters, or our rights. But they will certainly think so, unless Americans are adequately trained to cooperate in masses in the use of the arms and instrumentalities of defense, and possess these weapons, and also possess the industrial means of reproducing these weapons and supplies in quantity when needed.

NO CHANGE IN HUMAN NATURE

Some people dread and some even refuse to face these hard facts of history and human nature. Let us take a typical cross-section example from real life. My great-grandfather lived through three wars. My grandfather lived through three wars. My father through two wars, and I have already lived through two wars, and though I devoutly hope I may never know another in our land, there may be conditions more to be dreaded than a war in defense of rights and ideals. Human nature has not substantially changed, certainly in the last few generations. Poets and dreamers have always, as far back as early Bible times, expressed the fond hope, which we all sincerely indulge, that wars may cease upon the earth. But the same Bible records war after war, and extols the virtues of the righteous warrior. War is often necessary to enforce and preserve the right sort of peace. We have certain national policies, such as the Monroe Doctrine (correctly interpreted), the freedom of the seas, the doctrine of neutrality. If these are violated by another nation, we must either defend them or abandon them. If we supinely abandon them, the next step would be that some greedy, insolent nation may invade us and take a good slice of our territory and compel payment of a huge indemnity and enforce the surrender of our rights. To escape such fate we will and can and must defend ourselves.

How can we defend ourselves? Merely by wishing to? Merely by rising in unorganized masses with simple weapons in our hands? Certainly, not now. Even those powerful, warlike Gauls, Germans, and Britons, vastly superior in numbers, could not defend their lands against the well-trained and well-armed legions of Rome led by Caesar. Have there been no Caesars and no Romans in modern times? Who dare gamble with his country's freedom as stakes? Who can say that other Caesars will not come in the future, come even to American shores? There is much talk about outlawing war and about outlawing certain instrumentalities and weapons of war, such as the airplane, chemical agencies, submarines, and also against bombarding and starving out industrial and commercial centers of population. Such attempts are like trying to kill a plant by cutting off its top branches. War is not a cause, but a result. It is not a germ, but a symptom of international disease. It is useless to attack results as such, but necessary to remove the cause. To kill the weed, one should dig up the roots.

NO CIVILIZED WARFARE

Furthermore, it is vain to talk about trying to make a genteel war by formulating certain rules of war called "civilized warfare." When nations begin to war against each other as nations and not merely by armies, when each nation feels that its very life is at stake, it will not hesitate to resort to any means of weakening or destroying any part of the enemy nation, whether it be the armed forces or the civilians behind the lines supporting and sustaining the armed forces.

In the old days armies were like champions fighting far removed from the civilian population. Now, war is not merely a clash between men in arms but it is a mighty struggle between one industrial system and another industrial system, a contest to the death between the will power and morale of one nation against the will power and morale of another nation. In a very real sense, those behind the lines preparing and producing the things that armies must eat and wear and the munitions that armies must employ are part of the fighting forces, and perhaps the more essential and vital part. Hence, one nation will attack the civil population of another nation by any means available, whether by submarines or airplanes or poisonous gases or radio power of destruction or by any other means.

OCEANS NO LONGER MAKE AMERICA SAFE

America can no longer feel herself secure by pointing to an ocean on the east, a broader ocean on the west, and friendly powers to the north and to the south. All nations are friendly till war breaks between them. The ally of today is the open enemy of tomorrow. Often the enemy of today is the ally of tomorrow, and all history exemplifies this truth. Unfortunately, America is no longer safe behind her boasted ocean barriers.

At present speeds a plane can cross the Atlantic in less than 12 hours and cross the Pacific in less than 36 hours. What developments tomorrow may bring in the speed, the cruising range, and the carrying power of these aircraft is a matter of conjecture, but one thing seems practically sure: The progress that has been made in the last 10 years in the matter of speed and range and lifting power will be doubled in the next 10 years. If that be true, then America must face such a situation with open eyes. Formerly our isolated situation led to certain policies and to certain principles of defensive strategy that are now no longer applicable. Even the Atlantic Ocean is but little wider today than was the English Channel in the days of Napoleon. Even the Pacific Ocean is not as wide today as was the Adriatic Sea in the days of Caesar. Washington and all other American cities are today nearer the great metropolitan centers of Europe on the one side and of Asia on the other than was Paris to Berlin in 1870. It is foolish to blink these facts. It is foolish to say that war under modern conditions should be prohibited, because war would be destructive of civilization. Such pious exclamations will not deter the outbreak of war nor mollify its conduct. We must strike at the deeper roots, and if we would avoid war, we must strike resolutely and unselfishly in the spirit of genuine unfeigned Christianity. War has its origin in the mutual hatred, jealousy, and envy growing out of trade rivalries, racial competition, religious differences, and all of those economic, social, and moral forces that move the masses of men to action.

Armies and battleships do not cause war. They are employed only at the time the people become aroused to such pitch of passion that reason has fled and men must and will fight. If there were not present these modern implements of destruction, men would fight with fists and sticks and rocks. If we would avoid war we must be willing to lay aside foolish pride, inordinate greed, selfish ambition, and be tolerant and broad-minded and charitable toward what is said and done in and by other nations. We can set an example to other nations in this tolerant attitude. But that alone would not prevent war, because the same tolerance and the same charitableness and the same spirit of Christian forgiveness must prevail in the other nations also in order to restrain them and to prevent their aggression. Since these causes have their roots in the hearts of the nearly two thousand million individuals over the face of the earth; and since the processes of education, civilization, of refining and Christianizing of so many people are necessarily slow, it would be just as idle for America alone to lead in the act of disarmament as it would be for a law-abiding citizen of this city to fail to have adequate weapons for home defense behind the door. America can and will maintain an attitude of nonaggression toward all other nations; but however pacific her mind, however nonresistant her attitude, however nonaggressive her policies, she cannot afford to gamble upon the presence or absence of such peaceful states of mind among the sister nations of the earth. For that reason a safe and sane program of national defense is our only safe and sane course.

RAISING HUMAN VALUES

And now a word about our State and our people. The work of recovery and redemption will not be finished with the return of material prosperity. Along with it and as fundamental to it, must be the raising of human values. We need never expect and, in fact, never desire numerous swollen fortunes, such as may be found in States where vast natural resources abound. But we must take pride in a higher form of wealth. We must achieve a manhood and womanhood of such strength and stamina as to command the attention and respect of the country and the world. To this end all of our schools and colleges must receive not only our financial but our moral support and cooperation. Yet we must not lay the whole responsibility upon schools and colleges. It is a mistake to assume that mere book education produces character and changes human conduct. Knowledge is power, but a trained intellect is a two-edged sword. For this power to be of public benefit and for this intellect to serve the common weal, they must be guided and controlled by unselfish, patriotic, and Christian character. Schools and colleges are helpful in the formation of character, but they alone cannot confer it.

The great nursery for the building of the essentials of right character is the home. The home influence is dominant and enduring. Though some fathers and mothers may so desire, they cannot transfer their responsibility. It cannot be passed over to teachers and professors. Unless the right example and the sound precept be ever found in the home, then the future is not safe. It will require the constant cooperative influence of school, church, and home to make our people unique and distinct in high human values. We have been laying relatively too much emphasis on money and material things. In the race for wealth we are beaten before we begin. But we can attain superiority in the physical, intellectual, and moral qualities of all our men and women. Such a superiority is enduring. Riches may flee, but the virtues and values of high character live on forever. To excel in this respect is worth while. May all the forces, agencies, and influences of our beloved Commonwealth combine to achieve this highest standard of human quality.

STOP INDULGING IN SELF-PITY

We South Carolinians have too often indulged in self-pity about our lack of natural resources and our relative poverty in economic and industrial respects. Such a mental attitude indicates a false standard of value. Consider barren, rock-bound, rugged Scotland, with her cold and inhospitable climate. She has set no store upon wealth and material greatness and power. She has concentrated her energies upon developing manhood and womanhood with powerful physique, strong intellect, and stalwart character. What is the result?

Scottish influence well nigh dominates the entire British Empire, and has done so for almost 200 years. Furthermore, wherever the English language is spoken there is the Scot distinct in his individuality, outstanding in his efficiency, and incorruptible in his

loyalty. What an example for South Carolinians to follow! Let money be but a means to manhood and wealth but the royal way to womanhood. Let all South Carolinians, all their institutions, all their agencies, and all their influences concentrate upon the final product of producing people of the right sort. Then the very name of South Carolina will constitute a passport into every other State and into every other country, and that passport will be stamped with the seal of universal recognition that South Carolinians are distinctive, that they are efficient, that they are trustworthy, and that they set human value above money value. To possess such men and women will be a wealth that millionaires will envy and that all their gold cannot buy. It will be a treasure that time cannot tarnish and depressions cannot destroy. It will be an asset that cannot disappear; it will bear dividends that will increase with the passing years; and when the final balance sheet is struck, when the great add-up is made, with such facts, forces, and figures to her credit South Carolina should lead her sister States.

THE TRUE STANDARD OF SUCCESS

Doubtless you young gentlemen about to graduate are now thinking much about that other school of life about to commence, thinking about the jobs and the pay and asking yourselves, "How much will I get"? But a more fundamental and important and far-reaching question is, "How much can I give? How much am I really worth? What can I do to deserve reward? How can I receive unless I truly serve? What do I owe to my family and friends, to my State and to my Nation?" First answer sincerely these heart-searching questions, and the other problems of pay, salary, and fortune will finally adjust themselves rightly.

HUMAN INFLUENCE IS IMMORTAL

We have more to do as responsible human beings beside making a living. It is our solemn responsibility to make a life. In that larger sense, we must also help make the lives of others. In a word, we must exert influence, and the all-important question is, What sort of influence shall we exert? Influence is one manifest and almost obvious evidence of immortality. Influence not only persists, endures, lives forever, but increases, enlarges, and multiplies with the passing of time.

A conspicuous example of undying and ever-widening influence is before us today. During the dread days of the War between the States, a young lady taught girls in a little red schoolhouse at Cross Hill, in Laurens County. Among those girls was my mother. A thousand times and more have I heard her say, "Miss Pelot always said this", or, "Miss Pelot always said that", or, "Miss Pelot often told us girls so and so." To her whatever Miss Pelot had said was the standard of true morals and right conduct. Throughout my mother's busy and fruitful life she constantly reflected the influence of that wonderful teacher, and by reason thereof I am become in some small degree a spiritual heir-at-law of that same marvelous and talented teacher, Margaret Cornelia Pelot. And so with the sons and daughters and grandsons and granddaughters of all the other girls, who as pupils came under the spell and inspiration of this remarkable woman. But if such be the case as between teacher and pupil, what about the case of mother and son? Her son here, now the President of this great and useful institution, has been before the members of this graduating class for 4 years. Throughout his more than 40 years of service in our Army hundreds of thousands of men and officers have felt the urge and impulse to do noble deeds, to live loftier lives, to serve, to suffer, and to conquer because Charles Pelot Summerall was there to command, to say the word, and then to lead the way. Law having put a period to his direct military service, his countrymen called him to lead in this military college. Though The Citadel be not great in numbers as compared with some colleges and universities, it is great in abiding influence. Though it is not large in material resources, it is large in rare tradition, in splendid history, and in the fine fruitage of her sons.

What an opportunity was opened here for General Summerall to follow the example of one of the South's, yea, one of the Nation's, greatest and noblest sons, Robert E. Lee. Fortunately for The Citadel, for Charleston, and for South Carolina, General Summerall was not slow to see and to seize the chance to crown his glorious life with this unselfish, unstinted service to the sons of his mother's State. Truly did our Master teach, "He that would be chiefest among you, let him be servant of all." And when others and yet others in long succession shall follow General Summerall as president, the successive generations of cadets as they shall pass in review and then pass out of view will repeat the tales and recite the traditions of these days, of these Periclean days, and when a full general of the Army, full of worthy honors, followed into retirement by the plaudits of 4,000,000 World War soldiers, was fired by the example of the immortal Lee, and found here a place to serve in this city of rare culture and in this school for the civilian soldier, in this State, poor in finances but rich in her strong and unspoiled young manhood. Here in the city where he studied at Porter's Military Academy, here where in boyhood he formed so many firm friendships, here among you fortunate citizens of Charleston, the great soldier lives in quiet simplicity, the profound scholar speaks in plain words, the noble son here continues to prove true to the ideals of that noble mother.

In the light of such example, in the face of hundreds of such examples known to all of us, how can any sane person assert that there is no immortality?

ONWARD, SOLDIER CITIZENS

From here and now, you young gentlemen of the graduating class, go forward into action. Here you have received your general orders, but in action you must rely upon your own individual resources and personal initiative. Each man must estimate the situation for himself. No longer a close formation, no longer a leader to command and guide, no longer a fellow cadet at each elbow to inspire and assist. On you and on you alone will depend the issue of the day. With knowledge to light your way, with trained will power to drive you forward, with conscience to guide your course as the compass guides a ship, you will go forward into what we always call, "the battle of life." Your mother college will follow your fight with fond but anxious eyes. Your friends will be here and there in the same wide field. Your competitors, your economic enemies, will also be there. As you advance, turn often in your mind's eye to this time-seasoned and service-honored college, and read, as it were a motto, in bold letters upon her banner, these words, "Carolina, The Citadel, and Summerall expect every man to do his duty."

MEMORIAL DAY ADDRESS

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address I delivered on June 2, 1935, under the auspices of the E. V. White Chapter, United Daughters of the Confederacy, at Beallsville, Md.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Speaker, under the leave granted me to extend my remarks in the RECORD, I include the following address which I delivered on June 2, 1935, at the Monocacy Cemetery, Beallsville, Md., under the auspices of the E. V. White Chapter, United Daughters of the Confederacy:

JEFFERSON DAVIS

Jefferson Davis was a gallant soldier in the War with Mexico, and one of the most accomplished statesmen who ever sat in the Senate of the United States, but he is best known as the President of the Confederacy.

History is more tardy in doing justice to the political leaders of civil wars than to their military chieftains. The feeling against political leaders is more intense and more lasting than against military commanders.

Civil conflicts engender hatreds, inflame passions, create prejudices, provide misunderstanding, and foster misrepresentation. The political leader typifies the cause and is held accountable for the results of war. He is the very incarnation of the civil war itself. The casualties of war result in hatred and animosities between the contending peoples. There is a glamor about military commanders that does not obtain with respect to leaders in the political forum. People forgive opposing generals more quickly than they do opposing Presidents.

Time is a great adjuster. As the years pass the breezes blow more gently. Reason succeeds prejudice; justice replaces passion. Time has healed the wounds of the War Between the States. Time alone can eliminate the bitterness of fratricidal conflict. As L. Q. C. Lamar, a great Mississippian and a great American, said shortly after the war in his eulogy of Charles Sumner, of Massachusetts, "My countrymen, know one another and you will love one another."

The hour has struck to record impartial truth in the tribunal of history. As the sun shines above the clouds, so the truth shines above the clouds of malice that distorted facts, warped opinions, and influenced judgments for years following the war. But sectional feelings and sectional differences are disappearing. The reconciliation of the North and South was promoted by the Spanish-American War as Joe Wheeler fought by the side of Theodore Roosevelt in Cuba and the reconciliation was completed in the World War when the grandsons of those who wore the blue fought side by side with the grandsons of those who wore the gray at Chateau Thierry, Belleau Woods, and in the Argonne Forest as they turned the tide for victory in the greatest of all wars.

While fraternity and reconciliation generally obtain, occasionally there are discordant voices. During the present session of Congress, Representative HAMILTON FISH, of New York, introduced a bill to provide for the erection of a statue of Robert E. Lee at Arlington. The ladies of the Massachusetts Women's Relief Corps of the G. A. R., in opposing the happy gesture of Representative FISH, have exhibited a relentlessness that is worthy of a better cause and have manifested a sectionalism that should be obsolete. The sentiment of Charles Francis Adams, a distinguished son of Massachusetts and an officer in Grant's army, is nobler. In 1902 he asked:

"Shall Robert E. Lee have a statue? * * * I propose also to offer to your consideration some reasons why he should and assuredly will have one, if not now, then presently."

Again, he said, in 1907:

"As a result of much patient study and most mature reflection, that under similar conditions I would myself have done exactly what Lee did; in fact, I do not see how I, placed as he was placed, could have done otherwise."

The voice of discord is now the exception rather than the rule.

William McKinley, himself a soldier, and President during the Spanish-American War, probably contributed more than any other man in promoting the spirit of good will and reconciliation when he advocated, in an address before the Legislature of Georgia, the care of the graves of both Federal and Confederate soldiers. I gladly turn away from the sectional hatred of the New England women who opposed the erection of a statue of Robert E. Lee in his own beloved Arlington to the finer and nobler sentiment of patriots and soldiers like William McKinley, who said:

"We are a reunited people—united in interest, sentiment, purpose, and love of country as we have never been before. Sectionalism has disappeared. Old prejudices are but a faded memory. The orator of hate, like the orator of despair, has no hearing in any section of our country."

I believe that the just and generous words of President Theodore Roosevelt typify the spirit of a reunited country when he said:

"Gen. Robert E. Lee is without doubt the greatest of all the captains that the English-speaking people have brought forth, and this although the last and chief of his antagonists (General Grant) may claim to stand as the full equal of Wellington and Marlborough."

Brave and generous souls may differ, but they accord to others of equal bravery and generosity the sincerity of their convictions. Brave and generous men and women of the North now accord to the people of the South the right and privilege of reverence for the valor and memory of those who sacrificed their all upon the altar of their country for that which they believed to be right.

Plutarch, in one of his essays, speaks of Antiphanes, who related that in a certain city the cold was so intense that words were congealed as soon as spoken, but he says that after some time they thawed and became audible so that words spoken in winter were articulated the following summer.

The opinions of Jefferson Davis, long congealed, are now audible. Posterity will do him justice. As soldier, statesman, and President he ranks among the greatest of Americans.

The lofty characters and the high achievements of the leaders, both North and South, in the War between the States, are the heritage of a reunited people. The pen of truth and the tongue of justice can record and describe without malice and without prejudice the life and character of both Jefferson Davis and Abraham Lincoln.

Tardy justice has been done to the memory of both of these illustrious men. Abraham Lincoln, a lover of liberty, was determined to preserve liberty in the Union. Jefferson Davis, a lover of liberty, resorted to secession as a last desperate remedy to preserve the liberty guaranteed to the sovereign States by the Constitution. In the North, Abraham Lincoln while President was reviled, but the bullet of an assassin made him a martyr. Andrew Johnson, his successor, was impeached for undertaking to carry out his policy of reconciliation in the reconstruction of the South. Time and subsequent events have demonstrated the wisdom of the course of Lincoln and Johnson.

Jefferson Davis was misunderstood. He was criticized and often denounced by the people of the South during the progress of the war. As a prisoner at Fortress Monroe following the war, manacled in a casement and bound in chains, for 2 years he suffered for the alleged sins and for the alleged iniquities of the people of the South. As the vicarious sufferer he became the sacrifice of the people of the South and he was enshrined as a martyr in the hearts of his countrymen.

In the historic capital of Lombardy there is a monument whose base is a block of marble. The monument is rather small but of exquisite beauty and design. Some five or six steps lead to the statue of a man in senatorial robes on the block of solid white marble. At the base of the figure a woman kneels and as she supports herself with one arm she writes with the other outstretched with pen in hand on the pure white marble the single word "Cavor."

When Italy came to write the name of a great son and to honor a great patriot, it was not necessary to add an epitaph to tell the world of Cavor and his work.

When we mention the name of Jefferson Davis, the President of the Confederacy, who risked and lost all save honor, and who defended the cause of the Southland to the hour of his death, it is no longer necessary to tell the world who and what he was.

Ours is a reunited country. The differences of the past are not only forgotten but they are forgiven. The people North and South present a solid front in defense of the Government founded by Washington, saved by Lincoln, and preserved by Woodrow Wilson.

There is glory enough for all. The acts of bravery and the deeds of heroism, both North and South, should be celebrated in song and story.

Mutual understanding and appreciation are imperative to the peace and welfare of the whole country. Mutual self-respect is essential to happy and peaceful living.

Fair and generous thinking and courteous speaking are just as essential in a reunited country as sound money and sound currency.

Cicero, in noble words, tells us:

"It is the first and fundamental law of history that it should neither dare to say anything that is false, nor fear to say anything that is true, nor give any just suspicion of favor or disaffection."

We can invoke the high standard of history in considering the life, character, and services of Jefferson Davis—a great man in a great epoch.

LIFE

Jefferson Davis, the son of Samuel Davis, of Welsh descent, and Jane Cook, of Scotch-Irish extraction, was born at Fairview, Christian County, now in Todd County, Ky., on June 3, 1808, and died in New Orleans, La., on December 6, 1889. It is a striking coincidence that Abraham Lincoln was not only a native of the same State but was born about the same time and in the same general locality. Abraham Lincoln was born February 12, 1809, about 65 miles distant from the birthplace of Jefferson Davis, in Hardin, now Larue County, Ky.

The parents of Jefferson Davis were among the substantial middle classes. They did not belong to the aristocracy, as is frequently thought. Samuel Davis was a captain in the Revolutionary War, and three brothers of Jefferson Davis saw service in the War of 1812. His mother was a woman of keen intellect and of graceful bearing.

Shortly after the birth of Jefferson Davis, his parents, who had moved from Augusta, Ga., to Fairview, Ky., went into the far South and located along Bayou Tesche in southern Louisiana, where they resided for only a short time, when they finally moved to Wilkinson County, Miss., and located on Rosemount Plantation, about a mile east of Woodville.

Jefferson Davis attended the common schools in the log cabin of the day. At the age of 7 he was sent to a Catholic institution then known as "St. Thomas", near the town of Springfield, Washington County, Ky., where he remained for 2 years. On his way from Mississippi to Kentucky, he accompanied Maj. Thomas Hinds, of Mississippi, who had served most gallantly under Andrew Jackson at the Battle of New Orleans, and with Major Hinds he visited the Hermitage. Jefferson Davis became a great admirer of Andrew Jackson, and he always referred to him as a great and courtly man. In his latter days he spoke of the impression made upon his youthful mind by Mrs. Jackson. He said she was kind and sympathetic, but, like most women of her day, was deficient in education.

Upon the expiration of 2 years at St. Thomas, Jefferson Davis attended for a while Jefferson College in Adams County, Miss. He probably received his best training at an academy in Wilkinson County, Miss., which he entered at the age of 10. These academies in the South before the war were conducted by men whose life's work was teaching. They are often referred to as pedagogues. They were thorough scholars; they taught courage as well as history; they taught character as well as literature; they emphasized morality as well as mathematics; they were not so much concerned about the degree as they were about the development of manhood. With them the supreme aim of education was character. In such an academy Jefferson Davis was prepared for admission to Transylvania University, Lexington, Va., where he was on the eve of graduating at the age of 16 when by the influence of his older brother, Joseph Davis, a prominent and wealthy planter of Warren County, Miss., he was appointed to the Military Academy at West Point, which he entered in 1824 and from which he was graduated in 1828, twenty-third in a class of 33.

Jefferson Davis was the youngest of 10 children. A great sorrow came to him as he was entering the Military Academy—his father died on July 4, 1824, at the age of 68.

In November 1886, Jefferson Davis attended the dedication of a Baptist Church upon the spot where he was born in Fairview, Ky., having previously contributed to the church the plot of ground upon which the building was erected, and having also previously given to the church a beautiful silver communion service. In speaking at the dedication he reminded the congregation, as he paid tribute to his father, that while he himself was an Episcopalian, his father was a Baptist and a better man than he.

Upon his graduation from West Point he was commissioned a second lieutenant in the Infantry. He saw courageous service in the Black Hawk War, in which Abraham Lincoln also served as a captain of Volunteers. Lieutenant Davis was assigned to the command of Col. Zachary Taylor, between whom there developed a coolness, if not a personal estrangement, in connection with military discipline.

Lieutenant Davis fell violently in love with Sarah Knox Taylor, the daughter of Col. Zachary Taylor, who was then a widower. While Colonel Taylor had no personal objection to Lieutenant Davis as a prospective son-in-law, he did object generally to his daughter marrying a soldier. Nevertheless, Jefferson Davis resigned from the Army in June 1835, and he and Sarah Knox Taylor were married 2 weeks later at the home of Colonel Taylor's sister in Kentucky.

Jefferson Davis was devoted to his charming young wife, who was just 21 years of age at the time of their marriage. Her death 2 months later in August 1835 was a cruel blow to his sensitive soul.

Jefferson Davis retired from the Army to engage in cotton planting on the Briarfield plantation, which had been given to him by his brother, Joseph Davis, and which plantation adjoined the larger Hurricane plantation operated by Joseph Davis.

I am familiar with the location of these plantations. They were situated in Warren County, Miss., on what is known as "Davis Bend" along the Mississippi River. They were magnificent properties before the War between the States. There were small levees to protect the alluvial lands from the overflows of the Father of Waters. The improvement of the Mississippi River, and especially the construction of levees on the opposite bank of the river, have increased the water heights on Davis Island and have practically destroyed the Davis plantations for agricultural purposes. The im-

provement of one part of any stream always results in damage to another part of the stream. The levee system along the lower Mississippi River has been of marvelous benefit to the lower Mississippi Valley, but the magnificent Davis plantations were destroyed by improvements that benefited others.

For 8 years following the death of his wife Jefferson Davis gave himself to cotton growing and to study in the seclusion of his plantation home. He was among the best informed men of his day; he was familiar with the classics and was a thorough student of history. He was a master of economics; he studied the rise and fall of governments and became thoroughly familiar with political and social problems.

In 1843 at the solicitation of friends, just before the election and to fill a vacancy on the ticket caused by the retirement of the nominee, he became a candidate for the Mississippi Legislature on the Democratic ticket. The question of repudiation of the so-called "Union and Planters bonds" was uppermost in the public mind. These bonds had been negotiated by Nicholas Biddle. The State of Mississippi had never received one cent of the proceeds of the bonds. Jefferson Davis openly opposed repudiation. He advocated an adjudication by the courts as to the legality of the bonds and as to the liability of the State. Robert J. Walker, formerly Secretary of the Treasury, and a former United States Senator from Mississippi, was the fiscal agent of the Federal Government during the war to England and probably to other countries, and to create sentiment against the South, including the State that had formerly honored him. Walker misrepresented the views of Jefferson Davis respecting the repudiation of Mississippi bonds, many of which were then held by English citizens. The truth is that Davis urged that the judicial determination of the courts be accepted as the verdict of the people.

During the legislative campaign Jefferson Davis and Sergeant S. Prentiss, one of the greatest of Mississippians and one of the most gifted of American orators, engaged in a joint discussion, and in what proved to be one of the most celebrated joint debates in the political history of Mississippi. Prentiss was not a candidate for the legislature, but he was the spokesman of the opposition party. While Davis was defeated yet the verdict was that he had been victorious in the debate. His effort won much praise throughout the State. The universal sentiment was that Prentiss, a most gifted and brilliant lawyer, had met in Davis a foeman worthy of his steel.

Jefferson Davis married Varina Howell, of Natchez, Miss., in 1845. She was the accomplished daughter of a southern planter and the granddaughter of Governor Howell, of New Jersey, who was the friend and associate of George Washington.

Davis was nominated and elected to Congress in 1845. Slavery was the great question confronting the people and he immediately took a conspicuous part in congressional debates.

He favored the annexation of Texas and approved the course of the United States in the War with Mexico. He resigned his seat in Congress in June 1846 to accept the command of the First Mississippi Regiment of Volunteers, known as the Mississippi Riflemen, to which he had been elected without solicitation, and shortly thereafter he joined his regiment in New Orleans. He was soon under the command of Gen. Zachary Taylor in whose campaigns he and his celebrated riflemen rendered gallant service at Monterey and Buena Vista.

After the war, he and the survivors of his regiment as they returned home by way of New Orleans were accorded a great ovation in that city. Sergeant S. Prentiss, who had removed to New Orleans for the practice of his profession and his opponent in his first political joint debate, delivered an eloquent oration in praise of Jefferson Davis and his regiment for their gallantry in action.

Upon returning to Mississippi from the War with Mexico in 1847 he was appointed by the Governor of the State, and subsequently elected by the legislature, to fill a vacancy in the United States Senate. Upon the completion of the unexpired term he was elected in 1851 for the full term of 6 years.

At the behest of his party in the gubernatorial campaign of 1851, some 6 weeks before the general election and after the Democratic candidate for delegate to a constitutional convention had been defeated by some 8,000 votes just a few weeks previously, he resigned his seat in the Senate in the fall of 1851 to become a candidate for Governor on the Democratic ticket. His opponent was his colleague in the United States Senate, Henry S. Foote. The gubernatorial campaign attracted national attention; they were both national characters. Davis was defeated by 999 votes; but in defeat he was really victorious, for he increased his reputation as one of the outstanding statesmen of his day.

He retired to his plantation at Briarfield, but campaigned the State of Mississippi in the Presidential campaign of 1852 in behalf of Franklin Pierce, upon whose election as President he was tendered a place in the Cabinet. At first he refused, but finally accepted the position of Secretary of War. Just before the expiration of his term he was again elected to the United States Senate. He resumed his seat in that body on March 4, 1857, and continued until his farewell message and resignation on January 21, 1861. Without being a candidate, and really over his protest, he was elected provisional President of the Southern Confederacy and subsequently elected President upon the permanent organization of the southern government.

No executive in a democracy ever faced a greater task or ever overcame greater obstacles. Without a seat of government and without army or navy he established the Southern Confederacy and created a nation that waged one of the greatest wars in history.

After the surrender of Robert E. Lee at Appomattox, where Robert E. Lee never appeared greater or grander, nor Ulysses S. Grant more chivalrous or magnanimous, and after the surrender of Gen. Joseph E. Johnston in North Carolina, Jefferson Davis, as he was making his way to join the Confederate troops west of the Mississippi River, was captured by Federal troops under the command of Colonel Pritchard, shortly after the assassination of Abraham Lincoln by John Wilkes Booth. In passing, it may be said that it has been frequently falsely stated that Jefferson Davis undertook to escape disguised in a woman's apparel. The fact is that he was aroused from his sleep, early in the morning, by the approach of the Federal troops. As he left his wife's tent before daylight she threw a shawl, which she thought was his raglan or topcoat, around his shoulders. A few minutes later the shawl was discarded when he refused to surrender although a bayonet was pointed at his breast. He was taken prisoner and confined at Fortress Monroe, Va., for 2 years. At the command of Gen. Nelson A. Miles, he was manacled and bound in chains while in prison. He was charged with complicity in the assassination of President Lincoln and with being a traitor. He had stated that the assassination of Lincoln was the worst blow that could come to the defeated South. He was as far above the thoughts of an assassin as the East is from the West. Instead of being a traitor he was a patriot of the Jackson and Jefferson type. He promptly demanded a trial, but his repeated demands were refused. He was finally released. Horace Greeley and others equally eminent in the North were sureties on his bond. He was never brought to trial. The indictment was finally dismissed.

Upon his release from prison he spent a year in Canada and a year in England and on the Continent. While in Paris a characteristic incident occurred. Emperor Napoleon invited him to call, sending a special messenger, but Jefferson Davis, believing that Napoleon had acted treacherously toward him in the course he pursued about France recognizing the Confederacy, said: "Tell your Majesty, with my compliments, that I am much obliged, but if he wants to see me he must call on me."

While abroad he was elected president of the Carolina Life Insurance Co. of Memphis, Tenn. This institution was doomed to failure as poverty was wide-spread in the devastated southland. For a time he was connected with the Mississippi Valley Co., which was an organization to promote commerce between South America and New Orleans. After returning to the United States from abroad, Jefferson Davis resided in Memphis until 1876, when he moved to Beauvoir, located in Harrison County, Miss., half way between New Orleans and Mobile. He devoted himself for the 4 years following his removal to Beauvoir to writing his defense of the people of the Confederacy, entitled "The Rise and Fall of the Confederate Government."

At the time of his death he had completed another book which was also published, entitled "A Short History of the Confederate States."

He spent his last years at Beauvoir on the Gulf of Mexico. He still owned Briarfield and he visited his plantation as the occasion required until his death.

Always of delicate health, with the tendency to neurotic indisposition and frequently indisposed, Jefferson Davis became ill while visiting Briarfield in November 1889. As he was returning to Beauvoir his illness became more violent. Upon his arrival at New Orleans he was carried to the residence of J. U. Payne, one of his intimate friends. In a few days, amid the universal sorrow of all of the people of the South, he died, on December 6, 1889.

The Governors of nine States were his pallbearers. Memorial services were held in every capital and in all of the principal cities of the South. A special memorial service was arranged by the Mississippi Legislature in January 1890. Hon. G. A. Wilson, a senator from Holmes County, Miss., and Hon. L. W. Magruder, a representative from Warren County, Miss., delivered tributes to his memory. Hon. J. A. P. Campbell, a former member of the Confederate Congress and chief justice of the Mississippi Supreme Court, delivered a memorable oration in commemoration of his life and character. The Legislature of Virginia also arranged a memorial service in January 1890. The oration was delivered by the late United States Senator John W. Daniel.

CHARACTER

Jefferson Davis was possessed of a magnetic personality. He was above the average in height, slender, and had blue eyes. His voice was pleasing and well modulated. He was a cultured, courteous, unselfish, and accomplished Christian gentleman.

He was well born. He had a happy childhood. He began life well; he was well trained; he inherited a good name from his father and unusual gifts of mind from his mother; he was a loyal and obedient son; he was a normal boy; he grew up in the country; he had no bad habits; he was not given to profanity or vulgarity; he did not sow any wild oats.

It is sometimes said that boys in their development must form bad habits and do evil deeds. I deny the statement. One might as well urge that roses will flourish amid thistles as to maintain that character can be developed by wrong thinking or by evil deeds.

In a memorable address delivered on June 3, 1908, at the University of Mississippi, Bishop Charles B. Galloway, of Mississippi, who knew Jefferson Davis and who differed with him in advocating prohibition, while Jefferson Davis stood for local option, in speaking of the boyhood of Jefferson Davis said:

"He had a clean boyhood, with no tendency to vice or immorality. That was the universal testimony of neighbors, teachers, and fellow students. He grew up a stranger to deceit and a lover of the truth. He formed no evil habits that he had to correct, and forged upon himself no chains that he had to break. His

nature was as transparent as the light that shone about him; his heart was as open as the soft skies that bent in benediction over his country home, and his temper as sweet and cheery as the limpid stream that made music in its flow through the neighboring fields and forests."

Duty was the guiding star in the life of Jefferson Davis. Robert E. Lee and Jefferson Davis were often together during the trying years of the War between the States. Davis loved children. He believed in boys. In an eulogy on Robert E. Lee, he related, as an example of devotion to duty not only by Lee but by his sons, the following incident:

While Gen. Robert E. Lee was away from Virginia on an assignment in another State during the early days of the war, Robert Lee, his young son, a mere lad, left school and came to Richmond to join the Army. Custis Lee, the older brother, was on the staff of Jefferson Davis. Robert Lee joined a battery. Gen. Robert E. Lee said that at the Battle of Sharpesburg this battery suffered so much that it had to be withdrawn for replacements and for other horses, but as he had no other troops even to form a reserve, as soon as the battery could be made useful it was ordered forward. General Lee said that as it passed him a boy mounted as a driver of one of the guns said: "Are you going to put us in again, General?" After replying to him in the affirmative, the general was struck by the voice of the boy and asked him, "Whose son are you?" "I am Robbie", whereupon his father said, "God bless you, my son, you must go in."

Jefferson Davis did not possess the vices of many otherwise great men. He did not have the vices of a Marlborough, but he had the character of an Emmett. While a Christian gentleman he had his faults. The saying is true—"The greater the man, the greater his faults." Jefferson Davis was not perfect; he was human. The sun has its spots but it gives us the light of day. He made mistakes, but he was true and he was noble.

He possessed unusual courage. He was a man of conviction. His firmness was frequently mistaken for obstinacy. He was of the mold of Cato; he was as immovable as the granite hills in the advocacy and defense of that which he believed to be right; he was the storm center of a great revolution; around his head, as President of the Confederacy, the waves of passion and prejudice beat and all of the fires of a fierce conflict raged and crackled, but Jefferson Davis always displayed the courtesy of a Lord Chesterfield and the gallantry of a Sir Philip Sydney.

Jefferson Davis was a sincere believer in the Christian faith. He did not drink to excess nor did he gamble. His diction was pure and noble; he never indulged in a vulgar story or used a word that could not be spoken in the presence of his wife or daughter.

Great men often fail in public life because they lack character. After all, integrity is the strongest of living forces. People demand untarnished honor, incorruptible honesty. They demand courage in their leaders. The failures of such leaders are nobler than the successes of demagogues.

Jefferson Davis was the soul of honor and of chivalry. He was kind; he was thoughtful; he was sympathetic.

When the capital was removed from Montgomery to Richmond, the people of Richmond offered him a palatial residence. He declined. Time and again he declined gifts of money and property. After the war when he was dependent on his own labors for the bread of his family, kind friends tendered him a purse. He refused very gracefully. He said, "Send it to the poor and suffering soldiers and their families."

He was falsely charged with appropriating Confederate gold. The truth is that the gold remaining in the Confederate treasury at the time of the surrender of Lee and capture of Davis was distributed to the soldiers. "The fact is", Jefferson Davis wrote to a friend, "I staked all of my property and reputation on the defense of State rights and constitutional liberty as I understand them."

In prosperity and in adversity, in success and in defeat, he always sustained himself with lofty courage, with great dignity and with unfaltering determination. Jefferson Davis never sold the truth to serve the hour, nor paltered with the eternal God for power.

Above all, Jefferson Davis stood for principles. He maintained his convictions. Stephen A. Douglas stood for expediency. Henry Clay, the great pacificator and the author of the Compromise of 1850, delayed the inevitable conflict between the States. Davis believed in meeting the issue whenever and wherever it arose.

When Clay on one occasion challenged him to future discussion, Davis promptly replied, "Now is the moment." Henry Clay, like Sergeant S. Prentiss, recognized in Jefferson Davis a foeman worthy of his steel. There was an unusual tie between the two men. The son of Henry Clay had been slain in the Battle of Buena Vista. "My poor boy", said Henry Clay to Jefferson Davis, "usually occupied about one-half of his letters home in praising you"; and the eyes of Henry Clay filled with tears. When turning to him once in debate in the Senate, Henry Clay said: "My friend from Mississippi, and I trust he will permit me to call him my friend, for between us there is a tie, the nature of which we both understand."

Caleb Cushing, in introducing Jefferson Davis in Faneuil Hall, said: "He was eloquent among the most eloquent in debate, wise among the wisest in counsel, and brave among the bravest in battle."

Senator Joseph H. Reagan, of Texas, the postmaster general of the Confederate Government, said: "He was a man of great labor, of great learning, of great integrity, of great purity."

The eloquent Senator Benjamin H. Hill, of Georgia, said: "I declare to you that he was the most honest, the truest, gentlest, bravest, tenderest, manliest man I ever knew."

DUTY

Devotion to duty and to principle was the rule of his conduct. He always responded to the call of duty no matter how great the sacrifice. He resigned his seat in the Congress of the United States to share the hardships and dangers of the War with Mexico. At the call of his party and in response to that which he conceived to be his political duty, Jefferson Davis resigned his seat in the Senate of the United States at the very beginning of a 6-year term to lead a forlorn campaign, destined to defeat, as the Democratic candidate for Governor of Mississippi.

When he returned from Mexico the hero of Buena Vista, he was offered a commission as brigadier general of volunteers in the United States Army by President Polk. The commission was declined because it was his contention that such a commission could only be conferred by the State and not by the Federal Government.

He died disfranchised. He refused to apply for a pardon. He believed it to be his duty not to recant but to defend the principles for which the South had fought. He believed it to be his duty not to apply for a pardon as had Robert E. Lee, to whom a pardon was denied, for Jefferson Davis said his application for a pardon would stir up strife between the North and South.

SOLDIER

Jefferson Davis displayed courage on the frontier in the Black Hawk War. His gallantry at Monterey was commended by Gen. Zachary Taylor, known as "Old rough and ready."

Jefferson Davis and his Mississippi Riflemen saved the day at Buena Vista. Gen. Santa Anna with 20,000 trained lancers and troops attacked Gen. Zachary Taylor, with 5,000 soldiers. The "V" movement by Jefferson Davis turned defeat into victory. This formation was followed subsequently in European wars. It is accounted one of the most successful military operations in history. During the Battle of Buena Vista, Jefferson Davis was severely wounded. In the morning a bullet passed through his foot, but he remained in the saddle throughout the day. He refused to leave his men. He declined to retire from the field. He carried with him to his dying day the wound that he received at Buena Vista while in the service of the United States.

This battle made two Presidents. Zachary Taylor became President of the United States and Jefferson Davis, a faithful lieutenant, an honored son-in-law, a gallant colonel, became the President of the Southern Confederacy.

No braver soldiers ever fought than the Mississippi Riflemen at Buena Vista. No more daring or courageous leader ever led to victory than Jefferson Davis at Buena Vista. No greater courage, no more bravery or fortitude was displayed by the Spartan heroes at Thermopylae, the Tenth Legion of Julius Caesar, or the Old Guard of Napoleon.

Gen. Zachary Taylor remarked to Colonel Davis that he had completely forgiven his son-in-law. In his official report of the Battle of Buena Vista, he said: "Napoleon never had a marshal who behaved more superbly than did Colonel Davis today."

SENATOR

The first office held by Jefferson Davis was membership in the Congress of the United States. He was well prepared and thoroughly equipped. Moses was trained in the great universities of his day, but he spent 40 years in the wilderness in preparation to lead the people of Israel from bondage and captivity. Jefferson Davis had been trained in one of the leading colleges and in the chief military school of his country. He spent the 8 years following his retirement from the Army in studying the pressing problems of his Government.

John Quincy Adams had a habit of observing new Members in Congress. When Davis made his first speech in the House the ex-President was nearby. At the close of the speech the "old man eloquent" said to a friend: "That young man is no ordinary man. He will make his mark yet."

The service of Davis in the House was terminated by his joining the colors in the War with Mexico, but he subsequently really found himself in the Senate of the United States. He himself said he preferred service in the Senate to any other position. He was the ideal Senator. There were giants in those days. The great triumvirate was in the zenith of their power—Clay, Calhoun, and Webster were still at the climax of their glory.

William H. Prescott, historian and statesman, in speaking of Jefferson Davis as a Senator, said: "He was the most accomplished Member of that body."

The historian, Ridpath, said of him: "He was a statesman with clean hands and a pure heart, who served his people faithfully from budding manhood to old age without thought of self, to the best of his ability."

As Jefferson Davis said of Franklin Pierce, it may well be said of him: "If treachery had come near him, it would have stood abashed in the presence of his truthfulness, his manliness, and his confiding simplicity."

Another eminent historian has said: "It is but simple justice to say that in ripe scholarship, wide and accurate information on all subjects coming before the body, native ability, readiness as a debater, true honor, and stainless character, Jefferson Davis stood in the very first rank and did as much to influence legislation and leave his mark on the Senate and the country as any other who served in his day."

Jefferson Davis, by training and association, was an advocate of State rights. He believed that the States were supreme. He maintained they had entered into the Union voluntarily and that they had the right to leave the Union to preserve the sovereignty of the States. It was no new doctrine. For 40 years after the Constitution no prominent man in public life denied the right of secession.

Moreover, the first attempt to assert this right sprang up in the North long before it was heard in the South.

The Legislature of Massachusetts in 1809 declared the embargo law not legally binding on the citizens of the States.

Josiah Quincy, of Massachusetts, in speaking of the admission of Louisiana into the Union in 1811, said: "If this bill passes, it is my deliberate opinion that it is virtually a dissolution of the Union; that it will free the States from their moral obligations; and, as it will be the right of all, so it will be the duty of some definitely, to prepare for a separation, amicably if they can, violently if they must."

On December 15, 1814, the Hartford Convention protested against the War of 1812, then in progress between the United States and England, and it proclaimed: "It is not only the right but the duty of such a State to interpose its authority for their protection in the manner best calculated to secure that end. The States must be their own judges and execute their own decisions."

Charles Francis Adams introduced in the Massachusetts Legislature in 1844 a resolution similar to Josiah Quincy's in 1811 and declared that Massachusetts was determined to submit to undelegated powers in no body of men on earth.

In 1851 Daniel Webster said:

"I have not hesitated to say, and I repeat, that if the Northern States refuse, willfully and deliberately, to carry into effect that part of the Constitution which respects the restoration of fugitive slaves, and Congress provide no remedy, the South would no longer be bound to observe the compact. A bargain cannot be broken on one side and still bind the other side. I say to you, gentlemen in Virginia, as I said on the shores of Lake Erie and the city of Boston, as I may say again, that you of the South have as much right to receive your fugitive slaves as the North has to any of its rights and privileges of navigation and commerce."

Again, Charles Francis Adams, of Massachusetts, vindicates Jefferson Davis and other southern statesmen in this candid utterance:

"To which side did the weight of argument incline during the great debate which culminated in our Civil War? The answer necessarily turns on the abstract right of what we term a sovereign State to secede from the Union at such time and for such cause as may seem to that State proper and sufficient. The issue is settled—irrevocably and for all time decided—it was settled 40 years ago, and the settlement since reached has been the result not of reason based on historical evidence but of events and of force." And Mr. Adams further added: "The principles enunciated by South Carolina on the 20th of December 1860 were enunciated by the Kentucky resolution November 16, 1798."

Secession was not originated by Jefferson Davis. It was a well-recognized theory of government coequal with the foundation of the Government. The famous Kentucky and Virginia resolutions of 1798, the report of Mr. Madison to the Virginia Legislature in 1799, and the National Democratic Convention in Cincinnati in 1856 all recognized the right of secession.

Again, New York, Rhode Island, and Virginia, in ratifying the Constitution of the United States, expressly reserved the right to withdraw from the Union.

A correct understanding of the history and philosophy of State rights will lead to a better understanding among all of the people of the United States. The truth about secession may now be told. Secession originated at the North; the doctrine was proclaimed and in the North its exercise, I repeat, was first proposed.

Henry Cabot Lodge, in his Life of Daniel Webster, makes this statement:

"When the Constitution was adopted by the votes of the States at Philadelphia, and accepted by votes of States in popular conventions, it was safe to say there was not a man in the country, from Washington to Hamilton on the one side, to George Clinton and George Mason on the other, who regarded the new system as anything but an experiment entered upon by the States, and from which each and every State had the right to peacefully withdraw—a right that was very likely to be exercised."

Jefferson Davis was a follower of John C. Calhoun. He lamented his passing. By universal acclaim he became his successor as the greatest exponent of State rights. He referred to Calhoun as "the Palinurus to steer the bark in safety over the perilous sea."

Slavery was not the cause, but it was an incident of the War between the States. In his first inaugural address Abraham Lincoln disclaimed any purpose to abolish slavery. Slavery, which had been recognized by the Constitution and by all of the States of the Union save one, was approved as an institution by Abraham Lincoln in his first inaugural address. The emancipation proclamation was issued as a war measure. It was without validity following the war. It was necessary, therefore, for an amendment to the Constitution to be adopted forever abolishing slavery. There should no longer be crimination and recrimination. There was not so much opposition in the North to slavery as long as it was profitable for the North to sell slaves to the South. It is now time to forgive and to forget.

It is time for the North and South to do justice to each other. Good will can only prevail when the North and the South accord to each other patriotism and sincerity of conviction with respect to the right of secession. If the North accords such views to the South, the people of the South will no longer apply that verse of Dryden: "But they ne'er pardon who have done the wrong."

While Jefferson Davis was an advocate of the right of secession, he opposed the doctrine of nullification. He disagreed with John C. Calhoun respecting nullification. He stood with Andrew Jackson, who had in mind nullification and not secession when he said: "The Union, it must be preserved."

South Carolina was not the only offender in advocating nullification. Charles Sumner, Wendell Phillips, and William H. Seward, in advocating disobedience to the fugitive slave laws and in urging violation and disregard of the Dred Scott decision, practiced nullification.

The Dred Scott decision was denounced by the people of the North—open violation of the law was advocated. The decision of the Supreme Court of the United States was disregarded. Chief Justice Taney of the Supreme Court of the United States, who had rendered the decision, was denounced and personally maligned. The fugitive slave laws were utterly disregarded in the North. William Lloyd Garrison denounced the Union, saying: "The Union is a lie. The American Union is an imposture, a covenant with death and an agreement with hell. We are for its overthrow. Up with the flag of disunion, that we may have a free and glorious republic of our own."

Horace Greeley said: "I have no doubt but that the free and the slave States ought to be separated. The Union is not worth supporting in connection with the South."

William H. Seward declared "there was a higher law than the Constitution" which would be the rule of their political conduct.

Again Seward asserted: "There is a higher law than the Constitution which regulates our authority over the domain. Slavery must be abolished and we must do it."

The farewell address of Jefferson Davis, the acknowledged leader of State rights, was one of the most impressive speeches ever made in the Senate of the United States. At a conference between the Governor and Members of Congress in Mississippi in the fall of 1860, Jefferson Davis was criticized for his temperate utterances respecting secession. He loved the Union; he had been wounded for his country; he urged secession only as a last resort; he advocated secession only as a last desperate measure. Mississippi had adopted the ordinance of secession; she had severed her connection with the Union. When Davis arose to speak for the last time in the United States Senate every Senator was in his seat and the Members of the House stood in every available place, and when he concluded, "Mr. President and Senators, having made the announcement which the occasion seemed to me to require, it only remains for me to bid you a final adieu", there was not a dry eye in the Senate.

SECRETARY OF WAR

Jefferson Davis became Secretary of War in the Cabinet of Franklin Pierce. They had both served in the War with Mexico. They had both been Members of Congress. They remained friends until their deaths. Ex-President Pierce visited Jefferson Davis while in prison at Fortress Monroe. Jefferson Davis was his guest in his New England home after his release from prison.

The Cabinet of President Pierce was a remarkable one. It is the only case in the history of the United States where all of the members of the Cabinet served throughout the administration, there being no deaths or resignations.

There were men of unusual ability in the Cabinet. William L. Marcy was Secretary of State, and Caleb Cushing, afterward nominated by President Grant for Chief Justice of the Supreme Court of the United States but not confirmed, was Attorney General.

The Senate and House wings of the Capitol were constructed under the administration of Secretary Davis. As a Member of the Senate, Jefferson Davis had advocated the enlargement of the building. As Secretary of War, he was given supervision of the construction of the Senate and House wings of the Capitol. The building was enlarged under his administration.

As a matter of national defense, while a Member of the Senate he had urged the construction of a railroad from the Mississippi River to the Pacific coast. Surveys were made while he was Secretary of War that resulted in the construction of the transcontinental railways during and following the War between the States. The surveys were made upon his recommendation.

Many reforms were introduced in the Army during his administration. Jefferson Davis had an opportunity as Secretary of War to test the mettle of the chief officers in the Army. Then as afterward Robert E. Lee was under his command, for while Davis was Secretary of War, Robert E. Lee was Superintendent of the West Point Military Academy. There is general consensus of opinion that Jefferson Davis greatly improved the Army and that he was one of the greatest Secretaries of War in the history of the United States.

PRESIDENT

Upon the organization of the seceding States Jefferson Davis became the first and only President of the Confederacy. The term of the president was 6 years. Under the Confederate Constitution, very similar to the Federal Constitution except as to the matter of slavery and State rights, the president was ineligible to succeed himself. Jefferson Davis had been appointed major general of the Mississippi troops. He preferred service in the field, but again he sacrificed his personal views and responded to the call of duty.

It is difficult to conceive of the task that confronted the President of the Confederacy. There was no capital; there was no army or navy; there was no gold or silver. It was necessary to create an army and to build a navy. It was necessary to manufacture munitions and to provide a currency.

As a practical soldier and experienced statesman, Jefferson Davis was peculiarly fitted for the presidency of the Southern Republic. As the leader of a lost cause it was inevitable that he should be criticized. During the war he was criticized for the conduct of the war. The failures were charged to him in the South. During

the war, in the North he was charged with the horrors of Andersonville. The undisputed fact, however, is that with 60,000 more Federal troops in prisons in the South than there were Confederates imprisoned in the North, 4,000 more Confederates than Federals died in prison. The same rations were issued to prisoners that were served to Confederate soldiers. Jefferson Davis urged Abraham Lincoln to exchange prisoners. He offered to buy medicines from the United States; he offered to deliver the sick and wounded without exchange. The record leaves no doubt as to the responsibility for refusal to exchange. General Grant assumed it, saying in a letter of August 8, 1864: "It is hard on our men in Southern prisons not to exchange them, but it is humanity to those left in the ranks to fight our battles."

In the South there was criticism. Jefferson Davis was held accountable for the failure to capture Washington after the First Battle of Manassas; he was held responsible for the surrender of Lee at Appomattox; he was charged with responsibility for the retreat from Gettysburg. Again, it is said that he showed favoritism; it is charged that he interfered with his generals; he was criticized as being exacting and quarreling with his military commanders, but there is a note of patriotism in his letter to Gen. Joseph E. Johnston: "Pray do not, if perchance wrong has been done you, make the matter of your rank in the army the cause of disaster to your country." If Joseph E. Johnston had thought more of his country and less of his rank as general, he might have defeated Grant before Vicksburg.

Davis was surely right in his advice that Pemberton and Johnston join forces before the siege of Vicksburg was made possible. He saw the broad significance of events. He was correct when he warned Bragg that he must not allow time to elapse, else he would lose the great opportunity of defeating Rosecrans. Jefferson Davis was right when he warned Robert E. Lee that Gen. U. S. Grant would attempt to cross the James, and if Robert E. Lee had not permitted Grant to cross the James River at City Point June 16, 1864, many historians say that Lee would have been victorious over Grant.

While criticizing, no one in the South ever questioned the integrity of Jefferson Davis or the purity or honesty of his motives. All conceded that the interests of the Southland were first in all of his plans and purposes. The people of the South had faith in Jefferson Davis in the dark hours of the Confederacy, just as the soldiers of the South had sublime faith in Stonewall Jackson and Robert E. Lee.

There were thousands upon thousands of southern soldiers who believed that the death of Stonewall Jackson alone prevented the success of the Confederacy. One who so believed expressed it:

"When Almighty God, in His inscrutable providence, decreed that the cause of the South must fail, he called unto Himself His servant, Stonewall Jackson, in order that His judgments upon the earth might be fulfilled."

If Napoleon is to be judged by his marshals, let Jefferson Davis be judged by his generals. Only a great President could have chosen Robert E. Lee, Albert Sidney Johnston, Stonewall Jackson, and J. E. B. Stuart as his great generals.

Jefferson Davis was a great President. Robert E. Lee, just before his death, said: "I know of no man who could have done better."

DEFENDER

After the War between the States, Jefferson Davis might have been United States Senator from Mississippi at any time for the asking; nevertheless, he chose to be true to the memory of the Confederacy. Every epithet applied to Jefferson Davis went straight to the heart of the people of the South. He was denied the right to vote, while his former slaves were permitted to use the ballot. He was reviled for the alleged transgressions of the people of the South while the policy of revenge prevailed following the assassination of Lincoln in the reconstruction of the South. He was wounded for the political sins of the South and he bore the alleged iniquities of secession and reconstruction. As the sacrifice on the altar of hatred and passion, Jefferson Davis, like Abraham Lincoln, became a martyr.

The evening of his life was spent in defending the cause of the Confederacy. During his last years he was in political retirement. While there were many calls for public appearances, nevertheless he devoted himself to the preparation of his books, to the writing of occasional articles for magazines, and to public addresses. He attended the memorial exercises in honor of Robert E. Lee at Richmond, Va., on November 3, 1870, and delivered an eloquent tribute to the memory of Robert E. Lee, who deserved but did not enjoy success.

He made the principal address at the dedication of a Confederate monument in Montgomery, Ala., in 1885. He visited other cities and other States. Wherever he went and wherever he appeared there was universal acclaim. It is said that there is no scene in history comparable to the applause that greeted Davis when he left the courtroom in the city of Richmond, as soon as the Government, a few years after the war, had dismissed its indictment, confessing its utter inability to prove any of the allegations of treason or assassination.

There is a fascination about the last days of a great and good man. There is always something strangely beautiful in the old age of good men. The last days of Jefferson Davis were spent in dignified retirement, in the association of friends, in the companionship of books, and in the preparation of a masterly exposition of the people whose leader he was. His book in their defense, to use his own language, was his last will and testament to those "who have glorified a fallen cause by the simple manhood of their lives, with patient endurance of suffering and the heroism of faith."

Jefferson Davis was content to abide the judgment of history. Impartial history now accords to the people of the Confederacy that the cause for which they fought and in defense of which many shed their blood was right in the eyes of the Constitution of the fathers.

Jefferson Davis had no fear of the future. In the last published paper that came from his pen, speaking for himself and his countrymen, he calmly reiterated his unfaltering faith in these words:

"We do not fear the verdict of posterity on the purity of our motives or the sincerity of our beliefs which our sacrifices and our careers sufficiently attest."

Joseph Warren who fell at Bunker Hill, denounced as a rebel by King George III, is regarded as a hero.

John Hampton, reviled as a rebel and filling a rebel's grave, is counted among the greatest of English patriots.

Oliver Cromwell established a republic. It was overthrown by the Stuarts. When the monarchy was restored his body was disinterred and gibbeted at Tyburn Hill. It required two and a half centuries for the English people to reach a just estimate of the Great Protector. An imposing statue today stands where his head was exposed to the jeers of the populace.

Jefferson Davis was a great constitutionalist. His political philosophy is best portrayed in his written and spoken words. The maxim "Speech is the mirror of the soul, and as a man speaks so is he" is as true as when it was written more than 1,900 years ago.

In speaking of the Union, in discussing the Oregon question, Jefferson Davis said: "The extent of our Union has never been to me the cause of apprehension. Its cohesion can only be destroyed by violation of the compact which cements it."

His political soul is thus revealed in his words. While justifying and defending the Confederate States, at the same time he urged the young men to be true to the Union. He concluded his masterly work the Rise and Fall of the Confederate Government in these words:

"In asserting the right of secession it has not been my wish to incite to its exercise. I recognize the fact that the war showed it to be impracticable, but this did not prove that it was wrong, and now, that it may not be again attempted, and the Union may promote the general welfare, it is needful that the truth, the whole truth, should be known, so that crimination and recrimination may forever cease, and then, on the basis of fraternity and faithful regard for the rights of the States, there may be written on the arch of the Union 'esto perpetua.'"

Jefferson Davis outlived the generals of the armies, both North and South. When General Grant was dying at Mount McGregor, the Boston Globe requested Jefferson Davis to prepare a criticism of Grant's military career. His letter declining is typical of the man:

"DEAR SIR: Your request in behalf of a Boston journalist for me to prepare a criticism of General Grant's military career cannot be complied with for the following reasons:

"1. General Grant is dying.

"2. Though he invaded our country, it was with an open hand, and as far as I know he abetted neither arson nor pillage, and has since the war, I believe, showed no malignity to Confederates either of the military or civil service.

"Therefore, instead of seeking to disturb the quiet of his closing hours, I would, if it were in my power, contribute to the peace of his mind and the comfort of his body.

"(Signed) JEFFERSON DAVIS."

Jefferson Davis was devoted to Mississippi and to Mississippians to the hour of his death. Each State is entitled to place statues in the Capitol to the memory of two illustrious sons. From the very first Mississippi was determined that the statue of Jefferson Davis should be placed in the National Capitol. Because of sectional feeling and sectional animosities the tribute was long delayed. Finally, after more than 65 years, Mississippi placed his statue in the Statuary Hall. With him there was placed the statue of James Z. George, a member of the regiment of Mississippi Riflemen commanded by Jefferson Davis in the Mexican War, a gallant soldier and officer of the Confederacy, thus serving under Jefferson Davis in two wars, a successful lawyer, a great judge, a distinguished Senator, and an outstanding, constructive statesman. The statues were unveiled with appropriate ceremonies on June 2, 1931.

One of the most historic occasions in the history of Mississippi is the last public appearance of Jefferson Davis before the legislature. He delivered on the occasion of his last appearance before the Mississippi Legislature in 1884 a classic oration, which he closed as follows:

"Reared on the soil of Mississippi, the ambition of my boyhood was to do something which would redound to the honor and welfare of the State. The weight of many years admonishes me that my day of actual services has passed, yet the desire remains undiminished to see the people of Mississippi prosperous and happy, and her fame not unlike the past, but gradually growing wider and brighter as the years roll away."

Prejudiced estimates are never accepted in the appellate court of human history. No man is ever permanently injured by misrepresentation. This statement is as true today as it was when the Man of Galilee was crucified.

The advocates of slavery and secession in the South and their opponents in the North were sincere. The peace, the good will, the progress, and the advancement of our reunited country can

best be promoted by according to all sincerity of convictions and principles.

The people of the South accepted the arbitrament of the sword in 1865. They fought for the Union in 1898 and in 1917. The American people now know that the issues of slavery and secession temporarily deferred from time to time could only be settled by war. The Union could only be saved by war. The sons of the South now join with the sons of the North in patriotic service for the defense of our common country against the foes of all of our institutions.

As we study the history of England and as we read the story of the War of the Roses we do not care whether the heroes fought with the victorious hosts of York or beneath the crimson banners of Lancaster.

I recount the marvelous career and the high character of Jefferson Davis as an influence to the young men of Mississippi and of the Nation to high and noble living.

"The lives of great men are the guide boards in the State."

I believe in monuments to our mighty dead. The memories that cluster around the graves and monuments of our honored dead oftentime determine a people's character. The Scotchman's love for his native heath grows stronger when he visits the field of Bannockburn and recalls the scenes enacted there when Robert the Bruce planted his standard by the rough stone at his feet. Englishmen are made more courageous and patriotic as they perpetuate the memories of Trafalgar and Waterloo by monuments to Nelson and Wellington. Patriots will always be stirred by the eloquent and magnificent appeal of Demosthenes to the spirits of those who fell at Marathon.

Women will vie with men in patriotic sacrifice when they recall the Spartan mother, who with tearless eye bade goodby to her only son as she sent him to the field and pointed to his shield with the simple words, "This or upon it."

A grateful people have erected to the memory of Jefferson Davis, a shaft, a replica of the Washington Monument, 355 feet high, at Fairview, his birthplace in old Kentucky, the firstborn of the mother of States and statesmen.

However, Jefferson Davis, the faithful President and the great defender of the southern Confederacy, needs no monument or mausoleum to perpetuate his fame, for his services and his sacrifices have forever enshrined him in the hearts of his countrymen.

Over the Pantheon in Paris are these words in large letters:

"To great men, the grateful fatherland."

Of Jefferson Davis it can be said, "Whatever record leaps to light, he will never be ashamed."

The southern people fought for what they believed to be right and lost. With equal sincerity the northern people fought for what they believed to be right and triumphed. North and South fought for principles. In both Union and Confederate armies patriots died for country.

The lofty characters and the high achievements of the leaders, both political and military, in the North and in the South, in the War between the States, are the common legacy of our common country. A brave, reunited people will forever cherish that legacy. The soldiers of the War between the States, whether they wore the gray or whether they wore the blue, whether victor or vanquished, will live until the languages are dead and lips are dust.

Jefferson Davis was the commanding figure of the Confederacy and ranks high among the great men of history.

AMERICAN INDIANS UNDER AUTOCRATIC CONTROL

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of American Indians under autocratic control.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BEITER. Mr. Speaker, in the limited time allotted to me here I may speak somewhat disconnectedly. The history of the Indian affairs of this country for the past 90 years contains many pages which do not reflect any particular credit upon my Government and your Government in the management of those affairs.

During the past 2½ years I have had the pleasure of serving a district where only a very few Indians live and I must confess that I was prepared to leave matters affecting their welfare or the solution of their problems to others until last year when the Wheeler-Howard bill was presented to this body for consideration.

I opposed the bill at that time. I had hoped that we would be given the opportunity to get down to fundamentals in our Indian system and that constructive remedies for an intolerable situation would be presented.

The title of the Wheeler-Howard bill was a misnomer. "Indian self-government", as incorporated in that bill was completely out of reach of the Indian. It had, as you will recall, an Indian court scheme. And, while the title of the bill was "Indian self-government", the Indian had no voice whatever in the selection of officials, such as judges, attorneys, and so forth, for these Indian courts.

It also conveyed the impression to the Indian that he would have a voice in the selection of the superintendents and other Indian Bureau officials. No greater fallacy was ever paraded before any people, civilized or uncivilized. The bill really took away from the Indian the right to even complain against an official of the Indian Bureau, except the official complained against be an actual resident of the community, reservation, or Indian group of which the complaining Indian was a part. And then, the Indian's complaint would reach no further than the Commissioner's secretary.

The bill had another very interesting and promising scheme. It revived lost arts of the tribes, scalping knives, tom-toms, tomahawks, and arrowheads, and provided for the teaching of Indian arts and crafts.

The real danger of this proposed legislation to the Indian was its isolating, segregating, and race-prejudice commitment. It at once arrayed the Indian who chose to follow it against his local courts and governments.

Evidence of the justice of the charge of many Indian tribes that Bureau methods of the past will be used to intimidate and force the Indians to approve the Wheeler-Howard bill passed at the last minute by the Seventy-third Congress, are being gathered in various sections of the country.

Word comes to my office from a number of tribes that the elections were not held by secret ballot upon 30 days' notice. I have word showing that Bureau employees in charge of the elections called on Indians on their reservation and openly threatened any who did not vote for the measure with loss of his property; that the officials, all hand picked, made these threats as they handed the Indians their ballots, and also marked many of the ballots just as they gave the ballots to the voters, insisting that they vote for the bill; that there was no attempt to have the ballots cast in secret, as in State elections.

Another reason why the Bureau is charged with unfairness is that under their interpretation of the provisions of the bill—section 18: It is not necessary for a majority of the Indians to vote for the bill to have it take effect. This is absolutely un-American, and the Indians have a right to protest. Other provisions of the bill require a majority vote of the adult members of the tribe, before they take effect, such as the right to organize for its common welfare. Further, the tribe cannot have a charter issued by the Secretary of the Interior until ratified by a majority vote of the adult Indians living on the reservation. Why does not Mr. Collier allow the Indians the same measure of protection from being practically forced to approve his bill? In other words, by the provisions of the act as he has interpreted it a minority can approve the bill, and Commissioner Collier has already sent out to the press of the Nation notice from the elections already held that "the Indians have voted by a large majority in favor of the Wheeler-Howard bill."

Little wonder that the Indian is baffled and completely confused by a complicated system which would puzzle a college professor. Everything is directed from Washington and complaints and requests run a long gantlet before finally reaching a remote and haughty administrative authority.

There are frequent changes of administrative heads. New rules and regulations are imposed. The procedure today may be reversed tomorrow.

An intensive study has convinced me that Congress has abdicated its functions and powers for many years to a bureau. The result has been just what a great writer on constitutional government said must always follow bureaucracy. "A bureaucracy," he said, "is sure to think that its duty is to augment official power, official business, or official members, rather than to leave free the energies of mankind." That is an exact statement of the attitude of the Indian Bureau, which is the embodiment of bureaucracy, a despotic, arbitrary domain which has been permitted to exist and to flourish in this land of the free.

Before the House Indian Affairs Committee on April 4, Commissioner Collier said:

> The greater part of my own life, before I went into Indian work, was devoted to practically just one attempt * * * to bring

the rank and file of people into a condition so that we could have an intelligent American citizenship. My views are rather old-fashioned views.

Mr. Speaker, I would rather say that the Commissioner's views are more or less of a gewgaw and that the more efforts made by his Bureau to keep the Indians from becoming self-supporting, the more money it costs the United States.

Now, how has this gigantic Bureau, with its tremendous expenses, been built up? How has it been possible to not only perpetuate but to increase greatly the task definitely undertaken nearly 50 years ago, that of making competent self-supporting Americans out of some 300,000 assimilable American Indians?

It could be done in but one way—making the Indians incompetent and keeping them incompetent. The system depends upon branding the Indians as inferior and incapable of taking care of themselves.

Now, we have been hot-housing the Indians for a century, and there never was a normal Indian who could not have been made into a competent, self-supporting individual in the 21 years required to make a competent citizen of a child born to any American parents. But the average Indian is not self-supporting, and as long as the present system continues he cannot become self-supporting. There is no chance for his development. His chances to make money are in the hands of agents and officials who thrive upon a system which depends upon his being a nonsupporting, incompetent individual.

There was passed by Congress in 1924 a bill which gives the Indians of America full and complete rights of citizenship, the same as enjoyed by all other people. Instead of more Bureau regulations and stronger serfdom, which the Wheeler-Howard bill would give them, why not apply this citizenship right to the Indian race. No one can with intelligence fail to interpret this law to mean the equal personal rights for the Indian as enjoyed by all other races in this country. In plain language, therefore, it means that the Bureau should not attempt to exercise control over the person of the red man; he should have the right without interference as is practiced now, to organize and choose his own representatives, including his own attorney, and so forth.

Mr. Speaker, you may take any group of Americans you choose, segregate them on reservations, and put a bureau over their affairs; let that bureau take their money and spend it for them without informing them of the amount or the purpose; take the land on which they live and sell it or lease it without their consent; give them royalties from oil wells and mines, but no opportunity to work them themselves; educate them to believe that outside their narrow walls and barriers great perils lurk and certain ruin impends; require that every act, no matter how simple, must have the O. K. of an agent whose position depends upon the perpetuation of the system. Does any sane man deny that such a process can fail to breed a race of cringing creatures, unfit for responsibilities of any kind? Yet there is no more need for bureaucratic control of Indians than of any other of the nationalities that have been merged into American citizenship. Would any sane man argue that because of such treatment these segregated souls were forever incompetent and should never have a chance to meet life's responsibilities as men and women?

That is the story of Indian control. The very fact that the spirit of many thousands of Indians has not been broken and they still dare to stand for their rights is evidence that they are not an inferior but a superior race. They are worthy of freedom and a fair start and a square deal in the race of life in the midst of American civilization.

The "knockout" argument has been that if these first Americans are set free and given their own homes, they will immediately fall victims to the traps and pitfalls of unscrupulous white men, who are pictured as melodramatic villains going up and down seeking what poor Indian they may devour.

I have pointed out that their lack of business training rests upon the Bureau itself. But putting that aside, it is strange doctrine in America that a law-abiding race must be disfranchised and kept in bondage in order that lawless citizens may be restrained from preying upon them.

It would be more just to put the Bureau on the task of dealing with crooks who menace the Indians rather than to permit it to longer submerge and dominate normal human beings who are capable of becoming splendid American citizens.

The real fear of the bureau is not that freedom to use their own lives and their own property would ruin the Indians but that it would ruin the Indian Bureau. That is why the Bureau is so vociferous in its declaration that the parental, kindly, patient guardianship of the Bureau is the only hope of the red man.

What can be done? Give the Indian simple justice. Emancipate him from the autocratic control of a money-wasting bureau. Take the crushing burdens of bureaucracy off his back and he will walk erect, an American.

The Indians should be declared citizens with the rights and duties of citizens. They should be encouraged to enter industrial pursuits and not compelled to reside on reservations which in the past have been reserved for barbarism.

The white man came to the land of our forefathers (now called America) to assure himself freedom of thought, of religion, and of self-government, and of equal opportunity in material prosperity. His rights to enjoy these liberties were denied him by his own neighbors in despotic Europe.

In the new land this white man was welcomed by the red man, and regardless of his abuse of the welcome given him, greed and intolerance crept in, and the Indian was pushed back, ever back, until today their rights and their property and hopes are in the selfish hands of the Bureau. No longer is the red man a free person—their liberties are stolen in a far more ruthless manner than that suffered by the white founders of this Republic. The Indian does not desire to take anything that does not belong to him—they have always respected the rights of others. But they do assert their birthright to freedom and a right to live on an equal basis with all other races.

No one Bureau official has the right to propose legislation affecting them. It is clear to every observer of the actual situation that the Indian Bureau will voluntarily relinquish its throttle hold on the Indians only when every dollar of their money is spent and their property has been dissipated. When the Indians have nothing left and Congress refuses to appropriate further funds, the Indian Bureau will decide that it is time to release control and for their gigantic organization to go out of business.

On the nickels coined in the United States mints is the portrayal of an American Indian, and just in front of his eyes is that great word of America, liberty.

It is high time that this Congress should undertake to announce the date when liberty will not be simply before the eyes of the Indians but in their secure possession.

ADDRESS ON NATIONAL AFFAIRS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein an address delivered by my colleague the gentleman from Massachusetts [Mr. HOLMES] before the Thule Lodge, Independent Order of Odd Fellows, Worcester, Mass., on May 24, last.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech on National Affairs, delivered by Hon. PERR G. HOLMES, of Massachusetts, on the occasion of the thirty-fifth anniversary of Thule Lodge, I. O. O. F., at Worcester, Mass., May 24, 1935:

It is both a privilege and a pleasure to meet with you here tonight and to participate in this thirty-fifth anniversary celebration of Thule Lodge in my home city of Worcester.

These are busy days in Washington and Members of Congress are overwhelmed with a continuous deluge of new-deal legislation, but I am always glad of an opportunity to come home to my friends and neighbors, and doubly glad when, as tonight, I

can renew my fraternal fellowship with my lodge brothers of the I. O. O. F. It is a welcome respite from the high pressure of the political atmosphere at the National Capital.

This opportunity to address you on national affairs is also welcome, for at no time since the founding of our Republic have national affairs assumed such paramount importance and carried such far-reaching consequences to every American citizen, both as respects their Government and as respects their individual lives and their individual liberties. At no time in the lives of any of us here tonight has there been such reason for discussion and understanding of what is transpiring in Washington.

Many of the undertakings upon which our Government is now embarking in the name of recovery and reform are cloaked in the language of Odd Fellowship. Indeed, the very essence of what our President proclaims as the new deal is not new, but is as old as our fraternity, as old as Christianity, and is the very principle upon which our order was founded in America more than 100 years ago—the principle of aiding those of our fellow men and women who were in distress and in adversity—the exemplification of the virtues of friendship and love and truth.

Such principles and virtues have universal appeal, and it is because so many of the new laws which are now being written, so many of the new governmental agencies now being created, so many of the new billions of dollars which are now pouring out of the National Treasury are proclaimed to be for the purpose of aiding those in distress and adversity—for the protection of the weak against the strong, for the purpose of enforcing truth and justice—that they have received such wide acceptance and acclaim.

Unfortunately for us all, however, their laudable purposes are not matched by the means employed for their attainment. In many cases they appear destined not only to defeat their own ends but to destroy our form of representative government, override the Constitution which has been the bulwark of our liberties, imperil our national solvency, and head us toward ruin and chaos rather than to Utopia.

I repeat that the principles for which our fraternity stands and the principles proclaimed by the "new dealers" in Washington are similar. But I submit that the similarity does not extend beyond the phrases of speech. The means and methods of the new deal and the independence, integrity, self-reliance, thrift, and the concepts of government of those who founded our order and of the millions of Americans who have been admitted to its membership are as far apart as the two poles.

James Monroe, of Virginia, was in the White House at Washington as President of the United States, and Henry Clay, of Kentucky, was Speaker of the House when a little group of men gathered in a tavern in Baltimore in the month of April, in the year 1819, and organized the first lodge of the Independent Order of Odd Fellows on American soil, and when in Boston, less than 12 months later, the second lodge was organized.

The founders of our Government, the framers of our Federal Constitution, and the men who sat in the White House and in Congress during the succeeding 150 years did not conceive that it was the function of government to regulate the lives of its citizens, to impose codes for their business, to fix their wages, to limit their profits, and to devise ways and means of redistributing wealth.

Neither the early American pioneers nor their descendants nor those who emigrated to the United States as the land of liberty and opportunity ever dreamed that the day would come when the Federal Government would limit planting, plow under growing crops, and impose compulsory slaughter of livestock as a means of ridding surpluses and raising prices.

Some of these features of the new deal are decidedly new. Many of the present-day experiments sponsored by the present occupant of the White House have been experienced in the past history of our country with unhappy consequences.

Thus, we had a United States bank, created by Congress and operated by the Government in the early days of the Republic. History records its utter failure.

The Government suspended specie payments, that is, refused redemption of paper money in gold during the Civil War. It was from necessity rather than choice, and in the years which followed the declared objective was to resume specie payments, to return to the gold standard at the earliest possible moment. We did so in 1879.

Some of us here tonight still have vivid recollections of the panic of 1893—of the depression of that period. We had then, as we have now, the clamor for the free and unlimited coinage of silver, for cheap money, for depreciation of the currency. That was the issue on which William Jennings Bryan sought the presidency in 1896 and was overwhelmingly beaten by McKinley, who had a sound money, gold-dollar platform.

Long before the new deal was ever invented we had the battle of the Government against monopolies, which brought the famous antitrust acts which under the new deal have been suspended.

We have had in the past the question of Government ownership of the railroads and of other public utilities, and we had a practical experience with Government operation of the railroads during the war—an experience which ended for the succeeding decade—all agitation for Government ownership.

It is not my purpose tonight to discuss in detail the new conception of Government and the various measures which Congress has enacted since March 4, 1933, or is now asked to enact under the claim of aiding recovery and in behalf of that mythical figure, the forgotten man, and for reform and for so-called "economic security."

I desire, however, to review the record briefly and to refer briefly to some of the principal milestones along the road which our Government is now traveling.

In seeking election to the Presidency, Mr. Roosevelt promised many things. He promised the repeal of prohibition, and that promise has been kept. He promised to maintain sound money, and that promise has been utterly disregarded.

He promised to reduce the expenses of Government by at least 25 percent. Instead, he has increased them 100 percent. He claimed to subscribe to the principle of a balanced Budget and insisted that the Government deficits which had put in an appearance following the 1929 crash, when income-tax revenues dwindled and governmental relief expenditures started, were imperiling national solvency.

You all now know Mr. Roosevelt's present position regarding a balanced Budget and Government spending and increases in the national debt. So long as expenditures are to aid recovery they need not be reckoned in the Budget. The larger the expenditures, the better. The addition of five, ten, fifteen, or twenty billions of dollars of debt is nothing to worry about, he says.

On the stump in 1932, candidate Roosevelt deplored the heavy burden of taxation and promised to lighten the burden. Instead, taxes have increased and multiplied. Urged to accept a manufacturers' excise (sales) tax as a means of raising revenues to balance the Budget, the then President-elect denounced such taxes as calculated to unduly burden industry and to increase the cost of the necessities of life.

Today the so-called "processing taxes" now levied on cotton and wheat and many other agricultural commodities and foodstuffs are at higher rates and a heavier burden than any sales tax or manufacturers' excise tax ever heretofore proposed.

Mr. Roosevelt promised to pay the war veterans their bonus in cash just as soon as the United States Treasury was able to sustain the outlay. At the present rate of new-deal spendings and the present rate of rising deficits and the present attitude respecting the bonus it looks as if it would be a long, long time before the President will voluntarily agree that the Government can afford to pay the bonus. Mr. Roosevelt likes to talk about first things first. With him the cashing of the bonus certificates is the last thing.

For myself, I am in favor of present payment of the bonus—not with printing-press money, as proposed in the Patman bill, but with the same kind of money as we propose to pay for hydro power plants in the Northwest and to pay for harnessing the tides of Passamaquoddy Bay at Eastport, Maine, and to omit, so far as the Federal Treasury is concerned, the hydro power plants and the Quoddy and the T. V. A., and leave such things to private capital and private enterprise.

I believe you would be interested to know the difference between the Patman and the Vinson bonus bills. As you probably know, the House overrode the President's veto on the Patman bill and the Senate sustained it.

The Patman bill provides for the immediate payment of the bonus, but that is fundamentally not the purpose of the bill. It actually seeks to change the monetary system of our country, and is being used as a vehicle by Representative PATMAN to start the presses on printing-press money.

We have had inflation. We are now having inflation. The processing tax has tended to increase prices and today the dollar, as a matter of fact, is worth less than 50 cents. To pay the bonus with printing-press money would depreciate the dollar more. The bonus would be of no value to the soldier. It would reduce the purchasing power of every other person and wage earner. It is a grave question whether the printing-press dollar would be accepted by business.

An untold inconvenience would be caused by a change in the monetary system. If we once started to change it, there would be nothing to stop Congress from passing legislation to pay the $5,000,000,000 works-relief bill with printing-press dollars. We would be issuing more printing-press dollars to pay the blank check we gave the President earlier this session.

I don't believe the bonus is dead. In my opinion, the Vinson bill will be attached as a rider to some other piece of legislation. I would vote to support the Vinson bill. My reason is that the billions of dollars which would be appropriated would be raised through regular channels provided by the Constitution and could not be used promiscuously to pay political debts. Every soldier would get his bonus.

With the money allocated to the States on the basis of the number of men who served and their length of service, the 14,000 veterans of Worcester alone would receive $7,000,000. If we get $1,500,000 under the works-relief program, Worcester will get its share, or what the Government will condescend to call Worcester's share. The Vinson bill will do more good than the total amount to be spent under the $4,880,000,000 work-relief program.

When the President read his inaugural address to the multitude on the Capitol plaza the banks throughout the land were closed. It was thanks to the aid lent to the banks by the Reconstruction Finance Corporation—the agency set up by Congress at the request of President Hoover—that the bank holiday had been staved off for many months.

The new Congress, which convened in emergency session immediately following Mr. Roosevelt's inauguration, was called upon to give President Roosevelt broad emergency fiscal power and to enact a bank-deposit guarantee law.

All solvent banks were promptly reopened. The liquidation of insolvent banks was pushed as rapidly as circumstances would

permit, and again, thanks to the R. F. C., depositors in closed banks recovered in cash at once the full worth of the frozen assets.

Congress, at the President's request, enacted the so-called "Economy Act" which cut salaries and pensions and which was to help balance the Budget and help to reduce Government expenses. Subsequent new-deal policies made such a mockery of the economies provided for in the Economy Act at the expense of the war veterans and low-salaried civil-service Government employees that these pay cuts have since, for the most part, been restored and the Economy Act has become a dead letter.

Congress created the Home Loan Bank Board and its subsidiary, the Home Owners' Loan Corporation, to aid home owners in averting mortgage foreclosure. Congress, continuing to O. K. the President's requests for emergency measures, passed the National Industrial Recovery Act, which hatched the Blue Eagle, and which also provided the first $3,000,000,000 for public works. An agricultural act was also enacted, which spawned the A. A. A., the processing taxes, and all sorts of devices claimed to aid the farmer. The Tennessee Valley Act was still another product of that first-aid emergency session of the first new-deal Congress.

Virtually everything except the T. V. A. was claimed to be temporary and emergency and experimental. Much of it was of doubtful constitutionality and of dubious practicability. But no one was then disposed to raise legal quibbles. Almost everyone was disposed to give the new administration a chance to make good on its promises to end unemployment and restore prosperity.

You will all recall the President's seemingly frank and straightforward declaration that "what we are now undertaking is in the nature of a series of experiments, and if any or all of them fail to work, I will be the first to tell you so and to abandon them."

Much of the present criticism of the present administration and much of the growing distrust of Mr. Roosevelt's policies roots in the growing conviction that many of these new-deal experiments have failed, many more are on the way to failure, but that the President refuses to concede or admit failure and tenaciously insists on their continuance.

The N. R. A. is the most conspicuous example. The right of the Federal Government to regulate and regiment local business is under challenge in the courts from coast to coast. Code enforcement has broken down. The N. R. A. as an administrative agency of the Government is virtually paralyzed.

N. R. A. policies with respect to price maintenance and production control are under fire. Labor difficulties have multiplied. The burden of added costs upon business and industry has proved in many cases unbearable. No clear-cut national policy, no clear-cut line of division between business and industry to which a national policy is to be applied and that which is to be exempted has been drawn. Who can say, except the courts, when the operations of a particular business establishment "affect interstate commerce" and when they do not?

It is confusion worse confounded. The much-vaunted partnership between business and industry and the Federal Government has proved to be a colossal and tragic farce.

Two years ago, after the enactment of the N. R. A. legislation, I came home to Worcester. Knowing the problems of Worcester industry, I made the statement that the N. R. A. offered one of the greatest mediums of opportunity for industry that has been created. But I qualified it by saying that our biggest difficulty would not be with the law but with the administration of the law.

While the N. R. A. has resulted in injury and oppression in many branches of industry, it has been of tremendous value to other branches because of proper code administration. I believe it would be a calamity at the present time to eliminate it from the picture entirely, at least until we can again put into force the Sherman antitrust laws.

The President refuses publicly to face the realities of the N. R. A. situation and demands that Congress give a temporary 2-year further lease of life to the N. R. A., pending permanent legislation for permanent Government regulation of private business.

The situation with respect to the administration's agricultural policies is similarly chaotic, with conflicting policies, with serious questions of constitutionality, with crucifying processing taxes and discount. Yet it is demanded that Congress amend the present law by giving the triple A still larger authority.

The record of the Public Works Administration is not one of which to be proud. There has been the usual ballyhoo which surrounds every new-deal enterprise. A prodigious sum of money has been expended and much more committed or promised—all for the purpose of providing jobs and ending unemployment. Yet the unemployment figures, the record of Federal unemployment relief payments, fail to reflect any substantial improvement.

The new $4,000,000,000 work-relief program, which is to supersede the old P. W. A. on the one hand and to end the dole on the other hand, is just now starting.

Time does not permit my attempting to deal with this subject here tonight. Merely to enumerate all of the new alphabetical agencies which have been set up to operate the new works program and their assigned overlapping functions and the definitions of the policies to be pursued in the approval of projects and the complicated pay schedule, which has been the subject of a separate six-page Presidential Executive order, would take an hour. But time will tell how much redtape will have to be untangled, how many works schemes will be actually launched, how many more billions of dollars Congress will be called upon to authorize in order to complete half-completed projects, and, above all, how many jobs will actually be provided for men and women now on the relief rolls.

The legislative program of which the President demands enactment by Congress at the present session contains very much more than simply to give him the blank check for another $4,880,000,000, to extend the N. R. A. and to amend the A. A. A. and to extend the R. F. C. and to give more billions to the H. O. L. C. and to amend and extend the T. V. A.

Mr. Roosevelt demands the enactment of a new banking law, which, to all intents and purposes, puts the Federal Reserve Banking System in the hands of the Government, just as effectively and as completely as if the Government owned the banks outright. It is a tremendous extension of the power of the Government over private banking, for which there is neither need nor justification.

The President demands the enactment of a bill to abolish public-utility holding companies and to invest in the Federal Power Commission far-reaching bureaucratic control over utility operating companies.

I have had occasion to become very intimately acquainted with this so-called "utility holding-company bill", because it has been one of the measures with which the House Committee on Interstate and Foreign Commerce, of which I am a member, has had to deal, and the bill has been the subject of hearings before our committee extending over many weeks, and is at present in process of revision by the committee preparatory to reporting it to the House.

This measure offers a striking example of the complexities and perplexities of legislation under the new deal, which Congress is asked to speedily enact, and, so far as the House is concerned, under gag rule which limits debate and precludes amendment except such as are approved by administration leaders.

As already stated, the popular tag for this measure, "the public-utility holding-company bill", is a misnomer, and quite misleading and deceptive. The bill is in three parts, and it is only the first part which deals with utility holding companies and undertakes not to regulate them, but to require their dissolution. The second part of the bill makes so many amendments to the Federal Water Power Act as to amount to a rewriting of the present law, as well as providing for Federal regulation of electric-utility operating companies through the Federal Power Commission.

The third part undertakes Federal regulation of gas utilities and gas pipe lines via the Federal Trade Commission.

The bill, as presented to our committee with Presidential endorsement and White House orders to railroad through, comprises 178 pages of text, with many long and complex provisions, every one of which raises innumerable questions of public policy, of governmental authority, and of constitutional power.

Accompanying the bill was a report and recommendations and conclusions of a learned, professional engineer who was directed at the last session to make an investigation of public-utility holding companies. This report is in six volumes, aggregating more than 3,000 pages of closely printed type.

The present series of hearings on this bill before our committee were stenographically reported and have been printed and are now on our desks, and fill two thick volumes of 2,320 pages. Scores of different and separate analyses, briefs, digests, and arguments have been submitted as exhibits by various proponents and opponents.

If the members of our own committee undertook to read and digest all of these reports and all of the testimony, as well as to study and argue every line of this bill, it would be a labor of months, to the exclusion of all other demands on our time.

How many Members of the House, outside our committee, will read this bill in its entirety or do more than hurriedly scan the report which our committee will finally make when we send the bill to the House? Obviously, there will be very few, for this bill, long and important as it is, is but one of dozens, and a Member of Congress has manifold duties and claims upon his time in addition to his legislative duties.

I am unqualifiedly opposed to this bill in its present form. I see no valid reason or excuse for attempting by act of Congress to outlaw all of the public utility holding companies—good, bad, and indifferent—except to gratify the peculiarly vindictive hostility of the present administration to the utility industry.

Similarly, I see no valid reason or excuse for attempting to take out of the hands of State utility commissions the regulation of utility-operating companies and to transfer such regulation to Washington, except the greed and zeal of the present administration for power and authority over every kind of private business.

As matters now stand, and if Congress gives the President his way in this matter, the entire utility industry is to be crucified and the millions of individual investors are to be ravaged in retaliation for the misconduct and rascality of some utility operators and utility financiers, and under the specious claim that a benevolent government is undertaking to safeguard its citizens from future exploitation.

Life insurance companies alone have at present $1,800,000,000 invested in public utilities. The mutual savings banks, which have 13,000,000 depositors and more than $10,000,000,000 on deposit, have much of their surpluses in utilities. Our own Legislature of Massachusetts has given the savings banks the right to invest 20 percent of their deposits in utilities.

From this we can realize the tremendous damage that would be done to the investors in these utilities companies. Back of all this is the desire for power to destroy this huge industry which has more than $14,000,000,000 in invested capital.

So much for the utility bill.

Then we have the economic security bill, so-called, which undertakes to set up a complicated, costly, and bureaucratic system of old-age pensions and unemployment insurance and other social benefits. There are pay-roll taxes, calculated to take either from the employees' envelops or from the employers' bank accounts, or both, many billions of dollars over a span of years, to be turned into the Government's Treasury as an insurance and pension fund. The States are to be required to set up individual systems, but the Federal Government will supervise the whole business.

Carried to its ultimate conclusion, the Federal Government will control the banks, the insurance companies, the railroads, the radio, and the utilities. The Federal Government will be in the electric-power business on its own account on a large scale. Every region of the country will have its own Federal valley authority.

The men and women directly on the Federal pay roll to administer, to direct, to supervise, to collect will be trebled and quadrupled. Treasury checks will go out weekly and monthly to the Army and Navy and the Civilian Conservation Corps and the veterans of all wars, their widows and dependents, for provisions and benefits; to the farmers for bounties and bonuses; to the merchant marine and the air transport; to the aged in pensions; to the unemployed industrial worker in insurance benefits; to those who for one reason or another are permanently on relief because unemployable.

No wonder we have withdrawn gold from circulation and gone on an irredeemable paper-money basis, devaluated the gold dollar by 40 percent, set up a $2,000,000,000 stabilization fund to manipulate foreign exchange and to peg the price of Government securities, and have begun to toy with silver. For all these new-deal schemes entail financial outlays so stupendous in their aggregate as to defy comprehension. Actually, in the present state of affairs, the amount of money involved in the payment of the bonus seems by comparison just a drop in the bucket.

We hear many fine phrases about helping the forgotten man and about the elevation of human rights above property rights, about equality of opportunity, and about economic security. But I submit that the present course of our Federal Government strikes at the very foundation of the American creed of life, liberty, and the pursuit of happiness.

If the present course is followed to its conclusion, we will substitute for representative government a dictatorial bureaucracy regulating our every-day lives, however humble, manipulating prices and money, and accumulating a total debt so large as to finally end in national bankruptcy and repudiation and confiscation.

It is not a pleasant prospect.

My hope is that our course may be halted and our steps retraced before it is too late. But I am afraid it will not be done by the present administration.

The million Americans who today wear an Odd Fellows emblem and the 700,000 fine American women who are members of our auxiliary order are second to none in their recognition of the obligation of man to help and assist his fellow man in distress—the obligation of the strong to help the weak. But they have not heretofore subscribed to the notion that the way to live up to this obligation was to empower the President of the United States and his advisers to reconstruct society and regulate and regiment both our lives and our undertakings and our property and to submit ourselves to his direction. I do not believe we want to do so now.

My enumeration of some of the bills on the administration's legislative program for the present Congress has by no means listed them all.

We have the question of railroad legislation and of a new and supe-transportation commission to go hand in hand with the new Securities Commission, the new Communications Commission, and all the others. And we have yet before us the renewal of the special excise taxes, which expire by statutory limitation at the end of June.

We have work enough to keep Congress fully occupied for months to come. But if the President has his way, Congress will "step on the gas" and rush everything through in a few weeks without opportunity for proper consideration.

If I had my way, Congress would put most of these pending proposals into cold storage and adjourn, and we would all get behind the new works program and try to make it work.

Again let me thank you for this opportunity to be with you tonight and to voice my sentiments regarding national affairs. I cannot bring you any message of good cheer about the present state of affairs in Washington, but I voice not only the hope but the belief that in spite of present failure, present risks, and present socialistic policies, our Nation will escape disaster, thanks to the inborn courage and capacity and common sense of the majority of our citizens; and this goes double for every member of Thule Lodge.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BLAND. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may sit this afternoon until 2:30 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

QUARTERS FOR GOVERNMENT SERVICE, EL PASO, TEX.

Mr. THOMASON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7235) to make provisions for suitable quarters for certain Government services at El Paso, Tex., and for other purposes.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman explain the bill?

Mr. THOMASON. The last Congress passed a bill providing for certain quarters for different Government agencies in the city of El Paso. The persons who were to erect the proposed building were unable to meet the conditions. Other citizens of El Paso now propose to erect the desired building on other land in order to house certain Government agencies.

The pending bill only amends the act passed by the last Congress covering the description of the property and provides some protection for the lessor. It has the unanimous approval of the House Committee on Public Buildings and Grounds, likewise the approval of the Secretary of the Treasury, the Secretary of Labor, and the Attorney General.

Mr. HOLMES. With the permission of the Chair, I may say to my colleague that there is a unanimous report on the bill from our committee.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc.—

That when the owners of the tract of land situated in the city and county of El Paso and State of Texas, more fully described as follows, to wit—

Beginning at a point on the east line of South Santa Fe Street, which point is the intersection of the west line of block 21 of the Campbell Addition to the city of El Paso and the southerly line of the present levee now occupied as a right-of-way of the Rio Grande & El Paso Railroad; and which point of intersection is 66.82 feet northerly from the southwest corner of said block 21, the beginning point of this tract; thence southerly along the west line of said block 21, and the east line of South Santa Fe Street at 66.82 feet past the southwest corner of said block 21 and at 136.82 feet past the northwest corner of block 17 of the Campbell Addition and at 188.82 feet past the southwest corner of this tract; thence easterly at right angles to the center of an alley 130 feet; thence northerly and parallel with the east line of South Santa Fe Street 124 feet, more or less, to the south line of the above-mentioned levee; thence in a northwesterly direction along the south line of said levee 135 feet, more or less, to the place of beginning; being part of lots 18, 19, and 20 in block 21 of the Campbell Addition, and that part of Eleventh Street between blocks 21 and 17, having a width of 70 feet by 130 feet, and all of lots 11 and 12 in block 17 above referred to and the west half of the alley adjoining the lots herein mentioned. The property herein described has a frontage of 188.82 feet on South Santa Fe Street, a width of 130 feet on the south side, has approximately 124 feet on the east side, and on the north side 135 feet.

(hereafter called the "owners"), have agreed to erect upon such premises, or upon an equivalent area which has been approved by the Secretary of the Treasury, a building of such design, plan, and specifications as may be approved by the Secretary of the Treasury as suitable for the use of the Bureau of Immigration, the Bureau of Customs, the United States Public Health Service, and the Bureau of Plant Quarantine; the Secretary of the Treasury is authorized and directed to negotiate, and, subject to an appropriation therefor, lease such building and such premises from the owners for a term of 25 years after such building is ready for occupancy at a fair annual rental, subject to the limitations of section 322 of part II of the Legislative Appropriation Act for the fiscal year ending June 30, 1933, approved June 30, 1932. Such lease shall contain a provision for a cancelation of the lease in the event that the lots on which the building is to be constructed are determined, judicially or by agreement, to be lands subject to the jurisdiction of the United States of Mexico.

SEC. 2. There is authorized to be appropriated such amounts as may be necessary to pay the installments of rent provided for in such lease.

With the following committee amendments:

Page 1, immediately following the enacting clause insert the following: "That the Act entitled 'An act to amend the act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes, approved June 19, 1934', is amended to read as follows: "

Page 4, line 1, after the word "Mexico", insert the following: "In the event that such lands are so determined to be lands subject to the jurisdiction of the United States of Mexico and that as a result of such determination the owners or their assignees lose their title thereto and the lease is canceled, the United States shall pay to the owners or their assignees the fair value of the building at the completion of its construction (but not in excess of the

actual cost of construction), less an amount equal to one-third of 1 percent of such cost or value for each month that the lease was in effect prior to such determination."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

Amend the title so as to read: "A bill to amend the act entitled 'An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes.'"

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. STEWART. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. STEWART. Mr. Speaker, with kindness in my heart toward my good Democratic friends, I appear before you as a courier of good news, with a message from the small, but most important, State of Delaware.

Last Saturday in Wilmington, Del., the first city of the first State, there was held an election. The Democratic National Party saw fit in its wisdom to recognize the importance of this election by sending a distinguished and most honorable gentleman from the great State of Oklahoma to make an address. It seems to me of equal importance to announce to Congress and the Nation the results of this election. In one of the most crushing defeats ever administered to a party in the history of Delaware politics the Democratic Party in the city of Wilmington was shorn of practically all of its power.

The Republicans of the State are indeed grateful and very appreciative of the action of this most illustrious son of Oklahoma in making possible this splendid victory for them.

May the Republican State of Delaware live long and prosper. [Applause.]

KENNESAW MOUNTAIN NATIONAL MEMORIAL MILITARY PARK

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 59, entitled, "An act to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia", and for other purposes, with Senate amendments, disagree to the Senate amendments, ask for a conference, and appoint conferees.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. McSWAIN, HILL of Alabama, and RANSLEY.

ADDITIONAL CADETS AT UNITED STATES MILITARY ACADEMY

Mr. McSWAIN. Mr. Speaker, I move that Senate Concurrent Resolution 16 be referred to the Committee on Military Affairs.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the action of the Speaker of the House of Representatives and the Vice President of the United States, respectively, in signing the enrolled bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy, and for other purposes, be, and the same is hereby, rescinded; and that the House of Representatives be, and it is hereby, requested to return to the Senate the message announcing its agreement to the amendments of the House to the said bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman explain the reason for this resolution?

Mr. McSWAIN. It appears that the Senate bill which passed the House with certain amendments, after it had been enrolled and signed by both the Vice President and the Speaker, for some reason that I know of only by what I have seen in the newspapers, was not entirely acceptable to the Chief Executive.

Mr. MARTIN of Massachusetts. The gentleman expects it will be corrected and reported back again?

Mr. McSWAIN. I expect it will be corrected and that the Members will have their additional cadetships.

The SPEAKER. The question is on the motion of the gentleman from South Carolina?

The resolution was concurred in.

A motion to reconsider was laid on the table.

DISTRICT JUDGESHIP, MASSACHUSETTS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4665) to authorize the appointment of a district judge to fill the vacancy in the district of Massachusetts occasioned by the death of Hon. James A. Lowell, with a Senate amendment, disagree to the Senate amendment, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SUMNERS of Texas, GREGORY, and PERKINS.

PROTECTION OF ESTATES OF VETERANS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3979) to safeguard the estates of veterans derived from payments of pension, compensation, emergency officers' retirement pay, and insurance, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MARTIN of Massachusetts. Reserving the right to object, will the gentleman explain the bill?

Mr. RANKIN. I may say to the gentleman from Massachusetts [Mr. MARTIN] that this is a measure that was reported from the Veterans' Committee early in the session by a unanimous report. It does not cost anything, and it is a bill to safeguard the estates of insane veterans who are incarcerated in various veterans' institutions.

Mr. MARTIN of Massachusetts. Is this legislation which resulted from an investigation made last year?

Mr. RANKIN. Yes.

Mr. JENKINS of Ohio. What does it do, and how does it safeguard their interests?

Mr. RANKIN. Mr. Speaker, we found during the last session that there was a great deal of furor raised about the fact that they found in some of these veterans' institutions, particularly the old soldier homes that had been taken over in some localities, there had grown up the practice of appointing guardians who would take these funds and invest them in bonds, stocks, and so forth. As a result of some of their loose practices a great deal of the boys' money was lost. This bill was brought in here as a result. A resolution was introduced at the last session of Congress asking that the Chairman of the Veterans' Committee either investigate the matter with the whole committee or else appoint a subcommittee. I appointed a subcommittee, and this subcommittee went to various places and made an investigation, came back and made a rather elaborate report in which they recommended the changes as provided in this bill, which is nothing in the world except a measure to throw around the veterans the safeguards which I think every American would want thrown around the estates of insane veterans.

Mr. RICH. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. RICH. After the subcommittee reported to the whole committee, was there a unanimous report made by the whole committee?

Mr. RANKIN. Yes. The gentleman from Vermont [Mr. PLUMLEY] was a member of the subcommittee. If there is any doubt about this matter, I shall be glad to have the bill read in full and answer any questions. I think it is a very salutary proposition, and a very necessary one for the protection of these veterans who are unable to protect themselves.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. RANKIN. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. This bill will result in saving some money to the Government and will also result in some of the money reverting back to the Government?

Mr. RANKIN. The gentlewoman is right; and it does not add any extra expense.

Mr. LORD. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from New York.

Mr. LORD. How about the dependents? For instance, I have a case where there is involved a dependent child of an insane veteran. The estate is accumulating. May I ask if that could be used under this amendment?

Mr. RANKIN. The gentleman from Texas [Mr. PATMAN] is present. He was chairman of the subcommittee that made the investigation, and I will ask him to answer the question.

Mr. PATMAN. I did not get the question.

Mr. LORD. I have one case in mind where there is an insane veteran who probably never will recover. He has a small daughter who needs to be taken care of. Now, can that money be used for the care of the daughter? Will this bill affect that in any way?

Mr. PATMAN. That question is not involved in this bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 21 of the World War Veterans' Act, 1924, as amended (U. S. C., Supp. VII, title 38, sec. 450), is hereby amended to read as follows:

"SEC. 21. (1) Where any payment of compensation, pension, emergency officers' retirement pay, or insurance under any act administered by the Veterans' Administration is to be made to a minor, other than a person in the military or naval forces of the United States or to a person mentally incompetent, or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian, curator, or conservator by the laws of the State of residence of claimant or is otherwise legally vested with the care of the claimant or his estate: *Provided*, That where in the opinion of the Administrator any guardian, curator, conservator, or other person is acting as fiduciary in such a number of cases as to make it impracticable to conserve properly the estates or to supervise the persons of the wards, the Administrator is hereby authorized to refuse to make future payments in such cases as he may deem proper: *Provided further*, That prior to receipt of notice by the Veterans' Administration that any such person is under such other legal disability adjudged by some court of competent jurisdiction, payment may be made to such person direct: *Provided further*, That where no guardian, curator, or conservator of the person under a legal disability has been appointed under the laws of the State of residence of the claimant, the Administrator shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

"(2) Whenever it appears that any guardian, curator, conservator, or other person, in the opinion of the Administrator, is not properly executing or has not properly executed the duties of his trust or has collected or paid, or is attempting to collect or pay, fees, commissions, or allowances that are inequitable or in excess of those allowed by law for the duties performed or expenses incurred, or has failed to make such payments as may be necessary for the benefit of the ward or the dependents of the ward, then and in that event the Administrator is hereby empowered by his duly authorized attorney to appear in the court which has appointed such fiduciary, or in any court having original, concurrent, or appellate jurisdiction over said cause, and make proper presentation of such matters: *Provided*, That the Administrator, in his discretion, may suspend payments to any such guardian, curator, conservator, or other person who shall neglect or refuse, after reasonable notice, to render an account to the Administrator from time to time showing the application of such payments for the benefit of such incompetent or minor beneficiary, or who shall neglect or refuse to administer the estate according to law: *Provided further*, That the Administrator is hereby authorized and empowered to appear or intervene by his duly authorized attorney in any court as an interested party in any litigation instituted by himself or otherwise, directly affecting money paid to such fiduciary under this section.

"Authority is hereby granted for the payment of any court or other expenses incident to any investigation or court proceeding for the appointment of any guardian, curator, conservator, or other person legally vested with the care of the claimant or his estate or the removal of such fiduciary and appointment of another, and of expenses in connection with the administration of such estates by such fiduciaries, or in connection with any other court proceeding hereby authorized, when such payment is authorized by the Administrator.

"(3) All or any part of the compensation, pension, emergency officers' retirement pay, or insurance the payment of which is suspended or withheld under this section may, in the discretion of the Administrator, be paid temporarily to the person having custody and control of the incompetent or minor beneficiary to be used solely for the benefit of such beneficiary, or in the case of an incompetent veteran, may be apportioned to the dependent or dependents, if any, of such veteran. Any part not so paid and any funds of a mentally incompetent or insane veteran not paid to the chief officer of the institution in which such veteran is an inmate nor apportioned to his dependent or dependents may be ordered held in the Treasury to the credit of such beneficiary, to accumulate at such rate of interest as the Secretary of the Treasury may determine but at a rate never less than 2 percent per annum, except that in those cases where a veteran with no dependents has been found insane by the Administrator and is being maintained by the United States or any political subdivision thereof, in an institution, no interest will be paid. All funds so held shall be disbursed under the order and in the discretion of the Administrator for the benefit of such beneficiary or his dependents. Any balance remaining in such fund to the credit of any beneficiary may be paid to him if he recovers and is found competent, or, if a minor, attains majority, or otherwise to his guardian, curator, or conservator, or, in the event of his death, to his personal representative, except as otherwise provided by law: *Provided*, That payment will not be made to his personal representative if, under the law of the State of his last legal residence, his estate would escheat to the State: *Provided further*, That any funds in the hands of a guardian, curator, conservator, or person legally vested with the care of the beneficiary or his estate, derived from compensation, automatic or term insurance, emergency officers' retirement pay, or pension, payable under said acts, which under the law of the State wherein the beneficiary had his last legal residence would escheat to the State, shall escheat to the United States and shall be returned by such guardian, curator, conservator, or person legally vested with the care of the beneficiary or his estate, or by the personal representative of the deceased beneficiary, less legal expenses of any administration necessary to determine that an escheat is in order, to the Veterans' Administration, and shall be deposited to the credit of the current appropriations provided for payment of compensation, insurance, or pension."

SEC. 2. Whoever, being a guardian, curator, conservator, committee, or person legally vested with the responsibility or care of a claimant or his estate, or any other person having charge and custody in a fiduciary capacity of money paid under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, the Emergency Officers' Retirement Act, as amended, the World War Adjusted Compensation Act, as amended, the pension laws in effect prior to March 20, 1933, Public Law No. 2, Seventy-third Congress, as amended, or under any act or acts amendatory thereto, for the benefit of any minor, incompetent, or other beneficiary, shall lend, borrow, pledge, hypothecate, use, or exchange for other funds or property, except as authorized by law, or embezzle or in any manner misappropriate any such money or property derived therefrom in whole or in part and coming into his control in any manner whatever in the execution of his trust, or under color of his office or service as such fiduciary, shall be fined not exceeding $2,000 or imprisoned for a term not exceeding 5 years, or both. Any willful neglect or refusal to make and file proper accountings or reports concerning such money or property as required by law, shall be taken to be sufficient evidence, prima facie, of such embezzlement or misappropriation. Section 505 of the World War Veterans' Act, 1924, section 16 of Public Law No. 2, Seventy-third Congress, and section 4783 of the Revised Statutes are hereby repealed; but any offense committed, or any action begun thereunder, may be prosecuted and punishment may be inflicted in accordance with the terms thereof notwithstanding the repeal of said sections.

SEC. 3. Payments of benefits due or to become due shall not be assignable, and such payments made to, or on account of, a beneficiary under any of the laws relating to veterans shall be exempt from taxation, shall be exempt from the claims of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the beneficiary. Such provisions shall not attach to claims of the United States arising under such laws nor shall the exemption herein contained as to taxation extend to any property purchased in part or wholly out of such payments. Section 4747 of the Revised Statutes and section 22 of the World War Veterans' Act, 1924, are hereby repealed, and all other acts inconsistent herewith are hereby modified accordingly. The provisions of this section shall not be construed to prohibit the assignment by any person, to whom converted insurance shall be payable under title III of the World War Veterans' Act, 1924, of his interest in such insurance to any other member of the permitted class of beneficiaries.

SEC. 4. If any provision, sentence, or clause of this act or the application thereof to any person or circumstances, is held invalid, the remainder of this act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 5. That this act shall take effect and be in force from and after its passage.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MEMORIAL DAY ADDRESSES

Mr. HAMLIN. Mr. Speaker, I ask unanimous consent to extend my remarks, and to include therein addresses which I made before the Legion post at Fredericksburg and Luray the latter part of last week.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HAMLIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following Memorial Day addresses made by me at Fredericksburg, Va., and Luray, Va., May 30 and June 2, 1935:

MEMORIAL DAY ADDRESS OF SIMON M. HAMLIN, MEMBER OF CONGRESS, FIRST DISTRICT OF MAINE, GIVEN AT NATIONAL CEMETERY, FREDERICKSBURG, VA., BEFORE THE AMERICAN LEGION AND VETERANS OF FOREIGN WARS, MAY 30, 1935

On this day we lay flowers on the graves of those we love, think again of them, how they talked, how they looked, what they did. We do this in an individual way, the wife for husband, son for mother, and brother for sister. The flowers speak faith, hope, charity; and this has grown into a community or group service and group war observance. So far as I know, this was first started in the South in Mississippi around 1867, when some ladies of Columbus, Miss., strewed flowers over the graves of Confederate and Union soldiers alike. I believe this to be a fine thing to do. I believe it helps us all to have one day at least when we think anew of those gone before, dear ones who have left us; particularly is this day sacred to our soldier dead—those who gave their lives for this Nation of ours. And it is in memory of these soldiers and sailors that I am to speak to you today. And I want to thank those who have given me this opportunity of coming down into the sunny South, a land I have wanted so much to visit, and now I am with you, a Yankee visitor from the First Congressional District of Maine.

I love to think of the history of American Government and review the wars. How the patriots North and South, under Washington, got independence and a free land, and with Commodore Hull and Andrew Jackson at New Orleans, a free sea. Then came the War with Mexico under Scott, and then the Civil War which never ought to have been, but thank God it is over now, and the heroes who wore the blue and the heroes who wore the gray sleep under American soil and beneath the blue waters, and we honor their memories today. In 1897, I believe, I know I was in college at this time, I read in the papers: "Henry W. Grady dead." How many times I have read his incomparable orations and this on the new South: The Confederate soldier, lifting his torn and battered cap for the last time to the graves that dot the old Virginia hills, he turns homeward, and begins his slow and painful journey, and he goes on to speak of what he found, but from that he says horses that hauled cannon in April leaped before the plow, and fields which were red with blood in April were green with the harvest in September. But those times are, thank God, gone.

Our next war was the Spanish War, and I am of the belief that our soldiers and sailors never showed more courage and love for the old flag than in that war and perhaps were never more mismanaged. About the same could be said about our soldiers and sailors in the Philippine Insurrection, and now we come to the World War, our last—and I hope it will be the last of our wars. This war—in fact, all our wars—shows that the real power of a nation lies not in bushels or acres, in bank balances or ships, in wealth or going business; these wars all showed that our Nation rests on the hearts and souls of a great and noble people.

WHAT CONSTITUTES A STATE?

Yes; we honor today our heroes of wars; they died that we might live; they suffered that we might have hope and joy; but while we honor our soldier dead, let's remember the heroes of peace. The greatest act of General Washington was not when he crossed the Delaware, or when he drew his sword under the great elm at Cambridge; the greatest act of Washington was when he refused the kingship of America. I love to think that these heroes of ours never fought for conquest, never died that this Nation might extend its borders.

The 1812 war gave us not one foot of land. The Louisiana Purchase made our first addition, Mexican Treaty, second; Gadsden Purchase, Florida Purchase, Alaska, Philippine, etc., all bought—never gained by war. We covet no man's land, now as always, but, now as always, with blood of the heroes of old, with the spirit of those who wore the blue and those who wore the gray, with sons of these in a defensive war we could defy the world. And so we reverence the old flag, for under its folds the weak are protected and the strongest must obey. Look to your history, that part of it which the world knows by heart, and you will find on its brightest page the glorious achievements of the American soldier and sailor. Whatever his country has done to disgrace him and break his spirit he has never disgraced her; he has always been ready to serve her, he always has served her faithfully and effectively. He has often been weighed in the balance but never found wanting. The only fault ever found with him is that he sometimes fights ahead of his orders. The world has no match for him, man for man; and he asks no odds, and he cares for no odds when the cause of humanity or the glory of his country calls him to fight.

O men who died in battle and in prison,
Or on the long march fell beside the way,
From those far heights to which thy souls have risen
Look down, look down, and counsel us today.

These fragrant flowers by tender hands collected
To deck thy graves, year after year proclaim
That all thy valiant deeds are recollected
And time but adds new splendor to thy fame.

Great were those deeds! Each star upon our banner
Shines with the deathless luster of thy worth.
Each scattered bloom retells in its own manner
Thy valiant story to the listening earth.

O men who died in battle and in prison,
Or on the long march fell beside the way,
Lean from those heights to which thy souls have risen
And counsel us on this Memorial Day!

And if too far thy voice for us to hear it,
Through all earth's din, help us to understand,
And stir our living rulers with thy spirit
Of sacrifice, and save again the land.

MEMORIAL DAY ADDRESS AT LURAY, VA., SUNDAY JUNE 2, 1935, BY SIMON M. HAMLIN, MEMBER OF CONGRESS, MAINE, FIRST DISTRICT, BEFORE THE MILLER-CAMPBELL POST, AMERICAN LEGION

On this beautiful day in this wonderful setting, of field and forest, of mountains around and blue sky above; you, young and old, bring the flowers of your homes to put on the graves of those you loved once, and love now, for love is love for evermore.

It seems altogether fitting to take one day at least out of the year in which to think again of those we loved and lost, who have gone ahead on the long, long trail, where soon we shall follow.

It is good for us to think of them just as they were; and they would not wish us to be sad; they would want us to be happy, and to live the best, so to be the happiest.

Memorial Day appeals to us all to observe it individually. To think of our fathers and mothers who have died, or of our brothers or sisters, or sons and daughters who be at peace. But it has, I think, grown into custom to have especially the memories of our heroes, soldiers and sailors who were willing and anxious to risk all; happiness, health, life itself for those they loved and the Nation they revered.

Let us draw some lessons from our past history and apply them to the present days, and first our wars: Revolutionary, 1812, Mexican, Civil, Cuban, Philippine, World War.

Never one of them a war of conquest. We have not gained land by war. Our additions of territory—Louisiana Purchase, Mexican Treaty, Gadsden Purchase, Oregon Boundary, Alaska Purchase, island possessions, Panama Treaty—were not gained through war.

Jefferson bought Louisiana, Polk's administration bought Texas and the land west of the Rockies, Alaska was bought in Grant's administration, Panama Canal Zone in Teddy Roosevelt's administration, and the Philippines, taken for a time, are returning to their own people.

Oh, no; our wars have never been wars of conquest. And even the Civil War was not a war of conquest, but a war between brothers. God save us from another, and He will, we know; and while I have had one of the most wonderful visits of my life down here in the sunny South, I have seen the trenches and bullet holes at Fredericksburg, and the monuments and markers where the men in gray and the men in blue died, each for what he thought was right. This has all made me love this great Nation more, for I can see plainer than ever before what it has cost, what it is worth.

So I think if our heroes of the old days could speak they would tell us: People of America, see what this fair land cost. In the Revolutionary, from the night of Valley Forge to Yorktown, cloudless day. In the 1812 War we can almost see Jackson at New Orleans saying, "See that every shot tells." Grant, "Take your horses, you will need them for your spring work."

Lee, "Our duty is to obey the laws." Pershing, "Lafayette, we are here." Our soldiers and sailors have always been a credit to America; whatever mistakes our Government has made toward them, they have always been true to it. In anywhere near a fair chance they have never been defeated, and man for man no nation has their superiors.

But the heroes of war are not the only heroes. Jackson's greatest act was not on the levee at New Orleans when he defeated the British General, Packenham, but when he bowed his head to the Christ of Galilee.

And our soldiers of all our wars have always been our leaders in peace. These Legion boys here in Luray with their wives and little ones, their hands full of flowers, tell the story, which I read everywhere I go, that our present war veterans are as helpful in peace as they were in war; that they are among the leaders in all community good works.

I want to thank you all for this opportunity you have given me to come into your hospitable southern land and see you face to face, for you look good.

And now we don't want war; we want peace and joy; and should work together to keep America leader of the world. And we'll say:

"There, too, sail on, O Ship of State,
Sail on O Union strong and great.
Humanity with all its fears,
With all the hopes of future years
Is hanging breathless on thy fate.

"We know what Master laid thy keel,
What workmen wrought thy ribs of steel;
Who made each mast and sail and rope,
What hammers rang, what anvils beat,
In what a forge, and what a heat
Were shaped the anchors of thy hope.

"Fear not each sudden sound and shock,
'Tis of the wave and not the rock.
'Tis but the flapping of the sail,
And not a rent made by the gale.
In spite of rock and tempest's roar,
In spite of false lights on the shore.

"Sail on, nor fear to breast the sea,
Our hearts, our hopes are all with thee.
Our hearts, our hopes, our prayers, our tears,
Our faith, triumphant o'er our fears,
Are all with thee,
Are all with thee."

MEMORIAL DAY ADDRESS

Mr. COLMER. Mr. Speaker, I ask unanimous consent to extend my own remarks, and to include therein a speech delivered by my distinguished colleague, the gentleman from Georgia [Mr. DEEN], at Shepherdstown, W. Va., on last Saturday.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following speech delivered by my distinguished colleague the gentleman from Georgia [Mr. DEEN] at Shepherdstown, W. Va., Saturday, June 1, 1935:

Mr. President, ladies, and gentlemen, it was with sincere appreciation that I accepted the invitation so generously extended me by your most distinguished and popular Representative in Congress, the Honorable JENNINGS RANDOLPH, to come to Shepherdstown, W. Va., today and be your guest speaker on this occasion, the observance of Decoration Day in honor of our Confederate heroes.

If the admiration, love, and esteem in which a Member of Congress is held by his colleagues is any indication of the type of citizenship he represents, then, certainly this part of West Virginia is one of the greatest spots on the American continent, for JENNINGS RANDOLPH is without question one of the Nation's most distinguished statesmen, a young man whose powers of oratory and genial disposition have endeared him to all his colleagues. In my opinion, no Member of Congress has ever accomplished more than JENNINGS RANDOLPH in the same length of time that he has served in the House of Representatives.

Assembled throughout the Nation today are millions of American citizens who are pausing to pay tribute to America's heroes of all wars in which the United States has been engaged—to our heroes, both living and dead. Immediately following the close of the Civil War, southern wives, mothers, sisters, and sweethearts of fallen Confederate heroes, in loving remembrance of their departed loved ones, wended their way to the graves of their dead, and there, with tears freshly fallen from their eyes, bathed the wreaths of flowers which they gently and tenderly placed on many of the lost and neglected graves. April 26 was later designated as "Southern Memorial Day." Shortly thereafter, by Executive proclamation, May 30 was designated as "National Memorial Day."

It is with dual emotions that we assemble here today—emotions of sadness when we think of the devastation, tragedies, and horrors of war; emotions of joy because our Nation, and its 120,000,000 American citizens, has been preserved since the days of colonization from communistic enemies within and foes without.

There are five historic and significant periods in the glorious annals of American history. The Revolutionary War of 1775, which is the first of the five eras of predominant significance, marks the achievement of our independence, freedom, liberty, and Americanism. This era was one of American chivalry and patriotism so gallantly displayed by the Father of our Country, George Washington, first President of the United States, and by the loyal and unswerving soldiers who followed him at Valley Forge.

Actuated primarily by a desire to obtain a more satisfactory adjustment with the Indians in the United States, with special effort on the part of the Federal Government to better regulate fur trade and other foreign trade between Canada, the United States, and Great Britain, the Congress of the United States declared war against Great Britain in 1812. Although both in Canada and the United States there was much opposition to the war, America's militia, numbering about three-quarters of a million men, displayed great courage and skill both on land and sea. Peace proposals and memorial resolutions were sent President James Madison from various parts of the United States, and our young Nation, then less than 25 years old, soon emerged from the dark shadows of the War of 1812.

The third and most significant era in American history is the period existing from 1861 to 1865. During this time 11 sovereign States of the Nation, embodied together in effort and purpose, constituted the Southern Confederacy.

In 1860, upon the news of the election of President Abraham Lincoln, South Carolina, on December 20, by convention, seceded from the Union by purporting to repeal her adoption of the Constitution of the United States in 1788. Mississippi seceded January 9, 1861, Florida January 10, Alabama January 11, Georgia January 19, Louisiana January 26, and Texas February 1—all by conventions. These seven States formed the Confederate States of America February 4, 1861. After the firing upon of Fort Sumter, four more States seceded: Arkansas (no. 8) May 6, 1861; North Carolina May 20, 1861; Virginia May 23, 1861; and Tennessee (the eleventh State) June 8, 1861.

On February 4, 1861, the provisional congress met at Montgomery, Ala., and on February 9, Jefferson Davis, of Mississippi, was chosen President of the Confederacy and Alexander H. Stephens, of Georgia, was chosen Vice President. The seat of the Confederate Government was removed to Richmond, Va. Jefferson Davis and Alexander H. Stephens were then elected under the provisions of the permanent Confederate Constitution and were inaugurated on February 22, 1862. They continued in office throughout the war.

No one doubts that the cause of the Confederacy was legally and morally just. The paramount question was not one of whether or not slavery should be continued, but was a question of whether or not a sovereign State had a moral and legal right to secede from the Union, by rescinding its adoption of the Federal Constitution. The right of a sovereign State to secede is a right inherent in the citizens of a given State. The question of State rights versus nationalism was a question long debated in the early days of our country, not only around the fireside but in famous halls, on public platforms, and in State capitols.

The line of demarcation which separates the rights, liberties, and responsibilities of a sovereign State from those rights, liberties, and responsibilities delegated to the Federal Government, should ever remain uppermost in the minds of those Federal officials charged with the responsibility of administering the Federal Government.

The glorious achievements of Confederate generals like Lee, Jackson, Longstreet, Johnston, Beauregard, and Forrest were surpassed only by their valor and courage in facing the enemies' fire of shot and shell when charged by Federal generals like Grant, McClellan, Meade, Sherman, Thomas, and Sheridan.

The 4 years of war's bitter battles of bloody strife took their toll from both Confederate and Federal soldiers at Bull Run, Donaldson, Shiloh, Antietam, Murfreesboro, the Monitor and Merrimac, Vicksburg, Gettysburg, Wilderness, Nashville, Fredericksburg, Chancellorsville, Chickamauga, Bentonville, and the Battle of Atlanta.

On January 1, 1862, there were enrolled in the active armies of the Confederacy 318,011 men; January 1, 1863, 465,584; January 1, 1864, 472,781; and January 1, 1865, 439,675. Historians have practically agreed that approximately 800,000 men served in the Confederacy at one time or another during the war.

A total of 2,778,304 men constituted the Army and Navy of the United States and were at the command of Federal generals. During the war 360,222 Federal soldiers were killed, and northern writers have assumed that the Confederate losses equaled the Union losses.

Expenditures, 1862–65, were as follows:

	War	Navy	Miscellaneous	Interest on debt	Total
1862	$389,173,000	$42,640,000	$24,564,000	$13,190,000	$469,569,000
1863	603,314,000	63,261,000	27,428,000	24,729,000	718,733,000
1864	690,391,000	85,705,000	35,186,000	53,685,000	864,968,000
1865	1,030,690,000	122,617,000	64,395,000	77,395,000	1,295,099,000

An examination of these figures gives an approximate estimate of the cost of the war. In 4 years the expenditures for war amounted to $2,713,568,000 compared with $88,306,000 in the preceding 4 years; and for the navy, $314,223,000 compared with $52,644,000 in the previous term. To these totals must be added the interest charges on the debt created during the period. The expenditures during the 4 years of conflict however, are but a portion of the account; several years elapsed before the expenditures for war and navy were brought down to a normal basis, and in the last year of the war pensions began to swell the annual cost of the Government. In 1879 a tabulation was made of the expenditures growing out of the war down to that date, showing the enormous sum of $6,190,000,000. A complete estimate would include a large amount of State expenditures which find no record in the books of the National Treasury.

The interest on the public debt from 1861 to 1893 was $2,536,128,210.50. The Civil War pensions by June 30, 1919, had amounted to $5,299,859,509.39.

The initial cost of the Civil War, plus interest on the public debt together with cost of pensions today, gives a total of $12,322,186,601.22. But there was a greater cost than that represented by money. It was the loss of life, property, and happiness. The devastations of war cannot be measured in dollars and cents.

Both my grandfathers were Confederate soldiers. My paternal grandfather was killed in the war, never returning home to see his young wife again and glance upon the face of his son who was born only a few days after his enlistment in the Confederate Army. This son was my father and, inspired by his blessed and sainted memory, I have undertaken with increasing courage the task of a greater service to my country. My paternal grandfather, with his loyalty, love, devotion, and patriotism for his Confederate generals, died on a lonely and bloody battlefield, where his noble heart perhaps became the vomit of vultures and his flesh the food of the carrion crow. He died for a cause that he thought was right. I love, revere, respect, and cherish his memory.

Returning home at the close of the war, my maternal grandfather, still in the prime of young manhood but without clothes, money, food, or property, began anew the career of his young manhood—that of agriculture. He built a home, cleared a large farm, reared a family of several children. I have often sat upon his knee and listened with eager imagination to the many and varied war incidents related by that noble soul. My maternal grandfather, after living a useful life and reaching his three score and 10 years, answered the last bugle call and was laid to rest, not in some jeweled city of the dead but in his family cemetery on a sloping hillside, almost within a stone's throw of where he spent his entire life.

Thanks be unto our Creator that America has learned that civil strife, internal disturbances, monopolistic combines, and oppression of the poor are not conducive to the security and perpetuation of a loyal and patriotic America. Today 120,000,000 and more Americans are recipients of a heritage bequeathed to us as a precious treasure, purchased with the price of blood, preserved and maintained in patriotic love, dedicated in prayer and devotion—a heritage we love to call America—a shrine builded as an emblem and mark of achievement, wrought by our forefathers.

For those heroes who fought, bled, and died to maintain and preserve our civilization since the beginning of this Nation, and who today sleep beneath the tranquil shade of the trees which sheltered them from the enemies' fire, we can do nothing more than pay tribute to them by rededication of ourselves to the worthwhile endeavors championed by them when first they placed foot on American soil. They not only conquered wild beasts, cut down trees, built roads and houses, created local self-government and made a civilization, but American patriots have defended that civilization against foreign invasion and foreign foes.

To those Confederate heroes of the sixties now living we pay tribute. There are less than 14,000 Confederate soldiers now living.

All of them were once young men, with strong hearts, courageous, undaunted, and unafraid. They marched forward to face the enemies' fire, and amid shot and shell, many of them wounded in body have survived through the years. The eye that was once alert and keen, the body that was once strong and stalwart, the hand that was steady, the shoulders that were straight, the countenance that was youthful—these have all faded. With stooped shoulders, frail bodies, dimmed eyes, and trembling hands most of the heroes of the sixties are fast joining their comrades on the other shore.

Heroes of the sixties departing this life, both during the war and since then, probably would have expressed their last sentiments to us as follows:

"A place in thy memory, dearest,
Is all that I claim;
To pause and look back when thou hearest
The sound of my name."

"For I would not live always,
I ask not to stay
Where storm after storm
Rises dark o'er the way."

The policy of the Federal Government in preserving national cemeteries which mark the last resting place of thousands of America's soldiers is an admirable one. The Unknown Soldier's Tomb in Arlington Memorial Cemetery, Washington, D. C., is a tribute by the Federal Government and the American people, not only to the soldier whose ashes are entombed within its confines, but to every American soldier of all wars who sleep beneath rivulets, battlefields, trenches, and the sea, and whose names have not been recorded among our heroic dead. Many of our war heroes went as intrepid and unselfish warriors from beneath the roofs of their humble cottages, and the devotion of the American people may truly be expressed to them as follows:

"On a lone barren isle, where the wild roaring billows
Assail the stern rock, and the loud tempests rave,
The hero lies still, while the dew-dropping willows,
Like fond weeping mourners, lean over his grave.
The lightnings may flash and the loud thunders rattle;
He heeds not, he hears not, he's free from all pain;
He sleeps his last sleep, he has fought his last battle;
No sound can awake him to glory again.

"Yet spirit immortal, the tomb cannot bind thee,
But like thine own eagle that soars to the sun,
Thou springest from bondage and leavest behind thee
A name which before thee no mortal hath won.
Tho' nations may combat, and war's thunders rattle,
No more on thy steed wilt thou sweep o'er the plain;
Thou sleep'st thy last sleep, thou hast fought thy last battle,
No sound can awake thee to glory again."

The fourth significant epoch in American history is that in 1898. On April 21 of that year the United States began war with Spain, but active hostilities ceased August 13, 1898; however, the war officially ended April 11, 1899. The war involved the question of Cuba's desire for freedom and independence. As a colony of Spain, Cuba was a valuable trade center. The already established policy of colonial secession from a mother country placed the United States in the position of naturally assisting Cuba, because it was through the same course that the Thirteen Colonies won their independence from Great Britain in 1776. The war of 1898 between Spain and the United States ended without any great financial loss and without loss of but a few thousand American soldiers to the United States.

The fifth period to which I briefly call your attention is that existing from 1914 to 1918 and known as the "World War period." With regulars numbering 545,773; volunteers, 728,234; and drafted, 2,783,094, a total of 4,057,101 men in the United States served in the World War. This does not include marines who served with the Army in France.

The pride and flower of American youth and manhood went forth as courageous warriors, thousands of them never to return; others returned with blighted futures, blasted hopes, and physical impairments, while others returned to private life without bodily or mental injury.

One hundred and twenty thousand Americans alone were killed in the Battle of Meuse-Argonne, which was by far the greatest battle ever fought by American troops.

In addition to the several billions of dollars which the World War has and will cost the United States, European countries owe us approximately today $11,000,000,000 as a result of loans granted them during the war.

The horrors and tragedies of cruel warfare cannot be expressed in dollars. The cost and loss in human lives and human values transcend in importance the loss of property and money. The carnage of warfare should forever discourage the brutal and selfish aims of greed and gain which seek to promote war. I am not one of those persons who believes veterans should not receive special consideration at the hands of their Federal Government. I have always maintained that our veterans of all wars, whether living or dead, distinguished themselves in a separate group of citizens by offering their lives in defense of their country's welfare. As one Member of Congress I voted for the payment this year of the adjusted-service certificate and did so because I believe it to be right and proper at this time.

Millions of Americans today are sending their thoughts in silent expressions across the sea to Flanders Field where lie on some hillside, or in a forgotten trench, American boys who gave their all in a bloody battle of the bloodiest war since Napoleon drove his men into the enemies' ranks of fire and dynamite.

Speaking of America's soldiers of all wars, whether living or dead, and whether buried on American soil or on foreign soil; beneath the mad ocean waves, on a mountainside in a humble cottage, or in a mansion by the sea, I like to associate their names and memories with America's homes which they helped to preserve in time of war.

"There's something in us native to the soil where we belong,
The gentle gift of gladness or the touch of living song.
There's something in us answering in the long result of years,
Responsive to the message of the soil that caught our tears,
That caught our echoed laughter in childhood's far away—
That comes back rushing o'er us, some far time at work or play,
And all the end and answer of the problems where we roam
Is in the dreams remembered of the little spot called home."

Perhaps it is not unfitting for us to think also of those millions of stalwart, heroic men and women of America who have not been enlisted in the Army or Navy, but who remained at home and contributed their best of thought, labor, money, time, and effort toward victory for the United States in the world conflict from 1914 to 1918. It is this great army of home owners, property owners, taxpayers, liberty-loving and patriotic citizens who will eventually win against the present economic war of selfishness, greed, and gain, maladjustment, and unfair practices.

God save the great middle class of people in this Nation. It is on their shoulders that our future largely depends. God save the common people of the Nation for they are our hope.

Oliver Goldsmith in his Deserted Village pictures the value of common people to a nation's welfare when he said:

"Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay.
Princes and lords may flourish or may fade,
A breath can make them, as a breath has made;
But a bold peasantry, their country's pride,
When once destroyed, can never be supplied."

To those gallant heroes, both in war and peace, who have builded our civilization and fortified it against insidious attacks of foreign foes and domestic enemies; have builded our civilization on a firm foundation and have builded for our footsteps, we pause to pay tribute. In thinking of the bridges they built which

have taken us over many dangerous precipices, I am reminded of that matchless poem, entitled—

"THE BRIDGE BUILDER

"An old man going a lone highway
Came at the evening, cold and gray,
To a chasm vast and deep and wide.
The old man crossed in the twilight dim—
The sullen stream had no fear for him;
But he turned when safe on the other side
And built a bridge to span the tide.

"'Old Man', said a fellow pilgrim near,
'You are wasting your strength with building here,
Your journey will end with the ending day.
You never again will pass this way—
You've crossed the chasm deep and wide—
Why build this bridge at eventide?'

"The builder lifted his old gray head—
'Good friend, in the path I have come', he said,
There followeth after me today
A youth whose feet must pass this way;
This chasm which has been as naught to me
To that fair-haired youth may a pitfall be;
He, too, must cross in the twilight dim.
Good friend, I am building this bridge for him.'"

My first visit to your great State would not be complete if I did not tell you how greatly impressed I was this morning as I drove along your wonderful highways. I was inspired by the natural beauty of your State, which was the thirty-fifth State to enter the Union, June 19, 1863.

If I recall my history correctly, the western and northwestern parts of Virginia refused to be bound by the ordinance of secession of April 17, 1861. A convention was called at Wheeling in May 1861. This convention refused to recognize State officers who were in opposition to the Federal Government at that time. The convention elected Frank Pierpont Governor of Virginia and called a State legislature to meet at Wheeling. The legislature gave its consent to a division of the State of Virginia. West Virginia therefore became a separate State in June 1863. That has been only 72 years ago. Ancestors of many of you who remained faithful to the Confederacy were later disfranchised.

Today West Virginia has a population of 1,800,000 people, with an approximate area of 24,000 square miles, and composed of 55 counties, representing varied interests and industries, including agriculture, livestock raising, glass, pottery and ware manufacturing, steel, and coal industry. Your State is the largest bituminous coal producing State in the Union, with an output of 10,000,000 tons monthly. In addition to these resources, you have tremendous possibilities for power development and many other assets too numerous to mention.

Your State should be justly proud of her six capable Representatives and two distinguished Senators in Congress. I notice in Statuary Hall in the Capitol your State has honored its first Governor, Hon. Frank Pierpont, and a distinguished United States Senator, Hon. Joseph Kenna, with a place among America's greatest, including two famous and distinguished Georgians from my own State, Dr. Crawford W. Long, discoverer of ether in 1842, and Alexander H. Stephens, Vice President of the Confederacy.

The safety and perpetuity of the United States must necessarily rest on three things. First, our American homes; second, our American mothers; and third, allegiance and rededication of America to our Creator. Homes where peace abides, happiness dwells, where mothers, wives, sisters, and sweethearts are enthroned as queens, homes that are havens for weary husbands and places of refuge for sons and daughters—these are the institutions which are dear to our hearts.

America needs to rededicate itself to the Creator of all life, love, liberty, and happiness. No nation can survive which forgets God. The American people would do well to stop for a moment and cease asking and demanding from their fellow man as well as their Creator, and on the contrary give thanks and appreciation to their Creator. This rededication of America will reflect through the annals of American history, splendor and grandeur as the scroll of honor of earth's heroes is unfurled throughout future centuries. Peace, happiness, and prosperity will survive and abound in the same proportion as our Nation rededicates itself to the principles of freedom, justice, wisdom, truth, and Christianity.

"Thou art, O God, the life and light
Of all this wondrous world we see,
Its glow by day, its smile by night
Are but reflections caught from Thee,
And where'er we turn, Thy glories shine
As all things fair and bright are Thine."

Through our American homes and a rededication of America to our Creator, the safety and perpetuity of the United States can be securely attained. Along with these two powerful forces is the inspiration emanating from the lives of American mothers—mothers whose hearts are filled with love and devotion for their Nation's welfare, for the preservation of all that is sacred and is a part of our country's history.

While we are speaking of America's heroes and heroines, of the victory of the vanquished and of earth's greatest battles, I recall the appropriate words of the poet as follows:

"The bravest battle that ever was fought,
Shall I tell you where and when?
On the maps of the world, you'll find it not,
'Twas fought by the mothers of men.

"Nay, not with cannon or battle shot,
With sword or noble pen,
Nay, not with eloquent words or thoughts
From mouths of wonderful men.

"But deep down in a woman's heart,
Of a woman that would not yield,
But bravely, silently bore her part
Lo! There is the battlefield.

"No marshalling troup, no bivouac song,
No banner to gleam and wave,
But oh! Those battles that last so long,
From babyhood to the grave.

"Yet, faithful still as a bridge of stars,
The fight in her walled-up town,
Fights on and on through endless wars,
Then silently, unseen, she goes down."

UNITED STATES COMMISSION FOR CONSTRUCTION OF A WASHINGTON-LINCOLN MEMORIAL-GETTYSBURG BOULEVARD

The SPEAKER had the Clerk read the following announcement:

Pursuant to the provisions of Public Resolution 19, the Chair appoints as members of the United States Commission for the construction of a Washington-Lincoln Memorial-Gettysburg Boulevard the following Members of the House: Mr. HAINES, Pennsylvania, and Mr. LEWIS, Maryland.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the calendar.

PRELIMINARY EXAMINATION OF THE NEHALEM, MIAMI, KILCHIS, WILSON, TRASK, AND TILLAMOOK RIVERS, TILLAMOOK COUNTY, OREG.

The Clerk called the first bill on the Consent Calendar, H. R. 4077, authorizing a preliminary examination of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the controlling of floods.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. WILSON of Louisiana. Mr. Speaker, the Senate has passed a similar bill, and I ask unanimous consent that the Senate bill may be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination to be made of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the control of floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River, and of the Sacramento River, California, and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 4077) was laid on the table.

UMPQUA RIVER, OREG.

The Clerk called the next bill, H. R. 5651, authorizing a preliminary examination of the Umpqua River, Oreg.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. WILSON of Louisiana. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 449) may be substituted for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of the Umpqua River and its tributaries in the State of Oregon, with a view to the control of its floods, in accordance with the

provisions of section 3 of an act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, California, and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 5651) was laid on the table.

COQUILLE RIVER, OREG.

The Clerk called the next bill, H. R. 5773, to authorize a preliminary examination of Coquille River and its tributaries in the State of Oregon with a view to the control of its floods.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. WILSON of Louisiana. Mr. Speaker, I ask unanimous consent that a similar bill (S. 448) may be substituted for the House bill.

There being no objection, the Clerk read the Senate bill as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of the Coquille River and its tributaries in the State of Oregon, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 5773) was laid on the table.

ROGUE RIVER, OREG.

The Clerk called the next bill, H. R. 5774, to authorize a preliminary examination of Rogue River and its tributaries in the State of Oregon with a view to the control of its floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of the Rogue River and its tributaries in the State of Oregon, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SIUSLAW RIVER, OREG.

The Clerk called the next bill, H. R. 5775, to authorize a preliminary examination of Siuslaw River and its tributaries in the State of Oregon with a view to the control of its floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of the Siuslaw River and its tributaries in the State of Oregon, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YAQUINA, RIVER, OREG.

The Clerk called the next bill, H. R. 5776, to authorize a preliminary examination of Yaquina River and its tributaries in the State of Oregon with a view to the control of its floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of the Yaquina River and its tributaries in the State of Oregon, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

SILETZ RIVER, OREG.

The Clerk called the next bill, H. R. 5777, to authorize a preliminary examination of Siletz River and its tributaries in the State of Oregon with a view to the control of its floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of the Siletz River and its tributaries in the State of Oregon, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN OFFICERS AND SOLDIERS IN THE WAR WITH SPAIN WHO WERE HELD IN SERVICE IN THE PHILIPPINE ISLANDS AFTER RATIFICATION OF TREATY OF PEACE OF APRIL 11, 1899

The Clerk called the next bill, H. R. 2024, for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899.

Mr. HOEPPEL. Mr. Speaker, in view of the fact that the Pension Committee is interested in obtaining a rule or recognition for suspension of the rules for the passage of the Spanish veterans' pension restoration bill—H. R. 6995—and because of the fact that the passage of this present legislation may possibly prejudice the obtaining of such a rule, I ask unanimous consent that this bill be passed over without prejudice.

Mr. TRUAX. Mr. Speaker, reserving the right to object—and I shall not object—I want to verify what the gentleman has just stated. This bill was discussed by the members of the Pensions Committee, and their unanimous opinion was that the bill should be held in abeyance pending the disposition of the other measure.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I have had occasion to talk with several Spanish-American War veterans who are interested in this measure. They tell me this is a very meritorious bill and one that should be passed. If it is just a matter of pride of authorship in the Committee on Pensions, I believe we ought to lay such feeling aside and that the members of that committee should submerge their pride and let this bill be passed, because I understand it is a very meritorious measure.

I do not see any reason why the bill should be passed over, and I am going to object to its being passed over. By doing so, I will thereby call for the immediate passage of the bill. I want this bill passed, for there are many Spanish War veterans who deserve what this bill will give them. To pass it over for another time may ultimately cause its defeat. Let us pass it today. It should be passed, and I hope it will be passed.

The SPEAKER. Objection is heard to the bill being passed over without prejudice. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That all officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain who were held to service in the Philippine Islands for service in the Philippine Insurrection after April 11, 1899, and after the conclusion of peace with the Kingdom of Spain, shall be entitled to the travel pay and allowance for subsistence provided in sections 1289 and 1290, Revised Statutes, as then amended and in effect, as though discharged April 11, 1899, by reason of expiration of enlistment, and appointed or reenlisted April 12, 1899, without deduction of travel pay and subsistence paid such officers or soldiers on final muster out subsequent to April 11, 1899.

SEC. 2. Claims hereunder shall be settled in the General Accounting Office and shall be payable to the officer or soldier, or to his widow, or to his legal representative: *Provided*, That no claim hereunder shall be allowed to a legal representative without proof of the existence of blood relations of the officer or soldier, as are defined in the act of June 30, 1906 (34 Stat. L. 750), to whom the fund would be distributed: *And provided further*, That where the payment to be made under this act is less than $500 and the person who rendered the service is dead, is not survived by a widow, and no demand is presented by a duly appointed legal representative of his estate, payment may be made to the decedent's legal heirs as provided by existing acts relating to the settlement of accounts of deceased officers or soldiers of the Army (34 Stat. L. 750).

SEC. 3. The Comptroller General is authorized and directed to certify to the Congress, pursuant to the provisions of section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), all claims allowed hereunder.

SEC. 4. Applications for the benefits of this act shall be filed within 3 years after the date of its passage.

SEC. 5. Payment to any attorney or agent for such assistance as may be required in the preparation and execution of the necessary papers in any application under this act shall not exceed the sum of $10: *Provided*, That this limitation shall not apply to attorneys employed by claimants entitled to the benefits of this act who were active in the prosecution of their claim before Congress, to whom a fee of not to exceed 10 percent of the amount found to be due may be allowed. Any person collecting or attempting to collect a greater amount than is herein allowed shall be deemed guilty of a misdemeanor and shall be punishable by a fine of not more than $500 or by imprisonment for not more than 2 years, or by both such fine and imprisonment.

With the following committee amendment:

Page 2, after the word "or" in line 7, strike out all of lines 8 to 20, inclusive, and insert the following: "soldier, or if the person who rendered the service is dead, then to his widow, children in equal shares (but not to their issue), father, or mother as provided by existing acts relating to the settlement of accounts of deceased officers and soldiers of the Army (34 Stat. 750), but if there is no widow, child, father, or mother at the date of settlement, then no payment on account of the claim shall be made."

The committee amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL JUDGE FOR THE EASTERN DISTRICT OF VIRGINIA

The Clerk called the next bill on the Consent Calendar, H. R. 1414, to provide for the appointment of an additional district judge for the eastern district of Virginia.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve an objection for the purpose of offering an amendment.

The SPEAKER. Is there objection?

Mr. TRUAX. I object.

The SPEAKER. This bill requires three objections. Is there further objection?

There was no further objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized and directed to appoint, by and with the advice and consent of the Senate, an additional judge of the District Court of the United States for the Eastern District of Virginia.

Mr. TRUAX. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 7, after the word "Virginia", strike out the period, insert a comma, and insert "to serve for the term of 4 years from the date of appointment."

Mr. MONTAGUE. Mr. Speaker, I make a point of order against the amendment.

Mr. BLANTON. I make the point of order against the amendment that it is not germane, in that it is in direct contravention to the Constitution of the United States.

Mr. MONTAGUE. I reserve the point of order.

The SPEAKER. The bill provides for the appointment of a judge and the amendment provides that the term shall be limited to 4 years. The Chair thinks it is germane.

Mr. BLANTON. If the Chair will kindly hear me a moment, under the Constitution of the United States and the present existing law a Federal judge is appointed for life, subject to good behavior. This bill is for the appointment of another Federal judge for the State of Virginia. An amendment limiting the term of office to 4 years is not germane, because under the Constitution of the United States judges are appointed for life, subject to good behavior.

The SPEAKER. The Chair will state that the bill provides for the appointment of a Federal judge. It is not the province of the Chair to pass on the constitutionality of the amendment. That is for the House to determine. The Chair thinks it is germane.

Mr. BLANTON. Could the House create a new judge for the Supreme Court of the United States and make the term of office for 1 year only?

The SPEAKER. That is a question of constitutional law on which the Chair cannot pass.

Mr. SUMNERS of Texas. Mr. Speaker, I direct the attention of the Speaker to this fact: The term of service of Federal judges is fixed in the Constitution. They hold during good behavior. Up to this time there is no agency of Government to which the issue of good behavior may be submitted. A good many American lawyers, members of the House, have the notion that good behavior is one of the issues that is adjudicated in an impeachment trial. That clearly is not true. An examination of the impeachment provisions of the Constitution shows that the provision gives to the Senate all the jurisdiction it can possibly have. The President is eliminated because of the historical background which resulted in the separation of the judiciary from Executive control. That leaves, therefore, the tenure of United States judges for life, subject to good behavior fixed by the framers of the Constitution in the Constitution itself, with no tribunal yet provided to try the issue of good behavior. It is my opinion, if I may venture it, that good behavior is a justiciable issue. It would not be possible, I submit to the Chair, for the Congress of the United States by legislation to put a limitation upon the tenure of the court which has been fixed in the Constitution.

The SPEAKER. The Chair is called upon to pass only on the question of whether this amendment is germane to the bill. This bill provides for the appointment of a judge and the amendment seeks to limit the term of the judge appointed under the bill to 4 years. The Chair is not passing on the constitutionality of the amendment. That is something which, under the rules of the House, the Chair has nothing to do, but the Chair does think that so far as the question of germaneness is concerned the amendment is clearly germane to the bill. The Chair therefore overrules the point of order.

Mr. BLANTON. Mr. Speaker, will the Chair permit a parliamentary inquiry?

The SPEAKER. Certainly.

Mr. BLANTON. Has the time come, Mr. Speaker, when neither the House nor the Speaker can consider a constitutional question at all?

The SPEAKER. That is not a parliamentary inquiry. The House should always consider the constitutionality of all legislation pending before it.

Mr. BLANTON. If we could do it by points of order, we would save much public money from being wasted in useless expense, for we could then stop proposals which we know to be unconstitutional, and would save our Supreme Court of the United States much time and trouble in undoing our action.

The SPEAKER. The Chair is not vested with the authority to determine that.

The question is on the amendment offered by the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Speaker, I submit it is high time that the Congress and the people of the United States limit the terms of the Federal judges, both of the district and circuit court and of the United States Supreme Court. Why, Mr.

Speaker, the term of every Governor of a State in the United States is limited to not exceed 4 years, and most of them 2 years, and in some States when they have two terms they must retire. Members of this House are limited to a term of 2 years. Every 2 years they must make an accounting to their constituents. The terms of United States Senators are limited to 6 years, and then they must make an accounting to their constituents. Why should Federal judges be the one exception to this time-honored rule? Why should they alone of all our public officials hold a life lease on their jobs? How can any man expect humanitarian decisions on $20,000 a year with life tenure? The Constitution does not say that judges are appointed for life. It says that they are appointed for a term during good behavior.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I yield for a short question.

Mr. McFARLANE. If the gentleman's amendment of 4 years be adopted, that will give the people ample time to determine whether or not this additional Federal judge is needed, and if he is not needed the office will automatically discontinue.

Mr. TRUAX. And it will give the people ample time to determine whether these judges are for all the people or for the vested interests. I claim the term of every judge in this country ought to be limited, and when they cease to serve all the people, and look at these questions only with their coldly legalistic minds, never considering the humanitarian side of the question, it is time for them to step out or to be kicked out by the people of this country. I hope to be able to fix the term of every Federal judge in this country, and every Supreme Court judge. Then and then only, when these judges are made responsible to the people, will we get decisions that are within the wishes and meet the desires of those people most affected. I read in the paper today that the old Supreme Court chamber will be used as a national shrine for future generations. I recall to your minds that when the future generations view that shrine they will see that it is now wet with tear drops, and they will find if they look closely that that shrine is spattered with the lifeblood of a quarter million farmers in this country whose farms will be sold in the next year because of the recent Supreme Court decision declaring unconstitutional the Frazier-Lemke farm bankruptcy bill.

For 135 years the Court has held forth under the dome of the Capitol. Now they are moving from this historic chamber to a new, magnificent, $10,000,000 marble palace, built at taxpayers expense. That word "shrine" is one sometimes loosely handled in these later days. Webster defines "shrine" as "an object or place consecrated to some deity or saint; a place or object hallowed from history or association."

We recall that in that chamber the incomparable logic and wisdom of Calhoun radiated and blazed. Webster's vast powers vanquished and conquered many a foe; and in that historic chamber the mighty voice of Henry Clay inspired reverent patriotism by its ardent eloquence.

But on last Monday from that shrine there was not proclaimed a new Magna Carta for either the laborer or the farmer. The welkin did not ring with a new declaration of economic liberty and independence. The heads of distressed farmers whose property is about to be confiscated were bowed in sorrow, disappointment, and despair.

Look again and you will see the pinched wan faces and starving bodies of little children who will again be forced into ruthless drudgery and slavery by this decision. The N. R. A., as you know, abolished child labor. Look again and you will see riotous strikes of hundreds of thousands of industrial workers. Ultimately you will find labor disorganized. You will find this to have been accomplished by the scrapping of the N. R. A. You will find wages falling and unemployment increasing. If N. R. A. has killed its thousands of small business men as enemies claim, then this junking of the act will slay its tens of thousands of workers.

It is time the Supreme Court should be denied the power to veto acts of Congress, to veto acts of State legislatures, to veto acts of all the Governors of this country. This is the only country in the world, the only civilized and enlightened country, where your Supreme Court has the dictatorial power which they have asserted, where they have taken over the power to negative and nullify the acts of Congress in this country. [Applause.]

Mr. McLEAN. Mr. Speaker, I rise to a point of order. The gentleman is not addressing himself to the matter before the House.

The SPEAKER. The gentleman from Ohio will confine himself to the amendment.

Mr. MONAGHAN. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. MONAGHAN. In connection with the point the gentleman makes that this is the only country in the world where such a power is vested in the Supreme Court, it is interesting to note that in 1388 Chief Justice Trevellian in England was beheaded for declaring void an act of the Parliament.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. MONTAGUE. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, the point of order now comes to the House itself. When we are sworn as Members of Congress our oath is not to support the American Government or any agency thereof; our oath is not to support the American people; our oath is to support the Constitution of the United States [applause] and all laws made in pursuance thereof. [Applause.] The point of order resolves itself into this: Will we violate our oaths or will we support our oaths? A judge, under the Constitution of the United States, holds his position during good behavior. This body and the Senate, combined with the President of the United States, cannot violate that plain, obvious clause of the Constitution of the United States by changing this term of service so organically fixed.

I will not venture into the field of discussion opened by the gentleman from Ohio [Mr. TRUAX]. That is not before this House. I have my own views upon those questions, as the gentleman seems to have his. To me these views have been long entertained; but, speaking parenthetically, I think we would subserve the interests of this country better if we would seek how to conform to the Constitution rather than to evade it. [Applause.]

Why should an exception be made in this case? Why should judges be elected in conformity to the Constitution, and by the amendment offered by the gentleman from Ohio be limited, in violation of the Constitution? That is the whole question. So I submit to you, irrespective of the merits of the gentleman's contention that may go to another forum in another day, at this time your hands and my hands are tied to vote to create a judgeship, which the judges thereof hold during good behavior, and we cannot make an exception to that rule in plain violation of the Constitution.

Therefore I ask the House respectfully to vote down the amendment. [Applause.]

Mr. BLANTON. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I shall not address my remarks to any mob or any rabble that would behead a judge when his decision did not suit. I shall address my remarks to men of wisdom and good judgment.

When the Constitution provides that judges shall hold their positions during good behavior, it means that they hold their positions for life, as long as their behavior is good. That applies to the entire Federal judiciary of the United States.

This amendment seeks to change the whole organic law respecting the creation of Federal judges. It emphasizes the unfortunate situation that the time has come when Congressmen, Members of the House and Senate, can have nothing in the world to do with constitutional questions; that we cannot pass on a question in the House as to whether it is constitutional or not.

Surely this proposed amendment is unconstitutional. If the House should so far forget itself as to adopt the amendment offered by the gentleman from Ohio [Mr. TRUAX], the very minute the matter reached the higher Court it would be set aside as unconstitutional. The lawyers of this House

know that it is against the provisions of the Constitution. Why do not we, as Members of the House, when these questions come up, when we know they are in violation of the Constitution, use our own judgment, and stop them, and not hesitate?

Is it popular just now to attack and inveigh against the higher courts? Has it become popular to attack the Supreme Court of the Nation? Has it become popular in the United States to make such a speech as my colleague from Ohio [Mr. TRUAX] has just made? I am one member of the bar, I will state to my friend from Ohio, who has absolute confidence in the Supreme Court of the United States. [Applause.] I thank God for it. I have confidence in the Federal judges of the United States. [Applause.] I am here to say that I feel absolutely safe when I try a case today before a Federal court. I feel that I will come just as near getting justice for my client as in any State court, and I know I will get more expedition in the trial.

Where is all this mob sentiment coming from? Where is all this Bolshevik propaganda coming from about the courts of the United States? I am no Bolshevik to join in such hurrah. [Laughter and applause.]

I am glad the Supreme Court decision has come to stop this wave of bolshevism that has been going on not only in the United States but on the floor of the House of Representatives. It has been going on too long and it ought to stop.

I hope there will not be any appreciable number of votes in favor of this amendment. [Applause.]

Mr. MONAGHAN. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, there is not a man in this House, aside from my good friend Mr. CROSSER, for whom I have more respect and admiration than my dear friend Mr. BLANTON, of Texas, but I do think if he will read the Constitution of the United States, he will see that we as Congressmen might be failing to uphold that Constitution in permitting nine men who are appointed for life, who are not in any way responsive to the wish or will of the people, to negative an act that was designed by the great leader of this Republic at the present day to promote and preserve economic liberty. The people of this Nation elected Franklin D. Roosevelt by an overwhelming majority of votes and have greater confidence in him than in any President that has ever been elected. The N. R. A. was a great humanitarian act, designed to preserve liberty, promote decent standards of living, better wages, better hours, and abolish child labor. The Frazier-Lemke Act was designed to save the farms of millions of citizens from foreclosure. It is not provided in the Constitution of the United States that the Supreme Court shall have such tyrannical power as to declare these acts void. When I called the attention of the gentleman from Ohio to the fact that in Great Britain Chief Justice Tresilian was hanged in 1389 for declaring an act of Parliament void, I simply wanted to call forcibly to the attention of this august body that which had been called to my attention Saturday by Mr. W. W. Royster, president of the Railroad Employees' National Pension Association, as bearing out the history of the world in connection with that usurpation of power.

"The most alarming tendency of this day", said Supreme Court Justice Harlan in 1911 in his dissent to the Standard Oil decree, "in my judgment, so far as the safety and integrity of our institutions are concerned, is the tendency to judicial legislation, so that, when men having vast interests are concerned, and they cannot get the law-making power of the country which controls it to pass the legislation they desire, the next thing they do is to raise the question in some case, to get the court to so construe the Constitution or the statutes as to mean what they want it to mean."

"You seem to consider the judges as the ultimate arbiters of all constitutional questions", said Thomas Jefferson, "a very dangerous doctrine indeed, and one that would place us under the despotism of an oligarchy."

The judges "have arbitrary power, and the corporations have taken possession of it simply by naming a majority of the judges." These words are not the words of a Bolshevik or a revolutionary. They are the quoted words of Chief Justice Clark of the Supreme Court of North Carolina.

Well, it does seem that the Supreme Court and other tribunals of justice following its lead have taken to themselves functions that they were never intended to have, functions which appear to be entirely incompatible with the administration of justice and with democracy of government—

So runs an editorial note in Pearson's Magazine under the article entitled "The Usurped Power of Our Courts."

No court has the right to declare legislation unconstitutional. Four times the proposition to give the Supreme Court this power came to a vote in the Constitutional Convention. Four times the proposition was voted down. Yet the Supreme Court and State courts of appeals now assume this very power. Our judges appear to think that they are better than lawmakers, better than lawyers, less apt to err than mere mortals. Perhaps the public is responsible for this attitude. Perhaps we have been too ready to think that when a man puts on the robe he becomes at once a model of wisdom and virtue. We must now put aside fictitious tradition and consider the courts in cold blood. Their presumption of authority is one of the greatest problems with which we have to deal. They are charged with laying down one law for the poor and another for the rich. They have been called the "bulwark of privilege."

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. MONAGHAN. I yield.

Mr. TRUAX. Rabble rousers were mentioned. I wonder if the gentleman recalls the rabble rousers out in Iowa in 1933, when farms were being foreclosed at the rate of 3,000 a day, and when they pulled a judge off the Federal bench. Does the gentleman recall the rabble rousers that caused that demonstration?

Mr. McLEAN. Mr. Speaker, I make the point of order that the gentlemen are not addressing their remarks to the matter under consideration.

The SPEAKER. The gentleman from Montana will proceed in order.

Mr. MONAGHAN. Mr. Speaker, I may say to the gentleman from Ohio that I would not by any means suggest anything that would in any way lead to such activity as that which occurred in Iowa or Great Britain. I believe that we in the Congress of the United States do more to promote mob psychology in this country, do more to promote revolution in this country, than can be conceived by us when we fail to curb the power of the Supreme Court in accordance with article III, section 2, of the Constitution of the United States, which provides:

In all the other cases before mentioned, the Supreme Court shall have appellate jurisdiction * * * with such exceptions, and under such regulations as the Congress shall make.

I say that because I have received letters from all parts of the Nation since the delivery of my speech on May 27 in which I advocated a direct legislative act that would curtail this power of the Court to declare acts of Congress unconstitutional, and a majority of these letters express the sentiment succinctly stated by a Mr. Julien Cole, writing from Newport, Wash.:

It is men like you, B. K. Wheeler, Bone, Norris, Crosser, the lamented Senator Cutting, Huey Long, and a legion of others just as good that renew hope in us poor devils and keeps us from taking a gun and going down there and cleaning house.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. MONAGHAN. I yield.

Mr. BLANTON. If my good friend from Montana wants to help the farmers of the United States in the matter of loans, let him make their loans secure; let the money lenders understand when they lend to our farmers that the loans mean something and cannot be set aside every day by moratoriums passed by Members of Congress. Such action in making loans secure will help the farmers, because they must have loans, and, to get loans, their loans must be secure, but he will not help them by his condemnation of our Supreme Court, because the farmers will be borrowing money long after the gentleman from Montana and the present speaker are gone.

Mr. MONAGHAN. If this Congress would establish a central banking system in this country, if it would take the banks away from the international bankers, wrest control from them, and would restore control to the Congress of the United States, where clearly the Constitution meant it to be placed, providing its right to coin money, and regulate its value, it will do more to help the farmers than by anything else it has done. [Applause.]

The SPEAKER. The question is on the amendment of the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 2, noes 220.

So the amendment was rejected.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. TRUAX. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and nineteen Members are present, a quorum.

ACT OF MAY 3, 1928

The Clerk called the next bill, H. R. 6771, to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484).

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I wish the author of the bill would explain it.

Mr. ROGERS of Oklahoma. Mr. Speaker, if the gentleman will yield, I realize there is an appropriation in this bill and that probably many Members will want to object, but in justification of the appropriation, may I say that it is to reimburse Indians for lands they did not get. The Government set aside an allotment of land, but when it came to be apportioned there was not enough to go around, and this bill is for the purpose of reimbursing those who did not get any land.

Mr. McFARLANE. Do the Government records show that the land was short and that this appropriation is necessary?

Mr. ROGERS of Oklahoma. Yes; in order to reimburse those Indians who did not get their share.

Mr. McFARLANE. What was the basis for determining the value of the land that was short?

Mr. ROGERS of Oklahoma. By the act of 1928 lands were set aside for them. When the lands were apportioned there was not enough to go around.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Oklahoma. I yield.

Mr. TRUAX. I thought we took care of all the Indians at the last call of the Consent Calendar, when we passed about 20 Indian bills.

Mr. ROGERS of Oklahoma. This situation was not taken care of.

Mr. McFARLANE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. WERNER. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 2241, be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That an appropriation is hereby authorized in the sum of $79,002.19 to pay various Sioux Indians enrolled at the different agencies the amounts which have been awarded to them by the Secretary of the Interior under the act of May 3, 1928 (45 Stat. L. 484), on account of allotments of land to which they were entitled but did not receive: *Provided*, That the Secretary of the Interior is authorized and directed to determine what attorney or attorneys have rendered services of value in behalf of said Indians and to pay such attorney or attorneys on such findings when appropriation is available the reasonable value of such services, not to exceed 10 percent of the recovery on each individual claim, which payment shall be in full settlement for all services rendered by such attorney or attorneys to said claimants in said claims.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a similar House bill (H. R. 6771) and a motion to reconsider were laid on the table.

PUNISHMENT FOR THE CRIME OF ROBBING OR ATTEMPTING TO ROB CUSTODIANS OF GOVERNMENT MONEYS OR PROPERTY

The Clerk called the next bill, H. R. 5360, providing for punishment for the crime of robbing or attempting to rob custodians of Government moneys or property.

Mr. TRUAX and Mr. WOLCOTT objected.

Mr. MEAD. Mr. Speaker, will the gentlemcn withhold their objection?

Mr. TRUAX. Mr. Speaker, I withhold my objection.

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object.

Mr. Speaker, I would like to call the gentleman's attention to the situation which existed at the last call of the Consent Calendar. At that time I called attention to the fact that in line 10, page 1, merely to correct the grammar and the construction, there should be an amendment adding, following the comma, after the word "mail", the words "or of any" to make it conform to the language in line 7. My other suggestion went to the fact that the penalty provided was not more nor less than 25 years. I understand that is the penalty in the present law, and to that I withdrew my objection.

The only objection I have to the bill, and it really is not an objection, is the change I have suggested in the language in line 10.

Mr. MEAD. I shall be pleased to accept that as a perfecting amendment.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. TRUAX, Mr. McFARLANE, and Mr. COSTELLO objected.

INDIAN BUFFALO HUNT

The Clerk called the next bill, H. R. 5263, to purchase and erect in the city of Washington the group of statuary known as the "Indian Buffalo Hunt."

The SPEAKER. Is there objection to the consideration of the bill?

Mr. TRUAX. Mr. Speaker, I object.

PROTECTION OF AMERICAN AND PHILIPPINE LABOR

The Clerk called the next bill, H. R. 7348, to protect American and Philippine labor and to preserve an essential industry, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE. Mr. Speaker, I object.

BRIDGE ACROSS WABASH RIVER AT MEROM, IND.

The Clerk called the next bill, H. R. 7083, to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McFARLANE. Mr. Speaker, reserving the right to object for the purpose of asking a question, I want to know whether or not this bridge will be a toll bridge or a free bridge?

Mr. GREENWOOD. Mr. Speaker, this bill is to extend the time for building this bridge by the county commissioners. It does not provide for private gain, but there will be tolls charged, which will be amortized over a period of years until the bridge is paid for.

Mr. McFARLANE. In other words, it will eventually be worked out as a free bridge?

Mr. GREENWOOD. Yes. There is no private profit connected with this bill in any way.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Wabash River, at or near Merom, Sullivan County, Ind., authorized to be built by Sullivan County, Ind., or any board or commission of said county which is or may be created or established for the purpose, by an act of Congress approved February 10, 1932, heretofore extended by an act of Congress approved April 30, 1934, are hereby further extended 1 and 3 years, respectively, from April 30, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTRACTORS ON PUBLIC-BUILDING PROJECTS

The Clerk called the next bill, H. R. 97, to require contractors on public-building projects to name their subcontractors, material men, and supply men, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOCKWEILER, Mr. WOLCOTT, Mr. NICHOLS, and Mr. MAVERICK objected.

BUILDINGS FOR UNITED STATES HIGH COMMISSIONER IN PHILIPPINE ISLANDS

The Clerk called the next bill, H. R. 6800, authorizing the construction of buildings for the United States High Commissioner to the Government of the Commonwealth of the Philippine Islands.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I notice this appropriates the sum of $1,000,000 for the purpose of building an office and residence in the Philippine Islands. We are trying to give those islands their independence and I see no reason why we should invest a million dollars more in the islands at the present time. Under the circumstances, therefore, Mr. Speaker, I object.

CREATION, ORGANIZATION, ADMINISTRATION, AND MAINTENANCE OF A NAVAL RESERVE

The Clerk called the next bill, H. R. 5731, to amend in certain particulars the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve", as amended, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX, Mr. ZIONCHECK, and Mr. McFARLANE objected.

U. S. S. "OLYMPIA"

The Clerk called the next bill, H. R. 7220, to provide for the use of the U. S. S. *Olympia* as a memorial to the men and women who served the United States in the War with Spain.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to repair, equip, and restore the United States ship *Olympia*, as far as may be practicable, to her original condition, for use as a memorial to the men and women who served in the military and naval forces of the United States during the War with Spain. The said ship, when restored, shall be maintained by the Secretary of the Navy in the waters of the District of Columbia, abutting land owned by the United States, at a suitable site to be selected by the Secretary of the Navy, with the advice of the National Capital Park and Planning Commission. The Office of Public Buildings and Public Parks of the National Capital shall provide for the construction, care, and maintenance of said site and the approach thereto.

SEC. 2. There is hereby authorized to be appropriated the sum of $75,000, or so much thereof as may be necessary, to repair, equip, and restore the United States ship *Olympia* and to cause said ship to be brought to the District of Columbia; and such sums of money as may be necessary for the construction, care, and maintenance of said site and the approach thereto.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. SEARS. Mr. Speaker, I ask unanimous consent to have inserted at this point in the RECORD a sketch of the U. S. S. *Olympia* by Admiral H. I. Cone, who was engaged on that battleship.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I could not hear the request.

Mr. SEARS. This is a brief history of the *Olympia* as written by Admiral H. I. Cone, who was in the Battle of Manila Bay on the *Olympia*. This gives a complete history of the *Olympia* during her service. It may be interesting to note that this also recalls the fact that the U. S. S. *Olympia* brought over to this side the remains of the Unknown Soldier.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The matter referred to is as follows:

SKETCH OF THE U. S. S. "OLYMPIA", ADMIRAL DEWEY'S FLAGSHIP

The *Olympia*, protected cruiser, was built at the Union Iron Works, San Francisco, Calif. Authorized on September 7, 1888, her keel was laid in 1890. Launched November 25, 1892, and named for the capital city of the State of Washington; she was commissioned on February 5, 1895.

Length over all, 344 feet 1 inch; breadth on waterline, 53 feet one-half inch; normal displacement, 5,865 tons; speed, 21.69 knots; armament, ten 5-inch rapid-fire guns, four 8-inch barrel long-range; complement, 34 officers, 346 men.

After service as the flagship of Rear Admiral F. V. McNair, from 1895 to 1898, cruising in waters of Japan, China, and Sandwich Islands, the *Olympia* became the flagship of Admiral George Dewey in command of the Asiatic squadron on January 3, 1898, Capt. G. V. Gridley, United States Navy, commanding.

On May 1, 1898, at the Battle of Manila Bay, the *Olympia* led the attack on the ships of the Spanish Squadron. Admiral Dewey in his autobiography, states:

"At 5:40, when we were within a distance of 5,000 yards, I turned to Captain Gridley and said, 'You may fire when you are ready, Gridley.' While I remained on the bridge with Lamberton, Brumby, and Stickney, Gridley took his station in the conning tower and gave the order to the battery. The very first gun to speak was an 8-inch from the forward turret of the *Olympia*, and this was the signal for all the other ships to join the action. The action lasted from 5:41 a. m. (with an interruption of 3 hours) until 12:30 p. m., and ended in the destruction of the enemy's vessels."

On account of the ill health of Captain Gridley, Commander B. P. Lamberton was ordered to take command of the *Olympia* in June 1898. The vessel continued with the Asiatic Squadron until she went out of commission November 8, 1898, at the navy yard, Boston, Mass.

In January 1902 the *Olympia* was recommissioned under command of Capt. H. W. Lyon, and joined the North Atlantic Squadron as flagship in April 1902.

From December 1903 to April 1904, the *Olympia* was protecting American interests and lives in Panama, going on the same service in June to Smyrna and Turkey. In May 1905, and from July to December 1905, she was on a similar mission in Dominican waters.

This vessel was placed out of commission on April 2, 1906, at the Norfolk Navy Yard, but was recommissioned on May 15, 1907, and cruised with the midshipmen from the Naval Academy; placed in reserve at Annapolis and later taken to Charleston, S. C., where she remained in ordinary until 1916.

When the United States entered the World War, the *Olympia* was en route from St. Thomas, Virgin Islands, to the Norfolk Navy Yard. A week later she was designated flagship of the United States Patrol Force, commander of the Patrol Force, Rear Admiral Henry B. Wilson, and Captain Waldo Evans, in command of the *Olympia*.

She was employed in patrol duty off the coast of Nova Scotia and ocean escort for British merchantmen en route to and from New York and the War Zone. On April 28, 1918, she sailed from Charleston for Europe, arriving on May 20 at Scapa Flow, Scotland, and arrived at Murmansk, Russia, May 24. She transported Lieutenant General Poole, of the British Army, and a small detachment of troops. They drove off an attack at Pechenga.

On June 8, 1918, the *Olympia* sent a detachment 150 strong to Kandalaska to assist in guarding that point. When the Murmansk government broke with the Bolsheviki, allied troops landed in Murmansk. In August a detachment from the *Olympia*, under Captain Bierer, took part in the successful expedition against Archangel. This same detachment, under Lieutenant Hicks, bore their share in the pursuit of the retreating Bolshevists to the interior, having some hard fighting.

In December 1918 the *Olympia* became the flagship of the commander United States Naval Forces, Eastern Mediterranean, visited ports along the Adriatic and made a cruise of the Black Sea.

In September 1919 was under way for Trau, Dalmatia, having been informed by the Italian senior naval officer present of the occupation of Trau by renegade Italian troops from the Italian occupied zone, which he urged the United States naval authorities to induce to return to the Italian zone prior to an inevitable clash of arms with the Serbian military authorities. Arriving at Trau, disembarked a landing force of 101 men and officers. The mission having been accomplished the landing force returned to ship, which returned to Spalato the same evening.

November 7, 1920, assisted in the delivery to the Italian Government of the ex-Austrian battleship *Radetzsky* and ex-Austrian battleship *Zrinyi*. These two vessels held in trust by the United States after the armistice were towed out to sea and delivered to the Italian authorities as per agreement.

At Ragusa, Dalmatia, assisted in caring for refugees who were landed there and were in desperate circumstances due to hunger, lack of shelter, and the outbreak of typhus and smallpox. The ship distributed fuel, soap, clothing, and food and the medical officer cared for the sick.

The *Olympia* remained in European waters until May 4, 1921, when she left for the Philadelphia Navy Yard. She participated in the bombing exercises of the ex-German ships *Frankfort* and *Osterfriesland*.

In September 1921 she was assigned the duty of bringing home for burial in Arlington Cemetery the Unknown Soldier, representative of the heroes of the American forces of the World War. She left the Philadelphia Navy Yard on this mission on October 3,

1921, reaching Plymouth October 16. She arrived at the Washington Navy Yard on November 9, 1921, with the Unknown Soldier, where she was met by representatives of the Army and Navy, and the other services.

In 1922 the *Olympia* was placed out of commission.

During the sesquicentennial exposition visitors to the exposition were admitted to the *Olympia* as part of the Navy's exhibit at the celebration.

PUBLIC DOMAIN LANDS IN NEVADA AND OREGON

The Clerk called the next bill, H. R. 4126, to reserve certain public-domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PIERCE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice. This involves a large tract in my district and I want to know the effect of it.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

UNITED STATES HIGH COMMISSIONER TO THE PHILIPPINES

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to return to Calendar No. 138, the bill (H. R. 6800) authorizing the construction of buildings for the United States High Commissioner to the Government of the Commonwealth of the Philippine Islands. I objected to this bill awhile ago and I now desire to withdraw my objection under the facts as explained to me.

Mr. TRUAX. Mr. Speaker, reserving the right to object, is this the bill that provides $1,000,000 for the construction of buildings for an embassy building in the Philippine Islands?

Mr. McFARLANE. Yes.

Mr. TRUAX. Does the gentleman think the amount is all right?

Mr. McFARLANE. I withdraw my objection in order that the chairman of the committee may explain same.

Mr. TRUAX. I am asking the gentleman from Texas.

Mr. McFARLANE. I think we ought to hear a full explanation of the bill and I am withdrawing my objection for that purpose.

Mr. TRUAX. Would the gentleman be willing to reduce the amount to $500,000?

Mr. KOCIALKOWSKI. Yes; I will do that.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ROBSION of Kentucky. Mr. Speaker, I object.

NAVAL RESERVE AND MARINE CORPS RESERVE

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to return to Calendar No. 144, the bill (H. R. 5731) to amend in certain particulars the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve", as amended, and for other purposes.

Mr. TRUAX. Mr. Speaker, I object to returning to any bills at this time. We have a long calendar before us and it is not fair to the other Members.

ALLEGANY, CATTARAUGUS, AND OIL SPRING INDIAN RESERVATIONS

The Clerk called the next bill, H. R. 5069, to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. There is a similar Senate bill on the desk (S. 1942), and, without objection, the Clerk will report the Senate bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927 (44 Stat. L. 932), is hereby repealed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 5069) was laid on the table.

THE N. R. A., THE SUPREME COURT, AND WHAT NEXT?

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, last Monday the Supreme Court of the United States dealt a decisive blow to the new deal. It handed down two decisions which will vitally affect the immediate and future legislation and indeed the fate of the United States.

These decisions have raised fundamental issues concerning the Government of the United States, a solution of which will have a determining influence on the future course of this Nation. In one decision the Supreme Court declared the act of Congress establishing the N. R. A. unconstitutional; in the second decision it vetoed another act of Congress granting a moratorium to farmers against mortgage foreclosures.

WHAT WAS THE PURPOSE OF THE N. I. R. A.?

In order to understand the deep significance of the decision voiding the N. R. A., we must, for a moment, recall the conditions which brought about the enactment of the National Industrial Recovery Act.

In the spring of 1933 there were about 13,000,000 people totally unemployed and between 6,000,000 and 8,000,000 partially unemployed.

The depression had reached its peak. The industrial and commercial life of the country was at a low ebb.

The National Industrial Recovery Act was passed by Congress and under it the N. R. A. was established by the President to give employment to millions of jobless, to reduce the hours of labor, to abolish sweatshops, to increase the pay of employees throughout the land. In short, the N. R. A. was established to give new life and vigor to industry and commerce and to salvage the Nation from the wreckage of the Hoover era.

We all remember the days when the N. R. A. started. We have lived through them, and everyone of us can testify to the tremendous impetus which it gave toward recovery.

The N. R. A. had important defects, that should and would have been corrected. It had beneficial and far-reaching effects and gains which should be maintained but which now seem lost.

And now comes the Supreme Court and says that the Congress of the United States, in cooperation with the President of the United States, does not have the power to reduce the hours of labor, to increase wages, to eliminate child labor, and to regulate commerce and industry for the benefit of this Nation. The Supreme Court says that the N. R. A. is invalid under the terms of the United States Constitution.

THE CONSTITUTION WAS DRAWN UP IN 1787

The Constitution was written 148 years ago. It was designed to fit the needs of 13 agricultural States which had just fought a successful war for independence and which were jealous to maintain their sovereignty and the power and privileges of each individual State.

Conditions in those days were entirely different in every respect from those of today. At that time it took several days to go from nearby Virginia to the District of Columbia. Now you can fly by a fast plane from Pittsburgh to Washington in less than 1 hour, and you can fly from California to New York, 3,000 miles, in 12 hours.

In 1787 all trade, with insignificant exceptions, was within the borders of the State and without influence upon the welfare of the other States. Today, when the price of an automobile is changed in the city of Detroit the wages and therefore the well-being of a steel worker in Pittsburgh are vitally affected.

While little trade flowed down the Mississippi River in the days when the Constitution was written, today hundreds of

thousands of miles of railways, of concrete highways, of canals, and even of airplanes carry millions of tons of freight from one State to the other.

THE COMPLEX STRUCTURE OF MODERN TRADE AND INDUSTRY HAS OBLITERATED STATE LINES

While in 1787 each State was self-sustaining and bad times in Virginia were of no effect in Pennsylvania, today cheap cotton in the deep South throws the steel worker in Pittsburgh, the textile worker in Massachusetts, as well as the coal miner from Pennsylvania or Kentucky, out of their jobs.

There is a far cry from 1787 to 1935. The comparison between the horse and buggy of then and the streamlined airplanes of today does not give an adequate comparison between the days when the Constitution was adopted and our modern times. Then there was an agricultural society. Today we are living in a system of industrial mass production. Even this change in the mode of producing and caring for our needs, standing alone, is not sufficient to adequately stress the differences of the times.

Progress has been made in every field of human activity. Commerce, industry, and science have gone forward because they have been free to take advantage of every invention and improvement. The science and business of government must not be chained to the past—it must not be halted in its onward march to a better day.

THOSE WHO DREW UP THE CONSTITUTION LOOKED FORWARD TO CHANGE

The Constitution, written by the founders of this Nation, was a great and forward-looking document. It laid the foundation for the development of the greatest and most powerful Nation that history has ever known.

However, now the Supreme Court has decided that the Constitution does not give to the Congress the power to legislate on matters of national importance—that the Congress does not have the power to pass laws on economic and social conditions—laws which must be passed to safeguard the life and the health of the people of the United States, and to create a sound basis for our economic life.

Believing that the Supreme Court would interpret the Constitution in the light of the conditions of 1935, constitutional lawyers of deep learning considered the N. R. A. constitutional. But the Court found otherwise. The Congress and the President will, of course, accept the decision of the Court. Henceforth the Congress will make doubly sure, before it passes an act, that it meets the terms of the Constitution.

The N. R. A., as we have known it, is dead. And now what next?

CONGRESS MUST SAVE THE GAINS OF N. R. A.

The Congress can and should at once proceed to enact laws to fix maximum hours of labor, minimum wages, to eliminate child labor, and to outlaw unfair trade practices. I hold that under the decisions concerning the N. R. A. and other previous decisions of the Supreme Court, the Congress has the constitutional power to do so, but only insofar as they relate to commerce between the States and with foreign nations. Under these decisions such legislation could not aid the men who work in the steel mills of Pittsburgh, the men who mine the coal, or the girls who sell goods over the counter. Under these decisions such legislation could not eliminate the sweatshop or abolish the labor of children in the cotton fields of the South or the shirt factories of the North. The Congress, I say, has the power to pass these laws, but they will only apply to a small part of the working population of the United States; they will only apply to those who are directly engaged in commerce between the States and with foreign countries. Under these decisions of the Supreme Court the Congress has no power to pass laws for the regulation of business and industry which will bring economic recovery and guarantee to the wage earner a decent living wage and fair working conditions. Chiselers who operate within the boundaries of a single State may now do so without fear of punishment and without concern over any law that Congress might pass.

A GREAT ISSUE HAS ARISEN

I predict that the decision of the United States Supreme Court in the N. R. A. case has created an issue which will loom as one of the major factors in the Presidential election of next year. The people of the United States will have to determine the question whether the Constitution of the United States shall be amended so as to give the power to the Congress to pass national laws which will assure economic and social well-being to the people of the United States, laws which will permit the Congress to fix minimum wages, maximum hours of labor, eliminate child labor, and remove the chiseler and his unfair trade practices from the scene of commercial activities in the United States. The people will have to decide that question, and not the Congress nor the President nor the courts.

THE RULERS OF THIS COUNTRY—THE PEOPLE OF THE UNITED STATES—MUST THEMSELVES MAKE THE DECISION

The people of the United States are the judges, they are the court of last resort. They will have to decide the powers of Congress. The decision now lies with them. The question whether the Constitution should remain in its present form or whether it should be amended is a question which the people and not the Congress nor the President must decide.

CONSENT CALENDAR

ZUNI INDIAN RESERVATION, N. MEX.

The Clerk called the next bill, H. R. 6141, transferring certain national-forest lands to the Zuni Indian Reservation, N. Mex.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SHOALWATER INDIAN RESERVATION, WASH.

The Clerk called the next bill, H. R. 6236, to authorize the creation of an Indian village within the Shoalwater Indian Reservation, Wash., and for other purposes.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. ZIONCHECK. Mr. Speaker, I object to that request at this time.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. I object, Mr. Speaker.

NAVAJO INDIAN RESERVATION, N. MEX.

The Clerk called the next bill, H. R. 6543, to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. BURDICK. Mr. Speaker, I object to that request.

Mr. TRUAX. Then, Mr. Speaker, I object to the consideration of the bill.

TO CARRY OUT OBLIGATIONS UNDER CERTAIN TRIBAL AGREEMENTS

The Clerk read the bill (H. R. 4324) to carry out certain obligations under certain tribal agreements.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any person duly enrolled as a member of an Indian tribe, who received, in pursuance of a tribal treaty, agreement with the United States or act of Congress, an allotment of land, which by the terms of said treaty or agreement was exempt from taxation, and from which land the restrictions have been or have not been removed, and who was permitted or required, contrary to the law, to pay any illegal or unauthorized Federal inheritance tax or Federal income tax on the rents, royalties, or other gains arising from any allotted lands, and who would be entitled, under the law and rulings of the Treasury Department in similar Indian cases, to a refund of taxes so illegally or erroneously collected, but for the fact that he failed to file a claim for refund within the time prescribed by law, shall be allowed 1 year after the approval of this act within which to file such claim, and if otherwise entitled thereto, may recover such illegal taxes in the same manner and to the same extent as if such claim for refund had been theretofore duly filed, as required by law, it not being the policy of the Government to invoke or plead a statute of limitations to escape the obligation or agreements solemnly entered into with its Indian wards: *Provided*, That in the event a refund has

been paid to any person duly enrolled as a member of an Indian tribe, but who did not receive interest on such refunds in accordance with the laws and regulations in force at the time the refund was secured and who has failed to file a claim for the allowance of such interest, he shall be allowed 1 year after the approval of this act within which to file such claim, and, if otherwise entitled thereto, may recover such interest on such illegally collected taxes in the same manner and to the same extent as if such claim for interest had been theretofore duly filed as required by law: *Provided, however,* That in the case of the death of a member of an Indian tribe that his heirs who succeeded to his allotment of land be permitted to file claims and recover refunds or interest on refunds in the same manner as a duly enrolled member of an Indian tribe: *Provided further,* That in the case of the death of any enrolled member of an Indian tribe, any such illegal taxes paid by him or on his account, or interest claims due him, may, in like manner, be claimed and recovered by the person or persons who would have received such money, had it constituted a part of his estate at the time of his death.

SEC. 2. That all acts and parts of acts in conflict herewith are modified for the purpose, and only for the purpose, of carrying into effect the provisions hereof.

With the following committee amendment:

On page 2, line 10, strike out the word "if" and insert the word "it."

The committee amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

YAVAPAI INDIANS

The Clerk called the next bill on the Consent Calendar, H. R. 6435, to transfer certain lands from the Veterans' Administration to the Department of the Interior for the benefit of the Yavapai Indians, Arizona.

There was no objection to the consideration of the bill, and, by unanimous consent, the bill (S. 1469) was substituted for the House bill.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That jurisdiction over that tract of land, identified under a metes-and-bounds description beginning at the intersection of the west boundary line of the former Whipple Barracks Military Reserve and the south line of section 28 in township 14 north, range 2 west, Gila and Salt Lake meridian, Ariz., thence northwesterly along said west boundary line 880; thence northeasterly at right angles 1,760 feet; thence southeasterly parallel with the said west boundary line 1,760 feet; thence southwesterly at right angles 1,760 feet; thence northwesterly along said west boundary line 880 feet to point of beginning, containing approximately 75 acres, is hereby transferred from the Veterans' Administration to the Department of the Interior, and the title to said described lands shall remain in the United States in trust for the Yavapai Indians.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The bill (H. R. 6435) was laid on the table.

NAVAL RESERVE AND MARINE CORPS RESERVE

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to return to Calendar No. 144, H. R. 5731, to amend in certain particulars the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, maintenance of a Naval Reserve and a Marine Corps Reserve", for the purpose of asking that it be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON of Georgia. Now, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

There was no objection.

AMENDING AN ACT ENTITLED "AN ACT TO SET ASIDE RICE LAKE FOR EXCLUSIVE USE OF CHIPPEWA INDIANS, MINNESOTA"

The Clerk called the next bill on the Consent Calendar, H. R. 6963, to amend an act entitled "An act setting aside Rice Lake and contiguous lands in Minnesota for the exclusive use and benefit of the Chippewa Indians of Minnesota," approved June 23, 1926, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. BOILEAU. Reserving the right to object, at the present time the Power Commission is considering an application which affects these particular lands, and for that reason I ask unanimous consent that the bill be passed over without prejudice.

Mr. WOLCOTT. Reserving the right to object, I hope in the interim the committee will observe the Ramseyer rule. I notice that the report does not conform with the Ramseyer rule, and I shall object to it if it comes up again unless the rule is observed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

CONSENT CALENDAR

KANOSH BAND OF INDIANS, UTAH

The Clerk called the next bill on the Consent Calendar, S. 380, to reserve 80 acres on the public domain for use and benefit of the Kanosh Band of Indians in the State of Utah.

The SPEAKER pro tempore. Is there objection?

Mr. GRISWOLD. I object.

CHIPPEWA INDIANS, RED LAKE BAND OF MINNESOTA

The Clerk called the bill (H R. 4123) providing for the payment of $25 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to withdraw from the Treasury so much as may be necessary of the principal timber fund on deposit to the credit of the Red Lake Band of the Chippewa Indians of the State of Minnesota and to make therefrom payment of $25 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota, immediately payable upon the passage of this act under such regulations as such Secretary shall prescribe. No payment shall be made under this act until the Chippewa Indians of the Red Lake Band of Minnesota shall, in such manner as the Secretary shall prescribe, have accepted such payments and ratified the provisions of this act. The money paid to the Indians under this act shall not be subject to any lien or claim of whatever nature against any of said Indians.

With the following committee amendment:

Page 1, line 7, strike out "$25" and insert "$15."

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill providing for the payment of $15 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States."

PROTECTION OF AMERICAN AND PHILIPPINE LABOR

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to return to Calendar 120, H. R. 7348, to protect American and Philippine labor and to preserve an essential industry, and for other purposes, for the purpose of asking that the bill be passed over without prejudice.

The SPEAKER. The gentleman from Ohio asks unanimous consent to return to Calendar No. 120 for the purpose of asking that the bill be passed over without prejudice. Is there objection?

Mr. KNUTSON. Mr. Speaker, for the time being I object.

REPAIR AND MAINTENANCE OF INDIAN RESERVATION ROADS

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to call up for present consideration Senate Joint Resolution 130, making immediately available the appropriation for the fiscal year 1936 for the construction, repair, and maintenance of Indian-reservation roads, which I send to the desk and ask to have read.

The Clerk read as follows:

Senate Joint Resolution 130

Resolved, etc., That the appropriation of $4,000,000 for the construction, repair, and maintenance of Indian-reservation roads, contained in the Interior Department Appropriation Act for the fiscal year ending June 30, 1936, is hereby made immediately available.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. Will the gentleman explain the bill?

Mr. BUCHANAN. Mr. Speaker, the Interior Department appropriation bill has been passed and has become a law. It carries $4,000,000 for public roads to Indian lands and on Indian reservations. That money is not available until the commencement of the next fiscal year. These poor Indians have run out of relief money and work and we want to make the $4,000,000 available so that they can be put to work on the public roads in Indian reservations and roadways.

Mr. MARTIN of Massachusetts. I have no objection. I understand that the committee is unanimously for the bill.

Mr. BACON. The committee is unanimous. This does not affect the appropriation but makes it immediately available.

The SPEAKER. Is there objection?

There was no objection.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

OSAGE INDIAN DRUG AND LIQUOR ADDICTS

The Clerk called the bill (H. R. 6625) conferring jurisdiction on United States district courts over Osage Indian drug and liquor addicts.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object. As I read the bill, it proposes to take 175 Indian addicts of drugs and liquor and confine them in Government institutions at Government expense. We have thousands of habitual drunkards and drug addicts who are American citizens. Nothing is being done for them; they are not being taken care of at Government hospitals. Why should this be done for 175 Indians?

Mr. DISNEY. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. DISNEY. If there is jurisdiction over an addict, and he gets into a Federal court, he will be confined in a Government institution. It is estimated, as I understand it, that there are about 175 addicts among the Osage Indians. They are chiefly full bloods and of the higher degree of blood, and the misery of that situation is terrible.

Mr. TRUAX. Is it any worse than our own citizens who are similarly affected?

Mr. DISNEY. Yes. I have lived among the Indians and know they are worse.

Mr. TRUAX. Many Americans love liquor also, as their votes for repeal of prohibition indicated.

Mr. DISNEY. Not so much so. Many Indians are particularly addicted to liquor and drugs, and by this method the Federal court could take charge of them and send them to these institutions.

Mr. TRUAX. How much money would be required?

Mr. DISNEY. I do not think it is at all expensive.

Mr. TRUAX. Would the gentleman be willing to find out?

Mr. DISNEY. There will be no special fund set aside. The Government has established agencies to take care of these addicts, we have penal institutions to take care of them. There is a special department of the Government by which they may be taken care of. I hope in the interest of the finest type of humanity that the gentleman will not object.

Mr. TRUAX. The point I make is that we have exactly the same condition existing here and have had for years, and we are doing nothing about it. Why do we not do something for our own people?

Mr. DISNEY. If the addict comes within Federal jurisdiction——

Mr. TRUAX. Oh, they all come under Federal jurisdiction, or they ought to.

Mr. DISNEY. If they are committed by Federal courts, then they can be sent to the institutions.

Mr. TRUAX. Will the gentleman agree to pass this bill over without prejudice?

Mr. DISNEY. I will agree, but I wish the gentleman would not ask that.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. DISNEY. Reserving the right to object, a member of the committee has advised me that if the Indian has funds, the Federal court can make the Indian pay his own way in the institution. Every Osage Indian has funds of his own.

Mr. TRUAX. But you would have a little war started out there, if you tried to put some of those fellows in an institution.

Mr. ZIONCHECK. What does the gentleman say about this particular paragraph in Secretary Ickes' letter?—

> For the past several years it has been the policy to have these Indians voluntarily attend sanatoriums for periods of from 3 to 6 months in an effort to cure them, and many of them have spent considerable money in repeated trips to such sanatoriums for treatment. In practically every instance the Indian, on his return from the sanatorium, continued the use of liquor or narcotics.

If they go there voluntarily and spend their money to be cured and then go back and return to those habits, how does the gentleman expect to stop it by compulsory confinement?

Mr. DISNEY. The answer is that the Federal court can put him on probation.

Mr. TRUAX. But they cannot cure him any more than they can cure anybody else.

Mr. DISNEY. We can hospitalize him and put him on probation, and then the Federal court does have charge of him to the extent that they can enforce the cure as nearly as humanly possible. Of course, we do not expect any miracles to happen, but they do deserve attention. Where they pay the bills and always have paid the bills, it seems to me we ought to pass this legislation.

Mr. TRUAX. Mr. Speaker, I renew my request that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

PAYMENT TO OSAGE TRIBE OF INDIANS ON ACCOUNT OF LANDS SOLD BY THE UNITED STATES

The Clerk called the next bill, H. R. 6682, authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BACON. Mr. Speaker, I object.

Mr. DISNEY. Will the gentleman withhold his objection in order that I may make a brief statement?

Mr. BACON. I will be glad to withhold the objection.

Mr. DISNEY. I will state the facts about this fund. About 50 years ago the Government deliberately took away from the Osage Indians $778,000 and spent it on other Indians of other Indian tribes by virtue of a treaty made with full-blood Osage Indians who did not understand English. Of that large sum of money—and they are not asking for interest on it—the Government returned to the Osages $189.20, not any more, not any less. This bill is to reimburse the Indians for money deliberately taken from them by the Indian Department, and to return to them their money, from the proceeds of land which was theirs and which was sold by the Government and put into the Government coffers. To save the Government money it was spending on other Indian tribes that were dependent upon the Government for their sustenance. In that connection let me call the attention of the Members of the House to the fact that in all the history of the Osage Tribe the Government has never spent one red cent upon those Indians. They have always paid their way. Not a word in the history of the whole tribe can be found where the Government has ever spent a 5-cent piece upon the maintenance of the Osage Indians.

I hope the gentleman will withdraw his objection.

The SPEAKER pro tempore (Mr. McREYNOLDS). Is there objection to the present consideration of the bill?

Mr. BACON. Mr. Speaker, this bill is in conflict with the President's financial program and has the express disapproval of the Director of the Budget. As a member of the

Committee on Appropriations I propose to try to protect the President's financial program, and I shall object.

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to return to Calendar No. 108, H. R. 5360.

Mr. TRUAX. Mr. Speaker, I object to any return at this time.

Mr. BURDICK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BURDICK. Is one objection to these bills sufficient to stop action on them?

The SPEAKER pro tempore. Only one objection is required.

Mr. BURDICK. Then we will not do any more business today.

The SPEAKER pro tempore. The Clerk will report the next bill on the calendar.

CANAL ZONE CODE

The Clerk called the next bill, H. R. 6719, to amend the Canal Zone Code.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BURDICK. Yes, Mr. Speaker. I object.

Mr. BLAND. Will the gentleman withhold his objection for a moment?

Mr. BURDICK. Yes; I will withhold it.

Mr. BLAND. Mr. Speaker, this bill comes from the Canal authorities. The second section of the bill involves a very serious question to the employees of the Panama Canal. Since 1914 the interpretation of the act has permitted commutation. Under the decision of the Comptroller recently it was held that they could not commute it.

The Comptroller realized the injustice and the hardship to these people, so he has agreed to withhold the enforcement of this opinion until July 1, 1935, and it is necessary to get the bill through in order to do justice. That is the second section. The other sections just bring the Civil Service in line. All the amendments are recommended by the Department.

Mr. BURDICK. Mr. Speaker, in answer to the gentleman, I want to say that there is no valid reason why I should press this objection, but it is the only way I can show my disapproval of the action taken on the Indian bills. For 150 years Congress has done this same thing.

Mr. BLAND. Will not the gentleman withdraw his objection?

Mr. BURDICK. Mr. Speaker, I withdraw my objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That chapter 1 of title 2, Canal Zone Code, approved June 19, 1934 (48 Stat. 1122), is amended by adding at the end thereof a new section numbered 13 and reading as follows:

"13. Disposition of useless papers: The Governor of the Panama Canal, under such regulations as he may prescribe, may authorize the destruction or disposal by other means of duplications in the files and other papers which are not needed or useful in the transaction of the current business of the Panama Canal and have no permanent value or historical interest."

SEC. 2. That section 81 of title 2 of the Canal Zone Code is amended to read as follows:

"SEC. 81. Appointment, removal, and compensation of necessary persons: All persons, other than the Governor of the Panama Canal, necessary for the care, management, maintenance, semitation, government, operation, and protection of the Canal and Canal Zone shall:

(a) Be appointed by the President or by his authority;

(b) Be removable at the pleasure of the President; and

(c) Receive such compensation as shall be fixed by the President or by his authority until such time as Congress may by law regulate the same; and such persons shall be employed and shall serve under such conditions of employment, including matters relating to transportation, medical care, quarters, leave and the commutation thereof, and office hours and hours of labor, as have been or shall hereafter be prescribed by the President: *Provided, however*, That salaries or compensation fixed by the President hereunder shall in no instance exceed by more than 25 percent the salary or compensation paid for the same or similar services to persons employed by the Government in continental United States."

SEC. 3. That the first paragraph of subsection (b) of section 94 of title 2, Canal Zone Code, is amended to read as follows:

"(b) Any employee to whom this article applies who shall have served for a total period of not less than 5 years, and who, before becoming eligible for retirement under the conditions defined in section 92 of this title, shall have become totally disabled for useful and efficient service in the grade or class of position occupied by the employee, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the employee, shall upon his own application or upon request or order of the Governor of the Panama Canal, be retired on an annuity computed in accordance with the provisions of section 96 of this title: *Provided*, That proof of freedom from vicious habits, intemperance, or willful misconduct for a period of more than 5 years next prior to becoming so disabled for useful and efficient service shall not be required in any case; and any claim heretofore disallowed under this section by reason of the requirement of such proof with respect to a longer period than 5 years, shall upon request of the applicant be reinstated, and shall thereupon be redetermined under the provisions of the section as herein amended."

SEC. 4. That paragraph (c) of section 101 of title 2, Canal Zone Code, is amended to read as follows:

"(c) In case an annuitant shall die without having received in annuities purchased by the employee's contributions as provided in paragraph (2) of section 96 of this title an amount equal to the total amount to his credit at time of retirement, the amount remaining to his credit and any accrued annuity shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such annuitant and recorded on his individual account;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such annuitant;

"Third, if there be no such beneficiary, or executor or administrator, payment may be made, after the expiration of 30 days from the date of the death of the annuitant, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"In the case of an annuitant who has elected to receive an increased annuity as provided in section 96 of this title, the amount to be paid under the provisions of this paragraph shall be only the accrued annuity."

SEC. 5. That paragraph (d) of section 101 of title 2 of the Canal Zone Code is amended to read as follows:

"(d) In case an employee shall die without having attained eligibility for retirement or without having established a valid claim for annuity, the total amount of his deductions with interest thereon shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such employee and recorded on his individual account;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such employee;

"Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of 30 days from the date of the death of the employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person."

SEC. 6. That paragraph (e) of section 101 of title 2 of the Canal Zone Code is amended to read as follows:

"(e) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed $1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of 30 days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person."

SEC. 7. That paragraph (f) of section 101 of title 2 of the Canal Zone Code is amended to read as follows:

"(f) Each employee or annuitant to whom this article applies may, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries to whom shall be paid, upon the death of the employee or annuitant any sum remaining to his credit (including any accrued annuity) under the provisions of this article."

SEC. 8. That section 142 of title 2 of the Canal Zone Code is amended to read as follows:

"142. Punishment of persons deported from Canal Zone who return thereto: Any person who voluntarily returns to the Canal Zone after having served a sentence of imprisonment therein and after having been deported therefrom, shall:

"(a) Be punished by imprisonment in the penitentiary for not more than 2 years; and

"(b) Be removed from the Canal Zone upon the completion of his sentence, in accordance with the laws and orders relating to deportation.

"A voluntary entry into the Canal Zone for any purpose shall be sufficient to constitute a return to the Canal Zone within the meaning of this section: *Provided*, That the Governor of the Panama Canal, in his discretion, by permit or regulations, may authorize persons deported from the Canal Zone to pass through or to return temporarily to the Canal Zone, and he may prescribe the route over which such persons shall be required to travel while in the Canal Zone. Any person who violates the terms of such permit or the regulations authorized herein, or remains in

the Canal Zone after the expiration of such permit, shall be deemed guilty of violation of this section and punished as provided herein."

SEC. 9. That section 158 of title 2 of the Canal Zone Code is amended to read as follows:

"158. Small vessels propelled by machinery; registration, certification, and numbering; licensing of operators; fines: Vessels not more than 65 feet in length, measuring from end to end over the deck, excluding sheer, and propelled in whole or in part by machinery, shall be registered, certificated, and numbered, and shall display the numbers assigned in a conspicuous place in prescribed form. Such vessels shall be subject to annual inspection, and the certificate referred to herein shall be issued for a term of 1 year and shall specify the number of passengers which the vessel may carry and the number of life preservers and the fire-fighting apparatus and other equipment which the vessel shall carry.

"No such vessel shall be operated except by a person holding an operator's license, issued after examination by the board of local inspectors and approved by the marine superintendent or such other officer of the Panama Canal as may be designated by the Governor.

"Any person who as owner, hirer, or borrower of any such vessel shall cause or permit it to be operated in Canal Zone waters in violation of any of the requirements of this section or of the certificate issued hereunder shall be liable to a fine of not more than $100: *Provided, however,* That this section shall not apply to tugboats or towboats propelled by steam."

SEC. 10. That section 159 of title 2 of the Canal Zone Code is amended to read as follows:

"159. Small vessels not propelled by machinery; registration and numbering; fines: Vessels not more than 65 feet in length and not propelled in whole or in part by machinery shall be registered and numbered, and when numbers have been assigned they shall be displayed in a conspicuous place in prescribed form. Any person who as owner, hirer, or borrower of any such vessel shall cause or permit it to be operated in Canal Zone waters in violation of any of the requirements of this section shall be liable to a fine of not more than $100."

SEC. 11. That section 160 of title 2 of the Canal Zone Code is hereby repealed.

SEC. 12. That section 603 of title 5 of the Canal Zone Code is amended to read as follows:

"603. Vagrants, beggars, loiterers, and intoxicated persons; disorderly conduct; breach of peace: Every vagrant or person found within the Canal Zone without legitimate business or visible means of support;

"(b) Every mendicant or habitual beggar found within the Canal Zone;

"(c) Every person found within or loitering about any building or structure, or any vessel, railroad car, or storage yard, without due and proper authority or permission so to be; or peddling goods or merchandise about any laborers' camp or messhouse during hours when laborers are ordinarily employed at work, or in or about places where groups of men are at work;

"(d) Every person found in any public place in such a state of intoxication as to disturb others, or unable, by reason of his condition, to care for his own safety or of the safety of others; and

"(e) Every person who shall, in the Canal Zone, engage in any kind of disorderly conduct or breach of the peace;

"Shall be punished by a fine of not more than $25, or by imprisonment in jail for not more than 30 days, or by both."

SEC. 13. That section 876 of title 5 of the Canal Zone Code is amended to read as follows:

"876. Offenses and punishment thereof: Any person who—

"(a) Carries on or about his person any of the arms mentioned in section 871 of this title without authority under this chapter;

"(b) Engages in hunting without first obtaining the permit provided for in this chapter; or

"(c) After obtaining a hunting permit, engages in hunting in violation of provisions of this chapter or any rule or regulation established by the Governor hereunder;

"Shall be guilty of a misdemeanor; and any arms carried in violation of paragraph (a) of this section may be seized, and the court may order their confiscation and destruction. Penalties for violations of this chapter shall be in addition to any punishment which may be imposed upon the offending person for any other offense that he may have committed in connection with the carrying or using of arms in violation of this chapter."

SEC. 14. That section 132 of title 6 of the Canal Zone Code is amended to read as follows:

"132. Manner of taking appeal: An appeal from the judgment of a magistrate's court may be taken and perfected by the defendant by giving oral or written notice in court of his intention so to do at any time within 5 days after judgment is rendered."

With the following committee amendments:

Page 2, line 8, strike out the letters "semitation" and insert in lieu thereof the word "sanitation."

Page 8, line 22, strike out all of line 22 and the first two words of line 23 and insert in lieu thereof the following: "This section shall not apply to public vessels of the United States or of the Republic of Panama, or to tugboats or towboats propelled by steam."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUBSTITUTE LABORERS, POSTAL SERVICE

The Clerk called the next bill, H. R. 7709, to provide time credits for substitute laborers in the Post Office when appointed as regular laborer.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the committee whether the Department has approved this bill.

Mr. MEAD. Mr. Speaker, I will say to the gentleman from Ohio that this bill originally was approved by the Department. Since that time the committee has amended the bill in conformity with the Department's recommendation pertaining to other bills on the assumption that the uniform policy adopted by the committee would likewise meet with their approval so far as it pertains to this bill.

Mr. TRUAX. Then the bill does meet with approval of both the Department and the employees affected?

Mr. MEAD. Yes; it was approved by the Department.

Mr. TRUAX. Mr. Speaker, I am in favor of the bill. I withdraw my objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That substitute laborers, substitute watchmen, and substitute messengers in the Postal Service shall be paid for services actually performed at the rate of 55 cents per hour, and when appointed to the position of regular laborer, watchman, or messenger, respectively, the substitute service performed shall be included in eligibility for promotion to grade 2 on the basis of 265 days of 8 hours constituting a year's service. Effective at the beginning of the first quarter following approval of this act, all laborers who have not progressed to grade 2 shall be promoted to that grade provided they have the necessary credit of 265 days of 8 hours each constituting a year's service.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMINISTRATION OF FEDERAL PRISONS

The Clerk called the next bill, H. R. 3430, to amend the act approved May 14, 1930, entitled "An act to reorganize the administration of Federal prisons; to authorize the Attorney General to contract for the care of United States prisoners; to establish Federal jails; and for other purposes."

Mr. TRUAX. Mr. Speaker, reserving the right to object, I would like the chairman of the committee to explain this bill.

Mr. UTTERBACK. Mr. Speaker, the purpose of the bill is simply to make escape or attempt to escape when a person is under lawful arrest on a Federal charge before conviction a crime. This is a Department of Justice bill. The report of the committee was unanimous.

There is an amendment to the bill which makes it a felony if the charge is a felony and a misdemeanor if the charge is a misdemeanor. The original bill made every escape or attempt to escape a felony, but the committee amendment modifies it as I have indicated.

Mr. TRUAX. The man has not even been tried for the crime, may be entirely innocent of the crime, but if he attempts to escape he is to be found guilty of a crime.

Mr. UTTERBACK. It makes escape or attempt to escape a crime.

Mr. ZIONCHECK. The present law makes escape or attempt to escape a felony, whether the charge on which the man is being held is a misdemeanor or a felony.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PROMOTION OF SUBSTITUTE POSTAL EMPLOYEES

The Clerk called the next bill, H. R. 7688, to provide for the appointment and promotion of substitute postal employees, and for other purposes.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CREDIT TO CERTAIN INDIAN TRIBES

The Clerk called the next bill, S. 1531, to credit certain Indian tribes with sums heretofore expended from tribal funds on Indian irrigation works.

Mr. BACON. Mr. Speaker, I object.

AMENDMENT OF BANKRUPTCY LAW

The Clerk called the next bill, H. R. 5452, to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. HANCOCK of New York. Mr. Speaker, I object.

PROMOTION OF SUBSTITUTE POSTAL EMPLOYEES

Mr. MEAD. Mr. Speaker, by inadvertence the bill (H. R. 7688) to provide for the appointment and promotion of substitute postal employees was passed over without prejudice.

Mr. Speaker, I ask unanimous consent to return to this bill and that it may be considered at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk called the bill (H. R. 7688) to provide for the appointment and promotion of substitute postal employees, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That substitute post-office clerks, substitute city-delivery carriers, substitute railway postal clerks, and substitute laborers in the Postal Service, after 1 year from date of appointment as a substitute, shall be advanced to the grade of senior substitute and paid for service actually performed at the rate of 10 percent above the basic rate of pay for substitutes fixed by law until appointed a regular employee, and when appointed a regular employee shall receive credit on the basis of 1 year for each 265 days of 8 hours' actual service performed as a substitute, including time served as special-delivery messenger, and shall be appointed to the grade to which such employee would have progressed had his original appointment been to grade 1, and in the advancement of substitutes to the grades provided credit shall be given for past service. Any fractional part of a year's service shall be included within his service as a regular employee in determining eligibility for promotion to the next higher grade following appointment to a regular position. With respect to advancement to the grade of senior substitute, time elapsed prior to the enactment of this act may be counted, but no back pay shall be allowed in connection with such advancement for any service prior to the enactment of this act.

SEC. 2. All substitute postal employees in the classified civil service, including substitutes in the motor-vehicle service, shall be granted the annual and sick leaves with pay granted other postal employees and under the same conditions.

SEC. 3. The ratio of substitute post-office clerks, substitute city letter carriers, substitute village letter carriers, substitute laborers, and substitutes in the motor-vehicle service in any post office, to regular post-office clerks, city letter carriers, village letter carriers, watchmen, messengers, and laborers, and employees in the motor-vehicle service in said office, shall be not more than 1 substitute to 7 regular post-office clerks, city letter carriers, village letter carriers, laborers, or employees in the motor-vehicle service, except in offices having fewer than 7 regular post-office clerks, city letter carriers, village letter carriers, laborers, or employees in the motor-vehicle service; and the ratio of substitute railway postal clerks in any State, to regular railway postal clerks in said State, shall be not more than 1 substitute to 10 regular railway postal clerks: *Provided*, That where the ratio of substitute post-office clerks, city letter carriers, village letter carriers, railway postal clerks, and laborers, and substitutes in the motor-vehicle service on the date of enactment of this act is in excess of these ratios, no additional substitutes shall be appointed until these ratios are established: *Provided further*, That the provisions of this act shall not operate to furlough or dismiss (1) any regular or substitute post-office clerks, city letter carriers, village letter carriers, railway postal clerks, or laborers; or (2) any regular employees or substitutes in the motor-vehicle service now carried on the rolls of the Post Office Department.

With the following committee amendment:

Page 2, line 11, after the word "position", add the following: "With respect to advancement to the grade of senior substitute, time elapsed prior to the enactment of this act may be counted, but no back pay shall be allowed in connection with such advancement for any service prior to the enactment of this act."

The committee amendment was agreed to.

Mr. MEAD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEAD: Page 1, line 4, after the word "clerks", strike out the word "and", and in line 5, after the words "Postal Service", insert "and substitutes in the motor-vehicle service."

The amendment was agreed to.

Mr. STACK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STACK: Page 3, line 22, after the word "Department", insert a colon in lieu of the period and add: "*Provided further*, That on and after July 1, 1935, every vacancy existing or occurring in the Postal Service shall be filled by the appointment of a substitute to a regular position from the regularly appointed substitute list. A vacancy shall be considered to exist whenever an employee is separated from service by reason of death, resignation, retirement wherever the Post Office Department finds it necessary to use 6-hour auxiliary service each day to cover the position vacated or for any other cause."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SERVICE RENDERED BY PERSONNEL (ACTIVE OR RETIRED)

The Clerk called the next bill, H. R. 6512, to authorize the crediting of service rendered by personnel (active or retired) subsequent to June 30, 1932, in the computation of their active or retired pay after June 30, 1935.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PRELIMINARY EXAMINATION OF SEBEWAING RIVER, MICH.

The Clerk called the next bill, H. R. 6829, authorizing a preliminary examination of Sebewaing River, in Huron County, Mich., with a view to the controlling of floods.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. Without objection, a Senate bill will be substituted for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Sebewaing River, in Huron County, Mich., with a view to the control of floods, in accordance with the provisions of section 3 of the act entitled "An act to provide for control of floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 6829) was laid on the table.

NATURALIZATION OF CERTAIN RESIDENT ALIEN WORLD WAR VETERANS

The Clerk called the next bill, H. R. 7170, to authorize the naturalization of certain resident alien World War veterans.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SUPERINTENDENTS AT CLASSIFIED POST-OFFICE STATIONS

The Clerk called the next bill, H. R. 1993, giving superintendents at classified post-office stations credit for substitutes serving under them.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, reserving the right to object, may I ask if this bill has the approval of the Post Office Department?

Mr. MEAD. Yes. In explanation of this bill may I say to the Members of the House that it will give to the supervisory officials in charge of postal substations credit for substitutes employed at the substations. For example, during recent years many regular assignments have been withheld and substitutes have been filling their places. The substation supervisory force receives no credit for the substitute service. The standing of the substation, which, according to the law, sets the salary of the superintendent, is based upon the number of employees working under him. And if the Department withholds regular assignments and appoints a number of substitutes in any given substation, it has a material and diminishing effect on the salary of the supervisor in charge of that station.

Mr. TRUAX. Does the Department approve the bill?

Mr. MEAD. The Department approves the bill.

Mr. TRUAX. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the fourth paragraph of section 3 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustments, and for other purposes", approved February 28, 1925, as amended (U. S. C., title 39, sec. 93), is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and each 2,448 hours of time served by substitutes during the calendar year, including time served as special-delivery messengers, shall be considered as entitling a classified station to a credit of one employee."

With the following committee amendments:

On page 1, line 10, strike out the word "comma" and insert in lieu thereof the word "colon"; and on page 2, line 1, after the word "following" strike out the remainder down to and including the word "employee" in line 5, and insert in lieu thereof the following: "*Provided*, That in determining the number of employees at a classified station credit shall be allowed for service performed by regular employees, substitute employees, temporary employees, and special-delivery messengers assigned to the station, and for each 2,120 hours of service performed by such employees the station superintendent shall be allowed credit for one additional employee.

"SEC. 2. The second proviso of the first paragraph of section 4, the sixth paragraph of section 7, and the eighth and eleventh paragraphs of section 11 of the act entitled 'An act to reclassify the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes', approved February 28, 1925, as amended, are amended by striking out the words '360 days' wherever such words appear in such proviso and in each such paragraph, and inserting in lieu thereof the words '265 days.'"

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAILWAY POSTAL CLERKS

The Clerk called the next bill, H. R. 5723, to give certain railway postal clerks the same time credits for promotion purposes as were given others who were promoted on July 1 when automatic promotions were restored.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That those railway postal clerks assigned to terminal railway post offices who would have been in grade 5 on April 1, 1934, except for the suspension of automatic promotions by section 201 of the act of June 30, 1932, be promoted to grade 5 regardless of the provisions of the act of June 14, 1934 (Classification of Terminal Railway Post Offices).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EQUIPMENT ALLOWANCE TO THIRD-CLASS POSTMASTERS

The Clerk called the next bill, H. R. 5596, granting equipment allowance to third-class postmasters.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That on and after July 1, 1935, postmasters at third-class offices in which post-office fixtures and equipment are not provided by the Post Office Department shall be paid, as allowances for personally owned or rented post-office fixtures and equipment, an amount equal to 50 percent of the box rents collected at such offices, the allowances to be paid quarterly, under such rules and regulations as the Postmaster General may prescribe: *Provided*, That when post-office fixtures and equipment are furnished by the Post Office Department at post offices of the third class, the provisions of this act shall become inoperative.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAILING OF THREATENING LETTERS

The Clerk called the next bill, H. R. 6717, to amend section 1 of the act of July 8, 1932.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That section 1 of the act of July 8, 1932 (47 Stat., ch. 464; U. S. C., title 18, sec. 338a), be amended to read as follows:

"Whoever, with intent to extort from any person any money or other thing of value, shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter, to be sent or delivered by the Post Office Establishment of the United States, or shall knowingly cause to be delivered by the Post Office Establishment of the United States according to the direction thereon or at the place at which it is directed to be delivered by the person to whom it is addressed, any written or printed letter or other communication with or without a name or designating mark subscribed thereto, addressed to any other person, and containing any threat (1) to injure the person, property, or reputation of the addressee or of another or the reputation of a deceased person, or (2) to kidnap any person, or (3) to accuse the addressee or any other person of a crime, or containing any demand or request for ransom or reward for the release of any kidnaped person, shall be fined not more than $5,000 or imprisoned not more than 20 years, or both: *Provided*, That any person violating this section may be prosecuted in the judicial district in which such letter or other communication is deposited in such post office, station, or authorized depository for mail matter, or in the judicial district into which such letter or other communication was carried by the United States mail for delivery according to the direction thereon, or in the judicial district in which it was caused to be delivered by the United States mail to the person to whom it was addressed."

With the following committee amendments:

Page 1, after the initial "C" in line 4, insert "Supp. VII."

Page 2, line 2, after the word "thereon", strike out the remainder of line 2 down to and including the word "addressed" on line 3.

Page 2, line 20, after the word "thereon", strike out the remainder of the paragraph.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the word "addressed", on page 2, line 5, of the bill may be corrected.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ASSAULT ON FEDERAL OFFICERS

The Clerk called the next bill, H. R. 7680, to amend the act of May 18, 1934, providing punishment for killing or assaulting Federal officers.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was read, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to provide punishment for killing or assaulting Federal officers", approved May 18, 1934 (48 Stat. 780; U. S. C., title 18, secs. 253 and 254), be and the same is hereby amended to read as follows:

"That whoever shall kill, as defined in sections 273 and 274 of the Criminal Code, any United States marshal or deputy United States marshal, special agent of the Federal Bureau of Investigation of the Department of Justice, post-office inspector, Secret Service operative, any officer or enlisted man of the Coast Guard,

any employee of any United States penal or correctional institution, any officer of the Customs Service or of the Internal Revenue Service, immigrant inspector, or any immigration patrol inspector, any officer or employee of the Department of Agriculture designated by the Secretary of Agriculture to enforce any act of Congress for the protection, preservation, or restoration of game and other wild birds and animals, any officer or employee of the National Park Service, any officer or employee of, or assigned to duty in, the field service of the Division of Grazing of the Department of the Interior, or any officer or employee of the Indian field service of the United States, while engaged in the performance of his official duties, or on account of the performance of his official duties, shall be punishes as provided under section 275 of the Criminal Code."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEAD-LETTER OFFICE OF THE POST OFFICE DEPARTMENT

The Clerk called the next bill, H. R. 6374, providing compensation for the Post Office Department for the extra work involved in the return of valuable packages from the dead-letter office to the writers.

The SPEAKER pro tempore (Mr. MCREYNOLDS). Is there objection to the present consideration of the bill?

There was no objection.

Mr. MEAD. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 1539) be substituted for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That section 3936 of the Revised Statutes, as amended April 24, 1920 (41 Stat. 583; 39 U. S. C. 406), be amended to read as follows:

"The Postmaster General may regulate the period during which undelivered letters and parcels of the first class shall remain in any post office and when they shall be returned to the dead-letter office; and he may make regulations for their return from the dead-letter office to the writers when they cannot be delivered to the parties addressed. When letters and parcels of the first class are returned from the dead-letter office to the writers, a fee of 5 cents shall be collected at the time of delivery, and in addition a charge shall be made of the minimum registry fee for the return of all ordinary dead letters containing $1 or more in cash, and parcels of the first class apparently valued at $1 or more, under such rules and regulations as the Postmaster General may prescribe."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House bill, H. R. 6374, was laid on the table.

PERTH AMBOY, N. J.

The Clerk called the next bill, H. R. 5789, for the relief of the city of Perth Amboy, N. J.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

EXCHANGES OF LANDS IN NEW MEXICO

The Clerk called the next bill, H. R. 4541, to extend the provisions of section 2 of the act of February 28, 1925, authorizing reservations of timber, minerals, or easements to exchanges of lands in the State of New Mexico, under the act of February 14, 1923, and the act of February 7, 1929.

Mr. GRISWOLD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

VALIDATING CERTAIN APPLICATIONS FOR AND ENTRIES OF PUBLIC LANDS

The Clerk called the next bill, H. R. 4707, validating certain applications for and entries of public lands, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue a patent under the homestead entry of Ashel E. Caldwell, Salt Lake City 048547, for northwest quarter of northeast quarter, section 36, township 1 south, range 1 east, Uintah special meridian, Utah, upon compliance by Ashel E. Caldwell with the homestead laws of the United States: *Provided*, That in addition to the usual fees and commissions payable under existing laws, said entryman shall pay the sum of $1.25 per acre for the land so entered, which latter sum shall be deposited in the Treasury of the United States and disposed of in the same manner as other proceeds derived from the sale of lands within the former Uintah Indian Reservation, Utah.

SEC. 2. The Secretary of the Interior is hereby authorized and directed to allow John S. Dillon of Portland, Oreg., to make desert-land entry for west half of northwest quarter, northwest quarter of southwest quarter, section 20, township 18 south, range 44 east, Willamette meridian, The Dalles, Oreg.

SEC. 3. The Secretary of the Interior is hereby authorized and directed to accepted the final proof submitted on October 25, 1930, on behalf of Joe Draper by his mother and guardian, Sarah E. Draper, in support of the homestead entry of Joe Draper, Phoenix 063049, as amended, for south half, section 27 and lots 1, 2, and 3, southeast quarter of northwest quarter, west half of northwest quarter, north half of southwest quarter, section 33, township 14 south, range 12 east, Gila and Salt River meridian, Arizona, and to issue patent for the entry in regular course.

SEC. 4. The homestead entry, Cass Lake 014741, made by Joseph Burnham on October 15, 1928, for southeast quarter of northwest quarter, section 20, township 144 north, range 34 west, fifth principal meridian, Minnesota, is hereby validated, and the Secretary of the Interior is hereby authorized and directed to accept the final proof submitted by Joseph Burnham in support of said homestead entry on December 20, 1933, and to issue patent for the entry in regular course.

SEC. 5. The homestead entry of George W. Turner, Santa Fe 063896, for south half of south, section 9 and north half, section 21, township 1 south, range 20 east, New Mexico meridian, New Mexico, allowed October 27, 1931, pursuant to an application filed April 16, 1931, is hereby validated.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I desire to call the Committee's attention to the first line on page 3, in which the word "accepted" appears. I think this should be "accept", should it not? It would then read "and the Secretary of the Interior is hereby authorized and directed to accept the final proof", and so forth.

Mr. DEROUEN. That is correct.

Mr. WOLCOTT. I think that is a typographical error and should be corrected.

I offer an amendment to that effect.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 3, line 1, strike out the word "accepted" and insert in lieu thereof the word "accept."

The amendment was agreed to.

Mr. ROBINSON of Utah. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBINSON of Utah: At the end of the bill add the following new section:

"SEC. 6. The homestead entry, Cheyenne 052273, made by Ruble L. Jenkins on January 27, 1931, for east half of northeast quarter and northeast quarter of southeast quarter, section 19, and southwest quarter of northwest quarter of section 20, township 6 north, range 2 east, Wind River meridian, Wyoming, within the Shoshone Indian Reservation, is hereby validated, and the Secretary of the Interior is hereby authorized to accept the final proof submitted by Ruble L. Jenkins in support of said homestead entry, and to issue patent for the entry in regular course."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOT SPRINGS NATIONAL PARK, ARK.

The Clerk called the next bill, H. R. 6465, to accept the cession by the State of Arkansas of jurisdiction over all lands now or hereafter included within the Hot Springs National Park, Ark., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of an act of Legislature of the State of Arkansas, approved March 25, 1933 (no. 166), ceding to the United States jurisdiction over all lands now or hereafter included within the Hot Springs National Park, are hereby accepted, and the provisions of the act approved April 20, 1904 (33 Stat. 187), as amended by the acts of March 2, 1907 (34 Stat. 1218), and March 3, 1911 (36 Stat. 1086), relating to the Hot Springs Mountain Reservation, Ark., are hereby extended to all lands now or hereafter included within said park.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ACCEPTANCE FROM THE STATE OF UTAH OF TITLE TO CERTAIN STATE-OWNED LANDS, ETC.

The Clerk called the next bill, H. R. 6616, to authorize the Secretary of the Interior to accept from the State of Utah title to a certain State-owned section of land and to patent other land to the State in lieu thereof, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to accept on behalf of the United States a deed of reconveyance from the State of Utah of all of section 2, township 12 south, range 19 east, Salt Lake meridian, Utah, when accompanied by evidence showing unencumbered title in said State, and in exchange therefor the Secretary of the Interior is hereby further authorized to patent to the State of Utah other vacant, unappropriated public land, unreserved except by the Executive Order No. 6910 of November 26, 1934, whether mineral or nonmineral in character, of approximately equal area and value, to be used for the same purpose for which the lands so reconveyed were granted, and to be subject to the same conditions and limitations which applied to said reconveyed lands.

SEC. 2. That upon issuance of patent to the State for the land selected in exchange, the land reconveyed shall become a part of Naval Oil Shale Reserve No. 2, Utah No. 1, for the exclusive use or benefit of the United States Navy.

With the following committee amendment:

Page 2, line 2, strike out the words "and unreserved" and after the word "land" in line 3, on page 2, insert "unreserved except by the Executive Order No. 6910 of November 26, 1934."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING LAND FOR PARK, PARKWAY, AND RECREATIONAL AREA PURPOSES

The Clerk called the next bill on the Consent Calendar, H. R. 6594, to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof.

The SPEAKER pro tempore. Is there objection?

Mr. CULKIN. I object.

FORTY-HOUR WEEK FOR POSTAL EMPLOYEES

The Clerk called the next bill on the Consent Calendar, H. R. 6990, to fix the hours of duty of postal employees, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That when the needs of the Service require supervisory employees, special clerks, clerks, and laborers in first- and second-class post offices, and employees of the motor-vehicle service, and carriers in the City Delivery Service and in the village delivery service, and employees of the Railway Mail Service, to perform service on Saturday they shall be allowed compensatory time for such service on 1 day within 5 working days next succeeding the Saturday on which the excess service was performed: *Provided*, That employees who are granted compensatory time on Saturday for work performed the preceding Sunday or the preceding holiday shall be given the benefits of this act on 1 day within 5 working days following the Saturday when such compensatory time was granted: *Provided further*, That the Postmaster General may, if the exigencies of the Service require it, authorize the payment of overtime for service on the last three Saturdays in the calendar year in lieu of compensatory time: *And provided further*, That for the purpose of extending the benefits of this act to railway postal clerks, the service of said railway postal clerks assigned to road duty shall be based on an average not exceeding 8 hours per day for 254 days per annum, including a proper allowance for all service required on lay-off periods as provided in Post Office Department Circular Letter No. 1348, dated May 12, 1921, or not in excess of an average of 175 miles per day for 254 days per annum, and hours of service shall control until the daily average miles is exceeded; and railway postal clerks required to perform service in excess of an average of 8 hours per day or an average of 175 miles per day, as herein provided shall be paid in cash at the annual rate of pay or granted compensatory time, at their option, for such overtime. Excess mileage shall be converted into hours on the basis of the average hourly speed of the train and paid for at the pro rata hourly rate of pay. Line organizations shall be fixed to keep within the aggregate annual service provided herein except where it is to the interest of the public service to exceed the same in regular organization of the line. In such cases, only, organizations in excess of these standards may be established and such excess service shall be credited and paid for as overtime. This act shall take effect July 1, 1935.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE A. A. A.

Mr. WEARIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio speech delivered recently by my able colleague, Mr. EICHER, of Iowa.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WEARIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech of Representative EDWARD C. EICHER, Member from Iowa, broadcast over the radio on Saturday, June 1, 1935:

The subject of farm legislation is always of special interest to the people of Iowa and of the Middle West. I appreciate, therefore, the opportunity WHO is giving me to outline certain amendments to the Agricultural Adjustment Act that are now under consideration by the Congress, and to discuss the broader aspects of a permanent agricultural policy. The proposed amendments are, in my opinion, valuable additions to the existing authority of the Secretary of Agriculture, and I believe they will be enacted into law substantially as they may be reported by the committees. They represent a sincere effort to improve the emergency program that conditions in 1933 made necessary. We have gone for in the last 2 years and dare not surrender any of the progress that has been made until we are sure of something better to take its place. The friends of agriculture must continue, however, to give their best thought to solving, in the national interest, the difficulties that still surround us, and thus help speed the day when the goal of real equality for agriculture with industry will have been attained.

A few of the amendments are merely perfecting or clarifying in their nature, others will rewrite and probably eliminate most of the licensing powers, and still others provide authority to expand domestic and foreign markets and to remove surpluses. I shall summarize them briefly:

(1) Taxes and interest are to be reckoned in fixing parity prices. These items are not authorized to be considered in the original act and as taxes and interest now are about 160 percent of the 1909–14 level this amendment will have the effect of increased parity prices approximately 5 percent.

(2) The base period for wool and mohair is shifted to the postwar period of 1919–29 for the reason that the price level of wool and mohair, like tobacco, was very unsatisfactory in the 1909–14 period.

(3) The Secretary, under the original law, is authorized to enter into arrangements merely for the reduction of production. The word "reduction" is to be changed to "adjustment" so that his power may be more flexible and permit him to reduce or to maintain or to increase production, as conditions may require.

(4) Rental or benefit payments may be made in commodities rather than by cash payments. The Secretary is also authorized to acquire commodities that have been pledged to the Government as security for loans. Under these two amendments if the price of cotton or corn should go below the amount of the loan, the Secretary may use processing tax funds to take over such commodities from the Commodity Credit Corporation as part of his "ever normal granary."

(5) Authority is conferred to make payments for expansion of domestic and foreign markets and for the removal of surplus agricultural commodities or removal of surplus products of agricultural commodities. As to foreign markets, this is a development of the export-debenture plan, but its use is unfortunately left discretionary with the Secretary. The losses may be paid out of a processing tax on the particular commodity or out of an appropriation which Congress will make of 30 percent of the customs duties collected each year. The latter will be an indirect subsidy out of the Treasury of the United States. In expanding domestic markets under this amendment, for example, the Secretary would be authorized to sell surplus commodities to relief agencies at a reduced price, and he may encourage the development of useful byproducts of agricultural commodities. He may also purchase seasonal surpluses which may be stored and kept during years of plenty and later put on the market during periods of scarcity.

(6) The Secretary is authorized to cooperate with State authorities with a view to working out cooperative programs between the State and Federal Governments.

(7) The $100,000,000 revolving fund is made available for the expansion of domestic and foreign markets and the removal of surpluses as well as for rental and benefit payments.

(8) Processing-tax funds collected on one commodity may not be expended to pay benefits for another commodity except in the case of hogs and field corn which may be considered as one commodity. This will make impossible the plan which was earlier proposed that taxes were to be levied on beef cattle, sheep, and dairy products for the purpose of making payments on corn or programs of similar character.

(9) Whenever a commodity is selling at less than the parity price the President may place a quota or impose necessary compensating taxes on imports to protect our program against influx of foreign competing commodities.

In addition to the foregoing, there is a possibility that an effort will be made to include in the law an extension for 1 year of the Bankhead Cotton Control Act which was passed last year. This will likely fail, however, since the unconstitutionality of that compulsory crop-reduction law is rather definitely forecast by the Supreme Court's N. R. A. decision of last Monday. For the same reason, it is quite probable that parts of the original law will be rewritten to define more clearly the Secretary's powers and to eliminate all compulsory licensing authority.

You have been listening thus far to a recital of immediately contemplated changes in agriculture's legislative charter that unavoidably has been somewhat dry and technical, although I hope clearly understandable. May I ask you to follow me now for a little while through a frank but friendly discussion of some fundamental weaknesses of the present emergency program that must sooner or later be corrected if agriculture would continue the rehabilitation that has been so well started under the sympathetic leadership of President Roosevelt.

A former high official in the administration recently made the following observation about our farm policy:

"We have taken the big essential step in recognizing that the farmer is entitled from his fellow citizens to fair exchange value for that part of his crop which they consume—even to the extent of a direct subsidy. Why clutter up that faundamental idea with crop reduction, loss of export markets, and direct taxes on particular crops?"

There is a world of meat in that statement, and he goes on to suggest its logical conclusion:

"What difference does it make to the public whether fair domestic price is part tax and part price or all of either? None. But reduced production is giving our export markets away and results in lower farm income than would be the case if the farmer got an American price for domestic consumption and a world price for the surplus."

In this brief quotation is contained the foundation of the only economically sound and permanently successful farm policy, namely, the dual price level, which will assure the farmer a minimum cost-of-production price for that portion of his production which is consumed at home, and the world price for any surplus that needs to be shipped abroad. Our emergency policy of reduced production has already resulted in largely increased foreign production, in a drastic decline in our exports, and in an alarming increase in the imports of farm commodities to this country. The loan facilities that the Government has extended to farmers both on cotton and on corn have been wonderfully helpful emergency measures, but it is unthinkable that we can continue to hold them up like an umbrella over world prices without courting disaster.

Having been born and reared on an Iowa farm and being a farm owner, I claim to be a competent judge of the temper and spirit of the average American farmer. He doesn't want a Government subsidy, or a dole, or to be the recipient indefinitely of benefit payments raised by a tax which furnishes an excuse to distributers to pyramid the prices of his products to the consumer. He does want, however, a fair exchange price, both as to volume and as to value, for the necessities of life that he contributes to society, and he is entitled to nothing less.

The average cost of producing any particular farm commodity, reckoning the average farm as a business unit, is scientifically and accurately ascertainable, exactly as the cost of industrial production is so ascertainable. The requirement that he be paid that minimum cost for the percentage of his production that is domestically consumed is practically workable, as was demonstrated by President Woodrow Wilson during the World War when he controlled wheat prices, and during that period the American farmer enjoyed the greatest prosperity he has ever known.

Early in this session of Congress I introduced a bill to amend the A. A. A. by substituting the cost-of-production principle for the parity provisions of the law as to the domestic consumption percentage of farm production, the farmer to be given a receipt by the dealer for the exportable surplus of his production which he could cash after a Government export agency had disposed of the surplus on the world market. This would be without subsidy from, or other cost to the Government. All the rest of the efficient machinery of the A. A. A. would be preserved to continue as the backbone of the first real relief American agriculture has ever had.

Some further provisions and objectives of my bill if my time permits me to review only very briefly:

(1) It empowers the export agency to supply manufacturing exporters with raw materials from the exportable surplus, under bond, at a price that will permit successful competition abroad with foreign manufacturers of similar products, the deficit, if any, from the net world price, to be made up by processing taxes, which will obviously be less than one-tenth of the present schedules.

(2) It preserves the county and State adjustment committees, adding to their duties important advisory functions as fact-finding agencies for the Department of Agriculture in ascertaining costs of production for the various commodities and in compiling from year to year the necessary production and consumption data.

(3) It will induce voluntary as opposed to compulsory adjustment of acreage and production through that self-interest whereby losses suffered from the sale of excess production on the world markets will impel farmers to transfer acreage to crops whose volume of production is nearer the demands of the domestic market.

(4) It will in no sense require "dumping", but, on the contrary, will permit controlled marketing by a Federal agency through orderly bargaining. After all it is price that will help us get back our foreign markets. It will contribute substantial auxiliary strength to the arms of the Department of State and the Department of Commerce in effectuating the important reciprocal trade program, and in preventing the increase in subsidized competitive acreage in foreign lands.

5. It empowers the Secretary of Agriculture to build and maintain an ever-normal granary out of the surplus at net world prices to the producer, and to arrange for storage or farms under seal.

6. It provides for loans to producers on their exportable percentages pending disposition on the world market.

7. It invokes existing powers of the Government to protect domestic price levels by compensating and flexible tariffs, or by embargoes.

8. It specifically reaffirms the power of the Secretary of Agriculture to limit production of any commodity and sets up simplified alternative machinery to effectuate any desired production-control program.

9. It will reduce consumer costs by promoting the stabilization which will reduce the speculative spread between prices received by producers and prices paid by consumers.

10. It will completely disarm those special interests which would destroy the A. A. A. and its tremendous accomplishments for agriculture without providing a substitute.

11. The certain increase in agriculture's potential buying power will forthwith reopen factories, and the greater volume of commodities to be handled will substantially reduce unemployment, it being conservatively estimated that upward of $3,000,000,000 will at once be added to agriculture's annual income, largely transferred from the pockets of present-day speculators and middlemen.

(12) It is constitutional under the power to regulate interstate commerce and the power to regulate the value of money in commodities. If supplementary State legislation should prove desirable, there can be no doubt of its unanimous enactment.

It must never be forgotten that there are many who would like to see the A. A. A. collapse with nothing to take its place. If we, who are its friends, would avoid that possibility, we must be the first to recognize and correct any mistakes that experience lays bare. By striking down the Frazier-Lemke Farm Mortgage Moratorium Act the Supreme Court has nullified the administration's earnest efforts to save farm homes by compulsory debt adjustment. This makes it imperative that resort be had to every constitutional method for forcing the farmer's dollar income up to a point where he again can pay his debts. I hope my listeners will ponder seriously over the suggestions I have made and will give your Congressman the benefit of your own reactions and constructive thought on these important questions to the end that further strengthening and forward-looking amendments to the farm program may be enacted into law from time to time.

MERCHANT MARINE LEGISLATION

Mr. WEARIN. Mr. Speaker, I also ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. WEARIN. Mr. Speaker and Members of the House, for some weeks past the Committee on Merchant Marine and Fisheries, of which I am a member, has been considering various suggestions pertaining to a permanent program for the development of our merchant marine. I have interested myself in this subject because the people residing in the territory I represent are concerned with the problem of finding a market not only at home but abroad for the agricultural products they have to sell. The taxpayers are entitled to protection in any merchant-marine legislation offered, and for that reason I have suggested a number of amendments to H. R. 7521 that I want to discuss briefly this morning.

I have long advocated the necessity of developing foreign markets as a means of aiding the solution of our economic problems. Such a program is a necessity for a growing nation unless her people desire closely regulated production as a permanent policy. Of course, I am fully aware of the fact that America must buy as well as sell in such an arrangement, but this is not the place for the discussion of that question that I have considered at other points in the RECORD. The situation I am interested in today is the fact that such a program is associated with the development of a merchant marine.

Since 1928 we have experimented with mail subsidies in an effort to build up our shipping. Postmaster General Farley in his reports to President Roosevelt with reference to the

individual lines receiving the benefits stated that the contracts had cost his Department $119,257,756.63 up to June 30, 1934. If the present contracts are continued they will cost the taxpayers an approximate total of $308,095,160.30 before we are through with it.

When the act of 1928 was passed we were told it was necessary to establish a permanent merchant marine on a sound basis. Congress naturally assumed that this would be done, and that the enormous sums advanced as mail pay, the general provision for loans by the Shipping Board at rates of interest as low as one-eighth of 1 percent (since raised to 3½ percent but unfortunately the Government has not recovered on approximately 90 percent of the fund that was loaned at low rates), and the low sales price of Shipping Board vessels would result in the establishment of the said strong merchant marine for the United States. The recent investigation by the Post Office Department, summarized in Mr. Farley's reports and recommendations to President Roosevelt now available as Parts I and II, Investigation of Air Mail and Ocean Mail Contracts, printed for the use of the special Senate committee investigating the scandal, show conclusively through facts presented under oath and statements of the operators themselves that comparatively little of the enormous grants has gone into the building of a permanent merchant marine on a sound basis.

We are now faced with the question of what to do with the operators, the contracts, and the entire problem. One proposal now before the Committee on Merchant Marine and Fisheries in the form of various and sundry committee prints is H. R. 7521. Representatives of the shipping interests have testified before the committee in behalf of the measure or something similar. I will not at this time go into any of the reasons why the people who have received the tremendous mail subsidies referred to above, who, it is proved beyond question in Mr. Farley's reports have been actuated largely by a desire to obtain as much from the Government as possible upon minimum commitments looking to the upbuilding of the American merchant marine, should favor a certain type of legislation.

It is sufficient for the time being for me to say that in my judgment, after giving the subject considerable study that Committee Print No. 2 of H. R. 7521 should be extensively amended and revised in the public interest. In line with that suggestion I appeared before a subcommittee on Merchant Marine and Fisheries on May 24, 1935, and offered a considerable number of amendments that are herewith printed in full with accompanying explanations as to the reason for their having been offered.

SECTION 1. AMENDMENTS TO H. R. 7521, COMMITTEE PRINT NO. 2, APRIL 30, 1935

In section 1, title I, on line 5, page 2, after the words "United States", insert the words "or by the United States."

In line 12 on page 2, after the words "States and", insert the word "exclusively"; and in the same line, after the word "efficient", insert the word "American".

COMMENTS ON AMENDMENT TO SECTION 1

The amendment on line 5 is designed to permit the Government to own or operate ships in the event of a national emergency or otherwise in the public interest. It must not be forgotten, also, that the United States still owns several lines of vessels which are being operated for Government account.

The amendments on line 12 are designed to require that the personnel on the ships shall be exclusively American citizens.

Amend section 201, title II, subsection (b), by striking the words appearing in lines 4 and 5 on page 4, reading as follows: "No member shall be appointed who is in the employ of, or holds any official relation to", and in lieu thereof insert the following:

"No member shall be appointed who is, or who has been within 3 years prior to such appointment, employed by, or associated in any official capacity with."

Amend section 201, title II, subsection (c), in lines 15, 16, and 17, page 4, by striking out the following sentence:

"The duties of the Authority may be so divided that under its supervision the directorship of various activities may be assigned to one or more members."

Amend section 201, title II, subsection (c), on page 5, in line 7, by striking out the figures "12,000" and inserting in lieu thereof the figures "10,000."

Amend section 201, title II, subsection (e), on page 5, in line 17, by inserting a comma in place of the period after the word "corporation", and inserting thereafter the following:

"*Provided*, That no employee shall receive a salary in excess of $10,000 per annum."

Amend section 201, title II, subsection (f), by striking out lines 22 to 25, inclusive, on page 5, and lines 1 to 7, inclusive, on page 6, and substituting the following:

"In selecting the officials and employees of the Authority, preference shall be given to the employees and officials of the United States Shipping Board Bureau and the Merchant Fleet Corporation of the Department of Commerce, who have maintained excellent records for efficiency, honesty, and loyalty to the best interests of the Government and whose experience would make their services valuable to the Authority."

COMMENTS ON SECTION 201, TITLE II

Subsection (b): The reason for this amendment is to insure that the members of the Authority shall not be unduly sympathetic to or influenced by the special interests who are benefiting by this act. The revelations before the Black committee and before the Post Office Department abundantly indicate the necessity for such restriction upon the membership of the Authority.

Subsection (c): The purpose of the amendment to subsection (c), section 201, is to avoid the possibility that one member of the Authority may pass upon important problems without full knowledge of such problems being possessed by other members of the Authority. Unless such safeguard is provided it would be possible for one weak member of the Authority to make important decisions that would be detrimental to the proper conduct of the business confided to the whole Authority.

Subsection (e): The reason for the amendment to subsection (e), section 201, is that no substantial ground has been presented as to why the members of the Authority and the employees thereof should be permitted to draw salaries in excess of those paid to Senators and Members of the House of Representatives.

Subsection (f): The amendment to subsection (f), section 201, is necessary because the section as now drawn makes it more or less mandatory to appoint employees presently employed by the United States Shipping Board Bureau or the Merchant Fleet Corporation; where they are worthy, they should be given preference because their experience should make them a valuable asset. As amended, however, this leaves it discretionary to the Authority as to whom it employs.

Amend section 202, title II, subsection (3), on page 7, in line 4, by striking the Roman numerals "III" and the word "and" immediately thereafter, and in line 3 by striking out the final "s" on the word "titles" so that the section as amended will read:

"To determine, under rules and regulations to be prescribed by the Authority, the amounts of direct financial aid to be paid under contracts awarded pursuant to title V of this act; and".

Amend section 202, title II, on page 7, by adding a new section after line 18, reading as follows:

"(6) (a) The Authority is authorized to require such detailed reports under oath and to make such periodic or special audits of all books of account, and such examinations of all contracts, records, and correspondence, as it deems advisable in the public interest, of any common carrier by water, any industrial carrier by water, any person issuing policies of insurance on hulls and cargoes and policies covering protection and indemnity insurance, and the agents of such persons, including insurance brokers, or any other person subject to this act, who is a citizen of the United States. Such audits and examinations may be extended to include books of account and other records of any subsidiary, parent, or affiliated association, partnership, or corporation having any interest direct or indirect in any such common carrier by water and other person, whether the interest of such holding, subsidiary, and/or affiliated concern is by means of contractual relations, stock ownership, interlocking directorates, or otherwise. To aid in the making of such audits and investigations, the Authority may, by subpena, compel the attendance of witnesses and the production of books, documents, and other evidence, to the same extent and upon the same conditions as are now provided in section 826, chapter 23, title 46 of the Code of Laws of the United States.

(b) The Authority is authorized to prescribe uniform systems of accounts to be kept by all citizens of the United States subject to this act, by appropriate rules and regulations to be promulgated by the Authority, and such rules and regulations may be enforced as provided in section 828, chapter 23, title 46 of the Code of Laws of the United States.

COMMENTS ON SECTION 202

Subsection (3): The reason for this amendment is that title III relates to mail contracts and no power should be

given to the Authority to continue the mail contracts or to determine the amount of compensation to be paid under existing contracts.

Subsection (6): The inclusion of subsection 6 is necessary to give the Government the authority it is now lacking to investigate the accountings and practices of the carriers. This is a very important amendment and should be insisted upon.

Amend section 204, title II, on page 8, in line 17, after the word "lines" by inserting the word "necessary"; and in line 18, on page 8, strike out the words "pursuant to section 7, Merchant Marine Act, 1920 (U. S. C., title 46, sec. 866)."

COMMENT ON SECTION 204

Amendment to section 204: There is no point in referring to section 7, Merchant Marine Act, 1920, which provides for the sale of vessels on steamship routes and preference to be given to bidders for such lines. Unless this reference to section 7 of the old act is eliminated, it will result in endless confusion and will lead to claims by certain interests that they are entitled to preferences.

Amend section 301, title III, on page 10, in lines 3 to 6, inclusive, by striking the words "sections 401 to 413, inclusive, of title IV, of the Merchant Marine Act, 1928, are hereby repealed, subject to the limitations and exceptions hereinafter in the act provided", inserting in lieu thereof the following:

"Title IV of the Merchant Marine Act, 1928, is hereby repealed."

Amend section 301, title III, on page 10, by striking out the paragraph appearing on lines 7 to 12, inclusive.

COMMENTS ON SECTION 301

The amendment to section 301, title III, is in harmony with the President's message to Congress advising that payment of subsidies by the subterfuge of mail contracts should be stopped.

Amend section 302, title III, appearing on page 10, by striking said section and inserting in lieu thereof a new section reading as follows:

"Thirty days after the passage of this act all contracts made by the Postmaster General pursuant to the provisions of the Merchant Marine Act, 1928, for the carriage of mail shall stand rescinded, and it shall be unlawful for any officer of the Government to pay from any public funds any compensation to the holder of any such contract for the carriage of ocean mail, except for voyages completed by the mail contractor's vessel or vessels prior to 30 days after the passage of this act, and for the round voyage completed by any vessel which was at sea on the date of passage of this act and shall not have completed its round voyage prior to the date of rescission of the mail contract as declared in this Act: *Provided*, That the jurisdiction of the Court of Claims and of the district courts of the United States to entertain and adjudicate suits claiming damages from the United States arising out of the rescission of such contracts is hereby limited to an award of just compensation, which compensation shall not include any allowance for loss of prospective profits that might have been earned by the contractor if permitted to further perform his contract.

COMMENTS ON SECTION 302

In view of the revelations in the reports of the Postmaster General concerning the manner in which mail contracts were awarded without competition and in violation of the intent of Congress, all such contracts should be rescinded and the contractor should not be permitted to mulct the United States in damages. On the contrary, the United States should be protected against payments of the profits the contractors might make in the future if permitted to perform the mail contracts and should be required to pay no more than just compensation. Just compensation was all that was allowed to contractors whose war contracts were canceled after the armistice and in defining the meaning of the words "just compensation" in the Russell Motor Car case, the Supreme Court said that just compensation did not include the loss of profits the contractor might have earned if permitted to perform, but did include the contractor's outlay on account of the contract for plant equipment, less the salvage value thereof.

Amend section 401 (b), title IV, page 12, by striking all after line 6, and substitute in lieu thereof the following:

"If the new vessel or vessels to be constructed are intended to replace an old vessel then employed in an established foreign trade route, the vessel or vessels so to be replaced shall be scrapped by the owner for his own account within such time as the Authority shall prescribe, unless the owner of such old vessel or vessels is able to consummate a sale thereof upon condition that such vessel or vessel shall not be operated during the life thereof in the commerce of the United States, except as may be permitted by the Authority, but the Authority shall not permit such old vessel or vessels to be operated in competition with any other vessel or vessels constructed with Government aid under title V hereof or subsidized in any manner under any provisions of this act."

COMMENTS ON SECTION 401 (B)

Why should the Government buy a lot of old vessels for scrap or otherwise? In the first place, the proponents of this bill are opposed to Government ownership. In the second place, the paragraph which it is proposed should be rewritten very definitely establishes another expensive subsidy, which it would appear the President did not contemplate in his message of March 4, 1934.

Amend section 501 (a), part 1, on page 23, in line 21, after the words "United States", as follows:

"*Provided*, That the Authority shall not extend aid for the operation of more than one line in a particular foreign-service trade route."

Amend section 501 (b), page 24, by striking lines 9, 10, and a part of 11, reading as follows:

"(1) The difference between the fair and reasonable domestic and foreign construction cost of a vessel of the type proposed to be built, and"—and substitute therefor the following:

"(1) The difference between the lowest approved and accepted construction cost of such vessel in the United States as determined by competitive bids and the estimated lowest construction cost of such vessel if constructed in a foreign country whose nationals are the principal competitors on the trade route or service in which such new vessel is to be employed."

Amend section 501, following line 13, on page 25, by adding the following paragraph:

"(d) The cumulative net profits in excess of 6 percent per annum of any shipbuilder receiving a contract under this act (dating from the first subsidy contract) shall be subject to recapture by the Authority at the end of each calendar year: *Provided*, That the total recovery by the Authority shall not exceed the cumulative subsidy payments to the shipbuilder: *And provided further*, That the Authority shall prescribe the accounting formula for determining these net profits."

COMMENTS ON SECTION 501

Section 501 (a): The object of extending aid to American-flag operators is to enable them to compete with foreign-flag operators in any essential foreign service that could not be adequately served by American-flag operators without such aid.

It would appear to be very bad policy to extend aid to two or more lines to compete with each other on the same foreign-service trade route. Naturally, monopoly should not be encouraged, but the general idea of a monopoly would be to give one company aid in operating two, three, four or more lines, or foreign services extending to the four corners of the earth. In other words, limit the services that a company may operate, but once you have determined to aid a particular company in the operation of any line or service, do not aid someone else to compete with him.

Section 501 (b), page 24: The construction cost in different foreign yards varies considerably. The construction cost which we are endeavoring to equalize in each instance is the construction cost of the principal competitor to the American-flag operator. If, for instance, vessels could be constructed 20 or 30 percent more cheaply in Japan than in any other foreign country, it would not seem fair to use Japan construction cost if the subsidized American-flag operator were competing with a British-flag line who does construct his vessels in British yards. Moreover, we should be definite in stating how it shall be determined what the cost will be of constructing a vessel in American yards.

Section 501 (d) (additional paragraph to be inserted on p. 25):

If the Government is to subsidize construction of vessels so that all vessels constructed by the Authority will be built in American yards irrespective at what cost these same vessels could be constructed in foreign yards, it appears that the Government is thoroughly justified in having a recapture clause which will limit the cumulative net profits to 6 percent. Particularly is this true when viewed in the light that it is impossible to determine with any degree of accuracy the construction differential in any instance, and furthermore, the Government should not pay what is equivalent

to a dole to the shipbuilder or anybody else, if by such payments the recipient is enabled to make exorbitant profits.

Amend section 502, page 25, line 19, after the word "bids", to read as follows:

"It shall be unlawful for any bidder, or for the officers, directors, executives, or employees of any bidder for shipbuilding contract under the provisions of this act, (1) to consult with or agree with or inform any other such bidder, or officer, director, executive, or employee of any such other bidder as to the amount of or the terms and conditions of any bid submitted to the Authority prior to the public opening of such bids, or, (2) to enter into any collusive agreement or understanding, either verbal or written, as to such bid whereby free and secret competition for such contract shall be prevented or hindered or evaded in any manner whatsoever.

"Any person violating the provisions of this section shall be guilty of a misdemeanor and upon conviction thereof shall be fined not less than $5,000, not more than $25,000, or shall be imprisoned for not less than 1 year or more than 5 years, or shall be both fined and imprisoned in the discretion of the court."

COMMENTS ON SECTION 502

A stiff penalty, as provided in this amendment, would go a long ways toward insuring honest bids and at the same time eliminating collusive bidding in its various forms.

Amend section 504, page 26, in line 10, by striking the figure "20" and inserting "40" in lieu thereof.

Amend section 504, page 26, in line 23, by striking the figure "20" and inserting "40" in lieu thereof.

Amend section 504, page 27, after line 9, by inserting the following paragraph:

"The cumulative profits in excess of 6 percent per annum of any contractor receiving an operating subsidy under this section (dating from the date first aid is granted) shall be subject to recapture by the Authority at the end of each calendar year, provided that the total recovery by the Authority shall not exceed the cumulative subsidy payments, and provided, further, that the Authority shall prescribe the accounting formula for determining these net profits."

COMMENTS ON SECTION 504

(First two amendments): If only 20 percent of the foreign cost is paid down at the outset by the owner, this would be equivalent to a payment of only about 12 percent of the American cost, assuming that the construction differential would be 40 percent of the American cost. Under the present plan of the construction loan set-up of the Shipping Board Bureau, only 75 percent of the construction cost in American yards is loaned by the Government; 40 percent instead of 20 percent of the foreign cost would equal a little less than 25 percent of the American cost, which is now being paid by the owner. Since the President has stated that no loans should be made in connection with future construction, it would appear asinine to present any bill to him where an even greater construction cost is being paid down by the Government than was paid under the Merchant Marine Act, 1928.

(Insertion of paragraph): It is practically impossible to determine what an operating differential should be, due to changing conditions and also due to the fact that the books of the foreign-flag operator will not be accessible to the Authority. In order that the Government shall not subsidize owners to such an extent that their profits shall be excessive, the recapture clause is necessary, and, naturally, if conditions become so favorable that the owner can make a high profit without Government aid, then there is no reason why said owner should not retain the profits just as long as the Government's contribution is recovered before excessive profits are realized.

Amend section 505, by striking lines 10 to 25, inclusive, on page 27, and 1 to 6, inclusive, on page 28, and substituting in lieu thereof the following:

"No vessel in respect to which a construction and/or operating subsidy has been paid or shall be paid shall be operated other than exclusively in foreign trade, unless the owner shall receive the consent of the Authority to do so; in which event any amount due the Government on such vessel, plus the amount of the construction differential absorbed by the Authority, shall immediately become due and payable."

COMMENTS ON SECTION 505

Provision is made to subsidize only vessels engaged in foreign trade through loans and the payment of operating and construction differentials. The minute a vessel constructed for this purpose is placed in coastwise or intercoastal service which is not being subsidized, the owner thereby shall be placed on a parity with other operators who are engaged in a similar service. The proposed amendment will carry out such an objective.

Amend section 507 (a), by striking the words after "shall", on line 15, as follows: "endeavor to permit" and insert in lieu thereof the words "provide for".

COMMENTS ON SECTION 507 (A)

Any requirements concerning competitive bidding or competition should be made as definite as possible.

Amend section 511 by striking lines 3 to 24, inclusive, page 31, and insert the following:

"(a) No contractor under a contract in force under this title, or no holding company of such contractor or officer, director, or executive, or no member of the immediate family of such officers, directors, or executives of such contractor or such holding company shall (1) own any pecuniary interest in any person performing or supplying stevedoring, terminal, ship repair, ship chandler, towboat, wharfage, or kindred services in any domestic port or ports. (2) Own any pecuniary interest in any person servicing any vessels of the contractor in a foreign port or ports: *Provided*, That with the express approval of the Authority, such contractor, or a wholly owned subsidiary of such contractor, may render services to vessels in a foreign port or ports if the profits, if any, incident thereto are included in the earnings contemplated under this title. (3) Own, operate, or charter any vessel or vessels engaged in the domestic intercoastal or coastwise service, or own any pecuniary interest in any person that owns, charters, or operates any vessel or vessels in the domestic intercoastal or coastwise service. (4) Own, charter, or operate any foreign-flag vessel or vessels, or own any pecuniary interest in any person that owns, charters, or operates any foreign-flag vessel or vessels. (5) Perform or supply at any domestic port or ports, stevedoring, towboat, ship repair, ship chandler, terminal, or wharfage services for any vessel: *Provided*, That such contractor may itself, with the express approval of the Authority, perform stevedoring services to and/or utilize its own terminal and/or wharfage facilities for its own vessels. (6) Own any pecuniary interest in any person employed as agent or broker for any contractor under a contract in force under this act.

No contractor under a contract in force under this title shall employ any person as the managing or operating agent of such contractor, or shall charter its vessels for operation by another person or shall employ chartered vessels under the contract.

No contractor under a contract in force under this title, or no holding company of such contractor, or no officer, director, or executive, or no member of the immediate family of such officers, directors, or executives of such contractor, or of such holding company shall own any pecuniary interest in, or shall be owned to any extent by, any person engaged in the building of ships, or holding or subsidiary company of such person, or any officer, director, or other excutive of such person or of such holding company.

Any violation of any provision of this section shall constitute a breach of contract in force under this title, and upon determining that such a violation has occurred, the Authority shall forthwith rescind such contract.

COMMENTS ON SECTION 511 (A)

The amendment to this section is intended to forbid any contractor receiving a subsidy from engaging in any service other than the steamship business and to compel him to confine his steamship activities either directly or indirectly to the development of the foreign service which is being subsidized. It also forbids a shipbuilder from directly or indirectly owning any stock in a shipowner or operator who is being subsidized and it also forbids any shipowner and operator from receiving a subsidy from or owning any stock either directly or indirectly in shipbuilding companies. Generally speaking, the amendment would preclude the piping out of revenues of a subsidized company to subsidiary, affiliated, or holding companies. It protects the independent stevedore, towboat companies, ship chandlers, ship repair companies, and so forth, against unfair competition from a steamship company who is receiving financial aid and prestige from the Government. It is entirely fair to all concerned. It is workable and should be enforced with every company receiving aid. The countless abuses revealed in the recent investigation and disclosed in the individual mail contract reports by Mr. Farley clearly demonstrate the necessity and advisability for such an amendment.

Amend section 513 by striking lines 5 to 14, inclusive, on page 33.

COMMENT ON SECTION 513

This section is being eliminated because all of the provisions thereof are more than taken care of in amendment to section 511 (a).

Amend section 515, part 3, by striking lines 12 to 25, inclusive, on page 34, and lines 1 to 16, inclusive, on page 35.

COMMENT OF SECTION 515

Millions of dollars have already been spent in developing foreign-trade services and it is believed that the essential foreign-trade services have already been developed. This seems to be another means of penetrating the Treasury. It should be styled "shipping trade for penetrating the Treasury" instead of "shipping trade promotion aid."

The President apparently did not contemplate such a subsidy in his message of March 4, 1935.

Amend section 517 (c), first sentence, by striking lines 1, 2, 3, and 4 up to and including the word "under", on page 38.

COMMENTS ON SECTION 517

These words are superfluous. The authority to employ and authority to examine and audit have already in previous sections been delegated to the Authority. Why indicate the designation of the representatives of the Authority who will perform this work? Normal audits are usually conducted by auditors, special investigations by special agents or special investigators or by some other title of a similar nature.

Section 519. (Note: the print shows "517" but it apparently should be "519.")

Amend section 519 by striking out lines 8 to 10, inclusive, on page 39, and inserting the following:

"(b) No officer, director, or employee of any contractor under a contract in force under this title shall receive a salary or allowance (including compensation in any form for personal services) from such contractor which shall result in such person receiving a total compensation from all sources exceeding $17,500 per annum."

Amend section 519 (d) by striking out lines 1 to 6, inclusive on page 40.

Amend section 519 by adding the following paragraph, following line 12, on page 40:

"(f) No contractor shall receive aid under this title whose vessels are engaged in service the cargo of which to the extent of more than 50 percent either outbound or inbound is the property of or was sold or purchased by the contractor or any direct or indirect owner or subsidiary of such contractor."

COMMENTS ON SECTION 519

Section 519 (b): If an operator is operating under the dole system or the subsidy system, whichever you wish to call it, why should he receive a salary greater than $17,500 per annum? Such operator being indirectly supported by the Government, such a salary is greater than is received by any officer of the Government except the President of the United States and the Chief Justice of the Supreme Court. This amendment is intended to cover all payments for services rendered to all companies where there are subsidiary, affiliated, and holding companies involved. If, for instance, however, a banker draws $75,000 from his bank and happens to be treasurer of a contract company, it does not mean that he would not be permitted to draw his $75,000 from the bank, but any salary that might be paid by the contractor would be contributing toward a total salary in excess of $17,500 and in such instances no salary would be paid by a contractor. As a matter of fact, if there were such a case, chances are that only a very small percentage of his time would be given to the steamship business, anyway. If all his time is devoted to the steamship company, then he can draw $17,500 from the contracting company, and no more.

Section 519 (d): This paragraph of section 519 is stricken out because the amendment to section 511 takes care of this feature by forbidding a contractor to engage in any foreign flag operations, either directly or indirectly. After all, we cannot serve two masters. Therefore, why should not the law be specific and definite in this respect without putting the burden on the Authority, and making it possible for favoritism and discrimination, in fact a continuation of the old practices and abuses and unsound methods of the past?

Section 519 (f): (New paragraph.)

There does not appear to be any good reason why an industrial carrier should be subsidized. It is not believed that such was intended under the Merchant Marine Act of 1928. However, the act was interpreted in such a way that the United Fruit Co. was awarded three contracts, notwithstanding the fact that over 75 percent of this company's inward cargo is the property of the United Fruit Co. or one of its subsidiaries, thereby placing it in the class of an industrial carrier. It is believed that the law should be specific on this point.

Add a new section following 519 by inserting immediately above title VI, "Merchant Marine Fund", and the following:

"SEC. 520. The Authority shall prescribe minimum manning scales and minimum wage scales for all personnel employed on all vessels of every contractor receiving aid under title V of this act. Any contractor who violates such manning or wage scales shall pay to the United States a penalty of $100 for each day that each of such violations shall continue and such fines shall go to the fund for sick and destitute seamen."

COMMENTS ON SECTION 520

The outstanding reason behind a subsidy, which is made up largely of operating and construction differentials, is a desire by the United States Government to maintain a high standard of living for its seamen and workmen in shipyards, it being a generally accepted fact that American seamen and workmen in American shipyards receive a much higher scale of pay than is received on foreign vessels and in foreign shipyards, respectively. If subsidies are paid to contractors on this theory why should not the Government, who pays the subsidy, make certain that one of the outstanding purposes of the subsidy is fulfilled? In other words, there appears to be every conceivable reason why the Authority should prescribe these manning and wage scales and no legitimate reason why it should not.

Amend section 701 by striking the word "Authority" on line 5, page 42, and inserting in lieu thereof "Interstate Commerce Commission."

Section 701: It is a sound set-up to separate the regulatory features from the administrative features. Therefore it appears proper to place all of the regulatory features in the Interstate Commerce Commission and all the administrative features embracing the administration of the subsidy and all the duties, except regulatory, conferred by law to the present United States Shipping Board Bureau and the Merchant Fleet Corporation of the Department of Commerce.

The President in his message of March 4, 1935, made this request:

Amend section 701 by inserting after line 24, on page 44, the following:

"(6) Paragraph 4 of section 1 of the Shipping Act, 1916, is hereby amended, so that whenever used in that act and in this act, the term "other person subject to the act" means any person not included in the term "common carrier by water", carrying on the business of forwarding or furnishing, stevedoring, wharfage, dock, warehouse, or other terminal facilities in connection with a common carrier by water and any person engaged in the business of building or repairing vessels."

COMMENT ON SECTION 701 (B)

Section 1 of the 1916 act has been amended to make shipbuilders, ship-repair yards, and stevedoring companies subject to this act.

Amend section 702 of title VII by striking lines 1 to 24 inclusive, on page 45, and lines 1 to 6 inclusive, on page 46.

COMMENT

Section 702: Since it has been suggested that section 701 be amended so as to transfer the regulation features to the Interstate Commerce Commission, there will be no need for the "joint transportation board" to handle rail-and-water traffic.

Amend section 802 by striking the words "Secretary of Commerce" in line 13, page 47, and insert in lieu thereof the word "authority."

Strike the word "Secretary" in line 19 of section 802 (a), page 47, and insert in lieu thereof the word "Authority."

Strike the word "Secretary" in line 3 of section 802 (a), page 48, and insert in lieu thereof the word "Authority."

Strike the words "Secretary of Commerce" in line 8, section 802 (b), page 48, and insert in lieu thereof the word "Authority."

Section 802: The purpose of these changes is to place all administrative functions under the authority and all regulatory functions under the Interstate Commerce Commission. These various duties should be scattered only to the extent of separating the two functions.

Amend section 901, page 54, by striking the words "Secretary of Commerce" in line 12 and inserting in lieu thereof the word "Authority."

COMMENTS ON SECTION 901

This will place under the Authority the administration of the subsidies and all the duties imposed by law on the

United States Shipping Board Bureau and the Merchant Fleet Corporation of the Department of Commerce, except the regulatory features which according to previous amendments are transferred to the Interstate Commerce Commission.

Amend section 1003 (b), title X, beginning on line 7, page 56, and ending on line 9, by striking the following: "in the same manner and to the same extent as if the Authority had been named in the law making such appropriations."

COMMENTS ON SECTION 1003

These lines are stricken out because the mail contracts are being canceled under previous amendments. The surplus funds in the Post Office Department applicable to the ocean-mail contracts should be transferred to the authority, but to be used for other purposes.

PUNISHMENT FOR ROBBING OR ATTEMPTING TO ROB CUSTODIANS OF GOVERNMENT MONEYS OR PROPERTY

Mr. DOBBINS. Mr. Speaker, I ask unanimous consent to return to Calendar No. 108, H. R. 5360, providing for punishment for the crime of robbing or attempting to rob custodians of Government moneys or property, for the purpose of asking that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DOBBINS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

TRAVELING EXPENSES OF EMPLOYEES TO AND FROM THE VIRGIN ISLANDS

The Clerk called the next bill on the Consent Calendar, H. R. 7025, authorizing the Secretary of the Interior to furnish transportation to persons in the service of the United States in the Virgin Islands, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to furnish to persons appointed from the continental United States for employment in the service of the United States in the Virgin Islands, and to persons who may be discharged without prejudice or, after a period of service of not less than 1 year, may resign from the service of the United States in the Virgin Islands, free transportation between a port in the United States and the post of duty in the Virgin Islands. The Secretary of the Interior is further authorized to furnish to persons appointed from the continental United States and employed in the service of the United States in the Virgin Islands free transportation from the post of duty to a port in the continental United States and return for the purpose of taking leave, but not more frequently in the case of any person than once during each 2-year period of service.

With the following committee amendment:

On page 2, after line 9, insert the following:

"The Secretary of the Interior is further authorized to provide free transportation of the bodies of deceased persons formerly appointed from the continental United States for employment in the service of the United States in the Virgin Islands, from the post of duty previously held in the Virgin Islands to such destination in the continental United States as may be requested by the deceased person's nearest relatives and/or friends."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF PUERTO RICO

The Clerk called House Joint Resolution 129, to amend the joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, to permit an adjudication with respect to liens of the United States arising by virtue of loans under such joint resolution.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the resolution be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

AUTHORIZING VIRGIN ISLANDS CO. TO SETTLE CLAIMS

The Clerk called the bill (H. R. 7330) authorizing the Virgin Islands Co. to settle valid claims of its creditors, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object for the purpose of asking whether the Colonial Council of St. Thomas and St. John is the legislative body for the Virgin Islands?

Mr. KOCIALKOWSKI. That is the legislative body for the Virgin Islands.

Mr. ZIONCHECK. Mr. Speaker, I reserve the right to object to ask in respect to the charge of $1,736 to set up an accounting system for the Virgin Islands. How was that arrived at?

Mr. KOCIALKOWSKI. That was before the committee, and we asked the same question of the Department of the Interior. That Department stated that that is a just amount.

Mr. ZIONCHECK. I withdraw my objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Virgin Islands Co., a nonprofit corporation created by special act of the Colonial Council of St. Thomas and St. John, Virgin Islands of the United States, to engage in enterprises for the rehabilitation of the Virgin Islands of the United States, is hereby authorized to pay to Phagen, Tillison, and Tremble for services rendered during governmental fiscal years 1934 and 1935 in providing a general accounting and cost system for the corporation a sum not to exceed $1,736.81, and to pay and settle such other claims against the corporation as are or may be approved for payment by its board of directors as valid obligations duly incurred by the corporation in the course of business: *Provided*, That this act shall not be deemed to authorize the payment of any claim out of any money other than funds belonging to or deposited to the credit of the corporation.

With the following committee amendment:

Page 2, line 1, after the figures $1,736.81, strike out the comma and the remainder of the line and all of lines 2, 3, 4, down to and including the word "business" in line 5.

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSERVATION OF WATER RESOURCES, SANTA BARBARA COUNTY, CALIF.

The Clerk called the bill (H. R. 6544) to conserve the water resources and to encourage reforestation of the watersheds of Santa Barbara County, Calif., by the withdrawal of certain public land, included within the Santa Barbara National Forest, Calif., from location and entry under the mining laws.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the public lands of the United States, within the boundaries of the Santa Barbara National Forest, located in the State of California and hereinafter described, are hereby withdrawn from location or entry under the mining laws of the United States:

All Government lands in sections 29, 30, 31, 32, and 33, township 7 north, range 24 west, San Bernardino meridian.

All Government lands in sections 7, 8, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, township 7 north, range 25 west, San Bernardino meridian.

All Government lands in sections 7 to 36, inclusive, township 7 north, range 26 west, San Bernardino meridian.

All Government lands in sections 1 to 36, inclusive, township 7 north, range 27 west, San Bernardino meridian.

All Government lands in sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35, and 36, township 7 north, range 28 west, San Bernardino meridian.

All Government lands in sections 5, 8, and 17, township 6 north, range 24 west, San Bernardino meridian.

All Government lands in township 6 north, range 25 west, San Bernardino meridian.

All Government lands in township 6 north, range 26 west, San Bernardino meridian.

All Government lands in township 6 north, range 27 west, San Bernardino meridian, except sections 19, 30, and 31.

All Government lands in sections 1, 2, and 12, township 6 north, range 28 west, San Bernardino meridian.

All Government lands in sections 6, 7, 18, 19, 30, and 31, township 5 north, range 24 west, San Bernardino meridian.

All Government lands in township 5 north, range 25 west, San Bernardino meridian.

All Government lands in township 5 north, range 26 west, San Bernardino meridian, except in sections 31 and 32.

All Government lands in sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, township 5 north, range 27 west, San Bernardino meridian: *Provided*, That this act shall not defeat or affect any

lawful right which has already attached under the mining laws and which is hereinafter maintained in accordance with such laws: *Provided further*, that the President upon recommendation of the Secretary of the Interior and the Secretary of Agriculture, may, by Executive order, when in his judgment the public interest would best be served thereby, and after reasonable notice has been given through the Department of the Interior, restore to location and entry under the mining laws, any of the lands hereby withdrawn therefrom.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

BURIALS IN NATIONAL CEMETERIES

The Clerk called the bill (S. 1712) to amend section 4878 of the United States Revised Statutes, as amended, relating to burials in national cemeteries.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4878 of the United States Revised Statutes, as amended, be further amended by adding at the end of said section a new sentence reading as follows: "Persons who were members of the Cabinet of the President of the United States at any time during the period between April 6, 1917, and November 11, 1918, may be buried in any national cemetery: *Provided*, That the interment is without cost to the United States."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

NATIONAL GUARD AMENDMENT

The Clerk called the bill (H. R. 5720) to amend the National Defense Act of June 3, 1916, as amended.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I object to that bill because the War Department objects to it at this time.

ERECTION OF MEMORIAL TO SURVIVORS OF THE DIRIGIBLE "SHENANDOAH"

The Clerk called the bill (H. R. 6321) authorizing the erection of a memorial to the survivors of the dirigible *Shenandoah*.

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this be passed over without prejudice for the prime reason that there is no report from any department upon the bill.

Mr. WOLCOTT. And further, it might be said that there is no report from the committee. I think it is remarkable that the Committee on the Library, with the intelligence I know exists on that committee, cannot make up reports on these bills. I notice there are three or four bills on the calendar from that committee where no report accompanies the bill.

The SPEAKER pro tempore. Without objection, the bill will be passed over without prejudice.

There was no objection.

STATUE OF ABRAHAM LINCOLN IN GETTYSBURG NATIONAL CEMETERY

The Clerk called the next bill, H. R. 7731, to provide for the erection of a statue of Abraham Lincoln in the Gettysburg National Cemetery.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior, with the advice of the Commission of Fine Arts, is authorized and directed to procure a statue of Abraham Lincoln and to erect such statue on such site as he may select in the Gettysburg National Cemetery.

SEC. 2. There is authorized to be appropriated the sum of $25,000, or so much thereof as may be necessary, to carry out the provisions of this act.

SEC. 3. The Secretary of the Interior is authorized to receive donations in addition to the appropriation authorized herein, to be used in extension of the plans herein provided.

With the following committee amendments:

Page 2, line 2, after the word "donations", strike out the words "in addition to the appropriation authorized herein,"; and

Page 2, line 3, strike out the words "extension of" and insert "carrying out."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MEMORIAL TO BRIG. GEN. CASIMIR PULASKI

The Clerk called the next bill, H. R. 7451, authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to erect at Savannah, Ga., a suitable tablet or marker to commemorate the heroic services rendered during the Revolutionary War by Brig. Gen. Casmir Pulaski, who died from wounds received at the siege of Savannah on October 11, 1779.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to carry out the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF TANANA RIVER AND CHENA SLOUGH, ALASKA

The Clerk called the next bill, H. R. 7600, authorizing a preliminary examination of the Tanana River and Chena Slough, Alaska.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination to be made of the Tanana River and Chena Slough in the vicinity of Fairbanks, Alaska, with a view to the control of floods in said Chena Slough, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF POINT REMOVE CREEK, ARK.

The Clerk called the next bill, H. R. 7314, authorizing a preliminary examination of Point Remove Creek, Ark., a tributary of the Arkansas River.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of Point Remove Creek, Ark., a tributary of the Arkansas River, with a view to the control of floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF GAFFORD CREEK, ARK.

The Clerk called the next bill, H. R. 7313, authorizing a preliminary examination of Gafford Creek, Ark.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of Gafford Creek, Ark., with a view to the control of floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC LANDS TO THE WILLAMETTE NATIONAL FOREST

The Clerk called the next bill, H. R. 1418, to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest in the State of Oregon.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. MOTT. Mr. Speaker, I ask unanimous consent to substitute a similar Senate bill, S. 462.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That any lands which are in private ownership within the following-described area, which are found by the Secretary of Agriculture to be chiefly valuable for national-forest purposes, may be offered in exchange under the provisions of the act of March 20, 1922 (42 Stat. 465), as amended by the act of February 28, 1925 (43 Stat. 1090), and upon acceptance of title shall become parts of the Willamette National Forest; and, by proclamation of the President of the United States and upon recommendation of the Secretary of Agriculture, any lands in public ownership within such described area, not now within the national forest, found to be chiefly valuable for national-forest purposes, may be added to the Willamette National Forest, subject to any valid existing claims: Townships 16 and 17 south, ranges 3 and 4 east, and sections 31, 32, 33, 34, 35, and 36 in township 15 south, range 3 east, of the Willamette meridian.

Mr. MOTT. Mr. Speaker, I would like to inquire if section 2 of the House bill is included in the Senate bill?

The SPEAKER pro tempore. It is not.

Mr. MOTT. Then I offer an amendment to the Senate bill to insert section 2 of the House bill.

The Clerk read as follows:

Amendment offered by Mr. MOTT: On page 2 of the Senate bill, after line 9, insert a new section to be known as section 2, to read as follows:

"SEC. 2. Any lands within the above-described area which are part of the land grant to the Oregon and California Railroad Co., title to which revested in the United States under act of June 9, 1916 (39 Stat. 218), shall remain subject to all laws relating to said revested land grant."

The amendment was agreed to.

The Senate bill, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House bill H. R. 1418, was laid on the table.

SISKIYOU NATIONAL FOREST, OREG.

The Clerk called the next bill, H. R. 7164, to add certain lands to the Siskiyou National Forest in the State of Oregon.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. MOTT. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 1513, be substituted for the House bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the boundaries of the Siskiyou National Forest, in the State of Oregon, are hereby extended to include the following-described lands, subject to valid existing rights:

Section 31, township 30 south, range 9 west.

Sections 2, 3, 4, 5, 6, 7, 8, 9, 16, 17, and 18, township 31 south, range 9 west.

Sections 16, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, and 36, township 30 south, range 10 west.

All of township 31 south, range 10 west.

Sections 1, 2, 3, 9, 10, 11, 12, 13, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, and 36, township 31 south, range 11 west.

All of Willamette meridian.

SEC. 2. Lands hereafter conveyed to the United States within the above-described area upon acceptance of title shall become parts of the said Siskiyou National Forest and subject to all laws relating thereto. Any lands within the above-described area which are part of the land grant to the Oregon & California Railroad Co. title to which revested in the United States under the act of June 9, 1916 (39 Stat. 218), shall remain subject to all laws relating to said revested land grant.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House bill H. R. 7164, was laid on the table.

The SPEAKER pro tempore. The Chair is advised that that is the last bill on which the committee is prepared.

Mr. ZIONCHECK. That is correct.

GRAIN FUTURES ACT

Mr. JONES. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes.

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. JONES. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 87]

Andrew, Mass.	Dear	Kahn	Rogers, N. H.
Andrews, N. Y.	Dickstein	Kee	Russell
Bankhead	Dirksen	Keller	Ryan
Barden	Dondero	Kennedy, Md.	Sabath
Beam	Doughton	Kennedy, N. Y.	Sanders, La.
Biermann	Doutrich	Kerr	Sanders, Tex.
Bland	Driscoll	Kopplemann	Sandlin
Brennan	Driver	Lambertson	Schulte
Brown, Mich.	Dunn, Miss.	Lamneck	Scott
Buck	Faddis	Lehlbach	Shannon
Buckley, N. Y.	Ferguson	Lloyd	Smith, Va.
Burch	Fiesinger	Lundeen	Smith, W. Va.
Cannon, Mo.	Ford, Calif.	McClellan	Somers, N. Y.
Cannon, Wis.	Frey	Mahon	Stack
Carden	Gambrill	Mansfield	Steagall
Carmichael	Gasque	Miller	Stewart
Casey	Gassaway	Montet	Sweeney
Celler	Gifford	Murdock	Taylor, S. C.
Chandler	Gray, Pa.	Nelson	Taylor, Tenn.
Clark, Idaho	Greenwood	Norton	Thomas
Clark, N. C.	Hancock, N. C.	Oliver	Tobey
Cochran	Hartley	Palmisano	Treadway
Coffee	Hennings	Perkins	Underwood
Connery	Hess	Peyser	Wadsworth
Cooper, Ohio	Higgins, Conn.	Pittenger	Wigglesworth
Cooper, Tenn.	Hill, Samuel B.	Ransley	Wilson, Pa.
Corning	Hollister	Rayburn	Wood
Crowther	Jacobsen	Reed, N. Y.	Zimmerman
Darrow	Johnson, Okla.	Reilly	

The SPEAKER. Three hundred and fourteen Members are present, a quorum.

On motion of Mr. JONES, further proceedings under the call were dispensed with.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Interstate and Foreign Commerce, appointed by the committee to consider proposed legislation with reference to the long-and-short-haul clause of the Interstate Commerce Act, may be permitted to sit during the sessions of the House this week.

Mr. HOLMES. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the subcommittee when he plans to hold hearings, whether in the morning and the afternoon, and on what date they will start.

Mr. PETTENGILL. At the convenience of the committee. I have not called the committee together, but it will be at the convenience of the committee.

Mr. HOLMES. The gentleman is asking permission for the committee to sit during sessions of the House afternoons this week?

Mr. PETTENGILL. Yes; if it is agreeable to the committee.

Mr. MAPES. Mr. Speaker, reserving the right to object, I did not understand what subcommittee it was.

Mr. PETTENGILL. A subcommittee appointed by the Committee on Interstate and Foreign Commerce to consider bills introduced by the gentleman from Illinois [Mr. DIRKSEN], the gentleman from Texas [Mr. RAYBURN], and myself, with reference to the long-and-short-haul clause of the Interstate Commerce Act.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

THE GREAT AMERICAN AND SOUTHERN GENTLEMAN, GEN. ROBERT E. LEE

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FULMER. Mr. Speaker, as a southerner, coming from the great State of South Carolina, of whose citizens many have made history in defending the rights of the people and

the flag of the United States, I cannot remain silent when the name of our renowned fellow citizen, Gen. Robert E. Lee, is being attacked. I note that the ladies of the Massachusetts Women's Relief Corps of the G. A. R. are opposing the proposal to erect a monument to General Lee in the Arlington National Cemetery, where his body now rests peacefully beneath the soil of his own estate.

When, oh, when! will the people of New England—perhaps the only section of this great Republic still fostering in their hearts a prejudice toward the South and her distinguished statesmen who took part in the war of 1861–65 against the Union—wipe this from their hearts?

I agree with the editor of the Herald Tribune of New York in a statement carried in his paper recently:

The ladies of the Massachusetts Women's Relief Corps of the G. A. R. show a relentlessness worthy of a better cause and a sectionalism that should be obsolete in attacking the proposal to erect a monument to Gen. Robert E. Lee in the Arlington National Cemetery. It is a safe assumption that their stand would not be upheld by many of the survivors of the armies that fought against Lee.

When all the arguments on their side have been recited their opposition still appears uncharitable. Granted that he was the leading general in the Confederate Army; granted that he, a graduate of the United States Military Academy and an officer in the United States Army, resigned to fight against that Army; granted that the cemetery at Arlington was created as a special resting place for Union soldiers and others who later served the Union in high office; yet Lee was a great American, a great soldier and a gallant gentleman. There can be few of those who lie in the Arlington Cemetery today who did not recognize these traits of General Lee. Furthermore, did not the very acres in which most of them now lie at one time belong to Robert E. Lee? Do they not, also, have associations with the family of General Washington? Northerners join with southerners in admitting today that Lee was one of the rare Americans worthy of standing in the company of the great first President.

The ladies of Massachusetts who are opposed to the erection of a statue of the Confederate leader would do well to visit some of the English colleges. There they will see tablets erected even during the World War to the memory of German comrades who died fighting against their English fellow students. Surely, if the English could be thus tolerant toward the Germans in the midst of war, the Women's Relief Corps of Massachusetts, 70 years after the Confederate war ended ought to be able to bury their prejudices and join in paying tribute to a man whom the soldiers of the Republic hailed as a great leader on the opposing side.

We of the South realize that the attack against the proposal of erecting this monument is purely a manifestation of a deep-rooted prejudice and sectional animosity. It would be well for those who make these unreasonable and unfair attacks to read from the records of the Congressional Library the life and character of this outstanding American. Resigning from his position as an officer of the United States Army to take an active part in defending the South—of which he was a part—bespeaks in no uncertain words his type of citizen, one who would sacrifice all, his life, if you please, for his country and his people. Would to God we had men today who would emulate the life and character of the great Lee.

The records will show that the war had scarcely ceased and his condition of narrow circumstances become known when offers of places of honor and profit began to come to him—offers of the presidency of insurance companies and of other industrial enterprises—proposals that he should allow his name to be used for the highest office in the gift of the State; even offers from admirers in the old country of an asylum on that side of the water, where a handsome estate was tendered him as a tribute of admiration, so that he could spend the residue of his life in peace and comfort.

His reply to all these allurements was that which we now know was the only one he could make—a gracious and irrevocable refusal. During the war, when a friend had suggested to him the probability that the people of the South would demand that he should be their president, he promptly and decisively declared that he would never accept such a position. So now, when the governorship of Virginia was proposed to him he firmly refused to consider it. With the same firmness he rejected all proposals to provide him with honorable commercial positions at a high salary.

On one of these occasions he was approached with a tender of the presidency of an insurance company at a salary of $50,000 a year. He declined it on the ground that it was work with which he was not familiar. "But, General", said the gentleman who represented the insurance company, "you will not be expected to do any work; what we wish is the use of your name."

"Do you not think", said General Lee, "that if my name is worth $50,000 a year, I ought to be very careful about taking care of it?"

I wish to quote from a letter addressed to the president of the Southern Life Insurance Co., of Atlanta, Ga.:

LEXINGTON, VA., *December 14, 1869.*

Gen. J. B. GORDON,
President Southern Life Insurance Co.,
Atlanta, Ga.

MY DEAR GENERAL: I have received your letter of the 3d instant, and am duly sensible of the kind feelings which prompted your proposal. It would be a great pleasure to me to be associated with you, Hampton, B. H. Hill, and the other good men whose names I see on your list of directors, but I feel that I ought not to abandon the position I hold at Washington College at this time, or as long as I can be of service to it. Thanking you for your kind consideration, for which I know I am alone indebted for your proposition to become president of the Southern Life Insurance Co., and with kindest regards to Mrs. Gordon and my best wishes for yourself, I am,

Very truly yours,

R. E. LEE.

His correspondence shows that many like propositions were made to him.

During my past 15 years' service in Congress we have had at least two ex-Presidents of the United States who did not turn down similar offers. One of these men comes from New England.

Amid the commercialism of this present age, the correspondence of Gen. Robert E. Lee—wherein he refused to sell his good name—sounds as refreshing as the oath of a Knight of the Round Table.

Assuring it is to know that—

Dead he is not, but departed,
For the patriot never dies.

GRAIN FUTURES ACT

The SPEAKER. The gentleman from Texas moves to suspend the rules and pass the bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes, which the Clerk will report.

The Clerk read as follows:

A bill to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes

Be it enacted, etc., That section 1 of the Grain Futures Act (U. S. C., title 7, sec. 1) is amended to read as follows: "This act may be cited as the 'Commodity Exchange Act.'"

SEC. 2. The Grain Futures Act (U. S. C., title 7, secs. 1 to 17, inclusive) is amended by striking out the word "grain" wherever it appears in such act and inserting in lieu thereof "commodity", "any commodity", or "commodities", as the case may require, and by striking out the phrase "cash grain" wherever such phrase appears and inserting in lieu thereof "any cash commodity."

SEC. 3. Section 2 of the Grain Futures Act (U. S. C., title 7, sec. 2) is amended by—

(a) striking out the third sentence of paragraph (a) and inserting in lieu thereof the following: "The word 'commodity' shall mean wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, mill feeds, butter, and eggs."; and

(b) adding at the end of paragraph (a) the following sentences: "The words 'cooperative association of producers' shall mean any cooperative association, corporate or otherwise, not less than 50 percent owned or controlled, directly or indirectly, by producers of agricultural products and otherwise complying with an act of Congress of February 18, 1922 (U. S. C., title 7, secs. 291 and 292), as now or hereafter amended, including any organization acting for a group of such associations and owned or controlled by such associations, provided that business done for the United States of America, or any agency thereof, shall not be considered either member or nonmember business in determining the compliance of any such association with said act of Congress of February 18, 1922. The words 'member of a contract market' shall mean and include individuals, associations, partnerships, corporations, and trusts owning or holding membership in, or admitted to membership representation on, a contract market or

given members' trading privileges thereon. The words 'futures commission merchant' shall mean and include individuals, associations, partnerships, corporations, and trusts engaged in soliciting or in accepting orders for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market and that, in or in connection with such solicitation or acceptance of orders, accepts any money, securities, or property (or extends credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom. The words 'floor broker' shall mean any person who, in or surrounding any 'pit', 'ring', 'post', or other place provided by a contract market for the meeting of persons similarly engaged, shall engage in executing for others any order for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market, and who for such services receives or accepts any commission or other compensation. The words 'the commission' shall mean the Commodity Exchange Commission, consisting of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General."

SEC. 4. Section 4 of the Grain Futures Act (U. S. C., title 7, sec. 6) is amended by—

(a) striking out the word "except" at the end of the first paragraph;

(b) striking out all of paragraph (a); and

(c) striking out the parenthesis and letter "b" and the word "Where" at the beginning of paragraph (b) and inserting in lieu thereof the words "except, in any of the foregoing cases, where".

SEC. 5. The Grain Futures Act is amended by adding after section 4 (U. S. C., title 7, sec. 6) the following new sections:

"SEC. 4a. (1) Excessive speculation in any commodity under contracts of sale of such commodity for future delivery made on or subject to the rules of contract markets causing sudden or unreasonable fluctuations or unwarranted changes in the price of such commodity, is an undue and unnecessary burden on interstate commerce in such commodity. For the purpose of diminishing, eliminating, or preventing such burden, the commission shall, from time to time, after due notice and opportunity for hearing, by order, proclaim and fix such limits on the amount of trading under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market which may be done by any person as the commission finds is necessary to diminish, eliminate, or prevent such burden. Nothing in this section shall be construed to prohibit the commission from fixing different trading limits for different commodities, markets, futures, or delivery months, or different trading limits for buying and selling operations, or different limits for the purposes of subparagraphs (A) and (B) of this section, or from exempting transactions commonly known to the trade as 'spreads' or 'straddles' or from fixing trading limits applying to such transactions different from trading limits fixed for other transactions.

"(2) The commission shall, in such order, fix a reasonable time (not to exceed 10 days) after the order's promulgation; after which, and until such order is suspended, modified, or revoked, it shall be unlawful for any person—

"(A) directly or indirectly to buy or sell, or agree to buy or sell, under contracts of sale of such commodity for future delivery on or subject to the rules of the contract market or markets to which the order applies, any amount of such commodity during any one business day in excess of any trading limit fixed for one business day by the commission in such order for or with respect to such commodity; or

"(B) directly or indirectly to buy or sell, or agree to buy or sell, under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market, any amount of such commodity that shall result in giving such person a net long or net short position at any one time in or with respect to any such commodity in excess of any trading limit fixed by the commission for net long or net short position in such order for or with respect to such commodity.

"(3) No order issued under paragraph (1) of this section shall apply to transactions which are shown to be bona fide hedging transactions. For the purposes of this paragraph, bona fide hedging transactions shall mean sales of any commodity for future delivery on or subject to the rules of any board of trade to the extent that such sales are offset in quantity by the ownership or purchase of the same cash commodity or, conversely, purchases of any commodity for future delivery on or subject to the rules of any board of trade to the extent that such purchases are offset by sales of the same cash commodity. There shall be included in the amount of any commodity which may be hedged by any person—

"(A) the amount of such commodity such person is raising, or in good faith intends or expects to raise, within the next 12 months, on land (in the United States or its Territories) which such person owns or leases;

"(B) an amount of such commodity the sale of which for future delivery would be a reasonable hedge against the products or byproducts of such commodity owned or purchased by such person, or the purchase of which for future delivery would be a reasonable hedge against the sale of any product or byproduct of such commodity by such person.

"(4) This section shall apply to a person that is registered as a futures commission merchant or as floor broker under authority of this act only to the extent that transactions made by such person are made on behalf of or for the account or benefit of such person. This section shall not apply to transaction made by, or on behalf of, or at the direction of, the United States, or a duly authorized agency thereof.

"SEC. 4b. It shall be unlawful for any member of a contract market, or for any correspondent, agent, or employee of any member, in or in connection with any order to make, or the making of (1) any contract of sale of any commodity in interstate commerce, or (2) any contract of sale of any commodity for future delivery made, or to be made, on or subject to the rules of any contract market for or on behalf of any person if such contract for future delivery is or may be used for (a) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (b) determining the price basis of any transaction in interstate commerce in such commodity, or (c) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof—

"(A) to cheat or defraud or attempt to cheat or defraud such person;

"(B) willfully to make or cause to be made to such person any false report or statement thereof, or willfully to enter or cause to be entered for such person any false record thereof;

"(C) willfully to deceive or attempt to deceive such person by any means whatsoever in regard to any such order or contract or the disposition or execution of any such order or contract, or in regard to any act of agency performed with respect to such order or contract for such person; or

"(D) to bucket such order, or to fill such order by offset against the order or orders of any other person, or willfully and knowingly and without the prior consent of such person to become the buyer in respect to any selling order of such person, or become the seller in respect to any buying order of such person.

"SEC. 4c. It shall be unlawful for any person to offer to enter into, enter into, or confirm the execution of, any transaction involving any commodity, which is or may be used for (1) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (2) determining the price basis of any such transaction in interstate commerce in such commodity, or (3) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof—

"(A) if such transaction is, is of the character of, or is commonly known to the trade as, a 'wash sale', 'cross trade', or 'accommodation trade', or is a fictitious sale;

"(B) if such transaction is, is of the character of, or is commonly known to the trade as, a 'privilege', 'indemnity', 'bid', 'offer', 'put', 'call', 'advance guaranty', or 'decline guaranty', or

"(C) if such transaction is used to cause any price to be reported, registered, or recorded which is not a true and bona fide price.

"Nothing in this section shall be construed to prevent the exchange of futures in connection with cash commodity transactions or of futures for cash commodities, or of transfer trades or office trades if made in accordance with board of trade rules applying to such transactions and such rules shall not have been disapproved by the Secretary of Agriculture. Nothing in this section or section 4b shall be construed to impair any State law applicable to any transaction enumerated or described in such sections.

"SEC. 4d. It shall be unlawful for any person to engage as futures commission merchant in soliciting orders or accepting orders for the purchase or sale of any commodity for future delivery, or involving any contracts of sale of any commodity for future delivery, on or subject to the rules of any contract market unless—

"(1) such person shall have registered, under this act, with the Secretary of Agriculture as such futures commission merchant and such registration shall not have expired nor been suspended nor revoked; and

"(2) such person shall, whether a member or nonmember of a contract market, treat and deal with all money, securities, and property received by such person to margin, guarantee, or secure the trades or contracts of any customer of such person or accruing to such customer as the result of such trades or contracts as belonging to such customer. Such money, securities, and property shall not be used to margin or guarantee the trades or contracts, or to secure or extend the credit, of any customer or person other than the one for whom the same are held: *Provided, however*, That such money, securities, and property may be deposited or pledged separately and apart from, or commingled with, the deposits and pledges of such futures commission merchant with any bank or trust company and that such share thereof as shall be necessary to margin, guarantee, or secure the contracts or trades of such customer carried with the clearing-house organization of such contract market or with a member of such contract market, may be deposited or pledged with such clearing-house organization or with such member.

"SEC. 4e. It shall be unlawful for any person to act as floor broker in executing any orders for the purchase or sale of any commodity for future delivery, or involving any contracts of sale of any commodity for future delivery, on or subject to the rules of any contract market unless such person shall have registered, under this act, with the Secretary of Agriculture as such floor broker and such registration shall not have expired nor been suspended nor revoked.

"SEC. 4f. (1) Any person desiring to register as futures commission merchant or as floor broker hereunder shall be registered upon application to the Secretary of Agriculture, which application shall be made in form and manner to be prescribed by the Secretary of Agriculture, giving such information and facts as the Secretary of Agriculture may deem necessary concerning the business in which the applicant is or will be engaged, including, in the case of applications of futures commission merchants, the names and addresses of the managers of all branch offices and of all correspondents and agents engaged in soliciting or accepting on behalf of such applicant any orders for the purchase or sale of any

commodity for futures delivery on or subject to the rules of any board of trade, and including also the names of its officers and partners, if a partnership, and of its officers, directors, and stockholders, as the Secretary of Agriculture may direct, if a corporation. Such person, when registered hereunder, shall likewise continue to report and furnish to the Secretary of Agriculture the above-mentioned information and such other information pertaining to his business as the Secretary of Agriculture may require. All registrations shall expire on the 31st day of December of the year for which issued.

"(2) Any person registered as futures commission merchant hereunder shall post in a conspicuous place in each of the offices maintained by such person in the United States in which orders for the purchase or sale of any commodity for future delivery are solicited or accepted, the original or duplicate copy (issued by the Secretary of Agriculture) of such person's registration certificate as such futures commission merchant.

"SEC. 4g. If any person registered hereunder as futures commission merchant or floor broker shall violate any of the provisions of this act, or any of the rules or regulations of the Secretary of Agriculture hereunder, or shall fail or refuse to make any report required by the Secretary of Agriculture regarding the transactions of such person, or the transactions of the customers thereof, in commodities for future delivery on any board of trade in the United States or elsewhere, or shall fail or refuse to keep the books and records pertaining to such transactions in the form and manner required by the Secretary of Agriculture, or shall fail or refuse to keep such books and records open to inspection by any representative of the United States Department of Agriculture or the United States Department of Justice, the registration of such person may be suspended or revoked after notice and hearing in accordance with the procedure and subject to the judicial review provided in paragraph (b) of section 6 of this act.

"SEC. 4h. It shall be unlawful for any person—

"(1) to conduct any office or place of business anywhere in the United States or its territories for the purpose of soliciting or accepting any orders for the purchase or sale of any commodity for future delivery, or for making or offering to make any contracts for the purchase or sale of any commodity for future delivery, or for conducting any dealings in commodities for future delivery that are or may be used for—

(A) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or

(B) determining the price basis of any such transaction in interstate commerce, or

(C) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof,

if such orders, contracts, or dealings are executed or consummated otherwise than by or through a member of a contract market; or

"(2) falsely to represent such person to be a member of a contract market, or the representative or agent of such member, or to be a futures commission merchant registered under this act, or the agent of such registered futures commission merchant, in soliciting or handling any order or contract for the purchase or sale of any commodity in interstate commerce or for future delivery, or falsely to represent in connection with the handling of any such order or contract that the same is to be or has been executed on, or by or through any member of, any contract market.

"SEC. 4i. It shall be unlawful for any person to make any contract for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market unless such person shall report or cause to be reported to the properly designated officer in accordance with the rules and regulations of the Secretary of Agriculture (1) whenever such person shall directly or indirectly make such contracts with respect to any commodity, or any future of such commodity, during any one day in an amount equal to or in excess of such amount as shall be fixed from time to time by the Secretary of Agriculture; and (2) whenever such person shall directly or indirectly have or obtain a long or short position in any commodity or in any future of such commodity, equal to or in excess of such amount as shall be fixed from time to time by the Secretary of Agriculture. Such person shall also keep books and records of transactions coming within the provisions of (1) and (2) hereof, which books and records shall show complete details concerning all such transactions, including the names and addresses of all persons having any interest therein, and shall be open at all times to inspection by any representative of the United States Department of Agriculture or the United States Department of Justice."

SEC. 6. Section 5 of the Grain Futures Act (U. S. C., title 7, sec. 7) is amended by—

(a) striking out the word "purpose." at the end of paragraph (a) and inserting in lieu thereof the following: "purpose: *Provided*, That any board of trade not so located shall be designated as a 'contract market' if such board of trade provides for the delivery of commodities on such contracts at a delivery point or points and upon terms and conditions approved by the Secretary of Agriculture."; and

(b) striking out the word "or" after the word "prices" in paragraph (d) and inserting in lieu thereof the word "and."

SEC. 7. The Grain Futures Act is amended by adding after section 5 (U. S. C., title 7, sec. 7) the following new sections:

"SEC. 5a. Each contract market shall—

"(1) promptly furnish the Secretary of Agriculture copies of all bylaws, rules, regulations, and resolutions made or issued by it or by the governing board thereof or any committee, and of all changes and proposed changes therein;

"(2) allow inspection at all times by any authorized representative of the United States Department of Agriculture or United States Department of Justice of the books, records, and all minutes and journals of proceedings of such contract market, its governing board and all committees, and of all subsidiaries and affiliates of such contract market, which books, records, minutes, and journals of proceedings shall be kept for a period of 3 years from the date thereof, or for a longer period if the Secretary of Agriculture shall so direct;

"(3) when so directed by the Secretary of Agriculture, require the operators of warehouses in which or out of which any commodity is deliverable on any contract for future delivery made on or subject to the rules of such contract market, to make such reports, keep such records, and permit such warehouse visitation as the Secretary of Agriculture may prescribe. Such books and records shall be required to be kept for a period of 3 years from the date thereof, or for a longer period if the Secretary of Agriculture shall so direct, and such books, records, and warehouses shall be open at all times to inspection by any representative of the United States Department of Agriculture or United States Department of Justice;

"(4) when so directed by order of the Secretary of Agriculture, provide for a period, after trading in contracts of sale of any commodity for future delivery in a delivery month has ceased, during which contracts of sale of such commodity for future delivery in such month may be satisfied by the delivery of the actual cash commodity. Whenever, after due notice and opportunity for hearing, the Secretary of Agriculture finds that provision for such a period of delivery for any one or more commodities or markets would prevent or tend to prevent 'squeezes' and market congestion endangering price stability, he shall, by order, require such period of delivery (which shall be not less than 3 nor more than 10 business days) applicable to such commodities and markets as he finds will prevent or tend to prevent such 'squeezes' and market congestion;

"(5) require the party making delivery of any commodity on any contract of sale of such commodity for future delivery to furnish the party obligated under the contract to accept delivery, written notice of the date of delivery, at least 3 business days prior to such date. Whenever, after due notice and opportunity for hearing, the Secretary of Agriculture finds that the giving of longer notice of delivery is necessary to prevent or diminish unfair practices in trading in any one or more commodities or markets, he shall by order require such longer notice of delivery (which shall be not more than 10 business days) applicable to such commodities and markets as he finds will prevent or diminish such unfair practices; and

"(6) require that all contracts of sale of any commodity for future delivery on such contract market shall provide for the delivery thereunder of commodities of grades conforming to United States standards, if such standards shall have been officially promulgated.

"SEC. 5b. The failure or refusal of any board of trade to comply with any of the provisions of this act, or any of the rules and regulations of the Secretary of Agriculture thereunder, shall be cause for suspending for a period not to exceed 6 months or revoking the designation of such board of trade as a 'contract market' in accordance with the procedure and subject to the judicial review provided in paragraph (a) of section 6 of this act."

SEC. 8. Section 6 of the Grain Futures Act (U. S. C., title 7, secs. 8, 9, 10, and 15) is amended by—

(a) striking out the first sentence of paragraph (b) and inserting in lieu thereof the following: "If the Secretary of Agriculture has reason to believe that any person (other than a contract market) is violating or has violated any of the provisions of this act, or any of the rules and regulations made pursuant to its requirements, or has manipulated or is attempting to manipulate the market price of any commodity, in interstate commerce, or for future delivery on or subject to the rules of any board of trade, he may serve upon such person a complaint stating his charges in that respect, to which complaint shall be attached or contained therein a notice of hearing, specifying a day and place not less than 3 days after the service thereof, requiring such person to show cause why an order should not be made directing that all contract markets until further notice of the Secretary of Agriculture refuse all trading privileges to such person, and to show cause why the registration of such person, if registered as futures commission merchant or as floor broker hereunder, should not be suspended or revoked";

(b) striking out the words "said commission" after the words "before the" in the second sentence of paragraph (b) and inserting in lieu thereof "Secretary of Agriculture";

(c) striking out the word "who" in the second sentence of paragraph (b) and inserting in lieu thereof "which referee";

(d) striking out the words "as chairman of the said commission" in the second sentence of paragraph (b) after the words "to the Secretary of Agriculture";

(e) striking out the words and numerals "of section 12" after the word "penalties," and in the third sentence of paragraph (b);

(f) inserting, after the word "amended" in the third sentence of paragraph (b) the following: "and supplemented (U. S. C., title 49, secs. 12, 46, 47, and 48)";

(g) striking out the word "or" after the word "commission", in the third sentence of paragraph (b) and inserting in lieu thereof the word "and";

(h) striking out the fourth sentence of paragraph (b) and inserting in lieu thereof the following: "Upon evidence received,

the Secretary of Agriculture may require all contract markets to refuse such person all trading privileges thereon for such period as may be specified in the order, and, if such person is registered as futures-commission merchant or as floor broker hereunder, may suspend, for a period not to exceed 6 months, or revoke, the registration of such person.";

(i) striking out the word "commission" wherever it appears in the sixth, seventh, and eighth sentences of paragraph (b) and inserting in lieu thereof the words "Secretary of Agriculture";

(j) striking out the words "its chairman or to any member thereof" after the word "to" in the seventh sentence of paragraph (b) and inserting in lieu thereof the word "him"; and

(k) striking out the word "Code" at the end of paragraph (b) and inserting the following: "Code, as amended".

SEC. 9. The Grain Futures Act is amended by adding after section 6 (U. S. C., title 7, secs. 8, 9, 10, and 15) the following new sections:

"SEC. 6a. (1) No board of trade which has been designated as a 'contract market' shall exclude from membership in, and all privileges on, such board of trade, any association or corporation engaged in cash commodity business having adequate financial responsibility which is organized under the cooperative laws of any State, or which has been recognized as a cooperative association of producers by the United States Government or by any agency thereof, if such association or corporation complies and agrees to comply with such terms and conditions as are or may be imposed lawfully upon other members of such board, and as are or may be imposed lawfully upon a cooperative association of producers engaged in cash commodity business, unless such board of trade is authorized by the commission to exclude such association or corporation from membership and privileges after hearing held upon at least 3 days' notice subsequent to the filing of complaint by the board of trade. Such commission may prescribe that such association or corporation shall have and retain membership and privileges, with or without imposing conditions, or it may permit such board of trade immediately to bar such association or corporation from membership and privileges. Any order of said commission entered hereunder shall be reviewable by the circuit court of appeals for the circuit in which such association or corporation, or such board of trade, has its principal place of business, on written petition either of such association or corporation, or of such board of trade, under the procedure provided in paragraph (a) of section 6 of this act, but such order shall not be stayed by the court pending review.

"(2) No rule of any board of trade designated as a 'contract market' shall forbid or be construed to forbid the payment of compensation on a commodity unit basis or otherwise, by any such cooperative association to its regional or local member associations for business received by such cooperative association provided no part of any such compensation other than amounts paid as dividends on capital stock is returned to produced patrons of such regional or local member associations otherwise than on a patronage basis and not more frequently than annually; nor shall the governing body of any board of trade designated as a contract market exclude from membership in, and all privileges on, such board of trade, any duly authorized representative, of any cooperative association, as herein defined, which is otherwise qualified, because of the payment of such compensation.

"SEC. 6b. If any board of trade, or any director, officer, agent, or employee of any board of trade is violating or has violated any of the provisions of this act or any of the rules or regulations of the Secretary of Agriculture thereunder, or any order issued by the commission pursuant to any provision of this act, the commission, in lieu of revoking the designation of such board of trade as a 'contract market' may, upon notice and hearing and subject to appeal as in other cases provided for in paragraph (a) of section 6 of this act, make and enter an order directing that such board of trade, director, officer, agent, or employee shall cease and desist from such violation or violations, and if such board of trade, director, officer, agent, or employee, thereafter and after the lapse of the period allowed for appeal of such order or after the affirmance of such order, shall fail or refuse to obey or comply with such order, such board of trade, director, officer, agent, or employee shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not less than $500 nor more than $10,000 or imprisoned for not less than 6 months nor more than 1 year, or both. Each day during which such failure or refusal to obey such order continues shall be deemed a separate offense."

SEC. 10. The Grain Futures Act is amended by adding after section 8 (U. S. C., title 7, sec. 12) the following new section:

"SEC. 8a. The Secretary of Agriculture is authorized—

"(1) to register futures commission merchants and floor brokers upon application in accordance with rules and regulations and in form and manner to be prescribed by the Secretary of Agriculture; and

"(2) to refuse to register any person if such person has violated any of the provisions of this act or any of the rules or regulations promulgated by the Secretary of Agriculture hereunder for which the registration of such person has been suspended (and the period of such suspension shall not have expired) or has been revoked; and

"(3) to suspend or revoke the registration of any futures-commission merchant who shall knowingly accept any order for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market from any person if such person has been denied trading privileges on any contract market by order of the Secretary of Agriculture under the provisions of paragraph (b) of section 6 of this act and the period of denial specified in such order shall not have expired; and

"(4) to fix and establish from time to time fees and charges for registrations and renewals thereof and for copies of registration certificates, not to exceed $10 for each such registration, renewal, or copy; and

"(5) to make and promulgate such rules and regulations as, in the judgment of the Secretary of Agriculture, are reasonably necessary to effectuate any of the provisions or to accomplish any of the purposes of this act; and

"(6) to communicate to the proper committee or officer of any contract market and to publish, notwithstanding the provisions of section 8 of this act, the full facts concerning any transaction or market operation, including the names of parties thereto, which in the judgment of the Secretary of Agriculture disrupts or tends to disrupt any market or is otherwise harmful or against the best interests of producers and consumers."

SEC. 11. Section 9 of the Grain Futures Act (U. S. C., title 7, sec. 13) is amended by:

(a) striking out the word "section" and the numeral "4" and inserting in lieu thereof the following: "section 4, section 4a, section 4b, section 4c, section 4d, section 4e, section 4h, or section 4i";

(b) inserting after the comma following the word "act" the following: "or who shall manipulate or attempt to manipulate the price of any commodity in interstate commerce, or for future delivery on or subject to the rules of any board of trade, or who shall corner or attempt to corner any such commodity,";

(c) striking out the words "said section" after the words "mentioned in" and inserting in lieu thereof the words "section 4 of this act"; and

(d) inserting after the word "deliver" the words "or cause to be delivered."

SEC. 12. If any provision of this act which is amendatory of any section of the Grain Futures Act, or the application thereof to any person or circumstances is held invalid, the provisions of the section of the Grain Futures Act which is amended by such provision of this act shall apply to such person or circumstances. No proceeding shall be abated by reason of any amendment to the Grain Futures Act made by this act but shall be disposed of pursuant to this act.

SEC. 13. This act shall take effect 90 days after the date of its enactment.

The SPEAKER. Is a second demanded?

Mr. HOPE. Mr. Speaker, I demand a second.

Mr. JONES. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Speaker, this measure provides certain amendments to the Grain Futures Act and includes certain other commodities. It is practically the same bill that was passed by the House during the last session of Congress. It was not passed by the Senate. It is similar to the bill which was passed some years ago. It stipulates certain amendments that have been found essential to proper control of dealing in grain futures. The bill also includes cotton and some other commodities.

The bill carries, as does the Grain Futures Act, the same definition of commerce that has been approved by the Supreme Court, so there is no trouble on this basis.

The bill undertakes to check manipulations of markets by certain big traders. During the last 15 years about 16 big traders in grain have from time to time taken advantage of unusual conditions to make raids upon the market and to rig the market to the detriment not only of the producer but also of all others engaged in legitimate transactions in various farm commodities.

The passage of the Stock Exchange Act makes all the more essential some additional amendments to the Commodity Exchange Act. This becomes now the Commodity Exchange Act. There was a disposition on the part of some of those who had speculated in the other markets to transfer their activities to the commodity markets.

The bill provides that the Commission which was established in the original act shall have the power to limit the net-short position or the net-speculative position of any one of these big traders at any time so as to avoid manipulation of the market.

The bill does another thing which some recent experiences on the Chicago Board of Trade showed to be very essential. The margins or purchase money that is put up by the various purchasers are now used by those who deal on the market. This bill makes a trust fund out of those funds so they

are held for the benefit of those who handle the actual commodity. That together with the abolishing of cross trades, accommodation trades, wash sales, and fictitious sales about covers the general purpose of the bill.

The committee report, which is available to all Members, discusses in detail the various provisions of the bill and explains their purpose and effect.

Mr. MAY. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Kentucky.

Mr. MAY. May I ask the gentleman if this bill raises the barriers on the market and are its provisions in accord with the recent Supreme Court decision?

Mr. JONES. It is my opinion that it will tend to limit some of the outrageous activities that have been going on, and I believe that it will come within the terms of the decision of the United States Supreme Court, because the United States Supreme Court in the case of Board of Trade against Olson has approved the very definition we use here.

Mr. CRAWFORD. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Michigan.

Mr. CRAWFORD. May I ask the gentleman a question with reference to the committee report on page 9 and the language, as follows:

> The word "commodity" shall mean wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain, sorghum, mill feeds, butter, and eggs.

Are those the commodities which the bill purports to control?

Mr. JONES. Yes. Most of those are in the bill at the present time. There are some three or four additional ones, including cotton.

Mr. CRAWFORD. Will the Secretary of Agriculture have sole control over these operations?

Mr. JONES. He will have charge of the administration of the act; however, when it comes to the larger powers of limiting the net speculative position, he must be joined in his action by the Secretary of Commerce and the Attorney General, composing a commission of three, including the Secretary of Agriculture.

Mr. CRAWFORD. I have not had time to read this bill and did not know it was coming up today. Very hurriedly I notice it refers to some commission. What commission is that?

Mr. JONES. That is a commission composed of the Attorney General, the Secretary of Commerce, and the Secretary of Agriculture who in the original act were given certain of the larger powers in order to safeguard this matter. That is carried forward in this act, so that the additional power of limiting the speculative position must go to the commission rather than be finally determined by the Secretary of Agriculture.

Mr. CRAWFORD. Is this bill so drawn that under the rules and regulations of that commission the Secretary could prevent me from selling short in the market and thus tend to rig the market?

Mr. JONES. Beyond a certain point it may be fixed by this commission. They may fix a net speculative position you may occupy at any one time in the way of a short position.

Mr. CRAWFORD. Referring to pages 6 and 7 of the act, as I understand it, there is nothing in the bill, or intended to be, giving power to the commission to prevent me, a grower of any of these commodities, from hedging my growing operations?

Mr. JONES. Not in any way. He may sell or deliver anything he may possess without any hindrance by this bill.

Mr. CRAWFORD. I may hedge either way, either on purchases I may make or sales I may make?

Mr. JONES. Yes.

Mr. CRAWFORD. I thank the gentleman.

Mr. JONES. Mr. Speaker, I reserve the balance of my time.

Mr. HOPE. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, a very hurried reference to this bill leads me to believe there are some fine features in the act, and if carried out along the lines suggested will be beneficial to a great many of our farm people. However, there is one commodity that I am somewhat amazed this bill does not cover. I refer to sugar.

This is due to the fact that many of our people are now tied up through the Jones-Costigan Sugar Act in the sugar picture in a rather definite marketing manner. As an illustration of how these market operators may play on the purse strings of the farmers with reference to this one crop, may I say that just the other day when the President in his press announcement said "back to the horse and buggy age, 5-cent cotton, and 36-cent wheat", he loosed a bearish rumor which enabled the sugar speculators to create the greatest rout in sugar in 15 years. I am informed the market was a bedlam, and only stopped because one position on the futures board went the limit of daily fluctuations of 25 points. I am also informed the President's statement will go down in history as one of the most unfortunate ever made by a public official, and, of course, it affected the purse of every American farmer engaged in growing sugarcane and sugar beets. This is due to the fact these farmers receive payment for their crop based on the net price received for the sugar when sold. Net change during the week in the market—on sugar futures—ranged downward from 38 to 41 points, depending upon the position of the seller or the month in which the contract was to be filled.

That was a direct attack on the purse of the farmers of this country, as well as those of Puerto Rico and Hawaii, who are growing sugar in the form of sugarcane and sugar beets.

May I take just a moment to illustrate that situation? Suppose I was a wholesale jobber at that particular time with 50,000 bags of sugar on my floor which I expect to sell during the sugar-consuming months of July, August, and September for the purpose of canning fruits and vegetables. There is a drop in the futures market. I may actually sell sugar from my floor and hedge on the sugar futures market at the low price, or I might become stampeded into selling sugar in a disastrous way to the general sugar trade and with these 50,000 bags bring about a decline on five or ten million bags of sugar that may be in the warehouses of the sugar manufacturers of Florida, Michigan, Idaho, Colorado, Utah, or California, which sugar is there at the risk of the farmers of the United States who are participating in the price of sugar.

And all because the President releases a press statement which the speculators can use for the purpose of raiding the market through selling "short" or in some other manner.

On account of the President's statement, leading to a drop in futures, a large sugar processor might become bearish and start a price-cutting war which could easily cost the American farmers from 50 cents to $1 per 100 pounds on every bag of sugar in the processors' hands at this time. These warehouse stocks at times run as high as 20,000,000 bags on beet sugar alone, to say nothing about the raw sugar in Puerto Rico and Hawaii. And on the beet sugar about one-half interest is held by the American farmers under our present program. The President made a disastrous statement for these farmers.

I realize we cannot put this in the bill today due to the bill coming up under suspension, but it seems to me that by all the rules of reason if this is a good bill, and if this control should be exercised in connection with the Securities Commission control, the Senate should include in this bill sugar-future contracts and the marketing thereof to the end that the destructive influence of the sugar exchange cannot be used against American farmers who are interested in growing sugar beets and sugar cane, as it was used only last week in connection with the inexcusable press statement released by the President and which will, without question, bring about a great loss to the American sugar grower of sugar cane and sugar beets. Large sugar operators, of course, did not say much about this as they did not want sugar included in the control of the bill. However, this product should be included for the protection of the man who grows sugar as well as grain for the man who grows grain. It would be a direct benefit to the American farmer who

grows this crop, and again I say I am amazed that the committee did not include sugar in the bill. I shall attempt to have it included by the Senate when the bill is there considered.

Mr. JONES. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. DOXEY] such time as he may desire.

Mr. DOXEY. Mr. Speaker, I do not desire to go into a long discussion of this bill, as we are considering it under suspension of the rules. As a member of the committee I appreciate what the gentleman just said with reference to sugar. The Committee on Agriculture to some extent considered that matter. We do not know what the future holds out in that regard. This bill in its present form does not include sugar.

Mr. Speaker, may I say that in view of the experience we have had, not only over a long period of time, but recently, in reference to the cotton market, I have introduced a bill pertaining specifically to cotton, which is H. R. 5367. I introduced this bill in the early part of this session and designated it as the "Cotton Futures Act of 1935."

The bill now before the House incorporates many of the principles and purposes contained in my bill, which was designed to regulate only cotton exchanges. After lengthy hearings and long executive sessions on the subject, our committee decided it was best to bring out one bill including various commodities and therefore reported this bill which is known as the "Commodity Exchange Act" and includes the following commodities—wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, mill feeds, butter, and eggs.

Cotton is included as one of the commodities in this bill, and if I may be permitted to incorporate the report of my committee, which I deem rather comprehensive and very explanatory of the measure, as a part of my remarks, I shall not consume any further time of the House now because I realize we want to vote on the measure. It should be passed and I feel sure we will pass it within the time allotted, as it is far-reaching and most beneficial.

The report of the Committee on Agriculture, which gave considerable thought and time to this measure, is as follows:

[House of Representatives, Rept. No. 421, 74th Cong., 1st sess.]

COMMODITY EXCHANGE ACT

The Committee on Agriculture, to whom was referred the bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish speculative short selling, to curb manipulation, and for other purposes, having considered the same, report it back to the House without amendment, and recommend that the bill do pass.

GENERAL STATEMENT

The bill is an outgrowth of many years' experience in regulating the grain exchanges under the Grain Futures Act and the cotton exchanges under the Cotton Future Trading Act. Your committee has had extensive hearings on the subject during these years and has presented several bills to the House as a result of its deliberations.

This bill is substantially the same as H. R. 9623 of the Seventy-third Congress which was passed by the House June 4, 1934, too late to receive final consideration by the Senate prior to the adjournment of the Seventy-third Congress. It also incorporates many of the principles and purposes contained in the bill H. R. 5367 introduced by Mr. DOXEY, which is designed to regulate cotton exchanges.

The fundamental purpose of the measure is to insure fair practice and honest dealing on the commodity exchanges and to provide a measure of control over those forms of speculative activity which too often demoralize the markets to the injury of producers and consumers and the exchanges themselves. The bill has as another objective the restoration of the primary function of the exchanges which is to furnish a market for the commodities themselves. This type of legislation should have been passed many years ago; its enactment is essential to effect a permanent recovery.

The President, in his message to Congress February 9, 1934, stated:

"The exchanges in many parts of the country which deal in securities and commodities conduct, of course, a national business because their customers live in every part of the country. The managers of these exchanges have, it is true, often taken steps to correct certain obvious abuses. We must be certain that abuses are eliminated and to this end a broad policy of national regulation is required.

"It is my belief that exchanges for dealing in securities and commodities are necessary and of definite value to our commercial and agricultural life. Nevertheless, it should be our national policy to restrict, as far as possible, the use of these exchanges for purely speculative operations.

"I therefore recommend to the Congress the enactment of legislation providing for the regulation by the Federal Government of the operations of exchanges dealing in securities and commodities for the protection of investors, for the safeguarding of values, and, so far as it may be possible, for the elimination of unnecessary, unwise, and destructive speculation."

Again, in a letter to the Chairman of the House Committee on Interstate and Foreign Commerce, March 26, 1934, regarding proposed stock-exchange control, the President said:

"The people of this country are in overwhelming majority fully aware of the fact that unregulated speculation in securities and in commodities was one of the most important contributing factors in the artificial and unwarranted boom which had so much to do with the terrible conditions of the years following 1929.

"I have been definitely committed to definite regulation of exchanges which deal in securities and commodities. In my message I stated, 'It should be our national policy to restrict, as far as possible, the use of these exchanges for purely speculative operations.'"

Since the passage of the Securities Exchange Act of 1934 there has been observed an increasing tendency on the part of professional speculators to transfer their activities from the security markets to the commodity markets, a tendency which makes the enactment of this bill without further delay of vital importance.

The break in cotton futures prices of nearly 200 points on the 11th of this month, with no satisfactory explanation and no ready means by which an agency of the Government could ascertain the true facts, furnishes a recent demonstration of the need for regulation of the cotton futures exchanges as provided by this bill.

The theory underlying the Grain Futures Act of 1922 was that the grain exchanges would regulate themselves with Government assistance, and that, failing in this respect, contract market designation would be withdrawn and future trading would be stopped. Those administering the act felt that in many instances the penalty of closing the market was too drastic and that to invoke it would injure more innocent persons than it could punish who were responsible for exchange conduct. The record of the hearings preceding the enactment of the Grain Futures Act clearly indicates that such act was intended to serve as a preliminary measure to give the exchanges a chance to demonstrate their ability at self-government and self-regulation and to provide experience and knowledge necessary for more specific control over exchange practices. Since 1925 every Secretary of Agriculture has recommended that the act be strengthened. This bill, therefore, merely does that which, based upon experience in administering the present law, should have been done long ago.

There is nothing in the bill which will interfere with any legitimate business or normal trading activity. It simply provides for honesty in the conduct of what are important public markets. These affect vitally the interests of the people, whether they be producers or consumers of the commodities covered by the bill or whether they belong to that class of citizens who have a fondness, and perhaps some aptitude, for speculative investment in commodities and who like to test their judgment concerning values and price trends by occasional and moderate speculation therein.

While the Grain Futures Act of 1922 was designed to deal with futures trading in grains, it is common knowledge supported by evidence adduced at the hearings, that the same fundamental principles apply to futures trading in other commodities. The methods and technique of speculators are the same. Bookkeeping and accounting methods are the same and, though commission houses dealing in both commodities and securities make a sharp distinction between these two branches of the business they treat the commodities transactions of customers together, regardless of kind, and nearly always in the same account.

The bill authorizes the Commission created by the Grain Futures Act (consisting of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General) to fix limitations upon purely speculative trades and commitments. Hedging transactions are expressly exempted. That this power of the Commission will be exercised judiciously and for the purpose merely of preventing overspeculation and a type of racketeering by a few large professional traders, may be assumed as a matter of course. As to those provisions of the bill which impose penalties for cheating and sharp practices there can be no objection except from those who desire freedom from all restraint in these matters.

CONSTITUTIONAL BASIS

Ample evidence has been presented before your committee during this and past sessions of Congress to demonstrate the close connection between the price and other aspects of marketing cash commodities in interstate commerce and futures operations on boards of trade and practices by traders and others in connection with such futures transactions. (See hearings before House Committee on Agriculture on H. R. 4545, H. R. 4661, H. R. 5883, H. R. 7007, H. R. 7235, and H. R. 7608 (72d Cong., 1st sess.), H. R. 8829 (73d Cong., 2d sess.), and the hearings held this session on H. R. 3009, which furnished the basis for the bill which is being reported.) That some of such operations and practices result in a burden on interstate commerce in the cash commodities themselves is a matter of common knowledge and the hearings referred to emphasize the fact.

Under the doctrine of *Board of Trade* v. *Olsen* (1923; 262 U. S. 1), which upheld the constitutionality of the Grain Futures Act, Congress has the power to regulate so as to remove the burdens and obstructions upon interstate commerce so caused, to foster

interstate commerce by making it more certain that a true, fair, and stable price will be established in futures transactions, with the result that the prices of cash commodities in interstate commerce will more accurately reflect their value and artificial obstructions to the free movement of cash commodities in interstate commerce will not exist. That the free movement of such commodities in interstate commerce is a matter of vital national concern is undoubted.

Your committee has been careful in the sections of the bill dealing with administrative proceedings to preserve for persons affected by its provisions the familiar rights of notice and hearing and the protection of judicial review of administrative action guaranteed by the Constitution. Further, it is believed that the standards for administrative action contained in the Grain Futures Act, as it now exists, and the standards inserted in the new provisions proposed to be added by the bill, are adequate to furnish definite and reasonable guides to administrative officers so that the proposed legislation will not suffer from the constitutional infirmity of invalid delegation of legislative power. Particular attention has been devoted in the bill to conforming to the principles announced by the Supreme Court in the Amazon and Panama Refining cases.

EXPLANATION OF THE BILL

Section 1 of the bill amends section 1 of the Grain Futures Act so that the short title of that act is changed to the "Commodity Exchange Act."

Section 2 makes the general clerical amendments to the Grain Futures Act which are required by the amendment to that act made by section 3 (a) of the bill. Section 3 (a) adds cotton, rice, mill feeds, butter, and eggs to the commodities subject to the provisions of the act and clarifies the act by substituting "flaxseed" for "flax" and "grain sorghums" for "sorghum."

Section 3 (b) amends section 2 (a) of the Grain Futures Act by adding definitions of new terms used in the Grain Futures Act as proposed to be amended by this bill. A "cooperative association of producers" is defined to mean a cooperative association not less than 50 percent owned or controlled, directly or indirectly, by producers of agricultural products and otherwise complying with the Capper-Volstead Act, and to include any organization acting for a group of such associations and owned or controlled by them, and business done for the United States or any agency thereof is not to be considered either member or nonmember business for the purpose of determining compliance with the Capper-Volstead Act.

A "member of a contract market" is defined to include owners or holders of membership or membership representation on contract markets or holders of members' trading privileges on such markets. A "futures commission merchant" is defined to be one who solicits or accepts future delivery orders on contract markets and who accepts property (or extends credit) to margin or secure trades or contracts resulting from orders. A "floor broker" is defined to be one who executes, for others, orders on the market for pay. "The commission" is defined to be the Secretaries of Agriculture and Commerce and the Attorney General and the commission is given the name of the "Commodity Exchange Commission."

Section 4 of the bill is intended to clarify section 4 of the Grain Futures Act by striking therefrom an unnecessary exception. Section 4 of that act makes it unlawful to contract for grain for future delivery on or subject to the rules of any board of trade unless such board of trade has been designated as a contract market and such contract is evidenced by a record in writing. The exception contained in paragraph (a) of section 4 which is stricken by the bill purports to except contracts where the seller is "the owner of the actual physical property covered thereby, or is the grower thereof, or in case either party to the contract is the owner or renter of land on which the same is to be grown", etc. The exception is confusing and is unnecessary for two reasons: (1) Section 4 of the act is limited expressly to contracts for the sale of grain "for future delivery on or subject to the rules of any board of trade in the United States", and (2) the term "future delivery" is defined in section 2 of the act so as "not to include any cash grain for deferred shipment or delivery."

Section 4a, the first of these new sections, has for its object the elimination of the obstruction on interstate commerce caused by undue speculation in futures on or subject to the rules of contract markets. The section gives the Commodity Exchange Commission the power, after due notice and opportunity for hearing and a finding of a burden on interstate commerce caused by such speculation, to fix and proclaim limits on futures trading which may be done on contract markets by any person during a business day and upon the net long and net short position of any person in futures trades. Transactions which are shown to be bona fide hedging transactions in a commodity by holders of that commodity or of products or byproducts thereof, or by growers of that commodity, are exempt from the limits, and brokers and commission merchants are subject to the limits fixed only to the extent that they deal for their own account. The United States and its agencies are exempt from the limits authorized to be fixed.

Section 4b makes it unlawful for members of contract markets, and correspondents, agents, and employees thereof, in connection with orders to make or the making of contracts of sale of any commodity in interstate commerce to cheat, defraud, or deceive the customer, or to bucket the order. The section also prohibits such fraudulent practices in futures contracts in connection with orders made on or to be made on or subject to the rules of any contract market.

Section 4c makes unlawful any transaction which is, or is of the character of, or is known in the trade as, a "wash sale", "cross trade", "accommodation trade", or is a fictitious sale, or which is of the character of, or known in the trade as, a "privilege", "indemnity", "bid", "offer", "put", "call", "advance guaranty", or "decline guaranty", and makes unlawful any transaction which is used to cause any price to be reported, registered, or recorded which is not a true and bona fide price. The provision does not prevent the exchange of futures in connection with cash commodity transactions or of futures for cash commodities or transfer trades or office trades if made under board of trade rules not disapproved by the Secretary of Agriculture.

Neither section 4b nor section 4c has the effect, in providing for Federal regulation of the transactions prohibited by their terms, of preventing the application of State laws to the acts prohibited and the persons performing them. An express provision is inserted at the end of section 4c indicating that the intention of the law is not to occupy the field to the exclusion of the States.

Section 4d makes it unlawful for a person to engage as futures commission merchant in soliciting or accepting future delivery orders to be executed on a contract market unless such person is registered as such with the Secretary of Agriculture and his registration has not expired, or been suspended or revoked. The provisions relating to application for and granting of registrations are set forth in connection with the explanation of section 4f and section 8a.

Section 4d also requires such commission merchants to treat money, securities, and property received from customers to margin, guarantee, or secure the customers' trades as belonging to the customer. The section prohibits the use of such property to margin the trades of or to extend credit to any other person, but the commission merchant may deposit or pledge the property separately from or with the merchants' own deposits in a bank or trust company.

The merchant may also deposit or pledge with the clearing-house organization or another member of a contract market such share of the customer's property as may be necessary to margin or secure the customer's trades carried with the clearing-house organization or with such member.

Section 4e prohibits any person from acting as floor broker in executing orders for futures contracts on contract markets unless such person is registered as such with the Secretary of Agriculture, and his registration has not expired or been suspended or revoked.

Section 4f (1) provides for the application for registration by futures commission merchants and floor brokers and requires them to continue to furnish information to the Secretary, and section 4f (2) requires such merchants to post copies of their registration certificates.

Section 4g provides for revocation of registration of futures commission merchants and floor brokers for failure to abide by the act or rules and regulations of the Secretary. Registration may also be revoked or suspended for failure to make reports required by the Secretary, failure to keep books and records regarding transactions in the form and manner prescribed by the Secretary, and for failure to keep the books and records open for inspection. The procedure for revocation is set forth in connection with the outline of amendments made by the bill to section 6 (b) of the Grain Futures Act.

Section 4h (1) prohibits operation of a place of business where orders for futures contracts are solicited or accepted unless such orders are to be executed by or through a member of a contract market. Paragraph (2) of the section prohibits misrepresentation by any person that he is a member of a contract market, or a registered futures commission merchant, or an agent of either, in connection with contracts for the purchase or sale of commodities in interstate commerce or for future delivery, or that the order is to be or has been executed on, or by or through a member of, a contract market.

Section 4i (1) makes unlawful the making of a contract for future delivery, when the Secretary has required reports of amount of trading or long or short positions, in excess of such limits as are so fixed for reporting unless the person reports such transactions, and requires the keeping of books and their availability for inspection to secure compliance with such provisions.

Section 6 of the bill amends section 5 of the Grain Futures Act by inserting a new provision which authorizes designation of a board of trade as a contract market even though not located at a terminal market if the board of trade provides for delivery of commodities at delivery points and upon terms and conditions approved by the Secretary. The amendment clarifies the present law to make certain that a board of trade may be designated a contract market even though only one of the commodities covered by the bill is traded in on the board. The amendment confirms the construction of the present law that the board of trade must provide both for the prevention of manipulation of prices and of the cornering of commodities.

Section 7 of the bill inserts a new section (sec. 5a) in the Grain Futures Act which requires boards of trade which have been designated as contract markets to (1) furnish the Secretary copies of their bylaws, rules, resolutions, etc., and changes therein; (2) allow inspection by representatives of the Departments of Agriculture and Justice of books, minutes, etc., of the board and its committees, and affiliates, and requires keeping such docu-

ments for 3 years or a longer period if the Secretary directs; and (3) when the Secretary directs it, to require warehouses to keep records and permit visitation and inspections and to retain records, etc.

Paragraph (4) of the new section requires contract markets, when directed by the Secretary, to provide for a period, after trading for delivery in a delivery month has ceased, during which futures contracts for delivery in that month may be satisfied by delivery of the actual commodity. This provision is designed to prevent market congestion near the end of a delivery month. It may be complied with either by cessation of trading prior to the end of the month or by permitting delivery after the delivery month has ended. The Secretary may order a market to establish such period only after notice and hearing and a finding that the order is necessary to prevent market congestion and squeezes, and the period fixed by him is to be not less than 3 nor more than 10 business days.

Paragraph (5) requires contract markets to require the party making delivery under a futures contract to give the person accepting delivery written notice of delivery at least 3 business days prior to delivery. The Secretary can require longer notice (but not more than 10 business days) when he finds, after notice and hearing, that longer notice is necessary in order to prevent or diminish unfair practices in trading.

Paragraph (6) requires contract markets to require that all futures contracts in a commodity made on that market provide for delivery of grades of that commodity conforming to United States standards, if such standards have been officially promulgated.

Section 7 of the bill also inserts a new section (sec. 5b) which authorizes the suspension (for a period of not to exceed 6 months) or revocation of a contract market's designation as such for violation of the act or rules and regulations of the Secretary. The procedure for revocation is set forth in section 6 (a) of the Grain Futures Act.

Section 8 of the bill amends paragraph (b) of section 6 of the Grain Futures Act as follows: (1) To transfer to the Secretary of Agriculture certain power and authority now vested in a commission consisting of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General. The Secretary of Agriculture, instead of the commission, is given power to deny trading privileges on contract markets to any person who, after hearing, is found to have violated any of the provisions of the act or any of the rules and regulations thereunder; (2) to adapt the language of section 6 of the act to authorize suspension and revocation of registrations of futures commission merchants and floor brokers which by other sections of this bill are required to be registered by the Secretary of Agriculture; (3) to clarify the language of section 6 of the act in its application to manipulations of and attempts to manipulate the market price of any commodity; (4) to extend the reference to section 12 of the Interstate Commerce Act to include amendments of the Interstate Commerce Act and supplementary acts relating to the attendance and testimony of witnesses, the production of documentary evidence, and the immunity of witnesses in proceedings before the Commission or before the Secretary of Agriculture as provided in section 6 of the act.

Section 9 of the bill inserts two new sections in the Grain Futures Act.

Paragraph (1) of the new section 6a prohibits contract markets from excluding legitimate cooperative associations from trading if the association complies with terms and conditions lawfully imposed on other members and on cooperative associations of producers engaged in the cash commodity business. With the consent of the commission, the board of trade can exclude such association, and provision is made for judicial review of the commission's order. Section 6a (2) provides that no rule of a contract market shall forbid or be construed to forbid the payment of compensation on a commodity unit basis or otherwise by any such cooperative association to its regional or local member associations for business received by such cooperative association provided no part of any such compensation other than amounts paid as dividends on capital stock is returned to producer patrons of such regional or local member associations otherwise than on a patronage basis and not more frequently than annually; nor shall the governing body of any board of trade designated as a contract market exclude from membership in, and all privileges on, such board of trade any duly authorized representative of any cooperative association, as herein defined which is otherwise qualified, because of the payment of such compensation.

Section 6b provides that for violation by a board of trade or its agents of the act, rules, or regulations of the Secretary, or orders of the commission, the commission may, in lieu of revoking the designation as a contract market, after hearing and subject to judicial review, issue a cease-and-desist order. Failure or refusal to obey the order when it becomes final subjects the offender to criminal penalties.

Section 10 of the bill inserts a new section in the Grain Futures Act (sec. 8a) under which the Secretary of Agriculture is authorized (1) to register futures commission merchants and floor brokers upon application made under rules and regulations; (2) to refuse to register any person whose registration has been revoked for violation of act or regulations; (3) to suspend or revoke the license of any futures commission merchant who accepts any order for purchase or sale of any commodity for future delivery on or subject to rules of any contract market from any person who has been denied trading privileges under section 6 (b); (4) to fix fees for issuance of registrations, renewals, and copies, not exceeding $10; (5) to make such rules and regulations as he deems necessary to carry out the purposes of the act; and (6) to publish the full facts concerning any transaction or market operation which the Secretary deems disrupts or tends to disrupt any market or is otherwise harmful to the interests of producers and consumers.

Section 11 of the bill amends section 9 of the Grain Futures Act. The section adds to the sections of the act, violation of which is punishable by criminal penalties, the following new sections which are proposed to be inserted by the bill; section 4a (relating to futures-trading limits), section 4b (relating to fradulent and deceptive practices), section 4c (relating to wash sales, etc.), and sections 4d, 4e, 4f, 4h, and 4i (relating to registrations of futures commission merchants and floor brokers, and duties imposed on them and other traders). The section also makes manipulation and cornering punishable and imposes criminal penalties upon persons who cause to be delivered false or misleading crop or market information.

Section 12 of the bill includes a special provision with respect to the separability of the various sections of the old Grain Futures Act and the new sections proposed to be inserted by this bill. The separability clause of the Grain Futures Act applies to the new amendments, of course, but the effect of section 12 is to permit the application of the section of the Grain Futures Act which is amended by this bill to be effective if the section of the bill which is amendatory of that section of the Grain Futures Act is held unconstitutional.

Section 12 also provides for disposition of matters pending under the old law in accordance with the provisions of the new bill.

Section 13 makes the proposed bill effective 90 days after the date of its enactment.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to extend his remarks in the RECORD as indicated. Is there objection?

There was no objection.

Mr. JONES. Mr. Speaker, I yield to the gentleman from South Carolina [Mr. FULMER] such time as he may desire to use.

Mr. FULMER. Mr. Speaker, I am supporting this bill believing it will be quite a help to those who administer the Cotton and Grain Futures Act. However, if the bill had been brought up in the regular way so that we might have had an opportunity to offer one or two amendments, I believe that, so far as cotton is concerned, I would have been able to offer to the House one or two amendments that would be helpful in cutting out speculation.

In the Smith-Lever Cotton Futures Act of 1916 we find two sections that can be used in dealing in cotton-future contracts—sections 5 and 10. Section 5 is purely a sellers' provision and is the section that is always used in future-contract transactions.

In other words, if a buyer calls for the actual delivery of the cotton, the seller, under this section, has the right to offer for delivery, 26 different grades, any one of the tenderable 26 grades, or any combination of these grades. The buyer would have to accept whatever is offered and, in practically every instance, these are grades that the buyer cannot use, therefore, accepts a paper settlement thereon. If the buyer had equal rights with the seller, so as to be able to write into the contract the actual grades, he would want, as provided for under section 10, doubtless speculators would be very careful about selling short, knowing that they would have to go on the market and buy the cotton for delivery.

Perhaps you will state, if section 10 gives the buyer the right to write into the contract the type and grade of cotton, why does he not use section 10 in making contracts? Sellers will not operate under section 10, knowing that if the contract specifies certain grades, that when called upon for delivery these grades will have to be delivered. It would appear to me that this section was placed in the bill to keep down opposition to the bill when it was up for consideration in the Congress. Millions of bales of cotton are bought and sold on the exchange without a single bale of cotton actually passing to anyone. These transactions are purely paper transactions. Certainly, if the seller had to deliver the actual cotton in selling short, he would have to go on the market to buy his cotton; as previously stated, it would bring about a demand and tend to increase the price, all of which would be helpful to producers. However, under the present system, in that these transactions, as stated, are purely paper transactions, the usual tendency is to depress the price of cotton, proving harmful to producers.

Sometime ago I offered an amendment in the Agricultural Committee to Mr. VINSON's (of Georgia) bill, then being considered by the committee, to amend the Cotton Futures Act to provide for southern delivery of cotton. Immediately the New York Cotton Exchange amended its rules, establishing southern delivery at nine southern points. However, in that the seller of cotton still has the advantage over the buyer under section 5, these southern deliveries, instead of proving helpful to buyers and producers, have brought about a depressing effect on the price of cotton bought for southern delivery.

A cotton mill buying a thousand bales for future delivery, requesting the delivery at Charleston, S. C.—one of the points of southern delivery—would probably be unable to secure delivery at Charleston. In other words, the seller has the privilege of stating, "I will deliver the cotton but at some other point", or the seller will designate two or three other points. Perhaps the South Carolina mill cannot handle the cotton from any of the points proposed, therefore is forced to accept a paper settlement.

I am quoting on this subject from a reliable cotton merchant who resides in New York:

To have higher prices, it is necessary to have a fair market. To have a fair market, it is necessary to have buyers. To have buyers, it is necessary to give them a square deal, something the New York Cotton Exchange has never done.

The present cotton-future contract is distinctly a seller's contract, one-sided and unfair. It permits the delivery of 26 different grades upon each contract, and the seller has the privilege of making delivery at nine different points. Should a person buy 1,000 bales, he might get different grades on each contract, but at any one of nine different points.

So far as I am able to ascertain, only three firms are prepared to accept delivery at all the points. Under this contract the three firms have grown fabulously rich, while more than 75 percent of small shippers have been forced out of business or into bankruptcy. At least 90 percent of all traders lose money year after year.

During the last 10 years no bull market has stood up for any length of time. It is a conservative estimate to state that when the three large firms cooperate together they can raise or lower the basis, to put the market up or down at will.

It would not be feasible for any cotton mill in the United States to attempt to spin the different grades of cotton which might be tendered under any seller's contract under section 5.

Sometime ago, when we had a drop of 2 cents per pound, or $10 per bale on cotton in 1 day, due purely to speculation, it caught spinners and merchants with large supplies of goods which had to be marked down, all of which demoralized business. No wonder the textile mills of New England were clamoring for the removal of the processing tax. This 2-cent decline was gradually regained, no doubt by repurchases by the same parties who sold short in the first instance, thereby making millions going and coming, all, as stated, at the expense of cotton mills, cotton merchants, and cotton producers.

Since the United States Supreme Court decision on the N. R. A., cotton has declined gradually, many of the months going below 11 cents. However, you will note that the price is gradually going back up at this time, fluctuating anywhere from 25 to 50 points per day—up or down. There is little actual spot cotton moving at this time and certainly farmers are not selling cotton—then, why would these frequent changes in the price of cotton which is being brought about by speculation be helpful to farmers, as claimed by speculators?

The amendments that I have in mind are as follows:

First. Provide in the law for southern deliveries, naming delivery points, and provide for the writing into the contract the actual point of delivery. If this is not done, certainly, as stated, southern delivery under the present system is a joke and, as stated, only tends to depress the price of cotton.

Second. Amend section 5 as follows:

That the second subdivision of section 5 of the United States Cotton Futures Act, approved August 11, 1916, amended to read as follows:

"Second. (a) Specify as the class of the contract one of the following classes:

"Class A, which shall include only Middling Fair, Strict Good Middling, Good Middling, and Strict Middling grades;

"Class B, which shall include only Strict Middling, Middling, Strict Low Middling, and Good Middling Yellow Tinged grades;

"Class C, which shall include only Strict Low Middling, Low Middling, Strict Middling Yellow Tinged, and Good Middling Yellow Stained grades.

"(b) Specify the basis grade for the cotton involved in the contract, which shall be one of the grades for which standards are established by the Secretary of Agriculture, and which shall be one of the grades included within a class in paragraph (a) of this subdivision; the price per pound at which the cotton of such basis grade is contracted to be bought or sold; the date when the purchase or sale was made; and the month or months in which the contract is to be fulfilled or settled.

"(c) If no other class is specified in the contract, or in the memorandum evidencing the same, the contract shall be deemed a class B contract.

"(d) If no other basis grade be specified in the contract, or in the memorandum evidencing the same, Good Middling shall be deemed the basis grade incorporated into a class A contract, Middling shall be deemed the basis grade incorporated into a class B contract, and Low Middling shall be deemed the basis grade incorporated into a class C contract."

SEC. 2. That the third subdivision of section 5 of such act is amended to read as follows:

"Third. Provide that the cotton dealt with therein or delivered thereunder shall be of or within the grades for which standards are established by the Secretary of Agriculture, and of or within the grades included within the class so specified or incorporated as the class of the contract, and that cotton of any other grade or grades shall not be dealt with therein nor delivered thereunder."

SEC. 3. That the fifth subdivision of section 5 of such act, as amended, is amended to read as follows:

"Fifth. Provide that cotton that, because of the presence of extraneous matter of any character, or irregularities or defects, is reduced in value below that of Strict Middling in the case of a class A contract, Strict Low Middling in the case of a class B contract, or Low Middling in the case of a class C contract, the grades mentioned being of the official cotton standards of the United States, or cotton that is less than seven-eighths of an inch in length of staple, or cotton of perished staple or of immature staple, or cotton that is 'gin cut' or reginned, or cotton that is 'repacked' or 'false packed' or 'mixed packed' or 'water packed', shall not be delivered on, under, or in settlement of such contract."

SEC. 4. That the second paragraph of the seventh subdivision of section 5 of such act, as amended, is amended to read as follows:

"The provisions of the third, fourth, fifth, sixth, and seventh subdivisions of this section shall be deemed fully incorporated into any such contract, if there be written or printed thereon, or on the memorandum evidencing the same, at or prior to the time the same is signed, the phrase 'subject to United States Cotton Futures Act, section 5, class A', if the contract is a class A contract, or the phrase 'subject to United States Cotton Futures Act, section 5; class B', if the contract is a class B contract, or the phrase 'subject to United States Cotton Futures Act, section 5, class C', if the contract is a class C contract."

Mr. HOPE. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Speaker, it was stated by the chairman of the committee that this bill is similar to the bill that passed the House a year ago and another one that passed the House on a former occasion. I want to call the attention of the House to the fact that the previous bills applied only to grain and cotton, while this bill also includes butter and eggs, so that the Commodity Exchange Commission will have the right, under the provisions of this bill, to regulate the activities on the exchanges of those who speculate in both butter and eggs.

It seems to me that the inclusion of butter is of great importance to the dairy sections of the country because, as a matter of fact, the price of butter does materially influence the price of all other dairy commodities.

It was shown a year ago last summer that speculation in a commodity by those who are interested in maintaining the price at a high level can be extremely successful. A year ago last summer the Agricultural Adjustment Administration or some other agency of the Government turned over to the Land O'Lakes organization, the largest dairy cooperative in the country, a huge sum of money for the purpose of speculating, and for the purpose of controlling the market on butter, and the operations of that organization with Federal funds were so successful that for a period of 6 weeks or more they maintained the price of butter at a certain level with hardly any fluctuations. So long as they had the use of this Federal money to speculate, if you please, or, in other words, to get into the market and buy or sell at the proper time, they were able to maintain the price of butter at a high level, or at least at a price that was considered

fair to the American producers. If this organization with Federal funds could be successful, through its operations on the exchange, in its efforts to keep the price of butter at a proper level, it seems to me that speculators who are interested in making a profit on the exchange at the expense of the farmer can accomplish similar success in manipulating the market for their own particular advantage, and without regard to the welfare of the American farmers. Because of the fact that they have been in the market speculating on butter in Chicago and New York, they have controlled the price of butter, and, indirectly, they have controlled the price of cheese and all other dairy products. I believe they should come under the supervision of this Commodity Exchange Commission, and I am very happy that the committee has seen fit to recommend to the House that butter be included as one of the commodities for Federal regulation.

Mr. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield with pleasure to the gentleman from Minnesota.

Mr. ANDRESEN. The gentleman has referred to the Land O'Lakes Creameries speculating with Federal funds. I may say to the gentleman that the Land O'Lakes did not speculate with Federal funds; in fact, they did not speculate at all. What they did was that they went in and bought actual butter. This bill deals only with futures in butter and in other commodities, and not with the actual commodity itself.

Mr. BOILEAU. I may state to the gentleman that although regulation of futures transactions is one of the objectives of the legislation, my understanding is that the bill also regulates the activities of the brokers, and so forth. The bill permits the Department to examine the books and records of those who operate through commission houses or through brokers, and this bill gives the Government agency some supervision over the entire marketing of these commodities.

Mr. ANDRESEN. The gentleman is mistaken about that. This deals only with future transactions with respect to the commodities covered by the bill.

Mr. BOILEAU. I think the gentleman is in error, because, as I have mentioned, the Commission has a right to examine the books and records of the commission houses and the brokers, and the bill gives the Commission supervision over all of the operations of the exchanges. It outlaws certain methods of dealing, certain practices on the floor of the exchanges, and gives the Commission general supervision; although I agree with the gentleman that the principal source of speculation has been in the futures transactions, but that does not mean that that is the only kind of speculation. If I see fit to buy 1,000,000 pounds of butter because I think that in the future the price is going to be higher, I can buy it outright; and that is, nevertheless, speculation. [Applause.]

[Here the gavel fell.]

The SPEAKER. The question is on the motion of the gentleman from Texas to suspend the rules and pass the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed, and a motion to reconsider was laid on the table.

PRESERVATION OF HISTORIC AMERICAN SITES

Mr. MAVERICK. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 6670) to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes, as amended.

Mr. ENGLEBRIGHT. A parliamentary inquiry, Mr. Speaker. If I understood the Chairman of the Committee on the Public Lands, he stated that this bill was not to be called up today.

The SPEAKER. The Chair has no information about that.

Mr. MAVERICK. My understanding is that it was to be called up.

Mr. ENGLEBRIGHT. I had a conversation with the chairman of the committee only a few minutes ago, and he said that it was not to be called up today. I would like to have the gentleman withdraw his motion until we can consult the chairman of the committee.

Mr. MAVERICK. Very well, Mr. Speaker, I will withdraw my motion temporarily.

COMMITTEE ON THE JUDICIARY

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may sit during the sessions of the House for the remainder of the week.

The SPEAKER. Without objection, the request will be granted.

There was no objection.

PROTECTION OF AMERICAN AND PHILIPPINE LABOR

Mr. KOCIALKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2530) to protect American and Philippine labor and preserve an essential industry, and for other purposes.

The Clerk read the bill, as follows:

An act to protect American and Philippine labor and to preserve an essential industry, and for other purposes

Be it enacted, etc., That, effective May 1, 1935, and for 3 years thereafter, the total amount of all yarns, twines, cords, cordage, rope, and cable, tarred or untarred, wholly or in chief value of manila (abaca) or other hard fiber, produced or manufactured in the Philippine Islands, coming into the United States from the Philippine Islands, shall not exceed 6,000,000 pounds during each successive 12-month period, which 6,000,000 pounds shall enter the United States duty free.

The amount or quantity of such articles which may be so exported to the United States shall be allocated, under export permits issued by the government of the Philippine Islands, to the producers or manufacturers thereof. This allocation shall be made by the Governor General of the Philippine Islands prior to the inauguration of the commonwealth of the Philippines, and thereafter by the President of said commonwealth, unless otherwise provided by the legislature of the commonwealth.

SEC. 2. Pending the final and complete withdrawal of American sovereignty over the Philippine Islands, the President of the United States may, by proclamation, at least 90 days prior to the expiration of the 3-year period provided in section 1 hereof, extend the operation of this act for an additional period of 3 years or more, provided such extension is accepted by the President of the commonwealth of the Philippines.

SEC. 3. On and after the expiration of the operation of this act the articles described in section 1 coming into the United States from the Philippines shall be subject to the provisions of section 6 of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes."

SEC. 4. Except as provided herein, nothing in this act shall be construed to modify or repeal the provisions of any existing law.

SEC. 5. The Secretary of the Treasury shall promulgate such rules and regulations as may be necessary to enforce the provisions hereof; and this act shall be enforced as part of the customs law.

The SPEAKER. Is a second demanded?

Mr. THURSTON. Mr. Speaker, I demand a second.

Mr. KOCIALKOWSKI. I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KOCIALKOWSKI. Mr. Speaker, the purpose of the bill before the House is to put a quota on cordage from the Philippine Islands. The average amount now imported is about two million pounds a month. Both parties agree. The representatives from the Philippine Islands and the cordage industry agree to 6,000,000 pounds a year. We had extensive hearings on the bill and gave all the parties interested a full hearing. It was reported to the committee favorably and has been reported by the whole committee favorably.

Mr. THURSTON. Will the gentleman yield?

Mr. KOCIALKOWSKI. I yield.

Mr. THURSTON. There was one important phase of the bill, which will be found in lines 9, 10, and 11 on page 2. That had to do with the allocation of the future. One group contended that it should be allocated on a spindle basis and another group on the export basis. Now, the committee was unanimous in reporting the bill but because of the diversity of the cordage interests and the Philippines it was thought that there might be something unfair in allowing the apportionment on the basis of the capacity of the mills

involved. I want to ask the gentleman if it was not the thought of the committee that in the interim the allocation of cordage should be based fairly and equitably between or among those mills according to their capacity?

Mr. KOCIALKOWSKI. Yes; according to the spindles.

Mr. THURSTON. That was the construction placed by the committee.

Mr. KOCIALKOWSKI. The gentleman is correct.

Mr. COLDEN. Will the gentleman yield?

Mr. KOCIALKOWSKI. I yield.

Mr. COLDEN. Most of this cordage is used by the merchant marine. What effect will this bill have upon that? A great deal of it comes from Manila?

Mr. KOCIALKOWSKI. Most of it does.

Mr. COLDEN. Will this adversely affect the ship chandlers in this country?

Mr. KOCIALKOWSKI. No; it is going to help them. It is not going to overcrowd the market.

Mr. COLDEN. It is not proposed to substitute fabricated rope in this country for manila rope for shipping?

Mr. KOCIALKOWSKI. No; they do not want to do anything of that kind.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. KOCIALKOWSKI. Yes.

Mr. COLE of Maryland. As I understand, the original House bill on this subject required a quantity of 6,000,000 pounds to be allocated entirely upon the basis of exportation during the preceding calendar year, which would be 1934.

Mr. KOCIALKOWSKI. Yes.

Mr. COLE of Maryland. As the Senate bill comes to us, that language is stricken out.

Mr. KOCIALKOWSKI. Yes.

Mr. COLE of Maryland. In line with the question asked a moment ago, I understand that leaves the allocation of the 6,000,000 pounds entirely to the judgment and fairness of the Governor of the commonwealth of the Philippines, and then to their local governments when they can take into consideration the spindle capacity, exports sold during the previous year, or anything else, so that ultimately in their judgment it will be fair to the Philippines.

Mr. KOCIALKOWSKI. That is correct.

Mr. DOCKWEILER. Mr. Speaker, will the gentleman yield?

Mr. KOCIALKOWSKI. Yes.

Mr. DOCKWEILER. The gentleman says that under the terms of this bill there will be 6,000,000 pounds of cordage of manila. Is that the finished product?

Mr. KOCIALKOWSKI. Yes.

Mr. DOCKWEILER. How much is being imported now?

Mr. KOCIALKOWSKI. On the average of about 1,330,000 pounds a month.

Mr. DOCKWEILER. That would be equivalent to about 12,000,000 pounds a year?

Mr. KOCIALKOWSKI. The way they are importing cordage today it will reach about 15,000,000 pounds a year if this allocation is not made.

Mr. DOCKWEILER. What do the Commissioners of the Philippines think?

Mr. KOCIALKOWSKI. They were here personally. We also had the President of the Philippine Senate, and a member of the Philippine Commission to the United States, who appeared personally before the committee. They are satisfied as the bill stands, with the cooperation of every industry in America.

Mr. DOCKWEILER. Are they satisfied because they have to do this or is their their suggestion?

Mr. KOCIALKOWSKI. I do not know how to answer that question. All I can say is they were very well pleased with the report of the committee. It was a compromise.

Mr. DOCKWEILER. In the last session of Congress we placed a tax on copra oil, which is about the only other product the islands sell to this country, and by reason of that we are diminishing the importation of copra, and the result is there are uprisings in the Philippine Islands because of economic conditions produced thereby.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. KOCIALKOWSKI. Yes.

Mr. TABER. There is no limitation in this bill as to the importation of raw hemp or the raw products out of which rope is made. This relates entirely to the manufactured product.

Mr. DOCKWEILER. I appreciate the gentleman's statement on that, because I was interested in that phase of it.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. KOCIALKOWSKI. Yes.

Mr. TRUAX. As I understand this bill, the rope now coming in from the Philippine Islands goes largely to mail-order houses such as Sears, Roebuck or Montgomery Ward. They conduct a cutthroat business. The American manufacturers find it impossible to compete with this product which they handle. This bill will give them a degree of protection which they must have to maintain their plants and their scale of wages. Therefore, this bill will help the small industrialist and will help the worker and will not raise the price to the farmer and other consumers.

Mr. KOCIALKOWSKI. The gentleman is correct.

Mr. ZIONCHECK. The committee found that the wage scale paid to the Philippine laborers ran from 7½ cents to 15 cents an hour?

Mr. KOCIALKOWSKI. That is correct.

Mr. ZIONCHECK. And that is the labor the American rope manufacturer must compete with?

Mr. KOCIALKOWSKI. That is the truth.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. KOCIALKOWSKI. Yes.

Mr. ASHBROOK. Permit me to make a further observation in reply to my colleague [Mr. TRUAX] by saying that in my district I have a large manufacturer who is a heavy user of manila. This firm has been in the cordage business for 45 years. I am happy to say my constituent is entirely satisfied with this bill, which has passed the Senate and is now before us. It is a bill with which not only the representatives of the Philippines seem to be satisfied but all American interests are satisfied. It comes before the House with a unanimous report from the committee, and basing my statement on the report I get from my own constituents the bill is entirely satisfactory, and I am very much in hope there will be no objection to it.

Mr. McFARLANE. Did anyone appear before the committee in opposition to the bill?

Mr. KOCIALKOWSKI. No one.

Mr. BEITER. Will the gentleman yield?

Mr. KOCIALKOWSKI. I yield.

Mr. BEITER. I do not believe the bill goes far enough. I believe it should include rope that is imported from Mexico. They make white rope out of sisal.

Mr. KOCIALKOWSKI. But this affects the Philippine Islands only.

Mr. BEITER. I understand, but I do not believe the bill goes far enough.

Mr. KOCIALKOWSKI. I appreciate that. I think we ought to take that up in the future.

Mr. ASHBROOK. That would require another bill.

Mr. BEITER. I think we should protect our farmers from the rope that comes from Mexico, and our business men, as they are protected in this bill.

Mr. ASHBROOK. It certainly ought to be a fairly decent bill when our own manufacturers in the United States are agreeable to it.

Mr. BEITER. I agree with the gentleman. I think it is a splendid bill, but I do not think it goes far enough.

Mr. CULLEN. Will the gentleman yield?

Mr. KOCIALKOWSKI. I yield.

Mr. CULLEN. In addition to what I have heard on the floor relative to this bill, I wish to say it is one of the best bills that has come out of the gentleman's committee this year. The cordage works in Brooklyn and New York are unanimously in favor of this bill.

Mr. ASHBROOK. It seems to be a bill which everybody favors and no one opposes.

Mr. THURSTON. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, the Tydings-McDuffie bill inserted this language in section 6 (d), which has reference to the relations with the United States pending complete independence of the islands, which language reads in this manner:

In the event that in any year the limit in the case of any article which may be exported to the United States free of duty shall be reached by the Philippine Islands, the amount or quantity of such articles produced or manufactured in the Philippine Islands thereafter that may be so exported to the United States free of duty shall be allocated upon export permits issued by the government of the Commonwealth of the Philippine Islands to the producers or manufacturers of such articles proportionately on the basis of their exportation to the United States in the preceding year.

Now, when that language was put in the Tydings-McDuffie Act it invited the trade war on imports of cordage from the Philippine Islands to the United States, which has precipitated the predicament in which the domestic producers of cordage find themselves. That language was an invitation to the processors of cordage located in the Philippines to raid the United States market with their goods, through secret rebates and price concessions and quantity discounts, to the end that they might build up a big sales performance, so that when the future allocation was to be made, the man who had sold the greatest quantity of manufactured cordage during the trial period would receive the greatest sales allotment for future performance. The domestic-cordage manufacturer found himself surrounded by a set of conditions to that effect, as illustrated by these figures: In 1929 the Philippine mills exported to this country some 6,936,000 pounds of cordage. In 1932 they dropped to 4,942,000 pounds. In 1929 the European countries exported to this country 9,646,000, while in 1934 they had dropped to 2,106,000 pounds, and the Philippine Islands had jumped, through this trade war as a result of that inclusion in the Tydings-McDuffie Act, in 1932 from 4,942,000 pounds up to 9,863,000 pounds in 1934, and for the first 2 months in 1935 the Philippine cordage mills were exporting to this country at the rate of 15,000,000 pounds annually.

Therefore, the domestic processors of cordage, located in the United States, had to come to some agreement or close their mills. Philippine cordage was coming into the country in such volume and at such low prices under the cost of the American processors working under N. R. A. codes that the American processors of cordage could not stand up under the load.

The objection I have to the Senate bill is that it does not entirely eliminate the invitation to engage in another war, while, if it included an amendment to the effect that future sales allocations would be made on the basis of spindle capacity as of this date, for instance, it would take away from those exporters the incentive to build up a great sales performance on which to plead for a big allotment in the future. So it seems to me we should at this time go on record as indicating that it is the desire of this House that the allocation of sales quotas be set on such a basis as will not invite another trade war on the part of Philippine processors in their desire to build up a big trade performance in the United States. If there is to be a repetition of this performance on the part of the processors in the islands, then our domestic processors will again be commercially crucified by the exports to the United States from Philippine Island processors.

Now, there is another problem in this bill which has a very close relation to other important commodities: Section 6 (a) deals with sugar, and section 6 (b) deals with coconut oil.

The SPEAKER. The time of the gentleman from Michigan [Mr. CRAWFORD] has expired.

Mr. THURSTON. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. CRAWFORD. Section 6 (b) deals with coconut oil. Section 6 (c) deals with cordage. In this bill we are increasing cordage importations free of duty from 3,000,000 pounds annually up to 6,000,000 pounds annually for a period of 3 years. Shall that be a precedent that in future months they may come along and say, "We want the sugar quota doubled for a period of 3 years; we want the coconut oil quota doubled for a period of 3 years"?

Mr. Speaker, in considering the Philippine problem it is impossible to think in terms of changing these quotas on cordage without at the same time considering the staggering effect such radical changes in the free import quotas will have if applied to sugar and coconut oil. All the corn growers, cotton growers, sugar-beet and sugar-cane growers of the Nation are vitally interested in this bill we are now considering. This was all fully recognized by Congress when it passed the Tydings-McDuffie Act in March 1934, and at which time section 6 (a), (b), and (c) was enacted into law. It is rather unusual to make a radical change like this when the independence act is in the process of being confirmed by the Philippine people. Therefore, I serve notice at this time that I shall not become a party to letting this bill become a precedent for a similar increase in the free importation of sugar and coconut oil.

So it must not be construed that we are laying down a precedent. Such would bring about great confusion and strife in the future with reference to free importations of sugar, coconut oil, and all the things they in the islands produce or manufacture which compete with like goods in this country. It seems to me, therefore, that we should make very definite the understanding that these sales quotas are not to be allocated on the basis of sales during a trade war carried on by Philippine processors against United States processors.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. HOFFMAN. Has the gentleman an amendment to that effect?

Mr. CRAWFORD. No; because amendments cannot be offered to bills considered under suspensions of the rules.

[Here the gavel fell.]

Mr. KOCIALKOWSKI. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland [Mr. COLE].

Mr. COLE of Maryland. Mr. Speaker, when this bill was called on the Consent Calendar I objected because I knew, after talking with the chairman of the committee, that the bill was on the Speaker's desk and would likely be called up under suspension, or if not so called, I knew a rule had been requested and that later on we would have an opportunity to discuss it. I took that position because I wanted to make as clear as possible the fact that in the allocation to the industry in the Philippines, it is the intention of this Congress not that any 1 year's export quantity should be the yardstick, but that the yardstick should be a composite made up of spindle capacity and all other considerations that enter the picture, so that in the end the allocation will be fair to the industry in the islands.

My conference with many members of the committee and others has satisfied me sufficiently not to insist upon an amendment to the bill, and oppose this procedure, as under suspensions amendments are not permissible. To try to bring the bill to the floor so it could be amended is not necessary in order for the clear intention of Congress to be recorded. Thus I take the Senate bill in its present form with that understanding.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. COLE of Maryland. I yield.

Mr. CRAWFORD. I am just informed that a 5-year contract has been signed between jute concerns of France in which they base their future performance on spindle capacity; and this matter that we are discussing now has a direct relationship to jute. I cite this as an example of how much importance they attach to the question of spindle capacity.

Mr. COLE of Maryland. Mr. Speaker, I may say in reply to the gentleman that at the time the original Tydings-McDuffie bill passed it might possibly have been fair to base the allocation on the previous year's shipments; but in view of what has happened in 1934 I can see the wisdom of considering other factors which enter the picture, such as spindle capacity. I realize the gentleman from Michigan knows far more about spindle capacity than I do.

I know nothing about the contract to which the gentleman referred.

Mr. Speaker, I yield back the balance of my time.

Mr. KOCIALKOWSKI. Mr. Speaker, I yield 2 minutes to the Commissioner from the Philippine Islands [Mr. DELGADO].

Mr. DELGADO. Mr. Speaker, this bill represents a compromise to meet the conflicting interests of the Philippine cordage manufacturers and the American cordage manufacturers. Representatives of the Philippine government and the Filipino people were present at the hearing before the Insular Affairs Committee of the House and of the Senate and gave their approval to this bill by reason of the mutual concessions made in its provisions as they now stand, and also to show the American people that the Filipinos are, and always have been, willing to meet the requirements of this country at least half way. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. THURSTON. Mr. Speaker, I yield an additional minute to the Commissioner from the Philippine Islands to say that there has been some apprehension about the allocations that might be made as between the different mills in the Philippines. I am sure he—speaking for his government—would be willing to tell us that whatever is done in the future will be done on a basis of fairness and equity.

Mr. DELGADO. Mr. Speaker, I shall be very pleased to make a brief statement if I may. As the bill approved by the Senate now stands, there is no limitation at all upon the discretion given first to the Governor General and afterward to the chief executive of the Philippine Commonwealth as to the basis of allocation; but I have absolute faith in the representative of the American people and the American Government there now, Governor General Murphy, and I know he will make the allocation with fairness and justice to all concerned. I know, too, that whoever is elected to preside over the future commonwealth government will take into account all the circumstances of the case and will reach a decision which will be fair, just, and equitable to all. [Applause.]

Mr. THURSTON. I thank the Commissioner.

Mr. Speaker, I now yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this bill, as the gentleman from the Philippines has said, is a compromise growing out of the distress that has been brought to American cordage manufacturers by the large Philippine importations that have come in here recently. I am informed that current importations are approaching a total of 2,000,000 pounds a month.

This bill limits the total amount that can come in during the next 3 years to 6,000,000 pounds, which, as has been explained, will be fairly allocated either by the Governor General or by the Philippine government. It does not in any way limit the amount of raw material that can come in. Under the independence act 3,000,000 pounds could come in after the inauguration of the government duty free; but, in addition, any amount which paid duty could come in. This bill limits the amount that can come in to 6,000,000 pounds in all.

I hope for the sake of those men who are employed in our cordage plants in the United States that this fair compromise between the Filipino people and the American cordage manufacturers can be adopted. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. THURSTON. Mr. Speaker, I yield the remainder of my time to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, as a member of the Insular Affairs Committee, I wish to pay tribute to our chairman, the gentleman from Illinois [Mr. KOCIALKOWSKI], who carried on these hearings which are of vital interest to those interested in tariffs and imports. The gentleman from Ohio [Mr. TRUAX] is correct when he spoke about the low wages in the Philippines. The testimony before our committee in this cordage hearing brought out the fact that the American cordage industry is at the mercy of cheap labor in the Orient. When the N. R. A. went into effect, the American industry was among the first to abide by the N. R. A. program of wages and hours. The workers in American cordage mills were paid an average of 45 cents an hour, as compared with about 19 and 25 cents an hour in the Philippines, where none of the cordage mills worked under N. R. A. rules. In years past, the American cordage industry employed many thousands of workers. It is one of the oldest industries in the United States. Today this industry employs only about 4,000 workers because of the inroads made against it by foreign-made cordage and foreign competition. It presents a real illustration of what has happened and what is happening to American industry which must compete with cheap foreign-made merchandise. The committee, however, took all of that into consideration. The 6,000,000 pounds of cordage being allowed to come in under this bill is the result of a compromise after about 12 hours of hearings, and I may say very interesting hearings, which every Member of the House should read. Heretofore about 3,000,000 pounds of cordage were allowed to come in. After that all the cordage they wanted to ship into the United States under the tariff would be allowed to come in to compete with our cordage. That is, they could ship in all they wanted to and pay the tariff. They could undersell our manufacturers 6 cents a pound. It is true, as the gentleman has said, that American cordage has been forced to compete with cheap labor in the Philippines. It is also true that most of this cordage coming from the Philippines goes into the hands of the big chain stores, which compete with the independent merchant, who cannot buy at wholesale at the price for which this cheap imported cordage is retailed by the chain organizations. In this way these big chain stores throttle the independent merchant by using this cheaply manufactured cordage as a leader.

Mr. Speaker, this bill was written for the protection of American cordage. It is an agreement reached by the various cordage organizations in this country which are attempting to keep their places of business open, thereby employing men. This bill is offered to you with that in mind. It is self-preservation on the part of the cordage industry of the United States as against the cheap manufactured cordage of the Orient. It was the best we could do for our manufacturers.

Mr. Speaker, we took a lot of other things into consideration at those hearings, things that the Members here are interested in and things which we have been talking about on the floor of this House for hours and hours. We even took into consideration the textiles in which we are all interested. We endeavored to find out why it is we have suddenly lost many millions of dollars' worth of business in textiles in the Philippine Islands to Japan. When we asked the Filipino people why our textile business in the Philippines was not protected by them, they indicated that they had made efforts to protect us in this respect, but that the answer to our questions must come from the State Department. Intimations are made to us that the efforts of the Filipino people to protect our textile trade in the Philippines were in some manner stopped by the State Department. An effort to secure an explanation brought the answer that the Filipino people felt that the State Department felt that the time was not propitious for an explanation. Every effort to secure an explanation or a reason for not protecting our trade in the islands brings the intimation from the Philippine representatives that a detailed reply would undoubtedly prove embarrassing. I feel that Congress should know why our textile industry is not protected.

Mr. Speaker, I want to compliment our chairman and the committee who have labored on this bill to protect American cordage, and I recommend the passage of the bill to the Members. [Applause.]

Mr. KOCIALKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, as a member of the Insular Affairs Committee, and particularly as a Member of Congress from a cotton State and a cotton-growing district in that State, I want to make a few remarks for the RECORD at this time. The chief exports from the Philippines are sugar, cordage, and coconut oil. Cordage amounts to very little. Philippine cordage is made of hemp, and it contains no cotton whatever. It is one of the minor industries of the three.

Mr. Speaker, I am going to vote for this bill, and I favor the bill for the reason that it meets with the desires of the Philippine people and it meets with the desires of the American manufacturers, and will work no hardship upon the American consumer. We must bear in mind, however, that there are only 4,000 people employed in cordage manufacturing in this country. I want the House to distinctly understand that this is not going to be an opening wedge for the purpose of making possible in the future the shipping in of large quantities of coconut oil to compete with the cottonseed-oil industry of the South, which is, of course, a major industry in this country. I want it to appear very distinctly in the RECORD that this bill has the approval, as has been shown here today, of the Philippine people as well as the people in this country. If a similar revision of the Tydings-McDuffie Act is asked for and everybody agrees, I will be willing to agree also. The Tydings-McDuffie Independence Act lays down certain quotas with reference to shipments from the Philippine Islands into this country. We are changing that act by this bill, and I want to have the RECORD show distinctly that we are changing it only because it meets with the approval of both contracting parties, the Government of the United States and the Philippine Islands.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. The gentleman talks about cottonseed importations. The gentleman knows that owing to the unfortunate cotton policy of the administration the exports are decreasing tremendously, and if continued, there will not be any.

Mr. MAHON. I want the gentleman to distinctly understand that we have vast quantities of cottonseed oil in this country, and I think we are able to supply the demand for all the cottonseed oil that this country needs. I do not want to be unfair and I do not want to discriminate against the cottonseed producers of this country in favor of the coconut-oil producers over there. Our first duty is to the United States.

Mr. MARTIN of Massachusetts. The importations have been very heavy in the past year of cottonseed oil.

Mr. MAHON. There have not been great importations.

Mr. DINGELL. Has the gentleman any figures on that?

Mr. MARTIN of Massachusetts. I can put them in the RECORD.

Mr. MAHON. This country has a tremendous amount of cottonseed oil and we do not require the importation of oil from the Philippine Islands to compete with cottonseed oil.

[Here the gavel fell.]

Mr. KOCIALKOWSKI. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. CRAWFORD. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. CRAWFORD. May I ask the gentleman this question? Down in Texas there they grow cotton and sugarcane. Will the gentleman go along on sugar the same as he proposes to go along on cotton so that the sugar boys of the South, the North, and the West will be fully protected in the same manner?

Mr. MAHON. Yes; but I am not going to vote to raise the quota of sugar or coconut oil from the Philippine Islands into this country, unless it meets with the approval of the sugar producer and the cottonseed producer, at the time the bill is brought up here for consideration. I do not wish to be arbitrary but I wish to sound the warning that the cotton producer will seriously oppose an increased quota of coconut oil from the Philippines. The Tydings-McDuffie Act is a kind of independence contract between the United States and the Philippine Islands. I rather hate to see it changed after the agreement has been entered into. However, we are changing it today by what might be called mutual consent of the contracting parties. Our sugar and cottonseed producers in this country are in distress, and we cannot consider this bill as an opening wedge, to later revise upward the quotas of sugar and coconut oil from the Philippines to this country to the detriment of our producers.

Mr. CRAWFORD. I will be glad to go along with the gentleman on that.

[Here the gavel fell.]

Mr. KOCIALKOWSKI. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion to suspend the rules and pass the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 7348) was laid on the table.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—THADDEUS C. KNIGHT (H. DOC. NO. 214)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 2294, entitled "An act for the relief of Thaddeus C. Knight."

In view of the statements contained in the accompanying report of the Acting Secretary of War, dated May 27, 1935, I do not feel that I would be justified in giving my approval to this legislation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 3, 1935.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. McSWAIN. Mr. Speaker, I move that the message of the President and the accompanying bill be referred to the Committee on Military Affairs and ordered printed.

The motion was agreed to.

"HOT OIL" IN TEXAS

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, on behalf of the independent oil men of Texas, one of my good friends, Mr. A. M. Howsley, of Albany, Tex., is here in Washington with Mr. Charlie F. Roeser, another good friend from Fort Worth, Tex., whom all the Texas Members know, and whose main office of Roeser-Pendleton Co. is in my district at Albany, Tex.

Mr. Howsley has prepared and handed me his views on oil importations, and I want to read his statement, to which I desire to call the attention of the House.

(After reading a portion of such statement, Mr. BLANTON secured permission to print the balance of Mr. Howsley's statement in the RECORD, hence it appears in its entirety as follows:)

"HOT OIL" FROM FOREIGN COUNTRIES

If the State of Texas were dumping 1,900,000 barrels of "hot oil" on the market in a single month, the whole domestic petroleum industry, with the exception of the "hot oilers" themselves, would be clamoring for Congress to do something, to do anything to stop this dumping. A much smaller overproduction caused us to pass the Connally "Hot Oil" Act, which was proposed by a Texan, supported by Texans, and is proving invaluable to Texas.

Today the importers of cheap foreign petroleum are the "hot-oil" menace of the industry and of the whole national recovery program. They brought into the country in the single month of March 1,900,000 barrels of petroleum products in excess of the authorized importations under the limitation placed by Executive order of the Oil Administrator. Ever since the March 1933 conference of the oil industry in Washington, held under the auspices of the Secretary of the Interior, it has been agreed that the importations of crude petroleum and its products into this country should be at an average rate of 108,000 barrels per day, this being the approximate average of daily imports during the last 6 months of 1932. After the adoption of the code the same limitation was continued. During the month of March, according to figures made available by the United States Tariff Commission, the total of these importations, exclusive of products brought into this country under bond and for reexport, was 5,257,127 barrels. The amount of authorized imports under the agreement previously mentioned was 3,348,000 barrels.

When nearly 2,000,000 barrels of "hot oil" displace that quantity of domestic oil in the seaboard markets of the country it becomes increasingly difficult for the American petroleum industry to continue its recovery.

"Hot oil" is "hot oil" whether it is produced in some flush field in this country or whether it is imported from abroad. "Hot oil" is simply oil that is produced in excess of the legal allowables. Those who import it are destroying opportunities for American capital invested in American enterprises in this country where American taxes must be paid. They are destroying opportunities for American workers. They are reducing the consuming power of this Nation. They are exploiting for their own pocketbooks and own advantage the recovery program upon which this Nation has already spent billions of dollars and is planning to spend billions more.

When the Connally "hot-oil" bill was discussed on the floor of this House, the domestic producers of "hot oil" were pilloried as practically guilty of thievery. What difference is there between the "hot-oil" operator who wrecks the market by an excess of illegal production of domestic petroleum and the importers of cheap foreign oil, who, in the course of a single month, throw on the market nearly 2,000,000 barrels of oil which is in excess of the limitation which they themselves have accepted and to which the domestic producing branch of the industry have agreed.

The increase in imported foreign petroleum and its products may indicate the reason why some of the larger companies in the petroleum industry are bitterly opposed to the adoption of the Federal petroleum bill. That bill provides that the imports shall be 4.5 percent of the demand in this country and for export. The imports during March were far in excess of that amount. The estimated demand for domestic consumption and for export during the month of March 1935, according to the Statistical Bulletin of the American Petroleum Institute, dated May 7, was 86,752,000 barrels. At the ratio set up under the Federal petroleum bill of 4.5 percent, then 3,503,840 barrels might be admitted. According to the United States Tariff Commission, the total imports during the month of March, exclusive of that admitted for manufacture in bonded warehouse and for reexport, was 5,257,127 barrels. In other words, 1,753,287 was the amount imported in excess of the amount which would have been permitted to be imported if the proposed Federal petroleum bill were in effect at the present time with the ratio of 4.5 percent. In other words, the importers are today bringing into the country 50 percent more of foreign petroleum and its products than they would be allowed to bring in if that bill were in effect today.

A large portion of the petroleum imports are made up of fuel oil for supplies of vessels. This accounted for 2,287,968 barrels during the month of March. This fuel oil is exempt from the duty of one-half cent per barrel levied upon other fuel-oil imports into this country. This is a result of the amendment made to the revenue act which was adopted without full realization of its import by at least some Members of the Congress in 1933. This oil for supplies of vessels takes away one of the most important markets of the domestic producer and turns it over to importers of oil produced in foreign countries which do not have our American standards of living, our American wage scales, or our American maximum hours for workers.

The $2,000,000,000 appropriation, originally made by Congress, would involve large purchases of crude petroleum and its products. If the present situation in regard to imports is allowed to continue, it will mean that a considerable portion of these billions of dollars intended to relieve poverty and unemployment in this country will, through purchases of foreign petroleum products, be sent away to other lands and benefit the people in those countries rather than in our own.

By countenancing or at least permitting the excessive importation of foreign oil, we are, in effect, granting a subsidy of millions of dollars to the importers. This is especially true of those who are importing fuel oil for supplies to vessels. Their freedom from the excise tax grants them an improper advantage over producers of domestic fuel oil. This subsidy naturally increases the burden which must be borne by business and by industry and, if we should analyze the situation sufficiently far, might be found to be one of the many factors which prevent a more rapid decrease in our unemployment figures.

In defense of the oil-producing States of the Union and of the oil industry, which is such an important factor in the industrial life of those States, notably of my own State of Texas, some action should be taken at this session of Congress to stop this unfair competition of a cheap foreign product with our domestic oil. A definite limitation on imports should be established. Once established, it should be enforced. Penalties should be imposed upon those guilty of violation. It should be driven home to the handful of wealthy corporations which are now importing this oil that if it is criminal to produce "hot oil" from our domestic fields, it is equally criminal to import oil in excess of the restrictions on importations.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to put the balance of the statement in the RECORD and to extend my own remarks thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

NATIONAL PARK TRUST FUND BOARD

Mr. MAVERICK. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 6734) to create a National Park Trust Fund Board, and for other purposes, as amended.

The Clerk read the bill, as follows:

Be it enacted, etc., That a board is hereby created and established, to be known as the National Park Trust Fund Board (hereinafter referred to as the Board), which shall consist of the Secretary of the Treasury, the Secretary of the Interior, the Director of the National Park Service, and two persons appointed by the President for a term of 5 years each (the first appointments being for 3 and 5 years, respectively). Three members of the Board shall constitute a quorum for the transaction of business, and the Board shall have an official seal, which shall be judicially noticed. The Board may adopt rules and regulations in regard to its procedure and the conduct of its business.

No compensation shall be paid to the members of the Board for their services as such members, but they shall be reimbursed for the expenses necessarily incurred by them, out of the income from the fund or funds in connection with which such expenses are incurred. The voucher of the chairman of the Board shall be sufficient evidence that the expenses are properly allowable.

SEC. 2. The Board is hereby authorized to accept, receive, hold, and administer such gifts or bequests of personal property for the benefit of, or in connection with, the National Park Service, its activities, or its service, as may be approved by the Board.

The moneys or securities composing the trust funds given or bequeathed to the Board shall be receipted for by the Secretary of the Treasury, who shall invest, reinvest, or retain investments as the Board may from time to time determine. The income, as and when collected, shall be covered into the Treasury of the United States in a trust-fund account to be known as the "National Park Trust Fund" subject to disbursement by the Division of Disbursement, Treasury Department, for the purposes in each case specified: *Provided, however*, That the Board is not authorized to engage in any business, nor shall the Secretary of the Treasury make any investment for account of the Board that may not lawfully be made by a trust company in the District of Columbia, except that the Secretary may make any investments directly authorized by the instrument of gift, and may retain any investments accepted by the Board.

SEC. 3. The Board shall have perpetual succession, with all the usual powers and obligations of a trustee, including the power to sell, except as herein limited, in respect of all property, moneys, or securities which shall be conveyed, transferred, assigned, bequeathed, delivered, or paid over to it for the purposes above specified. The Board may be sued in the Supreme Court of the District of Columbia, which is hereby given jurisdiction of such suits, for the purpose of enforcing the provisions of any trust accepted by it.

SEC. 4. Nothing in this act shall be construed as prohibiting or restricting the Secretary of the Interior from accepting, in the name of the United States, gifts or bequests of money for immediate disbursement or other property in the interest of the National Park Service, its activities, or its service, as heretofore authorized by law.

SEC. 5. Gifts or bequests to or for the benefit of the National Park Service, including those to the Board, and the income therefrom, shall be exempt from all Federal taxes.

SEC. 6. The Board shall submit to the Congress an annual report of the moneys or securities received and held by it and of its operations.

The SPEAKER. Is a second demanded?

Mr. TABER. Mr. Speaker, I demand a second.

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Speaker, the purpose of this bill is to create a National Park Trust Fund Board. This board is to consist of the Secretary of the Treasury, the Secretary of the Interior, the Director of the National Parks Service, and two members who are to be appointed by the President. It is to be the purpose of the board to accept funds of all kinds for a national park trust fund. The reason this board is sought to be created is so that the money can be accepted and can be used properly under the jurisdiction of the Treasury Department.

I am informed that several million dollars will be offered to the Federal Government if this bill is passed, and the various donors of the money want to know that it is going to be properly handled. It is for this reason that the bill is offered.

There was some controversy about the other bill I offered and I withdrew that measure, which was a national-park bill. There appears to be no great controversy about the pending bill. It is simply a routine matter of having money properly cared for by the Federal Government when donations are made to the Federal Government for this purpose.

Mr. TABER. Mr. Speaker, will the gentleman yield for a question?

Mr. MAVERICK. Yes.

Mr. TABER. I understand the gentleman's motion to suspend the rules covers the bill as it was reported out on the 9th of May with the amendments of the Public Lands Committee?

Mr. MAVERICK. Yes; I have asked to suspend the rules and pass the bill with the amendments adopted by the committee and which they worked over for 2 or 3 weeks in order to make the bill proper and suitable to everybody.

Mr. TABER. And the purposes for which the money that is paid to this board can be expended are absolutely limited to the purposes specified by the donors. Is that correct?

Mr. MAVERICK. Yes.

Mr. Speaker, I ask for a vote on the motion to suspend the rules and pass the bill.

The SPEAKER. The question is on the motion of the gentleman from Texas to suspend the rules and pass the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BOEHNE, for 3 days, on account of important business.

RED LAKE TRIBE OF CHIPPEWA INDIANS, OF MINNESOTA, SHOULD BE GIVEN A PAYMENT FROM THEIR OWN TRIBAL FUNDS, AS PROVIDED IN H. R. 4123

Mr. BUCKLER of Minnesota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BUCKLER of Minnesota. Mr. Speaker, I appreciate the opportunity at this time to explain and tell you something about my bill, H. R. 4123, which I introduced on January 17, and which originally provided for the payment of $25 to each enrolled Chippewa Indian of the Red Lake Band, of Minnesota, from the timber funds standing to their credit in the Treasury of the United States.

This bill has had quite a history in it's progress toward consideration here today. I first, of course, asked for a hearing before the Committee on Indian Affairs. The Bureau of Indian Affairs submitted a report after a considerable delay and opposed the bill. Their office must be very busy, as I made personal calls, phoned them, as well as wrote them several times concerning this matter.

At the first hearing on the bill before the Committee on Indian Affairs, and perhaps largely due to the adverse report of the Indian Department and the appearance of Commissioner John Collier and other representatives of the Bureau in opposition to the bill, it was killed by the committee.

However, at this hearing the Indian Department representatives quoted figures showing the balance in the Red Lake Bands' timberland fund which were different from the figures which we had received from the Department by mail. In a personal call at the Department and through other sources various other figures were received showing the balances of this fund.

This difference in figures prompted me to make an effort to get some sort of uniformity. And, of course, I showed quite a number of the members of the committee the erroneous reports received, and by giving various individual members additional information concerning the need of the Red Lake Indians for this small payment at this time, they were courteous enough to give me a reconsideration of the bill in the committee.

At a later hearing the bill was reported out favorably. At this second hearing Mr. Collier and representatives from the Indian Department were present and finally agreed not to oppose the bill if the amount was reduced to a $15 payment. They had opposed the bill originally primarily because the Indians did not have sufficient funds in their treasury, they claimed.

I want to assure you here that this small payment will be of great benefit to the Red Lake Indians to help them buy clothes which many of them need badly, and food and other necessities of life. It is their own money and has accumulated from year to year in the timberland fund proceeds and profits from the timber on their own land. It is no more than fair that this money be given to the Indians. Much of this fund has gone for other expenses and it has been depleted from time to time, and I think it is about time that the Indian himself personally gets some of the money for his own use.

I hope that the gentlemen here will vote favorably on this bill today. I am sure that it will pass and the bill will be sent over to the Senate for further consideration and action. I feel sure that the Senate also will pass this bill which will give the Red Lake Indians this $15 payment.

I thank you.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Commitee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 65. An act to provide for the establishment of a Coast Guard station on the coast of Virginia, at or near the north end of Hog Island, Northampton County;

H. R. 231. An act for the relief of Thomas M. Bardin;

H. R. 285. An act for the relief of Elizabeth M. Halpin;

H. R. 1291. An act for the relief of the Muncy Valley Private Hospital;

H. R. 1492. An act for the relief of Harbor Springs, Mich.;

H. R. 2015. An act for a Coast Guard station at the eastern entrance to Cape Cod Canal, Mass.;

H. R. 2689. An act for the relief of Mary Ford Conrad;

H. R. 3073. An act for the relief of William E. Smith;

H. R. 3285. An act authorizing a preliminary examination of the Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Onondaga, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates, and Ontario Counties, N. Y., with a view to the controlling of floods;

H. R. 4528. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 4630. An act for the relief of William A. Ray;

H. R. 4708. An act for the relief of E. F. Droop & Sons Co.;

H. R. 5210. An act to provide funds for cooperation with school district no. 17–H, Big Horn County, Mont., for extension of public-school buildings, to be available to Indian children;

H. R. 5213. An act to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children;

H. R. 5216. An act to provide funds for cooperation with Harlem School District No. 12, Blaine County, Mont., for extension of public-school buildings and equipment to be available for Indian children;

H. R. 5547. An act to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo.;

H. R. 6204. An act to authorize the assignment of officers of the line of the Navy for aeronautical engineering duty only, and for other purposes;

H. R. 6315. An act to provide funds for cooperation with the school board at Medicine Lake, Mont., in construction of a public-school building to be available to Indian children of the village of Medicine Lake, Sheridan County, Mont.;

H. R. 6372. An act to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail;

H. R. 6834. An act to revive and reenact the act entitled "An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.;

H. R. 6859. An act granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Wacca-

maw River at or near Old Pireway Ferry Crossing, North Carolina;

H. R. 6997. An act authorizing the State of Illinois and the State of Missouri to construct, maintain, and operate a free highway bridge across the Mississippi River between Kaskaskia Island, Ill., and St. Marys, Mo.;

H. R. 7291. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Boca Chica, Tex.;

H. R. 7873. An act to give the consent and approval of Congress to the extension of the terms and provisions of the present Rio Grande compact signed at Santa Fe, Mexico, on February 12, 1929, and heretofore approved by act of Congress dated June 17, 1930 (Public, No. 370, 71st Cong., 46 Stat. 767);

H. R. 7874. An act to change the name of the German Orphan Asylum Association of the District of Columbia to the German Orphan Home of the District of Columbia; and

H. J. Res. 107. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1935, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

ADJOURNMENT

Mr. CULLEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 8 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 4, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE DISTRICT OF COLUMBIA

(Tuesday, June 4, 10 a. m.)

Subcommittee on Judiciary will hold hearings on bill (H. R. 6720) amending divorce laws, in room 345 Old House Office Building.

(Tuesday, June 4, 10:30 a. m.)

Committee will hold hearings on various bills.

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Tuesday, June 4, 10 a. m.)

Subcommittee will hold hearings on bill (H. R. 7155) pertaining to railway mail laborers.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

369. A communication from the President of the United States, transmitting a deficiency estimate of appropriation submitted by the George Rogers Clark Sesquicentennial Commission to pay a claim of D. Frank Culbertson, vice chairman of the commission, certified by the Comptroller General of the United States in the sum of $1,875.67, which requires an appropriation for payment (H. Doc. No. 212); to the Committee on Appropriations and ordered to be printed.

370. A communication from the President of the United States, transmitting two supplemental estimates of appropriations for the Treasury Department for the fiscal year 1936, totaling $29,550 (H. Doc. No. 213); to the Committee on Appropriations and ordered to be printed.

371. A letter from the Chairman of the Federal Power Commission, transmitting three copies of the compilation of the domestic and residential rates in effect in the State of Rhode Island on January 1, 1935 (rate series no. 2, State Rept. No. 4); to the Committee on Interstate and Foreign Commerce.

372. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects destroyed in a fire at the Radio Direction Finder Station, North Truro, Mass., on December 27, 1934; to the Committee on Claims.

373. A letter from the Secretary of the Treasury, transmitting draft of a proposed bill authorizing and directing the Comptroller General of the United States to credit in the accounts of Edgar M. Barber, special disbursing agent, Paris, France, the sum of $51.25, and in the accounts of Leo Martinuzzi, former customs clerk, the sum of $274.50; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BRUNNER: Committee on the Post Office and Post Roads. Senate Joint Resolution 92. Joint resolution making final disposition of records, files, and other property of the Federal Aviation Commission; without amendment (Rept. No. 1058). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. Senate Joint Resolution 96. Joint resolution to carry out the intention of Congress with reference to the claims of the Crow Tribe of Indians of Montana and any band thereof against the United States; without amendment (Rept. No. 1081). Referred to the Committee of the Whole House on the state of the Union.

Mr. RYAN: Committee on Indian Affairs. H. R. 6228. A bill authorizing a capital fund for the Chippewa Indian Cooperative Marketing Association; with amendment (Rept. No. 1082). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'MALLEY: Committee on Indian Affairs. H. R. 6869. A bill authorizing the Chippewa Indians of Wisconsin to submit claims to the Court of Claims; with amendment (Rept. No. 1083). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITTINGTON: Committee on Expenditures in the Executive Departments. H. R. 7590. A bill to create a Central Statistical Committee and a Central Statistical Board, and for other purposes; with amendment (Rept. No. 1084). Referred to the Committee of the Whole House on the state of the Union.

Mr. KNUTE HILL: Committee on Indian Affairs. H. R. 7779. A bill conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon; with amendment (Rept. No. 1085). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 7994. A bill to provide a preliminary examination of Goldsborough Creek, in Mason County, State of Washington, with a view to the control of its floods; without amendment (Rept. No. 1086). Referred to the Committee of the Whole House on the state of the Union.

Mr. HIGGINS of Massachusetts: Committee on the Post Office and Post Roads. H. R. 8002. A bill to increase the compensation of letter carriers in the village delivery service; with amendment (Rept. No. 1087). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 8030. A bill to authorize a preliminary examination of Republican River, Smoky Hill River, and minor tributaries of Kansas River, in the State of Kansas, with a view to the control of their floods; without amendment (Rept. No. 1088). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 8057. A bill to authorize and adopt certain public-works projects for controlling floods, improving navigation, regulating the flow of certain streams of the United States, and for other purposes; without amendment (Rept. No. 1089). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK: Committee on Indian Affairs. S. 381. An act for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico; without amendment (Rept. No. 1090). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. S. 1504. An act authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes;

without amendment (Rept. No. 1091). Referred to the Committee of the Whole House on the state of the Union.

Mr. SWEENEY: Committee on the Post Office and Post Roads. H. R. 7506. A bill to provide for a stenographic grade in the offices of Chief Clerk and Superintendent in the Railway Mail Service; with amendment (Rept. No. 1092). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 7995. A bill to authorize a preliminary examination and survey of the Arkansas River and Fourche Bayou with a view to the control of floods in the vicinity of Little Rock and North Little Rock, Ark.; with amendment (Rept. No. 1093). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DICKSTEIN: Committee on Claims. S. 276. An act for the relief of Harry Layman; without amendment (Rept. No. 1059). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 258. A bill for the relief of Emma B. Hine; with amendment (Rept. No. 1060). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 605. A bill for the relief of Joseph Maier; with amendment (Rept. No. 1061). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 653. A bill for the relief of George R. Brown; with amendment (Rept. No. 1062). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 970. A bill for the relief of the United States Bank of St. Louis, Mo.; with amendment (Rept. No. 1063). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. H. R. 1917. A bill for the relief of Etta A. Shepard; with amendment (Rept. No. 1064). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 2335. A bill for the relief of Cora Akins; with amendment (Rept. No. 1065). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 2411. A bill for the relief of E. F. Purvis; with amendment (Rept. No. 1066). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 3509. A bill for the relief of the legal guardian of Nick Vasilzevic; with amendment (Rept. No. 1067). Referred to the Committee of the Whole House.

Mr. NICHOLS: Commitete on Claims. H. R. 3965. A bill for the relief of Prince Royal, Sr., Kathleen Royal Hayes, Victor A. Royal, Lucile Royal, and Prince Royal, Jr.; with amendment (Rept. No. 1068). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 4601. A bill for the relief of the heirs of Gladys Picklesimer; with amendment (Rept. No. 1069). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 5492. A bill for the relief of Henry Scipper; without amendment (Rept. No. 1070). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 5525. A bill for the relief of George Current; without amendment (Rept. No. 1071). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 5771. A bill for the relief of Flora Jacobs, administratrix of the estate of A. L. Jacobs, deceased; with amendment (Rept. No. 1072). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 5772. A bill for the relief of Raphael Levy; with amendment (Rept. No. 1073). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H. R. 5816. A bill to provide an appropriation for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosion at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926; with amendment (Rept. No. 1074). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 6137. A bill for the relief of the Otto Misch Co.; with amendment (Rept. No. 1075). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 6444. A bill for the relief of Jane Alice Everson; with amendment (Rept. No. 1076). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 6488. A bill for the relief of Wayne M. Cotner; with amendment (Rept. No. 1077). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 6587. A bill for the relief of certain purchasers of land in the borough of Brooklawn, State of New Jersey; without amendment (Rept. No. 1078). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 7099. A bill for the relief of Rocco D'Amato; without amendment (Rept. No. 1079). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Indian Affairs. H. R. 7350. A bill for the relief of the rightful heirs of Tiwastewin or Anna; with amendment (Rept. No. 1080). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 8237) extending the benefits of the Emergency Officers' Retirement Act to Cornelius O. Bailey; Committee on Pensions discharged, and referred to the Committee on Military Affairs.

A bill (H. R. 6493) granting a pension to Mary J. Whistler; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CROSS of Texas: A bill (H. R. 8309) authorizing the Attorney General of the United States, when in doubt as to the constitutionality of any act passed by the Congress and approved by the President, to submit such act immediately to the United States Supreme Court, requesting in writing the Court's written opinion as to the constitutionality of such act; to the Committee on the Judiciary.

By Mr. SAMUEL B. HILL: A bill (H. R. 8310) to provide for the construction of a post office at Republic, Wash.; to the Committee on Public Buildings and Grounds.

By Mr. MAHON: A bill (H. R. 8311) to amend section 108 of the Judicial Code to provide for a new division of the northern district of Texas; to the Committee on the Judiciary.

By Mr. MOTT: A bill (H. R. 8312) to add certain lands to the Rogue River National Forest in the State of Oregon; to the Committee on the Public Lands.

By Mrs. NORTON (by request): A bill (H. R. 8313) to provide for enforcing the lien of the District of Columbia upon real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes; to the Committee on the District of Columbia.

By Mr. COCHRAN: A bill (H. R. 8314) to repeal section 3345, Revised Statutes of the United States, relating to the removal of malt liquors from brewery premises without stamps, to enact a new section in lieu thereof, and for other purposes; to the Committee on Ways and Means.

By Mr. EDMISTON: A bill (H. R. 8315) to require statements of the foreign origin of articles to be included in advertisements of such articles; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Oklahoma: A bill (H. R. 8316) to exempt the Indian Service within the State of Oklahoma from the requirements of section 4 of Executive Order No. 6166, dated June 10, 1933; to the Committee on Indian Affairs.

By Mr. HOEPPEL: A bill (H. R. 8317) providing relief for persons disabled in the Army, Navy, Marine Corps, and Coast Guard; to the Committee on Military Affairs.

By Mr. McFARLANE: A bill (H. R. 8318) to incorporate the veterans of all wars; to the Committee on the Judiciary.

Also, a bill (H. R. 8319) to transfer Hardeman County from the Fort Worth division to the Wichita Falls division of the northern Texas judicial district; to the Committee on the Judiciary.

By Mr. KNUTSON: Resolution (H. Res. 236) directing the Secretary of State to transmit to the House of Representatives information touching upon the failure of the Republics of Brazil and Colombia to ratify certain trade agreements; to the Committee on Ways and Means.

By Mr. MAVERICK: Resolution (H. Res. 237) expressing the sense of the House of Representatives that the Attorney General forthwith proceed to prosecute all violations of the antitrust laws; to the Committee on the Judiciary.

By Mr. O'MALLEY: Resolution (H. Res. 238) directing the Doorkeeper to have printed for occupants of the galleries of the House 100,000 pamphlets explaining how the House conducts its business; to the Committee on Printing.

By Mr. PATMAN: Resolution (H. Res. 239) amending House Resolution No. 203 (74th Cong., 1st sess.); to the Committee on Rules.

By Mrs. NORTON (by request): Joint resolution (H. J. Res. 307) authorizing the erection of a memorial to the early settlers whose land grants embrace the site of the Federal city; to the Committee on the Library.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the State of California, memorializing the President and the Congress to enact Senate bill 1952; to the Committee on the Civil Service.

Also, memorial of the State of California, memorializing the President and the Congress to enact House bill 5359; to the Committee on Education.

Also, memorial of the State of California, memorializing the President and the Congress to enact House bill 4688; to the Committee on Labor.

Also, memorial of the State of Florida, transmitting Senate Memorial No. 24 requesting the Congress of the United States to investigate various bondholders committees; to the Committee on the Judiciary.

Also, memorial of the State of California, memorializing the President and the Congress to adopt legislation for the employment of jobless citizens in the mining of chromium and tin deposits of the United States; to the Committee on Mines and Mining.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII private bills and resolutions were introduced, and severally referred as follows:

By Mr. BOEHNE: A bill (H. R. 8320) for the relief of Mrs. John H. Wilke; to the Committee on Claims.

By Mr. BUCKLER of Minnesota: A bill (H. R. 8321) for the relief of Julia Long; to the Committee on Claims.

Also, a bill (H. R. 8322) for the relief of Merwin A. Kiel; to the Committee on Claims.

By Mr. DICKSTEIN: A bill (H. R. 8323) for the relief of Eva Markowitz; to the Committee on Claims.

By Mr. DUNN of Pennsylvania: A bill (H. R. 8324) for the relief of George Modran; to the Committee on Military Affairs.

By Mr. ELLENBOGEN: A bill (H. R. 8325) to correct the Army record of Charles D. Morris; to the Committee on Military Affairs.

By Mr. GINGERY: A bill (H. R. 8326) granting an increase of pension to Sarah E. Kennedy White; to the Committee on Invalid Pensions.

By Mr. GRANFIELD: A bill (H. R. 8327) for the relief of Walter Tuleja; to the Committee on Claims.

By Mr. HOLMES: A bill (H. R. 8328) for the relief of the city of Worcester, Mass.; to the Committee on Claims.

By Mr. LARRABEE: A bill (H. R. 8329) granting a pension to Nellie M. Taylor; to the Committee on Invalid Pensions.

By Mr. McGROARTY: A bill (H. R. 8330) for the relief of William Blakley; to the Committee on Claims.

Also, a bill (H. R. 8331) for the relief of William Blakley; to the Committee on World War Veterans' Legislation.

By Mr. McSWAIN: A bill (H. R. 8332) to provide for the reappointment of Harrison S. Markham as a second lieutenant, United States Army; to the Committee on Military Affairs.

By Mr. MASON: A bill (H. R. 8333) for the relief of Percy A. Casserleigh; to the Committee on Claims.

By Mr. MITCHELL of Tennessee: A bill (H. R. 8334) for the relief of Mrs. J. O. Massey and Mrs. James Huskey, sisters of deceased Spanish-American War Veteran Claud Payne; to the Committee on Pensions.

Also, a bill (H. R. 8335) authorizing the President of the United States to correct the military record of Private Winchester Buford Dowell; to the Committee on Military Affairs.

By Mr. PARKS: A bill (H. R. 8336) for the relief of Abner E. McGuire; to the Committee on Claims.

By Mr. PETERSON of Florida: A bill (H. R. 8337) granting a pension to Arthur Tomlinson; to the Committee on Pensions.

By Mr. SCHNEIDER: A bill (H. R. 8338) granting a pension to Leah A. Rowe; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 8339) granting an increase of pension to Georgiana P. Nichols; to the Committee on Invalid Pensions.

By Mr. TURNER: A bill (H. R. 8340) for the relief of Wheeler Marvin Beasley; to the Committee on Military Affairs.

By Mr. WALLGREN: A bill (H. R. 8341) to provide for a preliminary examination of Cedar River and its tributaries in the State of Washington, with a view to the control of its flood waters; to the Committee on Flood Control.

Also, a bill (H. R. 8342) to provide a preliminary examination of Nisqually River in the State of Washington, with a view to the control of its flood waters; to the Committee on Flood Control.

By Mr. WITHROW: A bill (H. R. 8343) granting an increase of pension to Edith Pullen; to the Committee on Invalid Pensions.

By Mr. SAMUEL B. HILL: Joint resolution (H. J. Res. 306) granting compensation to Rasmus Bech; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8674. By Mr. BELL: Petition of employed workers of Kansas City, Mo., protesting against the enactment of the Wagner labor-disputes bill, presented by Dr. Ralph E. Duncan; to the Committee on Labor.

8675. By Mr. CONNERY: Resolution commending the President of the United States for his courage in urging Congress to take the profits out of war, and requesting that the President and Congress take the profits out of the manufacture of munitions by way of preparedness for war; to the Committee on Military Affairs.

8676. Also, letter from the executive committee of the American Legion, Department of Massachusetts, urging the Congress of the United States to enact legislation now pending providing for the issuance on July 9, 1935, of a special commemorative stamp in honor of the one hundred and fiftieth anniversary of the termination of Commodore Barry's services with the American Revolutionary Forces; to the Committee on the Post Office and Post Roads.

8677. Also, resolution of the General Court of Massachusetts, memorializing Congress in favor of additional appropriations of money for use by the Home Owners' Loan Corporation in continuing its activities; to the Committee on Appropriations.

8678. Also, resolution of the Second Interstate Assembly, urging Members of Congress to support House Joint Resolution 156, providing for an appropriation of $40,000 to the Interstate Reference Bureau for the current year; to the Committee on Appropriations.

8679. By Mr. DOBBINS: House Joint Resolution No. 51, adopted by the Senate and House of Representatives of the General Assembly of Illinois, urging Congress to provide protection against injury to the agricultural interests of the United States resulting from increased importations of tapioca, sago, and cassava, and urging favorable action on House bill 6961; to the Committee on Ways and Means.

8680. By Mr. JOHNSON of Texas: Memorial of Dr. W. Duke Pittman, Mexia, Tex., opposing House bill 8158; to the Committee on the District of Columbia.

8681. Also, petition of H. Jarrett, of Hillsboro, Tex., favoring House Joint Resolution 219, extending the Emergency Railroad Transportation Act; to the Committee on Interstate and Foreign Commerce.

8682. Also, petition of M. B. Luker, Joe King, W. E. Harris, R. A. Reynolds, R. Keeton, and L. A. Norwood, of Hubbard, Tex., favoring the Crosser railroad pension bill and the Wheeler bill, extending the Emergency Transportation Act; to the Committee on Interstate and Foreign Commerce.

8683. By Mr. KENNEY: Resolution of Pride of Patriotic Council, No. 199, Sons and Daughters of Liberty of West New York, urging Congress to defeat House bill 6795, alien deportation law; to the Committee on Immigration and Naturalization.

8684. Also, resolution of the International Association of Machinists, Terminal Lodge, No. 1154, of Jersey City, N. J., supporting the Wagner labor-disputes bill; to the Committee on Labor.

8685. By Mr. LUCKEY: Memorial of the Nebraska State Senate, memorializing the Congress of the United States to make a complete investigation of the sugar-beet industry; to the Committee on Agriculture.

8686. By Mr. MEAD: Petition of the taxpayers of the city of Buffalo, requesting that the Federal Government appropriate funds to construct a sewage-disposal system to include Buffalo and the entire Niagara frontier; to the Committee on Appropriations.

8687. Also, petition of the employees of the General Cable Corporation of Buffalo, N. Y., requesting Congress not to permit the passage of Senate bill 1095, Wagner labor-disputes bill; to the Committee on Labor.

8688. By Mr. PFEIFER: Petition of the Central Union Label Council of Greater New York, concerning the Wagner labor-disputes bill; to the Committee on Labor.

8689. Also, petition of the New York State Bankers' Association, New York City, concerning the Banking Act of 1935 (S. 1715 and H. R. 7617); to the Committee on Banking and Currency.

8690. Also, telegram from the Bricklayers Union No. 9, Brooklyn, N. Y., Charles Pflaum, secretary, concerning the Wagner labor-disputes bill; to the Committee on Labor.

8691. Also, petition of the United Upholsterers' Union, Local 44, New York, concerning the Wagner labor-disputes bill; to the Committee on Labor.

8692. Also, petition of the Chamber of Commerce of the State of New York, New York City, concerning the Wagner labor-disputes bill; to the Committee on Labor.

8693. Also, petition of the Nu-Era Steamship Corporation, New York City, favoring the Copeland-Bland bill; to the Committee on Merchant Marine and Fisheries.

8694. By Mr. RUDD: Petition of Grand Lodge, Brotherhood of Railroad Trainmen, concerning the Pettingill bill (H. R. 3263); to the Committee on Interstate and Foreign Commerce.

8695. Also, petition of Brotherhood of Painters, Decorators, and Paperhangers of America, Local Union No. 1035, Jamaica, N. Y., P. Kizenberger, recording secretary, South Ozone Park, Long Island, N. Y., concerning the Wagner labor-disputes bill; to the Committee on Labor.

8696. Also, petition of Bricklayers Union No. 9, Brooklyn, N. Y., Charles Pflaum, secretary, Brooklyn, N. Y., concerning the Wagner labor-disputes bill; to the Committee on Labor.

8697. By Mr. TONRY: Resolution of the Holy Name Society of St. Patricks Church, of Brooklyn, N. Y., protesting against the religious persecution in Mexico; to the Committee on Foreign Affairs.

8698. By Mr. TRUAX: Petition of the International Brotherhood of Electrical Workers, Dayton, Ohio, by their recording secretary, Jack Silverman, urging support of House bill 7878, to amend the Classification Act of March 4, 1923, as amended; to the Committee on the Civil Service.

8699. Also, petition of Mary McClelland and other citizens of Fredericktown and Mount Vernon, Ohio, urging support of Senate bill 2228 and House bill 7160, which provide for appropriations for agricultural education and agricultural extension work as this depression has made necessary a definite program for the development of agriculture along new lines and they feel sure that the plans as represented by the above bills will meet the requirements; to the Committee on Agriculture.

8700. Also, petition of Bricklayers' and Masons' International Union, No. 37, Sandusky, Ohio, by their secretary, Leonard H. Ferback, urging support of the Wagner labor-relations bill and the Black-Connery 30-hour-week bill; to the Committee on Labor.

8701. Also, petition of H. N. Smith, recording secretary of the United Brotherhood of Carpenters and Joiners of America, Springfield, Ohio, urging support of the Wagner labor-disputes bill; to the Committee on Labor.

8702. Also, petition of the City Council of Zanesville, Ohio, May 27, 1935, by their president, Charles G. Wiltshire, regarding certain highway projects under the supervision and direction of the Federal Department of Highways and the State department of highways; to the Committee on the Post Office and Post Roads.

8703. By Mr. WELCH: Joint Resolution No. 12 of the California State Senate relative to memorializing the President and the Congress of the United States to enact House bill 4688; Assembly Joint Resolution No. 50, relative to memorializing the President and the Congress to enact House bill 5359; Assembly Joint Resolution No. 53, relative to memorializing the President and the Congress to enact Senate bill 1952; and Senate Joint Resolution No. 10, relative to memorializing the President and the Congress to adopt legislation for the employment of jobless citizens in the mining of cromium and tin deposits of the United States; to the Committee on Ways and Means.

8704. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, requesting the Works Allotment Board for a portion of the Public Works Administration fund for repair of city sidewalks and streets; to the Committee on Appropriations.

8705. Also, memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to eliminate the long- and short-haul clause from the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

8706. By the SPEAKER: Petition of Percy Howard O'Brien, of Los Angeles, Calif.; to the Committee on Banking and Currency.

8707. Also, petition of the Good Will and Boosters Organization of Union Pacific System of Hastings, Nebr., in associate meeting; to the Committee on Interstate and Foreign Commerce.

8708. Also, petition of R. P. Dunlap and Charles V. Tyke, of Kansas City, Mo.; to the Committee on Ways and Means.

8709. Also, petition of Chapter 152 of the Railroad Employees National Pension Association of Sunbury, Pa.; to the Committee on the Judiciary.

8710. Also, petition of the city of Chelsea, Mass.; to the Committee on Ways and Means.

8711. Also, petition of the New Jersey Mosquito Extermination Association; to the Committee on Agriculture.

SENATE

TUESDAY, JUNE 4, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, at the expiration of the recess, and the President pro tempore assumed the chair.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, June 3, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Radcliffe
Ashurst	Copeland	Lewis	Reynolds
Austin	Costigan	Logan	Robinson
Bachman	Couzens	Lonergan	Russell
Bailey	Dickinson	McAdoo	Schall
Bankhead	Dieterich	McCarran	Schwellenbach
Barbour	Donahey	McGill	Sheppard
Barkley	Duffy	McKellar	Shipstead
Black	Fletcher	McNary	Smith
Bone	Frazier	Maloney	Steiwer
Borah	George	Metcalf	Thomas, Okla.
Brown	Gerry	Minton	Thomas, Utah
Bulkley	Gibson	Moore	Townsend
Bulow	Glass	Murphy	Trammell
Burke	Guffey	Murray	Truman
Byrd	Hale	Neely	Tydings
Byrnes	Harrison	Norbeck	Vandenberg
Capper	Hastings	Norris	Van Nuys
Caraway	Hatch	Nye	Wagner
Carey	Hayden	O'Mahoney	Walsh
Chavez	Johnson	Overton	Wheeler
Clark	Keyes	Pittman	White
Connally	King	Pope	

Mr. LEWIS. I announce that the Senator from Louisiana [Mr. LONG], the Senator from Mississippi [Mr. BILBO], and the Senator from Oklahoma [Mr. GORE] are unavoidably detained from the Senate. I request that this announcement may stand for the day.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness.

The PRESIDENT pro tempore. Ninety-one Senators have answered to their names. A quorum is present.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES—PRINTING OF CHARTS IN RECORD

Mr. DIETERICH obtained the floor.

Mr. NORRIS. Mr. President, will the Senator from Illinois yield to me, in order that I may make a brief statement about yesterday's RECORD?

Mr. DIETERICH. I yield.

Mr. NORRIS. Mr. President, yesterday I consumed most of the time of the Senate delivering an address on the subject of the pending legislation having to do with holding companies. During the course of that speech I asked to have printed in the RECORD 15 or 16 charts and obtained unanimous consent to have them printed. I find on looking at the RECORD this morning that not a single one of those charts is included in the RECORD, but a statement is made in the RECORD that the charts will appear hereafter in the Appendix.

I had supposed that these charts were all ready, or I should not have delivered the speech which I delivered yesterday. I recognize that the absence of those charts completely nullifies any effect that I could hope to obtain from my address of yesterday. I care nothing about the permanent RECORD because it is this bill that I want to affect, and I realize, that without the charts, what I said makes my address almost meaningless and nullifies it, and that the printing of the charts hereafter without the explanation which I made will make them practically useless as an argument in favor of the pending bill.

With a view to having them printed with my speech the charts had been given to the proper committee more than a week before I delivered the address. I supposed they were in form and ready to be printed in the RECORD. I have copies on my desk now, and had yesterday, of a number of the charts from the Government Printing Office. I have here [indicating] a chart, no. 8, reduced from the chart which hangs on the wall. I have other similar charts here all ready to go in the RECORD, and I supposed they would be printed in the RECORD.

The only thing I have in view is the passage of the pending legislation; and I realize that when the proposed legislation shall have been disposed of the publishing of the charts cannot have any effect and that nothing that I said can have very much, if any, effect without the charts which I was explaining. I just wanted to take this occasion to make this statement.

Mr. BARKLEY. Mr. President, will the Senator from Illinois yield further?

Mr. DIETERICH. I yield.

Mr. BARKLEY. It occurs to me that, in view of the statement of the Senator from Nebraska, it is not out of place to ask unanimous consent that the Senator's address of yesterday be reproduced in the RECORD at this point, and that the charts be printed at the proper places in the RECORD.

Mr. NORRIS. I am told that that cannot now be done; that the Government Printing Office is not ready with them. I do not know who is to blame. I do not blame the committee; I think they did what they could; and I understood from the committee that everything was arranged, and, as a result of telephoning to various members of the committee, I thought that everything would be all right this morning.

Mr. TYDINGS. Mr. President, will the Senator from Illinois yield to me?

Mr. DIETERICH. I yield.

Mr. TYDINGS. I wonder if it would help, in a measure, to correct the injustice which has been done to the Senator from Nebraska if the permanent RECORD should be corrected, so that the charts would there appear at the proper places in the Senator's address?

Mr. NORRIS. I am told that that will be done, but that will be after the pending legislation shall have been disposed of.

Mr. TYDINGS. I understand.

Mr. NORRIS. If I was caring for publicity or something of that kind, that would be all right in a year from now, but the pending bill will be disposed of in a few weeks, and it was for the effect on this proposed legislation that I wanted to address the Senate and to have the charts printed, and I hoped that my remarks might contribute something in its favor.

Mr. BARKLEY. Mr. President, how soon will the Printing Office be ready with the charts?

Mr. NORRIS. I do not know.

Mr. HARRISON. Mr. President, will the Senator yield for a question?

Mr. NORRIS. I do not have the floor; I am speaking only by the kindness of the Senator from Illinois [Mr. DIETERICH], but I yield, if I may.

Mr. HARRISON. Will the Senator from Illinois yield that I may ask the Senator from Nebraska a question?

Mr. DIETERICH. I yield.

Mr. HARRISON. Mr. President, I recall that the Senate adopted some kind of an order that before any charts could be in the RECORD the approval of the Joint Committee on Printing had to be obtained. Did I understand the Senator to say that he had obtained the approval of the committee?

Mr. NORRIS. I understood I had; I had no doubt about it; and, in carrying out the demands of the committee, I submitted the charts to it a week ago. I did not know then when the speech was going to be delivered, but I had expected to deliver it before yesterday; and I cannot understand what is the matter with the Government Printing Office, in view of the fact that I had the printed charts here on my desk.

Mr. HARRISON. Did the Senator inquire of the Government Printing Office why the charts were not published?

Mr. NORRIS. No; I did not. I talked over the telephone last night with nearly everyone who could have anything to

do with the matter and supposed everything was arranged. I talked with the official reporters; I talked with two members of the committee; I talked with the committee clerk who has charge of such matters, and who has had charge of them for many years.

Mr. HARRISON. I should like to observe that, of course, the charts should be included in the remarks of the Senator. I feel quite sure there would be no objection on the part of anyone to having the speech of the distinguished Senator reprinted in the RECORD with the charts as soon as the Government Printing Office states they can be printed. I merely offer that suggestion to the Senator from Nebraska. Some one of us would be glad to submit the request.

(By order of the Joint Committee on Printing Mr. NORRIS' speech was reprinted, charts included, on pp. 8491–8532.)

WASHINGTON-LINCOLN MEMORIAL GETTYSBURG COMMISSION

The PRESIDENT pro tempore. In accordance with the provisions of Public Resolution No. 19 (S. J. Res. 43), approved May 20, 1935, the Chair appoints the Senator from Maryland [Mr. TYDINGS], and the Senator from Pennsylvania [Mr. GUFFEY] as members, on the part of the Senate, of the Washington-Lincoln Memorial Gettysburg Boulevard Commission.

REPORT OF RECONSTRUCTION FINANCE CORPORATION

The PRESIDENT pro tempore laid before the Senate a letter, signed by the Chairman and Secretary of the Reconstruction Finance Corporation, submitting, pursuant to law, a report covering the operations of the Corporation for the first quarter of 1935, and for the period from its organization on February 2, 1932, to March 31, 1935, inclusive, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

AMENDMENT OF SECTION 1383 OF REVISED STATUTES

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1212) to amend section 1383 of the Revised Statutes of the United States, which was to strike out all after the enacting clause and insert:

That section 1383 of the Revised Statutes of the United States is hereby amended by striking out the period at the end of the section, inserting in lieu thereof a colon, and by adding the following: "*Provided*, That such requirement may, in the discretion of the Secretary of the Navy, be waived in the case of such officers who are not accountable for public funds or public property."

Mr. TRAMMELL. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

KENNESAW MOUNTAIN MEMORIAL PARK

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 59) to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SHEPPARD. I move that the Senate insist upon its amendment, accede to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. SHEPPARD, Mr. FLETCHER, and Mr. CAREY conferees on the part of the Senate.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills and joint resolution of the Senate:

S. 1469. An act to transfer certain lands from the Veterans' Administration to the Department of the Interior for the benefit of Yavapai Indians, Arizona;

S. 1513. An act to add certain lands to the Siskiyou National Forest in the State of Oregon;

S. 1539. An act relating to undelivered parcels of the first class;

S. 1712. An act to amend section 4878 of the United States Revised Statutes, as amended, relating to burials in national cemeteries;

S. 1942. An act to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927;

S. 2505. An act authorizing a preliminary examination of Sebewaing River, in Huron County, Mich., with a view to the controlling of floods;

S. 2530. An act to protect American and Philippine labor and to preserve an essential industry, and for other purposes; and

S. J. Res. 130. Joint resolution making immediately available the appropriation for the fiscal year 1936 for the construction, repair, and maintenance of Indian-reservation roads.

The message also announced that the House had passed the bill (S. 462) to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest, in the State of Oregon, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had concurred in the concurrent resolution (S. Con. Res. 16), as follows:

Resolved by the Senate (the House of Representatives concurring), That the action of the Speaker of the House of Representatives and the Vice President of the United States, respectively, in signing the enrolled bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy, and for other purposes, be, and the same is hereby, rescinded; and that the House of Representatives be, and it is hereby, requested to return to the Senate the message announcing its agreement to the amendments of the House to the said bill.

The message also returned to the Senate, pursuant to the terms of Senate Concurrent Resolution 16, the message of the Senate announcing its agreement to the amendments of the House to the bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy, and for other purposes.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1414. An act to provide for the appointment of an additional district judge for the eastern district of Virginia;

H. R. 1993. An act giving superintendents at classified post-office stations credit for substitutes serving under them;

H. R. 2024. An act for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899;

H. R. 3979. An act to safeguard the estates of veterans derived from payments of pension, compensation, emergency officers' retirement pay, and insurance, and for other purposes;

H. R. 4123. An act providing for the payment of $15 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States;

H. R. 4324. An act to carry out certain obligations under certain tribal agreements;

H. R. 4707. An act validating certain applications for and entries of public lands, and for other purposes;

H. R. 5596. An act granting equipment allowance to third-class postmasters;

H. R. 5723. An act to give certain railway postal clerks the same time credits for promotion purposes as were given others who were promoted on July 1 when automatic promotions were restored;

H. R. 5774. An act to authorize a preliminary examination of Rogue River and its tributaries in the State of Oregon with a view to the control of its floods;

H. R. 5775. An act to authorize a preliminary examination of Siuslaw River and its tributaries in the State of Oregon with a view to the control of its floods;

H. R. 5776. An act to authorize a preliminary examination of Yaquina River and its tributaries in the State of Oregon with a view to the control of its floods;

H. R. 5777. An act to authorize a preliminary examination of Siletz River and its tributaries in the State of Oregon with a view to the control of its floods;

H. R. 6465. An act to accept the cession by the State of Arkansas of jurisdiction over all lands now or hereafter included within the Hot Springs National Park, Ark., and for other purposes;

H. R. 6544. An act to conserve the water resources and to encourage reforestation of the watersheds of Santa Barbara County, Calif., by the withdrawal of certain public land, included within the Santa Barbara National Forest, Calif., from location and entry under the mining laws;

H. R. 6616. An act to authorize the Secretary of the Interior to accept from the State of Utah title to a certain State-owned section of land and to patent other land to the State in lieu thereof, and for other purposes;

H. R. 6717. An act to amend section 1 of the act of July 8, 1932;

H. R. 6719. An act to amend the Canal Zone Code;

H. R. 6734. An act to create a National Park Trust Fund Board, and for other purposes;

H. R. 6772. An act to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes;

H. R. 6990. An act to fix the hours of duty of postal employees, and for other purposes;

H. R. 7025. An act authorizing the Secretary of the Interior to furnish transportation to persons in the service of the United States in the Virgin Islands, and for other purposes;

H. R. 7083. An act to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.;

H. R. 7220. An act to provide for the use of the U. S. S. *Olympia* as a memorial to the men and women who served the United States in the War with Spain;

H. R. 7235. An act to amend the act entitled "An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes";

H. R. 7313. An act authorizing a preliminary examination of Gafford Creek, Ark.;

H. R. 7314. An act authorizing a preliminary examination of Point Remove Creek, Ark., a tributary of the Arkansas River;

H. R. 7380. An act authorizing the Virgin Islands Co. to settle valid claims of its creditors, and for other purposes;

H. R. 7451. An act authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.;

H. R. 7600. An act authorizing a preliminary examination of the Tanana River and Chena Slough, Alaska;

H. R. 7680. An act to amend the act of May 18, 1934, providing punishment for killing or assaulting Federal officers;

H. R. 7688. An act to provide for the appointment and promotion of substitute postal employees, and for other purposes;

H. R. 7709. An act to provide time credits for substitute laborers in the Post Office when appointed as regular laborer; and

H. R. 7731. An act to provide for the erection of a statue of Abraham Lincoln in the Gettysburg National Cemetery.

Mr. DIETERICH yielded for the transaction of routine business, as follows:

ADDITIONAL CADETS AT MILITARY ACADEMY

Mr. SHEPPARD. I move to reconsider the action of the Senate in concurring in the amendments of the House to the bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy, and for other purposes.

The motion was agreed to.

Mr. SHEPPARD. I now withdraw the motion to agree to the House amendments, and move that the Senate insist upon its amendments to the bill, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SHEPPARD, Mr. FLETCHER, and Mr. CAREY conferees on the part of the Senate.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate petitions of several citizens of the United States, praying for the enactment of old-age-pension legislation, which were ordered to lie on the table.

He also laid before the Senate a letter from Mrs. Carrie Gorke, of Independence, Oreg., relative to the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the New York Board of Trade, protesting against the enactment of House bill 5357, known as the "Banking Act of 1935", which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Committee Pro-Puerto Rican Economical and Political Legislation, of New York City, N. Y., favoring the enactment of legislation granting social and economic relief to the island of Puerto Rico, which was referred to the Committee on Territories and Insular Affairs.

Mr. WALSH presented resolutions adopted by Beverly Lodge, No. 1254, Loyal Order of Moose, of Beverly, Mass., protesting against the imposition of the cotton-processing tax, and favoring the purchasing of only American-made goods, which were referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by Mollie Pitcher Council No. 10, Sons and Daughters of Liberty, of Natick, Mass., protesting against the enactment of House bill 6795, known as the "Kerr bill", pertaining to the deportation of aliens, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Young Democrats, of Boston, Mass., favoring the adoption of a constitutional amendment giving to Congress the power to regulate the wages, hours, and condition of employment of all persons engaged in industry, which was referred to the Committee on the Judiciary.

He also presented a petition of several citizens of Methuen, Mass., praying for the enactment of old-age-pension legislation, which was ordered to lie on the table.

He also presented a resolution adopted by a meeting of the Bookbinders Joint Conference Board, of Boston and vicinity, in the State of Massachusetts, favoring the enactment of the so-called "Wagner labor-disputes bill" and the "Black-Connery 30-hour work-week bill", which was ordered to lie on the table.

Mr. COOLIDGE presented petitions of members of North Union Lodge No. 74, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, of Boston, and sundry citizens, all in the State of Massachusetts, praying for the enactment of pending legislation extending the effective period of the Emergency Transportation Act, which were ordered to lie on the table.

He also presented the petition of members of Local Union No. 1841, United Textile Workers of America, of Worcester, Mass., praying for the enactment of legislation extending the National Industrial Recovery Act, and also the enactment of the so-called "Wagner labor-disputes bill", which was ordered to lie on the table.

He also presented a petition of sundry citizens of Boston and vicinity, in the State of Massachusetts, praying for the prompt enactment, of old-age-pension legislation, which was ordered to lie on the table.

He also presented a petition of sundry citizens of Worcester, Mass., praying for a rehearing by the Supreme Court of the United States of the so-called "Railroad Retirement Act case", which was ordered to lie on the table.

Mr. JOHNSON presented a joint resolution of the Legislature of the State of California, memorializing Congress to enact Senate bill 1952, to protect unclassified postal employees and to extend to them a civil-service status, which was referred to the Committee on Post Offices and Post Roads.

(See joint resolution printed in full when laid before the Senate by the Vice President on the 3d instant, p. 8484, CONGRESSIONAL RECORD.)

Mr. JOHNSON also presented a joint resolution of the Legislature of the State of California, memorializing Congress to enact House bill 4688, to aid in the rehabilitation of employable blind persons in the United States, which was referred to the Committee on Education and Labor.

(See joint resolution printed in full when laid before the Senate by the Vice President on the 3d instant, pp. 8483–8484, CONGRESSIONAL RECORD.)

Mr. JOHNSON also presented a joint resolution of the Legislature of the State of California, memorializing Congress to enact House bill 5359, providing for the creation of a National Civil Academy, which was referred to the Committee on Education and Labor.

(See joint resolution printed in full when laid before the Senate by the Vice President on the 3d instant, p. 8484, CONGRESSIONAL RECORD.)

Mr. JOHNSON also presented a joint resolution of the Legislature of the State of California, memorializing Congress to enact legislation for the employment of jobless citizens in the mining of chromium and tin deposits, which was referred to the Committee on Mines and Mining.

(See joint resolution printed in full when laid before the Senate by the Vice President on the 3d instant, p. 8484, CONGRESSIONAL RECORD.)

REPORTS OF COMMITTEES

Mr. COPELAND, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2001. A bill to amend section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved May 16, 1906 (Rept. No. 777); and

S. 2610. A bill to improve the living accommodations on vessels under 100 tons (Rept. No. 778).

Mr. COPELAND also, from the Committee on Immigration, to which was referred the joint resolution (H. J. Res. 285) to permit the temporary entry into the United States under certain conditions of alien participants and officials of the National Boy Scout Jamboree to be held in the United States in 1935, reported it without amendment and submitted a report (No. 786) thereon.

Mr. TYDINGS, from the Committee on the District of Columbia, to which was referred the bill (H. R. 3462) to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", and for other purposes, reported it with amendments.

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (S. 2421) to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped, or otherwise unlawfully detained, and making such act a felony", as amended, reported it without amendment and submitted a report (No. 779) thereon.

Mr. GIBSON, from the Committee on Territories and Insular Affairs, to which was referred the bill (S. 2779) to authorize the conveyance of certain lands in Nome, Alaska, reported it with an amendment and submitted a report (No. 780) thereon.

Mr. DONAHEY, from the Committee on Indian Affairs, to which was referred the bill (S. 2715) conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi, reported it without amendment and submitted a report (No. 781) thereon.

Mr. FRAZIER, from the Committee on Indian Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2406. A bill for the relief of Nancy Jordan (Rept. No. 782); and

S. 2545. A bill to provide funds for acquisition of the property of the Haskell Students Activities Association on behalf of the Indian school known as "Haskell Institute", Lawrence, Kans. (Rept. No. 783).

Mr. FRAZIER also, from the Committee on Indian Affairs, to which was referred the bill (H. R. 2756) authorizing the Tlingit and Haida Indians of Alaska to bring suit in the United States Court of Claims, and conferring jurisdiction upon said court to hear, examine, adjudicate, and enter judgment upon any and all claims which said Indians may have, or claim to have, against the United States, and for other purposes, reported it with amendments and submitted a report (No. 784) thereon.

Mr. HAYDEN, from the Committee on Territories and Insular Affairs, to which was referred the joint resolution (H. J. Res. 27) providing for extension of cooperative work of the Geological Survey to Puerto Rico, reported it without amendment and submitted a report (No. 785) thereon.

GOVERNMENT OF THE VIRGIN ISLANDS—LIMIT OF EXPENDITURES

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, reported a resolution (S. Res. 148), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the committee appointed pursuant to Senate Resolution No. 98, Seventy-fourth Congress, first session, agreed to April 1, 1935, in addition to the authority conferred upon it by said resolution, shall have authority to make a full and complete investigation of the system of taxation in the Virgin Islands, and the limit of expenditures under said resolution is hereby increased by $10,000.

EXECUTIVE REPORT—NOMINATIONS OF WEST POINT GRADUATES

As in executive session,

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry cadets of the United States Military Academy, who are about to graduate, to be second lieutenants in the Army.

The PRESIDENT pro tempore. Without objection, the report will be received and placed on the Executive Calendar.

Mr. SHEPPARD subsequently said: Mr. President, as in executive session, I ask for the confirmation en bloc of the nominations of West Point graduates to be second lieutenants in the Army. It is necessary to have the nominations confirmed now in order that the diplomas may be prepared. I ask also that the President may be notified.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the nominations are confirmed. The President will be notified thereof.

CONFIRMATION OF NOMINATIONS OF NAVAL ACADEMY GRADUATES

As in executive session,

Mr. TRAMMELL. Mr. President, on the Executive Calendar appear the nominations for appointment in the Navy and Marine Corps of the members of the first class of the Naval Academy at Annapolis, who will graduate on Thursday next. I ask unanimous consent that the nominations may be confirmed en bloc at this time, and that the President be immediately notified.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed, and the President will be notified.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LEWIS:

A bill (S. 2979) to authorize the construction and maintenance of garages for employees of Veterans' Administration facilities; to the Committee on Finance.

A bill (S. 2980) for the relief of Ruby Rardon; to the Committee on Claims.

By Mr. BARBOUR:

A bill (S. 2981) for the relief of George P. Wright; to the Committee on Naval Affairs.

By Mr. McADOO:

A bill (S. 2982) for the relief of H. B. Van Brunt; to the Committee on Claims.

By Mr. SCHWELLENBACH:

A bill (S. 2983) to amend the Plant Quarantine Act of August 20, 1912; to the Committee on Agriculture and Forestry.

A bill (S. 2984) granting a pension to Lottie B. Smith; to the Committee on Pensions.

A bill (S. 2985) to amend the act of February 28, 1925 (Public, No. 506, 68th Cong.), as amended, for the purpose of permitting certain reclassified or reinstated employees of the Postal Service to be advanced more than one grade within 1 year; to the Committee on Post Offices and Post Roads.

By Mr. TYDINGS:

A bill (S. 2986) to amend an act entitled "An act to provide a government for the Territory of Hawaii", approved April 30, 1900, as amended, and known as the "Hawaiian Organic Act", by amending section 73 thereof, relating to public lands; to the Committee on Territories and Insular Affairs.

By Mr. SHEPPARD:

A bill (S. 2987) for the relief of Hiram G. Hines; to the Committee on Claims.

By Mr. NEELY:

A bill (S. 2988) for the relief of Hester Goff; to the Committee on Finance.

By Mr. AUSTIN:

A bill (S. 2989) granting an increase of pension to May S. King; to the Committee on Pensions.

By Mr. NORBECK:

A bill (S. 2990) to preserve from extinction the American eagle, emblem of the sovereignty of the United States of America; to the Special Committee on Conservation of Wildlife Resources.

A bill (S. 2991) granting a pension to Holy Woman Lone Butte or Eagle Horn (with accompanying papers); to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 2992) to amend section 3342 of the Revised Statutes to modify the requirements with respect to affixing internal-revenue stamps on containers of fermented liquors; to the Committee on Finance.

By Mr. BAILEY:

A bill (S. 2993) for the relief of Carrie Price Roberts; to the Committee on Claims.

By Mr. BACHMAN:

A bill (S. 2994) for the relief of Thomas J. Jackson (with accompanying papers); to the Committee on Military Affairs.

By Mr. NORBECK:

A joint resolution (S. J. Res. 142) providing for the continuance of the wildlife restoration program and other conservation projects; to the Committee on Agriculture and Forestry.

By Mr. SMITH:

A joint resolution (S. J. Res. 143) authorizing the Secretary of Agriculture to pay necessary expenses of assemblage of the 4-H clubs, and for other purposes; to the Committee on Agriculture and Forestry.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 1414. An act to provide for the appointment of an additional district judge for the eastern district of Virginia; and

H. R. 7680. An act to amend the act of May 18, 1934, providing punishment for killing or assaulting Federal officers; to the Committee on the Judiciary.

H. R. 1993. An act giving superintendents at classified post-office stations credit for substitutes serving under them;

H. R. 5596. An act granting equipment allowance to third-class postmasters;

H. R. 5723. An act to give certain railway postal clerks the same time credits for promotion purposes as were given others who were promoted on July 1 when automatic promotions were restored;

H. R. 6717. An act to amend section 1 of the act of July 8, 1932;

H. R. 6990. An act to fix the hours of duty of postal employees, and for other purposes;

H. R. 7688. An act to provide for the appointment and promotion of substitute postal employees, and for other purposes; and

H. R. 7709. An act to provide time credits for substitute laborers in the Post Office when appointed as regular laborer; to the Committee on Post Offices and Post Roads.

H. R. 2024. An act for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899; to the Committee on Claims.

H. R. 3979. An act to safeguard the estates of veterans derived from payments of pension, compensation, emergency officers' retirement pay, and insurance, and for other purposes; to the Committee on Finance.

H. R. 4123. An act providing for the payment of $15 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States; and

H. R. 4324. An act to carry out certain obligations under certain tribal agreements; to the Committee on Indian Affairs.

H. R. 4707. An act validating certain applications for and entries of public lands, and for other purposes;

H. R. 6465. An act to accept the cession by the State of Arkansas of jurisdiction over all lands now or hereafter included within the Hot Springs National Park, Ark., and for other purposes;

H. R. 6544. An act to conserve the water resources and to encourage reforestation of the watersheds of Santa Barbara County, Calif., by the withdrawal of certain public land, included within the Santa Barbara National Forest, Calif., from location and entry under the mining laws;

H. R. 6616. An act to authorize the Secretary of the Interior to accept from the State of Utah title to a certain State-owned section of land and to patent other land to the State in lieu thereof, and for other purposes; and

H. R. 6734. An act to create a National Park Trust Fund Board, and for other purposes; to the Committee on Public Lands and Surveys.

H. R. 5774. An act to authorize a preliminary examination of Rogue River and its tributaries in the State of Oregon with a view to the control of its floods;

H. R. 5775. An act to authorize a preliminary examination of Siuslaw River and its tributaries in the State of Oregon with a view to the control of its floods;

H. R. 5776. An act to authorize a preliminary examination of Yaquina River and its tributaries in the State of Oregon with a view to the control of its floods;

H. R. 5777. An act to authorize a preliminary examination of Siletz River and its tributaries in the State of Oregon with a view to the control of its floods;

H. R. 7083. An act to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.;

H. R. 7313. An act authorizing a preliminary examination of Gafford Creek, Ark.;

H. R. 7314. An act authorizing a preliminary examination of Point Remove Creek, Ark., a tributary of the Arkansas River; and

H. R. 7600. An act authorizing a preliminary examination of the Tanana River and Chena Slough, Alaska; to the Committee on Commerce.

H. R. 6719. An act to amend the Canal Zone Code; to the Committee on Interoceanic Canals.

H. R. 6772. An act to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes; to the Committee on Agriculture and Forestry.

H. R. 7025. An act authorizing the Secretary of the Interior to furnish transportation to persons in the service of the United States in the Virgin Islands, and for other purposes; and

H. R. 7380. An act authorizing the Virgin Islands Co. to settle valid claims of its creditors, and for other purposes; to the Committee on Territories and Insular Affairs.

H. R. 7220. An act to provide for the use of the U. S. S. *Olympia* as a memorial to the men and women who served the United States in the War with Spain; to the Committee on Naval Affairs.

H. R. 7235. An act to amend the act entitled "An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes"; to the Committee on Public Buildings and Grounds.

H. R. 7451. An act authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; and

H. R. 7731. An act to provide for the erection of a statue of Abraham Lincoln in the Gettysburg National Cemetery; to the Committee on the Library.

FISH-CULTURAL STATION IN ARIZONA—AMENDMENT

Mr. HAYDEN submitted an amendment intended to be proposed by him to the bill (S. 813) authorizing the Secretary of Commerce to establish a fish-cultural station in Arizona, which was referred to the Committee on Commerce and ordered to be printed.

AMENDMENTS TO RIVER AND HARBOR BILL

Mr. LA FOLLETTE submitted two amendments intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which were referred to the Committee on Commerce and ordered to be printed.

EXTENSION OF CLASSIFIED CIVIL SERVICE—AMENDMENT

Mr. VANDENBERG. Mr. President, I submit an amendment intended to be proposed by me to the bill (S. 1952) extending the classified executive civil service of the United States, which I ask to have printed and to lie on the table.

The PRESIDENT pro tempore. Without objection, the amendment will be received, printed, and lie on the table.

STABILIZATION OF BITUMINOUS COAL-MINING INDUSTRY—AMENDMENT

Mr. NEELY. I ask unanimous consent to have printed and to lie on the table an amendment which the Senator from Pennsylvania [Mr. GUFFEY] and I will offer at the appropriate time as a substitute for Senate bill 2481, to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a draw-back under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States and to establish a national bituminous-coal reserve; to provide for the general welfare; and for other purposes.

The PRESIDENT pro tempore. Without objection, the amendment will be received, printed, and lie on the table.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES—AMENDMENTS

Mr. BAILEY submitted sundry amendments intended to be proposed by him to the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, which were severally ordered to lie on the table and to be printed.

BRUCE F. RAMSEY—WITHDRAWAL OF PAPERS

On motion of Mr. THOMAS of Oklahoma, it was

Ordered, That the papers filed with the bill (S. 4988) for the relief of Bruce F. Ramsey, Seventy-second Congress, second session, be withdrawn from the files of the Senate, no adverse report having been made thereon.

COST OF RAILROAD EMPLOYEE ACCIDENTS, 1932 (S. DOC. NO. 68)

Mr. WAGNER. Mr. President, I ask consent to have printed as a Senate document a report on the cost of railway employee accidents in 1932, which was prepared by Mr. O. S. Beyer, in charge of the Section of Labor Relations under the Federal Coordinator of Transportation. It is a very important and informative study.

The PRESIDENT pro tempore. Without objection, it is so ordered.

WHICH? AMERICAN DEMOCRACY OR PERSONAL DICTATORSHIP?

Mr. BARBOUR. Mr. President, I ask permission to have inserted in the RECORD a signed article by William Randolph Hearst entitled "Which? American Democracy or Personal Dictatorship?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York American of June 2, 1935]

WHICH? AMERICAN DEMOCRACY OR PERSONAL DICTATORSHIP?

The latest decisions of the Supreme Court of the United States should arouse all loyal American citizens to a full realization of how entirely this so-called "Democratic administration" at Washington has abandoned Democratic principles and how utterly it has discarded the fundamental Democratic policy, and the fundamental American constitutional policy of strict limitation of Federal powers.

The Federal power during the Roosevelt regime has so thoroughly invaded and dominated the States and counties and cities of the country that Mayor LaGuardia, of the city of New York, for example, has established an office in Washington, where he will spend a good part of his time receiving his orders from the Federal Government and trying to secure his share of the Federal moneys, or rather the people's moneys, that are being handed out by the Federal Government to complaisant supporters of the Government program.

But not only has the Federal Government violated in this respect the spirit and letter of the American Constitution, which strictly limits the powers of the Federal Government, but it has violated the Constitution in its definition of the relative powers of the executive branch of the Federal Government, of the legislative branch, and of the judicial branch.

The President has assumed, unconstitutionally in most cases, more power than European constitutional monarchs, and, in fact, practically the same powers as the European dictators.

As a matter of fact, Dictator Hitler, for instance, professes respect and strict adherence to the Constitution of Weimar, and declares specifically and emphatically that his whole plan was submitted to the people of Germany and ratified by a vote of more than two-thirds of the electorate.

According to the Constitution of Weimar, under which Germany's Government operates, a vote of two-thirds of the electorate constitutes a positive injunction by the people upon the government to proceed with the plan as submitted to the people and endorsed by them.

When have Mr. Roosevelt's plans and policies been submitted to the electorate of the United States?

Surely they were not submitted or defined or even intimated in the Presidential election.

On the contrary, the declarations of the Democratic platform, and the utterances of Mr. Roosevelt himself during the campaign, were in complete variance with the policies he has pursued since elected.

Indeed, his policies are in absolute and utter violation of all the pledges of the platform and of the personal pledges of the candidate.

The Democratic national platform adopted in 1932 pledged the Democratic Party to economy in government and denounced bureaucratic extravagance. The platform said, in part:

"The Democratic Party solemnly pledges:

"An immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government.

"Maintenance of the national credit by a Federal Budget annually balanced. * * *

"We condemn:

"The improper and excessive use of money in political activities. * * *"

In a campaign speech as the Democratic nominee for President, Governor Roosevelt said:

"The platform is a promise binding on the party and its candidates.

"I have accepted the platform without equivocation and without reserve.

"Let us have the courage to stop borrowing and meet continuing deficits. Stop the deficits."

In an address delivered on March 2, 1930, Franklin D. Roosevelt, then Governor of the State of New York, condemned government by bureaucracies and dictatorships in the following terms:

"The doctrine of regulation and legislation by 'master minds', in whose judgment and will all the people may gladly and quietly acquiesce, has been too glaringly apparent at Washington during these last 10 years.

"Were it possible to find 'master minds' so unselfish, so willing to decide unhesitatingly against their own personal interests or private prejudices; men almost godlike in their ability to hold the scales of justice with an even hand—such a government might be to the interest of the country.

"But there are none such on our political horizon, and we cannot expect a complete reversal of all the teachings of history."

These are the declared policies of the Democratic Party in the party's national platform.

These are the declared principles of Mr. Roosevelt himself.

And if the vote of the people can be considered an injunction to carry out the policies submitted in an election, Mr. Roosevelt has not heeded that injunction, and is even more of a dictator and more of a defiant dictator than the dictators of Europe.

Perhaps Mr. Roosevelt was wrong when he said that no man has wisdom enough to be a dictator.

It is, of course, conceivable that Mr. Roosevelt may have a genius greater than that of other men—that he may have wisdom superior to that of the founders of this Nation.

It is possible that he has more of a "master mind" than the founders of this Nation.

It is possible, too, that his is a "master mind" greater than any of the framers of the Constitution, that his wisdom is greater than the wisdom of all the Presidents who have preceded him, greater than the wisdom of the people themselves.

Perhaps the Budget should not be balanced. Perhaps the substance of the country and of the citizenry should be dissipated in reckless political largesse and in political coercion.

Perhaps the future of the country and of this generation of citizens, and of future generations, should be mortgaged to give one man the greatest money power ever wielded in the history of the world; the greatest power to violate the Constitution, to invade the rights of the States, to reverse the policies of a Nation.

But such are not the tenets of democracy nor the principles of Americanism.

Furthermore, there has been no approval of such a revolutionary program by the voters of the United States.

Mr. Roosevelt is not proceeding under an injunction by the people to carry out his socialistic policies.

The Constitution of the United States has not been repudiated by the people at the polls.

The Government of the United States has not yet been constituted a despotism by any decision of the electorate.

The invasion of State rights, the destruction of local and independent government, have not been approved by popular vote.

The reckless use of public funds has not been authorized by the people.

All these things, even national bankruptcy, even abolition of our American institutions and our governmental system, may be right; but they are not authorized by popular approval at the polls.

They are the acts of an arbitrary dictator and are in contradiction of that dictator's own professions and pledges.

Mr. Lincoln said this country cannot endure half slave and half free.

And it cannot endure half democracy and half despotism.

Shall we go the full route to socialism or fascism; or shall we return to American constitutional government?

Whatever we do, let us do it at the command of the people and not at the instance and instigation of a self-constituted dictator.

WILLIAM RANDOLPH HEARST.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES—THE PATMAN BILL

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address by Hon. George K. Brobeck, legislative representative of the Veterans of Foreign Wars, delivered over the National Broadcasting network, under the auspices of the Farmers' Union program, on May 25, 1935. The address is entitled "Why Congress Should Approve the Patman Bill."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WHY CONGRESS SHOULD APPROVE THE PATMAN BILL

Ladies and gentlemen, I want to express my appreciation to the Farmers' Union for the privilege of participating in this program. It is a distinct pleasure and an honor to be associated with my good friend Ed Kennedy, who so ably represents the Farmers' Union here in the Nation's Capital.

ADJUSTED PAY FOR THE WORLD WAR VETERAN

This week in Washington saw the just desire for at least temporary financial aid of 3,500,000 of America's veterans crash from the pinnacle of hope when the Senate of the United States voted to sustain the President's veto on the Patman bill. The bill which was passed in 1924 to pay the service men adjusted-service pay was passed over the veto of President Coolidge. Let us examine this adjusted-service pay situation in order that we may know just what it constitutes and amounts to. This bill paid the veteran $1 a day for service at home and $1.25 a day for service overseas, but it was not paid to the veteran in cash as were all of the claims of the war profiteers and contractors. The veteran was given a piece of paper known as an "adjusted-service certificate", and he was told to wait 20 years, or until 1945, to receive this adjustment of his war pay. It was fundamentally wrong for this Government to ask a man who had served his country to wait 27 years from the date of that service to receive his pay for the work done.

PATMAN BILL PROVIDES FOR SOUND CURRENCY

We, of the Veterans of Foreign Wars, supported the Patman bill with every ounce of our energy. The method of the payment is identical to that proposed in the Frazier-Lemke measure. We proposed to pay this debt in what has been contemptuously called "printing-press money." We proposed to have the United States Treasury, in the Bureau of Engraving, here in Washington, print United States Treasury notes, exactly the same kind of money that you now carry, if you are fortunate enough to have money to carry. This money would be backed by the eight and one-half billion dollars of gold in the United States Treasury. It would be backed by over $800,000,000 of silver in the Treasury vaults, and it would be backed by the faith and good will and the credit of the United States. The argument that the issuance of this money against a gold and silver reserve of nearly $9,500,000,000 will constitute disastrous inflation is an insult to the understanding of any school child who knows his a b c's. More insulting still is the argument to the effect that for us to print more paper money to pay our debt to the veterans will be to emulate the financial nonsense of Germany and Russia, which was manifested by such wild inflationary action that a wagonload of paper money would not buy a loaf of bread. Of course, everyone who has taken the pains to acquire even the slightest information on the subject knows that in neither Germany nor Russia, during their inflationary periods, was the worthless paper money fortified by a single ounce of silver or gold.

MORE MONEY NEEDED IN CIRCULATION

The veterans of the United States were not selfish in this bill, because it is an admitted fact that the country needs the additional circulation of the money proposed. The passage of the Patman bill would have meant an increase in the market value of farms and every farm product in the United States. It would have meant the instant stimulation of every legitimate business in the land. It would have meant the prompt alleviation of the unspeakable financial distress which is compelling hundreds of thousands of the veterans of this country to live upon the crumbs that fall from charity's tables.

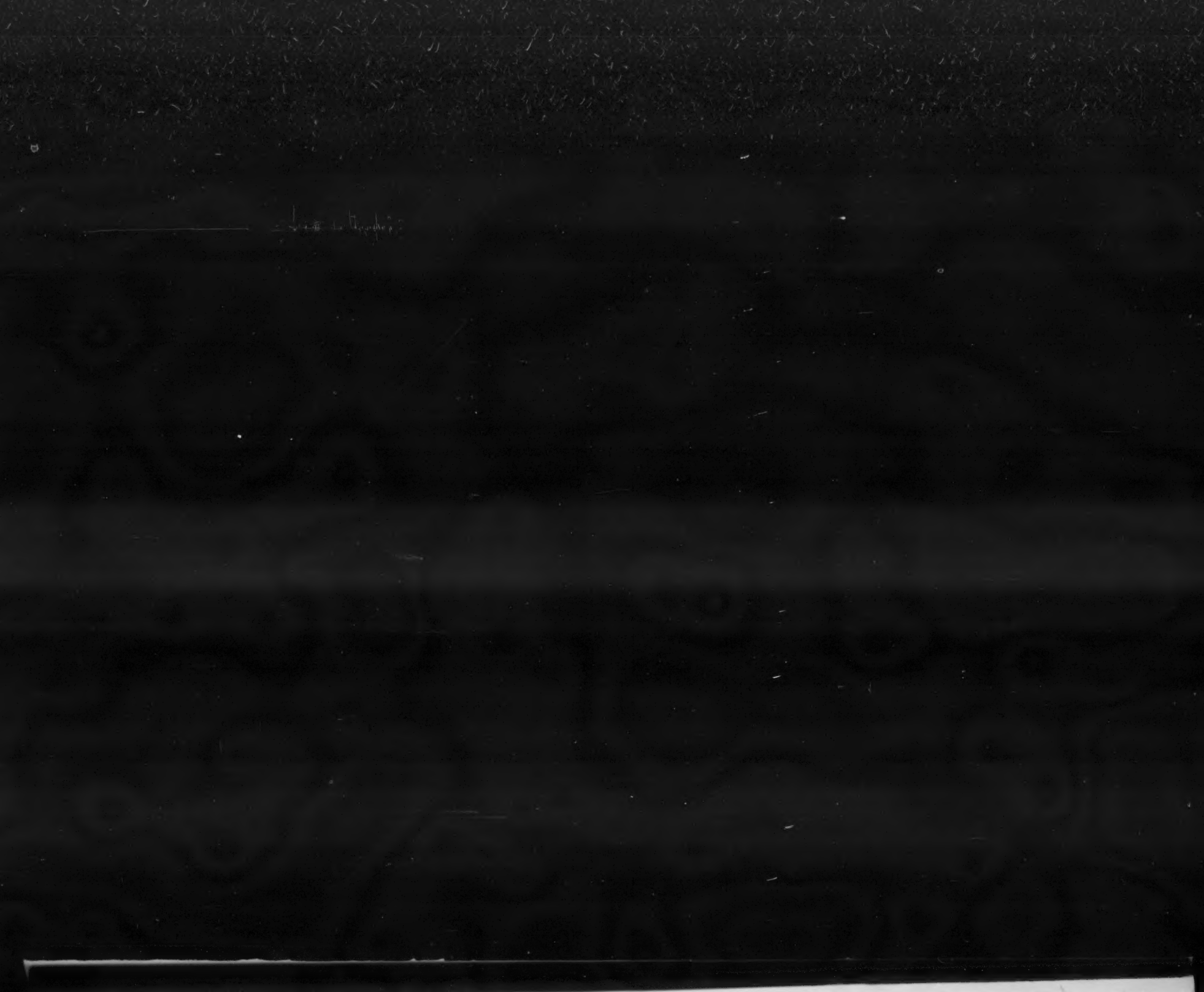
THE PEOPLE FOR THE PATMAN BILL

It is a source of great concern to many people that an issue may be accepted by the Congress of the United States by the overwhelming majority of 322 to 98, that it may be passed by the Senate 54 to 40, in plain unvarnished words, that it may be the expressed will of more than 85 percent of the American people speaking through their elected representatives and still not become the law of the land. We hear much about organized minorities in this country and perhaps the searchlight of investigation might well shed its beams of inquiry upon the 15 percent who stopped our comrades of the World War from receiving this long-overdue debt. I have every confidence that payment legislation will be enacted during this session of Congress, and after the successful termination of this fight the veterans and the farmers and laborers of America must find renewed reason for a united stand to protect our country. In time of war it is from the ranks of the farmers, the laborers—yes; from the common people of America—that the soldiers of the Nation must come. From this great group of our people come the men and women who will feel the anguish of broken bodies, blasted hopes, and tortured minds. This part of the Nation's citizenry has always carried the brunt in time of national peril and will always carry the brunt when an emergency may arise, and in time of peace they are the first to suffer and those who suffer most because of economic distress. And, so I believe it is time that the farmers of America, those who bend their backs to stir Nature's bosom, and bring forth the grain and fruits which must sustain our national life, and the laborers who marched to their daily toil in factories, in the mines, on the great railroads and industries of our Nation, with these groups the veterans of the country must find a common ground to protect the ideals and perpetuate the blessings America has to offer.

The boy you sent away in '17 has the same clean love of country burned deep within his heart that prompted him to go forth at that time. Those in the Veterans of Foreign Wars have had that love of country seared into their very souls by fighting on foreign soil and in hostile waters to protect the good name of this Nation. Join with those men, know them better, and begin to build in this country anew.

THE ONLY THING GIVEN THE SOLDIER—A RAW DEAL

We have heard much in recent days about the fact that the veteran was so wonderfully treated while in the service, that in fact



his tour of duty, if you are to believe some propaganda, was just one picnic or banquet after another. We hear over the air waves and read in the press how the World War soldier, sailor, and marine was given insurance, his family was given protection, and in fact, all the soldier had time to do was check up on the things given him. As far as the insurance is concerned, let me now dispel from the minds of every listener any thought you may have that any member of the armed forces during the World War was given any life insurance. The average cost of that insurance deducted from the $30 base pay of the service man was $6.60 per month. In addition to that, let me also correct the impression that this Government gave to the dependents of a soldier all of the aid they received. A veteran with any dependents was required to make an allotment of $15 per month. This was also a deduction from his pay. In addition to the allotment, I remember well when the officers of my regiment informed the men in every company "if they were real Americans they would buy Liberty bonds." If the soldier bought a $50 Liberty bond, $5 a month was deducted from his pay, so we now find the buck private with a deduction of $6.60 for insurance, $15 for an allotment to the folks at home, and $5 for a Liberty bond. This makes a total deduction of $26.60. His base pay being $30, this American boy who was serving his country would receive $3.40 from the paymaster with which to buy his toilet articles, stamps, tickets for any show he might go to, and in fact, in the modern vernacular to make "whoopee" with.

The statements I have just made concerning the pay of the soldier are not made in the spirit of complaint, but with a desire to correct the information some people may have that the doughboy and the sailor at sea had everything handed out on a silver service.

WE ASK JUSTICE FOR THE SOLDIER, THE FARMER, AND THE LABORER

It has been my privilege to spend a good part of my life out in the great Northwest. I know from intimate contact the problem of the American farmer as it concerns his everyday life. I know the feeling of anxiety that tugs at the heart of the rugged pioneers that carved their homes on the prairies and rolling plains of the great Northwest. The life the soldier went into that frontier country to grapple with all the elements and make a better America. They like the soldier have felt the pangs of hunger after a long day's march from the furrowed fields from which they hoped to build a better country. I knew the sons of these same pioneers in our Army and I know that in no group of all our national life is there a finer and deeper sense of patriotic responsibility.

When the Farmers' Union joined with the Veterans of Foreign Wars and other organizations over the entire country in our attempt to pass the Patman bill, it rekindled the united faith which made the World War end with a glorious victory for our American Army.

The fight for the immediate cash payment of the adjusted-service certificates is exactly parallel to the fight for justice for the American farmer and the American laborer. These conquests will never end until right and justice prevail and these certificates are paid in full.

Thank you.

THE GUFFEY COAL BILL

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD two articles and an editorial appearing in the Washington Daily News of Monday, June 3, 1935, relative to the so-called "Guffey coal bill."

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of June 3, 1935]

THE COAL CRISIS

The threat of a Nation-wide strike of soft-coal miners on June 17 cannot be blamed on the Supreme Court's N. R. A. decision, for the threat was made before the decision. But it dramatizes the necessity for some Federal control within the narrow confines of that decision—pending the outcome of the President's awaited move to push back those confines.

The miners are demanding higher wages and shorter hours, but their essential protest is against wage cutting, chiseling, and the general chaos in coal. N. R. A.'s coal code mitigated but failed to cure that trouble. The miners believe, and most mine owners agree, that in the pending Guffey coal control bill Congress has not only a means of stabilizing their industry but also a constitutional formula for Federal regulation of similar industries.

The Guffey bill appears to meet the Court's two objections to the N. R. A. code method of regulation.

First, it does not delegate legislative powers. It sets up a National Bituminous Coal Commission, named by the President with Senate consent. This body would set standard wages and hours, fix minimum and maximum prices. The bill defines certain unfair labor practices, provides for collective bargaining, and creates a coal labor board to mediate disputes. These provisions seem to follow the rule suggested in the Schechter decision of "laying down policies and establishing standards" for an administrative board to execute.

Next, the bill does not appear to seek Federal authority over an intrastate industry. Coal mines furnish nearly all the fuel to run the railroads. Half of our electricity is generated by coal. Only under a most literal interpretation of the recent decision can coal be held inviolate from Federal regulation.

As President Roosevelt seems to suggest, it is illogical for the courts to give Federal sanction to injunctions against striking miners and then forbid Federal attempts to better miners' conditions. It is recalled also that the Supreme Court in the Appalachian coal case in 1933 held that the chaos in this industry justified, provisionally at least, a marketing agreement designed to stabilize prices.

The Guffey bill is not a perfect instrument, but it offers a life line to an industry crying for help.

The impending mine strike removes this question of industrial regulation from the academic plane. A general coal miners' strike would throw nearly half a million men out of work, leave only 22 days' supply of coal above ground, and paralyze much of transportation and manufacture. These realities confront Congress today.

[From the Washington Daily News of June 3, 1935]

By Fred W. Perkins

The Guffey bill for stabilization of soft-coal mining has assumed an importance far transcending the special field it was originally designed to cover.

Its backers see in it the way out for other great national industries from the confused stalemate that followed the Supreme Court's "thumbs down" for N. R. A.

John L. Lewis, president of the United Mine Workers, declares his belief that the Guffey bill will be found within the constitutional confines marked off by the Court.

SUPPORTS CONTENTION

Lewis made the following points:

1. The Guffey bill would involve no delegation of legislative powers to the President. Congress itself would set up a legislative code for the industry, and would authorize a new agency, the National Bituminous Coal Commission, to carry out Congress' defined will.

2. The bill would follow the Supreme Court's dictum denying Federal power over commerce that is purely intrastate. The bill would attempt only to regulate commerce that is undoubtedly interstate and such intrastate commerce as may be shown to affect interstate commerce.

Most observers who have been watching the bituminous situation are convinced that it was only by coincidence that the threat of a national bituminous miners' strike came on the heels of the Supreme Court's action.

BOTH SIDES HIT N. R. A.

The United Mine Workers, with the active cooperation of operators who claim to represent a majority of tonnage, began their pressure months ago for special legislation to keep the industry from returning to the rule of "tooth and claw." At the beginning of this session of Congress leaders of both miners and operators were charging that N. R. A. enforcement had already broken down in their industry.

A week before the Supreme Court decision the miners' and operators' wage conference had given notice of its inability to agree on a new pay scale.

At the hour of the Supreme Court's ruling the operators were engaged in a national legislative conference intended to work out revisions for the Guffey bill that would make it acceptable to as much of the industry as possible.

On the following day the wage conference broke up, leaving the threat of a national shutdown June 17 unless a wage agreement is reached in the meantime. Charles O'Neill, a leader on the operators' side, said that before the operators sign they want some assurance, in special legislation, that they can maintain any pay scale, be it low or high.

That is the essence of the argument as it affects bituminous coal—an industry long recognized as "sick", that has a tremendous potential overproduction, that is scattered through most of the 42 States, and that furnishes nearly all the fuel for the railroads and most of the fuel used in the production of electric power.

Amendments suggested by the operators would leave the Guffey bill primarily a price-fixing measure, with the addition of safeguards for the interests of labor. The National Coal Commission would be empowered to fix maximum as well as minimum mine prices for coal. Thus, its backers say, it would protect the public as well as the industry. The Commission would consist of nine members. Two would represent the operators, 2 the miners, and 5 the public.

Proposals for limitation of production and allocation of production through various districts, as well as the creation of a national bituminous coal reserve through a Federal bond issue to be paid off by a tax on coal, have been pushed into the background in the operators' recommendations. They propose that these matters be first studied by the proposed commission.

The Mine Workers have not taken a position on these recommendations.

[From the Washington Daily News of June 3, 1935]

PLAIN ECONOMICS

By John T. Flynn

A LITTLE BILL WHICH WAS INTRODUCED INTO THE SENATE ALMOST UNOBSERVED LAST JANUARY MAY BE THE PATTERN FOR THE MOVEMENT TO CONTROL INDUSTRY NOW THAT THE N. R. A. HAS PASSED

Perhaps the next sensation for our highly irritated nerves will be a little bill which was introduced into the United States Senate almost unobserved last January. It is important because it

may become the pattern for the movement to control industry, now that the N. R. A. has passed. This is what is called the "Guffey coal-commission bill."

This is an ambitious plan about which little has been said, and in the confusion and panic resulting from the N. R. A. collapse an effort may be made to jam through this bill with unwise haste.

As everyone knows, the coal industry has been in a desperate condition for years. The N. R. A. did bring to labor in the coal fields an improved condition. But this was due to the energy and drive of the coal miners themselves, led by a forceful man, John L. Lewis. However, the coal regions are still in trouble. Just as there are too many miners, there are too many mines.

At least a year ago operators and miners decided that something more drastic than N. R. A. would be needed. Just what happened behind the scenes and what deals were made, I do not know. But it was rumored around that operators and miners were working together on a bill which would: (1) Perpetuate the labor provisions of N. R. A.; (2) put the coal industry under complete control by the Federal Government. The price of this, so far as the mine owners were concerned, was that the Government would buy up all or at least a large part of the marginal mines and put them out of business.

This plan has flowered in the bill offered by GUFFEY, the new Democratic Senator from Pennsylvania. The plan of the bill is (1) to create a commission of five members—the bituminous coal commission—to be named by the President, which will exercise wide sway over all bituminous-coal mines. (2) To establish a national coal reserve. This is a high-sounding name for all the marginal coal mines which the Government will buy and put out of business for the time being. (3) To pay for these mines a bond issue of $300,000,000 is being provided which will be liquidated by a tax on coal. (4) No new or old mines may be reopened save with consent of the Commission. (5) Operators will be permitted to organize codes.

All coal will be taxed 25 percent at the mine, but 99 percent will be rebated to the mine owner who joins the code—probably an unconstitutional provision. (6) The coal lands will be divided into districts and code authorities in those districts will fix prices subject to approval by the Commission. (7) A Coal Labor Board, three members representing the public, the owners, and labor, will have jurisdiction of labor matters.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. DIETERICH. Mr. President, in addressing myself to the bill under consideration, I shall endeavor as carefully as I can to observe those rules which I feel should be observed by a Member of the Senate in discussing a measure of this importance. I shall not attempt to dramatize any of my remarks. I shall try to avoid personalities, and shall at least try to conceal any prejudice I may have, though I believe I do not have very many prejudices with reference to the pending measure.

In view of what has been said, it might be well for me to reintroduce myself to my colleagues in the Senate. I am just an ordinary country lawyer. I live within about 12 miles of the spot where I was born. A circle of 17 miles would cover my life's activities.

I am a native of Illinois. I have been honored by the electorate of Illinois by being placed in positions of honor and responsibility. I am by profession an attorney. I consider the office of attorney at law one of the best offices I have ever held or ever will hold. I consider that anyone who will conduct himself as becomes an attorney at law will do a useful service to his people and to his country.

I am not a stockholder in any holding company. I represent no interest which would be affected by the pending bill. I am engaging in the consideration of the bill and giving the Senate the benefit of my views because the people of my State are intensely interested in the bill. They are interested in it because within that State are utilities of both the good and the bad variety. The people are interested in the bill because in that State in previous years campaigns have been conducted for the sale of utilities stocks and securities until my people are investors to the number of many thousands of the citizenship, and their investments amount to many, many millions of dollars.

I am addressing myself to the bill because I sincerely believe its passage would impair and in many instances destroy those investments. I believe that a different measure could be proposed which would cure the evils which exist in relation to holding companies and still leave unimpaired the investments of the citizenship of my State.

It is not enough to say that the people were deceived into making such investments. Without any question, high-powered salesmanship in any line has in it some element of deception. But the widow and the orphan and the wage earner who invested their savings in these stocks and securities in the belief that they were investing in something which would yield a fair income and which was safe are entitled to the consideration of the Congress in connection with the pending measure.

I say it is my concern for the people that justifies my interest in the bill. In order that Senators may understand my position, I will state that I believe some measure should be passed regulating holding companies. I believe there have grown up in that particular class of organizations some faults and some practices which should be corrected and which should not be further tolerated. I also believe that in the field of industry there are such companies which serve a legitimate and useful purpose. I do not see how any system involving any particular industry covering many units and being distributed over any considerable area could possibly exist without some sort of central organization. In most cases—I will say in many cases—while some of the holding companies have been the result of promotion schemes, there are holding companies which have served as mere cooperatives, a principle which we have been encouraging in practically all our legislation.

In approaching the subject I desire to call attention to some of the principles and some of the constitutional provisions which I think should be taken into consideration in passing upon the measure.

We live in a constitutional republic. We are sitting here as Senators by virtue of our Constitution. It is useless for me to eulogize or to lay any patriotic stress upon that particular form of government, except to say that I feel that it is the most perfect form of government that could govern any of the peoples of the world, and I am in sympathy with it. Necessarily I would be. I come from the State of Lincoln and Douglas. I come from the State of that great patriot who, while he cherished different political views from the President of the United States, remained loyal, and whose dying words, which are inscribed upon his tomb, were "Tell my children to obey the laws and defend the Constitution."

We have had a great deal of good advice given us in past years which we should ever keep in mind, I think, under the rules of the Senate. There is a day set apart each year, when Congress is in session, given to the reading of the Farewell Address of the Father of his Country; and I ask Senators to indulge me while I refresh their memories with some excerpts from that address.

Washington said, in giving his advice:

> To the efficacy and permanence of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This Government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government. But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.
>
> All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency. They

serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill-concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

The Father of his Country further said:

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext.

With that sentiment in view, I shall take the time briefly to examine the provisions of the Constitution, which I think we should familiarize ourselves with and take into consideration in passing upon this proposed legislation.

We are concerned first with the tenth amendment to the Constitution, which provides that—

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

With the commerce clause of the Constitution, which provides that—

The Congress shall have power * * * to regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

With the fifth amendment to the Constitution, which provides that—

No person shall be * * * deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

With the fourteenth amendment to the Constitution, which provides that—

No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

I may say in passing that I presume there can be no controversy that the courts, in construing the term "person" in the Constitution, have held that corporations are persons within the meaning of the constitutional provision forbidding the deprivation of property without due process of law, as well as the denial of the equal protection of the laws.

The question may arise in the minds of Senators, "What is due process of law, and what is meant by this particular term, and how has that particular provision of the Constitution anything to do with the pending measure?"

The courts have defined what is due process of law. I am going to quote now from the case of *Murray's Lessee et al. v. Hoboken Land & Improvement Co.* (59 U. S. 276), which was a case that came up on a distress warrant issued by the Comptroller to distrain the goods of a party who had held the office of collector of customs in the city of New York, to make good an amount that was claimed to be due the Federal Government. In that case the Court used this language:

That the warrant now in question is legal process is not denied. It was issued in conformity with an act of Congress. But is it "due process of law"? The Constitution contains no description of those processes which it was intended to allow or forbid. It does not even declare what principles are to be applied to ascertain whether it be due process. It is manifest that it was not left to the legislative power to enact any process which might be devised. The article is a restraint on the legislative as well as on the executive and judicial powers of the Government, and cannot be so construed as to leave Congress free to make any process "due process of law" by its mere will.

So if the enactment and enforcement of this measure will result in the confiscation or the destruction of property rights, the mere fact that we may enact it will not give us that authority, because we cannot by our own will determine that a certain course shall be pursued, which course will eventually destroy the property rights of the citizen, and then have the Government make the defense that the property was taken and the injuries inflicted in due process of law by reason of the fact that the Congress passed legislation authorizing it to be done.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. DIETERICH. I yield.

Mr. NORRIS. Before the Senator leaves the question of due process of law, I take it he reaches the conclusion that what is due process of law, since it has not been described in the Constitution, is a question for the courts to determine, and not for the legislature to determine?

Mr. DIETERICH. That is correct; and if property is taken under a law enacted by Congress and an injury is thereby worked upon the citizen, the mere fact that a statute was enacted does not mean that the property was taken by due process of law.

We have heard much about emergencies, and there was really a feeling, I think, at least among us junior Members of the Congress, that possibly the matter of emergency might have changed the Constitution to some extent, that possibly it might have broadened its provisions.

Mr. WHEELER. Mr. President, would the Senator mind an interruption?

Mr. DIETERICH. I yield.

Mr. WHEELER. The Senator speaks of due process of law. How does he claim property would be taken under the pending bill?

Mr. DIETERICH. I will get to that, and cover it more fully. But the rearrangements to be affected under the pending bill, the arbitrary right to classify and divide certain enterprises now in existence, will have the effect of impairing the obligations they have assumed, and of reducing the value of their stocks and their securities. That is the point, briefly.

Mr. WHEELER. If the Senator will pardon me just a moment, I may call his attention to the fact that in the Northern Securities case the Supreme Court of the United States dissolved a holding company because of the fact that Congress provided in the law that it was illegal for such and such a company to carry on business, and so the Court dissolved the holding company. It was contended in that case that the securities of the company would be injured.

Mr. DIETERICH. I do not wish to take up that argument at this time. I hope the Senator will allow me to proceed in an orderly way to present my views.

Mr. WHEELER. Very well.

Mr. DIETERICH. There was a difference in that case. Congress had provided what sort of a company should be held illegal. Under the pending bill it would be left to a commission to determine whether a company was legal or not.

Continuing where I was interrupted, we felt that emergency had something to do with the matter. However, in the case of Schechter against the United States, recently decided by the Supreme Court, with which case I suppose every Member of the Senate is familiar, we are advised that the existence of an emergency is no justification for evading the Constitution.

For the RECORD I wish to read an excerpt from that opinion:

First. Two preliminary points are stressed by the Government with respect to the appropriate approach to the important questions presented. We are told that the provision of the statute authorizing the adoption of codes must be viewed in the light of the grave national crisis with which Congress was confronted. Undoubtedly, the conditions to which power is addressed are always to be considered when the exercise of power is challenged. Extraordinary conditions may call for extraordinary remedies. But the argument necessarily stops short of an attempt to justify action which lies outside the sphere of constitutional authority. Extraordinary conditions do not create or enlarge constitutional power. The Constitution established a national government with powers deemed to be adequate, as they have proved to be both in war and peace, but these powers of the National Government are limited by the constitutional grants. Those who act under these grants are not at liberty to transcend the imposed limits because they believe that more or different power is necessary. Such assertions of extra-constitutional authority were anticipated and precluded by the explicit terms of the tenth amendment—"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Another question with which we are concerned as it affects the pending bill is how far Congress can delegate legislative

power, and it might be well to examine the decision of the United States Supreme Court and see whether or not they have given us any light upon this question.

Of course, the Constitution provides that all legislative power shall be vested in the Congress. In the case of *Wichita Railroad & Light Co.* v. *Public Utilities Commission of the State of Kansas et al.* (260 U. S. 58), reading from the Court's opinion, we find:

> * * * The maxim that a legislature may not delegate legislative power has some qualifications, as in the creation of municipalities, and also in the creation of administrative boards to apply to the myriad details of rate schedules the regulatory police power of the State. The latter qualification is made necessary in order that the legislative power may be effectively exercised. In creating such an administrative agency the legislature, to prevent its being a pure delegation of legislative power, must enjoin upon it a certain course of procedure and certain rules of decision in the performance of its function. It is a wholesome and necessary principle that such an agency must pursue the procedure and rules enjoined and show a substantial compliance therewith to give validity to its action. When, therefore, such an administrative agency is required as a condition precedent to an order to make a finding of facts, the validity of the order must rest upon the needed finding. If it is lacking, the order is ineffective.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. DIETERICH. I yield.

Mr. MINTON. What was the particular provision the Court had before it to construe at that time?

Mr. DIETERICH. It was the question of the delegation of power, a provision for certain findings contained in the utilities act of the State of Kansas.

Mr. MINTON. A delegation of power to the Public Service Commission of the State of Kansas?

Mr. DIETERICH. To the Public Service Commission of the State of Kansas. That delegation of power was, of course, rested on certain findings of fact, and in that particular case the findings of fact were lacking.

Mr. MINTON. Has the Senator before him the provision of the statute that was the guide?

Mr. DIETERICH. I have not the provision of the statute before me, but the Senator can take the case and investigate it. I might say that I did not have time to look into all the details of it. I simply gathered the expression I have read from the opinion of the Court.

Mr. MINTON. I thought perhaps the Court's opinion cited the provision of the statute.

Mr. DIETERICH. It was one of those usual provisions which laid down facts which should be determined and which were in existence. I might say to the Senator along this line, although I shall cover the matter later on, that the question of findings of fact is different from the question of conclusions and the question of exercising judgment. The questions in these rate cases and similar cases are based upon certain earning powers, in which it is possible to go into the mathematics and to ascertain and find and compute, as distinguished from the judgment of someone that something may be in the public interest, or that it may result in public good.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. DIETERICH. I yield.

Mr. WHEELER. Let me call attention to the fact that in the Interstate Commerce Commission Act there are numerous specific provisions to the effect that if the Interstate Commerce Commission finds certain things against the public interest they can do so-and-so.

Mr. DIETERICH. I do not wish to interrupt the course of my argument to go into that, but I believe I can abbreviate it by saying to the Senator that I am going to discuss the question of public interest, and when I come to that I shall be glad if he will call my attention to the point he has in mind.

Mr. WHEELER. I desire to submit that when a finding is made that anything is against the public interest, of course that must be based upon some fact. The commission could not simply arbitrarily do it without rime or reason; but in specific cases the Supreme Court have held that there was evidence of a finding of fact, and they have held the same thing with reference to certificates of convenience and necessity.

Mr. DIETERICH. Mr. President, I should like to pursue the course of my argument without being interrupted. The matter of public interest as laid down in the finding of facts of some agency of Government, and bringing it under the Constitution because it is believed to be in the public interest, are two different things.

In the case of Schechter against United States, in the recent opinion just cited, we find this language:

> The Constitution provides that "All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives" (art. I, sec. 1). And the Congress is authorized "To make all laws which shall be necessary and proper for carrying into execution" its general powers (art. I, sec. 8, par. 18). The Congress is not permitted to abdicate or to transfer to others the essential legislative functions with which it is thus vested. We have repeatedly recognized the necessity of adapting legislation to complex conditions involving a host of details with which the national legislature cannot deal directly. We pointed out in the Panama Co. case that the Constitution has never been regarded as denying to Congress the necessary resources of flexibility and practicality, which will enable it to perform its function in laying down policies and establishing standards, while leaving to selected instrumentalities the making of subordinate rules within prescribed limits and the determination of facts to which the policy as declared by the legislature is to apply. But we said that the constant recognition of the necessity and validity of such provisions, and the wide range of administrative authority which has been developed by means of them, cannot be allowed to obscure the limitations of the authority to delegate, if our constitutional system is to be maintained (id., p. 421).

And again on page 12:

> To summarize and conclude upon this point: Section 3 of the Recovery Act is without precedent. It supplies no standards for any trade, industry, or activity. It does not undertake to prescribe rules of conduct to be applied to particular states of fact determined by appropriate administrative procedure. Instead of prescribing rules of conduct, it authorizes the making of codes to prescribe them. For that legislative undertaking, section 3 sets up no standards, aside from the statement of the general aims of rehabilitation, correction, and expansion described in section 1. In view of the scope of that broad declaration, and of the nature of the few restrictions that are imposed, the discretion of the President in approving or prescribing codes, and thus enacting laws for the Government of trade and industry throughout the country, is virtually unfettered. We think that the code-making authority thus conferred is an unconstitutional delegation of legislative power.

Of course, the difference between the National Recovery Act and the present bill is that under the present bill the power delegated does not go to the President of the United States, but goes to a particular board created under the laws of the United States. However, Congress cannot vest that board with any more authority to exercise legislative power than it can the Chief Executive.

Another point with respect to which the recent opinion might be of help is the argument, which is usually made, that it is to the advantage of the people to do the thing which certain legislation is intended to do. The Supreme Court, in its opinion in the Schechter case, said:

> It is not the province of the Court to consider the economic advantages or disadvantages of such a centralized system. It is sufficient to say that the Federal Constitution does not provide for it. Our growth and development have called for wide use of the commerce power of the Federal Government in its control over the expanded activities of interstate commerce, and in protecting that commerce from burdens, interferences, and conspiracies to restrain and monopolize it. But the authority of the Federal Government may not be pushed to such an extreme as to destroy the distinction, which the commerce clause itself establishes, between commerce among the several States and the internal concerns of a State. The same answer must be made to the contention that is based upon the serious economic situation which led to the passage of the Recovery Act—the fall in prices, the decline in wages and employment, and the curtailment of the market for commodities. Stress is laid upon the great importance of maintaining wage distributions which would provide the necessary stimulus in starting the cumulative forces making for expanding commercial activity. Without in any way disparaging this motive, it is enough to say that the recuperative efforts of the Federal Government must be made in a manner consistent with the authority granted by the Constitution.

I now come to another point, and this is the important point in the proposed legislation. This measure, if valid under the Constitution, is valid because it is sought to regulate transactions in interstate commerce, because the commerce clause is the only grant of authority which we have to enact legislation. However, in this legislation it was

ingeniously intended by the draftsmen to substitute for interstate commerce transactions the statement that it was of national public interest. There is nothing in the Constitution which provides that by reason of certain activities being of important national interest the authority is given to Congress to control by legislation those particular activities. This bill, however, as I said, instead of deriving its authority from the regulation of interstate commerce, has sought to derive its authority from the declaration that what it dealt with was of national public interest. Our courts have passed on that.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. DIETERICH. I yield.

Mr. MINTON. Does not this bill simply recognize that the Congress is exercising the power granted under the commerce clause? It must find its power there, but when it finds its power there its justification for the exercise of that power must then be a public interest.

Mr. DIETERICH. The Senator has stated the correct principle of law, but I do not understand this bill as falling within his explanation, because it first sets out the fact that it deals with matters of important national interest. If it set out that what it intended to do was a regulation of interstate commerce, and then set up the manner in which these activities constitute a part of interstate commerce, it might be said that for that reason it was of national public interest that certain things should be done. The bill, however, is evasive in its positive declaration, and in many instances it declares activities to be interstate commerce which are not interstate commerce at all, such as the use of the mails and instrumentalities of interstate commerce. Instrumentalities of interstate commerce may be used for purposes and for activities which do not constitute interstate commerce.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. DIETERICH. I yield.

Mr. WHEELER. Is the Senator familiar with the Grain Futures Act? If the Senator is familiar with that act, let me call his attention to the fact that the pending bill is patterned after it. In the Grain Futures Act the provision is laid down——

Mr. DIETERICH. Mr. President, I do not wish to be discourteous, but I should rather have the Senator wait until I am through. I wish to give my version of this question, and I do not care to have my speech contain the interruptions and the protests and the denials of my contentions. I understand that what I say may not be agreed to possibly by many Members of the Senate, but I wish to give the Senate the benefit of what I think this measure contains, and why I think this measure is obnoxious to our Constitution.

I again repeat that there are abuses which this bill presumably seeks to remedy, but, instead of remedying them, the bill uses the sentiment against those abuses for changing the situation entirely and, I think, eventually destroying the entire private ownership of utilities. That is my honest conviction. I am not saying that is the motive behind it, but I say that if the administration of this bill were given over to those who are inclined that way they could bring about those results.

On the question of national public interest I quote from *Wolff Packing Co.* v. *the Court of Industrial Relations of Kansas* (262 U. S. 536):

> It is manifest from an examination of the cases cited under the third head that the mere declaration by a legislature that a business is affected with a public interest is not conclusive of the question whether its attempted regulation on that ground is justified. The circumstances of its alleged change from the status of a private business and its freedom from regulation into one in which the public have come to have an interest are always a subject of judicial inquiry.

I now wish to give my attention to the bill, and I first call attention to the policy of the bill. Let us see what the policy is. Subsection (c) of section 1 says:

> It is hereby declared to be the policy of this title, in accordance with which policy all the provisions of this title shall be interpreted, to meet the problems and eliminate the evils connected with the public-utility holding company as enumerated in this section—

If it stopped there it might serve a useful purpose, and it might not be obnoxious to the Constitution; but it continues:

> and for the purpose of effectuating such policy to compel the simplification of public-utility holding-company systems and the elimination therefrom of properties—

What kind of properties?—

> not economically and geographically related in operations, and to provide at the end of 5 years for the elimination of the public-utility holding company except as otherwise expressly provided in this title.

What is a holding company? That becomes important in the consideration of the bill. The measure defines a holding company, and in the definition of holding company, attempted to be governed by the bill in the matter of registration, licensing, and control, it does not discriminate between those companies which are engaged in interstate commerce and those which are engaged in intrastate commerce, but it says:

> (7) "Holding company" means—
> (A) Any company which, either alone or in conjunction and pursuant to an arrangement or understanding with one or more other persons, directly or indirectly owns, holds, or controls 10 percent or more of the outstanding voting securities of a public-utility company or of a company which is a holding company by virtue of this clause or clause (B), unless the Commission, as hereinafter provided, by order declares such company not to be a holding company.

It may or may not be a holding company. There is nothing said there about any company engaged in interstate commerce—

> (B) Any person or persons which the Commission determines, after notice and opportunity for hearing, directly or indirectly to exercise such a controlling influence—

"Directly or indirectly to exercise such a controlling influence"—

> over the management or policies of any public-utility or holding company as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that such person or persons be subject to the obligations, duties, and liabilities imposed in this title upon holding companies.

That provision leaves it absolutely to the discretion of the Commission to determine who shall come within the purview of the bill. They can say in the one case it is for the public interest that certain persons shall be subject to its provisions, while as to others similarly situated they may say it is not to the public interest that they shall be subject to the bill. In other words, it leaves it open so that the Commission can play whatever favorites they wish and make whatever discrimination they desire, using coercion upon one and refusing to use coercion upon another.

Then the bill gives a definition of subsidiary companies; and I say these things are important because they are what the legislation is addressed to. A subsidiary company is—

> (B) Any person the management or policies of which the Commission, after notice and opportunity for hearing, determines—

Determines what? Determines that it has certain properties? No—

> determines to be subject to a controlling influence, directly or indirectly, by a holding company or companies so as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that such person be subject to the obligations, duties, and liabilities imposed in this title upon subsidiary companies of holding companies.

Mr. MINTON. Mr. President, will the Senator yield? I do not wish to interrupt him if it is not convenient.

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from Illinois yield to the Senator from Indiana?

Mr. DIETERICH. I yield to the Senator from Indiana.

Mr. MINTON. Mr. President, the Senator is quoting the definition of a holding company as stated in the bill. Of course, that is broad in its scope, but the Senator does not understand, does he, that every holding company that might be embraced within that definition is brought within the operations of the bill?

Mr. DIETERICH. Using the language of the bill, if, in the judgment of the Commission, it is "necessary or appro-

priate in the public interest for the protection of investors or consumers that such persons be subject to the obligations, duties, and liabilities imposed in this title."

That makes no distinction whether it is interstate or intrastate.

Mr. MINTON. That is right; but whether or not a holding company, so defined, comes within the purview of this measure depends upon whether or not it presents itself for registration, and it never presents itself for registration unless it wants to avail itself of the channels of interstate commerce or to use the mails in which to carry on its business, because——

Mr. DIETERICH. The Senator will readily concede that transacting business in interstate commerce is a different thing altogether from using the mails. In other words, I have an intrastate company located in my town and, if I do not register, I cannot send a letter to the city of Chicago; I cannot use the mails unless I come within the provisions of the bill. It is intended to coerce a utility to come within its provisions.

Now let me proceed a little further. A peculiar thing about this measure is that it duplicates the Securities Exchange Act. Half of this bill is absolutely unnecessary; more than half of this bill is covered by the Securities Exchange Act. We thought when we passed that act that we had corrected some of the evils which were complained of. The Securities Exchange Act provides in clause 10 of section 3 a definition of securities, from which I quote as follows:

The term "security" means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement—

And so forth. It sets out identically the same things which are referred to in this bill as "securities." So we have a dual regulation, and this bill, so far as the argument that it purports to regulate the sale and protect the investor of securities is concerned, only complicates the act we have already passed and which is now in force. The argument for that bill is the controlling argument for this bill, and there cannot be any other argument for it. Before the present law is tested to ascertain what its effect will be upon the issuance of stocks and securities not only in interstate commerce but for the protection of our banking system, this bill should not be passed.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. DIETERICH. I yield.

Mr. MINTON. Is there anything in the Securities Exchange Act which would prevent the pyramiding of holding companies?

Mr. DIETERICH. There is nothing in this bill which will prevent the pyramiding of holding companies. The learned Senator from Nebraska [Mr. NORRIS] the other day made an argument the main point of which was the pyramiding of holding companies. There is nothing in this bill to prevent such pyramiding, unless the commission which is to administer the proposed act thinks it is necessary. They may destroy one holding company in the first degree and permit another one in the ninth degree if in their discretion the public interest so requires.

Then the bill proceeds to grant the power to make exceptions. I assume that these are all the exceptions that can be made. It is a settled rule of construction of statutes that when certain things are enumerated either to be within or excepted from a given measure that all those that are not excepted are included within the class and those that are not included and not specifically named are excepted.

I wish to call the attention of the Senate to section 3. It is the basis of this bill because it singles out those companies that may be excepted from the regulation provided.

SEC. 3 (a). The Commission, by rules and regulations or order, shall exempt any holding company, and every subsidiary company thereof as such, from any provision or provisions of this title, if and to the extent that it deems the exemption not detrimental to the public interest or the interest of investors or consumers, if—

It does not specify any class that shall be exempt, but provides that they may be exempt depending upon the judgment of the Commission. In other words, this bill sets up over the utilities an arbitrary power; the Commission can use their discretion and do as they please; coerce utility companies for good or bad, or destroy them.

(1) Such holding company, and every subsidiary company thereof which is a public-utility company, are predominantly intrastate in character and carry on their business substantially in a single State in which such holding company and every such subsidiary company thereof are organized.

That is deceptive language. The Commission may do that. It does not direct that they "shall" do it, but they may do it if it deems that the exemption is not detrimental to the public interest.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. DIETERICH. I do not like to be interrupted so as to break up the continuity of my remarks. I do not desire to be discourteous, but I should like to present my views on this bill and do so in a connected manner.

Again:

(2) Such holding company is predominantly a public-utility company operating as such in one or more contiguous States.

Then follow (3), (4), and (5), but the real grant of authority, the clause which gives them the right to play whatever favorites they desire, with no legal rule laid down, with no citizen and no investor knowing what his property rights are, or when or how he is going to be disturbed in the operation of his business, is contained in these words:

(b) The Commission may, by rules and regulations, conditionally or unconditionally exempt any specified class or classes of persons from the obligations, duties, or liabilities imposed upon such persons as subsidiary companies or affiliates under any provision or provisions of this title, and may provide within the extent of any such exemption that such specified class or classes of persons shall not be deemed subsidiary companies or affiliates within the meaning of any such provision or provisions, if and to the extent that it deems the exemption necessary or appropriate in the public interest or for the protection of investors or consumers.

No human being could know and no lawyer could advise his client as to what his rights would be under that particular clause of the bill.

Section 4 provides that "After October 1, 1935, unless a holding company is registered under section 5", it cannot do anything. While the provision then sets forth certain things the holding company must cease doing, it specifies things which, if it ceases doing, would compel it to discontinue its business. All the way through it does not refer to those engaged in interstate commerce, but ingeniously there have been inserted the words "If it uses the mails or the instrumentalities of interstate commerce." I may conduct a correspondence from my town to Chicago, purely intrastate, pertaining to nothing interstate, but in the use of the mails I am using the instrumentalities of interstate commerce. In other words, it is an attempt absolutely to nationalize and take away from the States every control they could possibly have over holding companies and other utilities.

The vicious part of the bill is section 11. That is the part which gives the Commission, following its whim, without any fixed rule, the absolute power to destroy; fixes the time in which the destruction shall be wrought, and provides in paragraph (3) that it shall be the duty of the Commission—

(3) Promptly after January 1, 1940, to require each registered holding company to take such steps (either by divesting itself of control, securities, or other assets, or by reorganization or dissolution, or otherwise) as the Commission finds necessary or appropriate to make such company cease to be a holding company.

That is the death sentence. Where has Congress been given the right by legislation to destroy an institution of this kind? Where has Congress been given the right to destroy the value of the investors' money legitimately and honestly invested in these enterprises? Yet the bill gives the Commission that arbitrary right and that arbitrary power.

These powers would be exercised with a great deal more fairness if the Government were not itself a competitor in this field. The Government, being a competitor in the field of utilities, owes every duty to be fair to the citizens with whom it is thrown in competition. If the Government as a competitor has the right to say where and how and when its

competitor may operate, there is no question what will happen to the utilities. That is the purpose behind the bill.

I am not going to take the time to go through all the provisions of the bill in detail. I shall point out merely a few more glaring ones. One of the most glaring provisions of the bill is found in section 20, page 79. I invite the particular attention of Senators to this provision.

Section 2 sets out a line of definitions and tells what is meant by a holding company, a subsidiary company, the term "person", and all other terms used in the bill. The legislature is doing that, but here is the delegation of power to the Commission:

SEC. 20. The Commission shall have authority from time to time to make, issue, amend, and rescind such rules and regulations and such orders as it may deem necessary or appropriate to carry out the provisions of this title, including rules and regulations defining accounting, technical, and trade names used in this title.

In other words, the Commission can go back and, if they so desire, give the bill an entirely different meaning. They can enforce a rule today which will cause the dissolution of the company, and tomorrow, after the damage is wrought and some favorite appears upon the scene, rescind the rule.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. DIETERICH. I yield.

Mr. WHEELER. I think perhaps the Senator did not intend it, but he gave the impression that the Commission might change the definitions laid down in the bill.

Mr. DIETERICH. They are technical and trade terms, are they not?

Mr. WHEELER. No commission is authorized, under the terms of this bill or any other bill, to change the definitions laid down in the bill as a fundamental part thereof. Secondly, let me say to the Senator that this section was taken almost——

Mr. DIETERICH. I want to call the attention of the Senator, before he launches into that argument, that the two must be taken together. I call his attention to the provision in section 2 in which it is said that "when used in this title, unless context otherwise requires, the term 'person' shall mean", and so forth.

Mr. WHEELER. Of course.

Mr. DIETERICH. Unless the context and unless the Commission.

Mr. President, I do not want to be interrupted, nor do I desire to engage in a colloquy with the Senator. The Senator knows why we should not do that.

Mr. WHEELER. No; I do not know why we should not, but the Senator does not want to leave a wrong impression with the Members of the Senate. I called the Senator's attention to the fact that the language is the identical language appearing in and taken from the Securities Act.

Mr. DIETERICH. Mr. President, do I have to have this injected in the place in the RECORD which will contain my address?

Mr. WHEELER. The Senator can have it put at the end of his speech, if he desires.

Mr. DIETERICH. I desire to say to the Senator that I have tried to avoid this interruption. My disposition and my philosophies are so different from his that I have tried to avoid personalties in the discussion of the matter. He has the right to maintain any philosophy he desires, and I have a right to maintain mine.

Section 30, on page 89 of the bill, provides what is necessary in order that dissolutions, rearrangements, and liquidations shall be ordered, and the fields in which they shall operate:

The Federal Power Commission is authorized and directed to make studies and investigations of public-utility companies, the territories served or which can be served by public-utility companies, and the manner in which the same are or can be served, to determine—

What?—

the sizes, types, and locations of public-utility companies which do or can operate most economically and efficiently in the public interest, in the interest of investors and consumers, and in furtherance of a wider and more economical use of gas and electric energy; upon the basis of such investigations and studies the Federal Power Commission shall make public from time to time its recommendations as to the type and size of geographically and economically integrated public-utility systems which, having regard for the nature and character of the locality served, can best promote and harmonize the interests of the public, the investor, and the consumer. The Commission is authorized and directed to make a study of the functions and activities of investment trusts and investment companies, the corporate structures, and investment policies of such trusts and companies, the influence—

They are to make estimates of the influence—

exerted by such trusts and companies upon companies in which they are interested, and the influence exerted by interests affiliated with the management of such trusts and companies upon their investment policies, and to report the results of its study and its recommendations to the Congress on or before January 4, 1936.

In the bill the language "influence, directly or indirectly," is used. In other words, if the Senator from Montana and I were great friends, and we happened to be associated in the same business, the Commission could say, "Well, you boys will have to disengage yourselves; you are too intimate."

Mr. MINTON. They might recommend it, but they could not enforce it.

Mr. DIETERICH. That is true. That is why I say that the bill contains provisions which are so obnoxious to the law and the Constitution that they cannot be enforced. That is why the bill should be recommitted and sent to the Committee on the Judiciary, in order that the lawyers of the Senate may have an opportunity to study the provisions of the bill in the light of constitutional provisions.

In closing, I desire to say that I was very much interested in the able presentation made on yesterday by the senior Senator from Nebraska [Mr. NORRIS] and I was especially interested in it because I have full confidence in his honesty, and in his belief that what he is trying to do will promote a great public good. The Senator from Nebraska said that he saw no reason for a holding company beyond the third degree. Where does the bill place the degree? If something like that were said in the bill, and it prevented holding companies engaged in interstate commerce from existing beyond the third degree, we should know the character of the legislation upon which we are asked to pass; but all of the Senator's argument on that point does not fit the bill, because the bill may or may not cure those evils.

Another thing on which the Senator from Nebraska laid great stress was the matter of the interlocking directorate. That subject was very aoly and very forcefully presented by him. I do not know any provision in the bill which prevents interlocking directorates. There is not a provision of the bill which does that.

Those were the two subjects on which the Senator from Nebraska based his entire argument, and produced his charts to confirm it; yet in the very measure to which he was addressing himself there is not a single provision that gives any guarantee that the abuses of holding companies beyond the third degree and interlocking directorates will be done away with in the future.

The only place in the bill which speaks of interlocking directorates, to which I desire lastly to call the attention of the Senate, is the amendment to section 303 of the Water Power Act, found in part II of the bill, at page 136. I call attention to that provision, as follows:

After 6 months from the date on which this part takes effect, it shall be unlawful for any person to hold the position of officer or director of more than one licensee and/or public utility subject to this act—

Of course, meaning the Water Power Act—

unless the holding of such positions shall have been authorized by order of the Commission, upon due showing in form and manner prescribed by the Commission, that neither public nor private interests will be adversely affected thereby. The Commission shall not grant any such authorization to a person holding such positions on the date on which this part takes effect, unless application for such authorization is filed with the Commission within 60 days after that date.

When did the Commission abridge the provisions of section 2, article IV, of the Constitution, which says that—

The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States?

When did the Commission get to the point of saying that I cannot own a farm in Illinois, and one in Iowa, and one in Michigan? What authority have they to say that I cannot make my investments in every State in the Union, and, with those investments, hold any office that it is proper for me to hold as an investor? Yet this bill, seeking to regulate and destroy holding companies, contains no provision which says anything about interlocking directorates or a multiplicity of directorates.

I think that is all I have to present to the Senate upon this particular measure. As I have said, I think there is a necessity for legislation dealing with holding companies which have been promotional schemes, holding companies which have no useful function in the service of the utility, and whose only purpose is manifestly that of collecting revenue.

This bill, however, does not remedy that condition. The bill should be recommitted, and referred to the Committee on the Judiciary, in order that the able lawyers of the Senate—of course, excluding myself, and including the able Senator from Nebraska [Mr. NORRIS] and the Chairman of the Judiciary Committee [Mr. ASHURST]—may study it with a view of seeing if out of it they cannot comply with that which the President of the United States desires to have complied with. Now and then it has been intimated that he is back of this measure. If so, he has not been informed as to what its provisions are. He desires a regulation of utility companies; he desires to have the racket squeezed out of this kind of investment. This bill takes that pretext and builds another bureau to hamper business, and sets over a legitimate business, which has developed itself, the most arbitrary, tyrannical, unreasonable, and lawless rule that could possibly be imagined.

Mr. HASTINGS obtained the floor.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. DICKINSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Radcliffe
Ashurst	Copeland	Lewis	Reynolds
Austin	Costigan	Logan	Robinson
Bachman	Couzens	Lonergan	Russell
Bailey	Dickinson	McAdoo	Schall
Bankhead	Dieterich	McCarran	Schwellenbach
Barbour	Donahey	McGill	Sheppard
Barkley	Duffy	McKellar	Shipstead
Black	Fletcher	McNary	Smith
Bone	Frazier	Maloney	Steiwer
Borah	George	Metcalf	Thomas, Okla.
Brown	Gerry	Minton	Thomas, Utah
Bulkley	Gibson	Moore	Townsend
Bulow	Glass	Murphy	Trammell
Burke	Guffey	Murray	Truman
Byrd	Hale	Neely	Tydings
Byrnes	Harrison	Norbeck	Vandenberg
Capper	Hastings	Norris	Van Nuys
Caraway	Hatch	Nye	Wagner
Carey	Hayden	O'Mahoney	Walsh
Chavez	Johnson	Overton	Wheeler
Clark	Keyes	Pittman	White
Connally	King	Pope	

The PRESIDING OFFICER (Mr. BURKE in the chair). Ninety-one Senators having answered to their names, a quorum is present.

Mr. HASTINGS. Mr. President, the bill now pending before the Senate consists of 151 pages. It is not only a very long bill but a very complicated one. It involves a subject in which the public is greatly interested.

The publicity to which the holding companies have been subjected for several years is one that is wholly justified, and the evils which have come from practices of some holding companies are undcubtedly properly condemned. I take it that no Member of Congress would attempt to justify some of the practices which have been indulged in. I certainly have no intention, in the discussion of this matter, of attempting to make any such justification. My interest in the bill is not because I have an interest in holding companies generally.

It seems to me that no person who reads the bill carefully, and more than once, as would be necessary in order thoroughly to understand it, can reach any other conclusion than that it goes away beyond that which is necessary, that which is desirable, or the extent to which the Constitution permits us to go.

Someone has said that the utility holding companies which took advantage of the public have taken two-thirds of the public's savings, and now the Congress comes along and proposes to take away the other third. Whether or not that be true is not of the greatest importance to me. I know, as every other Member of the Senate knows, that the proposal of this legislation has caused great distress to millions of people in this country. I agree that it has caused apprehensions which probably will not be realized by the persons who have had their fears aroused. But when the Congress begins to legislate upon a subject in which the people generally have a great interest and a large investment, there is bound to come to the minds of the people an uncertainty as to the investments which they have.

In many instances, in thousands if not millions of instances, we shall find that fear of the effect this bill will have will cause, indeed, has caused, those people to go headlong to their brokers' offices or to their bankers and insist upon disposing of their utilities stock, regardless of what they may be able to get for it. That of itself, of course, is disturbing to them and disturbing to the country, and, in my judgment, does not add anything to the progress of the Nation.

I have no intention today or at any other time to undertake to defend some of the practices which have grown up under and through the efforts of the great holding companies, but I call attention to the fact that for the development of the holding companies in the utility field there has been some excuse and some good reason, and, notwithstanding what may be said against them, it is undoubtedly true that the holding companies are largely responsible for the great progress which has been made in the public-utilities field. I call attention to this fact not for the purpose of defending the bad practices but for the purpose of showing that when great progress is made by the country as a whole along any particular line bad practices are bound to creep in in connection with financial operations which are responsible for such progress.

If I may use as an illustration the Henry Ford organization, which began with little money and has developed until it is one of the great industries of the Nation, if not the greatest; I call attention to the fact that it was not necessary for Henry Ford to offer to the public any securities of that industry; it was not necessary for him to do anything except to plow back into the industry the profits he was making from year to year. That is not only true of that one industry but it is true of most of the great industries of the Nation. They refinance at times and they call into their business money from the outside, but frequently the great development comes from using the profits which are made.

In the utility industry, however, the situation is entirely different. There cannot be any great profits in the utility industry. It is a semipublic business serving the public. The charter under which the industry was organized created a monopoly in the particular place where the industry operated. Because of such monopoly the industry is properly controlled, usually, and, so far as the electric and gas utilities are concerned, it has been controlled up to this time by the State agencies and by the State commissions which are created for that particular purpose. What do the State agencies permit them to do? The State agencies permit them to earn only a reasonable sum upon the amount invested.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WHEELER. Is it not a fact that holding companies are not only permitted to earn upon the amount invested but they have made their profit by their service charges and their construction contracts, by means of which they have literally exploited the operating companies? Furthermore, such charges have been charged up to the consuming public, and the State commissions have been unable to reach the holding companies because they were organized outside of the State. That is the way in which the superholding company got its money. It got its money not from dividends

but from the contracts and other operations which were disclosed by the Federal Trade Commission.

Mr. HASTINGS. The question asked by the Senator from Montana does not touch the point I am discussing, and a little later I shall make reference to it and undertake to answer it.

The point I was making was that it is not possible to develop an industry, as the utility industry has been developed in America during the last 25 years, by taking the profits it has made from the people it served and putting them back into the industry and enlarging it. That was the sole point I was making up to that point. For that reason it has become necessary, in order to reach this great development, not only in amounts of money involved but in respect to the millions of people who are served, to go to the public and get new money for the expansion of these industries.

The holding company was created in the first instance and has been developed because of that necessity, which was apparent years ago. It became necessary for the holding company—for instance, in order to develop a new industry or to enlarge an old industry—to offer the public a diversification in the investment which it made. That could only be done through the holding company. The fact that the holding company, which had for its original purpose the development of an American industry, and had originally a purpose which nobody could particularly complain of, has since that time, because of the greed which runs with human nature, permitted certain abuses to grow up, and has caused intermediary companies which it has organized and controlled to charge to the operating companies larger sums for service than they ought to charge, is not a good reason why one should say it is in the interest of the public to get rid of the holding company as an institution.

The bad practices which have grown up ought to be corrected. It is perfectly possible for the Congress to assist the States in correcting those evils, but I submit that it is not necessary in order to correct them that the American Congress shall say by a congressional fiat that the holding company as an institution must be abolished.

Mr. President, I do not propose to go further than that with respect to defending the holding company.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Idaho?

Mr. HASTINGS. I yield.

Mr. BORAH. Will the Senator before he concludes say something about the necessity of the existence of the second and third and fourth holding companies? I follow the Senator with reference to a holding company—the first holding company and possibly a second. We have the holding companies running to 4 or 5 or 6 or more.

Mr. HASTINGS. I do not think, Mr. President, I would undertake to defend that at all. I do not know enough about it, and I am not familiar enough with all the evidence which was brought before the committee to be able to answer that question, but so far as I am concerned I see little or no excuse for it at all.

The chairman of the committee, who has charge of this bill, has on more than one occasion during his address to the Senate explaining the bill complained about the propaganda against the bill, and when Senators asked questions with respect to it he insisted that they had been misled by the propaganda of utility companies who spread it deliberately for the purpose of deceiving people. That may be true. I do not know whether it is true or not, but I say that the querying and the misunderstanding about this bill does not necessarily arise by reason of propaganda. The querying and the impossibility of understanding the bill arises from the lack of superior intelligence. No ordinary man can understand this bill by reading it only once. It is only after intense study that one can understand it; it is only after intense study that one can come to a conclusion as to what the proponents of this bill intend to do by it.

The distinguished Senator from Montana [Mr. WHEELER], on the first day when addressing the Senate, had this to say:

> If the Senate of the United States does not have the courage to enact legislation eliminating these great holding companies because of the fact that they have brought so much pressure to bear, and because of the fact that their agents are here seeking to intimidate Members of Congress, pleading with them and cajoling them and having their employees writing Members and threatening them—if the power of the Congress is not strong enough, if the Congress cannot have courage enough, to eliminate these unnecessary evils in the form of large holding companies which have no place in our economic system, as I shall point out, then certainly we cannot expect any commission of the Government effectively to regulate them.

Mr. President, I submit to the Senator from Montana that the statement in his speech which I have quoted is not justified. I say to him and to every Member of this body that I am not in any sense controlled by any propaganda; I am not in any sense controlled by any fear with respect to what will happen in case I do not support this bill or in case I do support it. My conviction that this bill ought not to pass goes beyond that. My conviction that it ought not to pass is because it violates important American principles which we have heard so much about during the past 10 days and which were so clearly emphasized by the distinguished Senator from Idaho [Mr. BORAH] on last Sunday night.

It seems to me it is pretty nearly time that the Congress itself should become Constitution-minded; it seems to me it is pretty nearly time that the Members of the Congress, including those who are not lawyers and who frequently excuse themselves upon the theory that they are not lawyers and therefore not called upon to say whether or not a proposed act is constitutional, should assume their obligations. I submit to any man who will take time to study this bill for a week, as it would be necessary for him to do, whether he be a lawyer or whether he be a layman, that he cannot reach any other conclusion than that the bill itself, not in one particular but in many particulars, violates the Constitution of the United States, and I further call attention to the fact that, like the members of the Supreme Court, each of us has taken an oath to support the Constitution.

So, regardless of what we may think about what the holding company has done, regardless of how much injury it may have caused innocent investors, regardless of all that, I say we must find, if we are to correct the abuses that exist, the constitutional way to do it or we must admit to the country that there is nothing that we can do.

Mr. President, that is my sincere and honest belief, and I am prepared to discuss the question with anyone and to answer any questions that anyone may care to ask me with respect to it. I wish, however, to read to the Senate as my positive conclusion with respect to the matter a brief statement, and I do it for the purpose and with the hope that Senators will give consideration to it and will point out to me, if they can, where there be mistakes in it.

This bill is unconstitutional because:

First. It does not limit congressional control to corporations engaged in interstate commerce.

Second. It undertakes to bring within the control of Congress the entire business of a corporation merely because such corporation is engaged in transactions outside the State in which it is located.

Third. It assumes that a holding company is engaged in interstate commerce merely because it directly or indirectly controls operating companies in two or more States, although such operating companies are not engaged in interstate commerce.

Fourth. It prohibits the use of the United States mails to legitimate business.

Fifth. The business of all holding companies is outlawed by the bill upon the theory that their business is used as an agency to promote dishonesty, or the spread of an evil or harm to the people of other States from the State of origin.

Sixth. There is no effort here to declare certain things dealt in and transferred from State to State to be harmful and therefore prohibited, but the prohibition goes, and the facilities are withheld from a certain class of persons and corporations engaged in doing the things and using the facilities.

Seventh. Congress cannot eliminate a legitimate business by withholding from it the use of the mails and the facilities of transportation unless such elimination is necessary to prevent the free flow of interstate commerce.

Eighth. The bill contradicts itself by making special provision for holding companies "for the operations of a geographically and economically integrated public-utility system serving an economic region in a single State or extending into two or more contiguous States or into a contiguous foreign country" (p. 45).

Ninth. There is an unlawful delegation of power.

Tenth. In the provision for the regulation of electric utility companies engaged in interstate commerce, provision is made for the "production of electric energy" which under the Supreme Court decisions is purely intrastate, subject to State taxation and control.

Mr. President, these, briefly, are, in my judgment, the constitutional objections to the pending bill.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Montana?

Mr. HASTINGS. I yield.

Mr. WHEELER. I do not want to let the Senator's statement go unchallenged at this time although, I will not now, of course, go into it. I wish merely to say to the Senator that I can take up the most of the points he has urged as grounds for the unconstitutionality of the pending bill; and I am satisfied I can convince him that the Supreme Court in every instance where such a question has arisen has held that the constitutional grounds by which he urges to show that the bill is unconstitutional are substantially incorrect. I am not going at this time to take up specifically each item, but I suggest to the Senator that I will take them up before the conclusion of the argument.

Mr. HASTINGS. Mr. President, I express the hope that the Senator will do exactly what he states, because, to my mind, this matter is of such great importance that nobody ought to be hurried to a decision but everybody ought to have an opportunity to study this measure fully from its beginning to its end; and I certainly shall be delighted to have the Senator answer all the arguments I may make. I wish, however, to call his attention to one case which, in my judgment, is conclusive upon this whole subject. If he can answer that one case—I refer to the employers' liability case—then I shall be, indeed, surprised. So far as I know, the Supreme Court has never answered it, and it has never been answered in any other place.

But, Mr. President, let me, in the beginning, point out what I think this bill might do, and, so far as I know, all that it might do along this line.

The Congress undoubtedly has the authority to regulate rates charged by public utilities engaged in interstate commerce. It undoubtedly has authority to require such public utilities to furnish all information and do the necessary things in order that proper rates may be established. To that end it might provide that:

(a) Every public utility engaged in interstate commerce shall on or before October 1, 1935, register in the manner provided herein.

(b) Every holding company, which, directly or indirectly through stock ownership, controls a public utility engaged in interstate commerce and which by contract or otherwise participates in the interstate transactions of such public utility, shall on or before October 1, 1935, register in the manner provided herein.

Mr. President, I wrote those two sections after I had listened to the distinguished Senator from Tennessee inquire of the chairman of the committee who has charge of the pending bill, whether or not he could write into the bill a clear provision that it should apply only to interstate commerce. Following that suggestion, I undertook to write such a provision; this is as near as I could come to it; and I myself am a little doubtful whether the second paragraph is within our rights.

However, we do have the opinion of one I believe to be a great judge, the senior district judge in the southern district of New York, Judge Knox; whose opinion has been quoted by the distinguished chairman of the committee, and which has been relied upon by him; but how the Senator from Montana reaches the conclusion he does from reading Judge Knox's opinion is something that I cannot quite understand. I propose a little later to read from that opinion at some length.

Mr. BORAH. Mr. President——

Mr. HASTINGS. I yield to the Senator from Idaho.

Mr. BORAH. In connection with the statement by the Senator of the things which he thinks Congress might do, I should like to ask a question. Assuming that a holding company is engaged in interstate commerce in the sense in which the Senator has defined it, would not the Congress, if it thought that such holding company was an embarrassment or a burden or an injury to interstate commerce have power to control it in all its particulars; and if it thought it was a burden in the sense that it was a third or fourth or fifth holding company, then would not the Congress have the right to terminate its existence?

Mr. HASTINGS. I should say "no" in answer to that question.

Mr. BORAH. If it is engaged in interstate commerce and is a burden to interstate commerce, I do not see why the Congress would not have the right to remove the burden.

Mr. HASTINGS. I shall answer that question a little later and quite fully. I think there must be borne in mind with respect to a part of the question asked by the distinguished Senator a point which has been overlooked by many Senators, it seems to me, in view of the questions they ask, and that is that merely because a corporation or a person is engaged in interstate commerce, it does not mean that the Congress may lay its hands upon it and control it in all the business it performs. That is so clearly laid down in the employers' liability case that there can be no question about it.

Of course, the cases which have been mentioned by the distinguished Senator from Montana, where holding companies have been practically wiped out by the decisions of the Supreme Court, do not in any sense compare with the questions we have before us at this time, because the questions with which the Congress was there dealing were clear questions of control of interstate commerce. All of them went to the point of the entering into a conspiracy by those persons upon whom the courts laid their hands. The courts reached the conclusion in all those instances that the companies had entered into a conspiracy to do a certain thing which strongly and violently interrupted the free play of commerce.

Here the situation is entirely different. Here there is no such situation. We resort to the interstate-commerce clause merely for the purpose of seizing upon the corporation. Having gotten our hold upon the corporation which is transmitting its mail from one State to another—and that is the basis of the contention that it is interstate commerce—or transmitting its contracts from one State to another, all of which is, of course, interstate commerce, the contention is made that having laid our hands upon it because it is so engaged, hence, with our hands upon it, we can control all its activities regardless of whether it is interstate control or intrastate control.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Montana?

Mr. HASTINGS. I yield.

Mr. WHEELER. First let me say to the Senator that in the Reading case, as in each one of the other cases, the reason why Congress could take jurisdiction over the companies was because of the fact that they were engaged in interstate commerce. In the Hepburn Act we laid down the principle that certain things were prohibited by law. The only reason why we could prohibit them was because of the fact that the companies were engaged in interstate commerce. Having jurisdiction of them because of the fact they were engaged in interstate commerce we went to the point of saying that the holding company doing these things could be dissolved.

The same thing was true, I may say to the Senator, with reference to the cases involving trading in futures dealt with in the Grain Futures Act. In that act Congress said certain definite things were affected with a national public interest, exactly as we say in the bill now before us. The Supreme Court first held, as a matter of fact, in a case involving the Futures Trading Act that we could not lay a tax in such case, but said in passing upon the second Grain Futures Act, that while under the act the trading in futures was not in itself an interstate transaction, yet because of the fact that it did affect the national policy and was against the public interest and did affect interstate commerce, we could prohibit it. The Court upheld the act, Chief Justice Taft rendering the decision.

Mr. HASTINGS. Mr. President, I think just here, rather than at the place where I expected to use it in the course of my argument, I shall read at length from this opinion. I ask Senators to follow it carefully and to see how nearly it fits the case now before us and how many things which are said in the opinion show conclusively that we have no authority to do what we are trying to do in this bill.

This is the Employers' Liability case reported in Two Hundred and Seventh United States Reports, and I am reading from page 492:

All the questions which arise concern the nature and extent of the power of Congress to regulate commerce. That subject has been so often here considered and has been so fully elaborated in recent decisions, two of which are noted in the margin, that we content ourselves, for the purposes of this case, with repeating the broad definition of the commerce power as expounded by Mr. Chief Justice Marshall in *Gibbons* v. *Ogden*.

The Senator from Idaho is thoroughly familiar with that case.

"We are now arrived at the inquiry, What is this power?"

This is pretty old, but I think the recent decisions of the Supreme Court still show that it is good.

"It is the power to regulate; that is, to prescribe the rule by which commerce is to be governed. This power, like all others vested in Congress, is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations other than are prescribed in the Constitution. * * * If, as has always been understood, the sovereignty of Congress, though limited to specified objects, is plenary as to those objects, the power over commerce with foreign nations and among the several States is vested in Congress as absolutely as it would be in a single government having in its constitution the same restrictions on the exercise of the power as are found in the Constitution of the United States."

Accepting, as we now do and as has always been done, this comprehensive statement of the power of Congress, we also adopt and reiterate the perspicuous statement made in the same case of those matters of State control which are not embraced in the grant of authority to Congress to regulate commerce:

"It is not intended to say that these words comprehend that commerce, which is completely internal, which is carried on between man and man in a State, or between different parts of the same State, and which does not extend to or affect other States. Such a power would be inconvenient and is certainly unnecessary. Comprehensive as the word 'among' is, it may very properly be restricted to that commerce which concerns more States than one. * * * The genius and character of the whole Government seem to be that its action is to be applied to all the external concerns of the Nation, and to those internal concerns which affect the States generally; but not to those which are completely within a particular State, which do not affect other States and with which it is not necessary to interfere, for the purpose of executing some of the general powers of the Government."

That was John Marshall speaking in Gibbons against Ogden. The Court in this case said:

We think the orderly discussion of the question may best be met by disposing of the affirmative propositions relied on to establish that the statute conflicts with the Constitution.

In the first place, it is asserted that there is a total want of power in Congress in any conceivable aspect to regulate the subject with which the act deals. In the second place it is insisted the act is void, even although it be conceded, for the sake of argument, that some phases of the subject with which it is concerned may be within the power of Congress, because the act is confined not to such phases, but asserts control over many things not in any event within the power to regulate commerce.

Mr. WHEELER. Mr. President, will the Senator yield just for a question?

Mr. HASTINGS. I yield.

Mr. WHEELER. I am wondering from which case the Senator is reading. I did not catch the citation.

Mr. HASTINGS. Two Hundred and Seventh United States Reports, page 463.

Mr. WHEELER. Is that from the decision on the first railroad employees' liability act, or the decision on the second one?

Mr. HASTINGS. This is the one with which I am familiar. I do not know whether it is the first or the second.

Mr. WHEELER. There were two decisions by the Supreme Court of the United States. I am not sure to which one the Senator is calling attention, but there were two decisions on the acts. The first one held the first act unconstitutional, and the second decision held that the second act was constitutional.

Mr. HASTINGS. This must be the decision on the first act.

Mr. WHEELER. The Supreme Court held that the second railroad employees' liability act was constitutional; and in substance, it seemed to me, without expressly saying so, it completely changed its views with reference to the subject, in 223 U. S. 1.

Mr. HASTINGS. There is some language here to which I desire particularly to call attention, because it touches on more than one point involved in this argument.

Mr. BLACK. Mr. President——

Mr. HASTINGS. I yield to the Senator from Alabama.

Mr. BLACK. I did not clearly understand the Senator's position; but I understood him to state that he fully agreed with the interpretation of the commerce clause as he read the quotation from Gibbons against Ogden.

Mr. HASTINGS. Yes.

Mr. BLACK. And the Senator thinks that is still a clear exposition of the law, and that the Government has all the power indicated in the quotation he read from the opinion in Gibbons against Ogden?

Mr. HASTINGS. I have not any doubt of it.

Reading further from Two Hundred and Seventh United States Reports:

(1) The proposition that there is an absolute want of power in Congress to enact the statute is based on the assumption that as the statute is solely addressed to the regulation of the relations of the employer to those whom he employs and the relation of those employed by him among themselves, it deals with subjects which cannot under any circumstances come within the power conferred upon Congress to regulate commerce.

As it is patent that the act does regulate the relation of master and servant in the cases to which it applies, it must follow that the act is beyond the authority of Congress if the proposition just stated be well founded. But we may not test the power of Congress to regulate commerce solely by abstractly considering the particular subject to which a regulation relates, irrespective of whether the regulation in question is one of interstate commerce. On the contrary, the test of power is not merely the matter regulated, but whether the regulation is directly one of interstate commerce, or is embraced within the grant conferred on Congress to use all lawful means necessary and appropriate to the execution of the power to regulate commerce. We think the unsoundness of the contention that because the act regulates the relation of master and servant it is unconstitutional, because under no circumstances and to no extent can the regulation of such subject be within the grant of authority to regulate commerce is demonstrable. We say this because we fail to perceive any just reason for holding that Congress is without power to regulate the relation of master and servant, to the extent that regulations adopted by Congress on that subject are solely confined to interstate commerce, and therefore are within the grant to regulate that commerce or within the authority given to use all means appropriate to the exercise of the powers conferred. To illustrate: Take the case of an interstate railway train—that is, a train moving in interstate commerce—and the regulation of which, therefore, is in the nature of things a regulation of such commerce. It cannot be said that because a regulation adopted by Congress as to such train when so engaged in interstate commerce deals with the relation of the master to the servants operating such train, or the relations of the servants engaged in such operation between themselves, that it is not a regulation of interstate commerce. This must be, since to admit the authority to regulate such train, and yet to say that all regulations which deal with the relation of master and servants engaged in its operation are invalid for want of power would be but to concede the power and then to deny it, or at all events to recognize the power and yet to render it incomplete.

Because of the reasons just stated we might well pass from the consideration of the subject. We add, however, that we think the error of the proposition is shown by previous decisions of this Court. Thus the want of power in a State to interfere with an interstate commerce train, if thereby a direct burden is imposed upon interstate commerce, is settled beyond question. * * *

2. But it is argued, even though it be conceded that the power of Congress may be exercised as to the relation of master and servant in matters of interstate commerce, that power cannot be lawfully extended so as to include the regulation of the relation of master and servant, or of servants among themselves, as to things which are not interstate commerce. From this it is insisted the repugnancy of the act to the Constitution is clearly shown, as the face of the act makes it certain that the power which it asserts extends not only to the relation of master and servant and servants among themselves as to things which are wholly interstate commerce, but embraces those relations as to matters and things domestic in their character and which do not come within the authority of Congress. To test this proposition requires us to consider the text of the act.

From the first section it is certain that the act extends to every individual or corporation who may engage in interstate commerce as a common carrier. Its all-embracing words leave no room for any other conclusion. It may include, for example, steam railroads, telegraph lines, telephone lines, the express business, vessels of every kind, whether steam or sail, ferries, bridges, wagon lines, carriages, trolley lines, etc. Now, the rule which the statute establishes for the purpose of determining whether all the subjects to which it relates are to be controlled by its provisions is that anyone who conducts such business be a "common carrier engaged in trade or commerce in the District of Columbia, or in any Territory of the United States, or between the several States", etc. That is, the subjects stated all come within the statute when the individual or corporation is a common carrier who engages in trade or commerce between the States, etc. From this it follows that the statute deals with all the concerns of the individuals or corporations to which it relates if they engage as common carriers in trade or commerce between the States, etc., and does not confine itself to the interstate commerce business which may be done by such persons. Stated in another form, the statute is addressed to the individuals or corporations who are engaged in interstate commerce and is not confined solely to regulating the interstate commerce business which such persons may do—that is, it regulates the persons because they engage in interstate commerce and does not alone regulate the business of interstate commerce.

That is a point, Mr. President, which exactly fits in with this bill. That is exactly what we are doing here. We are regulating the holding company, and not the business of the holding company.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WHEELER. Does the Senator contend that if a corporation is part of a system which is engaged in interstate commerce, but the corporation itself is not engaged in interstate commerce, the Congress cannot regulate the business of the concern which is not engaged in interstate commerce? Is that the position the Senator takes?

Mr. HASTINGS. It is, speaking generally, with some exceptions.

Mr. WHEELER. Let me call attention to the fact that the Supreme Court has directly passed upon that question.

Mr. HASTINGS. Does the Senator mean in the Terminal case?

Mr. WHEELER. Yes.

Mr. HASTINGS. Of course, the Terminal case does not touch this case, side or bottom. There is no comparison between the two, and the Terminal case cannot reasonably be cited to sustain this proposed legislation.

Mr. WHEELER. Let me call attention also to the fact that the case just cited by the Senator from Delaware, as I pointed out a moment ago, was explained in a subsequent case by the Supreme Court, wherein they expressly upheld the law with reference to the very subject about which the Senator is reading. I am sure the Senator is familiar with the decision, because many cases have been similarly decided.

The Senator will recall the history of that legislation. First, the law which he is talking about was passed, and the Supreme Court held it was unconstitutional. The matter came back here, and we passed another law almost identical with the first one, and the Supreme Court explained its first decision and held the second law constitutional.

Mr. HASTINGS. I have forgotten that particular case, but I do not think anyone will dispute the soundness of some of the language used in this case.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from Delaware yield to the Senator from Idaho?

Mr. HASTINGS. I yield.

Mr. BORAH. I do not know that I followed the Senator in the application of this opinion to the bill under consideration. The Senator cited authority to the effect that Congress could not regulate the personal affairs of individuals simply because some one of them was engaged in interstate commerce—that is to say, if his act was separate from anything connected with interstate commerce. Is that the effect of the decision?

Mr. HASTINGS. Let me again read the last sentence:

Stated in another form, the statute is addressed to the individuals or corporations who are engaged in interstate commerce and is not confined solely to regulating the interstate-commerce business which such persons may do—that is, it regulates the persons because they engage in interstate commerce and does not alone regulate the business of interstate commerce.

Mr. BORAH. Exactly. That decision holds that Congress cannot regulate the conduct of individuals among themselves simply because they may be engaged in interstate commerce.

Mr. HASTINGS. That is correct.

Mr. BORAH. How does that apply to this bill?

Mr. HASTINGS. This bill itself is not directed to the bad practices that have grown up among holding companies. It is directed wholly at the holding companies themselves.

Mr. BORAH. But it is directed only to holding companies which are engaged in interstate commerce.

Mr. HASTINGS. That I dispute.

Mr. BORAH. That is my understanding. There is a difference between the Senator and myself in that respect.

Mr. HASTINGS. Reading further from this opinion, a few sentences here will show how well it fits in with what is attempted to be done here, and what the Supreme Court says cannot be done:

And the conclusion thus stated, which flows from the text of the act concerning the individuals or corporations to which it is made to apply, is further demonstrated by a consideration of the text of the statute defining the servants to whom it relates.

I do not wish to take the time of the Senate to read more from this opinion than is necessary.

Mr. BORAH. The Senator claims that that case is determinative of this matter?

Mr. HASTINGS. I do.

Mr. BORAH. Then I think the Senator ought to take his time.

Mr. HASTINGS. Reading further from the opinion:

Thus the liability of a common carrier is declared to be in favor of "any of its employees." As the word "any" is unqualified, it follows that liability to the servant is coextensive with the business done by the employers whom the statute embraces; that is, it is in favor of any of the employees of all carriers who engage in interstate commerce. This also is the rule as to one who otherwise would be a fellow servant, by whose negligence the injury or death may have been occasioned, since it is provided that the right to recover on the part of any servant will exist, although the injury for which the carrier is to be held resulted from "the negligence of any of its officers, agents, or employees."

The act then being addressed to all common carriers engaged in interstate commerce, and imposing a liability upon them in favor of any of their employees, without qualification or restriction as to the business in which the carriers or their employees may be engaged at the time of the injury, of necessity includes subjects wholly outside of the power of Congress to regulate commerce. Without stopping to consider the numerous instances where although a common carrier is engaged in interstate commerce such carrier may in the nature of things also transact business not interstate commerce, although such local business may indirectly be related to interstate commerce, a few illustrations showing the operation of the statute as to matters wholly independent of interstate commerce serve to make clear the extent of the power which is exerted by the statute.

Bear in mind that in the bill now pending it is proposed, if it is possible to link the companies up to interstate commerce, that the Government can take hold of them and control them in all of their business, regardless of whether all of their business is interstate or not.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. BORAH. As I understand, the bill does not undertake to regulate all holding companies, but only such holding companies as are engaged in interstate commerce.

Mr. HASTINGS. Mr. President, with the exception of a holding company that owns and controls operating com-

panies in a single State, which may be exempted by the Commission under the terms of the bill, it is not possible for a holding company to exist without being engaged in interstate commerce, under the bill, in the sense that they deal with each other across State lines, which to my mind is wholly outside of the regulatory power of the Congress.

The contention here is, and it is broadly stated—I think I can find the quotations from the speech made in the Senate by the chairman of the committee—the bold contention is made here that the mere ownership, directly or indirectly, by one corporation of stock in another corporation, an operating company located in another State constitutes interstate commerce, upon the theory that they cannot own the stock and deal with the company unless they pass across the State line, either through the mails or by other facilities of interstate commerce, and that that constitutes interstate commerce.

It may be that it is interstate commerce, in the sense that it is a dealing between one State and another, but it is not the kind of commerce which the Congress can control. The companies have a perfect right to use the mails for that sort of thing. They have a perfect right to use the Adams Express Co. for that sort of thing. There cannot be any prohibition against it unless it can be shown—and I shall undertake to demonstrate that that is the contention here—that the holding company itself in all of its dealings is the kind of thing that must be a contraband of commerce and must be outlawed, and, therefore, the Government has a right to control it. I admit that with respect to commerce which is contraband, or what is supposed to be commerce until it is contrabanded, it may be regulated and prohibited, and the companies conducting it may be put out of business.

I have forgotten just what the Senator from Idaho asked me. I branched off on another subject.

Mr. BORAH. I think the Senator answered my question. I confess my inadequate knowledge of the bill, but as I understand the measure from my reading, and also from asking questions of the chairman of the committee in charge of the bill, the intention of the bill is to limit the control of the Commission to those holding companies which are engaged in interstate commerce.

Mr. HASTINGS. Mr. President, I may say to the Senator that the chairman of the committee repeated that so many times in his speech that we cannot have any other conception of what his notion is about the bill; but I think I shall be able to show that he is entirely wrong, and that it is not so limited, but that it goes the whole length of attempting to prevent anybody from doing anything with respect to a holding company, with certain exceptions.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WHEELER. I have repeatedly stated that a holding company is denied the right of the use of the instrumentalities of interstate commerce unless it registers.

Mr. HASTINGS. Yes.

Mr. WHEELER. We did expressly the same thing in the case of the attempt to regulate trading in futures. There was nothing unlawful about trading in futures. The difference between the Senator and myself is that he seems to take the position that there must be something inherently unlawful in an interstate business before Congress can take charge of it. I disagree with the Senator with reference to such a contention. I contend that if the Congress states that a company is unlawful, providing it is engaged in interstate commerce, then we can take charge of it, and we can say that this abuse or that abuse is wrong if the company guilty of it is engaged in interstate commerce. If the companies are not engaged in interstate commerce, then, of course, they will be exempt under the bill, and any court, if it holds that they are not engaged in interstate commerce, will exempt them, and no power of Congress can put them under the provisions of the pending measure if they are not engaged in interstate commerce.

Mr. HASTINGS. Mr. President, there is hardly a business in the country, conducted by anyone, some activities of which are not interstate. Section 4 of the bill undertakes to provide that it shall be unlawful to do certain things unless the companies are registered. It prohibits them from doing almost anything unless they are registered.

The difficulty is that a company may be compelled to admit that it is engaged in interstate commerce in the sense that it is conferring and communicating with people in other States and with corporations in other States. The theory of the bill is that if the companies can be forced into a position where they admit that they are dealing across State lines, or communicating with their subsidiaries across State lines, merely because of that one thing, they are compelled to register, and having been compelled to register, they are then forced to live up to all the obligations which the Commission may impose upon them with respect to their entire business.

The stock-exchange bill has been cited many times, and was cited in the brief filed by Mr. Corcoran and Mr. Cohen as an illustration of the power of Congress to do this sort of thing. Of course, the Stock Exchange Act has not been tested, but that act was framed upon an entirely different theory.

Mr. WHEELER. The Senator said "to do this sort of thing." Just what does the Senator mean? I ask the question in order that I may follow him.

Mr. HASTINGS. There is cited in the brief as a precedent for this proposed legislation the fact that we passed the stock-exchange bill. Let me call to the attention of the Senate how different the pending bill is from that measure. In the stock-exchange bill the only regulation of the companies which came within its scope was that they were compelled to register in order to have their stock listed upon the stock exchange. It pertained only to the issue of stock and the handling of their financial affairs. The stock-exchange bill did not undertake to provide that because a company was selling its stock across State lines it was therefore engaged in interstate commerce, and that that gave the Congress the power to lodge in the Commission the control of their entire business. If we can do that with respect to the utility business, then we can do it with respect to all the business of the Nation. There is no limitation placed upon it.

Let me say to the Senator from Montana that the test is whether or not, when we are dealing with a company engaged in interstate commerce, we are dealing with it in a way to prevent it from stopping the flow of interstate commerce. That is the limitation upon the Congress. We cannot do more than that, under the commerce clause.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Delaware yield to the Senator from Kentucky?

Mr. HASTINGS. I yield.

Mr. BARKLEY. Does the Senator contend that the promiscuous and wide-spread sale of the securities of corporations in this country is not an activity of which Congress can take notice and attempt to regulate?

Mr. HASTINGS. I did not say so.

Mr. BARKLEY. Does the Senator so contend?

Mr. HASTINGS. That is what we did in the Stock Exchange Act.

Mr. BARKLEY. The Senator does not contend otherwise?

Mr. HASTINGS. I am not admitting, but I am not contending that that law is unconstitutional.

Mr. BARKLEY. There may be a distinction between the physical carriage of commerce which we can touch with our fingers and see move, and the issuance and sale of securities. We did with reference to the railroads practically what we are asked to do now with reference to holding companies. The railroads cannot issue stocks or bonds without the consent of the Interstate Commerce Commission, which is an exercise of a power of Congress delegated to the Commission. We passed the Securities Act of 1933 on the same theory, that corporations chartered by States which engage in the wide-spread sale of their securities in many States outside of those in which they are incorporated are engaged in interstate transactions, which cannot be regulated by States, and therefore must be regulated by the National Government. If we can do that with respect to the stocks and securities of railroads and corporations generally, where is

the distinction between the exercise of that authority with respect to railroads and other corporations and the exercise of that authority in this bill with respect to corporations which are engaged in interstate commerce, either by the physical transmission of power or by the sale promiscuously of their securities?

Mr. HASTINGS. Mr. President, at this point I read from section 2 of the Securities Exchange Act of 1934 in order that I may point out the difference between that act and this bill with respect to the basis upon which the Congress undertook to take jurisdiction:

SEC. 2. For the reasons hereinafter enumerated, transactions in securities as commonly conducted upon securities exchanges and over-the-counter markets are affected with a national public interest which makes it necessary to provide for regulation and control of such transactions and of practices and matters related thereto, including transactions by officers, directors, and principal security holders, to require appropriate reports, and to impose requirements necessary to make such regulation and control reasonably complete and effective—

First—

In order to protect interstate commerce.

Second—

The national credit.

Third—

The Federal taxing power.

Fourth—

To protect and make more effective the national banking system and Federal Reserve System.

Fifth—

And to insure the maintenance of fair and honest markets in such transactions.

In this particular bill we limit the bases on which Congress undertakes to take jurisdiction to two, namely, the commerce clause of the Constitution and our authority to regulate the mails, while in the Securities Act of 1934 there were five distinct bases—the national credit, the banking system, and other points. I do not know how important that is, but there is quite a difference between the two.

Let me now continue to read in this case, because the court gives some illustrations a little further on.

The act then being addressed to all common carriers engaged in interstate commerce, and imposing a liability upon them in favor of any of their employees, without qualification or restriction as to the business in which the carriers or their employees may be engaged at the time of the injury, of necessity includes subjects wholly outside of the power of Congress to regulate commerce. Without stopping to consider the numerous instances where, although a common carrier is engaged in interstate commerce, such carrier may in the nature of things also transact business not interstate commerce, although such local business may indirectly be related to interstate commerce, a few illustrations showing the operation of the statute as to matters wholly independent of interstate commerce will serve to make clear the extent of the power which is exerted by the statute.

I call particular attention to these illustrations.

Take a railroad engaged in interstate commerce, having a purely local branch operated wholly within a State. Take again the same road having shops for repairs, and it may be for construction work, as well as a large accounting and clerical force, and having, it may be, storage elevators and warehouses, not to suggest besides the possibility of its being engaged in other independent enterprises. Take a telegraph company engaged in the transmission of interstate and local messages. Take an express company engaged in local as well as in interstate business. Take a trolley line moving wholly within a State as to a large part of its business and yet as to the remainder crossing the State line.

As the act thus includes many subjects wholly beyond the power to regulate commerce and depends for its sanction upon that authority, it results that the act is repugnant to the Constitution, and cannot be enforced unless there be merit in the propositions advanced to show that the statute may be saved.

Then there is some discussion as to trying to save part of it, which the court intimated was constitutional, and I suppose, from what the Senator from Montana states, resulted in a new act being passed:

So far as the face of the statute is concerned, the argument is this, that because the statute says carriers engaged in commerce between the States, etc., therefore, the act should be interpreted as being exclusively applicable to the interstate commerce business and none other of such carriers, and that the words "any employee" as found in the statute should be held to mean any employee when such employee is engaged only in interstate commerce. But this would require us to write into the statute words of limitation and restriction not found in it.

I think that is on another point. I read now from page 502:

It remains only to consider the contention which we have previously quoted, that the act is constitutional, although it embraces subjects not within the power of Congress to regulate commerce, because one who engages in interstate commerce thereby submits all his business concerns to the regulating power of Congress. To state the proposition is to refute it. It assumes that because one engages in interstate commerce he thereby endows Congress with power not delegated to it by the Constitution, in other words, with the right to legislate concerning matters of purely State concern. It rests upon the conception that the Constitution destroyed that freedom of commerce which it was its purpose to preserve, since it treats the right to engage in interstate commerce as a privilege which cannot be availed of except upon such conditions as Congress may prescribe, even although the conditions would be otherwise beyond the power of Congress. It is apparent that if the contention were well founded, it would extend the power of Congress to every conceivable subject, however inherently local, would obliterate all the limitations of power imposed by the Constitution, and would destroy the authority of the States as to all conceivable matters which from the beginning have been, and must continue to be, under their control so long as the Constitution endures.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WHEELER. I take it the Senator believes that this bill, because it seeks to regulate holding companies and because it seeks under certain circumstances to eliminate holding companies, thereby attempts to give the power to the Commission to regulate all the acts of holding companies, whether they are engaged in interstate commerce or not. Is that the theory?

Mr. HASTINGS. That is pretty nearly true.

Mr. WHEELER. That is not the position I take, and that is not the purpose of the bill. A holding company may have employees who are entirely engaged in intrastate commerce. The Congress of the United States would have no authority over such individuals, and the bill does not attempt to give such authority. The only thing the bill does is to say to holding companies, "You are engaged in interstate commerce under certain conditions and in certain circumstances."

I again should like to call the Senator's attention, if it would not interrupt him too much, to the Grain Futures Act, wherein we denied a company the right of the use of the mails and the right to use the channels of interstate commerce unless that company, which was engaged in intrastate business, did certain things, and we made that provision on the theory that by reason of the fact that it was engaged in intrastate business its business affected interstate commerce.

Mr. HASTINGS. Would the Senator be good enough to give the reference to that case?

Mr. WHEELER. It is the case of *Chicago Board of Trade* v. *Olsen* (262 U. S. 1), and the opinion was written by Chief Justice Taft. If the Senator does not object I should like to call attention to certain language in the opinion:

The question is whether the conduct of such sales is subject to constantly recurring abuses which are a burden and obstruction to interstate commerce in grain? And further, are they such an incident of that commerce and so intermingled with it that the burden and obstruction caused therein by them can be said to be direct?

Then Chief Justice Taft said:

Whatever amounts to more or less constant practice, and threatens to obstruct or unduly to burden the freedom of interstate commerce is within the regulatory power of Congress under the commerce clause, and it is primarily for Congress to consider and decide the fact of the danger and meet it. This Court will certainly not substitute—

I desire to particularly call attention to this language—

This Court will certainly not substitute its judgment for that of Congress in such a matter unless the relation of the subject to interstate commerce and its effect upon it are clearly nonexistent.

In the act we are considering, Congress has expressly declared that transactions and prices of grain in dealing in futures are susceptible to speculation, manipulation, and control which are detrimental to the producer and consumer and persons handling grain in interstate commerce and render regulation imperative for the protection of such commerce and the national public interest therein.

The Chicago Board of Trade was engaged solely in intrastate business, located in the city of Chicago. I continue to read from the opinion by Chief Justice Taft:

It is clear from the citations, in the statement of the case, of evidence before committees of investigation as to manipulations of the futures market and their effect, that we would be unwarranted in rejecting the finding of Congress as unreasonable, and that in our inquiry as to the validity of this legislation we must accept the view that such manipulation does work to the detriment of producers, consumers, shippers, and legitimate dealers in interstate commerce in grain and that it is a real abuse.

In the Grain Futures Act we said:

SEC. 4. It shall be unlawful for any person to deliver for transmission through the mails or in interstate commerce by telegraph, telephone, wireless, or other means of communication any offer to make or execute, or any confirmation of the execution of, or any quotation or report of the price of, any contract of sale of grain for future delivery—

And so forth. We did exactly what we have done in this bill. As a matter of fact, this bill was copied after the Grain Futures Act in the details of its general policy.

Mr. HASTINGS. Mr. President, the mistake the Senator makes in the citation of this case and other cases is that in each of them there was a direct effect upon the flow of interstate commerce. That was true of the commodity cases; it was true of the Northern Securities case, involving two railroads, and in the New Jersey case. All those cases dealt with some concern or with some commodities that directly and vitally affected interstate commerce. So in those cases it was not possible to permit competition to be stifled without interfering with interstate commerce; it was not possible to do any of the things proposed without interfering with interstate commerce; but in the pending utilities bill, which we are now considering, its primary purpose has no relation to interstate commerce. The primary purpose of it is to do something entirely outside interstate commerce; and the bill is using the interstate commerce clause solely as an excuse in order that the Congress may obtain jurisdiction. That is the distinction between the cases which the Senator cites with so much confidence and this particular bill.

Now let me take up—I might as well do it here as at any other place—and discuss with the Senator, for a moment, section 4. It is of the greatest importance, because the Senator has constantly said that unless a corporation is engaged in interstate commerce it does not have to register. The section reads:

After October 1, 1935, unless a holding company is registered under section 5, it shall be unlawful for such holding company, directly or indirectly—

To do what?—

to sell * * * any capital assets for the transportation, transmission, or distribution of, natural or manufactured gas or electric energy in interstate commerce.

To transport * * * any capital assets for the transportation, transmission, or distribution of, natural or manufactured gas or electric energy in interstate commerce.

To transmit * * * any capital assets for the transportation, transmission—

And so on—

in interstate commerce.

To * * * distribute any capital assets for the transportation, transmission—

And so forth.

To * * * own any capital assets.

Let me inquire of the chairman of the committee and those aiding him and who helped to draft the pending bill and who prepared the brief sustaining it, what interstate transaction there is in the ownership of a capital asset, "for the transportation, transmission, or distribution of natural or manufactured gas or electric energy in interstate commerce?" Let me inquire what interstate transaction there is in operating a capital asset "for the transportation, transmission, or distribution of natural gas", and so on?

Mr. BLACK. Mr. President, will the Senator from Delaware yield to me?

Mr. HASTINGS. I yield.

Mr. BLACK. Do not the words "in interstate commerce" attach themselves to the ownership or the classification to which the Senator refers?

Mr. HASTINGS. I undertook to read those words into every sentence. Yes; they undoubtedly do.

Mr. BLACK. I think I understand what the Senator is developing; but is it not true that the mere ownership alone would not be sufficient under this clause, but it would be necessary that the capital asset be owned and be used for transmitting gas or electrical energy in interstate commerce?

Mr. HASTINGS. It does not say so.

Mr. BLACK. It is limited by the words "in interstate commerce"; and, frankly speaking, I was of the opinion that this was one place, to say the least, where there were no unnecessary words used, but that the language did carry out the idea and did limit each of the words in the beginning of the clause by requiring that the capital assets be utilized or owned for the purpose of transmitting gas or electric energy in interstate commerce.

Mr. WHITE. Mr. President——

Mr. HASTINGS. I yield to the Senator from Maine.

Mr. WHITE. Mr. President, the definition in subparagraph 1, from which the Senator is quoting, makes it unlawful, according to my understanding, for a holding company not registered—I omit some of the language—to own any capital assets for the transportation, transmission, or distribution of electric energy in interstate commerce.

Capital assets are the facilities of an electrical utility not alone for the transmission, transportation, and distribution of electrical energy, but for the production of electrical energy. So, to me, this paragraph means that if an unregistered company owns a plant for the production of electrical energy it is guilty of an unlawful act, whether, in fact, the product of that plant moves in interstate commerce or does not move in interstate commerce. There is not in this language, in order to limit and confine the ban of the section, the clear requirement that the product of the capital asset must move in interstate commerce through the agency of the owner of the plant.

Mr. BLACK. Mr. President, will the Senator yield again?

Mr. HASTINGS. I yield to the Senator.

Mr. BLACK. I may say, in answer to the suggestion of the Senator from Maine, that if the draftsmen of the bill had desired to make it necessary to register merely because of the oswnership of the capital assets they would have said so, but they did not say that a person would be required to register if he merely owned capital assets.

Mr. HASTINGS. Does it not say exactly that?

Mr. BLACK. The bill goes further and says:

For the transportation, transmission, or distribution of natural or manufactured gas or electric energy in interstate commerce.

We cannot simply take one word alone in a sentence and dissociate it from all the others, and then say the bill requires registration merely because capital assets are owned. It seems to me it is a very clear definition, whatever the definitions may be anywhere else in the bill, that, in order to require registration, the person must either sell, transport, transmit, distribute, or own or operate some of these things for the transmission of electric energy or gas in interstate commerce.

Mr. HASTINGS. Does the Senator understand it to mean a person actually engaged in interstate commerce? Is that the way the Senator reads it?

Mr. BLACK. I think it would be immaterial whether the person was actually causing the transmission in interstate commerce. If he were in partnership or in agreement with someone else and they were working together to act in interstate commerce, then, it would be a joint undertaking. I do not consider it from the analytical standpoint, as the Senator does, but I am sure, in my own mind, that this provision unquestionably limits the requirement for registration to those who are going to transmit or transport gas or electricity in interstate commerce. I cannot see how anyone could reach the conclusion that merely owning capital assets without intending them to be

used or without having them used either by the owner or someone else in interstate commerce would require registration.

Mr. HASTINGS. Mr. President, replying to the Senator from Alabama, I desire to call his attention to an important fact with respect to the words "own and operate", in section 4 of the bill.

There are three distinct and separate decisions of the Supreme Court with respect to the operation of a utility plant or a power plant which makes electricity. The Senator from Utah [Mr. KING] undoubtedly is familiar with them, because one of the cases came from his State, one from South Carolina, and the other, I think, from Idaho. All these decisions hold that the power plants located in the respective States are subject to taxation, and that the transmission of electricity from the plant where it is generated to some other place is the only part of the transaction which is interstate commerce. The electricity may be specifically manufactured for the purpose of interstate commerce. It may be specifically manufactured in my State to be sent to some other State for a particular purpose. It does not take on the characteristics of interstate commerce, however, until it leaves the plant and flashes itself on to its destination.

That being true, it is perfectly possible—and section 4 of the bill prohibits it—for a person or corporation to own a plant and even to operate a plant located in a particular State for the purpose of transmitting electricity to some other place, and that person or corporation would come within the terms of this measure.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield to the Senator from Alabama.

Mr. BLACK. The Senator, of course, understands that if the plant is used for the purpose of producing electricity which is immediately to be transmitted in interstate commerce, there is every presumption that the operation of the plant, so closely connected with the transmission of the electricity, would come within numerous decisions as to burdening or directly affecting interstate commerce. I do not mention that to contradict the idea expressed that the plant itself would not be in interstate commerce; but I call attention to the fact that all that is required here is a registration of those who come within these requirements, and that is not conclusive as to what will occur.

Taking the plant which the Senator used as an illustration——

Mr. HASTINGS. Just a minute. The Senator now is talking about section 4?

Mr. BLACK. Section 4, at page 10.

Mr. HASTINGS. I call the Senator's attention to the fact that section 4 refers to companies which do not register.

Mr. BLACK. Yes.

Mr. HASTINGS. It makes it unlawful for them to do certain things.

Mr. BLACK. It makes it unlawful for them to fail to obey the provision with reference to registration when they come within the classification mentioned here.

Let us suppose, for instance, that a plant is producing electricity in such a way that it unnecessarily directly raises the price to 10 times what it should be, right on the verge of transmitting the electricity across a State line. There we have the question of an unnecessary, wasteful, unfair, exorbitant burden upon interstate commerce. While it might not necessarily be true, it seems to me that such a condition would go a long way toward raising a conclusive presumption that in the case of a plant engaged in the business of generating electricity for immediate transmission across a State line, Congress would have the right simply to require it to register. At this time we are discussing only the registration of those engaged in business of that kind.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WHITE. Of course, the significant thing is not the registration, but it is the pains and penalties which follow registration. It is the degree of control and authority that is asserted and exercised after a company is registered which becomes the important thing.

Mr. HASTINGS. That is quite correct. Before leaving that subject entirely, let me say, as I have already remarked, that Congress undoubtedly has the right to control the rates charged by companies engaged in transmitting electric energy across State lines. There is not any possible doubt about that. It is not only the right of Congress to do that but it is a right which Congress ought to exercise. That, however, is not the exact point involved here.

I call the attention of the Senator from Alabama to a case in Federal Reporter, second series, volume 52, reading at page 524, which case was subsequently affirmed by the Supreme Court without opinion, as I recall. I cite this particular case on an entirely different point. Somewhere in this bill it distinctly gives the Congress regulatory power over the plant. The Court in this case says:

> Now, so far as the production or generation tax on current is concerned, there can be no question as to its validity as applied to current transmitted in interstate commerce, we think, even though the current transmitted be conceived of as the identical current produced. The production of an article for transmission in interstate commerce is not in itself such commerce.

Citing a number of cases.

Bear in mind, we must not complain about that decision and we must not complain about that principle laid down by the court, which was approved by the Supreme Court of the United States, because the moment these things get into interstate commerce that fact affects the States, and prevents them from having the necessary control over them; so that while this particular case may not for the moment suit the purpose of some persons, the principle laid down in it is a very sound principle, and one which we ought not to overlook.

That is only one case along that line. In the case of Utah Power & Light Co. against Pfost, reported in Two Hundred and Eighty-sixth United States Reports, page 165, the Court said:

> We are satisfied, upon a consideration of the whole case, that the process of generation—

And most of these courts took expert testimony upon the question—

> is as essentially local as though electric energy was a physical thing; and to that situation we must apply, as controlling, the general rule that commerce does not begin until manufacture is finished, and hence the commerce clause of the Constitution does not prevent the State from exercising exclusive control over the manufacture.
>
> So far as it produces electrical energy in Idaho, its business is purely intrastate, subject to State taxation and control (pp. 181, 182).

Again, in *East Ohio Gas Co.* v. *Tax Commission of Ohio* (283 U. S. 465), the Court said:

> The furnishing of gas to consumers in Ohio municipalities by means of distribution plants to supply gas suitably for the service for which it is intended is not interstate commerce but a business of purely local concern exclusively within the jurisdiction of the State.

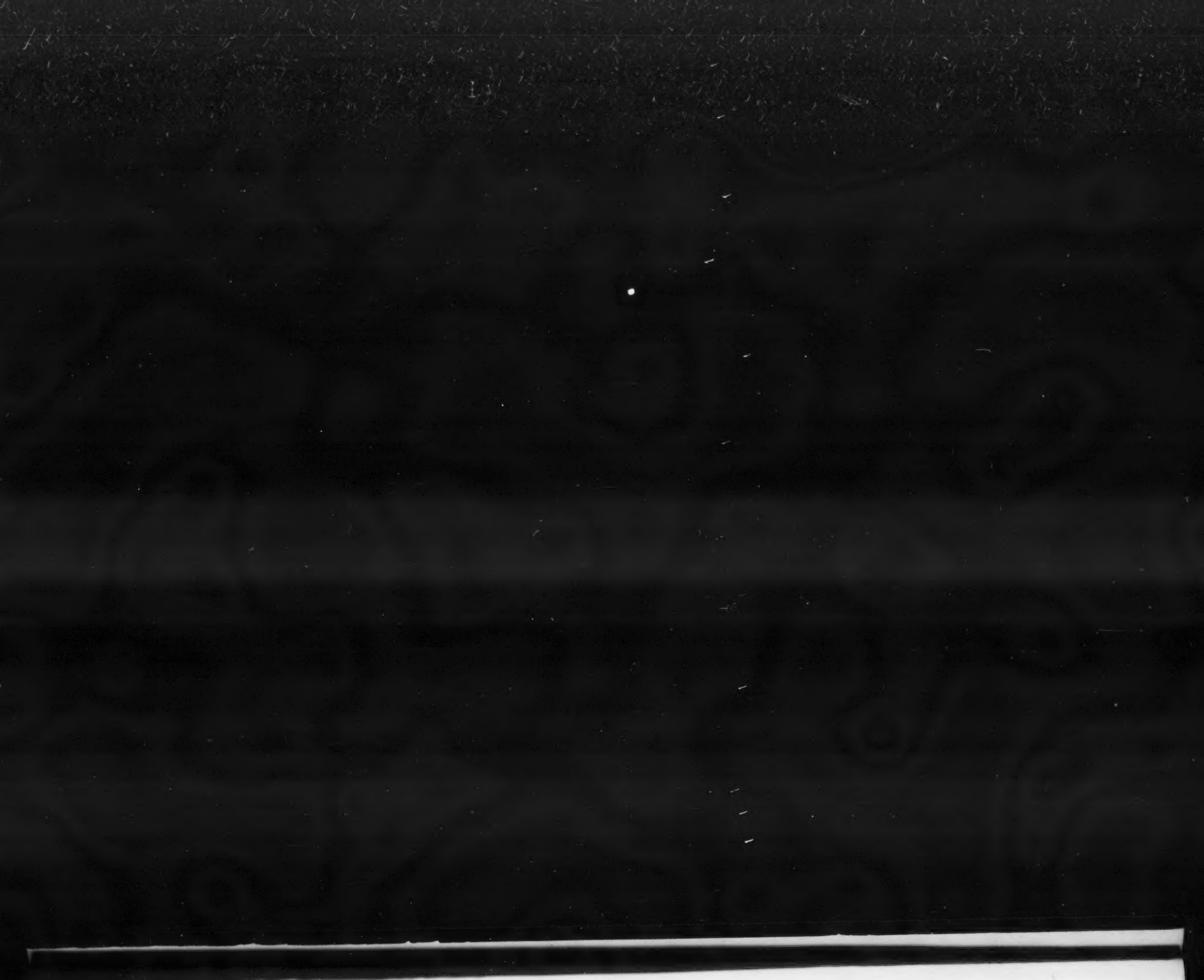
Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MCGILL in the chair). Does the Senator from Delaware yield to the Senator from Alabama?

Mr. HASTINGS. I yield.

Mr. BLACK. The Senator a few minutes ago read from the case of Gibbons against Ogden a quotation, with which I fully agree, to the effect that the authority of the Federal Government over interstate commerce is just as sovereign as the authority of the State over intrastate commerce. Admitting that, I believe the Senator certainly will agree that the Federal Government is not helpless, insofar as interstate commerce is concerned, to protect itself from a method of production which might be a burden to, or injure or destroy, interstate commerce.

Mr. HASTINGS. If I understand the Senator's question, I think I have answered several times that I have no doubt Congress has a right to fix rates, for instance, for electricity going across State lines; and I should go much farther than that. Not only has it the right to fix such rates, but it has the right to make inquiry with respect to how the



electricity is being produced by the plant, and the cost of its production, in order that it may properly regulate the rates. In other words, it may control the company although the operating plant itself is not engaged in interstate commerce. Congress undoubtedly may provide that the commission administering such a law may require of the company, although it be an entirely different company, that it furnish such information as may be necessary in order to carry out the purpose of the Congress in controlling the rates for electricity in interstate commerce.

Mr. BLACK. In other words, the Senator would agree, as I gather, that the Federal Government would have a right to deny to interstate commerce, an article which was produced under intrastate regulation, if its entrance into interstate commerce would destroy interstate commerce, or would unduly fetter and burden interstate commerce.

Mr. HASTINGS. It undoubtedly has full control over it.

Mr. BLACK. Then the Senator agrees with the quotation which he read a few moments ago that it is not necessary to interfere in order to exercise some one of the powers granted. I heard him read that statement. In other words, the Senator agrees that where the indirect effect of the exercise of the Government's sovereign power over interstate commerce is to even partially regulate production that does not deprive the Government of its power to regulate interstate commerce.

Mr. HASTINGS. Well——

Mr. BLACK. The Senator has just read cases stating that production is purely an intrastate matter.

Mr. HASTINGS. Yes.

Mr. BLACK. That, of course, is in line with the recent opinion of the Supreme Court on the N. R. A. Conceding that unquestionably to be the law, the Senator also read from a case in which it was held that, so far as interstate commerce is concerned, as I caught it, this country is as though there were no State lines.

Mr. HASTINGS. That is true.

Mr. BLACK. That means that the Federal Government has complete, unrestricted power to regulate interstate commerce——

Mr. HASTINGS. Oh, no; I would not go that far.

Mr. BLACK. Unless there is something in the Constitution itself which directly stands in the way of that regulation of interstate commerce.

Mr. HASTINGS. The only constitutional expression upon the subject is the reference to the regulation of interstate commerce; but the language used by the Senator was "unrestricted power in Congress to regulate." I do not agree with that by any means.

Mr. BLACK. That is what the Senator read from Gibbons against Ogden—"unrestricted." I think he used the word "unrestricted."

Mr. HASTINGS. The words I read were not my words. But even if the Senator is correct—and I do not recall the exact language—certainly the Senator knows that if the Supreme Court used that language it did not mean it in the sense which the Senator is now trying to impress upon me and the Senate. Unrestricted control of all regulation of interstate commerce might destroy, and that is just what I am contending about here.

Mr. BLACK. It might prohibit, might it not? Has it not been held that the word "regulate" includes the word "prohibit"?

Mr. HASTINGS. Not by any means can the Congress prohibit legitimate interstate commerce. That is one mistake the proponents of the bill are making.

Mr. BLACK. Do I understand the Senator denies that the Supreme Court has expressly held in two cases that the word "regulate" as used in the commerce clause is broad enough to mean "prohibit"?

Mr. HASTINGS. I do not know about the language, but if the Senator will call my attention to the particular case he has in mind, I shall be able to distinguish it, I think.

Mr. BLACK. I will bring to the Senate the cases I have in mind. I know there is an effort to distinguish between those things which are deleterious and those which are not, "but the court did not do it because the birds that were killed were good to eat." But, to get back to what I was talking about, the Senator has been referring to the production of electricity. The Senator agrees that if electricity were produced in such a way as to fetter and burden interstate commerce, the Federal Government would have a right to remove the burden from interstate commerce.

Mr. HASTINGS. By regulation.

Mr. BLACK. In any way it saw fit to do so.

Mr. HASTINGS. Not at all.

Mr. BLACK. Could it not do it by saying, "You cannot ship these goods in interstate commerce until you comply with such conditions as may be necessary to remove that burden"?

Mr. HASTINGS. If the Senator will give me an illustration, I think I will understand his position better.

Mr. BLACK. I am talking about electricity. As I understand, the Senator is taking the position that it is improper to require the registration of a company which owns a production plant which is to be used in transmitting electricity immediately into interstate commerce.

Mr. HASTINGS. The Senator is getting too many questions for me to answer. If he will just be patient with me, I will dispose of some of them.

Mr. BLACK. Very well.

Mr. HASTINGS. With respect to the transmission of electricity, as I have stated on more than one occasion, the Congress undoubtedly has the right to regulate the charges for electricity when it is transported over State lines. Congress has a right to regulate the rates. It would have a right to make such provision that the transmission of the electricity should not be likely to harm people who came in contact with the wires, and things of that sort.

The Senator a moment ago said that the Congress might prohibit interstate commerce in certain instances, stating that the Supreme Court has said that the right to regulate is the right to prohibit. There are distinct cases which agree with that, and those particular cases were cited by the briefs filed by Messrs. Corcoran and Cohen, and they used the language that the transactions of holding companies came within that class. I shall not undertake to answer that for the moment, but I shall do so a little later.

The Senator from Alabama mentioned another class of cases which are well known—that is, cases where it was held that a shipment of game killed in one State into another State may be prohibited. That is upon an entirely different principle, as the Senator must well know.

Property in wild game is not in an individual; the property right is in the State itself; and so long as the game is running through the forest it belongs to no man; it belongs only to the State. If a State permits a man to kill the game, the State has a right to say under what circumstances the person who kills it may take it out of the State. What the Congress has done and what the Court has upheld is that it will not permit such State laws to be violated. It will not permit game to be shipped out of one State into another against State law, which is entirely different from the regulation of ordinary channels of commerce and the ordinary articles of commerce. My attention is called to the fact that game is not a subject of commerce, so that it very properly is constituted a contraband of commerce.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. BARKLEY. The migratory bird law which was enacted by Congress and which has been in effect for a number of years, is not based upon the right of any State to control the killing of game within the State or its shipment outside of the State. Does the Senator contend that the national law now regulating the killing and shipment of migratory birds and other game, which is based largely upon the commerce clause of the Constitution, is founded upon any right of a State to control how the game within the State shall be killed?

Mr. HASTINGS. The Senator is talking about migratory game, and I am not.

Mr. BARKLEY. I am talking about migratory game.

Mr. HASTINGS. I am not. That is the difference between us.

Mr. BARKLEY. Any game which goes from one State to another is migratory, or may become migratory if it flies over a State line.

Mr. HASTINGS. Mr. President, I want to pass on to section 4, in the second paragraph of which it is provided that it shall be unlawful for a holding company, unless it is registered under section 5, directly or indirectly—

By use of the mails or any means or instrumentality of interstate commerce, to negotiate, enter into, or take any step in the performance of, any service, sales, or construction contract undertaking to perform services or construction work for, or sell goods to any public-utility company or holding company.

I should like to have someone point out to me what there is in that provision which indicates that it is confined to interstate commerce.

Let us go back for a moment. Perhaps we can find some explanation in the definitions of service, sales, or construction contracts, because the definitions are found in the bill. On page 14 the bill provides:

(19) "Service contract" means any contract, agreement, or understanding whereby a person undertakes to sell or furnish, for a charge, any managerial, financial, legal, engineering, purchasing, marketing, auditing, statistical, advertising, publicity, tax, research, or any other service, information or data.

(20) "Sales contract" means any contract, agreement, or understanding whereby a person undertakes to sell, lease, or furnish, for a charge, any goods, equipment, materials, supplies, appliances, or other property, other than electric energy or natural or manufactured gas.

(21) "Construction contract" means any contract, agreement, or understanding for the construction, extension, improvement, maintenance, or repair of the facilities or any part thereof of a company for a charge.

Bear in mind that the contention is made by the Senator from Montana and those who are in favor of the passage of this bill that paragraph (2) and all of section 4 apply only to companies engaged in interstate commerce. I have had some discussion with the Senators with respect to the first paragraph. I have read not only the second paragraph but I have read a definition of service contracts, of sales contracts and of construction contracts, and not in any of them are the words "interstate commerce" mentioned.

In that connection let me call attention to the case which is frequently cited in the speech made by the Senator from Montana in his explanation of this bill. The decision is by Judge Knox in the case of Federal Trade Commission against Smith, found in First Federal Supplement. I read from page 250. Bear this in mind in connection with the language I have just read from paragraph (2) of section 4 as well as the definition of the contracts. Here is what Judge Knox said:

From what has been made to appear to the court, it is plain that the services performed by respondent on behalf of the holding and subsidiary operating companies, and which, broadly speaking, relate to legal, engineering, secretarial, fiscal, investigatory, and general advisory matters, are not such as will here avail the petitioner. Without analyzing the services rendered by respondent within the foregoing classifications, I shall content myself by concluding that they have to do with activities which, under authoritative decisions, are not recognized as constituting interstate commerce.

Citing probably 15 or 20 Supreme Court decisions, I should like to have the Senator comment upon that and explain in what particular paragraph (2) of section 4 enters into the question of interstate commerce.

Mr. WHEELER. I shall be very glad to do so. I will say to the Senator that he is simply picking out one section of the bill, particularly that with reference to service contracts. The Senator says that Judge Knox said the matters referred to of and by themselves would not give the court jurisdiction over the Electric Bond & Share Co. There might be some question about that. I am not going to concede that the Senator is entirely right about that, but I say there might be some question about it.

Likewise, as it was held in the case of Board of Trade against Olsen, the acts of the board of trade were held by the Supreme Court of the United States to be intrastate commerce and not subject to the tax which was put on them originally. Subsequently, however, Congress passed another law setting forth that those transactions did affect interstate commerce, and the Supreme Court, by Chief Justice Taft, said that by reason of the fact that the Congress of the United States had declared those acts did affect intrastate commerce, the Supreme Court would not set its judgment up against the Congress of the United States, and it held that the Congress of the United States could regulate those transactions in intrastate commerce.

Let me call the attention of the Senator to the language of the decision of Judge Knox in that case as found on page 256:

By virtue of the control which the respondent exercised over—

What?—

over the subsidiary operating companies, it had a direct effect upon all their business, including that in interstate commerce. The power of the National Government over interstate commerce has been held to extend not only to—

What?—

not only to activities which may be formally denominated subjects of interstate commerce, but to acts which in facts affect that commerce.

Consequently, let me say to the Senator, if a holding company is engaged in interstate commerce, and its transactions, such as have been mentioned in this bill and other transactions, do affect the interstate character of its business, there can be no question under the decisions of the Supreme Court of the United States that the Congress has the right to regulate those acts which are not in and of themselves interstate in character, but which necessarily affect the national public interest and interstate commerce.

Would the Senator from Delaware for one moment contend that a service contract, by which an interstate holding company itself made charges to a subsidiary company, the operating company, and put in charges which affected the financial situation of that company—did not affect interstate business?

Mr. HASTINGS. I do not think that is quite a fair question. It would depend entirely upon what the situation was, just as in the case which Judge Knox had before him. Before I conclude my argument I shall quote extensively from Judge Knox's opinion and show exactly what was done there, and what was admitted by the holding company, because the Senator well knows it was shown conclusively that the holding company had definite and positive contracts with the operating companies whereby it furnished material; and it furnished them not only services, which the Court said were not interstate commerce, but it participated in the profits of the operating companies. There is no comparison between that statement and the first part of the opinion which the Senator read.

Mr. WHEELER. That does not change the stipulations which are in the record to which the Court refers, and it does not change the language used by Judge Knox when he says:

By virtue of—

What?—

By virtue of the control which the respondent—

The holding company—

exercised over the subsidiary operating companies, it had a direct effect upon all their business.

In other words, it was the control which he said the holding company exercised over the operating companies which gave it its interstate-commerce character.

Mr. HASTINGS. I do not desire to get into a discussion of that question now.

Mr. WHEELER. The Senator asked me a question; therefore I went into this discussion.

Mr. HASTINGS. I asked an entirely different question from that on which the Senator is now talking. I asked him to point out to me, and I will ask him again to point out to me, where there is any interstate commerce involved in paragraph (2) of section 4. The Senator's reply was that a section cannot be taken by itself; that the whole bill must

be considered. However, I wish to read certain language from the bill and see if it does not constitute a section by itself and whether it does not stand alone. I read section 4:

After October 1, 1935, unless a holding company is registered under section 5, it shall be unlawful for such holding company, directly or indirectly—

* * * * * * *

(2) By use of the mails or any means or instrumentality of interstate commerce—

That is not the business of interstate commerce—

to negotiate, enter into, or take any step in the performance of, any service, sales, or construction contract undertaking to perform services or construction work for, or sell goods to, any public-utility company or holding company.

Will the Senator explain to me wherein that company is engaged in interstate commerce when it does that?

Mr. WHEELER. Let me say to the Senator that the identical language is used in the Grain Futures Act and the same point was raised in the case of the Board of Trade against Olsen. All the pending bill says is that a holding company shall be denied the use of the mails unless it registers.

Mr. HASTINGS. The Senator has repeatedly said that a company does not have to register at all unless it is engaged in interstate commerce. I wish to show wherein section 2, that I have read, makes no reference to a holding company engaging in interstate commerce at all; yet it is prohibited from doing certain things.

Mr. WHEELER. I simply say that under the bill holding companies are denied the use of the mails unless they register. It provides that they shall be exempted if they are engaged entirely in intrastate business, and there are four or five other exemptions.

Mr. HASTINGS. If I understand the Senator, and I think he is correct in his statement, the purpose of his bill is to prohibit any holding company from operating at all unless it registers, and the bill provides for enforcing the prohibition by means of withholding from the company the right to use the United States mails or any other facilities of interstate commerce. In other words, it is said on the one side that a company is not required to register unless it is engaged in interstate commerce, but it is said on the other side that if a company is so active in what it does that it is necessary for it to use the United States mails or any other instruments of interstate commerce, then it must register.

If that is the purpose, as I think it is—and I have read sections 4 and 5 together—I do not know that the language could have been drawn in any better way to accomplish the purpose. I want there to be no misunderstanding about it, and if the Senator disagrees with me I want him to say so; but my understanding is that merely because a company is a holding company it has to register or it cannot use the United States mails or other instrumentalities of interstate commerce, regardless of whether or not its actual business is interstate commerce. Is that what the Senator from Kentucky understands the bill to mean?

Mr. BARKLEY. Assuming the Senator from Delaware to be correct, which I do not assume, it would be subject to section 3, which gives the Commission the power to exempt the holding companies from any and all provisions of the entire title, which includes the matter of registration, if they comply with the subdivisions which are set out in section 3.

Mr. HASTINGS. Mr. President, I am sick and tired of hearing Senators say that the American people are not in danger because some commission is in position where it can relieve them of the possibilities of the dangers which confront them. What it seems to me the Congress ought to do—and it is pretty nearly time it should get itself in the frame of mind to do it—is to act for itself and for the people it represents and not undertake to pass its own powers on to some commission and some bureaucrat in Washington, hoping that the particular commission or individual may be able to protect the people in the future.

Mr. BARKLEY. I suppose on that theory the Senator would advocate Congress setting out the minutiae of railroad rates for the transportation of passengers and traffic in the United States and the other things which the Interstate Commerce Commission, created by Congress, should do; or that it ought to set out in detail what the Federal Trade Commission should do, because for the Congress to permit the Commission to set up its own regulations would be a delegation of power.

Mr. HASTINGS. Not at all. I know as well as does anybody else that the Congress cannot write into the law all the necessary details. That is not the point I make. I am not complaining about any of those things. What I am complaining about is that it is insisted that, because the Commission has the right and is given the authority to exempt us, we might as well close our eyes and assume that we have been exempted and will be protected. That is the thing about which I am complaining. It may be necessary to write the bill in the way in which it is before us. I am not even complaining about that. What I am complaining about is the argument that is made to me that because it is there, because the power is left with the Commission to exempt us, we ought to go home and sleep comfortably and feel sure that sometime we shall be exempted.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Delaware yield to the Senator from Maine?

Mr. HASTINGS. I yield.

Mr. WHITE. May I suggest to the Senator that the power of exemption under section 3 is always "if and to the extent" the Commission, in its discretion, may feel necessary.

Mr. HASTINGS. Is it not really more than that?

Mr. WHITE. Yes. There are further limitations, but, after all, it resolves itself into an exercise of discretion by the Commission with no rule of law to guide it.

Mr. HASTINGS. I should like to call the attention of the Senator from Kentucky to another fact respecting section 3. It says "if and to the extent that it deems the exemption not detrimental to the public interest." If it should stop there, it would be very much more clear than it is, but it does not stop there. There are other things which can be taken into consideration. "If and to the extent it deems the exemption not detrimental to the public interest"—and that is not all—"or the interest of the investors or the consumers." How many investors and how many consumers must be affected before the Commission will act? Does anyone know? It does not depend on the public interest so far as the investor and the consumer may be concerned.

Mr. BARKLEY. I presume it would refer to consumers of the particular holding company under consideration at the time, or the investors in that holding company or any of its subsidiaries.

Mr. HASTINGS. How many of them?

Mr. BARKLEY. I do not know how many there are in any of them.

Mr. HASTINGS. How many would have to be affected before the company would be subject to exemption?

Mr. BARKLEY. Taking it as a collective term, I suppose all of them on the whole. I do not know how to divide them up into classes. We would have to take into consideration the welfare of the general public together with the investors in the particular concern and the consumers of the particular concern.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WHEELER. The Senator will clearly understand that section 4, which he is reading, denies the use of the mails, and provides that we shall deny holding companies the use of the channels of interstate commerce, which is denying them the use of the mails. The reason for putting that in the bill was simply to bring in the holding companies which otherwise might stay out. It was done for the purpose of registering them.

The second idea was that we should exempt those companies which were engaged only in intrastate commerce. Suppose that we should leave out that provision in the bill which says they should be exempted unless it was detri-

mental to the public interest, does the Senator think that would cure it?

Mr. HASTINGS. I should not like to try to cure this bill.

Mr. WHEELER. Exactly. The Senator does not want to cure the bill. The utility interests do not want to cure the bill. They came before the committee and complained of various provisions, but the truth of the matter is that while they protested in one breath that they wanted regulation, what they really wanted to do was to kill every provision in the bill relating to regulation of their nefarious dealings and they also wanted to kill every other provision of the bill.

Mr. HASTINGS. May I inquire of the Senator why he made the suggestion that I do not want to cure it and then made the suggestion that the utility people do not want to cure it? I do not know how to cure it. That is my trouble with it. The thing is so outrageous and so impossible from any point of view of proper legislation that it is hopeless to undertake to cure it. I am perfectly willing to sit down with any group of Senators in any committee and try to write a bill which would do what the public ought to want done.

But we cannot undertake, on the floor of the Senate, to write a bill like this, 150 pages long, full of mistakes and errors as it is from a constitutional point of view. It is impossible to do that on the floor of the Senate, and that is what I mean when I tell the Senator that I cannot cure the bill. I have already made two suggestions. I said in the beginning what I thought might be done. I said the Congress undoubtedly had the right to regulate the rates of public utilities doing an interstate business.

I have gone further than that. I said that in regulating those rates the Congress has the right to demand all the information the public utilities can furnish or have in their possession.

I have gone further than that. In my judgment, we can control a holding company if that holding company is in control of a public utility and participating by means of contract or otherwise.

Those were the suggestions I made in the very beginning of my address. I repeat that no one can perfect this bill on the floor of the Senate without taking so much time that everyone would become disgusted and want to go home.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. BARKLEY. Since the introduction of the bill we have heard a great deal of talk about regulating holding companies. Everyone now is in favor of regulating them. When did anyone introduce a bill or make a speech on the floor of the Senate proposing to regulate them until this bill was introduced? When did the Senator from Delaware introduce such a bill?

Mr. HASTINGS. When I make the statement that I am in favor of regulating holding companies engaged in the utility business in this country, I do not see why it should be deemed proper for any Senator to reprimand me for not having thought of it myself or not having introduced such a bill. If I had thought of it and introduced such a bill and was interested in it, I should have introduced a sensible bill and not the fool thing we have before us today.

Mr. BARKLEY. Of course, I did not mean to reflect upon the Senator's promptness in following up his own ideas or the suggestions of others; but in my question I included all those who now are shouting from the housetops in favor of regulation. I do not recall that any of them ever proposed regulation until this bill was introduced.

Mr. HASTINGS. Mr. President, I may say with respect to that matter that I assumed holding companies were engaged in intrastate business, and therefore it did not occur to me that we could control and could regulate them. I say now that we cannot regulate them unless the holding company is exercising control, under contracts or otherwise, of some other company that is engaged in interstate commerce. That does not refer to the matter of the sale of their securities. As the Senator from Michigan [Mr. VANDENBERG] said yesterday, I think all of us had been led to believe that so far as the public-utility securities market was concerned that condition had been cured so far as it was possible to cure it by the Stock Exchange Act and the Securities Act.

This bill, however, does not refer to that. This bill ignores the Stock Exchange Act and insists that although that act has been in force for a year or two, we must now have new legislation applying to one particular kind of industry that is sending out its stocks and various securities over the country, for what reason? Because it has been guilty of doing other things which the Congress thinks ought to be corrected, and which it thinks it has the power to correct.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. BARKLEY. The Securities Act only requires publicity with respect to securities that are issued. The Securities Act does not provide that a certain security may not be issued. All it does is to provide that if the security is issued, those who issue it must tell the truth to the public, so that they will know what they are buying. The Stock Exchange Act purports to regulate practices on the stock exchanges in the sale and purchase of stocks that are there bought and sold. Neither of those laws covers the situation which is intended to be covered by this measure.

Mr. HASTINGS. Mr. President, if we have done so much as to pass legislation which forces persons who are selling securities to the country to make a full and complete disclosure of what is back of the securities, it seems to me we have gone as far as we can to take care of the people who desire to invest their money in that kind of securities. Unless the Congress itself, by some kind of legislation, is going to guarantee the securities, it seems to me we ought to be satisfied when we have furnished the information to the person who is interested in the investment.

But let me pass along to section 4, which probably is the most important of all the sections, because it is the one which prohibits holding companies from doing various things unless they register. Bear in mind that section 4 is of the greatest importance, because it is now insisted, and for several days it has been insisted, that section 4 applies only to companies which are engaged in interstate commerce. Let me read paragraph (3) of that section:

> After October 1, 1935, unless a holding company is registered under section 5, it shall be unlawful for such holding company, directly or indirectly—
>
> * * * * * * *
>
> (3) To distribute, or make any public offering for sale or exchange of, any security of such holding company, any subsidiary company or affiliate of such holding company, any public-utility company, or any holding company, by use of the mails or any means or instrumentality of interstate commerce, or to sell any such security having reason to believe that such security, by use of the mails or any means or instrumentality of interstate commerce, will be distributed or made the subject of a public offering.

Can anybody determine by reading that section that it is limited to a company which is engaged in interstate commerce? Not at all. It goes back to the original proposition, which is to punish a company that does not register by saying that the facilities of the United States mails and the facilities of interstate commerce shall be taken from such a company unless it shall register; the result of it all being to force the company to register. Having gotten it, regardless of its interstate character, into the fold of a registered company by refusing to permit it to use the mails and other instrumentalities of interstate commerce unless it does register, the Commission then begins to control all of its activities; and a little later I shall point out what those activities are. In the bill, ranging from section 6 to section 13, there will be found used 11 times the words "the use of the mails or any means or instrumentality of interstate commerce, or otherwise."

I should like some Senator, tomorrow or some other day, to tell me why that language is placed in those sections with respect to the regulation of holding companies. The proponents of the bill start out by withdrawing the use of the mails and the instrumentalities of interstate commerce; but after a while, when they get a little further along, they try to strengthen the bill a little by adding the words "or other-

wise", which means that nothing can be done under this measure unless all the rules and regulations laid down by the Commission shall be complied with.

But let me pass to paragraph (4) of section 4:

After October 1, 1935, unless a holding company is registered under section 5, it shall be unlawful for such holding company, directly or indirectly—

* * * * * * *

(4) By use of the mails or any means or instrumentality of interstate commerce, to acquire or negotiate for the acquisition of any security or capital assets of any subsidiary company or affiliate of such holding company, any public-utility company, or any holding company.

In other words, regardless of amount, a holding company may not "acquire or negotiate for the acquisition of any security or capital assets of any subsidiary company or affiliate of such holding company." Is there anything there which limits the provision to companies engaged in interstate commerce? Not at all. The door is wide open, and the world is before us, and we say that regardless of how closely the holding company and its subsidiaries may be joined together in two or three States or in one State, the company must register, because the provision is not limited to interstate commerce.

Now, the next paragraph; and if we could leave this in, and cut out everything else the argument of the Senator from Montana [Mr. WHEELER] would be appropriate.

After October 1, 1935, * * * it shall be unlawful for such holding company, directly or indirectly—

To do what?—

(5) To engage in any business in interstate commerce.

Upon the basis of that one line and a tenth in paragraph (5), the distinguished Senator from Montana says that this section of the bill is limited to holding companies engaged in interstate commerce, when out of the six paragraphs in it, the only one which says a word about engaging in the business of interstate commerce is paragraph (5), which prohibits holding companies from engaging in any business in interstate commerce; but paragraph (6) is the one that is all-inclusive:

It shall be unlawful for such holding company, directly or indirectly—

* * * * * * *

(6) To own, hold, or control any security of any subsidiary company thereof that does any of the acts enumerated in paragraphs (1) to (5), inclusive, of this subsection.

Now, let us take paragraph (b) of that section:

Every holding company which has outstanding any security any of which, by use of the mails or any means or instrumentality of interstate commerce, has been distributed or made the subject of a public offering subsequent to January 1, 1925, and any of which security is owned or held on September 1, 1935 (or, if such company is not a holding company on that date, on the date such company becomes a holding company) by persons not resident in the State in which such holding company is organized, shall register under section 5 on or before October 1, 1935, or the thirtieth day after such company becomes a holding company, whichever date is later.

So that all of these things in all these paragraphs about which I have been talking do not do what they seem to do as we start to read them. All of them do not exclude companies, because paragraph (b) definitely provides that some of the companies shall register.

Mr. AUSTIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Burke	Dieterich	Hayden
Ashurst	Byrd	Donahey	Johnson
Austin	Byrnes	Duffy	Keyes
Bachman	Capper	Fletcher	King
Bailey	Caraway	Frazier	La Follette
Bankhead	Carey	George	Lewis
Barbour	Chavez	Gerry	Logan
Barkley	Clark	Gibson	Lonergan
Black	Connally	Glass	McAdoo
Bone	Coolidge	Guffey	McCarran
Borah	Copeland	Hale	McGill
Brown	Costigan	Harrison	McKellar
Bulkley	Couzens	Hastings	McNary
Bulow	Dickinson	Hatch	Maloney
Metcalf	O'Mahoney	Schwellenbach	Truman
Minton	Overton	Sheppard	Tydings
Moore	Pittman	Shipstead	Vandenberg
Murphy	Pope	Smith	Van Nuys
Murray	Radcliffe	Steiwer	Wagner
Neely	Reynolds	Thomas, Okla.	Walsh
Norbeck	Robinson	Thomas, Utah	Wheeler
Norris	Russell	Townsend	White
Nye	Schall	Trammell	

The PRESIDING OFFICER. Ninety-one Senators have answered to their names. A quorum is present.

Mr. HASTINGS. Mr. President, I think in this discussion it might be worth while to pay a little attention to section 3, as to whether the bill is limited to companies engaged in interstate commerce.

Section 3 provides:

(a) The Commission, by rules and regulations or order, shall exempt any holding company, and every subsidiary company thereof as such, from any provision or provisions of this title, if and to the extent that it deems the exemption not detrimental to the public interest or the interest of investors or consumers.

The Senator from Montana [Mr. WHEELER] called attention to the fact that in the committee he had insisted upon the word "shall" instead of the word "may" as the bill first was introduced in the Senate. From my viewpoint, it does not make very much difference, because, after all, the exemption is left entirely to the Commission. The paragraph does provide, however, that the Commission shall grant exemption, but it has the qualification—

If and to the extent that it deems the exemption not detrimental to the public interest or the interest of investors or consumers.

Those who framed the bill were not content to confine this to the public interest, but they added, "the interest of investors or consumers"; and here are the conditions upon which exemptions may be granted:

If—

(1) such holding company, and every subsidiary company thereof which is a public-utility company, are predominantly intrastate in character and carry on their business substantially in a single State in which such holding company and every such subsidiary company thereof are organized;

(2) such holding company is predominantly a public-utility company operating as such in one or more contiguous States, in one of which it is organized;

(3) such holding company is only incidentally a holding company, being primarily engaged or interested in one or more businesses other than the business of a public-utility company and (A) not deriving, directly or indirectly, any material part of its income from any one or more subsidiary companies, the principal business of which is that of a public-utility company, or (B) deriving a material part of its income from any one or more such subsidiary companies, if substantially all the outstanding securities of such companies are owned, directly or indirectly, by such holding company;

Then subsection (4) provides for a holding company that is temporarily a holding company.

After subsection (5) appears the following:

The Commission, upon its own motion or upon application by the holding company, or any subsidiary company thereof, exempted by any order issued hereunder, shall, after notice and opportunity for hearing, revoke, modify, or confirm any such order whenever in its judgment the circumstances warrant such revocation, modification, or confirmation.

Mr. President, if the purpose of this bill was to limit its authority to companies engaged wholly in interstate commerce, may I inquire why it was necessary to leave to the Commission the authority and direction to exempt the particular companies meeting these particular conditions? In other words, what objection is there to exempting, and why does the Congress undertake to control a public-utility company which is predominantly intrastate in character, and which carries on its business substantially in a single State in which such holding company and every such subsidiary company thereof are organized? If it be true, as has been so often alleged here, that all we are trying to do is to control holding companies which are engaged in interstate commerce, why should we not now instantly agree to exempt companies which are predominantly intrastate and have practically nothing to do with interstate commerce, and why should we undertake to classify a company as a holding company and subject to the provisions of this bill when it is only incidentally a holding company, and is

primarily engaged and interested in one or more businesses other than the business of a public-utility company? If the only purpose of this bill is to control holding companies engaged in interstate commerce, there is no reason why all of section 3 should not be definite and positive in its provisions, and the control not be left to the Commission at all.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. MINTON. Cannot the Senator conceive of a situation where a company's business might be predominantly intrastate in character, and yet it might have enough of interstate business intermingled therewith so that the whole business might take on an interstate character?

Mr. HASTINGS. Yes; I can.

Mr. MINTON. Then does not the Senator think it is a wise provision to give the Commission power to exempt, in a proper case, a set-up of that kind?

Mr. HASTINGS. Mr. President, in response to that question I call attention to the significant fact that after the proponents of the bill have condemned the holding company until it would be supposed they would not even look at one if they met it on the road, notwithstanding that fact, and notwithstanding the suggestion made by the Senator from Indiana, further on in the bill the distinct provision is made that holding companies, instead of being outlawed, as is generally supposed, are specifically provided as a part of American institutions, with power to issue stocks just as they have done in the past, with power to enter into contracts just as they have done in the past, with power to do all the things which have been so strongly condemned here for several days. This identical bill, which is supposed to outlaw and dispose of holding companies forever, in fact sets them up as a permanent system for America.

If we are permitted to exempt a holding company which operates in one State and, by reason of the territory being integrated, operates also in one or more contiguous States, or in a foreign country, as is provided in the bill, then there is no particular harm in specifically exempting a company which is principally engaged in intrastate business, and only incidentally operates in some other State.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WHITE. Subparagraph (c), at the top of page 17, reads, as the Senator has indicated:

> No provisions in this title shall apply to, or be deemed to include, the United States, a State, or any political subdivision of a State—

I think I understand what those provisions mean—

> or any political subdivision of a State, or any agency, authority, or instrumentality of any one or more of the foregoing.

That is, of a State, or a political subdivision of a State. We have water districts and sewer districts and school districts and other such political subdivisions in my section of the country. Does the language I have read mean that if a State, by legislative act, created a power district or a power company, whatever name one may choose to apply to it, which was to engage generally in the power business, the provisions of this act would not reach it?

Mr. HASTINGS. Mr. President, I am quite sure I could not answer that question. I think it would be exempt, because the language is very broad. Of course, what I assumed the language meant to cover was the T. V. A. I do not know whether that is true or whether it is not true. There may be other things it would cover.

Mr. MINTON. Would it not cover municipal plants, for instance?

Mr. HASTINGS. Oh, yes; but the Senator from Maine has called attention to the fact that the provision goes further than that, and says:

> The United States, a State, or any political subdivision of a State, or any agency, authority, or instrumentality of any one or more of the foregoing—

That is the United States, the State, or a political subdivision of the State—

> or any corporation which is wholly owned, directly or indirectly, by any one or more of the foregoing, or any officer, agent, or employee of any of the foregoing acting as such in the course of his official duty, unless such provision makes specific reference thereto.

I think that is broad enough to cover the instances the Senator from Maine mentioned, but I had assumed it was intended to cover the T. V. A. and the corporations which the T. V. A. is serving.

Returning to section 4, I think I have some authorities, one of which I have already read, to show that the Congress has no authority to control interstate commerce unless it be necessary to control that commerce in the public interest. From the employers' liability case I have already quoted. One case which everyone will remember, which attracted a great deal of attention, is the case of *Hammer* v. *Dagenhart* (247 U. S. 276). In that case, it will be remembered, the Court held that the Congress had no authority to eliminate from interstate commerce goods produced by child labor. I do not know that it is necessary for me to read from the decision. Every Senator will remember the effect of it. However, I think it might be well to read just a brief extract, as follows:

> In interpreting the Constitution it must never be forgotten that the Nation is made up of States to which are entrusted the powers of local government. And to them and to the people the powers not expressly delegated to the national Government are reserved. * * * The power of the States to regulate their purely internal affairs by such laws as seem wise to the local authority is inherent and has never been surrendered to the general Government. * * * To sustain this statute would not be in our judgment a recognition of the lawful exertion of congressional authority over interstate commerce, but would sanction an invasion by the Federal power of the control of a matter purely local in its character, and over which no authority has been delegated to Congress in conferring the power to regulate commerce among the States.
>
> We have neither authority nor disposition to question the motives of Congress in enacting this legislation. The purposes intended must be attained consistently with constitutional limitations and not by an invasion of the powers of the States. This Court has no more important function than that which devolves upon it the obligation to preserve inviolate the constitutional limitations upon the exercise of authority, Federal and State, to the end that each may continue to discharge, harmoniously with the other, the duties entrusted to it by the Constitution.
>
> In our view, the necessary effect of this act is, by means of a prohibition against the movement in interstate commerce of ordinary commercial commodities, to regulate the hours of labor of children in factories and mines within the States, a purely State authority. Thus the act in a twofold sense is repugnant to the Constitution. It not only transcends the authority delegated to Congress over commerce but also exerts a power as to a purely local matter to which the Federal authority does not extend. The far-reaching result of upholding the act cannot be more plainly indicated than by pointing out that if Congress can thus regulate matters entrusted to local authority by prohibition of the movement of commodities in interstate commerce, all freedom of commerce will be at an end, and the power of the States over local matters may be eliminated, and thus our system of government be practically destroyed.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Delaware yield to the Senator from Michigan?

Mr. HASTINGS. I yield.

Mr. VANDENBERG. I do not want to interrupt the trend of the Senator's argument, but I have asked one question constantly in this debate and have yet to receive a satisfactory answer. I should like to have the Senator's view.

When we passed the securities bill I understood we were protecting investors against exploitation in all fields. I should like to know in what degree we have failed to protect the investors in holding companies and in utility companies by the enactment of the securities bill, and why additional protection of the investor is necessary?

Mr. HASTINGS. Mr. President, as the Senator from Kentucky [Mr. BARKLEY] said a little while ago, the purpose of the Securities Act and the Stock Exchange Act was to make certain that the public knew what was back of the securities issued; in other words, to give full information for the benefit of investors so as to make certain that nobody might be deceived. The only thing added by the pending bill that is in any way different is the authority which is frequently given to commissions which control a utility of some kind, namely, the authority to dictate to a

public utility, for instance, which wants to enlarge its plant and wants to issue bonds. In order to control the rates of the company and to see that the company does not have in its investment greater assets than are necessary, the authority has frequently been given to the Commission or to some agency of some kind to determine whether or not it is necessary to issue the particular securities.

As I shall show later in my argument, this bill has undertaken to go further. From my point of view it is wholly unnecessary to do what is undertaken to be done here. Here it is undertaken to give to the Commission the authority not only to require the company to furnish the information for the benefit of the investors, but it is undertaken by the bill to say when securities may be issued, to say what particular character of securities may be issued, to say what voting rights shall go with the securities, and to authorize all kinds of control and red tape and what not, more, it seems to me, for the confusion of the investor than for his protection, because I doubt not that if the bill should be enacted and declared constitutional, and such securities were issued, the public would get the impression that the securities had been approved by the Federal Government and that they were therefore justified in investing in those particular securities.

That being true, instead of a protection to the investor by giving him the information which he desires, it becomes a danger to him, because he may get the impression that the security itself has been approved by the Federal Government.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Michigan?

Mr. HASTINGS. I yield.

Mr. VANDENBERG. Let me put my question differently. Does the Senator believe that the exploitation of investors which notoriously did occur prior to the passage of the Securities Act can occur since the passage of the Securities Act, thus obviating the necessity for this legislation?

Mr. HASTINGS. Let me point out that under the Securities Act nothing can be done without giving full information to the public; and, of course, with that information, it is assumed that the public will act intelligently. It is the deception which has been practiced which has caused these great evils. It is the deception which has been practiced by holding companies and others which made it necessary to pass the Securities Act. It is the deception which has been practiced which made it necessary, from the point of view of some persons, to pass the Stock Exchange Act.

In passing I desire to say that while I opposed the stock exchange bill, and I did so because of the power that went with it to a commission, what has happened was what I hoped might happen. The act itself has been administered very effectively, and with good common sense. That is the one thing which has prevented condemnation from being brought upon the act, and that is the one thing which has made the American people agree with its original purpose. At the same time, we ought not to pass acts, the value of which depends upon the good sense of somebody in administering them. We ought to be so careful in framing acts that a fool, in administering them, could not bring to the country the dangers which might be brought if the acts were not properly administered.

I had supposed, and I think the American people had supposed, that the passage of the Securities Act and the Stock Exchange Act was as far as we could hope to go, and was as far as it was necessary to go to protect the innocent people of the country who have money to invest. I am quite satisfied that from that point of view this bill is wholly unnecessary, and I am quite satisfied that most people agree with that view. The proponents of the bill have added that feature to it, and they have brought in the bad practices and the mean things that have been done for the sole purpose of having an excuse for passing this measure in order to control the holding companies and put an end to other evils which they say exist.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield to the Senator from Maryland.

Mr. TYDINGS. May I ask the Senator whether he considers that there is need for a utilities bill of some kind or whether he feels that there should be no bill on that subject?

Mr. HASTINGS. I said earlier in the day that I see no reason why the Congress should not pass a bill which would regulate the transmission of electric power from one State to another. If we should do that, I have not any doubt that we could require corporations engaged in such business to do a number of things with respect to the business which would eliminate many of the evils that exist.

For instance, if we had that sort of situation a company controlled by the Commission could be prevented from taking in other companies if it should be thought inadvisable. Many things could be done along that line, and I presume many of the holding companies could be controlled in the same way, because, aside from the mere ownership of stock, if a holding company which has control over an operating company engaged in interstate commerce participates either directly or indirectly in the business of that particular corporation, I am quite certain the courts would be justified in going far enough to say that the holding company itself was engaged in interstate commerce; and in that way I think something might be done which would help this situation.

The complaint I have is that, as we frequently do, when we undertake to cure an evil, we attempt to do entirely too much. If we should do the things which it is perfectly clear we have a right to do, if we should do the things which are necessary at the moment, and trust to future Congresses to improve our legislation in the light of the experience derived from its administration, to my mind we should be doing a very much greater service for the Nation than we can do in this way.

Senators will find running all through the majority report the allegation that it is necessary to destroy the great holding companies because of the concentration of political power and economic power. While I should not be averse to doing that to some extent if we could do it, I know of no way in which we can do that under the commerce clause of the Constitution.

It is pointed out that many of the operating companies, instead of being controlled by residents of the locality, are controlled by persons residing many miles away, and perhaps many States away; but we must bear in mind that the States themselves could do much to control the situation in that respect. The monopolistic charter which permits a company to operate a utility is granted by the State in which the company is operating. The State can attach to the charter such conditions as it pleases. If the company be located in the city of Baltimore, the State can provide that every member of the board of directors of the corporation shall be a resident of the city of Baltimore. If the corporation be located in the State of Maryland the State can provide that all the directors of the corporation shall be residents of the particular county in which the plant itself is located. There is no trouble about that. There is no trouble about the existence of the power. The trouble is with the Congress undertaking to seize the power which belongs to the State which created the thing which needs to be controlled.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield to the Senator from Indiana.

Mr. MINTON. Does the Senator contend that utilities which are now exercising these franchises may have their franchise amended in the way the Senator suggests, or would that regulation be confined to such franchises as may be issued in the future?

Mr. HASTINGS. I think that may raise a very serious question. I do not know. Most States that have been careful in granting charters which gave monopolies to any concerns have reserved the right to modify them to meet future public conditions; but that is not always the case. As the Senator suggests, I think some of the States might find difficulty in amending the charters of such companies, because the right to do so had not been reserved.

Mr. BARKLEY. Mr. President, does the Senator from Delaware desire to finish his remarks this afternoon?

Mr. HASTINGS. No, Mr. President. I shall be glad to suspend at this time.

Mr. BARKLEY. Will the Senator yield for a motion to proceed to the consideration of executive business?

Mr. HASTINGS. I yield for that purpose.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. POPE in the chair) laid before the Senate a message from the President of the United States, submitting sundry nominations of postmasters, which was referred to the Committee on Post Offices and Post Roads.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

CONSIDERATION OF TREATIES

Mr. PITTMAN. Mr. President, I ask that the Senate take up and consider certain treaties on the calendar.

The PRESIDING OFFICER. The clerk will state the first treaty in order on the calendar.

Executive H (69th Cong., 1st sess.), a Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, signed at Geneva, Switzerland, on June 17, 1925, was announced as first in order.

Mr. PITTMAN. Mr. President, I ask that the treaty go over in the absence of the Senator from Utah [Mr. KING].

The PRESIDING OFFICER. Without objection, the treaty will go over.

Executive E (73d Cong., 2d sess.), International Convention of the Copyright Union, as revised and signed at Rome on June 2, 1928, was announced as next in order.

Mr. PITTMAN. Mr. President, I ask that this treaty go over by reason of an agreement with the Senator from Wisconsin [Mr. DUFFY] and others.

The PRESIDING OFFICER. Without objection, the treaty will be passed over.

DAMAGES CAUSED BY SMELTER AT TRAIL, BRITISH COLUMBIA

Executive I (74th Cong., 1st sess.), a Convention between the United States of America and the Dominion of Canada, signed at Ottawa, April 15, 1935, having for its object the payment to the United States of a sum of $350,000 United States currency in settlement of all damage which occurred in the United States prior to January 1, 1932, as a result of the operation of the smelter of the Consolidated Mining & Smelting Co., Trail, British Columbia, and the establishment of a tribunal for the decision of questions arising since that date, was announced as next in order.

Mr. AUSTIN. Mr. President, I ask that this treaty go over. I do not think we can consider treaties at this time of the evening, in the absence of a quorum.

Mr. BONE. Mr. President, may I ask the Senator from Vermont whether he has reasons which appeal to him for asking that the treaty go over? I suggest to him that the only way in which this treaty can be consummated will be through reciprocal action of the Canadian Parliament, and that body will adjourn on June 15. This matter has been hanging fire for a great many years, and unless it be disposed of promptly, it will probably go over for another year, to the very great detriment of a small number of farmers in the State of Washington. A very small section of my State is adversely affected by the situation involving the Trail smelter. I assure the Senator that if this treaty now goes over, it will be dead for another year.

Mr. AUSTIN. Mr. President, if it is necessary to consider this treaty this evening I shall ask for a quorum. We certainly will not consider and ratify a treaty with nearly all the seats in the Senate Chamber vacant.

Mr. McKELLAR. Mr. President, I hope the Senator will permit this treaty to be ratified, for the reason I will state. For a number of years we have been appropriating quite a large amount of money to bring about the settlement which has finally been reached. We notified the State Department some time ago that we would not make further appropriations for the purpose of handling this matter unless it could be settled. The State Department has sent us a treaty, which merely provides for the payment of money for damages occasioned to farms near the Canadian border in the State of Washington. That is all it means, merely the settlement of a matter which the Senate Committee on Appropriations has asked to have settled quite a number of times. I think it will save us a considerable amount of money, and I hope the Senator will withdraw his objection to this particular treaty. I do not make the request as to any other treaty.

Mr. PITTMAN. Mr. President, let me add a word. I realize that it is hardly advisable to take up treaties for consideration at this time of the evening, when perhaps a quorum is not present, and therefore I have asked to have two important treaties passed over.

I realize that the situation which has brought about the proposed treaty with Canada does require action. This matter has been under consideration for 8 or 10 years, and finally a partial agreement has been reached; that is, there has been an agreement as to damages occasioned up to 1932. Only $350,000 is involved, there has been work on this matter covering 10 years, and nearly that amount of money has been expended by the Government in investigating the affair, so I think the treaty ought to be ratified.

Mr. BONE. Mr. President, let me suggest to the Senator from Vermont that if he will withdraw his objection, if any question shall be raised as to the propriety of our action, the vote can be reconsidered tomorrow. This treaty applies merely to a handful of farmers in the State of Washington, who are to be paid money in the way of damages by the Canadian Government. It could not possibly affect the Senator's State; it affects only the welfare of a little handful of farmers in northern Washington.

Mr. PITTMAN. Let me also say that the treaty was unanimously agreed to by the committee, and the claim has been approved by the committee probably eight times, so that there is no controversy.

Mr. AUSTIN. Mr. President, of course I have no personal objection to the treaty. I have risen to object on account of the parliamentary situation, that is all. It does not appear to me that there is such an urgent situation that anyone would be harmed by letting the treaty go over until tomorrow.

Mr. BARKLEY. Mr. President, if the Senator will withdraw his objection and let the treaty be ratified, if any question shall be raised by anyone tomorrow I am satisfied that there would be no trouble in obtaining a reconsideration. But in this matter time is somewhat of the essence, inasmuch as action must be taken before the 15th of the month, and we know what handicaps sometimes arise here unexpectedly.

Mr. AUSTIN. Mr. President, I have not heard any reason presented for withdrawing the objection. If there is one, I shall be glad to hear it, but in the position in which I am placed, with the leader on this side absent, and having been requested by him to look after the situation, I feel bound to ask that this matter go over until tomorrow, in view of the absence of a quorum.

Mr. BARKLEY. I may say to the Senator that I am in the same situation in which he finds himself I have been asked to act in the absence of the majority leader. But the Senator from Oregon [Mr. MCNARY] before he left the Chamber was informed that we would have an executive session and that these matters would be taken up, and he did not seem to have any objection.

Mr. AUSTIN. Of course, Mr. President, I am willing to withdraw my objection and to suggest the absence of a quorum.

Mr. PITTMAN. Would the Senator have any objection to our asking unanimous consent that the Senate proceed to the consideration of executive business for the consideration of these treaties at 4 o'clock tomorrow?

Mr. AUSTIN. No; I shall be perfectly willing to agree to that.

Mr. PITTMAN. Then, I ask that tomorrow at 4 o'clock the Senate proceed to the consideration of executive business for the purpose of considering treaties on the Executive Calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will state the first nomination in order on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of John C. Mahoney to be United States district judge, district of Rhode Island.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Edward L. Burke, of Vermont, to be United States marshal, district of Vermont.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 7 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Wednesday, June 5, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 4 (legislative day of May 13), 1935

POSTMASTERS

ALABAMA

Robert L. Stallworth to be postmaster at Evergreen, Ala., in place of J. T. Williams. Incumbent's commission expired April 28, 1934.

Richard Glenn Rice to be postmaster at Northport, Ala., in place of W. K. Cooper. Incumbent's commission expired June 8, 1933.

ALASKA

Agnes Moran to be postmaster at Nenana, Alaska, in place of M. J. Martin. Incumbent's commission expired February 20, 1935.

ARIZONA

John Campbell to be postmaster at Bisbee, Ariz., in place of John Caretto. Incumbent's commission expired December 18, 1934.

Velasco C. Murphy to be postmaster at Globe, Ariz., in place of C. J. Alden. Incumbent's commission expired December 18, 1934.

ARKANSAS

Houston E. Mayhew to be postmaster at Greenbrier, Ark., in place of J. C. Flowers, removed.

Allen T. Cowden to be postmaster at Horatio, Ark., in place of E. B. Millard. Incumbent's commission expired December 20, 1934.

CALIFORNIA

Charles W. Spencer to be postmaster at Aptos, Calif., in place of Cornelius van Kaathoven. Incumbent's commission expired December 16, 1934.

Richard G. Glover to be postmaster at Camarillo, Calif., in place of F. W. Stein, removed.

Raymond D. Siler to be postmaster at Corning, Calif., in place of O. B. Liersch, resigned.

Robert A. Ascot to be postmaster at Highland, Calif., in place of G. M. Leuschen. Incumbent's commission expired February 6, 1934.

Edwin C. Halverson to be postmaster at Lynwood, Calif., in place of H. A. Kaufman. Incumbent's commission expired January 11, 1934.

Charles M. Gorham to be postmaster at Mar Vista, Calif., in place of J. L. Quist. Incumbent's commission expired September 30, 1933.

Enoch H. Russell to be postmaster at Ramona, Calif., in place of G. R. Comings, deceased.

Jessie R. South to be postmaster at Santa Clara, Calif., in place of B. C. Downing. Incumbent's commission expired February 14, 1935.

COLORADO

Roy Maxwell to be postmaster at Fort Collins, Colo., in place of J. L. Nightingale, retired.

John T. Adkins to be postmaster at Holly, Colo., in place of H. D. Steele, deceased.

George Cole to be postmaster at Monte Vista, Colo., in place of J. W. Conant. Incumbent's commission expired February 4, 1935.

Arthur L. Carlson to be postmaster at Wellington, Colo., in place of F. M. Marsh. Incumbent's commission expired December 8, 1934.

CONNECTICUT

Edward C. Dillon to be postmaster at Elmwood, Conn., in place of T. C. Brown. Incumbent's commission expired December 18, 1934.

Louis P. Despelteau to be postmaster at North Grosvenor Dale, Conn., in place of H. R. Carignan, removed.

DELAWARE

Fred E. Gebhart to be postmaster at Hockessin, Del. Office became presidential July 1, 1934.

FLORIDA

William E. Arthur to be postmaster at Bradenton, Fla., in place of M. F. Thrasher, retired.

R. Aline Fraser to be postmaster at Macclenny, Fla., in place of E. V. Turner. Incumbent's commission expired September 30, 1933.

GEORGIA

Robert G. Hartsfield to be postmaster at Bainbridge, Ga., in place of C. J. Williams. Incumbent's commission expired February 25, 1935.

Joe F. White to be postmaster at Canon, Ga., in place of R. H. Ridgway, removed.

Charles R. Brumby to be postmaster at Cedartown, Ga., in place of A. K. Bunn. Incumbent's commission expired December 16, 1934.

Hal D. Austin to be postmaster at Conyers, Ga., in place of Esther McCollum. Incumbent's commission expired February 25, 1935.

Margaret C. Henderson to be postmaster at Fair Mount, Ga., in place of Dallas Thompson. Incumbent's commission expired February 25, 1935.

Olive S. Fraser to be postmaster at Hinesville, Ga. Incumbent's commission expired July 1, 1934.

Sadie W. Crittenden to be postmaster at Shellman, Ga., in place of T. H. Anthony. Incumbent's commission expired February 25, 1935.

James H. Mahone to be postmaster at Talbotton, Ga., in place of W. B. Allen. Incumbent's commission expired June 10, 1934.

Jones R. Arnold to be postmaster at Thomson, Ga., in place of L. G. Dozier. Incumbent's commission expired February 25, 1935.

IDAHO

Halo M. Hart to be postmaster at Preston, Idaho, in place of Wells McEntire. Incumbent's commission expired February 6, 1934.

Mercedes Tremblay to be postmaster at Priest River, Idaho, in place of W. P. Jones. Incumbent's commission expired December 18, 1934.

ILLINOIS

Herman G. Wangelin to be postmaster at Belleville, Ill., in place of Herman Semmelroth. Incumbent's commission expired December 18, 1934.

Howard M. Feaster to be postmaster at Hillsdale, Ill., in place of J. F. Mill, deceased.

Robert J. White to be postmaster at New Berlin, Ill., in place of E. F. Davis. Incumbent's commission expired February 25, 1935.

William M. Jones to be postmaster at Villa Grove, Ill., in place of G. J. Duncan, removed.

John R. King to be postmaster at Winchester, Ill., in place of E. S. Waid, removed.

INDIANA

Lester C. Leman to be postmaster at Bremen, Ind., in place of F. V. Annis, removed.

Edgar D. Logan to be postmaster at Goshen, Ind., in place of C. W. Foulks. Incumbent's commission expired February 25, 1935.

Maurice C. Goodwin to be postmaster at Newcastle, Ind., in place of S. J. Bufkin, resigned.

Cova H. Wetzel to be postmaster at Rockport, Ind., in place of Hilbert Bennett, removed.

Grover T. Van Ness to be postmaster at Summitville, Ind., in place of C. R. Jones. Incumbent's commission expired February 14, 1935.

George P. Marshall to be postmaster at Veterans' Administration Hospital, Ind., in place of Louis Pfefferle, Jr., removed.

John E. Robinson to be postmaster at Waynetown, Ind., in place of C. C. Darnell, removed.

Lawrence J. Etnire to be postmaster at Williamsport, Ind., in place of F. R. Hawley. Incumbent's commission expired February 21, 1935.

IOWA

Kathryn Fagan to be postmaster at Ayrshire, Iowa, in place of L. F. Cookinham. Incumbent's commission expired December 9, 1934.

Blanche M. Olsen to be postmaster at Ellsworth, Iowa, in place of Abner Reynolds. Incumbent's commission expired November 12, 1933.

William R. Flemming to be postmaster at Forest City, Iowa, in place of O. E. Gunderson. Incumbent's commission expired February 28, 1935.

DeEtta I. Reindl to be postmaster at Manly, Iowa, in place of R. A. Culver. Incumbent's commission expired January 22, 1935.

Mark A. Trumbull to be postmaster at Manson, Iowa, in place of Martha Slatter. Incumbent's commission expired June 24, 1934.

Leonard L. Snyder to be postmaster at Oskaloosa, Iowa, in place of C. S. Walling. Incumbent's commission expired December 20, 1934.

Ruth M. Stoltz to be postmaster at Ottumwa, Iowa, in place of H. A. Roth. Incumbent's commission expired December 20, 1934.

Otto Germar to be postmaster at Volga, Iowa, in place of C. E. Lovett. Incumbent's commission expired June 24, 1934.

Olive A. Burrows to be postmaster at Wilton Junction, Iowa, in place of C. J. Jacobsen. Incumbent's commission expired December 9, 1934.

KANSAS

Eugene Franklin Glover to be postmaster at Caldwell, Kans., in place of R. T. Smith. Incumbent's commission expired February 20, 1935.

Richard R. Bourne to be postmaster at Delphos, Kans., in place of H. E. Yenser, removed.

Max H. Dyck to be postmaster at Fowler, Kans., in place of A. J. Deane. Incumbent's commission expired February 5, 1935.

Elizabeth C. Johnson to be postmaster at Hartford, Kans., in place of M. P. Evans. Incumbent's commission expired December 18, 1934.

Orville K. McQueen to be postmaster at Kirwin, Kans., in place of G. K. Logan. Incumbent's commission expired January 22, 1935.

Harold J. Schafer to be postmaster at McPherson, Kans., in place of Eben Carlsson, deceased.

Oscar J. Strong to be postmaster at Mound City, Kans., in place of L. M. Holmes. Incumbent's commission expired December 20, 1934.

Charles L. Krouse to be postmaster at Onaga, Kans., in place of Clarence Haughawout, deceased.

Dick A. De Young to be postmaster at Prairie View, Kans., in place of I. L. Barham, removed.

Thomas W. Ross to be postmaster at Sterling, Kans., in place of H. M. Bentley. Incumbent's commission expired February 20, 1935.

George F. Popkess to be postmaster at Toronto, Kans., in place of J. M. Cable. Incumbent's commission expired April 15, 1934.

John H. Pennebaker to be postmaster at Virgil, Kans., in place of Caroline Boman. Incumbent's commission expired December 18, 1934.

Wilders D. McKimens to be postmaster at Westmoreland, Kans., in place of W. B. Hart. Incumbent's commission expired December 18, 1934.

KENTUCKY

Thomas L. Gorby to be postmaster at Cave City, Ky., in place of E. R. Lafferty. Incumbent's commission expired February 20, 1935.

William T. Miller to be postmaster at Hawesville, Ky., in place of E. J. Salm. Incumbent's commission expired December 20, 1934.

Byron P. Boyd to be postmaster at Sedalia, Ky., in place of L. B. Hollaway. Incumbent's commission expired June 20, 1934.

Virginia L. Daniel to be postmaster at Van Lear, Ky., in place of E. W. Beers, resigned.

MAINE

Albert A. Towne to be postmaster at Norway, Maine, in place of P. F. Stone, removed.

Don Owen Cate to be postmaster at Richmond, Maine, in place of H. N. Libby. Incumbent's commission expired December 20, 1934.

Linwood J. Emery to be postmaster at Sanford, Maine, in place of H. N. Ferguson. Incumbent's commission expired December 20, 1934.

MARYLAND

Edmund H. Bray to be postmaster at Easton, Md., in place of U. F. Carroll. Incumbent's commission expired July 1, 1934.

George L. Edmonds to be postmaster at Rockville, Md., in place of C. M. Jones. Incumbent's commission expired January 22, 1935.

MASSACHUSETTS

Robert P. Sheehan to be postmaster at Harvard, Mass., in place of W. B. Brown. Incumbent's commission expired February 10, 1934.

Katherine F. Rafferty to be postmaster at Rowley, Mass., in place of F. P. Todd. Appointee not commissioned.

MICHIGAN

William E. Oakes to be postmaster at Drayton Plains, Mich., in place of W. E. Oakes. Incumbent's commission expired March 2, 1935.

Milo E. Potter to be postmaster at Dundee, Mich., in place of C. G. Reynolds. Incumbent's commission expired January 28, 1934.

Marie L. Yaroch to be postmaster at Kinde, Mich., in place of E. L. Storbeck. Incumbent's commission expired December 8, 1932.

John H. Holmes to be postmaster at Mio, Mich. Office became Presidential July 1, 1934.

Fred E. Van Atta to be postmaster at Northville, Mich., in place of T. R. Carrington. Incumbent's commission expired February 14, 1934.

Frank C. Miller to be postmaster at Stevensville, Mich., in place of W. C. Heyn. Incumbent's commission expired June 17, 1934.

Edward N. Moroney to be postmaster at Trenton, Mich., in place of F. E. Pomeraning. Incumbent's commission expired December 20, 1934.

MINNESOTA

Carl E. Berkman to be postmaster at Chisholm, Minn., in place of W. B. Brown, resigned.

Alwyne A. Dale to be postmaster at Dover, Minn., in place of A. A. Dale. Incumbent's commission expired June 20, 1934.

Aileen R. Ellefson to be postmaster at Lancaster, Minn., in place of Roy Coleman, resigned.

Nels E. Fedson to be postmaster at Lyle, Minn., in place of C. P. Fossey. Incumbent's commission expired June 17, 1934.

John V. Schroeder to be postmaster at Saint Joseph, Minn., in place of J. C. Klein. Incumbent's commission expired April 2, 1934.

MISSISSIPPI

Frederick J. Fugitt to be postmaster at Booneville, Miss., in place of R. F. Bonds. Incumbent's commission expired June 9, 1934.

Dewey M. Collins (Mrs.) to be postmaster at Boyle, Miss., in place of M. R. Hammons, removed.

John B. Glenn to be postmaster at Brookville, Miss., in place of Myrtle Starnes, removed.

Ethel W. Still (Mrs.) to be postmaster at Clarksdale, Miss., in place of G. E. Cook. Incumbent's commission expired January 23, 1935.

James B. Keeton to be postmaster at Grenada, Miss., in place of F. S. York. Incumbent's commission expired July 1, 1934.

Samuel A. Witherspoon to be postmaster at Meridian, Miss., in place of Allan McCants. Incumbent's commission expired February 4, 1934.

Arthur V. Smith to be postmaster at Pascagoula, Miss., in place of T. R. Swartwout, transferred.

MISSOURI

John E. Moore to be postmaster at Clinton, Mo., in place of C. A. Mitchell, removed.

John M. Coe to be postmaster at Creighton, Mo. Office became Presidential July 1, 1934.

Ella B. Newman to be postmaster at Desloge, Mo., in place of M. C. Lester. Incumbent's commission expired February 25, 1935.

William R. Doss to be postmaster at Kimmswick, Mo., in place of J. L. Oheim. Incumbent's commission expired February 4, 1935.

Myrtle P. Chastain to be postmaster at Koshkonong, Mo., in place of T. J. Richardson. Incumbent's commission expired February 14, 1935.

Mary G. Ramsey to be postmaster at Lexington, Mo., in place of R. F. Stalling, removed.

Sam G. Downing to be postmaster at Malden, Mo., in place of B. S. Lacy. Incumbent's commission expired April 15, 1934.

Champ C. Ray to be postmaster at Middletown, Mo., in place of Guy Ridings. Incumbent's commission expired March 18, 1934.

Edward H. Mertens to be postmaster at Morrison, Mo., in place of H. H. A. Redeker. Incumbent's commission expired April 15, 1934.

Helen T. Meagher to be postmaster at Oregon, Mo., in place of I. F. Zeller, removed.

Edith E. Highfill to be postmaster at Thayer, Mo., in place of Addie Erwin. Incumbent's commission expired December 20, 1934.

MONTANA

Hiram B. Cloud to be postmaster at Wolf Point, Mont., in place of J. B. Randall, deceased.

NEBRASKA

Naomi G. Fackler to be postmaster at Burwell, Nebr., in place of G. T. Tunnicliff. Incumbent's commission expired January 22, 1935.

Harold Hald to be postmaster at Dannebrog, Nebr., in place of A. W. Sorensen, appointee not commissioned.

J. Melvern West to be postmaster at Herman, Nebr., in place of H. B. Cameron, deceased.

Fred C. Johnson to be postmaster at Merriman, Nebr., in place of O. A. McCray. Incumbent's commission expired December 18, 1934.

Albert H. Bahe to be postmaster at Ohiowa, Nebr., in place of A. H. Bahe. Incumbent's commission expired February 4, 1935.

Ben G. Worthing to be postmaster at Overton, Nebr., in place of Thomas Pierson. Incumbent's commission expired January 22, 1935.

Effie E. Adams to be postmaster at Ralston, Nebr., in place of G. W. Harding. Incumbent's commission expired January 13, 1935.

NEVADA

Alfred Tamblyn to be postmaster at Ely, Nev., in place of H. J. Marriott, resigned.

Linwood W. Campbell to be postmaster at Pioche, Nev., in place of J. W. Christian, resigned.

NEW HAMPSHIRE

Frank B. Gould to be postmaster at Bradford, N. H., in place of L. F. Carr. Incumbent's commission expired December 8, 1934.

Hadley B. Worthen to be postmaster at Bristol, N. H., in place of F. H. Ackerman. Incumbent's commission expired December 18, 1934.

Raymond J. Carr to be postmaster at Lancaster, N. H., in place of L. K. Smith. Incumbent's commission expired January 22, 1935.

John J. Kirby to be postmaster at Milford, N. H., in place of S. C. Coburn. Incumbent's commission expired December 18, 1934.

NEW JERSEY

Edward Brodstein to be postmaster at Asbury Park, N. J., in place of Harry Harsin. Incumbent's commission expired January 28, 1934.

John Carey to be postmaster at Glassboro, N. J., in place of A. W. Marshall, resigned.

Martin A. Armstrong to be postmaster at Maple Shade, N. J., in place of J. M. Evans. Incumbent's commission expired May 13, 1934.

Leroy Jeffries to be postmaster at Ocean City, N. J., in place of J. R. Hildreth, removed.

NEW MEXICO

Laura W. Martinez to be postmaster at Tierra Amarilla, N. Mex. Office became presidential July 1, 1934.

NEW YORK

John M. O'Keefe to be postmaster at Addison, N. Y., in place of Burrell Vastbinder. Incumbent's commission expired March 8, 1934.

Verner Sharp to be postmaster at Altamont, N. Y., in place of Christopher Martin, removed.

Ruth M. Marleau to be postmaster at Big Moose, N. Y., in place of R. M. Marleau. Incumbent's commission expired June 20, 1934.

Josephine Adams to be postmaster at Blue Point, N. Y., in place of L. A. Brunnemer, removed.

Seth B. Howes to be postmaster at Brewster, N. Y., in place of Howard Tuttle, removed.

Eber T. McDonald to be postmaster at Cayuga, N. Y., in place of W. S. Finney. Incumbent's commission expired January 23, 1935.

Andrew R. Schmitt to be postmaster at Cheektowaga, N. Y., in place of C. K. Lenz. Incumbent's commission expired December 8, 1934.

Katharine G. Bement to be postmaster at Clifton Springs, N. Y., in place of A. B. Barker, removed.

John J. Finnegan to be postmaster at Fairport, N. Y., in place of W. H. Mason, retired.

Fred T. Frisby to be postmaster at Franklin Square, N. Y., in place of Joseph Alese. Incumbent's commission expired December 16, 1933.

Henry T. Farrell to be postmaster at Indian Lake, N. Y., in place of V. B. Hutchins. Incumbent's commission expired June 28, 1934.

Robert F. McCabe to be postmaster at Johnson City, N. Y., in place of C. E. Watson. Incumbent's commission expired November 6, 1933.

Clifton R. Ericsson to be postmaster at Kennedy, N. Y., in place of J. J. Tyler, resigned.

Burton D. Calkin to be postmaster at Lake Huntington, N. Y., in place of Ella Babcock. Incumbent's commission expired March 8, 1934.

Edward Hart to be postmaster at Lake Placid Club, N. Y., in place of J. C. Jubin. Incumbent's commission expired May 2, 1934.

George H. Bogardus to be postmaster at Morristown, N. Y., in place of D. C. Gilmour. Incumbent's commission expired March 18, 1934.

George R. Hunter to be postmaster at Pine Plains, N. Y., in place of J. W. Hedges. Incumbent's commission expired May 29, 1934.

Archibald O. Abeel to be postmaster at Round Lake, N. Y., in place of W. P. Andres. Incumbent's commission expired December 18, 1934.

Leon L. Baker to be postmaster at Willsboro, N. Y., in place of A. A. Patterson, resigned.

NORTH CAROLINA

George M. Sudderth to be postmaster at Blowing Rock, N. C., in place of H. P. Holshouser, removed.

Patrick H. McDonald to be postmaster at Carthage, N. C., in place of R. G. Wallace. Incumbent's commission expired February 4, 1935.

Wingate A. Lambertson to be postmaster at Rich Square, N. C., in place of T. H. Peele, deceased.

Leslie G. Shell to be postmaster at Roanoke Rapids, N. C., in place of J. L. Vest. Incumbent's commission expired December 20, 1934.

Henry E. Earp to be postmaster at Selma, N. C., in place of J. D. Massey. Incumbent's commission expired June 26, 1934.

John R. Dildy to be postmaster at Wilson, N. C., in place of G. W. Stanton, deceased.

NORTH DAKOTA

Catherine Ross to be postmaster at Arthur, N. Dak., in place of O. M. Burgum. Incumbent's commission expired January 22, 1935.

William Stewart to be postmaster at Butte, N. Dak., in place of Cassie Stewart. Incumbent's commission expired May 2, 1934.

Dorothy L. Schultz to be postmaster at Carpio, N. Dak., in place of Daisy Thompson. Incumbent's commission expired December 18, 1934.

Frank M. McConn to be postmaster at Fairmount, N. Dak., in place of J. H. Bolton. Incumbent's commission expired March 22, 1934.

Mildred Peck to be postmaster at Glenburn, N. Dak., in place of Reinhart Gilbertsen. Incumbent's commission expired January 22, 1934.

Loren J. Savage to be postmaster at Litchville, N. Dak., in place of J. E. Nelson. Incumbent's commission expired December 12, 1932.

Wallace W. O'Hara to be postmaster at Neche, N. Dak., in place of E. R. Dennison. Incumbent's commission expired November 20, 1933.

Walter E. Harke to be postmaster at New Leipzig, N. Dak., in place of M. H. Weber, removed.

Bland Elsberry to be postmaster at Rocklake, N. Dak., in place of W. W. Lehman. Incumbent's commission expired January 11, 1934.

Christian H. Budke to be postmaster at Sherwood, N. Dak., in place of Minnie Alexander. Incumbent's commission expired January 22, 1935.

Howard Miller to be postmaster at Werner, N. Dak., in place of O. G. Black. Incumbent's commission expired May 2, 1934.

OHIO

John Jacoby, Sr., to be postmaster at Carey, Ohio, in place of Herbert Newhard, Sr., January 22, 1935.

Caleb Peter Motz to be postmaster at Fairlawn, Ohio, in place of F. S. McCoy. Incumbent's commission expired December 18, 1934.

John Z. Lytle to be postmaster at Fredericksburg, Ohio, in place of J. P. Cramer. Incumbent's commission expired February 14, 1935.

Joseph H. Church, Jr., Glendale, Ohio, in place of Fred Brockmeyer, removed.

Charles L. Collett to be postmaster at Ironton, Ohio, in place of J. B. Davis. Incumbent's commission expired February 20, 1935.

Orville C. Ryan to be postmaster at Peebles, Ohio, in place of M. O. Brooke, retired.

George W. Johnson to be postmaster at Worthington, Ohio, in place of A. C. Griffith. Incumbent's commission expired December 18, 1934.

OKLAHOMA

James H. Sellars, Jr., to be postmaster at Binger, Okla., in place of E. W. Drake, resigned.

Murlin V. Braly to be postmaster at Buffalo, Okla., in place of A. V. Roberts. Incumbent's commission expired December 16, 1933.

Jean C. Petty to be postmaster at Caddo, Okla., in place of U. S. Markham. Incumbent's commission expired May 2, 1934.

Frank J. Kamphaus to be postmaster at Canute, Okla., in place of J. C. Ely. Incumbent's commission expired October 31, 1933.

Louis F. Dievert to be postmaster at Covington, Okla., in place of H. W. Amis. Incumbent's commission expired January 22, 1935.

Jesse W. Haydon to be postmaster at El Reno, Okla., in place of L. K. Butts. Incumbent's commission expired March 22, 1934.

Weltha Guilford Heflin to be postmaster at Erick, Okla., in place of G. W. Sewell. Incumbent's commission expired December 16, 1933.

Hannie B. Melton to be postmaster at Hastings, Okla., in place of A. H. Figley. Incumbent's commission expired December 13, 1932.

James Q. Tucker to be postmaster at Hollis, Okla., in place of T. H. Gillentine, removed.

Charles H. Hatfield to be postmaster at Hydro, Okla., in place of Earl Ridenour, removed.

Thomas F. Green to be postmaster at Meeker, Okla., in place of W. E. Primm, deceased.

Roy Rine to be postmaster at Nash, Okla., in place of Elinore Jett, removed.

Earl C. Lucas to be postmaster at Newkirk, Okla., in place of U. S. Curry. Incumbent's commission expired January 22, 1935.

Blanche Lucas to be postmaster at Ponca City, Okla., in place of F. B. Lucas, deceased.

Shelby T. McNutt to be postmaster at Ringwood, Okla., in place of A. W. McCreary. Incumbent's commission expired December 16, 1933.

OREGON

Victor P. Moses to be postmaster Corvallis, Oreg., in place of C. E. Ingalls. Incumbent's commission expired February 20, 1935.

Nelson J. Nelson, Jr., to be postmaster at Cottage Grove, Oreg., in place of Elbert Smith. Incumbent's commission expired December 13, 1932.

Lester L. Wimberly to be postmaster at Roseburg, Oreg., in place of C. S. Heinline. Incumbent's commission expired December 18, 1934.

William C. Sorsby to be postmaster at Wauna, Oreg. Office became Presidential July 1, 1934.

PENNSYLVANIA

Nita Elwood to be postmaster at Apollo, Pa., in place of C. H. Truby, removed.

George Lange to be postmaster at Belle Vernon, Pa., in place of H. N. Beazell, removed.

Earl T. Zerby to be postmaster at Bernville, Pa., in place of J. D. Moll, removed.

J. Russell Clayton to be postmaster at Bryn Athyn, Pa., in place of J. R. Clayton. Incumbent's commission expired April 22, 1934.

George D. McCutcheon to be postmaster at Fredonia, Pa., in place of H. W. Redfoot, removed.

Christian S. Clayton to be postmaster at Huntingdon Valley, Pa., in place of C. S. Clayton. Incumbent's commission expired January 19, 1933.

Edna M. Finney to be postmaster at Langeloth, Pa., in place of Margaret Patterson. Incumbent's commission expired May 2, 1934.

Edward F. Poist to be postmaster at McSherrystown, Pa., in place of E. F. Poist. Incumbent's commission expired January 13, 1935.

George C. Dietz to be postmaster at Mechanicsburg, Pa., in place of B. E. Stansfield, resigned.

H. Oscar Young to be postmaster at Plymouth Meeting, Pa., in place of H. O. Young. Incumbent's commission expired January 29, 1933.

Perry A. Tschop to be postmaster at Red Lion, Pa., in place of M. C. Holtsinger. Incumbent's commission expired February 25, 1935.

Lucy A. Sellers to be postmaster at Robertsdale, Pa., in place of L. A. Sellers. Incumbent's commission expired February 8, 1933.

PUERTO RICO

George P. DePass to be postmaster at San Juan, P. R., in place of Rafael del Valle. Incumbent's commission expired May 29, 1934.

SOUTH CAROLINA

Philip M. Clement to be postmaster at Charleston, S. C., in place of E. H. Jennings. Incumbent's commission expired December 20, 1934.

John R. Rivers to be postmaster at Chesterfield, S. C., in place of E. O. Greene. Incumbent's commission expired December 20, 1934.

SOUTH DAKOTA

Otto V. Bruner to be postmaster at Geddes, S. Dak., in place of R. C. Gibson. Incumbent's commission expired June 2, 1930.

Iris I. Engler to be postmaster at Ipswich, S. Dak., in place of L. J. Thomas. Incumbent's commission expired February 28, 1933.

TENNESSEE

John F. Dunbar to be postmaster at Grand Junction, Tenn., in place of M. B. Tipler. Incumbent's commission expired January 28, 1935.

John W. Simmons to be postmaster at Moscow, Tenn., in place of Walter Carr. Incumbent's commission expired December 18, 1934.

Moda M. Marcum to be postmaster at Oneida, Tenn., in place of W. S. Stanley. Incumbent's commission expired December 16, 1933.

Hugh V. Somerville to be postmaster at Paris, Tenn., in place of J. W. Wiggs. Incumbent's commission expired January 28, 1934.

TEXAS

Ephraim B. Hyer to be postmaster at Buckholts, Tex., in place of J. S. Mewhinney, resigned.

Ross H. Johnson to be postmaster at Burnet, Tex., in place of M. L. Gibbs. Incumbent's commission expired February 4, 1935.

Otis G. Baker, Jr., to be postmaster at Edna, Tex., in place of Andrew Schmidt. Incumbent's commission expired April 15, 1934.

Alva C. Cotney to be postmaster at Follett, Tex., in place of Edson E. King. Incumbent's commission expired June 20, 1934.

Mildred M. Hardie to be postmaster at Freer, Tex. Office became Presidential July 1, 1934.

Rosa M. Boucher to be postmaster at Gorman, Tex., in place of S. B. Smith, deceased.

Cecil R. Coale to be postmaster at Orange, Tex., in place of H. C. Arnold, removed.

Mansel R. Coffee to be postmaster at Perryton, Tex., in place of F. M. Black, resigned.

Charlie C. Truitt to be postmaster at Pittsburg, Tex., in place of Ethel Milligan. Incumbent's commission expired February 4, 1935.

Lemuel O. Robbins to be postmaster at Raymondville, Tex., in place of B. B. Hackett. Incumbent's commission expired January 28, 1934.

Charles B. Morris to be postmaster at Rhome, Tex., in place of J. R. Taylor, resigned.

Frank Clark to be postmaster at Rockwall, Tex., in place of J. E. Risley. Incumbent's commission expired February 4, 1935.

Roy C. Owens to be postmaster at Tyler, Tex., in place of J. B. Miller. Incumbent's commission expired January 7, 1935.

Ellis Campbell to be postmaster at Wills Point, Tex., in place of Dyde Manning. Incumbent's commission expired February 4, 1935.

VERMONT

Earl W. Davis to be postmaster at Bridgewater, Vt., in place of W. B. Needham. Incumbent's commission expired February 25, 1935.

Jeremiah C. Durick to be postmaster at Fair Haven, Vt., in place of F. R. Lloyd. Incumbent's commission expired January 28, 1935.

Richard Harlie Standish to be postmaster at Montpelier, Vt., in place of C. F. McKenna. Incumbent's commission expired January 22, 1935.

VIRGINIA

Fletcher L. Elmore to be postmaster at Alberta, Va., in place of D. T. Walthall. Incumbent's commission expired January 13, 1935.

William P. Bostick to be postmaster at Burkeville, Va., in place of A. K. Sampson. Incumbent's commission expired February 14, 1935.

Thomas B. McCaleb to be postmaster at Covington, Va., in place of G. L. Schumaker. Incumbent's commission expired February 25, 1935.

Herbert H. Rhea to be postmaster at Damascus, Va., in place of B. W. Mock, removed.

John A. Garland to be postmaster at Farmville, Va., in place of S. C. Bliss. Incumbent's commission expired January 13, 1935.

Horace F. Crismond to be postmaster at Fredericksburg, Va., in place of G. M. Harrison. Incumbent's commission expired February 25, 1935.

Walter S. Wilson to be postmaster at Raphine, Va., in place of W. C. McCormick. Incumbent's commission expired January 31, 1934.

WASHINGTON

Jennie B. Simmons to be postmaster at Carnation, Wash., in place of Jesse Simmons. Incumbent's commission expired April 2, 1934.

Walter A. Gross to be postmaster at Enumclaw, Wash., in place of G. N. Lafrombois. Incumbent's commission expired June 20, 1934.

Marcus O. Nelsen to be postmaster at Kent, Wash., in place of M. M. Risedorph. Incumbent's commission expired January 22, 1935.

Walfred Johnson to be postmaster at Lowell, Wash., in place of W. C. Black. Incumbent's commission expired June 16, 1934.

WEST VIRGINIA

Hugh B. Lynch to be postmaster at Chester, W. Va., in place of C. A. Dehner. Incumbent's commission expired February 6, 1935.

George C. Soward to be postmaster at Hurricane, W. Va., in place of W. O. Deacon. Incumbent's commission expired February 6, 1935.

Joseph F. Blackman to be postmaster at Parsons, W. Va., in place of Lawrence Lipscomb, removed.

WISCONSIN

Joseph Schmidlkofer to be postmaster at Chilton, Wis., in place of Herman Rau. Incumbent's commission expired February 14, 1935.

David A. Holmes to be postmaster at Milton, Wis., in place of S. S. Summers. Incumbent's commission expired February 25, 1935.

Clarence G. Schultz to be postmaster at Neenah, Wis., in place of J. C. Fritzon. Incumbent's commission expired February 20, 1935.

John P. Snyder to be postmaster at Oconomowoc, Wis., in place of C. S. Brent, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 4 (legislative day of May 13), 1935

UNITED STATES DISTRICT JUDGE

John C. Mahoney to be United States district judge, district of Rhode Island.

UNITED STATES MARSHAL

Edward L. Burke to be United States marshal, district of Vermont.

APPOINTMENTS IN THE REGULAR ARMY

TO BE SECOND LIEUTENANTS WITH RANK FROM JUNE 12, 1935

Corps of Engineers

John Drake Bristor
Donald Abeel Phelan
Aaron Evan Harris
David Hamilton Gregg
Albert Joseph Shower
Arthur Houston Frye, Jr.
Herbert Caran Gee
Jack Wallis Hickman
Donald Allen Elliget
Clyde Calhoun Zeigler
Leighton Ira Davis
Charles Bernard Rynearson
Oliver Joseph Pickard
John Blackwell Davenport, Jr.
Otto Jacob Rohde
John Somers Buist Dick
William Winston Lapsley
James DeVore Lang
George Rosse Smith, Jr.
Charles Jephthiah Jeffus
Henry Lewis Hille, Jr.

Signal Corps

Harry James Lewis
Clyde Benjamin Sims
Walter Albert Simpson
James Mobley Kimbrough, Jr.
Willis Fred Chapman
Russell Eugene Nicholls

Cavalry

John Sutton Growdon
Richard Elmer Ellsworth
Kelso Gordon Clow
Richard Marvin Bauer
Eugene Nall
Norman Arthur Loeb
Maynard Denzil Pedersen
Thomas Wildes
James Dyce Alger
Ralph Edward Haines, Jr.
Ewing Chase Johnson
Francis Johnstone Murdoch, Jr.
Wilhelm Cunliffe Freudenthal
Thomas Duncan Gillis
John Foster Rhoades
William Vincent Martz
Lawrence Edward Schlanser
Henry Thomas Cherry, Jr.
Edgar Joseph Treacy, Jr.
Paul Montgomery Jones
Caesar Frank Fiore
Charles Phelps Walker
Charles Joseph Hoy
Vernon Price Mock
Edward William Sawyer
Andrew Jackson Boyle
Albert Ambrose Matyas
Benjamin White Heckemeyer
John James Davis
Pelham Davis Glassford, Jr.
Robert Hollis Strauss
Ralph Shaffer Harper

Field Artillery

David Campbell Wallace
George Ruhlen
Cornelis DeWitt Willcox Lang
John Joseph Duffy
Carl Watkins Miller
Salvatore Andrew Armogida
William Paulding Grieves
Stanley Tage Birger Johnson
James Van Gorder Wilson
Frank Alexander Osmanski
Frederick Benjamin Hall, Jr.
Langfitt Bowditch Wilby
Elmer John Koehler
Charles Albert Symroski
Harry Jacob Lemley, Jr.
Duncan Sinclair
John Kimball Brown, Jr.
Geoffrey Dixon Ellerson
Robert Morris Stillman
George Blackburne, Jr.
George Stafford Eckhardt
Edward Stephen Bechtold
Ivan Clare Rumsey
Raymond William Sumi
Daniel John Murphy
Edward Gray
Hugh McClellan Exton
Durward Ellsworth Breakefield
Sanford Welsh Horstman
David Gilbert Presnell
Harry Herndon Critz
Edward Kraus
Earl Leo Barr
John Alexis Gloriod
Nathaniel Macon Martin
James Martin Worthington
Robert Clarence McDonald, Jr.
Joseph Waters Keating
Kenneth Paul Bergquist
John Newton Wilson
Lawrence Robert St. John
Gerald Frederick Brown
Robert Van Roo
Arthur Allison Fickel
Charles Maclean Peeke
Raymond Boyd Firehock
Downs Eugene Ingram
Edgar Allan Clarke
Harrison Barnwell Harden, Jr.
James Luke Frink, Jr.
Elmer John Gibson
James Howard Walsh
Walter Joseph Bryde

Coast Artillery Corps

Clarence Carl Haug
Bernard Sanders Waterman
George Raymond Wilkins
Ray Allen Pillivant
Ellery Willis Niles
Alvin Dolliver Robbins
Sidney George Spring
Seth Lathrop Weld, Jr.
Harry John Harrison
Henry Porter vanOrmer
Clifford Wellington Hildebrandt
Kenneth Irwin Curtis
Joseph Charles Moore
James Michael Donohue
Halford Robert Greenlee, Jr.
Willard George Root
Harry Rich Hale
Seneca Wilbur Foote
James Willoughby Totten
William Henderson Baynes
Eugene Henry Walter
Russell Melroy Miner
John Nevin Howell
Alfred Ashman
Franklin Bell Reybold
Robert Monroe Hardy
Pennock Hoyt Wollaston
Francis Mark McGoldrick
John Alfrey
Kermit Richard Schweidel
Robert Morris
John Brown Morgan
William Robert Murrin
Richard Carlton Boys
Robert Edward Frith, Jr.
Norman Arvid Skinrood.

Infantry

John Lathrop Throckmorton
John Richards Parker
Warren Sylvester Everett
John Dudley Cole, Jr.
Henry Chaffee Thayer
James Yeates Adams
William Henry Brearley, Jr.
Robert Rigby Glass
Clarence Bidgood
Robert Whitney Wood
Joseph Gordon Russell
Salathiel Fred Cummings, Jr.
Horace Wilson Hinkle
Milton Lawrence Rosen
John Ralph Wright, Jr.
Edward Moseley Harris
Carl Mosby Parks
Julius Desmond Stanton
Thomas Washington Woodyard, Jr.
Stuart Gilbert Fries
Charles Frederick Leonard, Jr.
James Frank Skells
Albert Curtis Wells, Jr.
John Mason Kemper
Hamilton Austin Twitchell
Aaron Warner Tyer
German Pierce Culver
Carl Theodore Isham
Joseph Rieber Russ
John Henry Dilley
Eugene Charles Orth, Jr.
Autrey Joseph Maroun
Willard Leo Egy, Jr.
Milton Clay Taylor
George Frederick Marshall
Joseph Cobb Stancook
Albert Frederick Johnson
Joseph Henry Wiechmann
George Robert Oglesby
John Calvin Stapleton
Kent Kane Parrot, Jr.
Noel Maurice Cox
Joseph Crook Anderson
John Hart Caughey
Edwin Major Smith
Leroy William Austin
Charles Jordan Daly
Samuel Cummings Mitchell
Reuben Henry Tucker, 3d
William Genier Proctor
Lamont Saxton
Elmer Hardic Walker
Clair Beverly Mitchell
John Williamson
John Pearson Sherden, Jr.

Jack Jones Richardson
Louis Duzzette Farnsworth, Jr.
John Allen Beall, Jr.
Lamar Fenn Woodward
Orin Houston Moore
Charles Wythe Gleaves Rich
Donald William Bernier
Harvey Bower
Allen Harvey Foreman
Wilson Dudley Coleman
Floyd Garfield Pratt
Thomas Cebern Musgrave, Jr.
Glenn Cole
William Lee Herold
William Bradford Means
John Eidell Slaughter
Robert Gibson Sherrard, Jr.
John Alfred Metcalfe, Jr.
Stephen Disbrow Cocheu
John Neiger
Thomas Joseph Gent, Jr.
Benjamin Walker Hawes
Nassieb George Bassitt
Ducat McEntee
William Robert Patterson
Oscar Rawles Bowyer
Norman Basil Edwards
Robert Eugene Tucker
Herbert Frank Batcheller
Maurice Monroe Simons
Richard Cathcart Hopkins
Alfred Kirk duMoulin
Walter Edward Bare, Jr.
Charles Barry Borden
Paul James Bryer
Raymond Clarence Adkisson
Emerson Oliver Liessman
Burnis Mayo Kelly
Lester Lewes Wheeler
Carmon Ambrose Rogers
Russell Batch Smith
Marcus Samuel Griffin
James George Balluff
Richard Hayden Agnew
Francis Regis Herald
John Leroy Thomas
George Brendan O'Connor
Russell Lynn Hawkins
Eric Per Ramee
Edwin Hood Ferris
Jack Roberts
Robert Middleton Booth
George Madison Jones
David Albaugh DeArmond
Rives Owens Booth
Wilson Larzelere Burley, Jr.
James Louis McGehee
Walter Albert Riemenschneider
William Pierce O'Neal, Jr.
George Place Hill, Jr.
Melville Brown Coburn
Alvin Louis Mente, Jr.
Harry Franklin Sellers
David Bonesteel Stone
Roland Joseph Rutte
Glenn Curtis Thompson
Samuel Barcus Knowles, Jr.
Jack Moore Buckler
James Baird Buck
Ralph Osborn Lashley
Thomas Robert Clarkin
John Pope Blackshear
John Trueheart Mosby

TO BE SECOND LIEUTENANT WITH RANK FROM JUNE 13, 1935

Infantry

Lea Campbell Roberts

APPOINTMENTS IN THE NAVY

To be ensigns, revocable for 2 years, from the 6th day of June 1935

William C. Abhau
Benjamin E. Adams, Jr.
Samuel Adams
Elmer D. Anderson
Nevett B. Atkins
Marshall H. Austin
Richard E. Babb
Leonard J. Baird
George T. Baker
Fred E. Bakutis
Thomas A. Baldwin
Sheldon E. Ball
John J. Baranowski
Eugene A. Barham
John S. Barleon, Jr.
William R. Barnes
Frank L. Barrows
Wilson R. Bartlett
Thomas S. Baskett
Louis H. Bauer
Ralph J. Baum
Ralph R. Beacham
Edwin S. Beggs, Jr.
Bradley F. Bennett
James A. Bentley
John H. Besson, Jr.
Warren J. Bettens
Lyle McK. Blohm
Cecil E. Blount
Albert M. Bontier
Blake B. Booth
Fred Borries, Jr.
Albert H. Bowker
Peter F. Boyle
John H. Brandt
Edward W. Bridewell
Chester A. Briggs
Fenelon A. Brock
James H. Brown
Robert S. Burdick
Richard H. Burns
George H. Cairnes
Turner F. Caldwell, Jr.
Grafton B. Campbell
Stephen W. Carpenter
Briscoe Chipman
Gerald L. Christie
Bladen D. Claggett
James S. Clark
William C. Clark
Donald N. Clay
Giles D. Clift
Dale E. Cochran
Cyrus C. Cole
George L. Conkey
Charles W. Consolvo
John H. Cotten
George A. Crawford
John B. Crosby
Thomas D. Cummins
John O. Curtis
Slade D. Cutter
George E. Davis, Jr.
Joel A. Davis, Jr.
Arthur T. Decker
Edwin Denby, Jr.
Louis M. Detweiler
Roscoe F. Dillen, Jr.
Alva W. Dinwiddie
Sherwood H. Dodge
Raymond E. Doll
Robert E. Dornin
Joseph E. Dougherty
Nicholas G. Doukas
John G. Downing
Walter J. East, Jr.
Lawrence L. Edge
Allan C. Edmands
John H. Eichmann
Arthur V. Ely
John M. Ennis
Marion H. Eppes
Mark Eslick, Jr.
Richard M. Farrell
John J. Fee
Jack C. Ferguson
John N. Ferguson, Jr.
Oliver D. Finnigan, Jr.
Maurice F. Fitzgerald
James F. Fitzpatrick, Jr.
John J. Flachsenhar
John S. Fletcher.
Eugene B. Fluckey
John J. Foote
Clifford S. Foster, Jr.
William J. Francis, Jr.
Mason B. Freeman
Ross E. Freeman
John S. C. Gabbert
Victor M. Gadrow
Norman D. Gage
William E. Gaillard
Francis M. Gambacorta
Earle G. Gardner, Jr.
Jesse B. Gay, Jr.
Noel A. M. Gayler
William J. Germershausen, Jr.
John D. Gerwick
Arthur A. Giesser
Thomas C. Gillmer
George D. Good
Alonzo D. Gorham
William P. Gruner, Jr.
William S. Guest
John A. Hack
Hubert B. Harden
Frederick J. Harlfinger, 2d
Richard E. Harmer
Dewitt A. Harrell
Charles L. Harris, Jr.
Martin T. Hatcher
Amos T. Hathaway
Philip F. Hauck
William H. Hazzard
Edwin H. Headland
John A. Heath
Walter F. Henry
Frank B. Herold
Franklin G. Hess
Grover S. Higginbotham
Ted A. Hilger
Louis R. Hird
Robert H. Holmes
Clark A. Hood, Jr.
Charles D. Hoover
Alexander C. Husband
William W. Hyland
Ronald K. Irving
Albert L. Carlson
Harold J. Islev-Petersen
Richard G. Jack
Robert W. Jackson
William G. Jackson, Jr.
Carter B. Jennings
Karl E. Johansson
James L. Johnston
Robert B. Kail
Constantine A. Karaberis
Carleton R. Kear, Jr.
Roger M. Keithly
Robert B. Kelly
John P. Kilroy
Manning M. Kimmel
Frederic W. Kinsley
Raleigh C. Kirkpatrick, Jr.
Doyen Klein
Roy C. Klinker
Horace C. Laird, Jr.
George S. Lambert
Clement E. Langlois
Charles B. Langston
Harold H. Larsen
George R. Lee
John M. Lee
John R. Lewis
Stanley W. Lipski
John G. Little, 3d
Weldon H. Lloyd
John H. Lofland, Jr.
Sam C. Loomis, Jr.
Richard B. Lynch
Dennis C. Lyndon
Thomas R. Mackie
Francis X. Maher, Jr.
Groome E. Marcus, Jr.
Constantine C. Mathas
Frederick R. Matthews
John H. Maurer
James L. P. McCallum
Irving G. McCann, Jr.
David H. McClintock
John W. McCormick
Clyde H. McCroskey, Jr.
Harold W. McDonald
Rhodam Y. McElroy, Jr.
Girard L. McEntee, Jr.
James F. McFadden
Richard McGowan
Harrison P. McIntire
William F. McLaren
Robert B. McLaughlin
John H. McQuilkin
Herman J. Mecklenburg
Ralph M. Metcalf
Edward A. Michel, Jr.
John R. Middleton, Jr.
George H. Mills, Jr.
James H. Mini
Keats E. Montross
Dwight L. Moody
Walter A. Moore, Jr.
William F. Morrison
Henry L. Muller
John F. Murdock
Charles H. S. Murphy
Kenneth F. Musick
David Nash
Arnold H. Newcomb
Clinton A. Neyman, Jr.

Alan McL. Nibbs
Samuel Nixdorff
James R. North
Warren E. Oliver
Edgar G. Osborn
Norman M. Ostergren
Edward C. Outlaw
Wyman H. Packard
Alton E. Paddock
Richard S. Paret
Edwin B. Parker, Jr.
Jefferson D. Parker
Raymond M. Parrish
John W. Payne, Jr.
Joe R. Penland
Marcus R. Peppard, Jr.
William F. Petrovic
George Philip, Jr.
Frederick N. Phillips, Jr.
Robert A. Phillips
Joseph P. Plichta
William T. Powell, Jr.
John J. Powers
Robert H. Prickett
John T. Probasco
Eugene S. Pulk
Arthur M. Purdy
Melvin E. Radcliffe
Ralph L. Ramey
Marion F. Ramirez de Arellano
Wilson G. Reifenrath
James H. Reniers, Jr.
Cassius D. Rhymes, Jr.
Tolbert A. Rice
Lynn G. Richards
Milton E. Ricketts
Robert E. Riera
Edward D. Robertson
Leslie E. Rosenberg
Bruce P. Ross
Stanley E. Ruehlow
Samuel O. Rush, Jr.
Albert T. Sadler
William S. Sampson
Kenneth J. Sanger
Ben W. Sarver, Jr.
Kenneth G. Schacht
Gordon E. Schecter
Louis E. Schmidt, Jr.
Lewis L. Schock, Jr.
Frederick R. Schrader
Edward B. Schutt
Edward F. Scott
James Scott, 2d
Frank E. Sellers, Jr.
Walker A. Settle, Jr.
Jack M. Seymour
John N. Shaffer
Evan T. Shepard
Henry G. Shonerd, Jr.
Vincent A. Sisler, Jr.
Frank K. Slason
Frank McE. Smith
Lloyd A. Smith
Russell H. Smith
Omar N. Spain, Jr.
Samuel F. Spencer
Roy K. Stamps, Jr.
Everett H. Steinmetz
Richard D. Stephenson
John D. Stevens
Elbert M. Stever
Frederick M. Stiesberg
William A. Sullivan
William Swab, Jr.
Vincent A. Sweeney
Anthony Talerico, Jr.
Benjamin L. E. Talman
David W. Taylor, Jr.
LeRoy T. Taylor
John H. Theis
John W. Thomas
William C. Thompson, Jr.
James W. Thomson
Henry C. Tipton
Charles H. Turner
Kenneth L. Veth
Benjamin G. Wade
Francis D. Walker, Jr.
John F. Walling
William R. Wallis
French Wampler, Jr.
Norvell G. Ward
Robert E. McC. Ward
Sibley L. Ward, Jr.
William G. Ward
Albert R. Weldon
Joseph H. Wesson
Kenneth West
Frank K. B. Wheeler
George T. Whitaker, Jr.
Jerome B. White
William B. Wideman
J. C. Gillespie Wilson
Theodore H. Winters, Jr.
James M. Wolfe, Jr.
Burris D. Wood, Jr.
Malcolm T. Wordell
Don W. Wulzen

MARINE CORPS

To be second lieutenants, revocable for 2 years, from the 6th day of June 1935

Charles O. Bierman
Robert A. Black
John J. Cosgrove, Jr.
James W. Crowther
Robert E. Cushman, Jr.
Leonard K. Davis
Elmer T. Dorsey
Bernard E. Dunkle
Bruce T. Hemphill
Gordon E. Hendricks
Merlyn D. Holmes
Richard D. Hughes
Arnold F. Johnston
Kenneth D. Kerby
Carl A. Laster
William N. McGill
John M. Miller
Wallace M. Nelson
Edwin P. Pennebaker, Jr.
Frederick A. Ramsey, Jr.
Charles W. Shelburne
Robert T. Stivers, Jr.
Charles T. Tingle
Harvey S. Walseth
Richard G. Weede

POSTMASTERS

COLORADO

Joseph P. Gioga, Auguilar.
Nina M. Weiss, Del Norte.
Harold G. Hawkins, Grand Lake.
James W. McClain, Manzanola.

PENNSYLVANIA

William W. McGinnis, Cochranville.
Charles V. Finley, Flourtown.
Lester B. Rigling, New Cumberland.
Harold W. Hale, Russell.
Irvin F. Mayberry, Schwenkville.
Jacob W. Sutton, Smithfield.
Robert R. Lynn, Smithton.
George Ed Reed, Vanderbilt.
Frederick G. Staples, White Haven.

SOUTH CAROLINA

Lewis M. Jones, Alcolu.
Joseph H. Gasque, Marion.

SOUTH DAKOTA

Harold Hollingsworth, Artesian.
James A. Nesby, Dell Rapids.
Blanche Oldfield, New Underwood.
Bernard Mayer, Roscoe.
Cornelius J. Martin, Tripp.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 4, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

He that dwelleth in the secret place of the Most High shall abide under the shadow of the Almighty.

We pray in the name of our glorified Lord, under whose feet all things are to be put in subjection. Draw us close to Thee; remove from us all petty desires and take out of our hearts all guile, that we may indeed dwell in the shadow of Thy holy presence. Let the influence of Thy Holy Word cross the horizons of our souls, and suffer us not to be severed from the great circles of life and duty. Fill the spaces in the firmament of our spirits that they may radiate with that truth which reaches beyond race, color, or creed. Heavenly Father, may we so love Thee that we shall love our neighbor as ourselves. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendments to the bill H. R. 4665, entitled "An act authorizing the filling of vacancies in certain judgeships", disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ASHURST, Mr. KING, and Mr. BORAH to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1212. An act to amend section 1383 of the Revised Statutes of the United States.

The message also announced that the Senate insists upon its amendment to the bill H. R. 59, entitled "An act to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SHEPPARD, Mr. FLETCHER, and Mr. CAREY to be the conferees on the part of the Senate.

ADDITIONAL CADETS AT THE UNITED STATES MILITARY ACADEMY

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Concurrent Resolution 16. It was on yesterday referred to the Committee on Military Affairs. The committee has instructed me to report orally in favor of the resolution.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Senate Concurrent Resolution 16

Resolved by the Senate (the House of Representatives concurring), That the action of the Speaker of the House of Representatives and the Vice President of the United States, respectively, in signing the enrolled bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy, and for other purposes, be, and the same is hereby, rescinded; and that the House of Representatives be, and it is hereby, requested to return to the Senate the message announcing its agreement to the amendments of the House to the said bill.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, to ask a question—this seems rather an unusual proceeding. I wish the gentleman would state the reason for doing this. I understand the bill has been signed by the Speaker and also the Vice President.

Mr. McSWAIN. Answering the question of the distinguished gentleman from New York, I can say only what I told the House yesterday when I moved that the resolution be referred to the Committee on Military Affairs, to wit, only what I have seen in the newspapers. Now, here comes the Senate resolution asking that a Senate bill be recalled and that the action of the two bodies be rescinded. The committee has authorized me to make a favorable report in an informal way. The committee acted on the theory that it is the comity and the courtesy that we owe to the coordinate body.

Mr. SNELL. Where is the bill now?

Mr. McSWAIN. I do not know whether it has been transmitted to the White House or not.

Mr. SNELL. It is rather an unusual proceeding, but I will not object.

Mr. TREADWAY. Reserving the right to object, I understand from what I have seen in the papers and the statement of the gentleman as chairman of the committee that there is no probability of our losing the appointment of the extra cadets to West Point.

Mr. McSWAIN. I hope not, but there is always a possibility.

Mr. TREADWAY. We have been notified of the fact that we are to appoint those cadets, and they have even asked us to hurry the appointments so they will be in their hands by June 12.

Mr. McSWAIN. I am impelled by a desire to expedite action on the bill.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr: McSWAIN. Yes.

Mr. MICHENER. Just as a matter of suspicion at least, the bill as it now is, regardless of where it is, will be vetoed by the President, and it is the hope to get it back to eliminate some amendments that the House put into the bill. Is not that true?

Mr. McSWAIN. I do not know anything of the facts the gentleman has mentioned. I have no information whatsoever officially or otherwise.

The SPEAKER. Is there objection?

There was no objection.

The resolution was agreed to.

RECORDS OF AVIATION COMMISSION

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of S. J. Res. 92, making final disposition of the records, files, and other property of the Federal Aviation Commission.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object.

Mr. MEAD. Mr. Speaker, will the gentleman withhold his objection until I can offer an amendment?

Mr. SNELL. Certainly.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

Resolved, etc., That inasmuch as the temporary Federal Aviation Commission authorized by the Seventy-third Congress (S. 3170, Public Doc. No. 308) "for the purpose of making an immediate study and survey, and to report to Congress not later than February 1, 1935, its recommendations of a broad policy covering all phases of aviation and the relation of the United States thereto. * * *", has completed its studies and made its report to Congress, that the said Federal Aviation Commission is hereby authorized and directed to close its records, files, and accounts at the earliest possible date and not later than June 1, 1935, and to deliver all such records, files, and other property to the Interstate Commerce Commission for the use and benefit of the Interstate Commerce Commission and/or other Government agencies that may be concerned with the Federal control or supervision of aviation and/or other transportation facilities.

Pending the time that final disposition is made of the records and files they shall be open to Members of Congress and personnel will be available to June 1, 1935, to furnish information relative to the records and findings of the Commission and to appear before interested congressional committees.

Mr. MEAD. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 2, lines 3 and 11, strike out "June 1" and insert in lieu thereof "June 15."

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. SNELL. As I understand the effect of the resolution, the gentleman is turning over to the Interstate Commerce Commission, which Commission in the future will control the rates, the records and information that his special committee obtained last year and this year.

Mr. MEAD. That is correct. A year ago, when the air mail bill passed the Congress, it contained an authorization for the appointment of a Federal Aviation Commission to investigate and report back to the Congress on an aviation policy. That Commission was created, concluded its investigation, made its report to Congress, and now we are asking that the records and files of the Commission be transferred to the Interstate Commerce Commission. In the air mail bill which passed the House this year we authorized the Interstate Commerce Commission to investigate and determine the rate of pay which will be paid to the air mail contractors for carrying the air mail, and it is our desire now to furnish the Interstate Commerce Commission with all of the valuable information contained in the files of the Federal Aviation Commission. The files are all prepared and boxed, ready for transfer. The personnel of the Aviation Commission has been dismissed, and the Commissioner in Charge of Air Mail on the Interstate Commerce Commission stated that he will effect the transfer without additional cost. Therefore, all the resolution does is to authorize the transfer of the information and files of the Federal Aviation Commission to the Interstate Commerce Commission.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes. I yield.

Mr. RICH. Does that include all the records of the cancelation of the air mail contracts by Mr. Farley and the President?

Mr. MEAD. No; I assume it includes only such information as the Federal Aviation Commission collected in its investigation, and that investigation took place last year.

Mr. RICH. Does the gentleman think that only until July 15 these records should be preserved?

Mr. MEAD. The date of the transfer is set at June 15, that is, on or before June 15, and that pertains only to the transfer of the records from the Aviation Commission to the Interstate Commerce Commission, where they will be retained permanently.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes. I yield.

Mr. McFARLANE. Does the resolution do anything other than authorize the transfer of the files of the report and the material included in that report, to the Interstate Commerce Commission?

Mr. MEAD. That is all.

Mr. McFARLANE. It does not approve the report but just authorizes the material to be filed?

Mr. MEAD. It is the desire of the committee to transfer to the Interstate Commerce Commission this valuable information for their files.

Mr. McFARLANE. But you do not approve it?

Mr. MEAD. We did not approve their report in full. We have approved some of it by the passage of the air mail bill.

Mr. McFARLANE. Yes; but most of it we do not approve, and the President did not approve.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The joint resolution as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EXTENSION OF REMARKS

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, I hold in my hand a very instructive and patriotic editorial by William Randolph Hearst, entitled "Which? American Democracy or Personal Dictatorship?", published in his newspapers last Sunday, June 2, which should be read by all American citizens regardless of party affiliations.

Mr. Hearst, from long experience in editing newspapers, has developed a remarkable ability to produce a clear-cut, forceful, and easily understandable analysis of complicated and controversial subjects.

I hope no Member of the House will object to the insertion in the RECORD of the sound doctrine contained in this editorial which is in itself a lesson in American government and a powerful defense of the rights and liberties of the American people under the Constitution. It ought to be read to the younger generation in every public and private school in the country and likewise with profit in the colleges and universities and by all those who believe in American constitutional government as opposed to bureaucracy, regimentation, collectivism, and State socialism.

Mr. O'CONNOR. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. O'CONNOR. The gentleman from New York is reading something which is not his own handiwork. I make the point of order that the gentleman is not entitled, under the rules, to read it.

The SPEAKER. The point of order is well taken.

Mr. FISH. Mr. Speaker, I have to differ with the statement made by my colleague. This is my own handiwork, word for word, and sentence by sentence.

Mr. O'CONNOR. I understood the gentleman stated it was an editorial from some newspaper.

Mr. FISH. Oh, no. I intend to ask unanimous consent to put the editorial in the RECORD.

The SPEAKER. The gentleman from New York will proceed in order.

Mr. FISH. It is a complete and devastating arraignment of unconstitutional methods and the rise of state socialism in the United States without the consent of the people by one of the outstanding champions of the Democratic Party in the last election. I pause to call particular attention to this fact for the benefit of my colleague from New York, Mr. O'CONNOR.

The editorial concludes with a fervent American plea for the restoration of representative and constitutional government and a government by law instead of by Executive order, or by autocratic or dictatorial methods similar to fascism, nazi-ism, or communism.

I repeat, it should be read by all Americans. I ask unanimous consent to extend my remarks to include the editorial by Mr. Hearst.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FISH]?

Mr. SCOTT and Mr. DOBBINS objected.

Mr. FISH. Mr. Speaker, did some gentleman object?

The SPEAKER. Yes. Two objections were heard.

Mr. FISH. I am a little hard of hearing, Mr. Speaker. I hope the RECORD will show which gentlemen objected to this reasonable request.

Mr. O'CONNOR. Well, then, I object, if the gentleman did not hear. [Laughter.]

BILL TO CREATE A FEDERAL COMMERCE CONTROL COMMISSION

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHANLEY. Mr. Speaker, the bill levies an excise tax of $1 a year on every enterprise engaged in interstate commerce, and as a condition of such tax requires the registration and licensing of every such enterprise to employ the mails or other form of interstate communication or transportation. It declares interstate commerce to be in the nature of a public utility and makes a congressional declaration of findings of fact defining the limits of interstate commerce which justify the constitutional bases of the bill.

The bill defines the limits of delegation of powers, eliminates the impractical present code structure which resulted from too great dependence on trade associations, but will still permit such associations to act in advisory capacity.

The bill sets up a Federal Commerce Control Commission with powers immediately to take over and salvage the technical functions and best features of N. R. A., A. A. A., P. A. B., and F. A. C. A. The Commission would make all studies for presentation to Congress of supplementary industry and trade boards with licensing provisions for members of such industries and trades to do business over State lines and with foreign nations. Members of the industry and trade boards selected from management and labor would be sworn in as Federal officials during tenure of office. The bill provides four categories of industry and trade, namely, production, fabrication, public service, and distribution, and restricts tying across these functional lines in order to protect the purpose and intent of the antitrust laws and prevent the cartel type of organizations from exercising monopoly.

Present data show all industry and trade divided into major generic divisions, but pending submission to Congress of separate industry and trade regulations by the Commission the basic licensing provisions would govern all industrial and trade workers as to minimum wages, maximum hours, and other conditions of employment and also control unfair trade practices. Bill recognizes unfair trade practices as a result of lack of coordinated control of interstate commerce rather than as an uncontrollable cause. Bill also proposes a Federal Industrial Career College to overcome faulty administrative experiences of the last 2 years. The bill has a background of months of study in its preparation.

AMERICAN RETAIL FEDERATION

Mr. GREENWOOD. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GREENWOOD. Mr. Speaker, on May 24 the House passed House Resolution 203, and the Speaker, under that resolution, appointed seven Members of the House to conduct an investigation of the American Retail Federation. This committee is organized and has begun its investigation. We found that just after the passage of the resolution the American Retail Federation incorporated, and when this committee attempted to get data along the line of the resolution, they refused this information to the committee. This committee came before the Rules Committee and asked for a resolution to amend the former resolution, to give them authority to investigate the activities of this federation, as was contemplated by the original resolution, but which, by legal technicality, it seems the federation is avoiding.

So I am presenting this resolution from the Rules Committee, and I move, Mr. Speaker, that it may be in order to immediately consider the same.

The Clerk read the resolution, as follows:

House Resolution 239

Resolved, That House Resolution 203 (74th Cong., 1st sess.) is amended as follows: On page 5, line 10, before the semicolon, insert a comma and the following: "and to investigate the trade

practices of individuals, partnerships, and corporations engaged in big-scale buying and selling of articles at wholesale or retail."

The question was taken; and two-thirds having voted in favor thereof, the motion was agreed to.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. MARTIN of Massachusetts. When this committee was first appointed, as I understood it, the purpose was to inquire into this organization as to how it was influencing the Members of Congress. Will the gentleman be good enough to explain just how much further we are widening the scope of the investigation, and whether or not we are encroaching upon the duties of the Federal Trade Commission, which would ordinarily handle such matters?

Mr. GREENWOOD. I will say to the gentleman from Massachusetts that as I understand it they are not going to enlarge the powers of the committee but are asking for this amendment in order to carry out the authority given by the former resolution. They are going to use data in the possession of the Federal Trade Commission. It is not the idea that the investigation shall be on any wider scale except so far as this information will disclose what efforts at lobbying have been carried on by this association.

Mr. MARTIN of Massachusetts. Under the resolution as presented it reads:

Corporations engaged in big-scale buying or selling.

Certainly that goes far beyond the question of influencing Members of Congress on legislation.

Mr. GREENWOOD. But this amendment would have to be read in the light of the former resolution, because it is an amendment of that resolution.

Mr. MARTIN of Massachusetts. I wonder if it would be possible to have the chairman of the committee make a statement.

Mr. GREENWOOD. I expect to yield to the chairman of the committee and will yield to the gentleman from Massachusetts or any of his associates on the committee such time as they may desire.

Mr. MARTIN of Massachusetts. I wish the gentleman would yield me 30 minutes; I may use it or I may not.

Mr. GREENWOOD. Yes; I shall be pleased to do that.

Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. PATMAN], chairman of the investigating committee.

Mr. PATMAN. Mr. Speaker, does the gentleman from Massachusetts wish to ask me a question?

Mr. MARTIN of Massachusetts. Yes; I would like the gentleman to explain just what is intended to be done with this additional power.

Mr. PATMAN. The question involved is whether or not the large concerns in this country, especially the large chain-store concerns, have organized and are now operating together, pooling their funds, and coordinating their efforts for the purpose of squeezing out the smaller individuals and independents, or by placing them at a disadvantage.

When we started our investigation a few days ago we discovered that this super lobby, the American Retail Federation, had changed their name. This organization no longer exists; it has changed. It is now claimed we must show that a concern is a member of the American Retail Federation before we can obtain jurisdiction. Or, in order to get jurisdiction, it is claimed we must show that a concern is now contributing to it.

So, in order to make effective and carry out the intent of the original resolution, we asked the Rules Committee to give us this power. It makes the authority of the committee absolutely plain so that without question we may do what this House intended when it passed the original resolution and what is made plain in the amendment now under consideration.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CRAWFORD. Is it not true that when you study the names which have appeared in this organization up to date that it is conclusive evidence of a combination in that very group which has been set up for the purpose of controlling this Congress as best it may with reference to legislation having to do with the distribution of food commodities, engineered and financed by the big chain organizations of the United States?

Mr. PATMAN. I may say to the gentleman from Michigan that I do not have any preconceived notion. There will be, however, a fair and impartial investigation made, and if the facts bear out what the gentleman states, this committee will certainly do what it should do.

Mr. CRAWFORD. If the gentleman knew the man in the food-distributing business he would not need preconceived notions to know exactly what the undertaking is.

Mr. PATMAN. I am not so familiar with the question as is the gentleman from Michigan.

I do not care to use further time. The amendment speaks for itself and indicates without question the power that is given the committee.

Mr. GREENWOOD. Mr. Speaker, I offer a committee amendment.

The Clerk read as follows:

Committee amendment to House Resolution 239: At the end of the resolution in line 6, after the word "retail", insert the words "and their associations."

The committee amendment was agreed to.

Mr. GREENWOOD. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was adopted.

A motion to reconsider was laid on the table.

EXCISE TAXES

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a memorial adopted by the General Assembly of Illinois yesterday on a bill introduced by me and pending before this House.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. THOMPSON. Mr. Speaker, under leave to extend my remarks, I include herewith a true copy of House Joint Resolution No. 51, adopted by the General Assembly of Illinois, relative to my bill, H. R. 6961, which proposes to amend the Revenue Act of 1932 by providing an excise tax of 2½ cents per pound on all importations of tapioca, sago, and cassava.

House Joint Resolution 51

Whereas in the Seventy-fourth Congress there is for consideration a bill designated as House Bill No. 6961, an amendment to the Revenue Act of 1932, proposing an excise tax on tapioca, sago, and cassava; and

Whereas its purpose is to extend the policy of protection to our farmers and industries; and

Whereas under such amendment it is proposed to amend section no. 602 of the Revenue Act of 1932, imposing a tax upon the first domestic processing or use of tapioca, tapioca crude, tapioca flour, sago, sago crude, sago flour, or cassava; and

Whereas it is deemed to the best interest of the public at large and particularly to the raisers of agricultural products in the Central West, as well as to the manufacturers and processors of home-grown products, that such a bill be passed and made effective at the earliest posible moment; therefore, be it

Resolved by the House of Representatives of the Fifty-ninth General Assembly of the State of Illinois (the senate concurring herein), That we urge the Congress of the United States to provide protection against tapioca, sago, and cassava as substitutes for corn and corn products by affirmative action in connection with the above-pending legislation; and be it further

Resolved, That copies of this resolution be forwarded immediately to the President of the United States, to the Honorable ROBERT L. DOUGHTON, Chairman of the Ways and Means Committee of the House, to the Honorable PAT HARRISON, Chairman of the Finance Committee of the Senate, and to Senators JAMES HAMILTON LEWIS and WILLIAM H. DIETERICH and the Illinois delegation in the House of Representatives.

Adopted by the house, May 27, 1935.

JOHN P. DEVINE,
Speaker of the House of Representatives.
HAROLD J. TAYLOR,
Clerk of the House of Representatives.

Concurred in by the senate, May 28, 1935.

THOMAS F. DONOVAN,
President of the Senate.
A. E. EDEN,
Secretary of the Senate.

The SPEAKER. This is Private Calendar day.

Mr. RANKIN. Mr. Speaker, before we take up consideration of the Private Calendar I desire to submit a unanimous-consent request.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. On the 24th day of last month I made an address in the House in which I asked unanimous consent to revise and extend my remarks. That consent was granted. In the extension of those remarks I have compiled some tables. They are not very long, but they will save a good deal of space in the RECORD if I am permitted to insert them as part of my remarks, and I ask unanimous consent to include these tables in my remarks.

Mr. SNELL. Mr. Speaker, reserving the right to object, will the gentleman tell us what the tables are?

Mr. RANKIN. With pleasure. During the course of my address I brought out the fact that the American people were overcharged $1,000,000,000 a year for electric light and power. I have secured the rates in every State of the Union, the amount used, and I have shown how those figures were arrived at, and in these tables I have broken the figures down by States. For instance, the people of the State of New York are overcharged about $130,000,000 a year, and the smaller States in proportion. The people of the State of Maine, for instance, pay an overcharge of about $5,000,000 a year. If I have to follow the procedure of following each of those items through, I can do it, of course, but it will take a great deal more space in the RECORD, as well as more time.

Mr. SNELL. Is the gentleman sure he has his estimate high enough and that the people are only being charged a billion dollars a year more than is necessary?

Mr. RANKIN. That is true under the present consumption, but I may say to the gentleman from New York that these rates are so high that consumption is reduced. For instance, in the State of New York, as I pointed out the other day, the average domestic consumption is only about 40 kilowatt-hours per month, because the rates are so high. In the T. V. A. area the per capita consumption is 104 kilowatt-hours per month. In Winnipeg, Canada, it is 375 kilowatt-hours per month. So if we can get those rates down, we will increase the consumption in New York probably and save the people of that State not only $130,000,000 but more nearly $230,000,000 a year. As I said, those figures will go up as the rates are reduced.

Mr. SNELL. That is very interesting.

Mr. RICH. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. RICH. I would like to say to the gentleman from Mississippi [Mr. RANKIN] when he quotes T. V. A. rates, if the Government would add in to the cost of developing that power all the money that has been expended on the T. V. A., all the overhead that the Government is put to and all the things that are required of good, legitimate business, he would find that the rates that are charged by the T. V. A. are less than the cost of production and instead of the people in his district, who are being served by the T. V. A., paying to the Government what they should pay, the taxpayers of Pennsylvania, New York, and other States are paying the bill for furnishing power to the people who live in the T. V. A. area. He will also discover that the T. V. A. is an unconstitutional act. An act putting the Government in business in competition with private enterprise.

Mr. RANKIN. May I say to the gentleman from Pennsylvania that his statement just now shows how little he knows about the power question.

Mr. RICH. I would like to make the statement right here that the gentleman from Mississippi [Mr. RANKIN] does not know how to figure costs and does not add all of those items into his cost of production. And I say that he does not know how to figure costs.

Mr. RANKIN. May I say to the gentleman from Pennsylvania [Mr. RICH] that these figures will show also that the people of Pennsylvania are being overcharged more than $75,000,000 a year.

With reference to the T. V. A. let me call the attention of the gentleman from Pennsylvania [Mr. RICH] to the fact that the T. V. A. rates are higher than the rates charged in Tacoma, Wash. At Tacoma where they have a plant worth between $20,000,000 and $30,000,000 they not only have cheaper rates, but they have a smaller area to supply; yet their rates are being gradually reduced and they are paying for their plant out of the money raised through the sale of electricity.

In Winnipeg, Canada, they have the same system and at that place where the rates are a great deal lower than in the T. V. A. area, the domestic consumers in Winnipeg use 375 kilowatt-hours per month, whereas the people in Pennsylvania use only about 40 kilowatt-hours per month.

Mr. RICH. May I say to the gentleman if the Government furnishes this electricity at less than cost, then, of course, the people will use more, but when they do that we have to raise by taxation the amount that we would otherwise get out of the power company, and that is not sound Government business.

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. RICH. Mr. Speaker, I object.

Mr. RANKIN. Does the gentleman know what he is objecting to? He was not in the Chamber when the request was made.

Mr. RICH. I was in the Chamber.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. Mr. Speaker, I have the right under the permission granted last week to extend my remarks in the RECORD. Am I permitted to insert these tables which I have compiled in the RECORD under that permission to extend my remarks?

The SPEAKER. The Chair does not think so unless that was included in the request that was made and granted last week.

THE PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

GERMANIA CATERING CO., INC.

The Clerk called the first bill on the Private Calendar, S. 41, for the relief of the Germania Catering Co., Inc.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Germania Catering Co., Inc., the sum of $5,000. Such sum represents the amount of fine paid by the Germania Catering Co., Inc., pursuant to a conviction for violating certain provisions of the Lever Act of August 10, 1917, as amended, prior to the declaration by the Supreme Court of the United States of the unconstitutionality of such provisions.

With the following committee amendments:

On page 1, line 6, after the figures "$5,000" insert the words "in full settlement of all claims against the Government of the United States"; and

On page 2, insert at the end of the bill the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY AGNES RODEN

The Clerk called the next bill, S. 285, to reimburse the estate of Mary Agnes Roden.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Sophie T. Walsh, administratrix of the estate of her deceased sister, Mary Agnes Roden, in full settlement of all claims against the Government of the United States for injuries received by said Mary Agnes Roden on December 11, 1926, when a United States mail truck collided with her at Lexington Avenue and Thirty-fourth Street, New York City: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISBURSING OFFICERS OF THE ARMY

The Clerk called the next bill, S. 557, for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the following disbursing officers of the Army of the United States the amounts set opposite their respective names: F. J. Baker, major, Finance Department, $21.35; Roy W. Camblin, first lieutenant, Air Corps, $19.41; E. Dworack, major, Finance Department (now retired), $15; C. A. Frank, first lieutenant, Infantry, Finance Department, $16.41; P. G. Hoyt, major, Finance Department (now deceased), $94.54; William T. Johnson, first lieutenant, Finance Department, $12.35; J. H. Osterman, captain, Quartermaster Corps, $17.60; A. J. Tagliabue, first lieutenant, Finance Department, $35.07; and George N. Watson, major, Finance Department (now retired), $29.25; said amounts being public funds for which they are accountable and which represent amounts due to minor errors in computation of pay and allowances due military personnel, who are no longer in the service of the United States, and which amounts have been disallowed by the Comptroller General of the United States.

SEC. 2. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the accounts of F. J. Baker, major, Finance Department, $149.31, of which amount $105.57 represents payments made to three former officers of the National Guard; $37.80 representing payments made to two former Reserve Officers' Training Corps students of the University of Florida and for which efforts to collect from the individual payees for the overpayments have been unsuccessful; and $5.94 paid to an officer of the Army for Pullman accommodations used by him on a change of station under proper orders, but for which the cash receipt necessary to support the voucher covering payment was lost, all of which amounts were disallowed by the Comptroller General of the United States in the accounts of Major Baker.

SEC. 3. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Roy W. Camblin, first lieutenant, Air Corps (formerly disbursing officer, Ellington Field, Tex.), the amount of $27.46, said amount being public funds for which he is accountable and which represents amounts due to errors in computing ration savings due organizations of the Army which have since been disbanded.

SEC. 4. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to Roy W. Camblin, first lieutenant, Air Corps, $107.36, representing an amount erroneously stopped against his pay by the Secretary of War for disallowances appearing in his accounts as disbursing officer at Ellington Field, Tex., in 1921 and 1922, and which disallowances had been cleared by the Comptroller General of the United States under authority of law prior to the collection of the stoppage.

SEC. 5. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the accounts of F. A. Englehart, major, Ordnance Department, $44.87, public funds for which he is accountable and which represent the proceeds due the United States from cashier's check for $70 drawn on March 30, 1925, on the First National Bank, Conyers, Ga., which bank failed between date of receiving check by the Government, April 2, 1925, and date of its presentation for payment, April 17, 1925, $44.87 being the balance outstanding after the affairs of the above-mentioned bank had been liquidated.

SEC. 6. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of John B. Harper, major, Finance Department, the sum of $80.64, public funds for which he is accountable and which were paid by him to Joseph F. Battley, first lieutenant, Chemical Warfare Service, for mileage performed under War Department orders and which amount was disallowed by the Comptroller General of the United States: *Provided*, That the amount so paid shall not be charged against any moneys otherwise due payee.

SEC. 7. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of C. Newton, Jr., major, Finance Department, the sum of $100, said amount being public funds for which he is accountable and which represents a payment made to William A. Weaver for services in testifying as an expert witness at a general court martial of an officer, which amount has been disallowed by the Comptroller General of the United States.

SEC. 8. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of K. W. Slauson, captain, Quartermaster Corps, the sum of $22.26, public funds for which he is accountable and which were paid to George L. Dewey, first lieutenant, Infantry, for traveling expenses and disallowed by the Comptroller General of the United States.

SEC. 9. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George L. Dewey, first lieutenant, United States Army, the sum of $160.49, being the amount properly due him for traveling expenses, voucher for which was approved for payment by the General Accounting Office but used as an offset against the disallowances in the accounts of Capt. K. W. Slauson, Quartermaster Corps, for a previous payment made Lieutenant Dewey for travel allowance while on duty as a language student in France: *Provided*, That no charge shall be raised in the accounts of K W. Slauson, captain, Quartermaster Corps, and E. J. Heller, captain, Quartermaster Corps, on account of this payment.

SEC. 10. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of George N. Watson, major, Finance Department, the sum of 53 cents, public funds for which he is accountable and which were paid to the Western Union Telegraph Co. for transmission of an official message and which amount was disallowed by the Comptroller General of the United States on the grounds that such message could have been sent by naval radio service at reduced cost.

SEC. 11. Any amounts which otherwise may have been due any of the disbursing officers mentioned herein, or, in the case of deceased officers, may have been due their heirs, for any other purpose, and which amounts or any part thereof have been used as a set-off by the Comptroller General to clear disallowances in said officers' accounts mentioned herein, shall be refunded to such disbursing officer or their heirs: *Provided*, That any amounts refunded by any of said disbursing officers, or their heirs, to the United States on account of said disallowances, shall also be refunded to such disbursing officers or their heirs: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALES ISLAND PACKING CO.

The Clerk called the next bill, S. 753, to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co.

Mr. HOPE and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Claims.

INTERNATIONAL MERCANTILE MARINE CO.

The Clerk called the next bill, S. 788, for the relief of the International Mercantile Marine Co.

Mr. TRUAX and Mr. COSTELLO objected, and, under the rule, the bill was recommitted to the Committee on Claims.

COMPAGNIE GENERALE TRANSATLANTIQUE

The Clerk called the next bill, S. 790, for the relief of the Compagnie Generale Transatlantique.

Mr. COSTELLO and Mr. TRUAX objected, and, under the rule, the bill was recommitted to the Committee on Claims.

EDITH N. LINDQUIST

The Clerk called the next bill, S. 905, for the relief of Edith N. Lindquist.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury

not otherwise appropriated, to Edith N. Lindquist, chief nurse, United States Navy, the sum of $600 in full satisfaction of her claim against the United States for reimbursement for the loss of certain clothing and other personal effects during the earthquake and fire at Yokohama, Japan, on September 1, 1923: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction therzof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

C. J. MAST

The Clerk called the next bill, S. 921, for the relief of C. J. Mast.

Mr. COSTELLO and Mr. TRUAX objected, and, under the rule, the bill was recommitted to the Committee on Claims.

DR. R. N. HARWOOD

The Clerk called the next bill, S. 1027, for the relief of Dr. R. N. Harwood.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Dr. R. N. Harwood for compensation for disabilities to his hands received while acting as designated dental examiner on fee basis at Morristown, Tenn., for the Veterans' Administration, in the same manner and to the same extent as if said R. N. Harwood had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefits shall accrue prior to the approval of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. GEORGE W. RITCHEY

The Clerk called the next bill, S. 1036, authorizing adjustment of the claim of Dr. George W. Ritchey.

Mr. TRUAX and Mr. McFARLANE objected, and, under the rule, the bill was recommitted to the Committee on Claims.

ELDA GEER

The Clerk called the next bill, S. 1038, authorizing adjustment of the claim of Elda Geer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Elda Geer for refund of duplicate collection made from her for the transportation, on the U. S. Army transport *Republic*, which sailed from Balboa, Canal Zone, September 3, 1933, for San Francisco, Calif., of one automobile, Ford sedan, motor no. A-4356902, and allow said claim in the sum of not to exceed $26. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $26, or so much thereof as may be necessary, for the payment of said claim.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES R. YOUNG

The Clerk called the next bill on the Private Calendar, S. 1062, for the relief of James R. Young.

The SPEAKER. Is there objection?

Mr. McFARLANE and Mr. TRUAX objected, and the bill was recommitted to the Committee on Claims.

ISIDOR GREENSPAN

The Clerk called the next bill on the Private Calendar, S. 1121, for the relief of Isidor Greenspan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Isidor Greenspan the sum of $1,500. Such sum represents the amount of a fine paid by Isidor Greenspan pursuant to a conviction for violating certain provisions of the Lever Act of August 10, 1917, as amended, prior to the declaration by the Supreme Court of the United States of the unconstitutionality of such provisions:

With the following committee amendments:

Page 1, line 6, after the figures "$1,500" insert "in full settlement of all claims against the Government of the United States."

Page 2, line 1, after the word "provisions", insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL H. CRESWELL

The Clerk called the next bill on the Private Calendar, S. 1474, for the relief of Paul H. Creswell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $50 to Paul H. Creswell, of Cincinnati, Ohio, representing payment to the following persons as special bailiffs: Henry Meicher, special bailiff in charge of sequestered jury March 14, 15, 21, and 22, 1931, $20; John H. Potts, same, March 14 and 21, 1931, $10; Robert Poppe, same, March 14, 15, 21, and 22, 1931, $20; which amounts were disallowed by the Comptroller General in the settlement of the accounts of said Paul H. Creswell, as United States marshal for the southern district of Ohio, and paid into the Treasury by said Paul H. Creswell under date of April 1, 1933.

With the following committee amendment:

Page 1, line 6, strike out the words "representing payment" and insert "in full settlement of all claims against the Government of the United States for payments"; and on page 2, line 6, after the figures "1933", insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MICK C. COOPER

The Clerk called the next bill on the Private Calendar, S. 1487, for the relief of Mick C. Cooper.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Mick C. Cooper, of Orient, Washington, out of any money in the Treasury not otherwise appropriated, the sum of $80.11, in full satisfaction of all claims against the Government for meat furnished the Forest Service in June 1926: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES A. LEWIS

The Clerk called the next bill on the Private Calendar, S. 742, for the relief of Charles A. Lewis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Charles A. Lewis in the same manner and to the same extent as if said Charles A. Lewis had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefits shall accrue prior to the approval of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERMAN W. BENSEL

The Clerk called the bill (H. R. 3109) for the relief of Herman W. Bensel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Herman W. Bensel, who served as a sergeant in Company H, One Hundred and Fifty-seventh Regiment ——— Volunteer Infantry, National Guard, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on or about the 25th day of April 1918.

With the following committee amendment:

Line 10, after the figures "1918", insert "*Provided*, That no back pay, pension, or allowance shall be held to have accrued prior to the passage of this act."

The amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM J. COCKE

The Clerk called the bill (S. 941) for the relief of William J. Cocke.

Mr. HANCOCK of New York, Mr. TRUAX, and Mr. COSTELLO objected, and the bill was recommitted to the Committee on War Claims.

STEPHEN SOWINSKI

The Clerk called the bill (H. R. 6788) for the relief of Stephen Sowinski.

Mr. McFARLANE and Mr. TRUAX objected, and the bill was recommitted to the Committee on Military Affairs.

HOMER J. WILLIAMSON

The Clerk called the bill (H. R. 616) for the relief of Homer J. Williamson.

Mr. McFARLANE and Mr. TRUAX objected, and the bill was recommitted to the Committee on Claims.

EUSTACE PARKS

The Clerk called the bill (H. R. 2978) for the relief of Eustace Parks.

Mr. TRUAX and Mr. HANCOCK of New York objected, and the bill was recommitted to the Committee on Claims.

BANKERS RESERVE LIFE CO. OF OMAHA

The Clerk called the bill (H. R. 3155) to authorize the Secretary of the Treasury of the United States to refund to the Bankers Reserve Life Co. of Omaha, Nebr., and the Wisconsin National Life Insurance Co., of Oshkosh, Wis., income taxes illegally paid to the United States Treasury.

Mr. HOPE and Mr. McFARLANE objected, and the bill was recommitted to the Committee on Claims.

EMANUEL BRATSES

The Clerk called the bill (H. R. 3866) for the relief of Emanuel Bratses.

Mr. TRUAX and Mr. McFARLANE objected, and the bill was recommitted to the Committee on Claims.

ART METAL CONSTRUCTION CO.

The Clerk called the bill (H. R. 3934) for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period.

Mr. TRUAX and Mr. McFARLANE objected, and the bill was recommitted to the Committee on Claims.

JESSIE T. LAFFERTY

The Clerk called the bill (H. R. 4060) for the relief of Jessie T. Lafferty.

Mr. McFARLANE and Mr. TRUAX objected, and the bill was recommitted to the Committee on Claims.

GARFIELD ARTHUR ROSS

The Clerk called the bill (H. R. 4079) for the relief of Garfield Arthur Ross.

Mr. TRUAX and Mr. McFARLANE objected, and the bill was recommitted to the Committee on Claims.

CHARLES H. HOLTZMAN, GEORGE D. HUBBARD, AND WILLIAM L. THIBADEAU

The Clerk called the bill (H. R. 4853) for the relief of Charles H. Holtzman, former collector of customs, Baltimore, Md.; George D. Hubbard, former collector of customs, Seattle, Wash.; and William L. Thibadeau, former customs agent.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Charles H. Holtzman, former collector of customs, Baltimore, Md., the sum of $704.80; in the accounts of George D. Hubbard, former collector of customs, Seattle, Wash., the sum of $45.25; and in the accounts of William L. Thibadeau, former customs agent, the sum of $159.48, such sums representing the amount of payments, heretofore disallowed by the Comptroller General, covering expenses incident to the transfer of Mr. Thibadeau from his official station at Baltimore, Md., to Seattle, Wash.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A. RANDOLPH HOLLADAY

The Clerk called the next bill, S. 1110, for the relief of A. Randolph Holladay.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX and Mr. McFARLANE objected, and the bill, under the rule, was recommitted to the Committee on Claims.

DUKE E. STUBBS AND ELIZABETH S. STUBBS

The Clerk called the next bill, S. 1386, to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim, or claims, of Duke E. Stubbs and Elizabeth S. Stubbs, both of McKinley Park, Alaska.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim, or claims, of Duke E. Stubbs and Elizabeth S. Stubbs, or either of them, both of McKinley Park, Alaska, for any losses and damages sustained by Duke E. Stubbs and Elizabeth S. Stubbs in the silver-fox farming and trading-post business, or other business and occupation, conducted by them, or either of them, at McKinley Park, Alaska, arising out of the extension of the limits of the Mount McKinley National Park by an act of Congress approved on the 19th day of March 1932 (47 Stat. 68), and/or by virtue of any acts, or actions, of any and all officers and employees of the United States in carrying out or in connection with the extension of the limits of Mount McKinley National Park after the 19th day of March 1932: *Provided*, That the action in the Court of Claims to establish such losses and damages may be instituted within 1 year from the date of the approval of this act, and the same right of appeal to the United States Supreme Court from the judgment of the Court of Claims shall be had as in other causes in that court.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BENJAMIN F. JONES

The Clerk called the next bill, H. R. 1563, for the relief of Benjamin F. Jones.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York and Mr. HOPE objected, and the bill, under the rule, was recommitted to the Committee on Military Affairs.

SESSION OF COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BLAND. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries be permitted to sit during the session of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

THE PRIVATE CALENDAR

The SPEAKER. The Clerk will call the next bill on the Private Calendar.

JAMES J. JORDAN

The Clerk called the next bill, S. 347, for the relief of James J. Jordan.

The SPEAKER. Is there objection?

Mr. HOPE, Mr. COSTELLO, and Mr. HANCOCK of New York objected, and the bill, under the rule, was recommitted to the Committee on Military Affairs.

MAJ. JOSEPH H. HICKEY

The Clerk called the next bill, H. R. 6661, for the relief of Maj. Joseph H. Hickey.

The SPEAKER. Is there objection?

Mr. McFARLANE and Mr. TRUAX objected, and the bill, under the rule, was recommitted to the Committee on Claims.

INDIANS OF FLATHEAD RESERVATION

The Clerk called the next bill, H. R. 6433, for the relief of certain Indians of the Flathead Reservation killed or injured en route to dedication ceremonies of the Going-to-the-Sun Highway, Glacier National Park.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. Without objection, a similar Senate bill, S. 2146, will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sums of $2,890 in full settlement of all claims of the following Indians of the Flathead Indian Reservation, Mont., against the United States, arising out of any and all injuries sustained while en route to the dedication ceremonies of the Going-to-the-Sun Highway in Glacier National Park in the amounts indicated: Sophie Conko, $600; Mary Calowahcan Smallsalmon, $190; Alexander Calowahcan, $250; Michael Smallsalmon, $250; Joseph Woodcock, $30; Martine Siwahsah, $20; Sophie C. Granjo, $20; Sophie Moiese, $600; Isabel Granjo, $30; Eneas Granjo, $50; Mary Kyser Stateah, $600; Eneas Michel Conko, $50; Pierre Pierre, $50; William Michel, $50; Andrew Manybear, $100: *Provided*, That if any of the beneficiaries under this act are deceased, payment herein authorized shall be made to their heirs; and to pay the sum of $3,000 to the heirs of Louise Cullooyah, deceased, and the sum of $3,000 to the heirs of Michel Kizer, deceased, also of the Flathead Indian Reservation, who were killed while en route to the said dedication ceremonies of the Going-to-the-Sun Highway in Glacier National Park in full settlement of all claims against the United States arising out of the death of the said Indians on the said occasion.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 6433) was laid on the table.

CHARLES C. SCHILLING

The Clerk called the next bill, H. R. 1031, for the relief of Charles C. Schilling.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York, Mr. HOPE, and Mr. McFARLANE objected, and the bill, under the rule, was recommitted to the Committee on Claims.

JOHN N. BROOKS

The Clerk called the next bill, H. R. 284, for the relief of John N. Brooks.

The SPEAKER. Is there objection?

Mr. COSTELLO and Mr. TRUAX objected, and the bill, under the rule, was recommitted to the Committee on Claims.

FLORENZ GUTIERREZ

The Clerk called the next bill, H. R. 350, for the relief of Florenz Gutierrez.

The SPEAKER. Is there objection?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $500 to Florenz Gutierrez, as compensation for injuries sustained when struck by a United States prohibition vehicle on December 11, 1929.

With the following committee amendment:

Page 1, line 8, after the figures, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORA A. BENNETT

The Clerk called the next bill, H. R. 812, for the relief of Cora A. Bennett.

Mr. COSTELLO and Mr. TRUAX objected, and, under the rule, the bill was recommitted to the Committee on Claims.

IRVIN PENDLETON

The Clerk called the next bill, H. R. 949, for the relief of Irvin Pendleton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U. S. C., title 5, secs. 767 and 770), are hereby waived in favor of Irvin Pendleton, of Campbellsburg, Ky., who sustained an injury while employed in the Government air-nitrate plant at Muscle Shoals, Ala., in 1918, which resulted in permanent physical disability, and his case is authorized to be considered and acted upon under the remaining provisions of such act, as amended, if he files a notice of such injury and claim for compensation with the United States Employees' Compensation Commission not later than 60 days from the date of the enactment of this act.

The term "injury", as used in this act, shall have the meaning assigned to such term in section 40 of such act of September 7, 1916, as amended (U. S. C., title 5, sec. 790).

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the United States Employees' Compensation Commission be, and it is hereby, authorized to consider and determine the claim of Irvin Pendleton for disability resulting from injuries alleged to have been sustained in the course of his employment in the Government air-nitrate plant at Muscle Shoals, Ala., in 1918, under the provisions of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, except that sections 17 and 20 of the said act are hereby waived: *Provided*, That he shall file notice of such injury and claim for compensation therefor not later than 60 days from the date of the enactment of this act: *And provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRACE M'CLURE

The Clerk called the next bill, H. R. 1292, for the relief of Grace McClure.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $4,000, to Grace McClure, widow of Percy McClure, who died of injuries received as a result of a collision with a United States Civilian Conservation Corps truck.

With the following committee amendment:

Page 1, line 9, after the word "truck" insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOMER J. WILLIAMSON

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to return to Calendar No. 233, the bill (H. R. 616) for the relief of Homer J. Williamson.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Homer J. Williamson the sum of $1,045.81 as a refund on income tax paid by Homer J. Williamson by reason of an error made by a deputy collector at Indianapolis, Ind.

With the following committee amendments:

Page 1, line 6, strike out the word "as" and insert in lieu thereof the following: "in full settlement of all claims against the United States for."

Page 1, line 9, after the word "Indiana", insert the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

E. G. BRISENO

The Clerk called the next bill, H. R. 1365, for the relief of E. G. Briseno.

Mr. COSTELLO and Mr. TRUAX objected, and, under the rule, the bill was recommitted to the Committee on Claims.

PRINTZ-BIEDERMAN CO.

The Clerk called the next bill, H. R. 1485, to pay to the Printz-Biederman Co., of Cleveland, Ohio, the sum of $741.40, money paid as duty on merchandise imported under section 308 of the Tariff Act.

Mr. McFARLANE and Mr. TRUAX objected, and, under the rule, the bill was recommitted to the Committee on Claims.

EVELYN JOTTER

The Clerk called the next bill, H. R. 1541, for the relief of Evelyn Jotter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 10, 17, and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U. S. C., title 5, secs. 760, 767, and 770; U. S. C., Supp. VII, title 5, sec. 760), are hereby waived in favor of Evelyn Jotter, widow of Walter E. Jotter, late associate forester, United States Forest Service, at San Francisco, Calif., and her case is authorized to be considered and acted upon under the remaining provisions of such act, as amended, if she files a claim for compensation with the United States Employees' Compensation Commission not later than 60 days after the date of enactment of this act.

The disease resulting in the death on July 6, 1931, of the said Walter E. Jotter shall, for the purposes of determining his widow's right to compensation under such act of September 7, 1916, as amended, be held to have been caused by unusually severe strain to which he was subjected while in the performance of his duties.

With the following committee amendment:

That the limitation provisions in section 10, and sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of Evelyn Jotter, widow of Walter E. Jotter, who is alleged to have died as a result of injuries sustained while in the performance of his duties as associate forester, United States Forest Service, between January 10, 1919, and July 6, 1931: *Provided*, That no benefits shall accrue prior to the approval of this act.

The amendment was agreed to; and the bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

G. ELIAS & BRO., INC.

The Clerk called the next bill, H. R. 2674, for the relief of G. Elias & Bro., Inc.

Mr. HOPE, Mr. McFARLANE, and Mr. COSTELLO objected, and, under the rule, the bill was recommitted to the Committee on Claims.

WILLIAM LOUIS PITTHAN

The Clerk called the next bill, H. R. 3107, for the relief of William Louis Pitthan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $210 to be paid to William Louis Pitthan, in full satisfaction of his claim against the United States for services rendered as extradition agent in the matter of the application for the extradition from England of Claude W. Daniels.

With the following committee amendment:

Page 1, line 3, strike out "That there is hereby authorized to be appropriated" and insert in lieu thereof the following: "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay."

Page 1, line 6, strike out the words "to be paid."

Page 1, line 10, add the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRED HERRICK

The Clerk called the next bill, H. R. 3218, for the relief of Fred Herrick.

Mr. McFARLANE and Mr. TRUAX objected, and, under the rule, the bill was recommitted to the Committee on Claims.

RUFUS HUNTER BLACKWELL, JR.

The Clerk called the next bill, H. R. 3230, for the relief of Rufus Hunter Blackwell, Jr.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Rufus Hunter Blackwell, Jr., of Waynesville, Haywood County, N. C., the sum of $15,000, full compensation for injuries sustained by the said Rufus Hunter Blackwell, Jr., on March 11, 1920, due to an air-

plane owned by the United States Government and operated by an officer of the United States Army, while engaged in practice flying at Taylor Field, Montgomery, Ala., striking the said Rufus Hunter Blackwell, Jr., in such a manner and way as to injure the said Rufus Hunter Blackwell, Jr., breaking his right leg and caused him to be permanently injured.

With the following committee amendments:

On page 1, line 7, after the word "of", strike out the words "$15,000, full compensation" and insert in lieu thereof "$2,755.25, in full settlement of all claims against the United States", and on page 2, after line 5, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN EVANS

The Clerk called the next bill, H. R. 3826, for the relief of John Evans.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,923.69, to John Evans, of St. Joseph, Mo., which sum was paid by him to the United States by reason of the forfeiture of the bail bond of John Waldner, who was later taken into custody by said Evans, at his own expense, and surrendered to the United States District Court of St. Joseph, Mo.; entered a plea of guilty; and sentenced to a term in jail: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

On page 1, line 5, after the word "appropriated", insert the following: "and in full settlement of all claims against the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAROLINE (STEVER) DYKSTRA

The Clerk called the next bill, H. R. 4428, for the relief of Caroline (Stever) Dykstra.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Caroline (Stever) Dykstra the sum of $500. Such sum shall be in full settlement of all claims against the United States of the said Caroline (Stever) Dykstra on account of damages sustained by her in the extinguishing of her equities in water right no. 2941, known as "House Springs", within the limits of the Hawthorne Naval Ammunition Depot, Hawthorne, Nev.

With the following committee amendment:

On page 2, after the word "Nevada", insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT E. CALLEN

The Clerk called the next bill, H. R. 4567, for the relief of Robert E. Callen.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert E. Callen, of Greenville, Pa., the sum of $2,418.52. Said sum shall be in full settlement of all claims against the United States on account of damages sustained by the said Robert E. Callen, of Greenville, Pa., when he was injured by a United States mail truck in Greenville, Pa., on January 20, 1933.

With the following committee amendment:

On page 1, line 7, after the figures "1933" insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NOBLE COUNTY (OHIO) AGRICULTURAL SOCIETY

The Clerk called the next bill, H. R. 4651, for the relief of the Noble County (Ohio) Agricultural Society.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Noble County (Ohio) Agricultural Society the sum of $1,650. Such sum shall be in full settlement of all claims against the United States for damages sustained by such society on account of the destruction by fire of two barns owned by such society while such barns were being used by the United States Forest Service for the storage of trucks.

With the following committee amendment:

On page 1, line 11, after the word "trucks", insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATRICK HENRY WALSH

The Clerk called the next bill, H. R. 4942, for the relief of Patrick Henry Walsh.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX, Mr. McFARLANE, Mr. HOPE, and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Claims.

LELA C. BRADY AND IRA P. BRADY

The Clerk called the next bill, H. R. 5041, authorizing and directing the Secretary of the Treasury to reimburse Lela C. Brady and Ira P. Brady for the losses sustained by them by reason of the negligence of an employee of the Civilian Conservation Corps.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lela C. Brady and Ira P. Brady, of Forest Grove, Oreg., the sum of $250 in full satisfaction of their claim against the United States for damages for personal injuries suffered on June 9, 1934, on the Timber-Vernonia highway, 4½ miles north of Timber, Oreg., when the automobile in which said Lela C. Brady and Ira P. Brady were riding was struck by a motor truck owned by the United States and driven by Harvey Wilson, an employee of the Civilian Conservation Corps no. 1313, Camp Reehers.

With the following committee amendment:

On page 2, line 5, after the word "Reehers", insert the following: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONCRETE ENGINEERING CO.

The Clerk called the next bill, S. 931, for the relief of the Concrete Engineering Co.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX, Mr. McFARLANE, and Mr. COSTELLO objected, and, under the rule, the bill was recommitted to the Committee on Claims.

ED SYMES AND ELIZABETH SYMES

The Clerk called the next bill, S. 1012, for the relief of Ed Symes and wife, Elizabeth Symes, and certain other citizens of the State of Texas.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX, Mr. HANCOCK of New York, and Mr. HOPE objected, and, under the rule, the bill was recommitted to the Committee on Claims.

WILLIAM KELLEY

The Clerk called the next bill, H. R. 2293, for the relief of William Kelley.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army William Kelley shall be held and considered to have been honorably discharged as a private, Company H, First Battalion, Wyoming Volunteer Infantry, on May 16, 1899; but no pension, pay, or bounty shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MACK COPPER CO.

The Clerk called the next bill, H. R. 3075, conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.

Mr. COSTELLO and Mr. TRUAX objected, and, under the rule, the bill was recommitted to the Committee on War Claims.

WILLIAM J. STANNARD

The Clerk called the next bill, H. R. 2554, for the retirement of William J. Stannard, leader of the United States Army Band.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to substitute a similar Senate bill (S. 2467) for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That upon application of William J. Stannard, leader of the United States Army Band, for retirement after 33 years' service, the President is authorized to place him upon the retired list with the retired pay and allowances of a captain of the Army in the fourth pay period (over 17 years' service): *Provided*, That the limitations in section 1 of the act of June 10, 1922, relative to counting service for purpose of pay for officers appointed on and after July 1, 1922, shall not apply: *Provided further*, That all active service as a musician in the United States Army and as leader of the United States Army Band shall be counted in computing length of service for longevity pay purposes.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 2554) was laid on the table.

JAMES T. MOORE

The Clerk called the next bill, H. R. 401, for the relief of James T. Moore.

Mr. COSTELLO and Mr. TRUAX objected, and, under the rule, the bill was recommitted to the Committee on Military Affairs.

IVAN H. M'CORMACK

The Clerk called the next bill, H. R. 1880, for the relief of Ivan H. McCormack.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to issue to Ivan H. McCormack, of Alsea, Oreg., a patent for the northeast quarter southwest quarter and the north half southeast quarter section 31, township 14 south, range 8 west of the Willamette meridian, Oregon: *Provided*, That said McCormack shall reconvey to the United States the west half northeast quarter and the southeast quarter northeast quarter of said section 31: *Provided further*, That the patent issued hereunder shall contain a reservation to the United States of the timber on the northeast quarter southwest quarter and the northwest quarter southeast quarter of said section 31, which timber shall remain subject to sale, and the proceeds thereof shall be credited to the "Oregon and California land-grant fund" in accordance with the provisions of the act of June 9, 1916 (39 Stat. L. 218).

SEC. 2. That of $300 paid by McCormack prior to the issuance to him on April 12, 1927, of a patent for the west half northeast quarter and the southeast quarter northeast quarter of said section 31, $200 shall be repaid to him under the provisions of the act of March 26, 1908 (35 Stat. L. 48), and $100 shall be credited as payment on the purchase price of the northeast quarter southeast quarter of said section 31.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A. E. CLARK

The Clerk called the next bill, H. R. 796, for the relief of A. E. Clark.

Mr. McFARLANE, Mr. HANCOCK of New York, and Mr. HOPE objected, and, under the rule, the bill was recommitted to the Committee on Claims.

ESTATE OF MILTON L. BAXTER

The Clerk called the next bill, H. R. 2183, for the relief of the estate of Milton L. Baxter.

Mr. COSTELLO and Mr. TRUAX objected, and, under the rule, the bill was recommitted to the Committee on Claims.

CONCRETE ENGINEERING CO.

Mr. EAGLE. Mr. Speaker, I ask unanimous consent to return to Calendar No. 266, the bill (S. 931) for the relief of the Concrete Engineering Co.

The SPEAKER. The gentleman from Texas asks unanimous consent to return to Calendar No. 266. Is there objection?

There was no objection.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill (S. 931), as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Concrete Engineering Co., of Houston, Tex., in full settlement of all claims against the Government of the United States, the sum of $4,304.61, or so much thereof as may be necessary, to fully refund to said company the difference between the rate of customs duties erroneously assessed and collected from it on steel building forms at Houston, Tex., between February 23, 1926, and September 30, 1927, under paragraph 304 of the act of 1922, and the rate of duty assessed and collected on the same class of merchandise in the same customs district, at Houston, Tex., during the same period, under paragraph 312 of said act, without the knowledge of said company, and which latter rate subsequently was decided to be according to law: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE SOCIAL-SECURITY BILL

Mr. SEARS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a statement concerning the authority of States to meet the requirements of financial participation provided in the social-security bill. This statement was prepared by Mr. Joseph P. Harrin, assistant director of the Committee on Economic Security and a distinguished economist. The statement contains very valuable information on this question.

The SPEAKER. The gentleman from Florida asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. SEARS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement prepared by Mr. Joseph P. Harrin, Assistant Director of the Committee on Economic Security and a distinguished economist:

STATEMENT CONCERNING THE AUTHORITY OF STATES TO MEET THE REQUIREMENTS OF FINANCIAL PARTICIPATION PROVIDED IN THE SOCIAL-SECURITY BILL

One of the conditions required of States to receive several of the proposed Federal aids in the social-security bill is financial participation by the State government itself. This applies to old-age assistance, aid to dependent children, maternal and child health, and crippled children. The question has been raised as to whether all of the States are able under their constitutions to make financial contributions for these purposes. This brief attempts to answer that question.

1. State expenditures for unemployment relief and mothers' pensions: An examination of the records of the Federal Emergency Relief Administration shows that in 38 States expenditures have been made by the State government for unemployment relief. The legislatures of three other States in recent sessions have made appropriations for unemployment relief out of State funds—Nebraska, North Dakota, and South Dakota. The seven States which have made no expenditure or appropriation are: Florida, Georgia, Mississippi, North Carolina, South Carolina, Vermont, and Virginia. In only one or two of these States is there any legal question as to the constitutional authority of the State to make such expenditure. Mississippi has agreed to make an appropriation at the present legislative session. North Carolina, Vermont, and Virginia are at present contributing State aid to mothers' pensions and have no constitutional problems about State aid for public charity. (See table 18, Report to the President of the Committee on Economic Security. This table was prepared by the U. S. Children's Bureau.)

The fact that 45 States are now contributing to unemployment relief or to mothers' pensions is not necessarily conclusive that such payments are constitutional. Doubtless the question has not been raised in all of the States. Nevertheless, this fact creates a very strong presumption in favor of its legality in these States. The payment of State funds for unemployment relief—a public charity—is so similar in nature to payment for old-age assistance and aid to dependent children that the legal issue involved would appear to be identical.

State expenditures for health measures involved in the aids for maternal and infant health and crippled children is hardly open to any constitutional question in any State. All States have health departments and carry on health activities.

The three States which are not making State expenditures either for unemployment relief or for mothers' pensions are: Florida, Georgia, and South Carolina. Of these only in the State of Georgia does it appear that there are any serious State constitutional questions raised as to the authority of the State to make expenditures for charitable purposes. (See review of Georgia constitutional provisions below.)

2. State financial participation in existing State old-age-assistance laws: Of the 28 States having old-age-assistance laws on January 1, 1935, the following 15 provided for State payment of all or a part of the assistance grants: Arizona, California, Colorado, Delaware, Indiana, Iowa, Maine, Massachusetts, Michigan, New Jersey, New York, North Dakota, Ohio, Pennsylvania, Wisconsin.

The 13 remaining States having old-age-assistance laws did not provide for State support. Of these, however, the following seven States have already amended their old-age-assistance laws this year to provide State support: Maryland, Minnesota (act held invalid by attorney general because of clerical mistake in transmitting bill to Governor), Montana, Oregon, Utah, Washington, Wyoming.

The remaining six States with old-age-assistance laws, which have not been amended so far to provide State support are: Idaho, Kentucky, Nebraska, Nevada, New Hampshire, West Virginia.

Old-age-assistance laws providing for State support are pending in Legislatures of Nebraska and New Hampshire. The Legislatures of Idaho, Nevada, and West Virginia have adjourned. The Governors of Nevada and West Virginia have announced that they would call their legislatures in special session to enact social-security legislation after passage of the Federal bill. The Kentucky Legislature has not met this year. In none of these six States is there any constitutional problem concerning State financial participation in old-age pensions. All have contributed to unemployment relief.

Four additional States—Arkansas, Vermont, Rhode Island, and Connecticut—have enacted old-age-assistance laws for the first time this year. In each State financial support by the State government is provided.

3. Constitutional provisions making poor relief a county function: A number of State constitutions contain provisions similar to the following:

"The county shall provide as may be prescribed by law for those inhabitants who by reason of age, infirmity, and misfortune may have claim upon the sympathy and aid of society." (Florida, art. XIII, sec. 3; Kansas, art. VII, sec. 3; Montana, art. X, sec. 5; Nevada, art. XIII, sec. 3; Oklahoma, art. XVII, sec. 3; and South Carolina, art. XII, sec. 3. In addition, Alabama, art. IV, sec. 88, and Louisiana, sec. 174, have somewhat similar provisions.)

The question may be raised as to whether the constitutional delegation of the function of poor relief to the counties in these States does not operate to prohibit the State government from spending money for this purpose. The fact that six of these States have made State expenditures for unemployment relief indicates that this constitutional provision does not debar the State from providing support for public charity. These States are Alabama, Kansas, Montana, Nevada, Oklahoma, and Louisiana.

The point in question was raised specifically in a recent Kansas case, *State ex rel. Boynton, Attorney General*, v. *Kansas State Highway Commission* (28P (2) 770 (1934)). This was a quo warranto proceeding challenging the authority of the highway commission to borrow $17,000,000 for public construction designed for the relief of the destitute on the ground, among others, that the legislative act was contrary to article VII, section 4, of the Constitution, which states:

"The respective counties of the State shall provide, as may be prescribed by law, for those inhabitants who, by reason of age, infirmity, or other misfortune, may have claims upon the sympathy and aid of society."

The court held the act valid, answering this objection in the following words:

"Is the act a valid exercise of the police power of the State? Or, stated more specifically, has the State, through its legislature, power and jurisdiction to provide work for the unemployed, or otherwise care for poor and needy citizens of the State, in view of article VII, section 4, of our Constitution? * * * The provision is not self-executing. * * * There is necessarily vested in the legislature a discretion as to what may be prescribed by law. * * * Our constitution nowhere prohibits the State from making provision by legislative enactment for the care of the poor and needy. To the extent, therefore, that the bill in question attempts to or does furnish relief to the poor and needy it violates no constitutional provision."

This seems to be the only case specifically on this point.

4. State constitutional provisions prohibiting the giving of money or aid to any person, association, or corporations: Such provisions are to be found in the constitutions of the following States: Arizona (art. IX, sec. 7); Louisiana (sec. 58); California (art. IV, sec. 31); Colorado (art. XI, sec. 2); Georgia (art. VII, sec. 16 (1)); Montana (art. XIII, sec. 1); Missouri (art. IV, sec. 46).

These provisions, however, have not been held to prohibit the State from expending money for poor relief. Several other States specifically except the support of the poor from these provisions (North Dakota, South Dakota, Wyoming, and New Mexico). In other States this provision in the constitution is limited to societies, companies, associations, or corporations, and does not enumerate persons. These constitutional provisions were incorporated in the State constitutions in order to prohibit the State from subsidizing private business, rather than with any reference to public charity. Practically all of the States concerned are spending State funds for public charity.

5. State constitutional provisions concerning the granting of pensions: New Hampshire (art. I, sec. 36), and South Carolina (art. III, sec. 32), have constitutional provisions prohibiting State pensions except for military service or other actual service for the State. Maryland (art. III, sec. 59) prohibits the creation of a general pension system. A number of other States specifically authorize pensions to Confederate veterans and their widows, but make no references to other forms of pensions (Texas, art. XVI, sec. 55; Georgia, art. VII, sec. 10; Mississippi, art. XIV, sec. 272; and Louisiana, sec. 303).

The question as to whether the specific prohibition of State pensions except for military and actual service to the State prohibit a State old-age-assistance law was raised in New Hampshire in 1931. The Senate of New Hampshire by resolution asked the Supreme Court to pass upon the validity of a proposed old-age-assistance law. The court in, *In re Opinion of the Justices* (154 Atl. 217, 1931), held that a pension based merely upon age would be invalid, but went on to hold that assistance to needy aged persons was not a pension and consequently was within the powers of the State to provide poor relief. The Court stated:

"The validity of pauper acts has never been assailed. No bounty or reward is paid nor any gratuity given in a constitutional sense which gives to public relief furnished under such acts any nature of characteristics of a pension. It is true that a view may be taken that public support of paupers is gratuitous. The agencies of the State have no express constitutional duty to that end * * *. But the support of paupers has long been an accepted exercise of valid authority under the police power in promotion of the general welfare. No one would think of it as condemned by the Constitution because of some theory of gratuity involved. In avoidance and relief of pauperism the State acts for its own benefit and welfare."

None of the States with constitutional provisions for Confederate veterans have enacted an old-age-assistance law, but it seems very unlikely that such provisions could be interpreted to prohibit old-age assistance. The State of Maryland has had an old-age-assistance law of local application, despite the prohibition of a general-pension system. This year the legislature enacted a mandatory state-wide law, taking the position that old-age assistance is not included in this constitutional prohibition.

6. Limitations on the purpose of State taxes in Georgia: The constitution of Georgia limits the purpose for which State taxes may be levied, as follows:

"Article VII, finance, taxation, and public debt, section 1, paragraph 1: The powers of taxation over the whole State shall be exercised by the general assembly for the following purposes only:

"For the support of State government and the public institutions.

"For educational purposes in instructing children in the elementary branches of an English education only.

"To pay the interest on the public debt.

"To pay the principal of the public debt.

"To suppress insurrection, to repel invasion, and to defend the State in time of war.

"To provide pensions, etc., to veterans of the Civil War."

The State of Georgia has not made any State contributions for unemployment relief on the ground that it is prohibited by its constitution from doing so. This section of the constitution apparently prohibits the State from the payment of old-age assistance. The last session of the legislature passed a constitutional amendment for submission to the electorate of the State to permit the State to spend money for old-age assistance, but the amendment was vetoed.

It would appear that the State of Georgia would be unable to levy taxes for the payment of old-age assistance or aid to dependent children, but this is by no means certain. These activities might well be interpreted as a legitimate part of State government, for which the State may levy taxes. There does not appear to be any specific authorization for the State to levy taxes for highway purposes, yet the State does so and has built a system of State highways. (See also discussion below on State expenditure for administration as satisfying the requirement of the Federal social-security bill.)

7. Meaning of the requirement of "financial participation" by the State: Does the requirement of financial participation by a State require State payment of a part of the assistance grants for aged persons or dependent children? Or could a State qualify by paying a part of the administrative expenses?

It is significant to note that the social-security bill as introduced required substantial financial participation by the State. The word "substantial" has been omitted in the bill as it passed the House of Representatives. The requirement of "financial participation" would be satisfied by any participation, unless it were so small an amount that it were held to be in fact not actual participation. Since the social-security bill merely requires financial participation by the State, not specifying that it shall be for the assistance grants, apparently a State may satisfy the requirement by paying a part of the cost of administration. This would not be prohibited by the constitution of any State, even the Constitution of the State of Georgia. It is, therefore, evident that no State will have any difficulty in meeting the Federal requirement of State financial participation in any of these activities.

THE PRIVATE CALENDAR

ADDIE I. TRYON AND LORIN H. TRYON

The Clerk called the next bill, H. R. 2259, for the relief of Addie I. Tryon and Lorin H. Tryon.

Mr. McFARLANE and Mr. COSTELLO objected, and, under the rule, the bill was recommitted to the Committee on Claims.

GEORGE L. STONE

The Clerk called the next bill, H. R. 3737, for the relief of George L. Stone.

Mr. HOPE and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Claims.

LAWRENCE S. COPELAND

The Clerk called the next bill, H. R. 4820, for the relief of Lawrence S. Copeland.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of Lawrence S. Copeland for loss and damage resulting from his purchase of a Peerless sedan automobile sold to him April 7, 1930, by Federal prohibition authorities, the possession of which automobile he was compelled by subsequent judicial proceedings to relinquish to its alleged owner, and to allow not to exceed $500 in full and final settlement of all claims arising out of the transaction. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500, or so much thereof as may be necessary, for payment of the claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMMETT C. NOXON

The Clerk called the next bill on the Private Calendar, S. 42, for the relief of Emmett C. Noxon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Emmett C. Noxon, of Johnstown, N. Y., the sum of $1,000. Such sum represents the amount of fine paid by Emmett C. Noxon, pursuant to a conviction for violating certain provisions of the Lever Act of August 10, 1917, as amended, prior to the declaration by the Supreme Court of the United States of the unconstitutionality of such provisions: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out the word "represents" and insert "shall be in full settlement of all claims against the United States for."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REFUND OF TAXES

The Clerk called the next bill on the Private Calendar, S. 279, to extend the time for the refunding of certain taxes erroneously collected from certain building-and-loan associations.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That claims for the refunding of any taxes erroneously or illegally assessed or collected from any building-and-loan association, or savings-and-loan association, under the provisions of section 231, paragraph 4, of the Revenue Acts of 1918 to 1926, both inclusive, may be presented to the Commissioner of Internal Revenue not later than 6 months after the passage of this act, and the Commissioner of Internal Revenue is hereby authorized and directed to receive, consider, and determine, in accordance with law but without regard to any statute of limitations, such claims as may have been presented heretofore and not allowed and such claims as may be presented within the period above named, when and where and only when it be found and determined that such taxes were collected upon the erroneous interpretation of the law passed upon and condemned by the United States Supreme Court in the decision rendered in the case of *United States* v. *Cambridge Loan & Building Co.*, reported in 278 United States Supreme Court Reports, page 55: *Provided*, That no interest shall be allowed on any of these claims.

SEC. 2. That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to such claimants as have presented or shall hereafter so present their claims, any amounts allowed in the determination of any claims so defined and which shall have been presented in accordance with this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM CORNWELL AND OTHERS

The Clerk called the next bill on the Private Calendar, S. 535, for the relief of William Cornwell and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,944.25 to the persons whose names appear below, as compensation in full for damages done to their property by the overflow of Turkey River, said damages having been caused by the construction by the Government of a wing dam on Turkey River: William Cornwell, $72; Peter P. Adams, $202.50; Edward Mosier and John Smith, jointly, $165; W. J. Borrett, $90; Joe Graybill, $82; Pat Barry, $186.25; Clarence Wachendorf, $155; George Hefel, $150; John Hefel, Jr., $96.25; Mat J. Adams, $131.25; Leo Ludovissy, $86.50; Joe Ludovissy, $85; Tom Kolker, $75; Earl Wentworth, $70; Henry Meyer, $172.50; and John W. Smith, $125: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CERTAIN DISBURSING OFFICERS OF THE ARMY

The Clerk called the next bill on the Private Calendar, S. 558, for the relief of certain disbursing officers of the Army of the United States and for the settlement of an individual claim approved by the War Department.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the following disbursing officers of the Army of the United States the amounts set opposite their names: Maj. W. D. Dabney, Finance Department, $106.15; Capt. Francis Egan, Quartermaster Corps, $59.62; Maj. Charles F. Eddy, Finance Department, $68.80; said amounts being public funds for which they are accountable and which comprise minor errors in the computation of pay and allowances due former personnel of the military service and of the National Guard, and which amounts have been disallowed by the Comptroller General of the United States.

SEC. 2. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Maj. Carl Halla, Finance Department, the sum of $3,083.21, said amount being public funds for which he is accountable and which he paid to Lt. Col. Samuel T. Talbott, United States Army, in settlement of a claim approved for household goods lost while in storage at Plattsburg Barracks, N. Y., which claim had been approved by the Secretary of War as required by the act of March 4, 1921 (41 Stat. 1436), and which payment was later disallowed by the Comptroller General of the United States.

SEC. 3. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Col. Charles A. Romeyn, Cavalry, United States Army, the sum of $24, out of any money in the Treasury not otherwise appropriated, to reimburse him for a like amount paid out by him to the Springfield Hospital, Springfield, Vt., for hospitalization of Reserve Officers' Training Corps student Bertram C. Goodell.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HAROLD E. SEAVEY

The Clerk called the next bill on the Private Calendar, S. 581, for the relief of Harold E. Seavey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, directed to pay to Harold E. Seavey, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $150 for damages to the household effects sustained by the said Harold E. Seavey in the storm and seas of January 27–28, 1933, at the Cuckolds Light Station at Newagen, Maine.

With the following committee amendment:

On page 1, line 9, after the word "Maine", insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE LAWLEY & SON CORPORATION, BOSTON, MASS.

The Clerk called the next bill on the Private Calendar, S. 998, to carry out the findings of the Court of Claims in the case of George Lawley & Son Corporation, of Boston, Mass.

The SPEAKER. Is there objection?

Mr. TRUAX and Mr. COSTELLO objected, and the bill was recommitted to the Committee on Claims.

ESTATE OF ANTON W. FISCHER

The Clerk called the bill (S. 1846) for the relief of the estate of Anton W. Fischer.

Mr. COSTELLO and Mr. TRUAX objected, and the bill was recommitted to the Committee on Claims.

UNION SHIPPING & TRADING CO., LTD.

The Clerk called the bill (H. R. 402) for the relief of the Union Shipping & Trading Co., Ltd.

Mr. COSTELLO and Mr. TRUAX objected, and the bill was recommitted to the Committee on War Claims.

DAVID A. WRIGHT

The Clerk called the bill (H. R. 2713) granting jurisdiction to the Court of Claims to hear the case of David A. Wright.

Mr. TRUAX and Mr. McFARLANE objected, and the bill was recommitted to the Committee on War Claims.

FLORENCE BYVANK

The Clerk called the bill (H. R. 3694) for the relief of Florence Byvank.

Mr. COSTELLO and Mr. McFARLANE objected, and the bill was recommitted to the Committee on War Claims.

WALTER C. HOLMES

The Clerk called the bill (H. R. 2086) for the relief of Walter C. Holmes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit and

close the account of Walter C. Holmes in the amount of $1,448.24, for alleged payment of dual salary to the said Walter C. Holmes for the period from May 1, 1925, to June 30, 1933, being the entire amount paid to him as lamplighter in addition to pay as chief boatswain's mate, United States Coast Guard.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the payments heretofore made to Walter C. Holmes at the rate of $180 per annum for the period of his service in the Lighthouse Service at Ludlam Beach Light Station while he was receiving compensation as chief boatswain's mate in the United States Coast Guard, the combined salaries exceeding the rate of $2,000 per annum, are hereby legalized."

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

DELAWARE BAY SHIPBUILDING CO.

The Clerk called the bill (H. R. 2087) for the relief of the Delaware Bay Shipbuilding Co.

Mr. COSTELLO and Mr. TRUAX objected, and the bill was recommitted to the Committee on Claims.

ROADS—TARIFFS

Mr. GREEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain resolutions of the Florida Legislature.

The SPEAKER. Is there objection?

There was no objection.

Mr. GREEN. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following resolutions adopted by the Legislature of the State of Florida:

House Concurrent Resolution 13

Whereas State road no. 49, running from Raiford, Fla., to and connecting with United States Highway No. 90 at Macclenny, is an existing highway which has been laid out, graded, and so improved as to be included in the designation of State highways in the State of Florida in its State highway system; and

Whereas the location and route of said road is such as to make the same extremely valuable for use as a military road in time of war and for use as a commercial highway: Therefore, be it

Resolved by the House of Representatives of the Legislature of the State of Florida (the Senate concurring), That the Legislature of the State of Florida respectfully calls the attention of the Senators and Representatives of Florida in the Congress of the United States to said State road no. 49, running from Raiford, Fla., to and connecting with United States Highway No. 90 at Macclenny, Fla., and requests the Senators and Representatives in the Congress of the United States from Florida to present to the proper Federal Bureau or Department and to the Congress of the United States the advisability of having said road included in the system of roads in the State of Florida entitled to Federal aid as a military road or otherwise; be it further

Resolved, That a copy of this resolution under the great seal of the State of Florida be forwarded to each of the Senators and Representatives of Florida in the Congress of the United States, to be filed with said Congress of the United States and with the proper Federal Bureau or Department having jurisdiction of matters herein referred to.

Became a law without the Governor's approval.

Filed in office secretary of state May 27, 1935.

House Concurrent Resolution No. 16

Be it resolved by the House of Representatives of the State of Florida in session assembled (the Senate concurring):

Whereas the vegetable growers of Florida are brought into direct competition with the growers of vegetables in Cuba and Mexico; and

Whereas the President of the United States has the right, under the tariff laws of the United States, to raise or lower the tariff rate on crops shipped in from foreign countries; and

Whereas the reciprocal trade agreement between the United States and Cuba on August 24, 1934, permits the importation of Cuban products at the lowest rates during the months when Florida, Texas, and California are heavy shippers of tomatoes, peppers, green peas, egg plants, and cucumbers, and all other vegetables grown, raised, produced, and harvested in the State of Florida, and the Southern States similarly located competing with foreign-grown products: Therefore be it

Resolved, That the house and senate concurring, respectfully and earnestly request the President of the United States to restore the tariff on all imported vegetables to the maximum rates allowed in the reciprocal agreement during the entire year; and be it

Resolved, That a copy of this resolution under the great seal of the State of Florida be forwarded to the President of the United States, Hon. Franklin D. Roosevelt, a copy to the Federal Tariff Commission in Washington, D. C., and a copy to each of the Senators and Representatives in Congress from Florida.

Approved by the Governor May 24, 1935.

House concurrent resolution

Whereas it is a matter of record in both branches of Congress, and in the United States Tariff Commission, that the rates of duty on imports of fresh vegetables provided by the tariff bill of 1930 were arrived at by official research and sworn testimony as merely the difference in cost of growing, processing, and marketing such produce in our American Gulf States as compared with like costs in Cuba and Mexico, thus placing such foreign imports on a level with the domestic production in the markets of the United States; and

Whereas the Florida Agricultural Tariff Association, representing the interests of the Florida growers, packers, and shippers of such winter and early spring grown fruits and fresh vegetables, has consistently and continuously defended, for the past 6 years, numerous attacks on such import rates of duty by both Cuban and Mexican interests; and

Whereas the Florida Agricultural Tariff Association is the only organized body in Florida backed and supported by our farmers, packers, and shippers, and by the State through the legislatures of 1931 and 1933: Now, therefore, be it

Resolved by the House of Representatives of the State of Florida (the senate concurring), We approve of the objects for which the Florida Agricultural Tariff Association is striving and hereby express our confidence in its management, and that it will continue to function to the end that thousands of Florida farmers and thousands of farm laborers may be able to maintain the American standards of living, and to that end pledge it our support; and that copies of this resolution be mailed by the secretary of state of Florida to President Roosevelt, the Secretaries of State, Agriculture, and Commerce, the United States Tariff Commission, chairman of the committee for reciprocity information, and the Florida delegation in Congress.

Approved by the Governor May 24, 1935.

THE PRIVATE CALENDAR

WILLIAM SULEM

The Clerk called the bill (H. R. 2163) for the relief of William Sulem.

Mr. COSTELLO and Mr. TRUAX objected, and the bill was recommitted to the Committee on Claims.

ALBERT W. WRIGHT

The Clerk called the bill (H. R. 3286) for the relief of Albert W. Wright.

Mr. McFARLANE and Mr. TRUAX objected, and the bill was recommitted to the Committee on Claims.

NATHAN A. BUCK

The Clerk called the bill (H. R. 3348) for the relief of Nathan A. Buck.

Mr. TRUAX and Mr. McFARLANE objected, and the bill was recommitted to the Committee on Claims.

JENS H. LARSEN

The Clerk called the bill (H. R. 3573) for the relief of Jens H. Larsen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jens H. Larsen the sum of $30.50, being the amount of damages incurred to his automobile from snow and ice falling from the roof of the post-office building in St. Paul, Minn.

With the following committee amendments:

Page 1, line 6, after the figures "$30.50", strike out "being the amount of" and insert in lieu thereof "in full settlement of all claims against the United States for."

Page 1, line 9, after the word "Minnesota", strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS F. OLSEN

The Clerk called the bill (H. R. 4822) for the relief of Thomas F. Olsen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General is hereby authorized and directed to credit in the accounts of Thomas F. Olsen, postmaster at De Kalb, Ill., in the sum of $18,687.19. Such sum represents postal funds in the amount of $136.30 and postage-stamp stock in the amount of $18,550.89, which were lost in the burglary of the post office at De Kalb, Ill., on February 10, 1931, from no fault or negligence on the part of the postmaster.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CAPT. GEORGE W. STEELE, JR., UNITED STATES NAVY

The Clerk called the bill (H. R. 4824) for the relief of Capt. George W. Steele, Jr., United States Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to credit the accounts of Capt. George W. Steele, Jr., United States Navy, in the sum of $66.45, representing the amount finally disallowed by the Comptroller General in connection with certain payments made by Captain Steele while naval attaché at Paris, France, to Lt. Felix L. Johnson, United States Navy.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

DON C. FEES

The Clerk called the bill (H. R. 4827) for the relief of Don C. Fees.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to allow in the accounts of Don C. Fees, former disbursing clerk, Department of Justice, the sum of $416.16 paid by him under authority and direction of said Department for the purchase, repair, maintenance, and operation of one motorcycle with side for transportation of freight, which was disallowed by said Comptroller General.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN L. SUMMERS

The Clerk called the next bill, H. R. 4828, for the relief of John L. Summers, disbursing clerk, Treasury Department, and for other purposes.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow in the accounts of John L. Summers, disbursing clerk, Treasury Department, sums aggregating $888.96 now standing as disallowances in his accounts with the General Accounting Office under various Treasury Department appropriations as set forth in House Document No. 342, Seventy-second Congress, first session.

SEC. 2. The Comptroller General of the United States is authorized and directed to allow in the accounts of Frank White and H. T. Tate, former Treasurers of the United States; Guy F. Allen, former Acting Treasurer of the United States; and Robert G. Hilton, former Assistant Treasurer of the United States at Baltimore, Md., the sums of $34,899.70, $92.89, $362.42, and $126.67, respectively, representing unavailable funds as set forth in House Document No. 342, Seventy-second Congress, first session.

SEC. 3. The Comptroller General of the United States is authorized and directed to settle an account to cover the claims of Blanchard Johnson, John Frank Rodzen, and Elizabeth Kennard in the sums of not to exceed $25.74, $26.59, and $126.67, respectively, representing unrecovered amounts due them as referred to on pages —— of House Document No. 342, Seventy-second Congress, first session, and to certify the same to the Secretary of the Treasury for payment.

SEC. 4. The Secretary of the Treasury be, and he is hereby, authorized and directed to adjust discrepancies in certain national-bank note currency accounts in the office of the Comptroller of the Currency, covering the period from April 5, 1912, or immediately prior thereto, to November 21, 1928, as set forth in House Document No. 342, Seventy-second Congress, first session, and the Treasurer of the United States is authorized and directed to charge the sum of $27,680 against his general account with corresponding credit therein to the fund for retirement of national-bank notes established by the act of July 14, 1890 (26 Stat. L. 289; U. S. C., title 12, sec. 122).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WINIFRED MEAGHER

The Clerk called the next bill, S. 38, for the relief of Winifred Meagher.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment upon the claim of Winifred Meagher for damages on account of the death of her husband, Dr. John F. W. Meagher, caused by and as a result of injuries sustained while a visitor at the military camp at Tobyhanna, Pa., on August 25, 1931: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by order of the said court: *Provided further*, That said suit shall be brought and commenced within 6 months of the date of the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARMINE SFORZA

The Clerk called the next bill, S. 209, for the relief of Carmine Sforza.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Carmine Sforza, which sum was paid by the said Carmine Sforza to the United States on the bond of Domenico Guerrera: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $500.

With the following committee amendment:

On page 1, line 5, after the word "appropriated", insert "and in full settlement of all claims against the United States."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAS VEGAS HOSPITAL ASSOCIATION

The Clerk called the next bill, S. 416, for the relief of Las Vegas Hospital Association, Las Vegas, Nev.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Las Vegas Hospital Association, Las Vegas, Nev., the sum of $407.80 in full settlement of all claims against the Government on account of expenses incurred by the late Clayton George Hilborn, gunner's mate third-class, United States Navy, for medical treatment from March 31, 1933, to April 11, 1933, while suffering from injuries received in an automobile accident on March 30, 1933, while on leave of absence from the U. S. S. *Tennessee*, with orders to report at Puget Sound, Wash.

With the following committee amendment:

Page 2, line 3, after the word "Washington", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

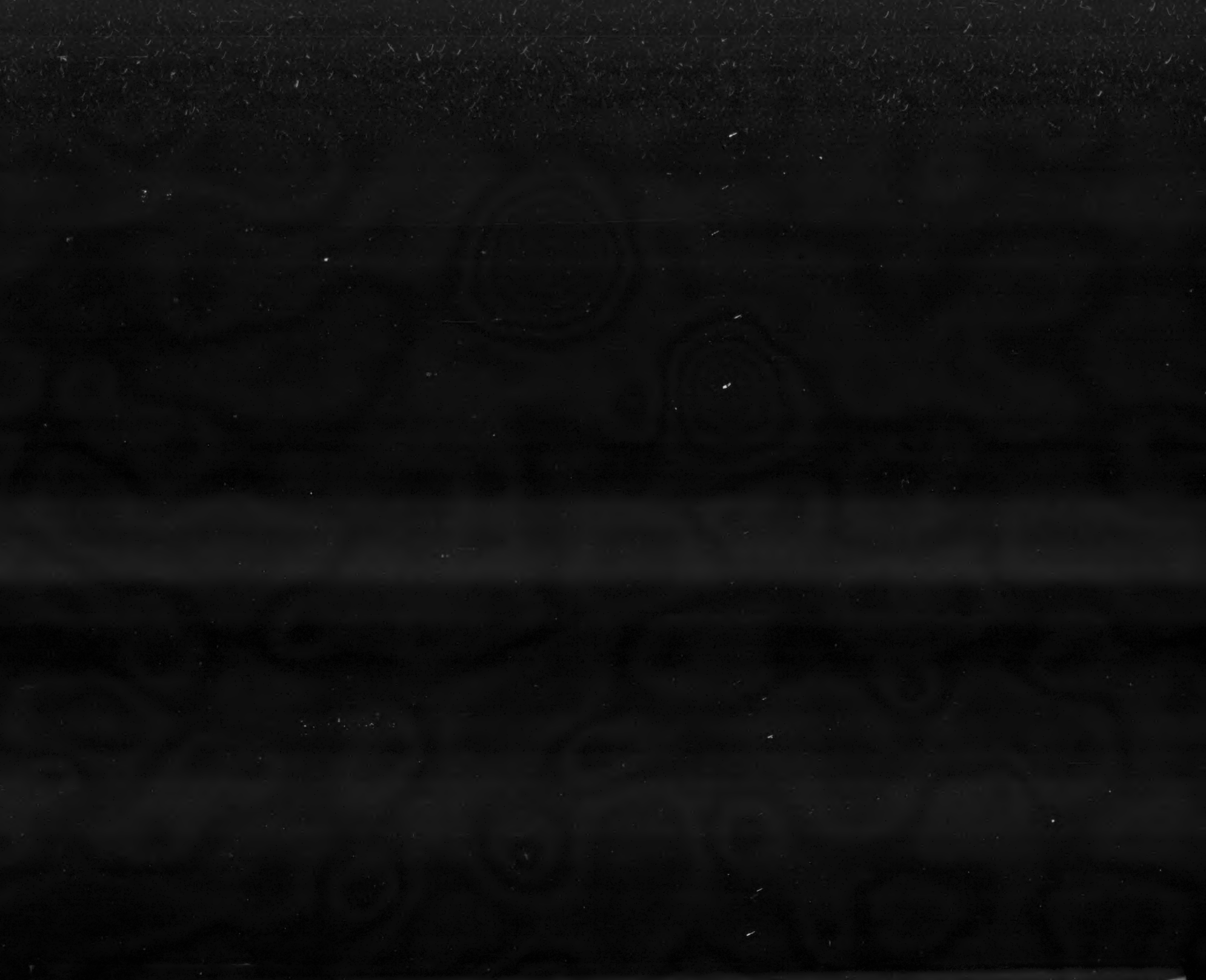
The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. HANCOCK of New York. Mr. Speaker, we are not prepared beyond this point on this side, and several of the gentlemen on the other side are not prepared beyond this point on the calendar. Therefore I move that we adjourn.

The SPEAKER. Will the gentleman withhold his motion for a moment?

Mr. HANCOCK of New York. I will.



LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. McCLELLAN, at the request of Mr. DRIVER, on account of the death of his wife.

To Mr. MILLER, at the request of Mr. DRIVER, on account of important business.

To Mr. DEAR, indefinitely, on account of illness.

To Mr. BOLAND, for 2 days, on account of important business.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 371. An act for the relief of G. Elias & Bro., Inc.; to the Committee on Claims.

S. 724. An act for the relief of James T. Moore; to the Committee on Military Affairs.

S. 1138. An act for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period; to the Committee on Claims.

S. 2045. An act for the relief of Stephen Sowinski; to the Committee on Military Affairs.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on June 3, 1935, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 65. An act to provide for the establishment of a Coast Guard station on the coast of Virginia at or near the north end of Hog Island, Northampton County;

H. R. 231. An act for the relief of Thomas M. Bardin;

H. R. 285. An act for the relief of Elizabeth M. Halpin;

H. R. 1291. An act for the relief of the Muncy Valley Private Hospital;

H. R. 1492. An act for the relief of Harbor Springs, Mich.

H. R. 2015. An act for a Coast Guard station at the eastern entrance to Cape Cod Canal, Mass.;

H. R. 2689. An act for the relief of Mary Ford Conrad;

H. R. 3073. An act for the relief of William E. Smith;

H. R. 3285. An act authorizing a preliminary examination of the Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Onondaga, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates, and Ontario Counties, N. Y., with a view to the controlling of floods;

H. R. 4528. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 4630. An act for the relief of William A. Ray;

H. R. 4708. An act for the relief of E. F. Droop & Sons Co.;

H. R. 5210. An act to provide funds for cooperation with school district no. 17–H, Big Horn County, Mont., for extension of public-school buildings, to be available to Indian children;

H. R. 5213. An act to provide for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children;

H. R. 5216. An act to provide funds for cooperation with Harlem School District No. 12, Blaine County, Mont., for extension of public-school buildings and equipment to be available for Indian children;

H. R. 5547. An act to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo.;

H. R. 6204. An act to authorize the assignment of officers of the line of the Navy for aeronautical engineering duty only, and for other purposes;

H. R. 6315. An act to provide funds for cooperation with the school board at Medicine Lake, Mont., in construction of a public-school building to be available to Indian children of the village of Medicine Lake, Sheridan County, Mont.;

H. R. 6372. An act to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail;

H. R. 6834. An act to revive and reenact the act entitled "An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.";

H. R. 6859. An act granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Waccamaw River, at or near Old Pireway Ferry Crossing, N. C.;

H. R. 6997. An act authorizing the State of Illinois and the State of Missouri to construct, maintain, and operate a free highway bridge across the Mississippi River between Kaskaskia Island, Ill., and St. Marys, Mo.;

H. R. 7291. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Boca Chica, Tex.;

H. R. 7873. An act to give the consent and approval of Congress to the extension of the terms and provisions of the present Rio Grande compact signed at Santa Fe, N. Mex., on February 12, 1929, and heretofore approved by act of Congress dated June 17, 1930 (Public, No. 370, 71st Cong., 46 Stat. 767);

H. R. 7874. An act to change the name of the German Orphan Asylum Association of the District of Columbia to the German Orphan Home of the District of Columbia; and

H. J. Res. 107. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1935, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

The SPEAKER. Does the gentleman insist upon his motion?

Mr. HANCOCK of New York. Only for the reason that our bills have not been written up and we have not had an opportunity to read them. I do not like to interrupt the proceedings, but I feel I should stop the Private Calendar at this time for the reason that we are not prepared beyond this point.

ADJOURNMENT

The SPEAKER. The gentleman from New York [Mr. HANCOCK] moves that the House do now adjourn.

The question was taken, and the motion was agreed to; accordingly the House (at 1 o'clock and 33 minutes p. m.) adjourned until tomorrow, Wednesday, June 5, 1935, at 12 o'clock noon.

COMMITTEE MEETING

SUBCOMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Will hold hearings on H. R. 3263 and other railroad legislation at 10 o'clock Wednesday morning, June 5, 1935, in the committee room of Coinage, Weights, and Measures, 115 old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

374. Under clause 2 of rule XXIV, a letter from the Chairman and Secretary of the Reconstruction Finance Corporation, transmitting a report of the operations of the Corporation for the first quarter of 1935 and for the period from the organization of the Corporation on February 2, 1932, to March 31, 1935, inclusive (H. Doc. No. 215), was taken from the Speaker's table, referred to the Committee on Banking and Currency, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CONNERY: Committee on Labor. H. R. 4688. A bill to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of

the blind, and for other purposes; without amendment (Rept. No. 1094). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. House Joint Resolution 288. Joint resolution authorizing the Secretary of Agriculture to pay necessary expenses of assemblages of the 4-H clubs, and for other purposes; with amendment (Rept. No. 1096). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. THOMAS: Committee on Public Buildings and Grounds. H. R. 8004. A bill authorizing the Secretary of the Treasury to execute a quitclaim deed of certain land located in the village of Lyons, N. Y.; without amendment (Rept. No. 1095). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 8224. A bill for the relief of Catherine Grace; without amendment (Rept. No. 1098). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAPES: A bill (H. R. 8344) to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes; to the Committee on Ways and Means.

By Mr. SEARS: A bill (H. R. 8345) authorizing the Secretary of the Navy to accept without cost to the United States certain lands in Duval County, State of Florida; to the Committee on Naval Affairs.

By Mr. WHELCHEL: A bill (H. R. 8346) granting pensions to veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection and the World War, their widows and dependents; to the Committee on Pensions.

By Mr. EDMISTON: A bill (H. R. 8347) to amend title III of the National Prohibition Act, and for other purposes; to the Committee on the Judiciary.

By Mr. TRUAX: A bill (H. R. 8348) to preserve and encourage a declining national institution popularly known as the "circus" which is of great educational and recreational benefit to the people of the Nation, particularly farmers, wageworkers, and small producers; to enable our people, particularly farmers, wageworkers, and small producers, and their children to receive the benefits herein mentioned without being taxed by the Government; to accomplish this end by removing the tax on admissions thereto as provided by section 500 of the Revenue Act of 1926, as amended; to the Committee on Ways and Means.

By Mr. LEMKE: A bill (H. R. 8349) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. WHELCHEL: A bill (H. R. 8350) to restore the 2-cent postage rate on first-class mail; to the Committee on Ways and Means.

Also, a bill (H. R. 8351) to provide allowances for widows and children of World War veterans who died of disability not acquired in the service; to the Committee on World War Veterans' Legislation.

By Mr. SHANLEY: A bill (H. R. 8352) to levy an excise tax of $1 per annum on every person, firm, corporation, or other form of business enterprise engaged in or whose business directly affects commerce among the States or with foreign nations, and for other purposes; to the Committee on Ways and Means.

By Mr. KENNEY: Joint Resolution (H. J. Res. 308) to authorize the Secretary of Labor to appoint a board of inquiry to ascertain the facts relating to the stoppage of work on United States Navy cruisers and destroyers in the yards of the New York Shipbuilding Co. at Camden, N. J.; to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COCHRAN: A bill (H. R. 8353) for the relief of Fred H. Harrison; to the Committee on Military Affairs.

By Mr. DISNEY: A bill (H. R. 8354) granting a pension to Nancy Ann Francis; to the Committee on Invalid Pensions.

By Mr. HARLAN: A bill (H. R. 8355) granting a pension to Anna Mae Lehman; to the Committee on Pensions.

By Mr. HEALEY: A bill (H. R. 8356) for the relief of Harry Tyler; to the Committee on Military Affairs.

By Mr. KNUTSON: A bill (H. R. 8357) for the relief of George E. Rice; to the Committee on Pensions.

By Mr. QUINN: A bill (H. R. 8358) granting a pension to James H. Riffle; to the Committee on Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 8359) granting an increase of pension to Osco L. Robinson; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8712. By Mr. BURNHAM: Petition of the Department of California, United Spanish War Veterans, by Frank J. Ziegler, department commander, and A. C. Munson, department adjutant, Los Angeles, Calif., urging early consideration and passage of the House bill 6995, granting pensions to veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, their widows and dependents, and for other purposes (Union Calendar No. 330, Consent Calendar No. 240, House of Representatives); to the Committee on Pensions.

8713. By Mr. COLDEN: Assembly Joint Resolution No. 50, adopted by the Senate and Assembly of the State of California and submitted by the Honorable Frank F. Merriam, Governor of said State, memorializing the President and the Congress to enact House bill 5359, which provides for the creation of a national civil academy; to the Committee on Education.

8714. Also, Senate Joint Resolution No. 10, adopted by the Legislature of the State of California, memorializing the President and Congress to adopt legislation for the employment of jobless citizens in the mining of chromium and tin deposits of the United States; to the Committee on Ways and Means.

8715. Also, Senate Joint Resolution No. 12, adopted by the Senate and Assembly of the State of California and submitted by the Honorable Frank F. Merriam, Governor of said State, memorializing the President and the Congress of the United States to enact House bill 4688, which proposes to aid in the rehabilitation of employable blind persons in the United States and urging the Committee on Labor of the House of Representatives to expedite consideration favorable to said bill; to the Committee on Labor.

8716. Also, Assembly Joint Resolution No. 53, adopted by the Senate and Assembly of the State of California and submitted by the Honorable Frank F. Merriam, Governor of said State, memorializing the President and Congress to enact Senate bill 1952, which proposes to protect the unclassified postal employees people, extending to them a civil-service status; to the Committee on the Post Office and Post Roads.

8717. Also, petition of Paul Henning, Frank G. Findlayson, and 51 other citizens of Los Angeles, Calif., asking that favorable action be taken on House Joint Resolution 167, known as the "Ludlow amendment" to the Constitution of the United States; to the Committee on the Judiciary.

8718. By Mr. FORD of California: Resolution of the Senate and Assembly of California, memorializing the President and the Congress to enact House bill 5359, which provides

for the creation of a national civil academy; also memorializing the President and the Congress to enact Senate bill 1952 and thus protect the unclassified postal employees, extending to them civil-service status; also urging the enactment of House bill 4688, which proposes aid in the rehabilitation of employable blind persons in the United States; to the Committee on Labor.

8719. Also, resolution of the Senate and the Assembly of California, memorializing the President and the Congress to investigate and enact legislation toward the employment of jobless citizens of the United States by Government control and development of chromium and tin deposits of the United States; to the Committee on Ways and Means.

8720. By Mr. RANDOLPH: Petition of the Shirt Workers Union, Amalgamated Clothing Workers of America, Morgantown, W. Va.; to the Committee on Ways and Means.

8721. By Mr. TRUAX: Petition of Dover Lodge, 168, Amalgamated Association of Iron, Steel, and Tin Workers, Dover, Ohio, by their secretary, Ernest W. Bishop, urging that progressive legislation for the protection of labor and fair employers by controlling maximum hours and minimum wages that will hold until a permanent program can be worked out will be enacted; to the Committee on Labor.

8722. Also, petition of International Union of Operating Engineers, Akron, Ohio, by their secretary, N. F. King, urging support of the Wagner-Connery labor-disputes bill; to the Committee on Labor.

8723. Also, petition of Charles A. Bowers and other citizens of Toledo, Ohio, urging support of the Townsend-McGroarty pension bill when it comes up for vote; to the Committee on Ways and Means.

8724. Also, petition signed by 118 members of Cement Workers' Union, No. 18457, White Cottage, Ohio, by their president, K. N. McCoy, urging support of the Wagner-Connery labor relations bill and the Black-Connery 30-hour-week bill, also passage of social-security program; to the Committee on Labor.

8725. Also, petition of International Association of Bridge, Structural, and Ornamental Iron Workers, Dayton, Ohio, by their secretary, Woodford Riley, urging support of the Wagner labor-disputes bill; to the Committee on Labor.

8726. By the SPEAKER: Petition of the Grand Lodge, Brotherhood of Railroad Trainmen, Cleveland, Ohio; to the Committee on Rivers and Harbors.

8727. Also, petition of the Maine State Petroleum Committee, Portland, Maine; to the Committee on Ways and Means.

SENATE

WEDNESDAY, JUNE 5, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, June 4, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Burke	Donahey	Johnson
Ashurst	Byrd	Duffy	Keyes
Austin	Capper	Fletcher	King
Bachman	Caraway	Frazier	La Follette
Bailey	Carey	George	Lewis
Bankhead	Chavez	Gerry	Logan
Barbour	Clark	Gibson	Lonergan
Barkley	Connally	Glass	McAdoo
Black	Coolidge	Guffey	McCarran
Bone	Copeland	Hale	McGill
Borah	Costigan	Harrison	McKellar
Brown	Couzens	Hastings	McNary
Bulkley	Dickinson	Hatch	Maloney
Bulow	Dieterich	Hayden	Metcalf
Minton	Overton	Sheppard	Tydings
Moore	Pittman	Shipstead	Vandenberg
Murphy	Pope	Smith	Van Nuys
Murray	Radcliffe	Steiwer	Wagner
Neely	Reynolds	Thomas, Okla.	Walsh
Norbeck	Robinson	Thomas, Utah	Wheeler
Norris	Russell	Townsend	White
Nye	Schall	Trammell	
O'Mahoney	Schwellenbach	Truman	

Mr. LEWIS. I announce that the Senator from Mississippi [Mr. BILBO], the Senator from South Carolina [Mr. BYRNES], the Senator from Oklahoma [Mr. GORE], and the Senator from Louisiana [Mr. LONG] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent from the Senate because of illness.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

POLITICAL REACTION FROM N. R. A. DECISION—NOTICE OF SPEECH BY SENATOR LEWIS

Mr. LEWIS. Mr. President, I beg to give notice that on Friday, June 7, as early as convenient in the program of the Senate, I shall address the Senate on the political reactions addressed to the President in consequence of the decision of the United States Supreme Court in what is called the "N. R. A. case."

SENATOR FROM NEW MEXICO—CONTEST

Mr. GEORGE. From the Committee on Privileges and Elections I submit a report and ask that it be read by the clerk.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

(Rept. No. 793)

The Committee on Privileges and Elections, to which was referred the election contest of *Dennis Chavez* v. *Bronson M. Cutting* for a seat in the United States Senate from the State of New Mexico, hereby dismisses the said contest upon the request of the petitioner and the respondent (by his attorneys, who have filed an answer with certain exhibits). In thus dismissing the contest, the committee deems it proper to say that no evidence has been adduced, and there is nothing in the record which, in any way, reflects, either directly or indirectly, upon the honor or integrity of the late Senator Bronson M. Cutting.

The committee recommends the discharge of all subpenas served upon certain State and county officials of the State of New Mexico in said contest and that said officials be relieved from further response thereto.

Mr. GEORGE. I move the adoption of the report.

Mr. McNARY. Mr. President, I think the report presented by the Senator from Georgia from the Committee on Privileges and Elections is timely, being, as it is, a complete exculpation of the charges against the late Senator Cutting. I desire to make an inquiry. Does the report meet with the approval of the Republican members of the committee, and is it the unanimous report of the committee?

Mr. GEORGE. It is the unanimous report of the committee. The report was adopted by the full committee, and represents the sentiment of all the members of the committee.

The VICE PRESIDENT. The question is on agreeing to the report.

The report was agreed to.

WILLAMETTE NATIONAL FOREST, OREG.

The VICE PRESIDENT laid before the Senate the amendment of the House to the bill (S. 462) to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest, in the State of Oregon, which was, on page 2, after line 9, to insert:

SEC. 2. Any lands within the above-described area which are part of the land grant to the Oregon & California Railroad Co., title to which revested in the United States under act of June 9, 1916 (39 Stat. 218), shall remain subject to all laws relating to said revested land grant.

Mr. McNARY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 38. An act for the relief of Winifred Meagher;

S. 279. An act to extend the time for the refunding of certain taxes erroneously collected from certain building-and-loan associations;

S. 285. An act to reimburse the estate of Mary Agnes Roden;

S. 535. An act for the relief of William Cornwell and others;

S. 557. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

S. 558. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of an individual claim approved by the War Department;

S. 742. An act for the relief of Charles A. Lewis;

S. 905. An act for the relief of Edith N. Lindquist;

S. 931. An act for the relief of the Concrete Engineering Co.;

S. 1027. An act for the relief of Dr. R. N. Harwood;

S. 1038. An act authorizing adjustment of the claim of Elda Geer;

S. 1386. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim, or claims, of Duke E. Stubbs and Elizabeth S. Stubbs, both of McKinley Park, Alaska;

S. 1487. An act for the relief of Mick C. Cooper;

S. 2146. An act for the relief of certain Indians of the Flathead Reservation killed or injured en route to dedication ceremonies of the Going-to-the-Sun Highway, Glacier National Park; and

S. 2467. An act for the retirement of William J. Stannard, leader of the United States Army Band.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 42. An act for the relief of Emmett C. Noxon;

S. 209. An act for the relief of Carmine Sforza;

S. 416. An act for the relief of Las Vegas Hospital Association, Las Vegas, Nev.; and

S. 581. An act for the relief of Harold E. Seavey.

The message further announced that the House had passed the following bills and joint resolution of the Senate severally with amendments, in which it requested the concurrence of the Senate:

S. 41. An act for the relief of the Germania Catering Co., Inc.;

S. 1121. An act for the relief of Isidor Greenspan;

S. 1474. An act for the relief of Paul H. Creswell; and

S. J. Res. 92. Joint resolution making final disposition of records, files, and other property of the Federal Aviation Commission.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 350. An act for the relief of Florenz Gutierrez;

H. R. 616. An act for the relief of Homer J. Williamson;

H. R. 949. An act for the relief of Irvin Pendleton;

H. R. 1292. An act for the relief of Grace McClure;

H. R. 1541. An act for the relief of Evelyn Jotter;

H. R. 1880. An act for the relief of Ivan H. McCormack;

H. R. 2086. An act for the relief of Walter C. Holmes;

H. R. 2293. An act for the relief of William Kelley;

H. R. 3107. An act for the relief of William Louis Pitthan;

H. R. 3109. An act for the relief of Herman W. Bensel;

H. R. 3230. An act for the relief of Rufus Hunter Blackwell, Jr.;

H. R. 3573. An act for the relief of Jens H. Larsen;

H. R. 3826. An act for the relief of John Evans;

H. R. 4428. An act for the relief of Caroline (Stever) Dykstra;

H. R. 4567. An act for the relief of Robert E. Callen;

H. R. 4651. An act for the relief of the Noble County (Ohio) Agricultural Society;

H. R. 4820. An act for the relief of Lawrence S. Copeland;

H. R. 4822. An act for the relief of Thomas F. Olsen;

H. R. 4824. An act for the relief of Capt. George W. Steele, Jr., United States Navy;

H. R. 4827. An act for the relief of Don C. Fees;

H. R. 4828. An act for the relief of John L. Summers, disbursing clerk, Treasury Department, and for other purposes;

H. R. 4853. An act for the relief of Charles H. Holtzman, former collector of customs, Baltimore, Md.; George D. Hubbard, former collector of customs, Seattle, Wash.; and William L. Thibadeau, former customs agent; and

H. R. 5041. An act authorizing and directing the Secretary of the Treasury to reimburse Lela C. Brady and Ira P. Brady for the losses sustained by them by reason of the negligence of an employee of the Civilian Conservation Corps.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 448. An act to authorize a preliminary examination of the Coquille River and its tributaries in the State of Oregon with a view to the control of its floods;

S. 449. An act to authorize a preliminary examination of Umpqua River and its tributaries in the State of Oregon, with a view to the control of its floods;

S. 654. An act authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands;

S. 1212. An act to amend section 1383 of the Revised Statutes of the United States;

S. 1317. An act authorizing a preliminary examination of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the controlling of floods;

S. 1469. An act to transfer certain lands from the Veterans' Administration to the Department of the Interior for the benefit of Yavapai Indians, Arizona;

S. 1513. An act to add certain lands to the Siskiyou National Forest in the State of Oregon;

S. 1539. An act relating to undelivered parcels of the first class;

S. 1712. An act to amend section 4878 of the United States Revised Statutes, as amended, relating to burials in national cemeteries;

S. 1942. An act to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927;

S. 2241. An act to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484);

S. 2505. An act authorizing a preliminary examination of Sebewaing River, in Huron County, Mich., with a view to the controlling of floods;

S. 2530. An act to protect American and Philippine labor and to preserve an essential industry, and for other purposes;

S. 2899. An act to provide for increasing the limit of cost for the construction and equipment of an annex to the Library of Congress; and

S. J. Res. 130. Joint resolution making immediately available the appropriation for the fiscal year 1936 for the construction, repair, and maintenance of Indian reservation roads.

REPORT OF COMMISSION OF FINE ARTS

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read and referred to the Committee on the Library, as follows:

To the Congress of the United States:

I transmit herewith for the information of the Congress the report of the Commission of Fine Arts of their activities during the period July 1, 1929, to December 31, 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 5, 1935.*

(NOTE.—Report accompanied similar message to the House of Representatives.)

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from Levi Stevens Lewis, of Denver, Colo., with an accompanying paper in the nature of a petition, praying for the enactment of legislation authorizing the President to take over all steam railways and to carry both freight and passengers entirely free of charge, etc., which, with the accompanying paper, was referred to the Committee on Interstate Commerce.

He also laid before the Senate the petition of Rev. J. J. Williams, of Tchula, Miss., praying for the enactment of old-age-pension legislation, which was ordered to lie on the table.

He also laid before the Senate a resolution signed by the general chairman of five standard railway labor organizations of the Texas & Pacific Railway, Dallas, Tex., favoring the enactment of pending legislation to extend the effective period of the Emergency Railway Transportation Act, which was ordered to lie on the table.

He also laid before the Senate a petition of sundry citizens, being members of the New Deal Reporters' Club, of Astoria, Oreg., praying for the enactment of the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes, which was ordered to lie on the table.

Mr. WALSH presented a petition, numerously signed, of sundry citizens of Leominster and vicinity, in the State of Massachusetts, praying for the enactment of the so-called "Nye-Sweeney banking bill", which was referred to the Committee on Banking and Currency.

He also presented the petition of members of Local Union No. 1917, United Textile Workers of America, of Franklin, Mass., praying for the continuance of the operation of section 7–A of the National Industrial Recovery Act, which was referred to the Committee on Finance.

USE OF GRANITE IN PUBLIC-BUILDING CONSTRUCTION

Mr. WALSH. Mr. President, I present and ask to have printed in full in the RECORD and appropriately referred resolutions adopted by the General Court of Massachusetts memorializing Congress relative to the use of granite in the construction of public buildings.

There being no objection, the resolutions were referred to the Committee on Public Buildings and Grounds and ordered to be printed in the RECORD, as follows:

Resolutions memorializing Congress relative to the use of granite in the construction of public buildings

Whereas the Federal Government is contemplating an extensive public-works program under which many public buildings will be erected throughout the United States; and

Whereas the present status of unemployment in the granite industries in the Commonwealth of Massachusetts and other granite-producing States is deplorable, it being estimated that from 80 to 85 percent of granite employees are on Federal relief; and

Whereas the greater portion of the cost of finished granite is incurred by labor; and

Whereas the quality and durability of granite buildings unquestionably excels that of buildings constructed of inferior materials; and

Whereas from the standpoint of economy and prudent policy it is advisable that lasting and durable materials be used in the construction of public buildings: Therefore be it

Resolved, That the General Court of Massachusetts urges Congress to enact legislation, or to otherwise take appropriate action, to require that granite be used in the construction of public buildings to be erected under the public-works program; and be it further

Resolved, That the secretary of the Commonwealth forthwith send copies of these resolutions to the President of the United States, to the Vice President, and to the Secretary of the Treasury thereof, and to the Members of Congress from this Commonwealth.

TARIFF ON WATCH MOVEMENTS

Mr. WALSH. Mr. President, I also present and ask to have printed in full in the RECORD and appropriately referred resolutions adopted by the General Court of Massachusetts, memorializing the President and Congress in behalf of the watch industry and the persons employed therein.

There being no objection, the resolutions were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Resolutions memorializing the President and Congress of the United States in behalf of the watch industry and the persons employed therein

Whereas it is the often declared policy of the present administration of the Government of the United States to maintain or increase the standard of wages paid to American labor and to increase employment of American labor and reduce unemployment; and

Whereas in pursuance of that policy and pursuant to the National Industrial Recovery Act, the watch industry of the United States has recently increased wages approximately 20 percent during a period when wages in the competing watch industry in Switzerland have been decreased from 20 to 40 percent; and

Whereas the watch industry pays approximately 80 percent of its costs of production to labor, produces an article necessary in many industries and to the Military and Naval Establishments of the United States in time of war, and is a domestic industry necessary to the public welfare; and

Whereas by reason of the low wages paid to Swiss labor as compared with American labor, and the present low tariff on watch movements, which represents less than 75 percent of the difference in cost of production between the United States and Switzerland, importations of Swiss watch movements increased from 1933 to 1934, 110 percent, and further huge increases have already taken place in 1935, so that upward of 50 percent of the needs of our domestic market for watch movements was in 1934 supplied by Swiss movements which paid duty, to say nothing of a large number smuggled, and now much less than one-half of our domestic market is available to be supplied watch movements made by American labor; and

Whereas the watch industry of the United States has factories and machinery ample to supply the entire domestic market for an indefinite period and at one time gave employment to approximately 11,000 skilled workmen, but because of Swiss competition fostered by the present low tariff on watch movements has been compelled to lay off during the depression approximately 5,000 skilled workmen; and

Whereas the American watch industry is now threatened with a great reduction in the already inadequate tariff on watch movements through a reciprocal trade agreement between the United States and Switzerland now under consideration by the Department of State of the United States; and

Whereas the inevitable result of such a reduction in the tariff on watch movements would be the liquidation of the American watch industry or the transfer of its capital to the business of importing of watch movements from Switzerland, in either case preventing the restoration to employment of the 5,000 skilled workers already laid off and throwing out of employment nearly all the remaining 6,000 skilled workers in the industry, to be supported by the public at a time when the public ability to provide for the unemployed is already strained to the utmost, all without any possible advantages to the United States which could to any appreciable extent compensate for this destruction of a great American industry and consequent continued and increased unemployment; and

Whereas a large part of the watch industry of the United States is centered in Waltham, Mass., so that its loss would seriously injure all business in a populous part of this Commonwealth surrounding and including Waltham and would impose a severe strain on the finances of several political subdivisions of this Commonwealth, especially the city of Waltham, and the Commonwealth of Massachusetts therefore has a great and particular interest in the preservation to the United States of America of its watch industry: Therefore be it

Resolved, That the President of the United States, the Secretary of State, and all other officers of the United States in any way concerned in the proposed or pending negotiations with Switzerland are respectfully and earnestly urged to refrain from committing the United States to any agreement to reduce the tariff on watch movements; and be it further

Resolved, That the Congress of the United States is hereby respectfully and earnestly urged to increase the tariff on watch movements; and be it further

Resolved, That copies of these resolutions be transmitted forthwith by the secretary of the Commonwealth to the President of the United States, to the Secretary of State of the United States, to the presiding officer of each branch of Congress, and to the Members thereof from Massachusetts.

REPORTS OF COMMITTEES

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 2780) to repeal the limitation on the sale price of the Federal building at Main and Ervay Streets, Dallas, Tex., reported it without amendment and submitted a report (No. 787) thereon.

He also, from the same committee, to which was referred the bill (S. 2626) to authorize the sale of Federal buildings, reported it with amendments and submitted a report (No. 788) thereon.

Mr. BANKHEAD, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 7160) to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges, reported it with amendments and submitted a report (No. 789) thereon.

Mr. JOHNSON, from the Committee on Naval Affairs, to which was referred the bill (S. 2774) for the relief of certain officers on the retired list of the Navy and Marine Corps, who have been commended for their performance of duty in actual combat with the enemy during the World War, reported it with an amendment and submitted a report (No. 790) thereon.

Mr. HALE, from the Committee on Naval Affairs, to which were referred the following bills, reported them each with amendment and submitted reports thereon:

S. 2846. A bill authorizing the Secretary of the Navy to accept on behalf of the United States the devise and bequest of real and personal property of the late Paul E. McDonnold, passed assistant surgeon with the rank of lieutenant commander, Medical Corps, United States Navy, retired (Rept. No. 791); and

H. R. 5564. A bill for the relief of Capt. Russell Willson, United States Navy (Rept. No. 792).

Mr. McCARRAN, from the Committee on the Judiciary, submitted a report (No. 794) to accompany the bill (S. 2689) for the relief of the city of New York, heretofore reported by him from that committee without amendment.

Mr. STEIWER, from the Committee on Indian Affairs, to which was referred the bill (S. 2761) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon, reported it with an amendment and submitted a report (No. 795) thereon.

Mr. SCHWELLENBACH (for himself and Mr. SHIPSTEAD), from the Committee on Immigration, to which was referred the bill (H. R. 67) to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels, reported it without amendment and submitted a report (No. 796) thereon.

Mr. CAPPER, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2664) to aid in defraying the expenses of the third triennial meeting of the Associated Country Women of the World, to be held in this country in June 1936, reported it with an amendment and submitted a report (No. 797) thereon.

Mr. DICKINSON, from the Committee on Military Affairs, to which was referred the bill (S. 1613) for the relief of Andrew J. McCallen, reported it without amendment and submitted a report (No. 798) thereon.

He also, from the same committee, to which was referred the bill (H. R. 2566) for the relief of Percy C. Wright, reported it with an amendment and submitted a report (No. 799) thereon.

MEETING OF 4-H CLUBS IN WASHINGTON

Mr. SMITH. From the Committee on Agriculture and Forestry I report back favorably without amendment the joint resolution (S. J. Res. 143) authorizing the Secretary of Agriculture to pay necessary expenses of assemblage of the 4-H clubs, and for other purposes.

Mr. President, in February last a resolution was passed by the House forbidding the Government contributing to the expenses of certain groups assembling in Washington, and under the ruling of the Comptroller General the 4-H clubs that have been assembling here each year are now prevented from coming.

I have been informed at the Department that they never have paid the railroad expenses or the board of the boys, members of these clubs, who come to Washington, but they have provided tents and cots for the 4-H clubs of the country, to enable them to assemble here once a year. The cost to the Government has been less than $4,000 a year, and, as it is a part of the Extension Service, it is very important, if we are to have them assemble here within the next few days, that the joint resolution should be passed. I ask unanimous consent for the immediate consideration and passage of the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. McNARY. Mr. President, I have conferred with the chairman of the committee, and I have no objection to the passage of the joint resolution.

There being no objection, the joint resolution (S. J. Res. 143) authorizing the Secretary of Agriculture to pay necessary expenses of assemblage of the 4-H clubs, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That nothing contained in the act of February 2, 1935 (Pub. Res. No. 2, 74th Cong.), shall be construed to prohibit the Secretary of Agriculture from paying the necessary expenses for assemblages of the 4-H boys' and girls' clubs, called by the Secretary of Agriculture in the District of Columbia or elsewhere, in the furtherance of the cooperative extension work of the Department.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHEELER:

A bill (S. 2995) for the relief of Eugene Stortz; to the Committee on Finance.

By Mr. COPELAND:

A bill (S. 2996) for the relief of the Eberhart Steel Products Co., Inc.; to the Committee on Claims.

A bill (S. 2997) to incorporate the National Society, Daughters of the Union, 1861–1865, Inc.; to the Committee on the Judiciary.

By Mr. POPE, Mr. NYE, Mr. BONE, Mr. GEORGE, and Mr. CLARK:

A bill (S. 2998) to control the trade in arms, ammunition, and implements of war; to the Committee on Foreign Relations.

By Mr. McNARY:

A bill (S. 2999) to establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce; to the Committee on Agriculture and Forestry.

(Mr. WALSH introduced Senate bill 3000, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. MURRAY:

A bill (S. 3001) for the relief of Walter F. Brittan; to the Committee on Claims.

By Mr. FRAZIER:

A bill (S. 3002) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. STEIWER:

A bill (S. 3003) authorizing a preliminary examination and survey of the Coos River and its tributaries, Oregon; to the Committee on Commerce.

By Mr. GUFFEY:

A bill (S. 3004) to amend section 602½ of the Revenue Act of 1934; to the Committee on Finance.

By Mr. CONNALLY:

A bill (S. 3005) authorizing the appointment of Louis Hunter Gwinn as a lieutenant, United States Navy; to the Committee on Naval Affairs.

By Mr. PITTMAN, Mr. NORBECK, Mr. CLARK, Mr. BAILEY, Mr. McNARY, Mr. BYRD, and Mr. WHITE:

A bill (S. 3006) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes; to the Special Committee on Conservation of Wildlife Resources.

Mr. NYE. Mr. President, I ask consent to introduce a bill, in which the Senator from Utah [Mr. KING] is joining with me, amending the Federal Trade Commission Act.

The VICE PRESIDENT. The bill will be received and appropriately referred.

By Mr. NYE and Mr. KING:

A bill (S. 3007) to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes; to the Committee on Interstate Commerce.

AMENDMENT OF SILVER PURCHASE ACT OF 1934

Mr. WALSH. Mr. President, I ask consent to introduce a bill to amend the Silver Purchase Act of 1934. I ask also that the bill, together with my statement relative thereto, may be printed in the RECORD.

The VICE PRESIDENT. Without objection, the bill will be received and appropriately referred, and the bill and statement will be printed in full in the RECORD.

The bill (S. 3000) to amend the Silver Purchase Act of 1934 was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

A bill to amend the Silver Purchase Act of 1934

Be it enacted, etc., The Silver Purchase Act of 1934 is hereby amended as follows:

"SEC. 4. Whenever and so long as the market price of silver exceeds its monetary value or the monetary value of the stocks of silver is greater than 25 percent of the monetary value of the stocks of gold and silver, the Secretary of the Treasury may, with the approval of the President and subject to the provisions of section 5, sell any silver acquired under the authority of this act, at home or abroad, for present or future delivery, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest: *Provided, however*, That certain limitations of the power of the Secretary of the Treasury to sell silver acquired under the authority of this act, as are herein established, shall not apply to the disposal of silver specifically earmarked for commercial purposes as authorized by the provisions of section 5.

"SEC. 5 (a). The Secretary of the Treasury is authorized and directed to set aside and earmark for commercial use in the arts and industries including use by refiners and processors, an annual allotment from the Treasury's accumulated stocks of silver from whatever source derived. The annual allotment so earmarked shall be in a total sum of 5 ounces equivalent to the total consumption by all such commercial users, and in no event shall the total amount of such silver earmarked for commercial uses exceed 40,000,000 fine ounces in the first year of the operation of this act. As long as it shall be the policy of the United States to secure or maintain, in silver, the one-fourth or any other specified percentage of the monetary value of its stock of silver and gold, the Secretary of the Treasury is further authorized and directed to sell such earmarked silver to such users of commercial silver as he shall duly license, at a price of 60 cents per fine ounce or if silver is officially priced at $1 or more an ounce, then the price of earmarked silver to such users shall be 40 cents per fine ounce less than the official Government price. The Secretary of the Treasury is hereby authorized to issue, with the approval of the President, such rules and regulations as the Secretary may deem necessary or proper to carry out the purpose of this section, and to establish all necessary safeguards to prevent the diversion of any earmarked silver, whether in raw or fabricated form, to any channel other than that for which it has been earmarked, including a provision that no silver article shall be sold at a wholesale price per ounce fine silver less than the Government official price.

"(b) With respect to all other stock of silver, the Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3, and such certificates shall be placed in actual circulation. There shall be maintained in the Treasury as security for all silver certificates heretofore or hereafter issued and at the time outstanding an amount of silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates. All silver certificates heretofore or hereafter issued shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, and shall be redeemable on demand at the Treasury of the United States in standard silver dollars; and the Secretary of the Treasury is authorized to coin standard silver dollars for such redemption."

The statement presented by Mr. WALSH is as follows:

EXPLANATION OF SENATE BILL NO. 3000

At the time of the discussion of the Silver Purchase Act, throughout the debate all emphasis was laid on the monetary features of the measure. The influence of the administration of that act upon our own financial structure, upon the destinies of China, upon the accumulated hoards of silver in India, were all thoroughly debated pro and con. There was, however, no single reference made to the effect of the act upon the craft of American silversmiths, on the 15,000 workers to which that craft gives employment, nor upon the several hundred thousand employees in jewelry stores throughout the country, 20,000 of which are dependent today upon the sale of silverware as the one department destined to lead them safely through the depression. It was an oversight.

There are differences of opinion as to the effectiveness with which the Silver Purchase Act is accomplishing the broad general aims and purposes for which it was enacted. Be that as it may, it is not my present purpose to weigh in the balance the positive provisions of the act or to seek at this time to appraise their effectiveness. Rather, it is the purpose of this bill to eliminate the unintended inequities—and I say "unintended" advisedly—the unintended inequities which the administration of that act is bringing down upon the silversmiths' craft and upon several hundred thousands of our people who are directly or indirectly dependent upon that craft for their livelihood. In my opinion, if the Congress had before it at the time of considering this legislation a realization of the harmful effect it would have upon those engaged in the commercial fabrication of silverware articles, then Congress would have set up appropriate provisions in the act for the purpose of avoiding the inequities to which I refer. I am supremely confident in this assertion, for most assuredly with unemployment so wide-spread and so prevalent as it is today, it is inconceivable that we should take any action which must result in adding, by ever so little, to that number.

What are those inequities brought down upon the silversmiths' craft by the operation of the Silver Purchase Act? The answer is most simple and can be given in a single sentence. The answer is that any further increase in the price of silver bullion must mean the virtual extinction of the sterling silverware industry, the loss of thousands of jobs by the workmen in that craft, the literal ruination of thousands of small jewelry stores throughout the country, and the consequent adding to our relief rolls the names of thousands of clerks now gainfully employed in these same jewelry stores. When, as in this present instance, we have literally thousands upon thousands of jobs dangerously threatened, when we know that the particular workers are principally men gifted with a unique skill, and that consequently the idle silversmith cannot readily be absorbed by other industries, we then, indeed, must pause and ask what steps are possible to avoid these inequities, to avoid adding to our unemployment hordes, to avoid adding to our general and all too plentiful supply of human misery.

The Department of Commerce, Economic Paper 14, published in 1932, presents interesting figures showing the total consumption of silver by arts and industry over a period of years, and has this to say on the subject:

"For many years the consumption of silver in the arts and industries of the United States has been an important factor in the world flow of silver. The silversmiths furnished the principal part of this demand in former years, but more recently the importance of other users has greatly increased. Nevertheless, the sterling silverware industry continues to be the leading ultimate consumer of silver."

All of the arts and industries combined consume in the neighborhood of 30,000,000 fine ounces of silver each year; that figure is exclusive of scrap or old material. The silverware industry in both its sterling and plated-ware branches accounts for the use of fully 50 percent of all the silver used in the arts and industries. No industry, I say, can be willing to see the interests of its best customer adversely affected; and even though in comparison with the huge world stocks of silver actually on hand here and abroad, the actual consumption by arts and industries is relatively small, if we can take any steps to avoid the serious threat to the biggest silver customer we have (particularly if those steps can be taken consistent with such broad basic policies as we may set for ourselves in monetary matters) most assuredly those steps should be taken and should be taken promptly.

What is this threat to the market of silversmiths of which I speak? It is simply this—that the process of artificially raising the price of silver bullion in order to carry out principles of the monetary policy laid down by Congress is resulting in an advance in the cost of fabricated silverware, so thoroughly dispropor-

tionate to the general run of commodity prices, that with consumer-purchasing power at its present levels the buying of silverware will be relatively prohibitive.

For generations perhaps the dominant characteristic of the silver market has been its marked stability. Exclusive of the 4 years 1917 to 1920, inclusive, since 1894 the price of silver has hovered within a narrow range around the price of 60 cents per ounce. At that price level household articles of silver, and particularly tableware, such as knives, forks, and spoons, have been established as the accepted thing—were within the possession of most families. In other words, at a price of approximately 60 cents per ounce, this semiluxury is really in the practical and almost necessity class. If the price of silver continues to advance as radically as it has in recent weeks, there can be no smallest doubt in the world but that the market for sterling silverware must be very materially curtailed, and skilled workers by the thousands, who are dependent directly and indirectly upon that industry for their livelihood, must be thrown out of gainful employment.

The bill I have introduced would distinguish between monetary silver and commercial silver. It gives discretionary power to the Secretary to establish a price for silver which would save the silver manufacturing industry and at the same time would not interfere with any Government monetary policy. The fact that the finished product represents a large labor cost would preclude silver being melted down for speculative gain.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 350. An act for the relief of Florenz Gutierrez;

H. R. 616. An act for the relief of Homer J. Williamson;

H. R. 949. An act for the relief of Irvin Pendleton;

H. R. 1292. An act for the relief of Grace McClure;

H. R. 1541. An act for the relief of Evelyn Jotter;

H. R. 2086. An act for the relief of Walter C. Holmes;

H. R. 3107. An act for the relief of William Louis Pitthan;

H. R. 3230. An act for the relief of Rufus Hunter Blackwell, Jr.;

H. R. 3573. An act for the relief of Jens H. Larsen;

H. R. 3826. An act for the relief of John Evans;

H. R. 4428. An act for the relief of Caroline (Stever) Dykstra;

H. R. 4567. An act for the relief of Robert E. Callen;

H. R. 4651. An act for the relief of the Noble County (Ohio) Agricultural Society;

H. R. 4820. An act for the relief of Lawrence S. Copeland;

H. R. 4822. An act for the relief of Thomas F. Olsen;

H. R. 4824. An act for the relief of Capt. George W. Steele, Jr., United States Navy;

H. R. 4827. An act for the relief of Don C. Fees;

H. R. 4828. An act for the relief of John L. Summers, disbursing clerk, Treasury Department, and for other purposes;

H. R. 4853. An act for the relief of Charles H. Holtzman, former collector of customs, Baltimore, Md.; George D. Hubbard, former collector of customs, Seattle, Wash.; and William L. Thibadeau, former customs agent; and

H. R. 5041. An act authorizing and directing the Secretary of the Treasury to reimburse Lela C. Brady and Ira P. Brady for the losses sustained by them by reason of the negligence of an employee of the Civilian Conservation Corps; to the Committee on Claims.

H. R. 1880. An act for the relief of Ivan H. McCormack; to the Committee on Public Lands and Surveys.

H. R. 2293. An act for the relief of William Kelley; and

H. R. 3109. An act for the relief of Herman W. Bensel; to the Committee on Military Affairs.

DEVELOPMENT OF THE MERCHANT MARINE—AMENDMENT

Mr. VANDENBERG submitted an amendment intended to be proposed by him to the bill (S. 2582) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes, which was ordered to lie on the table and to be printed.

PRESERVATION OF OLD DOCUMENTS IN SENATE LIBRARY

Mr. ROBINSON submitted the following resolution (S. Res. 149), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate is authorized to expend from the contingent fund of the Senate such sums as may be necessary, not to exceed $1,500, for the purpose of adequately providing for the preservation of old documents on file in the Senate Library.

CLASSIFICATION AND PAYMENT OF SENATE PAGES

Mr. REYNOLDS submitted the following resolution (S. Res. 150), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That it shall be the duty of the Sergeant at Arms to classify the pages of the Senate so that at the close of the present and each succeeding Congress one-third the number shall be removed; and in no case shall a page be appointed younger than 12 years, or remain in office after the age of 18 years, or for a longer time than three Congresses, or 6 years; and

Resolved further, That the pages of the Senate shall be paid, from the contingent fund of the Senate, a salary of $4 per day during the adjourned periods of the Congress.

INDEFINITE POSTPONEMENT OF A BILL

Mr. COOLIDGE. Mr. President, I ask unanimous consent that the Committee on Immigration be discharged from the further consideration of Senate bill 2970, to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, and that the bill be postponed indefinitely. The legislation proposed by this bill is contained in a similar bill, being Senate bill 2969.

The VICE PRESIDENT. Without objection, Senate bill 2970 will be indefinitely postponed.

COMMODORE JOHN BARRY—ADDRESS BY CHARLES FRANCIS ADAMS

Mr. WALSH. Mr. President, today is the one hundred and fiftieth anniversary of the dismemberment of the forces of the Continental Navy when Commodore John Barry ceased his duties as a captain thereof. Afterward, on June 3, 1798, when the Navy Department of the United States was organized, John Barry became the first captain and commanding officer. I ask unanimous consent to insert in the RECORD an address delivered by Hon. Charles Francis Adams, former Secretary of the Navy, on March 17, 1932, before a meeting of the Friendly Sons of St. Patrick of the city of Washington, memorializing the heroic deeds of Commodore John Barry.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a pleasure to be a guest of the Friendly Sons of St. Patrick. This pleasure becomes all the greater when one reflects that the gatherings of this society on the feast day of Ireland's patron saint have been observed every year since the late colonial period of our history. The parent body of this society, I am told, was organized during the time that the political principles and purposes on which our National Government rests were taking form in the minds of the patriots who called into existence the Federal Union of Free and Sovereign States under which we live and to which we owe our allegiance. The principles and the motives of the men who fought to secure independence and who labored to frame our Constitution are embodied in the purposes and aims of this society. It is nonsectarian and nonpolitical, and in these annual reunions it aims at keeping before the minds of its members and their guests the fundamental political doctrines which are as essential to the continued existence of our Government as they were to its rise and progress. The men who guided the destinies of this Nation during the heroic era of the Revolution and during the critical days of the Constitutional Convention were gifted in an extraordinary degree with political wisdom and political vision. They not only vindicated the right of the American people to independence, but they consecrated the Nation they had established to the cause of human liberty. Judged by the history and the traditions of other peoples the project of building a Nation consecrated to such a cause would inevitably have failed were it not that the sublime vision and wisdom of the fathers of the Republic were matched with patriotism and courage equally sublime.

The men who organized the Society of the Friendly Sons of St. Patrick did so in the same spirit and with the same purposes that animated the fathers of the Republic, the spirit to repudiate the institutions of oppression from which they or their forefathers had fled, and the purpose to establish free government for themselves and their children. To have had any part in the founding of this Republic is a great honor. To belong to a Society established by leaders in the Revolution and of which George Washington was an adopted member is a great and unusual distinction. To know that George Washington was, on three occasions, the guest of the Society, that he wore its badge with pride, and that he expressed himself in unmistakable terms, regarding the character and record of the Society, should be a precious memory and a source of profound gratification to all the members of the Society. Writing to the president of the Society in Philadelphia in 1781, Washington said: "I accept with singular pleasure the ensign of so worthy a fraternity as that of the Sons of St. Patrick, a society distinguished for the firm adherence of its members to the glorious cause in which we are embarked."

Words of praise from such a source and in such circumstances may be considered the equivalent of that accolade by which in feudal days a sovereign raised to the dignity of knighthood those who had merited distinction through fidelity, bravery, and patriotism.

When George Washington thus expressed his praise and approval of the Friendly Sons of St. Patrick the War of Independence was drawing to a close. Yorktown had surrendered and the end of the struggle was in sight. From long experience Washington was in a position to state definitely and finally what men and what classes of men were to be commended for their adherence to the cause of nationhood and independence. His verdict on the Friendly Sons of St. Patrick is not open to question or to doubt.

Among the duties confronting the American colonists when they determined to take up arms in defense of their rights was the task of organizing an Army and a Navy. Armies may be improvised by putting weapons into the hands of outraged citizens, but navies do not grow up overnight. When the ports of a country are held by the ships of an enemy the construction of a navy may be looked upon as an impossibility. In the first skirmishes by land and by sea the patriots were victorious. The Battle of Lexington was followed by the Battle of Machias Bay, the Lexington of the seas as it has been called, and in these two conflicts the foundations were laid for an army as well as for a navy. The Machias Bay incident was caused by the fact that the British desired to get timber from Maine for the defenses of Boston and from the additional fact that a lumberman, named Jeremiah O'Brien, was determined that they should not. When the armed schooner *Margaretta* appeared in the harbor of Machias, O'Brien and his brothers, and other volunteers to the number of 60, set out to meet the invader in a lumber sloop. A hand-to-hand encounter followed, and O'Brien and his followers were victorious. This was the first sea fight of the war, not very important as sea fights go, but tremendously significant as showing what patriotism was capable of doing by sea as well as on land. O'Brien's achievement was all the more remarkable because his sloop carried no guns. His capture of the *Margaretta* enabled him to fit out other vessels with cannon, and when an expedition, consisting of several small ships, was sent to punish him, he was victorious a second time, and conveyed the conquered ships and their crew to Newburyport. He continued his activities on the sea for about 18 months, and though he was captured he managed to escape and to take his place again in the fighting forces of the Colonies. While O'Brien may deserve the credit for having gained the first naval victory in the war, the significance of his services was not so much that he was successful as that he gave a magnificent demonstration by sea of the temper of the men who at Lexington and elsewhere proved that the soil of America was destined to be the cradle and the home of human liberty.

The course taken by Captain O'Brien was followed by others. There is no time now to recount the deeds of the heroes of the Continental Navy, but speaking on the occasion of the annual banquet of the Friendly Sons of St. Patrick, it seems eminently appropriate to call attention to the career of a man who, in his time, was a member of this venerable society, Commodore John Barry. Like so many who have won fame and honor in the armed forces of the United States, John Barry was born in another country. He was a native of Ireland. From his early years he had followed the sea. When the War of the Revolution began he was master of the ship *Black Prince*, and, naturally, his services were offered immediately and unconditionally to the land of his adoption. On the day—October 14, 1775—that the Continental Congress decided to equip some vessels for service against the British, John Barry was just home from a voyage. His offer of service was promptly accepted, and he was placed in command of the *Lexington*, named in honor of the first battle of the Revolution and the first warship equipped by Congress. His instructions were to protect American shipping and to destroy the ships of the enemy. These instructions he carried out without cessation while hostilities continued, not only in the *Lexington* but in other ships, the *Effington*, the *Raleigh*, and, above all, in the *Alliance*, the most powerful warship in the American Navy. Even when the ships of the Navy were forced to inactivity because the British were in possession of the forts along the Delaware and in occupation in Philadelphia, Barry was not idle. He conceived and put into execution the plan of employing small boats to intercept the supply ships which were conveying the necessary military stores and supplies to the British in the occupied area, and he carried out his scheme with such losses to the enemy and with such advantage to the patriot Army as to merit a public expression of thanks from Washington.

On several occasions he was entrusted with the delicate and dangerous task of conveying the French and American envoys across the Atlantic, but, before and after these voyages and in between he fought the ships of the enemy wherever he found them. Barry commanded the first ship commissioned by the Continental Congress and he was in command at the last naval battle of the Revolution, that with the British ship, the *Sybille*, on March 10, 1783.

It would be out of the question to attempt to narrate even in summary all of Barry's services during the War of the Revolution. He was an expert seaman, a strict disciplinarian who enjoyed the loyalty and affection of his subordinates, a commander who won the praise of friends and enemies for his resourcefulness and audacity in battle and above all for his skill in handling ships.

Barry's services to the Navy did not end with the Revolution. Whenever and wherever the flag of any nation is carried by any ship, even in the peaceful pursuits of commerce, that flag must be protected. This truth was brought home to the people of the United States, in no uncertain fashion, early in their national history. In 1794 Congress was compelled to pass an act, the purpose of which is best expressed in words taken from the act itself. "The depredations of the Algerine corsairs on the commerce of the United States render it necessary that a naval force should be provided for its protection." Because the Revolutionary navy had been disbanded at the end of the war, the long and laborious process of building a navy had to be gone through again, and the act of Congress, which was intended merely to meet an emergency, became the means by which the foundations of our present Navy were laid. Three months after the act was signed by Washington, six captains were appointed to superintend the building of the frigates which were authorized by Congress, and to take command of them when ready for service. The commissions were issued in the order in which the captains were to rank. John Barry's name headed the list and the first commission in the new Navy was given to him, and he was designated to superintend the construction and to take command of the frigate *United States*.

When Barry received this commission, the Navy was still under the control of the War Department. There was no Navy Department. He was one of the first to realize and to call attention to the incongruity of this situation. In a letter to James Imlay, January 8, 1798, he earnestly pleaded for the establishment of such a department, because, as he was frank enough to say, the Navy had been but indifferently managed hitherto. He also anticipated subsequent developments by proposing that three navy yards should be provided and equipped with magazines and stores and all else necessary to keep the fleet in a condition of efficiency and preparedness. Whether Barry's influence was a determining factor in bringing about this desirable change in naval administration cannot be determined, but on April 30, 1798, an act of Congress, signed by President Adams, went into effect and a new department, known as the "Navy Department" was added to the machinery of Government. It is not without interest to call attention to the fact that the first entry in the records of the new department, under date of June 3, 1798, runs as follows: "Delivered to Captain Barry, his authority to capture French armed vessels under the act of March 28, 1798." The Act of Congress under which Barry received these orders was made necessary by the depredations on American commerce committed by privateers sailing under the authority of the French Republic. Conflict with their allies of Revolutionary times was distasteful to the President and the Congress, but national honor was at stake, and it was unavoidable. In obedience to the instructions of President Adams, Barry cruised along the American coast and in the West Indies for nearly 2 years clearing the seas of the marauders and privateers and capturing many of them. His active service on this assignment was interrupted when peace negotiations commenced, and he was ordered to convey the American envoys to France. On his return he was made commander in chief of the fleet in the West Indies, and there he served until the peace treaty was signed.

Barry had thus served during the Revolution and under the first two Presidents with honor to himself and with glory and profit to his country. The retrenchment program of Jefferson and the antipathy of his party to the naval policy of his predecessors led to a complete change in the attitude of the new administration on the subject of the Navy. Appropriations for the upkeep and the increase of the Navy were reduced, a peace policy was adopted and it was decided that the vessels in active service should be limited to 13. The reduction in the number of ships was followed by a corresponding reduction in the number of officers, and, though Barry was oldest in point of service his name was kept on the list. The good purpose of the Jeffersonian administration did not produce a correspondingly good effect on the Algerine pirates. It became necessary once more to put the Navy on a war foundation. The Navy did what was expected of it, and with the brilliant expedition of Decatur the payment of tribute for the privilege of flying the American flag ceased forever. Barry took no active part in this expedition. He was kept at home engaged in examining candidates for commissions and in testing guns, but before the war was ended the Secretary of the Navy wrote him saying it was the intention of the Department to keep a force in the Mediterranean and that his services would be required for that post. Eager as Barry was to respond to every call of duty, this order, the only one in the line of service he ever failed to obey, he was unable to carry out. His long years of active duty and his unremitting devotion to the work of the Navy had undermined his health. He could no longer hope to bear the burdens of commanding a fleet and a year after the order was issued he passed away.

The name of John Barry stands high on the roll of American officers and sailors. During his long career in the service of his adopted country the reputation of the American Navy was always safe in his hands. He never had any doubts or hesitation as to where his duty lay, and where duty led him he never counted the risk or flinched from the danger. He enjoyed the singular honor of receiving the first commission granted to an officer in the United States Navy, and he transmitted to the many distinguished men who came after him a high sense of the honor and responsibility which such a commission carries with it. The Friendly Sons of St. Patrick do well to honor the memory of such a man, and they do well to keep alive the sterling and unselfish spirit of devotion to the cause of American liberty and American institutions which sustained Barry and the founders of the Republic during the dark days of the Revolution. It was because of this unselfish

spirit of devotion to a great cause that the fathers of the Republic and the framers of the Constitution were able to rear this magnificent political structure under which we live, and which it is our duty to sustain and to hand on vital and unimpaired to the generations to come.

It was because Barry and the soldiers and sailors of the Revolution had unbounded faith in the sanctity of the cause to which they dedicated their lives that this Republic was called into being, and it was because those who succeeded them had equal devotion and equal faith, that this Republic now lives. At every moment in its existence the permanence of the Republic has been threatened by enemies from without, or by divided counsels from within, but as long as there are among us those who cherish the memory of the men who set up our institutions of Government, and seek to emulate the lives and purposes of those who sustained these institutions, the Republic will never fail. The Friendly Sons of St. Patrick have a noble tradition, their roster of membership throughout their many years of activity contains the names of many who have deserved well of the Republic. Let it be our hope tonight that those who are now on its list may transmit to future generations a record of service and devotion as fruitful as that of Washington, of O'Brien, and of Barry.

N. R. A. DECISION OF THE SUPREME COURT—EDITORIAL BY WILLIAM E. CHILTON

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an intensely interesting editorial written by the Honorable William E. Chilton, an illustrious former Member of this body, which appeared in the Charleston Gazette on Monday, June 3, 1935, under the title "Has Charles II Returned?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Charleston (W. Va.) Gazette of June 3, 1935]

HAS CHARLES II RETURNED?

The President is quoted as having said, regarding the recent decision of the Supreme Court nullifying practically the N. R. A. legislation, that "the decision is much more important than any decision in my lifetime." That is a broad statement, but it was made by a broad-minded man, accustomed to reflection. It is probably true.

However, about all that the Court has decided is that Congress cannot delegate its own powers to an executive department, and that the Court can decide what is interstate commerce and the Congress may not undertake to do so. The decision is radical in that it amazes the public that nine men, sitting as a supreme court, are willing to stop the wheels of recovery when it is perfectly apparent that the people of every State in the Union want the machinery of government to go ahead, albeit that there are, confessedly, amendments and changes which have been found necessary in this as in all of man's work since the beginning of civilization.

The Supreme Court decision stands now not as a corrective but as a deadly blow to recovery legislation, voted by heavy majorities in both Houses of Congress, composed of over 500 selected Senators and Representatives from the 48 States of the Union.

It is not becoming to criticize any court decision, and this paper is as free from that fault as any journal of the country can claim. But neither we nor the people of this country can, if they would, smother the activity of the human brain; and we pause to wonder at the intellectual harvest which will appear when Congresses, courts, and Presidents must look in perspective at the first 150 years of the country's existence, and weigh in the scale of human reasoning and justice the present spectacle.

Recently we got some inquiries, setting forth in various forms but none the less specific of purpose, the query: "Where does the Constitution of the United States authorize the Supreme Court of nine members to set aside the acts of Congress, composed of 96 Senators and 435 Representatives, all sworn, as the Court is, to support the Constitution of the United States?" The average man does not observe the processes of making laws and, therefore, it is not surprising that such inquiries are made.

The lawyer comprehends that about 100 years ago there was a great old Virginia lawyer who was Chief Justice of the United States Supreme Court (those were the "days of the horse and buggy", referred to by the President); that was shortly after the first test of a railroad between Ellicott City and Baltimore, the official report of which test was that the train had made 8 miles an hour and hope was held out to the investors that, with some improvements, the management felt reasonably certain that the train could make 10 or 11 miles an hour.

Some changes which caused litigation were sought to be made in the management of Dartmouth College, in New Hampshire, one of whose students had been a great lawyer—Daniel Webster. Naturally, Webster was retained in the case, when the college management decided that it would resist an effort to take a course which would deprive the college of some of its dignities and rights. Much has been written about whether or not Webster raised the point or John Marshall suggested it, etc. However, Webster did argue the point that the legislative action sought to be taken would deprive that college of something—call it rights or property—and that the charter was a contract and, therefore, the proposed action would violate the obligation of that contract.

There was then, as now, nothing in the Constitution specifically authorizing the Supreme Court to nullify any law of a State or any act of Congress. But this great old lawyer, John Marshall, reasoned that in the Supreme Court was vested by the Constitution all the Nation's judicial power; and he held that it followed that since the Supreme Court must interpret the laws it must first decide what are the laws. From this he deduced, with masterful reasoning, the doctrine that acts of Congress—and then there followed in other cases by the same reasoning acts of State legislatures which, in the Court's opinion, were contrary to the Constitution—could be held invalid by the Supreme Court. There is where the doctrine started, and it has been ever since the sword of Damocles held by that group of people who are called conservatives or reactionaries over the progressive thought of the country. The processes and experiences have been serious, and, we might say, humorous.

After the Civil War the Supreme Court held, in 1869, that the paper money issued by Abraham Lincoln was illegal, and its issue was not justified by the terms of the Constitution. At that time Grant was President. He called his men of brains together and said to them, in substance, "Now, the Supreme Court has played hell with the Republican Party and the country." He had around him some of the great minds of the world, such as Conkling, of New York; Chase, of Ohio; Oliver P. Morton, of Indiana. They said to him, as many men who are prominent in American life say now, that that ended the question, and it was beyond the power of Congress or the President to force the Supreme Court to change its opinion. Grant said to them that here they were in power after the great War between the States, and the Republican Party would be responsible for issuing fraudulent, worthless money with which the war was carried on and the soldiers were paid.

He warned them that there would be no use for the Republicans to nominate a ticket the next time, and suggested that changes be made in the Supreme Court, which was then composed of seven members. He reminded the great minds of the country that not only would that situation destroy the Republican Party but would bring on a panic, the like of which the world never saw. The big men moved rapidly and increased the membership of the Court from 7 to 9, and President Grant appointed 2 new members, and had the question again submitted to the Court; then that decision was reversed by a vote of 5 to 4, the 4 constituting the majority of 7 stood pat, the 3 increased to 5 by the 2 new members, and that decision of 5 to 4 has stood from 1870, when it was rendered.

It thus happened that when the reactionaries brought up the question again, during this year of 1935, the Supreme Court decision, announced by Chief Justice Hughes, was merely a reaffirmation of the doctrine rendered by the Court in 1870, that the power of the Congress regarding money was absolute and supreme.

Again, a great test came during the second Cleveland administration, when William L. Wilson, of Charles Town, in this State was Chairman of the Ways and Means Committee of the House of Representatives; the revenue bill passed in 1894 carried an income-tax provision. This law was attacked by practically all of the wealth of the Nation, and after a full argument the Court, by 5 to 4, decided that the law was constitutional. Immediately a rehearing was asked and granted, and there was brought to Washington a battery of lawyers, headed by the great Joseph Choate, of New York. The case was reargued, and one of the Supreme Justices, to wit, Justice Shiras, changed his mind, and the decision was 5 to 4 that the law was unconstitutional. Thereupon, the progressive thought of the country compelled Congress to submit an amendment to the Constitution, and it was very promptly ratified by the States, and ever since, the sixteenth amendment, authorizing the taxation of incomes, from whatever source derived, has been the supreme law of the land.

These are two prominent and well identified, and now generally known, instances of great events involving momentous problems which were swung one way or the other by the opinion, in one case, of two men, and, in the other case, of one man. These are historic, but not unique instances of the dangers of judge-made law.

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While we are on the subject, we would like to ask where it is written in the Constitution that Congress has the right to appropriate money to relieve hunger, to clothe destitute people, to prevent children from dying of cold and neglect? This use of public money is justified on the same page of the Constitution, where there is defined the "war power" which may be classed among such myths as the 12 labors of Hercules; and yet Congresses, Presidents, and courts have dealt with it, because they knew and understood, in the final analysis, that the power of this country is lodged with the people, and their will can be expressed and will be the prevailing law of the land.

There is no provision in the Constitution, authorizing the sending of the Armies of the United States into distant China to put down a Boxer Rebellion, but we did it. There is no provision in the Constitution, authorizing Congress to return the indemnity paid by China to this country, but Congress did it under the power and authority that made the flag and causes it to wave. There is no provision in the Constitution authorizing Congress to feed the hungry, dying people of Asia, when floods, earthquakes, and tornadoes left them helpless and beyond their own resources to relieve, yet America did it, and no court dares to lay its hand upon the spirit that sent American money upon such a Christ-like errand.

And now face it—courts, Congresses, and Presidents—as they must, the same rule that destroyed, for the time being, the

N. R. A. can nullify every appropriation made to prevent actual starvation and freezing of the helpless American people, prostrated by this long depression.

President Roosevelt stands today as one of the grandest characters that history has ever produced. He has bowed, with respect, to courts, and made his appeal to Congress and to the public to recognise that we have been passing through unusual, extraordinary conditions. He has not spent any money, nor issued any order, nor made any organization of what they call the "alphabet list", except as directed and authorized to do so by the acts of Congress of the United States—the 531 selected Representatives of the people of the States, in Congress assembled.

Most of the banks and largely the chambers of commerce have hounded him with all kinds of suggestions. Many of those in sympathy with him have made demands upon him and the Congress at the most unfortunate of times. When recovery now seems coming strong, when the success of his plans are being demonstrated upon all hands, labor, small business, agriculture, and the transportation systems, all come forward with plans that would have perplexed the deliberations of the reincarnated best minds of the ages; he has never flinched. He faced his duty at every turn calmly and unselfishly. He has appealed to the people to discard politics, the bitterness of partisan strife, the prejudices that have grown amid the rivalries of business, and asked them to dedicate themselves, unselfishly, to the one proposition of recovering the prosperity of the country.

No one is bold enough to say that success has not crowned his efforts. He has not complained of these unusual, inopportune demands upon the Congress and his administration. He now finds that a Supreme Court decision has reversed that common understanding and faith of the people which will control, in the end, regardless of 5 to 4, 6 to 3, or unanimous decisions of the Supreme Court. Our great President will neither suggest nor demand anything less than respect for law and order. We, therefore, suggest, with the modesty which our position demands, that a motion be made to rehear these N. R. A. cases; that the humane, sensible Court will grant the rehearing. Let the matter stand on that rehearing, so that the best and the most patriotic thought of the country can look into that conscience mirror that reflects ourselves to ourselves, thus allow the leader of the people—not of any party—to assemble the best judgment of the Nation and avoid a dangerous pause at a time when all the nations of earth are in trouble, and we are but one of many trying to direct the energies of this people to the common proposition of getting something for everybody to do, providing homes for the people and restoring the Nation's income.

We can guess upon everything, but they who base anything upon the cowardice of Franklin D. Roosevelt, will "reckon without their host." Charles II, after Cromwell, came back to his London throne—dug up the bodies of Cromwell and other prominent parliamentists, hanged them, and exhibited their heads upon pikes and gate posts. But his brother who succeeded him was kicked from the throne, and the right and power of the English Parliament to govern Great Britain was firmly fixed. One battle is not a war. Now is the time for patriots to think and pray as did Washington and Lincoln. The demand for a new deal has lost none of its earnestness.

The tories must not be permitted to win the war. We must not surrender the ground already gained.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. HASTINGS. Mr. President, yesterday I endeavored to show that the pending bill is not confined to holding companies engaged in interstate commerce. I sought to point out to the Senate that the limitations upon the use of the mails and other facilities used in interstate commerce to holding companies were not, in fact, for the purpose of controlling interstate commerce itself, but were for the purpose of giving to the Congress jurisdiction over holding companies, regardless of the influence such companies might have upon interstate commerce.

As bearing upon that subject I desire to read from the opinions of the Court in two additional cases and ask Senators who are sustaining the bill to see if they can distinguish between these cases and the points raised in the present bill. I call attention first to the case of Federal Club against National League, reported in Two Hundred and Twenty-ninth United States Reports, at page 200. I read from that decision at page 208, as follows:

The decision of the court of appeals went to the root of the case and if correct makes it unnecessary to consider other serious difficulties in the way of the plaintiff's recovery. A summary statement of the nature of the business involved will be enough to present the point. The clubs composing the leagues are in different cities and for the most part in different States. The end of the elaborate organizations and suborganizations that are described in the pleadings and evidence is that these clubs shall play against one another in public exhibitions for money, one or the other club crossing the State line in order to make the meeting possible. When as a result of these contests one club has won the pennant of its league and another club has won the pennant of the other league, there is a final competition for the world's championship between these two. Of course the scheme requires constantly repeated traveling on the part of the clubs, which is provided for, controlled and disciplined by the organizations, and this it is said means commerce among the States. But we are of the opinion that the court of appeals was right.

The business is giving exhibitions of baseball, which are purely State affairs. It is true that, in order to attain for these exhibitions the great popularity that they have achieved, competitions must be arranged between clubs from different cities and States. But the fact that in order to give the exhibitions the leagues must induce free persons to cross State lines and must arrange and pay for their doing so is not enough to change the character of the business. According to the distinction insisted upon in *Hooper* v. *California* (155 U. S. 648, 655) the transport is a mere incident, not the essential thing. That to which it is incident, the exhibition, although made for money would not be called trade or commerce in the commonly accepted use of those words. As it is put by the defendants, personal effort, not related to production, is not a subject of commerce.

That which in its consummation is not commerce does not become commerce among the States because the transportation that we have mentioned takes place. To repeat the illustrations given by the court below, a firm of lawyers sending out a member to argue a case, or the Chautauqua lecture bureau sending out lecturers, does not engage in such commerce because the lawyer or lecturer goes to another State.

If we are right the plaintiff's business is to be described in the same way and the restrictions by contract that prevented the plaintiff from getting players to break their bargains and the other conduct charged against the defendants were not an interference with commerce among the States.

But I think a case that is more in point is to be found in Two Hundred and Thirty-first United States Reports, at page 501, New York Life Insurance Co. against Deer Lodge County. I might say that in this case was involved a life-insurance company which had been taxed under a State law. The life-insurance company insisted that it was engaged in interstate commerce and the test of the constitutionality of the tax imposed was whether or not it was engaged in interstate commerce. I quote from page 502, where the Court said:

The same contention is made here as in the State court, that is, that the tax is a burden on interstate commerce, and an elaborate argument is presented to distinguish this case from those in which this court has decided that insurance is not commerce.

Reference is made to the case of Paul against Virginia, and the statement made that that is the progenitor case.

A law of Virginia precluded any insurance company not incorporated under the laws of the State doing business in the State without previously obtaining a license for that purpose, which could only be obtained by a deposit with the State treasury of bonds of a specified character to an amount varying from $30,000 to $50,000. A subsequent law required the agent of a foreign insurance company to take out a license. Paul was appointed the agent of several fire-insurance companies incorporated in the State of New York. He applied for a license, offering to comply with all the provisions of the law excepting the deposit of bonds. The license was refused and he, notwithstanding undertook to act as agent for the companies, offered to issue policies in their behalf and in one instance did issue a policy in their name to a citizen of Virginia.

For this violation of the statute he was indicted and convicted in one of the State courts, and the judgment was affirmed by the supreme court of appeals of the State. Error was prosecuted from this court based on, as one of its grounds, the alleged violation of the commerce clause of the Constitution of the United States.

Replying to the argument to sustain the contention, the court said, by Mr. Justice Field, that its defect lay in the character of the business done. "Issuing a policy of insurance is not a transaction of commerce. The policies are simply contracts of indemnity against loss by fire entered into between the corporations and the assured for a consideration paid by the latter. These contracts are not articles of commerce in any proper meaning of the word. They are not subjects of trade and barter offered in the market as something having an existence and value independent of the parties to them. They are not commodities to be shipped or forwarded from one State to another, and then put up for sale. They are like other personal contracts between parties which are completed by their signature and the transfer of the consideration. Such contracts are not interstate transactions, though the parties may be domiciled in different States. The policies do not take effect—are not executed contracts—until delivery by the agent in Virginia. They are, then, local transactions, and are governed by the local law. They do not constitute a part of the commerce between the States any more than a contract for the purchase and sale of goods in Virginia by a citizen of New York whilst in Virginia would constitute a portion of such commerce."

Then follows the citation of many cases, for the reason that the life-insurance company was at that time trying to distinguish that case from decisions which had been rendered previously by the Supreme Court.

The Court, at page 506, says:

And that was the contention in *Hooper* v. *California*, asserting the invalidity of the statute of the State making it a misdemeanor for any person in that State to procure insurance for a resident in the State from an insurance company not incorporated under its laws. The argument was that inasmuch as the contract involved was one for marine insurance, it was a matter of interstate commerce, and as such beyond the reach of State authority and included among the exceptions to the rule. It was replied by the court: "This proposition involves an erroneous conception of what constitutes interstate commerce. That the business of insurance does not generically appertain to such commerce has been settled since the case of *Paul* v. *Virginia*."

This, according to my recollection, was some 45 years later.

To the attempt to distinguish between policies of marine insurance and policies of fire insurance, and thus take the former out of the rule of *Paul* v. *Virginia*, it was answered:

"It ignores the real distinction upon which the general rule and its exceptions are based, and which consists in the difference between interstate commerce or an instrumentality thereof on the one side and the mere incidents which may attend the carrying on of such commerce on the other."

The Court, toward the end of the opinion, has this to say with respect to the subject:

To accomplish the purpose there is necessarily a great and frequent use of the mails.

I call particular attention to this language, in view of the terms of the pending bill:

To accomplish the purpose there is necessarily a great and frequent use of the mails, and this is elaborately dwelt on by the insurance company in its pleading and argument, it being contended that this and the transmission of premiums and the amounts of the policies constitute a "current of commerce among the States." This use of the mails is necessary, it may be, to the centralization of the control and supervision of the details of the business; it is not essential to its character. And we may say, in passing, that such effort has led to regulating legislation, but that it cannot determine its validity, was decided in the Cravens case. This legislation is in effect attacked by the contention of the insurance company. We have already pointed out that if insurance is commerce and becomes interstate commerce whenever it is between citizens of different States, then all control over it is taken from the States and the legislative regulations which this Court has heretofore sustained must be declared invalid.

The number of transactions do not give the business any other character than magnitude. If it did, the department store which deals with every article which covers or adorns the human body, or, it may be, ncurishes it, would have one character, while its neighbor, humble in the variety and extent of its stock, would have another. Nor, again, does the use of the mails determine anything. Certainly not that which takes place before and after the transaction between the plaintiff and its agents in secret or in regulation of their relations. But put agents to one side and suppose the insurance company and the applicant negotiating or consummating a contract. That they may live in different States, and hence use the mails for their communications, does not give character to what they do; cannot make a personal contract the transportation of commodities from one State to another, to paraphrase *Paul* v. *Virginia*.

Such might be incidents of a sale of real estate (certainly nothing can be more immobile). Its transfer may be negotiated through the mails and completed by the transmission of the consideration and the instrument of transfer also through the mails.

It is contended that the policies are subject to sale and transfer, may be used for collateral security and other commercial purposes. This may be, but this use of them is after their creation, a use by the insured, not by the insurer. The quality that is thus ascribed to them may be ascribed to any instrument evidencing a valuable right. The argument was anticipated in *Paul* v. *Virginia*, citing *Nathan* v. *Louisiana*, where, as we have seen, a tax on money and exchange brokers who dealt in the purchase and sale of foreign bills of exchange was sustained as not conflicting with the constitutional power of Congress to regulate commerce among the States or with foreign nations.

Mr. President, in order that we may know the position taken by those who are interested in this proposed legislation, and who appeared before the committee, and who furnished a brief which has been put in the RECORD by the distinguished Senator from Montana, let me call attention to the brief filed by Messrs. Corcoran and Cohen, beginning at the bottom of page 815; and I desire to call particular attention to the comments made upon the case from which I have just read. Before doing so, however, I may say that that case was decided in December 1913.

In the brief filed with the committee, at the bottom of page 815 of the hearings, will be found this statement:

Typical of the State cases generally cited against the validity of congressional action under the commerce clause are those holding that insurance contracts even where they involve communication between the States, may validly be subjected to State regulation or taxation.

Citing Paul against Virginia and New York Life Insurance Co. against Deer Lodge Co., the latter of which I have just read.

Continuing to read from the brief:

Professor Dowling in his memorandum to the Senate committee considering the Fletcher-Rayburn bill pointed out that *Paul* v. *Virginia* was the product of a period in which uncertainty about the effect of the commerce clause on State powers and the widespread distrust of foreign corporations combined to produce an extreme insistence on limiting the concept of interstate commerce (Stock Exchange Practices, hearings, pt. 16, p. 7640). Although conditions changed radically, early establishment and frequent reiteration made the rule that insurance is not interstate commerce a constitutional fixture. The consequence that, since there was no Federal legislation on the subject, the highly important insurance business would have been totally unregulated, was so serious that it may well have played an important part in inducing adherence to this rule in more recent years. Like all decisions upholding State power, these decisions furnish slight authority for the denial of Federal power over the subject of insurance; they certainly afford no help to those seeking to deny congressional power on other subjects.

Mr. President, I call particular attention to the fact that with reference to these two cases—one the very beginning, Paul against Virginia, followed 45 years later, in 1913, by New York Life Insurance Co. against Deer Lodge Co., with many decisions in between—Messrs. Corcoran and Cohen, who prepared this bill, reached this definite conclusion:

Like all decisions upholding State power, these decisions furnish slight authority for the denial of Federal power over the subject of insurance; they certainly afford no help to those seeking to deny congressional power on other subjects.

If we had before the Senate a bill which undertook to control the insurance companies under the commerce clause of the Constitution, and I should come before the Senate and read the case of Paul against Virginia and the case of New York Life Insurance Co. against Deer Lodge Co., I should be met with this statement by the persons preparing the bill:

Like all decisions upholding State power, these decisions furnish slight authority for the denial of Federal power over the subject of insurance.

Mr. President, of course, it will be impossible for me, by reading Supreme Court decisions or in any other way, to convince those who believe that merely because of the lapse of time, and merely because of the change in the conditions of the country, the Supreme Court is not to be bound by the decisions it has rendered in years past. Of course, if we were to meet that kind of a situation nobody would know exactly where he stood. I may say to the Senator from Montana that I agree generally with him when he says that the recent decisions of the Supreme Court do not affect this particular measure; but, in that connection, it seems to me they do affect the statement of Messrs. Corcoran and Cohen read by me from the brief, because the Supreme Court, as everybody admits, laid down no new rule. They merely reestablished and restated that which they had stated many years before and many times before; but, because of the change in conditions, because people are now living in another age, because new implements have been evolved, and new industries established, it was believed, on the part of some, that the Supreme Court would reach a different conclusion.

To that extent, and to that extent almost alone, do we find any particular support in the N. R. A. decision or the other decisions recently rendered by the Supreme Court.

Mr. President, to my mind not only the decision which I have just read but the decision which I read with respect to the baseball league show conclusively that the mere use of the mail, or the mere use of some other instrumentality of communication between the States, does not of itself constitute commerce, and that is so perfectly clear to me that I do not see how anybody dare dispute it.

Mr. MINTON. Mr. President——

The PRESIDING OFFICER (Mr. TOWNSEND in the chair). Does the Senator from Delaware yield to the Senator from Indiana?

Mr. HASTINGS. I yield.

Mr. MINTON. Does not the Senator believe that if Congress has attempted to exercise its power in the admitted field of regulation of interstate commerce, and declared a policy, then to make effective that policy it may deny the mails to those who would attempt to destroy the policy?

Mr. HASTINGS. My answer with respect to the mails is that the use of the mails has never been restricted to any legitimate business, interstate or otherwise, and my notion about the rights that are reserved to the States is that although the Congress itself has been given authority to establish post roads and post offices, undoubtedly the States have reserved to themselves the right to have the mail pass through and into States without interruption. The Congress has never assumed that it could by regulation of the United States mails control the business of any person, whether intrastate or interstate.

If it be true that by the mere restriction of the use of the mails Congress could control a particular business of any kind, it could, if it wanted to, prohibit the use of the mails to any legitimate business anywhere at any time.

I respectfully submit that the limitations upon the Congress are as to those things which are likely to be harmful, such as a mail which may affect the morals of people, a mail which may have in it some kind of a dangerous weapon which might explode and kill someone. All of those things can undoubtedly be controlled, but Congress cannot undertake, and Congress has never undertaken, to control interstate commerce by prohibiting the use of the mails for that purpose.

Mr. President, on yesterday I discussed very fully section 4 of the bill. I called attention to the fact that section 4 prohibited certain corporations from doing things unless they were registered as is provided in section 5. I called attention to the fact that those restrictions did not apply to corporations engaged in interstate commerce.

Now I wish to give a little attention to section 5 of the bill, found on page 21, which provides for registration. It will be observed in the beginning that no effort is made in this section to compel holding companies to register. That is clearly taken care of and becomes wholly unnecessary because of section 4. Section 4 prohibits them from doing things, and if that section be valid and constitutional, they are rescued from that by complying with section 5.

On page 22, after providing in the beginning of the section that a holding company may register by filing a notification, this language is inserted, "Such notification of registration shall include an agreement", and in parenthesis the words "which shall not be construed as a waiver of any constitutional right or any right to contest the validity of any rule or regulation."

This brings us to a consideration of section 5 and all its provisions to ascertain whether there is in it any regulation provided which is unconstitutional. It goes into great detail, and sets up a regulation that is very drastic. I do not know that it is particularly necessary for me to read it at this time.

The latter part of the section provides that—

A registered holding company which has ceased to be a holding company may upon application withdraw its registration in accordance with the rules and regulations of the Commission and upon such terms and conditions as the Commission may find necessary for the protection of investors.

In other words, once registered, although a company ceases to be a holding company, it does not easily get away, and cannot get away except upon such terms and conditions as the Commission may determine.

I wish to consider for a little while section 6, and I ask the Senate to bear with me in discussing this section and to bear in mind what I have said and what has been said by others with respect to the bill being limited to interstate commerce.

Section 6, found on page 26, provides:

It shall be unlawful for any registered holding company or subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise—

"Or otherwise." That, I think, is the first time the statement has been broadened. The language up to this point has been "by the use of the mails or any means or instrumentality of interstate commerce", but now the framers of the bill have gone the full length and added the words "or otherwise, directly or indirectly"—

(1) To issue or sell any security of such company.

I have never been able to find any interstate-commerce transaction in the mere issuing of a security. It does not say "issue and sell and deliver outside of the State", which, in my judgment, would not constitute interstate commerce either, but holding companies are prohibited from issuing securities, and they are prohibited from selling any securities. They cannot issue a security, they cannot sell one, regardless of to whom they offer it or the purpose for which they issue it.

Secondly, they are not permitted—

To exercise any privilege or right to alter the priorities, preferences, voting power, or other rights of the holders of an outstanding security of such company.

Bear in mind that holding company takes in all of the companies. The definition of a holding company is not limited to one engaged in interstate commerce. It includes all of them.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WHEELER. I am sure the Senator wants to be fair, and I wish to repeat that this provision applies only to holding companies which do not register, and which are engaged in interstate commerce.

Mr. HASTINGS. I think the Senator had stepped out of the Chamber for a moment. I am now talking about section 6, found on page 26, which does apply to registered holding companies.

Mr. WHEELER. In reading this section we must take into consideration, of course, the registered holding companies which have not been exempted. Under the bill we propose to exempt all those companies which are engaged wholly in intrastate commerce and all of those companies which are predominantly engaged in intrastate commerce. I think the Senator overlooks the fact that section 6 applies only to registered holding companies.

Mr. HASTINGS. That is my understanding.

Mr. WHEELER. The registered holding companies to which this section relates are only those holding companies which are engaged in interstate commerce. The Senator would not contend that the Interstate Commerce Commission could not regulate the securities of the railroad companies, would he?

Mr. HASTINGS. No.

Mr. WHEELER. As a matter of fact, the Commission does that to some extent at the present time. In order to clear up the point to which the Senator has referred, let me say, concerning the exemptions, that there might be confusion in the minds of some people. I agree with the Senator with reference to the provision concerning exemption on page 17, as follows:

The Commission, by rules and regulations or order, shall exempt any holding company, and every subsidiary company thereof as such, from any provision or provisions of this title, if and to the extent that it deems the exemption not detrimental to the public interest or the interest of investors or consumers.

The intention of the committee was that the company should be exempt entirely except with reference to those provisions of the title which had relation to the sale of its securities in interstate commerce. That was the intention of the committee. I might say to the Senator that I am drafting an amendment to that exemption so as to make perfectly plain and clear exactly what I had in mind with reference to it, which I stated on the floor of the Senate, so there cannot be any question with reference to it. If

that amendment were in the section, then the Senator could not contend that section 6 attempted to regulate the sale of securities, except in transactions by a registered holding company which was engaged in interstate commerce. I just wanted to clear up that point.

Mr. HASTINGS. Will the Senator explain the necessity of putting in the words in lines 10 to 12 in section 6 on page 26?—

By use of the mails or any means or instrumentality of interstate commerce, or otherwise, directly or indirectly.

Why should it not read?—

It shall be unlawful for any registered holding company or any subsidiary company thereof (1) to issue or sell any security of any such company; or (2) to exercise any privilege or right to alter the priorities, preferences, voting power, or other rights of the holders of an outstanding security of such company.

I cannot quite see the necessity of that language in the bill, because by adding the words "or otherwise" everything has been covered.

Mr. WHEELER. I think there is something in what the Senator has said, but I will say that the only reason for putting the words in there was to make the statement in broad general terms. The Senator knows perfectly well as a lawyer that when he is drafting a complaint he makes it in broad general terms. I do not think that language in the bill has any particular significance.

Mr. HASTINGS. I think the Senator should give some consideration to that language, because it appears, as I recollect, 11 times in the bill, beginning with section 6 and running through to section 13. I cannot make any sense of the language itself—

By use of the mails or any means or instrumentality of interstate commerce, or otherwise;

It confuses me because I do not know its purpose.

Mr. WHEELER. Will the Senator state the language again?

Mr. HASTINGS. Take line 10 on page 26 of the bill. I should like to know why it would not be just as well to strike out the words:

By use of the mails or any means or instrumentality of interstate commerce, or otherwise, directly or indirectly.

There might be some point in keeping the words "directly or indirectly" in the bill. The objection I make does not apply to them. The same language appears 11 times in the bill. It makes it a little more difficult to understand and know the purposes of the bill.

Mr. WHEELER. The only reason for putting that language in the bill was that if there were an attempt made to attack the constitutionality of the measure the use of such language might strengthen the provision. That was the only purpose of putting it in there.

Mr. HASTINGS. I am not suggesting that it be stricken out for the purpose of weakening the bill. I am suggesting that it be stricken out because to me it is a little confusing. I do not understand why it is there.

Mr. President, turning to page 28, paragraph (c), we find:

It shall be unlawful for any registered holding company or any subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce—

To do what?—

to sell, or offer for sale, from house to house, any security of such registered holding company.

I am confused in the same way because of the use of the same language. If the Senator would write in there, "It shall be unlawful for any registered holding company or any subsidiary company thereof to sell, or offer for sale, from house to house, any security of such registered holding company", we would then have, it seems to me, an intelligent statement, and one which could be readily understood. I make that suggestion to the chairman for whatever it may be worth.

Mr. WHEELER. I take it the Senator has no objection to putting in a provision that such a company shall not be permitted to sell its stock from house to house.

Mr. HASTINGS. In the case of a company which is actually engaged in interstate commerce, and sufficiently engaged for the Congress to lay its hands upon it, I do not have any objection to the Congress putting such restrictions upon the sale of its securities as may be reasonable.

Mr. WHEELER. That is what I asked the Senator.

Mr. HASTINGS. Senators will find the same language in section 9, on page 35, at the bottom of the page:

SEC. 9. (a) Unless the acquisition has been approved by the Commission under section 10, it shall be unlawful—

(1) For any registered holding company or any subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to acquire, directly or indirectly, any securities or capital assets of another company.

It would be very much more sensible, it seems to me, if it should read:

For any registered holding company, or any subsidiary company thereof, to acquire, directly or indirectly, any securities or capital assets of another company.

The same language appears in several other places in the bill.

Mr. President, yesterday I called attention to certain reasons I had for believing this bill to be unconstitutional, one of which was that "the business of all holding companies is outlawed by the bill upon the theory that their business is used as an agency to promote dishonesty, or the spread of an evil or harm to the people of other States from the State of origin."

In order that we may understand the theory of this bill and the theory that the holding company ought to be outlawed, I invite attention again to the language of the brief contained on pages 812 and 813 of the hearings, the brief having been filed by Messrs. Corcoran and Cohen.

Mr. WHEELER. I did not understand what the Senator said about the brief. Did he say the brief was made by Higgins and Hawkins, of the firm of Cromwell & Sullivan, or what was it he said about it?

Mr. HASTINGS. Mr. President, the Senator did not misunderstand me. The brief is signed by Thomas G. Corcoran and Benjamin V. Cohen. Unfortunately, I do not have any brief which can compare with it in the amount of work which has been done on it. It is an intelligent brief, but needs to be analyzed with great care in order to prevent being deceived by it; and I do not use that expression in any offensive sense.

I quote from page 812 of the brief:

After rejecting the contention that the prohibition of lotteries was a matter reserved to the States by the tenth amendment, Mr. Justice Harlan continued:

"As a State may, for the purpose of guarding the morals of its own people, forbid all sales of lottery tickets within its limits, so Congress, for the purpose of guarding the people of the United States against the 'wide-spread pestilence of lotteries' and to protect the commerce which concerns all the States, may prohibit the carrying of lottery tickets from one State to another.

"In legislating upon the subject of the traffic in lottery tickets, as carried on through interstate commerce, Congress only supplemented the action of those States—perhaps all of them—which, for the protection of the public morals, prohibit the drawing of lotteries, as well as the sale or circulation of lottery tickets, within their respective limits. It said, in effect, that it would not permit the declared policy of the States, which sought to protect their people against the mischiefs of the lottery business, to be overthrown or disregarded by the agency of interstate commerce. We should hesitate long before adjudging that an evil of such appalling character, carried on through interstate commerce, cannot be met and crushed by the only power competent to that end. We say competent to that end, because Congress alone has the power to occupy, by legislation, the whole field of interstate commerce. What was said by this Court upon a former occasion may well be here repeated: 'That framers of the Constitution never intended that the legislative power of the Nation should find itself incapable of disposing of a subject matter specifically committed to its charge'" (*In re Rahrer*, 140 U. S. 545, 562; 188 U. S. at 357–358).

The brief continues:

"Prior to the decision in *Champion* v. *Ames*, the Supreme Court had assumed the validity of the act prohibiting the interstate transportation of livestock known to be affected with a contagious disease (*Missouri K. & T. R. Co.* v. *Haber*, 169 U. S. 613, 621; *Reid* v. *Colorado*, 187 U. S. 137, 149–150). Since that case was decided it has sustained the Pure Food and Drug Act prohibiting the transportation in interstate commerce of adulterated or misbranded articles (*Hipolite Egg Co.* v. *U. S.*, 220 U. S. 45; *Weeks* v. *United States*, 245 U. S. 618); the White Slave Traffic Act (*Hoke* v. *United States*, 227 U. S. 308; *Caminetti* v. *United States*, 242 U. S. 470); and the National Motor Vehicle Theft Act, punishing the in-

terstate transportation of stolen motor vehicles (*Brooks* v. *United States*, 267 U. S. 432). On the same theory it has upheld a prohibition of the importation of prize-fight films designed for public exhibition (*Weber* v. *Freed*, 239 U. S. 325)"—

Right here it might well have been said there is a difference between the importation of prize-fight films and the transportation of prize-fight films from one State to another. The Court did not decide—and my understanding is that it has never decided—that it was unlawful to ship prize-fight films from one State to another. Of course, the Congress has a right to prohibit the importation of anything it wants to prohibit; it has exclusive jurisdiction in that respect, which is entirely different from the regulation of interstate commerce itself. As a matter of fact, prize-fight films are being sent, and no effort is being made to prosecute anybody for doing so—

"while the importation provision was the only one before the Court in that case, the same statute prohibits the transportation of such films from one State to another, and the source of congressional power is the same over interstate as over foreign commerce."

That I dispute. There is a difference; Congress can regulate the one; it can prohibit the other:

In addition, the Supreme Court has upheld statutes forbidding the introduction of intoxicating liquors into States in which their use is prohibited (*In re Rahrer*, 140 U. S. 545; *Clark Distilling Co.* v. *Western Maryland Railway Co.*, 242 U. S. 311). The theory of this legislation has been embodied in the recent Hawes-Cooper Act regulating the transportation of prison-made goods. Compare *Alabama* v. *Arizona* (291 U. S. 286). Prohibition of the interstate transportation of oil produced in violation of the State proration requirements was authorized by section 9 (c) of the National Industrial Recovery Act. When this provision was held unconstitutional as an invalid delegation of legislative power (*Panama Refining Co.* v. *Ryan*, decided Jan. 7, 1935), the Congress promptly imposed the same prohibition by passing the Connally oil-control bill.

That does not help us very much, because that may be unconstitutional, but I do not know as to that.

A statute has long been on the books prohibiting the interstate shipment of game secured or handled in violation of a State law; this act was upheld by the Circuit Court of Appeals in *Rupert* v. *United States* (181 Fed. 87), but has not been passed upon by the Supreme Court.

But everybody recognizes the very definite difference, as I pointed out yesterday, between the shipment of game against the State law and some other transaction of interstate commerce.

The Grain Futures Act contains a provision (sec. 6) making it unlawful to deliver for transmission through the mails or in interstate commerce any offer, confirmation, or price quotation relating to contracts for the sale of grain for future delivery, except under the regulated conditions required by the act. In upholding the act as a whole, the Supreme Court found it unnecessary to pass upon the validity of this provision since the parties to the suit were not affected by it (*Chicago Board of Trade* v. *Olsen*, 262 U. S. 1, 42). The similar provisions in the Securities Act of 1933 and the Securities Exchange Act of 1934 have already been noted.

The power exercised in these statutes has been described by the Supreme Court in the following terms.

This language was used in the case involving the transportation of stolen automobiles:

Congress can certainly regulate interstate commerce to the extent of forbidding and punishing the use of such commerce as an agency to promote immorality, dishonesty, or the spread of any evil or harm to the people of other States from the State of origin. In doing this it is merely exercising the police power, for the benefit of the public, within the field of interstate commerce (*Brooks* v. *United States*, 267 U. S. at 436–437).

I wish to read further from this brief, because it shows the theory upon which this bill was constructed.

The prohibition of the use of interstate commerce contained in the present bill is precisely of this nature; it is designed to prevent the use of interstate commerce as an agency to promote the spread of the evil that results from holding companies to the purchasers of their securities and to the consumers served by the public-utility companies which they control. That this police power, for the benefit of the public, within the field of interstate commerce is not limited to prohibiting the transportation of articles that are themselves harmful is shown by the Brooks case, from which this quotation is taken.

That is the automobile case.

The stolen automobile there involved was not itself different from any other automobile. The Pure Food and Drugs Act has been upheld not merely in its application to harmful adulterated articles (*Hipolite Egg Co.* v. *United States*, 220 U. S. 45), but also to those which are merely misbranded (*Weeks* v. *United States*, 245 U. S. 618), and to those accompanied by circulars containing fraudulent statements (*Seven Cases* v. *United States*, 239 U. S. 510). There is nothing harmful about the prison-made goods governed by the Hawes-Cooper Act or the "hot oil" which the Connally Act seeks to control. The communications prohibited by the Grain Futures Act, the Securities Act, and the Securities Exchange Act are precisely of the same inherent character as many of those that would be affected by the present bill. The great variety of cases in which the prohibition of interstate shipment of articles has been upheld show clearly that Congress has acted upon widely differing policies in imposing these prohibitions. The inherent evil of the article itself may be one ground for imposing the prohibition; it is plainly not the only one.

Here is the substance of the argument:

The evil that may reasonably be thought to result from the interstate distribution of unapproved securities, from interstate communications and negotiations looking toward the unapproved acquisition of securities, or from the use of the inherently dangerous holding-company device to conduct activities affecting an industry vital to the welfare of the entire Nation may certainly justify the imposition of like prohibitions. The constitutional theory of the present bill is firmly imbedded in the entire course of Federal legislation from the Sherman Act to the Securities Exchange Act.

The only authority limiting this police power of Congress within the field of interstate commerce is *Hammer* v. *Dagenhart* (247 U. S. 251), where the Court held invalid a prohibition against transporting in interstate commerce articles produced in factories where child labor had been employed within 30 days prior to their shipment.

Then these lawyers continue:

The child-labor decision is readily distinguishable from all the cases that might arise under the present bill. There is here no concern with the purely local conditions in a business like manufacturing which can be completely regulated by the State regardless of the ultimate destination of the product. Whether one centers attention on the regulation of the sale of securities in interstate commerce or on the control of intercompany transactions conducted by means of interstate commerce, the situation is accurately described by the statement of the Brooks case as a prohibition of the use of interstate commerce as an agency promoting the spread of harm to the people of other States from the State of origin.

Mr. President, I have read extensively from the brief for the purpose of showing that the proponents of the bill are depending, as they must depend, upon being able to convince the Congress, in the first place, and the Supreme Court, in the second place, that what they are trying to do relates to a thing which ought to be outlawed. But the weakness of their position is that in all the cases which they have cited and from which I have read, and the other cases cited in the brief from which I have not read, it will be found that the particular article itself was the thing that had been outlawed.

For instance, when dealing with diseased cattle, the Congress did not undertake to say that cattle cannot be transported across State lines in interstate commerce any longer because there are diseased cattle in the land and we cannot take a chance because we do not know who is dealing in them. In that particular case the Government could, of course, set up regulations and separate the diseased from the healthy cattle and not let the diseased cattle go into interstate commerce.

The same thing is true with respect to automobiles. Because people are stealing automobiles and taking them across State lines does not mean that Congress may prohibit people from taking their automobiles across State lines if they are doing it for a legitimate purpose. It does not mean that any of these prohibitions apply to people who are doing a proper and legitimate thing.

So, when we come to deal with holding companies, we cannot say, as has been undertaken to be said in the first part of the bill, that because certain bad practices have grown up, we are therefore entitled, and it is the duty of the Congress, to eliminate the holding company itself as an institution. This is the first time in the history of the Nation, so far as I know, that such an attempt has been made. The nearest instance I know of is the employers' liability case, to which I called attention yesterday. In that case the Court distinctly pointed out that there was an effort not to do a particular thing but that it was applied to particular persons, and they found objection to it on that ground.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Does the Senator from Delaware yield to the Senator from Montana?

Mr. HASTINGS. I yield.

Mr. WHEELER. Let me call attention to the fact that in the case of stolen automobiles, after an automobile is stolen, no disease is going to be caused or disseminated among the people by taking that automobile across any State line.

Let me call attention to the fact that in the case of prison-made goods, the goods in and of themselves are all right; there is nothing wrong with the goods themselves; but Congress declared it to be the policy that prison-made goods should be prohibited in interstate commerce.

Likewise there is nothing inherently wrong in a railroad company transporting its own coal or its own manufactured goods, but the Congress condemned that practice and said no company might engage in it.

Mr. HASTINGS. A little later I shall discuss those cases to which the Senator has several times referred.

I now desire to invite the attention of the Senate to some other points. The proponents of the measure evidently found it necessary from their point of view, in order for the Congress to conclude that a holding company must be eliminated because of its inherent bad practices, that there should be somewhere in the record and somewhere in the bill which would be presented to the Congress some evidence of the bad characteristics of the holding company itself. So we find it in paragraph (b) of the first section set out in some detail. I invite attention of the Senate that here is the indictment upon which we are about to act. Here is the indictment which has been made against the holding company. Based upon this evidence found in the bill, we are asked to say that the holding company is in the same class with the stolen automobile, diseased cattle, women who are being transported across State lines for immoral purposes, and in the same class with adulterated foods, and what not.

I read from this paragraph in the bill as follows:

(b) The national public interest requires the exertion of Federal control over the transactions and practices of public-utility holding companies and their subsidiary companies and affiliates, where such companies or subsidiaries or affiliates operate, market securities, and transact business in interstate commerce or through the mails, because, as disclosed by the reports of the Federal Trade Commission—

Think of writing this in a bill—

because, as disclosed by the reports of the Federal Trade Commission made pursuant to S. Res. 83 (70th Cong., 1st sess.), the reports of the Committee on Interstate and Foreign Commerce, House of Representatives, made pursuant to H. Res. 56 (72d Cong., 1st sess.) and H. J. Res. 572 (72d Cong., 2d sess.) and as otherwise disclosed—

The authors of the bill go to those reports which most Members of Congress have never read. They go to those reports which are made up from an investigation without any of the companies having an opportunity to be heard. They reach this conclusion and they write this indictment in the bill:

(1) The securities of such public-utility holding companies, subsidiary companies, and affiliates are sold to a large number of investors in different States.

I suppose there would be no difficulty in proving that, and I think that might be very well admitted.

(2) Such investors cannot obtain the information necessary to appraise the financial position or earning power of such issuers because of the absence of uniform standard accounts.

What business has the Congress doing that? What business is it of the Congress to be furnishing information to investors or to compel others to furnish information to investors unless it be in some instance, like that involving the stock exchange, where the securities are not well known? Investors do not have to invest if they do not desire to do so. We do not have to furnish that information unless it is necessary. The point is the Congress must see to it, so far as possible, that nobody is deceived by somebody else by furnishing misinformation; but here it is said that "such investors cannot obtain the information." It does not say the information which was obtained is not correct; it does not say the investors have been deceived; but merely upon the ground that investors do not have the necessary information, these companies are indicted.

(3) Such securities are frequently issued without the approval or consent of the States having jurisdiction over subsidiary public-utility companies.

What business is that of the Congress? It is the business of the States to say whether they do or do not wish to approve these securities before they are sold. We do not have to look after the interests of the States. That is one of the great difficulties we are encountering just now—the desire of Congress to control the whole Nation, and to eliminate State lines and State governments.

(4) Such securities are often issued upon the basis of fictitious asset values and of paper profits from intercompany transactions, and hence do not accurately reflect the sums invested in underlying public-utility properties.

I desire here to point out that all this information can be obtained, and ought to be available to anybody, since the passage of the Securities Act. All corporations are bound to give it. They cannot issue their securities, and their securities cannot be sold either over the counter or on the stock exchange, unless such information is given by the corporations. I beg the Senate to bear in mind that these are the allegations which are to put the holding company out of business, and on the basis of which it is declared that the holding company is the kind of an institution that is doing harm to the people of the Nation.

(5) Such securities are often issued in anticipation of excessive revenues from subsidiaries which, if realized, would burden consumers, and the failure to realize such revenues, because of State regulation of subsidiary public-utility companies, results in loss to investors who have been led to believe that such revenues are a legitimate part of the issuer's income.

Think of legislating because somebody may be disappointed in the anticipation of excessive revenues. How many of us, in our individual transactions, have been disappointed in the anticipation of something from the farm, or from some other source, that we had reason to believe would come to us? Yet here it is proposed that the Congress shall indict somebody because he has issued securities in anticipation of excessive revenues:

(6) Such securities, when improvidently issued, subject subsidiary public-utility companies to the burden of supporting an overcapitalized superstructure, to the detriment of investors and consumers, and tend to prevent voluntary rate reductions which over a period of time might promote a greater and more economic use of gas and electric energy and thereby strengthen subsidiary public-utility companies.

Within the year, I think, in a case decided by the Supreme Court, it has definitely stated, with respect to service contracts and all other things that it is said the holding companies are imposing upon the operating companies, that the States have a right to put upon the utility company which is furnishing the electric power or other service to the consumer the burden of showing that the contracts complained of, which the holding companies have imposed upon the operating companies, shall be reasonable. So that matter is disposed of by a recent decision of the Supreme Court.

(7) Subsidiary public-utility companies are often subjected to excessive charges for services, construction work, equipment, and materials to the detriment of investors and consumers.

Mr. MINTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the Senator from Delaware yield to the Senator from Indiana?

Mr. HASTINGS. I do.

Mr. MINTON. With reference to the further point on which the Senator referred to a recent decision of the Supreme Court, providing that in the investigation of these cases it may be required that the contract be reasonable, of course, that can apply only in an individual rate case which is before a State commission. At the same time such an unreasonable contract may not be challenged in half a hundred or half a thousand other places, and the ratepayers may be paying the exorbitant charge because it has

not been challenged in an individual case, whereas if there were power to regulate the reasonableness of such charges, it would apply to every community affected by them.

Mr. HASTINGS. That takes us back to the same difficulty we are experiencing. We are trying to relieve every community in the United States of all its troubles by congressional action. I have no patience with the State which cannot protect itself against this kind of thing. Any State which has a live commission can do so.

I remember what has been said with respect to the matter. I remember that the chairman of the committee, in his speech to the Senate, said:

> In view of the fact that the utilities have had enough power to come to the Senate and with their propaganda frighten many people with respect to this bill and put them in a position where they are afraid to support it, with that kind of economic and political power existing in the great holding companies, how can we expect the poor State commissions to resist such a thing?

If that is the situation in this country and in the various States of the Union, it is just too bad. I do not know of any particular State in which it is true. If it be true in any particular State, if I represented that State I should be ashamed to admit that the condition did exist. If I knew it to exist, I should go back home and devote some of my time and attention to correcting the condition in my own State, rather than to come to Congress and beg it to go there and do that very thing for me.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Alabama?

Mr. HASTINGS. I yield.

Mr. BLACK. A great deal of the trouble has come from holding companies organized in the State of Delaware. As the Senator well knows, the State of Delaware each year spews out corporations by the thousands. As it spews out these corporations, seemingly it exercises no control whatever over them. May I ask the Senator if it would be possible to get the State of Delaware to exercise some kind of control over holding companies for the benefit of the other States which cannot have jurisdiction of them?

Mr. HASTINGS. I am not surprised that the Senator from Alabama should try to embarrass me by that reference.

Mr. BLACK. I desire to state to the Senator that it is not a question of embarrassment.

Mr. HASTINGS. Then why should the Senator refer to the State of Delaware, when there are dozens of other States in the Union which are doing exactly the same thing, and which are just as liberal in their laws as is the State of Delaware? If the Senator is not making that suggestion for the purpose of trying to embarrass me, why does he pick out the State of Delaware? Why does he not select the State of New Jersey, or the State of Maryland, or some other State?

That is a policy of the State of Delaware, and it is in competition with other States doing the same thing. Because that is true, I do not see why the Senator should come here and make any reference to it when I am trying to point out to the Senate my objections to this particular bill.

I may say in that connection that it seems to me the present administration is in no position to call attention to the bad things that may come from incorporating in the State of Delaware, because my understanding is that it has gone to the State of Delaware, not in one instance but in many instances, to incorporate various companies in order that they may do things that they could not do under the laws of Congress.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. HASTINGS. Yes; I yield.

Mr. BLACK. I think the Senator, in one part of his remarks, has very accurately stated the condition which actually exists with reference to competition between some States as to the kind of corporations they will spawn on the body politic of the Nation. There are several of them; and I may say that in my judgment the State of Delaware has succeeded more nobly in that competition, if it be such, than has any other State in the Union. But in the competition as to the corporations, the States have released them to go forth over the Nation with no continuing control.

We had an investigation in which we learned of a corporation, for instance, organized in the State of Delaware which permitted stockholders who had paid in their money to get subordinate stock without a dollar of value behind it, while stockholders who had not paid in a penny received $3,580,000 worth of stock out of a total of about $5,000,000 under the laws of Delaware; and there is no method provided in the State of Delaware whereby it can retain control over such corporations.

I wish to state to the Senator that I think there are other States which have entered into this wild scramble to create these artificial persons. Some of them have been inspired and stimulated by the number of corporations which have been organized in Delaware.

Mr. HASTINGS. Mr. President, I call attention to the fact that, while there may be some distinction in the law, under a law of Congress the District of Columbia does exactly the same thing as does the State of Delaware. The State of Delaware may be a little more liberal, but, so far as the practice is concerned, it has been established by the Congress itself by permitting it to be done in the District of Columbia. I may say to the Senator, however, that I do not wish in this argument to get away from the question by undertaking to defend what is being done in that respect by the State of Delaware. People do not have to come to the State of Delaware, if they do not want to, in order to form corporations. It is a source of revenue for the State. Very many people think it is a very bad thing. But I do not wish to inject that question into this argument, and I do not yield for any such purpose.

Mr. BLACK. I desire to state to the Senator that I think it is exactly in line with the argument.

Mr. HASTINGS. Not at all.

Mr. BLACK. Because it will be found on investigation that by far the largest percentage of holding companies were organized under the State of Delaware. The Senator says they come there because they want to do it. That is correct; but the type of individuals who seek the place where there is the least control and where there is the least chance afforded the average citizen throughout the Nation to secure protection are the very ones who have made it possible to draw up the damning indictment which the Senator has just read. I cannot believe he intends to leave the impression that he does not think the public are entitled to protection from the nefarious and fraudulent practices set out in this indictment.

Mr. HASTINGS. What I said, and I repeat it, was that under the decisions of the Supreme Court in the matter of the regulation of rates by operating companies, there is nothing to prevent a State agency from permitting a company to charge against its costs of production and service only the actual value of the service it has received from some holding company. That is the point I make with respect to it, and I say that is true, and I say that the statement made by the Senator from Montana that the fact that the holding company is large and therefore has great power economically and politically is the one thing that prevents the State from doing it, is not a fair statement of the facts.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. MINTON. Does not the Senator recognize the fact that the benefit of that proposition of law, as I tried to point out a while ago, is always limited to the particular case that is being tried or heard before a particular commission? An operating company, we will say by way of illustration, serves 275 municipalities. One of them has a rate case, and in that case that one city may obtain the benefit of the rule of the Supreme Court that the charge of the holding company must be reasonable; but there are 274 other communities which do not have rate cases, which are still paying the

rates which are based upon operations of that kind, and which do not get the benefit of the action in the one case.

Mr. HASTINGS. They could institute rate cases if they thought they were justified, could they not?

Mr. MINTON. Oh, yes; but it requires a rate case in each instance, or a rate case including the whole system at one time, in order that they may obtain the benefit of the rule which the Senator says the Supreme Court has laid down.

Mr. HASTINGS. In the case the Senator assumes, is there not a State regulation, or is it municipal regulation?

Mr. MINTON. The company may be under State regulation, but each municipality has to inaugurate an individual rate case in order to secure the benefit of the rule to which the Senator refers. In the case mentioned the 274 other cities would not get the benefit of it because they did not have rate cases, and they could not get the benefit of it until they had instituted rate cases.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WHEELER. Did I understand the Senator to say that the District of Columbia permits holding companies to be organized?

Mr. HASTINGS. No; I said the Congress permitted the District of Columbia to do what the Senator from Alabama called the promiscuous issuing of charters.

Mr. WHEELER. Let me call the attention of the Senator to the provision of the code of the District of Columbia:

It shall not be lawful for any company to use any of its funds for the purchase of any stock in any other corporation.

Mr. HASTINGS. I knew that provision was there.

Mr. WHEELER. So I say to the Senator that the District of Columbia does not permit what he said could be done.

Mr. HASTINGS. I did not make the statement that the District of Columbia permitted the incorporation of holding companies. As the Senator from Alabama condemned the State of Delaware for spewing out a lot of corporations, I called his attention to the fact that the Congress had permitted the District of Columbia to spew them out quite as frequently as has the State of Delaware, and the Senator from Montana calls my attention to one exception and one difference between the two, that is all.

Mr. WHEELER. It seems to me that is a vast difference.

Mr. HASTINGS. It is a vast difference when the Senator has in his mind holding companies, but the holding company "racket", if it may be so called, is not the only racket in the business world today, or among corporations. It is the one thing the Senator from Montana has on his mind for the moment, but tomorrow or some other day he will probably call our attention to something else that is quite as bad.

Mr. WHEELER. I agree, and the Senator will agree with me that there are other practices which are bad; but the Senator will agree also, I think, that the holding company in the last few years has been one of the worst evils in the business world, particularly in the utility field, and Congress took recognition of that fact something over 7 years ago when it adopted a resolution authorizing an investigation of the utility industry because of the holding-company racket.

Mr. HASTINGS. I know there are some bad practices, and I know that something ought to be done about them, if we could find the way to do it; but I do not want to digress from the subject I was discussing. I wish to continue the reading of the indictment against them, and I assume there has been written in the bill as much as the framers dared write against them; and then I want to argue from that premise that that is not sufficient of itself to outlaw the holding company, and to provide by law that the holding company shall not be permitted to use the mails or other instrumentalities of interstate commerce.

Now I desire to read subdivision (10).

(10) Service, management, construction, and other contracts involve the allocation of charges among subsidiary public-utility companies in different States and present problems of regulation which cannot be dealt with effectively by the States; (11) control of subsidiary public-utility companies materially affects the accounting practices and rate, dividend, and other policies of such companies, thereby in many instances complicating and obstructing State regulation of such subsidiary companies; (12) the growth and extension of holding companies in some cases have borne no relation to the economies of management and operation or to the integration and coordination of related properties, but have been influenced by a desire for economic power and security profits and have tended toward the concentration and monopolization in a few holding-company systems of control of gas and electric utility companies to the detriment of investors, consumers, and the general public; (13) the abuses above enumerated, commonly associated with the activities of many public-utility holding companies, have been so persistent and so wide-spread that they necessitate legislation to control the holding company, and eliminate it as an artificial corporate device inherently injurious to investors, consumers, and the general public, except where it is useful and necessary for the operations of a geographically and economically integrated public-utility system.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lewis	Reynolds
Ashurst	Costigan	Logan	Robinson
Austin	Couzens	Lonergan	Russell
Bachman	Dickinson	McAdoo	Schall
Bailey	Dieterich	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barbour	Duffy	McKellar	Shipstead
Barkley	Fletcher	McNary	Smith
Black	Frazier	Maloney	Steiwer
Bone	George	Metcalf	Thomas, Okla.
Borah	Gerry	Minton	Thomas, Utah
Brown	Gibson	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Guffey	Murray	Truman
Burke	Hale	Neely	Tydings
Byrd	Harrison	Norbeck	Vandenberg
Capper	Hastings	Norris	Van Nuys
Caraway	Hatch	Nye	Wagner
Carey	Hayden	O'Mahoney	Walsh
Chavez	Johnson	Overton	Wheeler
Clark	Keyes	Pittman	White
Connally	King	Pope	
Coolidge	La Follette	Radcliffe	

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. HASTINGS. Mr. President, I have called attention to the allegations which have been made, because to my mind they strengthen the position taken by the proponents of the bill that the holding company must itself be outlawed. Perhaps they reached this conclusion because they could not limit it to the bad companies and at the same time get rid of the holding company itself. The allegations referred to indicate that these bad practices ought to be eliminated, and the purpose of the bill is to eliminate them. However, I desire to call attention to the following language found on page 11 of the majority report, referring to title I:

The title requires that a holding company—

Here is the purpose of it—

be permitted to hold only a single system of operating companies in order to break down dangerous and unnecessary Nation-wide financial interlockings in the essentially local operating utility business; to break down the concentration of the economic and political power now vested in the Power Trust; to reduce utility enterprises to a size and power which can successfully be regulated by local and Federal regulatory commissions; to rearrange the relationships between operating and holding companies on a functional basis so that intelligent regulation is possible; to confine the operations and the interest of each public-utility system to the actual utility business of a given region so that the system will have to work out a modus vivendi with the population of that region.

Mr. President, it will not be found in the bill itself; it will not be found in the majority report, in which the purposes are set forth, which I read; it will not be found anywhere that the purpose of this bill is to prevent interstate commerce from being interrupted. The basis of it is the interstate-commerce clause, and the authority of Congress to deal therewith comes from the fact that Congress must see to it that there is always a free flow of commerce. Anything which substantially interrupts that flow is the subject of control by the Congress.

However, it will be observed from what I have read from the majority report that that is not the purpose of this bill at all. It has an entirely different purpose. It is not for the purpose of improving the conditions of commerce. It is largely for the purpose of breaking down dangerous and

unnecessary Nation-wide financial interlockings in the essentially local operating utility business.

That may be a worthy object. I am not complaining about that. However, I repeat what I said on yesterday that I am complaining about the use of the regulatory powers of Congress over the mails, and the use of the power of Congress over interstate commerce as an excuse for doing something entirely outside of the purpose of regulating commerce or regulating the mails.

I have pointed out that the proponents of the bill were trying to put this business in the same class as contraband, and I submit that cannot possibly be done. It cannot be said, because bad practices exist in certain businesses in this country, because in various cities of the country bad practices have grown up in banking institutions or in brokerage firms or in mercantile associations, that means which those companies and those institutions use in the way of interstate commerce must be outlawed. That cannot be done under our form of government. The uses of the regulatory powers over the mails are limited. The use of the regulatory power over interstate commerce is limited. As I pointed out, not all interstate commerce is subject to regulation by the Congress. There must be a real purpose in the regulation to improve the condition of interstate commerce itself.

I shall undertake to show from the decisions cited by the Senator from Montana that they do not in any way touch the questions raised by the pending bill. He has frequently referred to the Northern Securities case, the commodity cases, the Reading case, the Southern Pacific Terminal case, and yesterday he mentioned another case which I have here. I propose to read from some of these cases and see if I can distinguish them.

I first call attention to the case of the Delaware, Lackawanna & Western Railroad against The United States, in Two Hundred and Thirty-one United States Reports, and I shall read, beginning on page 368:

> The Delaware, Lackawanna & Western Railroad Co. was indicted for hauling, over its lines, between Buffalo, N. Y., and Scranton, Pa., 20 carloads of hay, belonging to the company, but not necessary for its use as a common carrier. This transportation was charged to be in violation of the commodities clause of the Hepburn Act, June 29, 1906, chapter 3591, 34 Statutes, 585, which makes it unlawful "for any railroad company to transport in interstate commerce any article * * * it may own * * * or in which it may have any interest * * * except such * * * as may be necessary * * * for its use in the conduct of its business as a common carrier."
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> The statute deals with railroad companies as public carriers, and the fact that they may also be engaged in a private business does not compel Congress to legislate concerning them as carriers so as not to interfere with them as miners or merchants. If such carrier hauls for the public and also for its own private purposes, there is an opportunity to discriminate in favor of itself against other shippers in the rate charged, the facility furnished, or the quality of the service rendered. The commodities clause was not an unreasonable and arbitrary prohibition against a railroad company transporting its own useful property, but a constitutional exercise of a governmental power intended to cure or prevent the evils that might result if, in hauling goods in or out, the company occupied the dual and inconsistent position of public carrier and private shipper.
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> It was suggested that the case is not within the statute, because, as the company could buy in Scranton hay that had already been transported over its line, no possible harm could come to anyone if it bought the same hay at Buffalo and then hauled it to Scranton for use at the mine, but not for sale in competition with other dealers in stock food. But the courts are not concerned with the question as to whether, in a particular case, there had been any discrimination against shippers or harm to other dealers. The statute is general and applies not only to those particular instances in which the carrier did use its power to the prejudice of the shipper but to all shipments which, however innocent in themselves, come within the scope and probability of the evil to be prevented.

That, Mr. President, is perhaps not the best of the commodity cases, and I will refer to the case of the United States against Delaware & Hudson Co., reported in Two Hundred and Thirteenth United States Reports, page 366, which I think goes into more details with respect to the purpose of the act. I read from page 406:

> With these concessions in mind, and despite their far-reaching effect, if the contentions of the Government as to the meaning of the commodities clause be well founded, at least a majority of the Court are of the opinion that we may not avoid determining the following grave constitutional questions:
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> 1. Whether the power of Congress to regulate commerce embraces the authority to control or prohibit the mining, manufacturing, production, or ownership of an article or commodity not because of some inherent quality of the commodity but simply because it may become the subject of interstate commerce. 2. If the right to regulate commerce does not thus extend, can it be impliedly made to embrace subjects which it does not control by forbidding a railroad company engaged in interstate commerce from carrying lawful articles or commodities because, at some time prior to the transportation, it had manufactured, mined, produced, or owned them, etc.? And involved in the determination of the foregoing questions we shall necessarily be called upon to decide, (a) did the adoption of the Constitution and the grant of power to Congress to regulate commerce have the effect of depriving the States of the authority to endow a carrier with the attribute of producing as well as transporting particular commodities, a power which the States from the beginning have freely exercised, and by the exertion of which governmental power the resources of the several States have been developed, their enterprises fostered, and vast investments of capital have been made possible?
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> It is elementary when the constitutionality of a statute is assailed, if the statute be reasonably susceptible of two interpretations, by one of which it would be unconstitutional and by the other valid, it is our plain duty to adopt that construction which will save the statute from constitutional infirmity.
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> Recurring to the text of the commodities clause, it is apparent that it disjunctively applies four generic prohibitions, that is, it forbids a railroad carrier from transporting in interstate commerce articles or commodities—1, which it has manufactured, mined, or produced; 2, which have been so mined, manufactured, or produced under its authority; 3, which it owns in whole or in part; and, 4, in which it has an interest, direct or indirect.
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> It is clear that the two prohibitions which relate to manufacturing, mining, etc., and the ownership resulting therefrom, are, if literally construed, not confined to the time when a carrier transports the commodities with which the prohibitions are concerned, and hence the prohibitions attach and operate upon the right to transport the commodity because of the antecedent acts of manufacture, mining, or production.
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> But it is said, on behalf of the Government, in view of the purpose of Congress to prohibit railroad companies engaged in interstate commerce from being at the same time manufacturers, producers, owners, etc., of commodities which they carry, despite the literal sense of some of the prohibitions they should all be construed so as to accomplish the result intended, and, therefore, their apparent divergence and conflict should be removed by construing them all as prohibiting the transportation because of the causes stated, irrespective of the particular relation of the railroad company to the commodities at the time of transportation.
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> Nor is there force in the contention that because the going into effect of the clause was postponed for a period of nearly 2 years, therefore the far-reaching and radical effects which the Government attributes to the clause must have been contemplated by Congress. We think, on the contrary, it is reasonable to infer, in view of the facts disclosed in the statement which we have previously excerpted, that the delay accorded is entirely consistent with the assumption that it was so granted to afford the time essential to make the change which would be required to conform to the commands of the clause as we have interpreted it, such as providing the facilities for dissociation by sale at the point of production before transportation or segregation by means of the organization of bona fide manufacturing, mining, or producing corporations.
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> We then construe the statute as prohibiting a railroad company engaged in interstate commerce from transporting in such commerce articles or commodities under the following circumstances and conditions: (a) When the article or commodity has been manufactured, mined, or produced by a carrier, or under its authority, and at the time of transportation the carrier has not in good faith before the act of transportation dissociated itself from such article or commodity; (b) when the carrier owns the article or commodity to be transported, in whole or in part; (c) when the carrier at the time of transportation has an interest, direct or indirect, in a legal or equitable sense in the article or commodity, not including, therefore, articles or commodities manufactured, mined, produced, or owned, etc., by a bona fide corporation in which the railroad company is a stockholder.
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> The question then arises whether, as thus construed, the statute was inherently within the power of Congress to enact as a regulation of commerce. That it was, we think, is apparent; and if reference to authority to so demonstrate is necessary it is afforded by a consideration of the ruling in the New Haven case, to which we have previously referred. We do not say this upon the assumption that by the grant of power to regulate commerce the authority of the Government of the United States has been unduly limited on the one hand and inordinately extended on the other, nor do we rest it upon the hypothesis that the power conferred embraces the right to absolutely prohibit the movement

between the States of lawful commodities or to destroy the governmental power of the States as to subjects within their jurisdiction, however remotely and indirectly the exercise of such powers may touch interstate commerce. On the contrary, putting these considerations entirely out of mind, the conclusion just previously stated rests upon what we deem to be the obvious result of the statute as we have interpreted it; that it merely and unequivocally is confined to a regulation which Congress had the power to adopt and to which all preexisting rights of the railroad companies were subordinated (*Armour Packing Co.* v. *United States*, 209 U. S. 56).

Mr. President, in that case the Commodities Act prohibited the transportation by railroad of its own goods; and, as I recall, these decisions held that the Court could not interpret the act the way Congress wrote it, but they did hold that the railroad could not own and could not be interested in commodities transported over its own road which gave to that railroad an opportunity that other shippers using the road did not have.

In the Reading case the Reading Co. and various other companies got together and created a holding company which they controlled in order to evade the statute. It was that holding company which the Supreme Court said was not lawful because it interfered with interstate commerce. It was that kind of situation which the Supreme Court said should be eliminated by dissolving the corporation or getting rid of it in some other form.

Mr. President, the Senator from Montana [Mr. WHEELER] insists that the decision in the case of *Southern Pacific Terminal Co.* v. *Interstate Commerce Commission* (219 U. S. 514), is authority for the passage of the pending bill. I desire to read some extracts from the opinion in that case:

Four errors are assigned in the action of the circuit court in dismissing the bill of complaint. (1) The Interstate Commerce Commission had no jurisdiction over the Terminal Co., it not being a common carrier, and therefore not subject to the act to regulate commerce. (2) The Commission had no power or authority to declare the lease to Young illegal. (3) The lease does not constitute an unlawful or undue preference or advantage within the meaning of the act to regulate commerce. (4) The Commission by its order assumed to control intrastate and foreign commerce, not subject to the act to regulate commerce.

Two facts are prominent in the case, that the piers of the Terminal Co. are facilities of import and export traffic at the port of Galveston and that the arrangement of the Terminal Co. with Young has enabled him to largely and rapidly increase his business until his exports of cottonseed products are more than twice those of all other competitors, that he derives therefrom 30 to 40 cents per ton over the ordinary buying and selling profit, and that some who were his competitors had ceased to export. A direct advantage to Young is manifest. A direct detriment to other exporters is equally manifest.

The situation challenges attention. Appellants find in it nothing but the natural and legal result of the sagacity which could see an opportunity for profit and the enterprise which could avail of it. It was the simple matter on the part of Young, it is contended, of bringing his business to the ship's side and cutting out intervening expenses. And it is said that the Terminal Co. had an equally lawful inducement. It had an idle property, it is contended, over which it had absolute control and which it turned to use and profit by the arrangement with Young. And this, it is insisted, was a simple exercise of ownership. If the elements of the controversy are correctly stated, the justification may be considered as made out. * * *

It is true that there was a contention that the wharf was a public one, but the contention was based only on the fact that the wharf was built at the foot of a public street by authority from the city of Pensacola and the State of Florida. That fact alone was not considered sufficient to support the contention. And it was said, "The city or State authorities in granting the right to erect such facilities might, of course, have attached such conditions as they thought wise, but in their absence neither the public nor this plaintiff, as the owner of goods, would have the right, on this state of facts, to go to the wharf with vessels for the purpose of continuing transportation of goods in competition with defendant." It is true it was said that the railroad company never became a common carrier as to the wharf, in the sense that it was bound to accord to the public or to the West Coast Co. the right to use it upon payment of compensation. But it was added that the railroad company would be bound to carry the West Coast Co.'s goods on the rails which led to the wharf, for the same purpose and upon the same terms that it did for others, viz, in order that it might itself, or through others it had contracted with, forward the goods beyond its own line. And it was further said that the West Coast Co. demanded more than this; it demanded that the railroad company should carry its goods in order that it might itself forward them by vessels of its own selection, and that the railroad company should surrender possession of enough of its wharf to enable the other company to do so. * * *

Another and important fact is the control of the properties by the Southern Pacific Co. through stock ownership. There is a separation of the companies if we regard only their charters; there is a union of them if we regard their control and operation through the Southern Pacific Co. This control and operation are the important facts to shippers. It is of no consequence that by mere charter declaration the Terminal Co. is a wharfage company or the Southern Pacific a holding company. Verbal declarations cannot alter the facts. The control and operation of the Southern Pacific Co. of the railroads and the Terminal Co. have united them into a system of which all are necessary parts, the Terminal Co. as well as the railroad companies. As said by the Interstate Commerce Commission, "the Terminal Co. was organized to furnish terminal facilities for the system at the port of Galveston", and it is further said that "through shipments on the railroad lines from and to points in different States of the Union pass and repass over the docks of the Terminal Co. It forms a link in this chain of transportation. It is necessary to complete the avenue through which move shipments over these lines owned by a single corporation."

A thorough examination of that case will convince any reasonable person that it cannot be used as an authority for the action proposed to be taken in this instance.

United States v. *Reading Co.* (253 U. S.) is one of the cases cited by the Senator from Montana as authority for the pending legislation. I quote from that case, at page 48, as follows:

It will be profitable to consider next what use was made of the great power thus gathered into the one holding company.

In 1898 this holding company entered into a combination with five other anthracite-carrying railroad companies to prevent the then contemplated construction of an additional line of railway from the Wyoming field to tidewater, which independent miners and shippers of coal were promoting for the purpose of securing better rates on their coal to the seaboard. In a mere holding company, the Temple Iron Co., all six carriers combined as stockholders for the purpose of providing $5,000,000 with which the properties of the chief independent operators, Simpson & Watkins, were purchased, and thereby the new railroad project was defeated. The president of the holding company was active in the enterprise, and that company, although only one of six, became responsible for 30 percent of the required financing. In *United States* v. *Reading Co.* (226 U. S. 324, 351) this court characterized what was done by this combination, under the leadership of the holding company, in these terms:

"The New York, Wyoming & Western Railroad Co. was successfully strangled, and the monopoly of transportation collectively held by the six defendant carrier companies was maintained."

And, again, at page 355:

"We are in entire accord with the view of the court below in holding that the transaction involved a concerted scheme and combination for the purpose of restraining commerce among the States in plain violation of the act of Congress of July 2, 1890."

The same thing is true in United States against Southern Pacific Co., found in Two Hundred and Fifty-ninth United States Reports, reading from page 231:

The Southern Pacific owns and controls the southerly route and receives 100 percent of the compensation for freight transported by its road and water lines. Over the Central Pacific route it receives but a fraction of the freight, because the Union Pacific, with its eastern connections takes up the carrying from Ogden to the East. Self-interest dictates the solicitation and procurement of freight for the longer haul by the Southern Pacific lines. While many practices, formerly in vogue, are eliminated by the legislation of Congress regulating interstate commerce, and through rates and transportation may be had under public supervision, there are elements of competition in the granting of special facilities, the prompt carrying and delivery of freight, the ready and agreeable adjustment and settlement of claims, and other elements which that legislation does not control.

It is conceded in the brief of counsel for the defendants that "it is true of all such systems that, other things being equal, freight is preferentially solicited for the 100-percent haul."

We reach the conclusion that the stock ownership in the Central Pacific acquired by the Southern Pacific is violative of the Sherman Act within the principles settled by this court, certainly since the decision in the Northern Securities case, in 1904; and that such stock ownership must be divested from the Southern Pacific Co. unless the special circumstances and defenses set up and relied upon by the defendants are to prevail.

Then the Court proceeds to discuss the contentions made and to dispose of them by holding that the action complained of was a conspiracy to interfere with interstate commerce.

The International Textbook Co. case has been referred to. It is referred to in the brief from which I read, and which is printed in the hearings; but it seems to me that case cannot be considered as an authority at all, for the reasons I am about to state.

Reading from the opinion, on page 106 of Two Hundred and Seventeenth United States Reports:

It is true that the business in which the International Textbook Co. is engaged is of a somewhat exceptional character, but in our judgment it was, in its essential characteristics, commerce among the States within the meaning of the Constitution of the United States. It involved, as already suggested, regular and practically continuous intercourse between the Textbook Co., located in Pennsylvania, and its scholars and agents in Kansas and other States. That intercourse was conducted by means of correspondence through the mails with such agents and scholars. While this mode of imparting and acquiring an education may not be such as is commonly adopted in this country, it is a lawful mode to accomplish the valuable purpose the parties have in view. More than that, this mode—looking at the contracts between the Textbook Co. and its scholars—involved the transportation from the State where the school is located to the State in which the scholar resides of books, apparatus, and papers useful or necessary in the particular course of study the scholar is pursuing and in respect of which he is entitled, from time to time, by virtue of his contract, to information and direction. Intercourse of that kind between parties in different States—particularly when it is in execution of a valid contract between them—is as much intercourse, in the constitutional sense, as intercourse by means of the telegraph—a new species of commerce.

* * * * * * *

We must next inquire whether the statute of Kansas, if applied to the International Textbook Co., would directly burden its right by means of correspondence through the mails and by its agents, to secure written agreements with persons in other States, whereby such persons, for a valuable consideration—

And so forth. In that case the court held that the State of Kansas could not tax the school, because it was engaged in interstate commerce.

Mr. President, there has frequently been cited the opinion of Judge Knox. It is found in First Federal Supplement, page 250. I read into the RECORD the other day this language used by Judge Knox:

From what has been made to appear to the court, it is plain that the services performed by respondent on behalf of the holding and subsidiary operating companies, and which, broadly speaking, relate to legal, engineering, secretarial, fiscal, investigatory, and general advisory matters, are not such as will here avail the petitioner. Without analyzing the services rendered by respondent within the foregoing classifications, I shall content myself by concluding that they have to do with activities which, under authoritative decisions, are not recognized as constituting interstate commerce.

Citing perhaps 25 or 30 cases.

Then Judge Knox goes on to show what was the relation of the Electric Bond & Share Co. to some of its subsidiary companies. He quotes at length from the contracts they have. I shall read just one paragraph:

That whereas the General Co.—

That is, the General Electric Co.—

is engaged in the manufacture of electrical apparatus and desires to sell, subject to the terms and conditions hereof, to the Bond & Share Co., and to the companies listed in schedule attached (hereinafter called "subsidiary companies"), which are engaged in the business of central-station electric lighting or distributing electric power for other purposes, for its use and the use of the subsidiary companies, the apparatus manufactured by the General Co. for central-station lighting or for other purposes; and the Bond & Share Co. and said subsidiary companies are willing to buy such apparatus required by them from the General Co.—

In other words, they not only undertook to carry on their own business as a holding company, but they undertook to act as an agent for the subsidiary companies; and I think it further appears here that their compensation depended upon the profits of such companies.

Further along, the contract says:

It is also agreed that if at any time by reason of change in interest, ownership, or control, the Bond & Share Co. shall be unable to control the purchase of equipment by any of the subsidiary companies, due notice shall be given the general company and this agreement shall no longer be applicable to said subsidiary company.

Then Judge Knox cites many such illustrations as to the agreements and arrangements between the companies, and continues:

The foregoing recital engenders an insistent thought that, through the interlocking relationship of the several corporations concerned, the Electric Bond & Share Co. had much to do with the determination by its denominated subsidiaries as to when and where they should purchase apparatus, materials, and supplies which were required in carrying on their respective businesses, and also that, in what was done, the parent company acted in other than a purely brokerage capacity. The phraseology of the contract with General Electric Co. gives apparent recognition to the compulsory character of such influence as Electric Bond & Share Co. chose to exercise over the affairs of the subsidiaries. Under the guise of supervisory and advisory services, the parent concern was afforded an opportunity actively to promote purchases from General Electric Co. That it did so in great volume is obvious. Not only did it charge a fee for advisory and supervisory services performed on behalf of the subsidiaries, but, through the medium of its stock ownership it became a beneficiary of such profits as accrued to the subsidiaries as a result of the purchases.

Further along in the opinion, Judge Knox says:

Upon the basis of the control which respondent exercises over its subsidiary companies through such minority-stock interests, as well as through the presence of many of its officers and directors upon the boards of officers and directors of the subsidiary companies, and in view of the character of the services rendered pursuant to the service contracts, petitioner asks me to disregard the corporate identities of the subsidiary companies, and to hold that "as the acts of the Electric Bond & Share Co. are the acts of these operating companies, the former is engaged in interstate commerce to the extent that the operating companies are so engaged."

In consideration of what has heretofore been said, I am of opinion that there is no need to go to the lengths asked by the Commission.

In other words, the Commission asked the Court to do just exactly what is contended here—that because of the mere ownership of a company, the holding company ought to be declared engaged in interstate commerce, the same as its subsidiary.

At the close of this opinion Judge Knox says:

The manner in which the affairs of the operating companies having to do with interstate commerce are affected by Electric Bond & Share Co., as well as its own activities in the purchase and shipment of materials and equipment in interstate commerce, are quite sufficient to bring respondent within the investigatory authority of the Federal Trade Commission.

Accordingly, an order will be entered directing the individual respondents to answer all questions relating to the cost to Electric Bond & Share Co. of such services as it renders the operating companies in return for the payment of a fee based upon their gross earnings; to the cost of rendering purchasing services which result in interstate movements of materials, apparatus, and supplies to or from any of its subsidiaries for which a separate fee is charged; and to the cost of rendering any services to subsidiary companies engaged in the interstate transmission of electricity or gas for which a separate fee is charged.

In other words, in granting the order the Court limited it to those things which were definitely shown to be interstate in character.

I submit that there is no parallel between that decision and the contention made here that the mere sending of matter through the mails and by other means of communication, the mere connection between the two, writing letters and shipping certificates of stock across State lines, constitutes interstate commerce. I submit that that case is in no sense authority for such a contention.

Mr. President, I have detained the Senate much longer than I had intended, although I have not covered the bill as completely as I should have liked to do. I particularly wish, however, to call attention to section 30 of the bill, found on page 89. That section provides:

SEC. 30. The Federal Power Commission is authorized and directed to make studies and investigations of public-utility companies, the territories served or which can be served by public-utility companies, and the manner in which the same are or can be served, to determine the sizes, types, and locations of public-utility companies which do or can operate most economically and efficiently in the public interest, in the interest of investors and consumers, and in furtherance of a wider and more economical use of gas and electric energy—

And so on.

I call attention to section 201 (a), page 116, to show that the provisions of this part of the bill shall apply to the transmission of electric energy in interstate commerce, to the sale of electric energy at wholesale in interstate commerce, and to the production of electric energy.

Yesterday I pointed out, by quoting three opinions of the Supreme Court—and I think there are many others—that the production of electric energy is wholly an intrastate matter and not subject to the control of the Congress.

Mr. President, I shall not read section 202 (a), found on page 118, but I direct particular attention to it, because it seems to me that in that section we get an idea of what is really back of the bill and what its proponents hope to do if the bill can be enacted and can be declared to be constitutional. It is headed "Interconnection and Coordination of Facilities", and reads:

For the purpose of assuring an abundant supply of electric energy throughout the United States, with the greatest possible economy and with regard to the proper utilization and conservation of natural resources, the Commission is empowered and directed to divide the country into regional districts for the interconnection and coordination of electric facilities. Each such district shall embrace an area which, in the judgment of the Commission, can economically be served by such interconnected and coordinated electric facilities. With each such district and between such districts such interconnection and coordination shall, as far as practicable, be secured by voluntary action of the private and public owners and operators of such electric facilities, under the supervision and direction of the Commission. Before establishing any such district and fixing the boundaries thereof the Commission shall give notice to the State commission of each State situated wholly or in part within such district, and shall afford each such State commission reasonable opportunity to present its views and recommendations, and shall receive and consider such views and recommendations.

That is what the State has to do with it. The State commissions are to be notified, and the State commissions are to be given an opportunity to make recommendations, and this measure distinctly provides that the Federal Commission "shall receive and consider such views and recommendations." Then it is provided that—

Upon complaint by any State commission or public utility, the Commission, after notice and opportunity for hearing and after a finding that such action is necessary or appropriate in the public interest, may by order direct a public utility subject to the provisions of this act to establish physical connection with the facilities of any other public utility or to sell energy to or exchange energy with any such public utility. The Commission may prescribe the terms and conditions of the arrangement to be made between the persons affected by any such order, including the apportionment of cost between them and the compensation or reimbursement reasonably due to any of them.

Mr. President, while the testimony shows that less than 17 percent of the electric energy used in this country now goes across State lines, here is a bold attempt to undertake to put the whole country, so far as serving the public with electricity is concerned, into one system, namely, a Federal system.

The next section provides that during the continuance of any war in which the United States is engaged, or whenever the Commission determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy, or of fuel or water for generating facilities, or other causes, the Commission can compel the interchange of electric facilities and the doing of all kinds of things along that line without the consent of anybody.

Mr. President, I have not discussed section 11 of the bill, and what I consider its violation of the fifth amendment.

The question raised by the analysis of the proposed act would cause one to reach the conclusion, first, assuming the existence of holding companies which have not been guilty of the alleged evils and which have not been concerned with the alleged problems set forth in section 1 of the bill, can it be said that the abolition of these holding companies is necessary to accomplish the objects of the bill, namely, to meet these problems and eliminate these evils? Can anyone say that the abolition of these holding companies which have not been guilty of the alleged evils has a real and substantial relation to the elimination of the evils?

Assuming, next, the existence of holding companies which have been guilty of the alleged evils or are concerned with the problems set forth in section 1, does it not go beyond the necessities of the case to abolish these companies, if by appropriate regulation the elimination of these evils may be accomplished?

The bill itself, in section 1 (c), makes clear that the elimination of holding companies is not one of the objects of the bill, but is merely a means of effectuating the policy of meeting the problems and eliminating the evils connected with some public-utility holding companies. The determination of the policy and the method by which that policy is to be effectuated is a matter for the Congress, but the decision as to whether the means selected by Congress for the effectuation of its policy is appropriate and lawful under the due-process clause is a question for the courts. Can it be said that a law is not unreasonable when it requires abolition, if its objects may be fully accomplished through practicable regulation?

Moreover, if abolition of the holding company be regarded as a reasonable and necessary means of eliminating the evils connected with the public-utility holding company, then is it not inconsistent to provide that in some circumstances holding companies may be permitted to survive? If elimination is considered as the only practicable and reasonable means of accomplishing these objects, then is it not necessary that all holding companies be eliminated and abolished, at whatever cost to the investing public?

May it be claimed that the objects of the proposed bill go beyond merely to meet the problems and eliminate the evils connected with the public-utility holding company as enumerated in this section, in spite of the declaration to this effect? If the bill is not merely intended to eliminate the evils and abuses which it is alleged have occurred in this industry, but, rather, regroup the public-utility systems of our country into economically and geographically integrated systems, then the question of the due-process clause would again be whether elimination of the holding company is a reasonable and necessary means for meeting the evil.

Mr. President, I have taken too much of the time of the Senate, but it would take a much longer time to cover the subject thoroughly. I shall listen with a great deal of interest to those who contest the arguments I have made as to the unconstitutionality of the proposed act.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lewis	Reynolds
Ashurst	Costigan	Logan	Robinson
Austin	Couzens	Lonergan	Russell
Bachman	Dickinson	McAdoo	Schall
Bailey	Dieterich	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barbour	Duffy	McKellar	Shipstead
Barkley	Fletcher	McNary	Smith
Black	Frazier	Maloney	Steiwer
Bone	George	Metcalf	Thomas, Okla.
Borah	Gerry	Minton	Thomas, Utah
Brown	Gibson	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Guffey	Murray	Truman
Burke	Hale	Neely	Tydings
Byrd	Harrison	Norbeck	Vandenberg
Capper	Hastings	Norris	Van Nuys
Caraway	Hatch	Nye	Wagner
Carey	Hayden	O'Mahoney	Walsh
Chavez	Johnson	Overton	Wheeler
Clark	Keyes	Pittman	White
Connally	King	Pope	
Coolidge	La Follette	Radcliffe	

The PRESIDING OFFICER. Ninety Senators have answered to their names. A quorum is present.

Mr. BONE. Mr. President, at the outset of my brief remarks on the holding company bill I desire to digress to pay a tribute to the Senator from Montana [Mr. WHEELER], the able and conscientious Chairman of the Committee on Interstate Commerce, who has had the bill in charge and who has handled it through its various parliamentary stages. His labors on this bill have been exacting and painstaking, and his always evident fairness in the face of the determined fight waged against the measure has impressed those who have been privileged to work with him.

Not only do I admire his ability and parliamentary skill, as evidenced in the work on this bill, but much more deeply do I appreciate his stanch loyalty to progressive principles. The poor and the defenseless have a real friend and capable leader in the person of the Montana Senator.

Mr. President, anything I might say on this floor may have little effect on the vote on this bill, which impinges so forcibly on powerful interests which have become the greatest political machine ever created under the American flag. The people of this Nation have been regaled with stories of the

railroad manipulation of politics, but in their palmiest days the railroad kings were cheap pikers compared to the clever, ruthless, and financially free-handed political manipulators of the Power Trust. Compared to them, all the so-called "lobbyists and political fixers" of all time are as moonlight unto sunlight and water unto wine. Trying to pass legislation that in any wise adversely affects the operations of the Power Trust is a vertitable labor of Hercules. The propaganda machine of the power combine can spend money without regard to amount. Like another Caesar Augustus, it need only send forth the edict that the whole Nation be taxed, and it is done—taxed to supply the sinews of war to battle any sort of legislation or regulation, or to eliminate competition from public plants. I know from long experience how this vast and far-flung machine of political extermination can frighten men; how it can make public men bow in stark fear and smother the impulse to be true to public interest. The timid man in public life is safe from this merciless machine. Over the years a great many of them have assured me that my professional life would be ruined and I would be discredited were I to continue to challenge the right of the Power Trust to own my State politically—which it did for years. The most astute and practical politicians in the State of Washington who managed to keep on terms of friendliness with the power combine, by treading softly, and who happened to be my friends, have often assured me that no political machine ever created remotely approached in efficiency and spending capacity the power machine. For years, in my State, it was the invisible government, the power which moved behind the political stage settings. It made a mockery and travesty of government there. It tried and almost succeeded in grabbing and forever holding the matchless water-power resources of the great State of Washington—nearly one-fifth of all the water power in the Union. What a heritage to turn over to exploiters—a heritage, which properly safeguarded and properly utilized, would bring heat, light, comfort, and cheer into hundreds of thousands of homes at a price which makes eastern light and power rates not only seem but actually be highway robbery; not grand larceny but glorious larceny.

It is imprudent to assail this political undercover agent which destroys its victims. It is an agency which, like the Roman Emperors, maintains a proscription list, therein stamping itself as the most un-American and dangerous thing under our flag. This sort of a power threatens the stability and integrity of organized government. It has not only built up holding companies to manipulate its own empire of wealth but as a culmination of such activities it has built up a veritable holding company to control, or try to control, the functions of government in the 48 States of the Union. Now it is here in Washington telling the Congress of the United States that it will not tolerate any attempt at Federal regulation. But if it be important for any of us to take up the cudgels against this octopus, we may possibly find some consolation in Lord Beaconsfield's splendid maxim, "It is better to be imprudent than servile." So with no illusions left as to the ends sought by this undercover government, which taxes us as fully and completely as any public agency created by the people and presumes to make and unmake men in public life, I proceed to discuss the power issue and one or two phases of the pending bill.

I have examined the briefs filed by the representatives of the holding companies containing their objections to this bill. Some of the arguments in these briefs tacitly admit many of the abuses charged in the Federal Trade Commission reports, and they have weakly endeavored, through ambiguous and evasive arguments, to convey the idea that the vices to which the Commission objects, become galvanized and garnished into real virtues when practiced by one of these holding companies. The argument is made that—

> These preferred stocks were issued in full conformity with the accepted customs of the times and in compliance with the spirit of existing laws.

That, Mr. President, is precisely the point. Faulty regulation, coupled with laws full of jokers and blowholes, enabled clever lawyers to suggest perfect safety for their clients in issuing floods of securities which would be in full conformity with the accepted customs of the times and in compliance with the spirit of existing law. If there was any spirit in existing regulatory laws, it was as futile to invoke such a spirit against the holding company or the average utility as to employ a popgun against a battleship. State regulatory bodies, when they tilt their broken lances against the power octopus, present a splendid example of a bobtailed woodpecker "taking a fall" out of an oak tree.

The holding companies challenge us with the statement that power rates have fallen over a period of years. All this, we are told, was due to the generosity of the private utility organizations. The argument generally stops at that point and completely ignores the fundamental cause of price trends in the electrical industry. It is true that for 30 years there has been a progressive downward trend in the average rate paid for electricity, but to any student of the electrical industry the cause is obvious. Thirty years ago the only outlet an electrical plant had for its product was a few incandescent lights and the limited use of electrical motors.

Scientific development in this particular field ensued, and, as modern electrical devices came into use, a greater demand was made upon the power plant for its product. This naturally was accompanied by increased earnings. The wider diversity of use, the greater advancement of the art, the more pronounced was the downward trend in the cost of electricity. We entered what was known as the "electrical age." Homes became modernized, freely using electricity for cooking, water heating, refrigeration, air conditioning, and employing a wide variety of domestic appliances. In 1920 the average annual use per residential customer was less than 300 kilowatt-hours. In 1934 it was approximately 630 kilowatt-hours. The real cause of the downward trend in the cost of electricity is directly attributable to the wider use of the product rather than to any virtue of the holding company. There was no resisting this evolutionary force in business.

Mr. President, I now wish to digress for a moment and to point out to my colleagues one practical illustration of the thing I have just mentioned, namely, the enhanced use of electricity.

The average domestic use of electricity in this country is, as I have indicated, 630 kilowatt-hours per year. That is a little over 50 kilowatt-hours a month. In my own city of Tacoma, which has a municipal plant, representing, I think, the finest example of financing and of hydraulic and electrical engineering in this country, the average domestic use is over 1,550 kilowatt-hours a year or approximately 130 kilowatt-hours a month. That is about two and a half times the national average. We may well ask ourselves why it is that in the city of Tacoma, a normal, representative American city, the average home uses two and a half times as much electrical energy as is used in the average normal American home outside the city of Tacoma. There must be some logical explanation for that phenomenon, and there is. That explanation is evidenced by one word. That word is price.

Perhaps from 75 to 90 percent of the electric energy consumed in many homes of Tacoma costs the home owner about 1 cent per kilowatt-hour. Practically all the current used in the range, in accessories of any kind in the city of Tacoma, comes to the home owner at a price of 1 cent a kilowatt-hour. Yet that city has been an outstanding example not only of successful operation from a mechanical and technical standpoint but from the standpoint of plant earnings. It gives its people the cheapest rates in America.

There is a still further example of what it means to step up the consumption of energy in the homes. In the illustration I am about to give we find the record of the privately owned power system of this country presenting a very somber contrast. The city of Winnipeg, Canada, has an average domestic consumption of over 4,000 kilowatt-hours per year. The answer the Winnipeg plant presents to the people of this country is again the one word—price.

Mr. NORRIS. Mr. President, will the Senator yield there?

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Washington yield to the Senator from Nebraska?

Mr. BONE. I am very happy to yield to the Senator from Nebraska.

Mr. NORRIS. Let me say to the Senator also that the average price of electricity for residential customers in Winnipeg is, as I remember, 8 mills per kilowatt-hour, and the average consumption is greater, as the Senator has said, on account of that price than the average consumption of any city of like size in the world.

Mr. BONE. That is correct. The answer, Mr. President, which constitutes in itself a challenge to the privately owned power systems of this country, is in cities like Tacoma, my own city, and Winnipeg.

My own city has been in the power business for 40 years. There is not a single phase of the electrical business that my city has not experienced, and that experience constitutes an absolute and unanswerable challenge to private ownership of power. We not only have experienced every practical phase of the power business that goes with the mechanical and financial development of a plant but, unhappily, we have had to experience in that city all the bitterness that goes with a brazen effort to destroy the plant by political manipulation. So when I discuss the electric business from the standpoint of my own city, I am talking of something about which I know, for I have lived in that city since I was a little boy, and have lived through nearly all that fight to develop our fine municipal power system.

Can it be assumed that people in other cities of this country do not want electric energy to the same degree that the people of Tacoma and Winnipeg, Canada, want it? The question answers itself. In the city of Tacoma, a city of approximately 110,000 people, thousands of electric ranges are in use. The housewife in the city of Tacoma may go about the kitchen and push buttons and this great giant of modern science performs most of the work. But go into the average American home in eastern cities and there will be found very few electric ranges. I suspect that there are more electric ranges in the city of Tacoma, with its 110,000 population, than will be found in some of the great eastern cities with perhaps two or three million population. I think that is a fair statement. Yet the people in those cities are home-loving and ambitious Americans; they have the same impulses; the housewife has the same wholesome desire to have in her home those things which would eliminate drudgery and hard work as has the housewife in Tacoma. Why are these people deprived of the opportunity to enjoy what we in the western city in which I live enjoy so freely? The answer is that the Power Trust of this country, private ownership as typified by the operations of the Power Trust, has made it impossible for people in hundreds and thousands of American cities to enjoy what we in Tacoma so freely enjoy and what the Canadian living in Winnipeg so freely enjoys. There is no more reason why the housewife in Philadelphia should not have an electric range than there is that the housewife in Tacoma should be deprived of an electric range.

I recall talking to Jim Maurer, secretary of the Pennsylvania State Federation of Labor, a few years ago, when he happened to be in the West. He told me that he had made some studies of costs, in the city of Philadelphia, I think it was, and he said that at that time it would cost a poor girl in an apartment as much to operate a little electric plate with a couple of small, perhaps 1,500-watt, heaters as it would cost the average home owner in Tacoma to operate an electric range.

That will give some idea of why the power companies are grimly determined that there shall be no slashing of their ungodly and unholy rates, which in themselves constitute a damning indictment of the business which imposes such an outrageous tax on the home owners of the country.

Mr. President, a great many people have misconceived wholly the effect of this sort of indirect taxation. We read many newspapers which constantly regale their readers with a discussion of the frightful tax burdens under which the American people live, labor, and have their being. The indictment is true in many respects; but many of these newspapers very coldly, very studiously, and very deliberately gloss over the fact that there is an invisible and undercover government, the utility government, which imposes nearly as much tax on the homes of America as does the agency which we call "organized government", which we impose upon ourselves in order that we may enjoy the blessings of organized government. If the people in Tacoma, using the same amount of current they now do, were compelled to pay the frightful prices exacted for electric energy in the great eastern cities, the city of Tacoma, from the revenues of its light plant, could be a taxless city. I suggest that comparison because I want my colleagues to understand the relationship between light rates and taxes. I have used that illustration hundreds of time from public platforms.

As the chairman of the committee has said, the so-called "elimination section, section 11", is the very heart of the regulation provided for by this bill. Because, unless through section 11 we manage ultimately to reduce the giant holding companies to a size and power where public servants can handle them, all the other regulatory provisions in the bill are just a shower of confetti. The power companies say they will be good, that they want minor regulation, if we only will not be realistic and put them in the category where they belong.

But the attitude of the witnesses of the committee of public-utility executives on the specific regulatory sections has been a warning of the essential unwillingness of the holding companies to cooperate without compulsion in the reforming of abuses which they themselves, so far as lip service is concerned, admit require reforming. Let me give you an example of just what I mean, from the criticism which the committee of public-utility executives has directed toward section 13 of the bill dealing with service and management contracts. I offer this example not only to demonstrate the under-cover attitude of the opponents of the bill toward adequate regulation, but also to point a warning as to the dangers lurking in innocent-looking amendments they will ask us to put on this bill.

One of the most dangerous practices of holding companies is the so-called "service contract", in which they compel their subsidiaries to agree to let the holding companies furnish the subsidiaries with every kind of management, construction, supply, fiscal, legal, auditing, tax, and other services ingenuity can devise. On this kind of contract, forced on the subsidiary through the holding company's control of the management of the subsidiary, the holding company makes a profit—varying in exorbitance with particular companies. The Federal Trade Commission has reported that in two sample years of 1927 and 1931, Electric Bond & Share collected service fees of this kind which gave a profit in 1927 of 113 percent upon the cost of the services rendered, and in 1931 a profit of 103 percent. The Commission also reported that even in 1933, after the Bond & Share management had begun to order the passing of dividends on preferred stocks of subsidiaries, its service contracts, maintained even with the subsidiaries passing preferred dividends, gave Bond & Share a profit of 32 percent.

This kind of unconscionable tribute became so notorious during the course of the Trade Commission's investigation, and cases before the Supreme Court, that one or two of the holding companies represented on the committee of public-utility executives, even before this bill was introduced, had decided it was politic to abandon this sort of profit. They, therefore, organized mutual companies to perform such services for their operating subsidiaries—service companies theoretically owned by the operating companies so that any profits made out of the services eventually came back to the operating companies from which they were taken. It was a real step forward—voluntarily taken by one or two holding companies before the introduction of this bill. The draftsmen of this bill adopted the idea and require in section 13 of this bill that the same principle of nonprofit service contracts performed by mutual companies be adopted wherever services for holding-company subsidiaries were not obtained from independent contractors.

Now, as a matter of common honesty, how—if the holding companies were sincere in their advocacy of "strong, sound, reasonable regulation"—could any company represented on the Committee of Public Utility Executives speak against section 13—a fundamental reform patterned after practices of members of their own group? At least, how could the representatives of those particular companies which had already adopted the mutual-service principle, like Commonwealth & Southern, speak against section 13, even if for reasons of general opposition strategy they wanted to maintain a solid front against the whole bill with other holding companies like Electric Bond & Share, which has always taken large service profits out of its subsidiaries?

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Montana?

Mr. BONE. I yield.

Mr. WHEELER. Several have suggested to me that we ought to amend the bill to let the Commission determine what companies are bad and what companies are good, or by setting up some standard providing "If you do so and so, then you will be dissolved." Let me ask the Senator if he sees any possibility of working out a means which would cure the evil in that way?

Mr. BONE. Mr. President, I doubt if there is any possible approach to this problem that constitutes anything but a sham and a delusion except through the modus operandi provided by the bill. If we are going to be lily-fingered in dealing with the abuses which have been so thoroughly aired by the Federal Trade Commission during the years, manifestly anything less than the provisions of this bill will be futile. We have 48 independent States in the Union, and if they, shorn now of the legal right to regulate the abuses sought to be reached by this bill, are left to their own devices, circumscribed and hedged in by the restrictions which naturally go with the status of statehood, we might as well give up any hope of doing anything to cure the abuses.

I think the Senator's question almost answers itself. I cannot see any possible mode of approach to this situation except through a bill of this character. I am frank to say I do not have a great deal of regard for regulation. I think that at its best, regulation is a futile thing. I think the very moment we undertake to regulate a business where the possibility of such vast, gigantic profits exists, no matter how strong a regulatory bill we draw, we will find the power companies trying to do what they have done so successfully in many of the States, and that is, virtually regulating their regulators. It is very difficult to draw regulatory legislation which will reach these evils.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. BARKLEY. If the stock in each separate corporation, all of which is based on the operation of an operating company, should be entitled to a fair return in the way of dividends, how can we ever regulate four or five companies, all drawing their sustenance from a single company or a number of operating companies, in a way that will be fair to the consumer? If any sort of regulation is based on the theory now in vogue in the Interstate Commerce Commission under the direction of Congress, that such rates shall be made as will bring a fair return upon the value of the property used for transportation, and it can be contended that four or five pyramiding companies, all of which have stock scattered all over the country, shall be entitled to a dividend upon that stock, how can we regulate all those concerns so as to do justice to the consumer who, after all, is paying the bill?

Mr. BONE. It simply constitutes a legal impossibility. Any other mode of approach than we have attempted through this bill, if we are going to cling to regulation and not go to public ownership, is wholly futile. We are going to bunk and deceive the American people if we tell them we have regulated these evils out of existence when we have not done it at all. It is only a futile gesture, an idle gesture, to attempt to get at it in any other way than through the method we have adopted in the bill. We cannot, without outraging them, impose on the ratepayers the exactions and burdens which have been imposed upon them before when these holding companies have drained off all the profits, as indicated by the Senator from Kentucky.

One interesting thing, and I am not sure it has been made plain on the floor of the Senate by the Senator from Montana [Mr. WHEELER], is the fact that the people of the country, the home owners of the country, the business interests of the country, have actually more money invested in the power business than all the utilities. If we listen to the arguments here made we would be inclined to think this outfit is not only sacrosanct and that we outrage heaven itself by attempting to regulate it, but that all the money invested in this entire business has been invested by the utility companies. But the homes and the business men of the country have actually invested more money in this business through home and business equipment to use electricity than the utilities themselves in their own plants. They pay all the bills, and it is just and right for some spokesmen to blast the argument of the utilities here. That great body of the people remains inarticulate on the floor of the Senate. If we attempt to do anything to help the consumer we are assured that we undertake some dire and awful thing. I do not believe the angels in heaven will wear their wings at half mast now and for evermore if we lay hands on this power octopus and make a feeble attempt to protect the rights of the little fellow who has bought an electric range, the business man who has put in a motor or a transformer, when these same people have nearly a billion dollars more invested in the means whereby they use electricity than the power companies themselves have invested in their plants.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. NORRIS. Referring to the Senator's remark a few moments ago with reference to Tacoma rates, if the Senator will permit me I should like to refer at this point to a speech of the Honorable JOHN RANKIN, a Member of the House of Representatives from Mississippi, which appears in the RECORD at pages 8349–8350. He submitted figures showing that if the residential consumers of the United States paid the same price for electricity that is paid in Tacoma, Wash., they would save $266,416,000 a year; that if the commercial consumers paid the same rate all over the United States that is paid by commercial consumers in Tacoma, they would save $241,428,000 in a year, and that the industrial consumers, if they paid the same rate all over the United States that is paid by industrial consumers in Tacoma, they would save $270,054,000 a year.

Mr. BONE. I think also that speech by Representative RANKIN shows that according to his computations—and I think they are fairly accurate—if the people of the United States were permitted to enjoy the Tacoma rate, they would save almost a billion dollars a year in their light and power rates.

I desire, Senators, to have you realize just what that means. We juggle this bill, and we talk about this power outfit as though the very future of the Republic depended on private power companies. If the people of this country enjoying Tacoma's rates could in something over 12 years, in the saving on rates, write off every private power utility in this country, I do not know why we should regard that outfit as sacrosanct. On the contrary, we are dealing with a business that is making so much money that it has done exactly what has been charged against it: It has gone into politics and ruined men to protect these huge profits. I have seen men in my State go down and out because they had incurred the displeasure of the power combine.

I desire to digress just an instant to point out a little thing which shows how careful an outfit of that kind can be.

I have here, and I hold up for the inspection of Senators, two geographies. I want Senators to look at them. I want Senators to know what kind of an undercover agent provocateur this outfit is.

Here is a little geography published for the use of my boy and all the other little boys in the State of Washington. This funny work I refer to was done to please an outfit that comes down here and yells and bellows to high heaven about

being made a political football. Here is an advanced geography bearing date 1927, and contains an innocent little reference to water power in the State of Washington—a State whose water power is worth billions of dollars, every foot of which has been filed on by the Power Trust of this country, including Stone & Webster and Electric Bond & Share. I am going to read this little statement; and ask you to note how these clever power boy politicians changed the innocent language of this book so that it would not affect the minds of little boys like mine out in the State of Washington, to a point where they might think it proper and desirable for these little boys and their sons to hold onto our matchless water-power resources.

The importance of the conservation of water power and the retention of power sites in the State cannot be overestimated.

I repeat the language:

The importance of the conservation of water power and the retention of power sites in the State cannot be overestimated. "Timber must not be taken off the watersheds too rapidly"—

And here is the important language—

and great care must be taken that large companies do not secure a monopoly of our water sites.

In other words, do not give a private corporation a monopoly of the water-power sites. That was sound advice to these future citizens.

Is there anything wrong with that advice? Is there a man on the floor of the Senate who will say that it is right to give a private corporation a monopoly of the rivers and lakes of a State? All the genius of man from the dawn of time, all the engineering skill, and all the science in the world, cannot create another Snoqualmie Falls in my State or bring about the configuration of the earth that made possible Snoqualmie Falls. Why, in God's name, should we give it to the Electric Bond & Share Co., or Stone & Webster, so that they may wrench tribute out of the people for generations yet to come?

But they did not like that allusion to "monopoly" in the water power of my State; and so this great octopus, this thing that reaches its slimy tentacles down into the schoolbooks of the State of Washington as well as other States, and by this one thing has proven every charge made against it before the Federal Trade Commission of dabbling around in schoolbooks and perverting and debauching the text of our schoolbooks, went somewhere—God knows where or how—and had that language stricken out, and this language substituted—just a little change. Senators, listen to this substituted language, and I should like to have any of you who is curious take these two books and put them side by side and read the two brief passages so that you may see for yourselves, the clever juggling of textbooks to protect private monopoly.

The importance of the conservation of water power and the retention of power sites in the State cannot be overestimated. Timber must not be taken off the watersheds too rapidly, and great care must be taken from now on so that the watersheds shall be developed only in that manner which shall secure to the State the greatest and most lasting benefits possible.

See how innocuous that language is!

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. BARKLEY. What is the date of issue of the later of those books?

Mr. BONE. The later book was issued in 1929, 2 years after the Power Trust discovered the awful advice to our children.

Mr. BARKLEY. Who changed the wording?

Mr. BONE. The power companies of the State had the wording changed. No other agency would have had any possible reason or motive for debasing the text of this book in this one slight respect.

Mr. BARKLEY. I know; but who publishes the book?

Mr. BONE. The book is a McMurry & Parkins Geography, published by the Macmillan Co.

Mr. BARKLEY. Is that the geography which is adopted by the school authorities in the Senator's State?

Mr. BONE. Yes. These books were shipped to me. I saw them, and used these books in a campaign in 1934.

Mr. BARKLEY. Did the school authorities know that this change had been made when they adopted the 1929 issue?

Mr. BONE. Oh, I suspect that probably the people who employed these books were not aware of this slight but significant change in the text. It is only in one paragraph; but it reveals how closely this power crowd, this undercover political machine that has been running the politics of my State and the other States, watches these schoolbooks. Even to the point of picking out and isolating a little paragraph in this geography has this political machine tried to debauch the thinking of little children in the State of Washington!

I should like to have all the Members of the Senate look at these books. That is a startling example of manipulating the text of schoolbooks of the country.

Going back to the matter which was mentioned by the Senator from Nebraska [Mr. NORRIS], I desire to repeat that something over 12 years' savings, under the Tacoma figures used by JOHN RANKIN in the House, would write off all the private utility properties of this country. We could write them off and amortize them in 12 years. Now, let us see if that is an impossibility. I am going to tell you, gentlemen of the Senate, an experience—a very practical experience—which my own city had; not a mere theory of saving, but a very practical experience.

The city of Tacoma decided a few years ago that it would build a hydroelectric plant on the Nisqually River; and a very great rumpus was raised by private power companies because the city proposed to build this hydroelectric plant. I wish I dared take the time to read some of the newspaper articles which appeared at that time; "viewing with alarm" was the burden of the many articles written by ponderous writers for the Power Trust. We were told that if we built this $2,000,000 power plant we would swamp the city of Tacoma with debt; we would never pay for the power plant, although we owned our own distribution system. Here is one statement which was made, and which I have used in later years, for one may always take the statements of power companies and use them later to the very great disadvantage of the power companies, because of their lapses from the truth. They said:

The city of Tacoma will be willing to sell this big "white elephant" for 30 cents on the dollar in a few years.

I have that story before me as I speak.

Private power companies were building hydroelectric plants all around there, and no one suggested that the private power companies would want to sell their "white elephants" for 30 cents on the dollar in a few years.

This is what happened to the city of Tacoma and its "white elephant"—a thing which in itself is an unanswerable challenge, a thing that I followed with intense interest.

We issued $2,000,000 in bonds to pay for that plant. Under the law we were required to pay off those bonds serially, so many of them every year. This bond issue extended over a period of 20 years. A certain block of the bonds were to be paid off each year during the 20-year period. At the end of 12 years the city of Tacoma had paid off year by year every bond which had then matured and had enough money in the sinking fund to take care of the remaining 8 years of bonds which were yet to mature; and during the twelfth year of operation of that plant the city of Tacoma made in net profits on its system nearly 50 percent of the cost of the Nisqually plant.

I would rather own a good power system than the best gold mine on earth, because power is a prime necessity. Electrical energy is the very lifeblood of our home and economic system. The gold mine may become exhausted, but the water flows on forever. When we allow private corporations to capitalize gravity, as they have done by seizing the water-power resources of the country—capitalize gravity, harness gravity, if you please—and draw profits forever out of something they did not create, and which all the genius

of their engineers could not create, we commit an unpardonable offense against coming generations, to whom these resources belong and for whose benefit alone they should be utilized.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BONE. I yield to my colleague.

Mr. SCHWELLENBACH. The Senator has referred to the payment of these bonds. The Senator has followed the operations of private power companies for a number of years. Has he ever heard of any private power company paying a bond out of earnings, or doing anything else than refinancing through the medium of the issuance of new bonds?

Mr. BONE. No. The whole system of private ownership of power is predicated on the theory of retaining the capital structure intact for the purpose of affording an investment. That would not be so bad if the investment were a reasonable investment; if it were predicated on real values; but the trouble is that the rate bases of private companies are pumped full of wind and water, intangibles and imponderables, until they resemble a Joseph's coat of financial manipulation.

Mr. NORRIS. Mr. President——

Mr. BONE. I yield to the Senator from Nebraska.

Mr. NORRIS. I think the question of the Senator's colleague deserves a little fuller answer than the Senator has given. I may be wrong, but as a result of my study of the question I do not know a single instance where a private company has sought to reduce its capitalization; but, on the other hand, it is constantly clamoring with the authorities of government to increase its capitalization and make it larger. The private companies do not pay off their capital structure. They make it bigger.

Mr. BONE. I think the suggestion of the Senator from Nebraska is correct. I probably did not answer fully enough; but the trouble is, I proceed on the assumption that everyone here is familiar with the method of financing private power plants, and I sometimes overlook the fact that there are many people in the world who are not so much interested in that subject as I am, or others who live in the State of Washington, where great power battles have been carried on for years, because Washington has been the battle ground of power in this country. The people of my State are power conscious. They know what it means, and they cannot be fooled any longer by the involved financial set-up of power companies. Private power companies never retire their funded debts. They never retire stock and bond issues. They keep them outstanding in perpetuity. If a bond issue matures—as it must, of course—it is merely called in and paid off by issuing another series of bonds, which are sold, and that money used to discharge the first bonds. That process goes by the name of "refunding", and that is why there is no hope of ultimately giving the people of this country a fair deal in the matter of rates.

I know that when I use the term "fair deal" with respect to the capital structure of private companies, I may be challenged by those whose views are different from mine, and so I desire to give a practical illustration on this point. I never like to make an argument unless I have something to offer by way of a practical alternative. I am going to be very practical and state just what that alternative is. In doing that I again draw on my own city and its experience for my argument.

My city has a plant which I think, measured by standards of private-company value, is easily worth $30,000,000.

Its plant value, as carried on the books, is somewhere around $23,000,000, but that is a depreciated value; and I think that if that plant were privately owned it would have a rate base of at least $30,000,000, and possibly more. If it were in the East, I shudder to think what the rate base of the Tacoma plant would be. It would probably be thirty-five or forty million dollars.

This plant today owes, due to the enormous expansion in recent years, something over $7,000,000. By the year 1936 the city of Tacoma will be paying close to a million dollars a year in principal and interest in the amortizing of that debt. One does not have to be a lawyer or a financier to get the grim significance of that. I certainly would not like to make an argument of this kind if I did not think that every Member of the Senate, many of whom are very able lawyers and good businessmen, could understand the significance of that sort of financing. In a few years every dollar of that capital debt will be paid off, and then Tacoma will have a $30,000,000 plant without a dollar of investment left in its capital structure. The city will own this magnificent system, debt free.

A few years ago I made an examination of the financial set-up of a private company operating in that section of the country, and found that it had outstanding in stocks, bonds, notes, and debentures around $400 per horsepower. It either has to pay interest and dividends on that $400 per horsepower or default, and probably be threatened with insolvency proceedings, especially if bond interest is defaulted.

What is going to happen when Tacoma does not owe a single dollar against her plant and this private company stands there in the same section of the country owing through its stock and bond issues—and the capital issues of a company, of course, are debt—$400 per horsepower on which they must forever pay interest and dividends, on the theory so well expressed by my colleague, the junior Senator from Washington [Mr. SCHWELLENBACH], and the Senator from Nebraska [Mr. NORRIS].

There we have the two opposing theories, as far apart as night and day, as contradictory as the doctrines of infinite love and infant damnation. Tacoma could go out and sell power anywhere around the State and not have to pay interest and dividends on $1 of investment; carry merely the bare operating cost of the plant, plus a reasonable item of depreciation. But the private plant doing business under the same flag and under the same set of laws, has to earn interest and dividends on $400 per horsepower, or default, as default is understood in private business practice.

What do Senators think of that sort of set-up? Which is the more logical method of handling a business that is so vital to the people? Which system do Senators think is the better for the consumer, who has more money invested in the light and power business than the private utilities have?

But do not assume, because I suggest these things, that I think the pending bill is not a desirable bill. It is a desirable bill. The bill seeks to regulate the private holding company business and not to destroy it, despite what has been said. When I hear the suggestion that the bill is going to destroy the operating utilities I cannot understand how my colleagues here refrain from raucous laughter. That is merely another of those rather pudgy bits of humor which have been fed to the American people for years, until it is no wonder that they are rising up and revealing that they are getting tired of indirection and misinformation.

If private utility companies would cling to the truth they would get along better. I am going to digress again to show how a private power company by not hanging to the truth can get into trouble.

I have in my files an advertisement issued by the power companies in my State in 1924. A power bill was pending before the people of that State to be voted on in an initiative fight. The power companies are presumed to be headed by honorable men. I suppose we have to assume that in order to argue this power question at all, and I made the blunder of assuming that the power companies were headed by truthful men who would not resort to what they did. They will have to pay the price for not clinging to cold facts in defending themselves. They are paying it now in the creation of a great public ownership sentiment in the State of Washington and elsewhere. They alone are responsible for that.

In 500,000 pamphlets which they circulated in 1924 in the State of Washington, thinking they would whip me and everybody else opposed to them, and that that would be the end of the story, they said in substance, "If this bill promoted by Homer Bone becomes law $300,000,000 worth of our property will go off the tax rolls."

That frightened all the little home owners. They said, "This is terrible. Our cup of misery overflows and we may never smile again if this bill becomes law." And these voters went to the ballot boxes and voted down the proposed law by a substantial majority. It is now on the statute books due to exactly the sort of practice I have just described.

The people of the State of Washington had a right to believe that an honorable gentleman heading vast corporations would not lie to them. They had a right to believe that the private Power Trust had $300,000,000 on the tax rolls, and that the Bone bill would take it off, and that little taxpayers would be injured.

What were the facts in connection with that? When Senators understand these facts they will appreciate why Washington State is not only a battle ground over power, but will continue to be.

I know a little about the question of taxes because I was for many years the counsel for a public body in that State. In the year 1923 the Power Trust of the State of Washington, that is, all the private power companies, paid to the State and to its political subdivisions a total tax of $661,568. The average tax that year in the State of Washington was 70 mills; that is to say, the average tax paid all over the State was 70 mills, and that was figured on the assessed value of probably 46 percent of the true market value because they do not assess against the true market value in the State of Washington.

The taxes paid by all the private power companies in the State to the State and its political subdivisions represented a 70-mill tax on a total property value of only $9,450,000. I do not know whether any Member of the Senate has made an argument about how much taxes these fellows pay. Will the Senator from Montana advise me whether such an argument has been made on the floor of the Senate?

Mr. WHEELER. I do not think so.

Mr. BONE. Here is an example of a power combine in my State boldly claiming to have $300,000,000 of property on the tax rolls, yet only paid the normal tax on a total value of $9,450,000. I have used that argument from hundreds of platforms, and the people of the State of Washington, a people with a high regard for the truth, would probably not have sent me to the Senate if they had thought that I was attempting to deliberately mislead them by resort to baseless arguments. But there was no misleading, because these are the facts. Here were the power companies paying taxes on one thirty-second of the value of the property they claimed they had on the tax rolls, and if any of the Senators present are curious to see it, I will show this advertisement which the power companies issued.

The argument employed was that if I were successful, $300,000,000 would go off the tax rolls. If I had been successful and all of their property shown on the books had gone off the tax rolls, the people of the State of Washington would have lost taxes on a value of only a little over $9,000,000, instead of $300,000,000.

Mr. President, the city of Puyallup, a city named after an Indian tribe, located near the city of Tacoma, decided a few years ago to condemn the distribution system in that city owned by the Puget Sound Power & Light Co. They went into Federal court in Tacoma to carry on condemnation proceedings. The vice president, as I recall, or one of the chief executives of the company, went on the witness stand and testified that this distribution system was worth $450,000 at least, and was earning a substantial return on that amount. Out of curiosity I went to the county assessor's office to find out the value of this property for taxation purposes. I suspect there is not a Member of the Senate who could guess what that company was assessed for taxation purposes. This $450,000 privately owned electric distribution system was on the tax rolls at a value of $15,000, or one-thirtieth of the value claimed by the owner.

Mr. President, I fear I have digressed too much from what I desired to say, and from now on I shall attempt to confine myself to my original purpose of discussing the section relating to service contracts.

The Committee of Public Utility Executives found a formula which would save face all around and do lip service to the principle of section 13. They based the formula on the completely irrelevant fact that the holding companies which had already adopted the mutual service principle happened to own approximately 100 percent of the common stock of their operating subsidiaries, while Electric Bond & Share controlled its subsidiaries with only 20 to 40 percent of common stock ownership. They proposed an amendment and an argument saying in effect: "It is all right to have this mutual service principle apply when a holding company owns 100 percent of the stock of its subsidiaries, but the principle should not apply if the holding company owns less than 100 percent of the common stock of its subsidiaries. In that case the holding company should be permitted a 'reasonable profit' out of the subsidiary because otherwise it would be giving its services without compensation for the benefit of the independent holders of common stock."

We voted down that amendment in committee. I will pass by the fact that the amendment would have opened up a hole through which all holding companies could have evaded the provisions of the section, since any holding company holding 100 percent of the common stock of a subsidiary would have been able to escape the mutual-service requirement simply by transferring 10 or 15 percent of the stock. What I do wish to point out in detail as an example of what may be expected in other directions is how specious that dangerously plausible argument was.

Profits on service contracts paid to holding companies are operating expenses of the subsidiaries which pay those profits. Like all other expenses of operating companies, they eventually have to be allowed for in the rates which the operating company is permitted to collect in rates from the consumer.

But they not only come out of the consumer, they also come out of the independent holder of every class of securities of the operating companies. Since they are operating expenses the subsidiary operating company has to pay those profits to the holding company before it can pay dividends on either its preferred or common stock. Furthermore, the payment of such profits often injures even the bondholders and debenture holders of the operating companies, because such payment depletes the reserves which have been built up or which should be built up to ensure the payment of interest on bonds and debentures. Of course, one expects payment of fair costs of operation of operating companies before dividends on preferred or common stocks. But the history of the relationship between holding companies and operating companies on these service contracts has shown that the profits have not been fair operating profits but an exorbitant milking whenever the holding company controls the management of its operating subsidiary, and is really sitting on both sides of the table and trading with itself as these service contracts are negotiated. So long as the holding company continues to make contracts with operating companies it controls, the laws of human nature make it certain that the service profits will continue to be an exorbitant milking, paid for by consumers, stockholders, bondholders, and even other creditors.

The important fact is that the holding company is sitting on both sides of the table on these contracts—that it has control of the operating companies—no matter whether it holds that control through 100 percent of the common stock of the subsidiaries, through 75 percent, through 50 percent, or through 10 percent. In the 50-percent case, as well as in the 100-percent case, the danger to the consumer is the same; the danger to the preferred stockholder, the bondholder, and the other creditors is the same. As a matter of fact, there is additional reason for insisting on the application of the mutual-service principle when the holding company does not own 100 percent of the common stock of the subsidiary, because in such a case there are independent common-stock holders as well as independent preferred-stock holders and bondholders to be hurt by passing funds upstairs to the holding company.

If the holding companies were sound in their argument that the consumer, the independent common-stock holder, the independent preferred-stock holder, and the independent

bondholder, should all take a certain risk of being milked to make sure that the holding company did not give independent common-stock holders something for nothing, the argument would equally apply in any case where the holding company did not own 100 percent of the entire investment in the operating company, including not only the common stock but the preferred stock and bonds as well. If a holding company owning 90 percent of the common stock of a subsidiary is giving the other 10 percent of the common stock something for nothing when it performs services for cost, it is at the same time giving independent preferred-stock holders and the bondholders of that subsidiary something for nothing, and would be similarly giving those preferred-stock holders and bondholders something for nothing even if it owned 100 percent of the common stock. That shows up the artificiality of the whole argument. It is simply an artifice to permit Commonwealth & Southern, which has taken a really forward step in organizing a mutual-service company for its subsidiaries, to maintain a united front with Electric Bond & Share which still takes large service profits out of its subsidiaries.

But let us go on a little further with this proposed amendment to section 13. The only protection the holding companies proposed to give the consumer and the independent holder of securities against the milking of subsidiaries with service fees was a theoretical limitation of the holding company to a reasonable profit on the services. But how could any commission determine what would be a reasonable profit in such cases. The services rendered would be professional, not requiring the use of extensive capital equipment. The reasonableness of such fees could not, therefore, like the reasonableness of rates, be determined as a percentage of return on capital. There would be no outside competitive market with which to make comparisons because the holding companies have driven out of the utility field independent engineering firms, and every holding company would claim that the professional services it rendered to its own subsidiaries were completely different in quality and quantity from those performed by every other comparable company. There would be no real issue of scientific adjustment as there is supposed to be in rate cases—there would be purely and simply a problem of determining the theoretical value of a professional service.

The State commissions have been trying for several years to handle such problems and have always been beaten by the holding companies. They have found themselves in an endless maze of mock arbitrations and mock negotiations where high-priced lawyers, engineers, and experts fight for insiders' profits before the commissions with the consumer and the investor paying the bill. As I have said, I cite this experience of the committee with amendments to section 13 to prove two points. The first point is that forced to the wall the holding companies are not sincere nor even consistent with themselves in their pretensions to want regulation and to clean up their ways of doing business. The second point is that no amendment coming from holding company sources can be trusted not to include weasel words that in actuality open up a much bigger hole in the bill than will be apparent on the face of the amendment. The adaptability of the holding company business to changes in form makes it certain that a hole in one section of this bill or between sections of this bill will be immediately and exclusively utilized to render the rest of the bill worthless and impotent. For this reason, special care has been taken to articulate the several parts of this bill into a unified whole. In a statute which has to be so carefully articulated because it is so certain to become the target of legal sharpshooting, the subtle casual change of a significant word, phrase, or single short section may open up infinite possibilities of trouble in all the rest of the statute. The chairman of the committee already knows by heart every emasculating amendment which will be offered to this bill. There is a whole group of them, in general circulation among Senators, cropping up again every day. The committee has undoubtedly already considered and rejected for good reasons of "weasel wording" practically every amendment which will be offered here today other than amendments the chairman will accept.

It is instances like the attempt I have just described—to preserve the machinery for milking the outside investor through service contracts—that show the true attitude toward the investor of those executives of the holding companies who, to save their own positions and perquisites and power, are trying desperately to get those same investors unreasonably frightened about this bill. It is an old strategy of tyrants to persuade their victims to fight their battles for them. I wonder if the public whom they are now trying to arouse over the fate of what few investors still even have anything left to lose in holding-company securities, remembers that for every such investor there are probably 10 others who have lost everything by listening to the advice of these same holding company managers. I understand that the utility people tried to tell the public over the radio the other night that the changes the Interstate Commerce Committee had made in the original form of the bill were "an effort to dress the wolf in sheep's clothing." But can you think of anything more like wolves in sheep's clothing than these holding company promoters, who have already thoroughly robbed their investors, trying to kid those investors into believing that the holding companies are protecting them against their Government.

This business of whittling down the giant utility-holding companies with their present powers extending beyond the utility field in every direction, is our first grappling with the reality of ever-increasing concentration of power in fewer and fewer hands.

Let me digress again for just an instant to exhibit to Senators a few of the letters I have received in my office. I have in my hands perhaps a dozen or fifteen letters. They all came in the same kind of envelops. They are all written on a typewriter, and obviously written on the same typewriter. A number of them are signed in typewriting. If a magnifying glass is put on these letters, it will be plainly seen that all the letters which came in one batch were written on the same typewriter. The letters all contain practically the same phraseology with slight variations, indicating that they have been prepared and sent from a common center to be used to influence the Senate.

These letters remind me of some of the publicity matter gotten out by the power companies in the State of Washington to fight power bills out there; literature which was prepared for so-called "citizens' committees." I suspect that every Senator here who has been in fights in his own State where power interests were involved has seen this institution known as the "citizens' committee." In the State of Washington we have these citizens' committees gotten together, consisting of a number of prominent names in each big community huddled together in a circular, and the circulars all printed in one city and sent out to the different localities to be mailed out to voters. The material was gotten together and the letters were all printed in one place, and, puppetlike, those citizens were induced to put their names to the Power Trust circulars. These citizens were merely being used by the Power Trust to pull its chestnuts out of the fire.

Remember again that in 1932, 13 large holding company groups controlled three-fourths of the entire privately owned electric utility industry and the 3 largest of those groups, United Corporation, Electric Bond & Share, and Insull, controlled 40 percent of the entire privately owned electric utility industry.

Senators know as well as I what that has meant to the displacement of the power of local men who were once the managers of that essentially local industry. Senators know as well as I do how that concentration has siphoned off from local communities to a few big financial centers which do a national stock jobbing business, the control which those local communities once exercised over the power industry. Holding company control has destroyed local autonomy, local initiative, and local responsibility, and has set up a system of absentee management remote from local control and unresponsive to local need. A democratic economic system,

more and more dependent upon advances in science, which, in turn, depend upon electric power, cannot tolerate the continuance of that condition. The power industry, as we face the future, is above all others indispensable to the welfare of every community. When I heard witnesses before my committee testify as an argument against this bill that holding company managements have local operating companies so hopelessly indebted to them and so helplessly dependent upon them that without the continued prosperity and support of such holding companies local light and power companies vital to the life of their communities cannot go on, I only felt surer than ever that the power and light business must be reorganized so that decent light and power service throughout this country does not depend upon the fortune of a handful of holding companies in New York and Chicago.

Senators have heard much lately about the increased concentration of wealth in the hands of a relatively small proportion of our people. We know how dangerous are the forces that are fed by the increasing knowledge and resentment of that concentration. We know how desperately necessary it has become for the solid middle class which the holding company managers pretend to be protecting to devise an intelligent way to meet that problem of concentration before others try a way which may be far from polite. But the economic evils and the political dangers of concentrated wealth are scarcely greater than the evils of concentrated economic power over other people's wealth which are inherent in the holding company device as it is used today. There are extreme cases where in holding company set-ups investments of less than $50,000 control subsidiary utility investments having book values in excess of a billion dollars. But even in less complicated and less pyramided situations the holding form is used to disenfranchise in practical effect the substantial body of security holders who are the real owners of the underlying properties. Once in effective control of the holding company system, those at the top have it within their legal power to strip the security holders of local companies of their equities and to siphon off the earnings of profitable local companies to their own advantage.

That legal power over investors and their investment once achieved unfolds into endless power over outsiders in all walks of life through the holding company's device of what I call "inside business." For the holding-company managers are able to say to the operating companies what they shall buy, from whom they shall buy, at what price they shall buy, with whom they shall engage services and make contracts, what lawyers they shall employ, what banks they shall use, what newspapers shall get their advertising, what candidates for public office shall get their contributions. And as electric power grows more and more important in the economic life of communities, that power of the holding companies becomes substantially the power to direct the business patronage of communities. Utility magnates point with alarm to political patronage, but all the political patronage in the country is a drop in the bucket compared to the business patronage of United Corporation or Electric Bond & Share. That is why when they pass their orders down the line we get a deluge of obedient protests against this bill.

That trend toward concentrated business patronage is a very real threat against our whole individual competitive system. If that trend is not reversed, there is a danger of an economic feudalism in this country far worse than any goblin of state socialism these men profess to fear. The backbone of that trend is the creed of greed—the assumption that no aggregation of property can be so large as to be beyond the control of concentrated and centralized managers, and that competition is an outmoded, discredited, useless feature of economic life.

This private regimentation of industry, finance, and commerce is a deadly menace to this Republic. In a country with at least the appearance of democratic forms there is a periodical chance at election time to check and change political administrations. But there is no practical way on earth to break down the economic oligarchy of autocratic, self-constituted, and self-perpetuating groups. With all their resources of interlocking directors, interlocking bankers, and interlocking lawyers, with all their power to hire thousands of employees and service workers throughout the country, with all their power to give or withhold millions of dollars worth of business, with all their power to contribute to the campaign funds of the acquiescent or to subsidize the enemies of the obdurate, they are as frightful a menace to political freedom as they are to economic freedom.

The holding company, with its present powers, has been an instrument and a symbol of imperial oppression in the great operating industry and has utterly failed to serve the public interest in any way, shape, or form. It has given unwarranted economic power over other people's wealth to unscrupulous stock manipulators. They, in turn, have used that power unfairly, unwisely, and even corruptly for their own advantage. It has been an instrument by which a few men have been able to set up a system of private socialism, which has crowded our boasted individual enterprise and local initiative out of one of the most important of our industries, and which, if continued, will utterly destroy the last vestige of private initiative.

It has been a leader in a general trend of American business which, in the words of the President, "has made most American citizens, once traditionally independent owners of their own businesses, hopelessly dependent for their daily bread upon the favor of a very few."

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 38. An act for the relief of Winifred Meagher;

S. 279. An act to extend the time for the refunding of certain taxes erroneously collected from certain building-and-loan associations;

S. 285. An act to reimburse the estate of Mary Agnes Roden;

S. 462. An act to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest in the State of Oregon;

S. 535. An act for the relief of William Cornwell and others;

S. 558. An act for the relief of certain disbursing officers of the Army of the United States, and for the settlement of an individual claim approved by the War Department;

S. 742. An act for the relief of Charles A. Lewis;

S. 905. An act for the relief of Edith N. Lindquist;

S. 931. An act for the relief of the Concrete Engineering Co.;

S. 1027. An act for the relief of Dr. R. N. Harwood;

S. 1036. An act authorizing adjustment of the claim of Elda Geer;

S. 1386. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Duke E. Stubbs and Elizabeth S. Stubbs, both of McKinley Park, Alaska;

S. 1487. An act for the relief of Mick C. Cooper;

S. 1609. An act for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps;

S. 2146. An act for the relief of certain Indians of the Flathead Reservation killed or injured en route to dedication ceremonies of the Going-to-the-Sun Highway, Glacier National Park; and

S. 2467. An act for the retirement of William J. Stannard, leader of the United States Army Band.

EXECUTIVE SESSION

The PRESIDING OFFICER. The hour of 4 o'clock having arrived, under the unanimous-consent order of yesterday, the Senate will proceed to the consideration of executive business and of treaties on the calendar. The clerk will state the first treaty in order.

DAMAGE BY SMELTER AT TRAIL, BRITISH COLUMBIA

The Senate, as in Committee of the Whole, proceeded to consider Executive I (74th Cong., 1st sess.), a convention between the United States of America and the Dominion of

Canada, signed at Ottawa, April 15, 1935, having for its object the payment to the United States of a sum of $350,000, United States currency, in settlement of all damage which occurred in the United States prior to January 1, 1932, as a result of the operation of the smelter of the Consolidated Mining & Smelting Co., Trail, British Columbia, and the establishment of a tribunal for the decision of questions arising since that date, which was read the second time, as follows:

[Executive I, 74th Cong., 1st sess.]

CONVENTION WITH CANADA REGARDING CERTAIN DAMAGES RESULTING FROM SMELTER OPERATIONS

The President of the United States of America, and His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India, in respect of the Dominion of Canada,

Considering that the Government of the United States has complained to the Government of Canada that fumes discharged from the smelter of the Consolidated Mining & Smelting Co. at Trail, British Columbia, have been causing damage in the State of Washington, and

Considering further that the International Joint Commission, established pursuant to the Boundary Waters Treaty of 1909, investigated problems arising from the operation of the smelter at Trail and rendered a report and recommendations thereon, dated February 28, 1931, and

Recognizing the desirability and necessity of effecting a permanent settlement,

Have decided to conclude a convention for the purposes aforesaid, and to that end have named as their respective plenipotentiaries:

The President of the United States of America:

Pierre de L. Boal, Chargé d'Affaires ad interim of the United States of America at Ottawa;

His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India, for the Dominion of Canada:

The Right Honorable Richard Bedford Bennett, Prime Minister, President of the Privy Council and Secretary of State for External Affairs;

Who, after having communicated to each other their full powers, found in good and due form, have agreed upon the following articles:

ARTICLE I

The Government of Canada will cause to be paid to the Secretary of State of the United States, to be deposited in the United States Treasury, within 3 months after ratifications of this convention have been exchanged, the sum of $350,000, United States currency, in payment of all damage which occurred in the United States, prior to the 1st day of January 1932, as a result of the operation of the Trail smelter.

ARTICLE II

The Governments of the United States and of Canada, hereinafter referred to as "the Governments", mutually agree to constitute a tribunal hereinafter referred to as "the Tribunal", for the purpose of deciding the questions referred to it under the provisions of article III. The tribunal shall consist of a chairman and two national members.

The chairman shall be a jurist of repute who is neither a British subject nor a citizen of the United States. He shall be chosen by the Governments, or, in the event of failure to reach agreement within 9 months after the exchange of ratifications of this convention, by the President of the Permanent Administrative Council of the Permanent Court of Arbitration at The Hague described in article 49 of the Convention for the Pacific settlement of International Disputes concluded at The Hague on October 18, 1907.

The two national members shall be jurists of repute who have not been associated directly or indirectly in the present controversy. One member shall be chosen by each of the Governments.

The Governments may each designate a scientist to assist the Tribunal.

ARTICLE III

The Tribunal shall finally decide the questions, hereinafter referred to as "the questions", set forth hereunder, namely:

(1) Whether damage caused by the Trail smelter in the State of Washington has occurred since the 1st day of January 1932, and, if so, what indemnity should be paid therefor?

(2) In the event of the answer to the first part of the preceding question being in the affirmative, whether the Trail smelter should be required to refrain from causing damage in the State of Washington in the future and, if so, to what extent?

(3) In the light of the answer to the preceding question, what measures or regime, if any, should be adopted or maintained by the Trail smelter?

(4) What indemnity or compensation, if any, should be paid on account of any decision or decisions rendered by the Tribunal pursuant to the next two preceding questions?

ARTICLE IV

The Tribunal shall apply the law and practice followed in dealing with cognate questions in the United States of America as well as international law and practice, and shall give consideration to the desire of the high contracting parties to reach a solution just to all parties concerned.

ARTICLE V

The procedure in this adjudication shall be as follows:

1. Within 9 months from the date of the exchange of ratifications of this agreement, the agent for the Government of the United States shall present to the agent for the Government of Canada a statement of the facts, together with the supporting evidence, on which the Government of the United States rests its complaint and petition.

2. Within a like period of 9 months from the date on which this agreement becomes effective, as aforesaid, the agent for the Government of Canada shall present to the agent for the Government of the United States a statement of the facts, together with the supporting evidence, relied upon by the Government of Canada.

3. Within 6 months from the date on which the exchange of statements and evidence provided for in paragraphs 1 and 2 of this article has been completed, each agent shall present in the manner prescribed by paragraphs 1 and 2 an answer to the statement of the other with any additional evidence and such argument as he may desire to submit.

ARTICLE VI

When the development of the record is completed in accordance with article V hereof, the Governments shall forthwith cause to be forwarded to each member of the Tribunal a complete set of statements, answers, evidence, and arguments presented by their respective agents to each other.

ARTICLE VII

After the delivery of the record to the members of the Tribunal in accordance with article VI the Tribunal shall convene at a time and place to be agreed upon by the two Governments for the purpose of deciding upon such further procedure as it may be deemed necessary to take. In determining upon such further procedure and arranging subsequent meetings, the Tribunal will consider the individual or joint requests of the agents of the two Governments.

ARTICLE VIII

The Tribunal shall hear such representations and shall receive and consider such evidence, oral or documentary, as may be presented by the Governments or by interested parties, and for that purpose shall have power to administer oaths. The Tribunal shall have authority to make such investigations as it may deem necessary and expedient, consistent with other provisions of this convention.

ARTICLE IX

The chairman shall preside at all hearings and other meetings of the Tribunal, and shall rule upon all questions of evidence and procedure. In reaching a final determination of each or any of the questions, the chairman and the two members shall each have one vote, and, in the event of difference, the opinion of the majority shall prevail, and the dissent of the chairman or member, as the case may be, shall be recorded. In the event that no two members of the Tribunal agree on a question, the chairman shall make the decision.

ARTICLE X

The Tribunal, in determining the first question and in deciding upon the indemnity, if any, which should be paid in respect to the years 1932 and 1933, shall give due regard to the results of investigations and inquiries made in subsequent years.

Investigators, whether appointed by or on behalf of the Governments, either jointly or severally, or the Tribunal, shall be permitted at all reasonable times to enter and view and carry on investigations upon any of the properties upon which damage is claimed to have occurred or to be occurring, and their reports may, either jointly or severally, be submitted to and received by the Tribunal for the purpose of enabling the Tribunal to decide upon any of the questions.

ARTICLE XI

The Tribunal shall report to the Governments its final decisions, together with the reasons on which they are based, as soon as it has reached its conclusions in respect to the questions, and within a period of 3 months after the conclusion of proceedings. Proceedings shall be deemed to have been concluded when the agents of the two Governments jointly inform the Tribunal that they have nothing additional to present. Such period may be extended by agreement of the two Governments.

Upon receiving such report, the Governments may make arrangements for the disposition of claims for indemnity for damage, if any, which may occur subsequently to the period of time covered by such report.

ARTICLE XII

The Governments undertake to take such action as may be necessary in order to ensure due performance of the obligations undertaken hereunder, in compliance with the decision of the Tribunal.

ARTICLE XIII

Each Government shall pay the expenses of the presentation and conduct of its case before the Tribunal and the expenses of its national member and scientific assistant.

All other expenses, which by their nature are a charge on both Governments, including the honorarium of the neutral member of the Tribunal, shall be borne by the two Governments in equal moieties.

ARTICLE XIV

This agreement shall be ratified in accordance with the constitutional forms of the contracting parties and shall take effect im-

mediately upon the exchange of ratifications, which shall take place at Ottawa as soon as possible.

In witness whereof, the respective plenipotentiaries have signed this convention and have hereunto affixed their seals.

Done in duplicate at Ottawa this 15th day of April 1935.

PIERRE DE L. BOAL. [SEAL]
R. B. BENNETT. [SEAL]

Mr. PITTMAN. Mr. President, this is a convention between the United States and Canada providing for the payment to the United States of $350,000 accrued damages up to 1932 caused by the Trail smelter, which is in British Columbia, and by the fumes crossing into the State of Washington and destroying vegetation and property. The questions involved have been considered for a long time. The convention also provides a method of arbitration and reports to determine what the damages are, if any, subsequent to 1932. The matter was fully considered several times by the Foreign Relations Committee, and the report was unanimous.

The PRESIDING OFFICER. If there be no amendments, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive I, Seventy-fourth Congress, first session, a convention between the United States of America and the Dominion of Canada, signed at Ottawa, April 15, 1935, having for its object the payment to the United States of the sum of $350,000, United States currency, in settlement of all damage which occurred in the United States prior to January 1, 1932, as a result of the operation of the smelter of the Consolidated Mining & Smelting Co., Trail, British Columbia, and the establishment of a tribunal for the decision of questions arising since that date, as set forth in the convention and in the accompanying report of the Secretary of State.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the convention is ratified.

THE CALENDAR

Mr. ROBINSON. Mr. President, if there is no objection I should like to have other executive business on the calendar disposed of at this time.

Mr. McNARY. Does the Senator desire to proceed to the business on the calendar?

Mr. ROBINSON. Yes. I wish, first, to have committee reports presented and then to have the nominations on the calendar confirmed.

Mr. McNARY. I have no objection.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate messages from the President of the United States submitting several nominations and a convention, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Nat Rogan, of San Diego, Calif., to be collector of internal revenue for the sixth district of California, to fill an existing vacancy.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

THE CALENDAR—POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that nominations of postmasters may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar except as to treaties.

SANITARY CONVENTION FOR AERIAL NAVIGATION

The Senate, as in Committee of the Whole, proceeded to consider Executive G (74th Cong., 1st sess.), International Sanitary Convention for Aerial Navigation, which was opened for signature at The Hague on April 12, 1933, and was signed on behalf of the United States on April 6, 1934, which had been reported from the Committee on Foreign Relations with two reservations in the resolution of ratification.

The convention was read the second time, as follows:

[Executive G, 74th Cong., 1st sess.]

INTERNATIONAL SANITARY CONVENTION FOR AERIAL NAVIGATION

[Translation]

With a view to the regulation of the sanitary control of aerial navigation, the undersigned, plenipotentiaries of the high contracting parties, furnished with full powers found in good and due form, have agreed on the following articles:

PART 1. GENERAL PROVISIONS

ARTICLE 1

For the purposes of this convention the high contracting parties adopt the following definitions:

I. The word "aircraft" includes any machine which can derive support in the atmosphere from the reactions of the air and is intended for aerial navigation.

The present convention applies only to aircraft—

1. Of which the place of departure and place of final landing are situated in different territories;

2. Which, although the place of departure and place of final landing are situated on the same territory, make an intermediate landing on a different territory;

3. Which fly without landing over more than one territory, whether these territories are placed under the sovereignty, suzerainty, mandate, or authority of the same power or of different powers.

II. The words "authorized aerodrome" denote a customs or other aerodrome specially designated as such by the competent authority of the State in which it is situated and on which aircraft may make their first landing on entering a territory or from which they may depart on leaving a territory.

III. The words "sanitary aerodrome" denote an authorized aerodrome organized and equipped in accordance with the terms of article V of the present convention and designated as such by any competent authority of the country.

IV. The word "crew" includes any person having duties on board in connection with the flying or the safety of the flight of the aircraft, or employed on board, in any way, in the service of the aircraft, the passengers, or the cargo.

V. The words "local area" denote a well-defined area, such as a province, a government, a district, a department, a canton, an island, a commune, a town, a quarter of a town, a village, a port, an agglomeration, etc., whatever may be the extent and population of such areas.

Subject to the conditions laid down in article VIII of the present convention, an aerodrome may constitute a local area.

VI. The word "observation" means the isolation of persons in a suitable place.

The word "surveillance" means that persons are not isolated, that they may move about freely, but that they are notified to the sanitary authorities of the several places whither they are bound and are subjected to a medical examination with a view to establishing their state of health.

VII. The word "day" means an interval of 24 hours.

ARTICLE 2

Whatever relates in the present convention to aerodromes is to be understood as applying mutatis mutandis to places for the landing on water of hydroplanes and similar craft.

Section I. Aerodromes in general and their staff

ARTICLE 3

Each high contracting party undertakes to provide its authorized aerodromes with a sanitary organization adapted to the current needs of prophylaxis which as a minimum shall consist of definite arrangements to insure the attendance of a medical practitioner at such times as may be necessary for the medical examinations contemplated by the present convention.

ARTICLE 4

It rests with each high contracting party, taking into account the risks of infectious disease to which its territory may be exposed, to decide whether or not to establish sanitary aerodromes and which authorized aerodromes shall be selected for this purpose.

ARTICLE 5

The sanitary aerodromes shall at all times have at its disposal—

(a) An organized medical service, with one medical officer at least and one or more sanitary inspectors, it being understood that this staff will not necessarily be in permanent attendance at the aerodrome;

(b) A place for medical inspection;

(c) Equipment for taking and dispatching suspected material for examination in a laboratory, if such examination cannot be made on the spot;

(d) Facilities, in the case of necessity, for the isolation, transport, and care of the sick; for the isolation of contracts separately from the sick; and for carrying out any other prophylactic meas-

ure in suitable premises, either within the aerodrome, or in proximity to it;

(c) Apparatus necessary for carrying out disinfection, disinsectization, and deratization, if required, as well as any other measures laid down in the present convention.

The aerodrome shall be provided with a sufficient supply of wholesome drinking water and with a proper and safe system for the disposal of excreta and refuse and for the removal of waste water. The aerodrome shall, as far as possible, be protected from rats.

ARTICLE 6

The medical officer of the sanitary aerodrome shall be an official of or approved by the competent sanitary authority.

ARTICLE 7

Each high contracting party shall communicate, either to the Office International d'Hygiène Publique, or to the International Commission for Air Navigation, which will transmit to each other the information thus received a list of its sanitary aerodromes in order that it may be brought to the knowledge of the other high contracting parties. The communication shall include, in the case of each aerodrome, details as to its situation, its sanitary equipment, and its sanitary staff.

The notification to the Office International d'Hygiène Publique provided for in the present article, as well as in articles 8, 37, 40, 58, 59, and 60 of the present convention, may in the case of those high contracting parties who have adhered to the Pan American Sanitary Code, be made through the intermediary of the Pan American Sanitary Bureau.

ARTICLE 8

In order that a sanitary aerodrome may be designated as a local area for the purpose of notification of infectious diseases and for other purposes, as provided by the present convention, it must be so organized that—

1. The entry or exit of any person is under the supervision and control of the competent authority.

2. In the case of a disease specified in Article 18 of this convention occurring in the surrounding territory, access to the aerodrome by any route other than the air is forbidden to persons suspected of being infected, and measures are applied, to the satisfaction of the competent authority, with a view to preventing persons who are resident in or passing through the aerodrome from being exposed to the risk of infection, either by contact with persons from outside or by any other means.

In order that an authorized aerodrome which is not a sanitary aerodrome may similarly be designated a local area it is necessary, in addition, that it shall be so situated topographically as to be beyond all probable risk of infection from without.

The high contracting parties shall notify to the Office International d'Hygiène Publique aerodrome which have been constituted local areas in accordance with the terms of the present article, and the Office International d'Hygiène Publique will communicate the notification to the other high contracting parties and to the International Commission for Air Navigation.

Section II. Aircraft sanitary documents

ARTICLE 9

The following entries shall be made in the journey log book, under the heading "Observations":

1. Any facts relevant to public health which have arisen on the aircraft in the course of the voyage.

2. Any sanitary measures undergone by the aircraft before departure or at places of call in application of the present convention.

3. Information concerning the appearance in the country from which the aircraft is departing of any of the infectious diseases mentioned in part 3 of the present convention. This entry is made with a view to facilitating the medical examinations which passengers arriving at aerodromes in another territory may be required to undergo.

For this purpose the government of any noninfected country in which one of the said diseases makes its appearance shall, in addition to other means by which it is already required to inform other countries of the outbreak of such diseases and their nature, transmit the necessary information to the competent authorities of each of its authorized aerodromes. The latter shall enter the information in the journey log of any aircraft leaving the aerodrome during a period of 15 days from the date on which the information was first received.

Aircraft shall not be required to carry bills of health. The entries made in the journey logbook in accordance with the terms of this article shall be verified and certified free of charge by the competent authority of the aerodrome.

Section III. Merchandise and mail

ARTICLE 10

In addition to the measures prescribed in articles 25, 29, 33, 42, 44, 47, 49, and 51 of the present convention, merchandise in aircraft may be subjected to the laws of the country as regards measures to be applied to merchandise imported by whatever means of transport.

ARTICLE 11

Letters and correspondence, printed matter, books, newspapers, business documents, postal packages, and anything sent by post shall not be subject to any sanitary measure, unless they contain articles coming within the terms of article 33 of the present convention.

PART 2. SANITARY REGULATIONS GENERALLY APPLICABLE

ARTICLE 12

In the case of sanitary or authorized aerodromes, the medical officer attached to the aerodrome has the right, either before the departure or after the landing of aircraft, to proceed to inspect the sanitary condition of passengers and crew, whenever circumstances justify this measure.

This visit should, however, be so arranged in relation to the other ordinary administrative and customs operations as to avoid any delay or interference with the continuation of the voyage. No fees shall be charged for this inspection. Reservation is made of the right of the Sanitary and Maritime Quarantine Board of Egypt to levy dues in accordance with its special powers.

ARTICLE 13

The competent authority of any aerodrome may, on the advice of the medical officer attached to the aerodrome, prohibit the embarkation of persons with symptoms of infectious disease, except in the case of the transport of sick persons by aircraft specially allocated for the purpose.

In the absence of a medical officer, the competent authority of the aerodrome may defer the departure of such persons until the advice of a doctor has been obtained.

ARTICLE 14

Aircraft in flight are forbidden to throw or drop matter capable of producing the outbreak of infectious diseases.

ARTICLE 15

If the commander of the aircraft wishes to disembark a sick person he shall, so far as he is able, notify the aerodrome of arrival in good time before landing.

ARTICLE 16

If there is on board an aircraft a case of an infectious disease, duly verified by the medical officer attached to the aerodrome, not being a disease specified in part 3 of the present convention, the usual measures in force in the country in which the aerodrome is situated shall be applied. The sick person may be landed and, if the competent sanitary authority considers it desirable, isolated in a suitable place; the other passengers and the crew shall have the right to continue the voyage, after medical inspection and, if necessary, the carrying out of the appropriate sanitary measures.

Such of these sanitary measures as can be carried out at the aerodrome shall be so arranged in relation to the administrative and customs operations that the aircraft may be detained as short a time as possible.

ARTICLE 17

Except as expressly provided for in the present convention, aircraft shall be exempt from sanitary formalities at the aerodromes both of call and of final destination.

PART 3. SANITARY REGULATIONS APPLICABLE IN THE CASE OF CERTAIN DISEASES

ARTICLE 18

The diseases which are the subject of the special measures prescribed by this part of the convention are plague, cholera, yellow fever, exanthematous typhus, and smallpox.

ARTICLE 19

For the purposes of the present convention, the period of incubation is reckoned as 6 days in the case of plague, 5 days in the case of cholera, 6 days in the case of yellow fever, 12 days in the case of exanthematous typhus, and 14 days in the case of smallpox.

ARTICLE 20

The chief health authorities shall transmit to the sanitary and authorized aerodromes of their respective countries all information contained in the epidemiological notifications and communications received from the Office International d'Hygiène Publique (and the regional Bureaux with which it has made agreements for this purpose) in execution of the provisions of the International Sanitary Convention of June 21, 1926, which may affect the exercise of sanitary control in those aerodromes.

ARTICLE 21

The measures prescribed in this part of the convention shall be regarded as constituting a maximum, within the limits of which the high contracting parties may regulate the procedure which may be applied to aircraft.

It is for each high contracting party to determine whether measures should be applied, within the limits of the present convention, to arrivals from a foreign local area or aerodrome.

In this respect, information received and measures already applied, shall in accordance with article 54 of the present convention be taken into the fullest possible account.

ARTICLE 22

For the purpose of part 3 of the present convention a local area is considered to be infected when the conditions specified in the International Sanitary Convention of June 21, 1926,[1] are applicable to it.

[1] According to the terms of the International Sanitary Convention of June 21, 1926, article 10 and the first paragraph of article 11, a local area is considered "infected" by one of the diseases in question in the following circumstances: For plague and yellow fever, when the first case recognized as nonimported is reported; for cholera, when forming a "foyer", that is, when the occurrence of new cases outside the immediate surroundings of the first cases proves that the spread of the disease has not been confined to the place where it began; for exanthematous typhus and smallpox, when they appear in epidemic form.

Chapter I. Measures applicable in case of plague, cholera, typhus, and smallpox.

Section I. Measures on departure

ARTICLE 23

The measures to be applied on the departure of aircraft from a local area infected by one of the diseases mentioned in this chapter are the following:

1. Thorough cleansing of the aircraft, especially the parts liable to be contaminated.

2. Medical inspection of passengers and crew.

3. Exclusion of any person showing symptoms of one of the diseases in question, as well as of persons in such close relation with the sick as to render them liable to transmit the infection of these diseases.

4. Inspection of personal effects, which shall only be accepted if in a reasonable state of cleanliness.

5. In the case of plague, deratization, if there is any reason to suspect the presence of rats on board.

6. In case of exanthematous typhus, disinsectization, limited to persons who, after medical inspection, are considered as likely to convey infection, and to their effects.

The aircraft's papers shall be annotated in accordance with the requirements of article 9.

Section II. Measures on arrival

ARTICLE 24

Aircraft, even when coming from a local area infected by one of the diseases to which this chapter applies, may land at any authorized aerodrome. Nevertheless, each high contracting party, if epidemiological conditions demand such action, has the right to require aircraft coming from particular local areas to land at prescribed sanitary or authorized aerodromes, account being taken of the geographical position of those aerodromes, and of the routes followed by the aircraft, in such manner as not to hamper aerial navigation.

The only measures which, if necessary, may be taken at authorized aerodromes which are not also sanitary aerodromes, are the medical inspection of crew and passengers and the landing and isolation of the sick. Passengers and crew may not move beyond the limits prescribed by the aerodrome authority except with the permission of the visiting medical officer. This restriction may continue to be imposed on the aircraft at each landing place until it arrives at a sanitary aerodrome, where it will be subject to the measures laid down in this chapter.

ARTICLE 25

The commander of the aircraft is required, on landing, to place himself at the disposal of the sanitary authority, to answer all requests for information affecting public health which are made to him by the competent service, and to produce the aircraft's papers for examination.

Should an aircraft, on entering a territory, land elsewhere than on a sanitary or authorized aerodrome, the commander of the aircraft shall, if the aircraft comes from an infected local area or is itself infected, notify the nearest local authority to this effect, and the latter shall take such measures as are appropriate to the circumstances, being guided by the general principles on which the present convention is based, and shall, if possible, direct the aircraft to a sanitary aerodrome. No cargo shall be unloaded and no passenger or member of the crew may leave the vicinity of the aircraft without the permission of the competent sanitary authority.

ARTICLE 26

In the application of the present convention, surveillance may not be replaced by observation except—

(*a*) In circumstances in which it would not be practicable to carry out surveillance with sufficient thoroughness; or

(*b*) If the risk of the introduction of infection into the country is considered to be exceptionally serious; or

(*c*) If the person who would be subject to surveillance does not furnish adequate sanitary guaranties.

Persons under observation or surveillance shall submit themselves to any examination which the competent sanitary authority may consider necessary.

A. Plague

ARTICLE 27

If there has not been a case of plague on board, the only measures which may be prescribed are:

1. Medical inspection of passengers and crew.

2. Deratization and disinsectization, if in exceptional cases these operations are considered necessary, and if they have not been carried out at the aerodrome of departure.

3. The crew and passengers may be subjected to surveillance, not exceeding 6 days, from the date on which the aircraft left the infected local area.

ARTICLE 28

If there is on board a recognized or suspected case of plague, the following measures are applicable:

1. Medical inspection.

2. The sick shall be immediately disembarked and isolated.

3. All persons who have been in contact with the sick and those whom the sanitary authority has reasons to consider suspect shall be subject to surveillance for a period not exceeding 6 days from the date of arrival of the aircraft.

4. Personal effects, linen, and any other articles which, in the opinion of the sanitary authority, are infected shall be disinsectized and, if necessary, disinfected.

5. Any parts of the aircraft which are suspected of being infected shall be disinsectized.

6. The sanitary authority may carry out deratization, in exceptional cases, if there is any reason to suspect the presence of rats on board and if the operation was not carried out on departure.

ARTICLE 29

If the sanitary authority considers that merchandise coming from an area infected with plague may harbor rats or fleas, such merchandise shall not be discharged except with the necessary precautions.

B. Cholera

ARTICLE 30

If there has not been a case of cholera on board, the only measures which may be prescribed are:

1. Medical inspection of passengers and crew.

2. Surveillance of passengers and crew for a period not exceeding 5 days from the date on which the aircraft left the infected local area.

ARTICLE 31

If a case of disease presenting clinical signs of cholera appears on board during the voyage, the aircraft shall be subject, at places of call or on arrival, to the following procedure:

1. Medical inspection.

2. The sick shall be immediately disembarked and isolated.

3. The crew and passengers shall be kept under surveillance for a period not exceeding 5 days from the date of arrival of the aircraft.

4. Personal effects, linen, and all other articles which, in the opinion of the sanitary authority are infected, shall be disinfected.

5. The parts of the aircraft which have been occupied by the sick, or which are regarded as liable to have been infected, shall be disinfected.

6. When the drinking water on board is considered suspect it shall be disinfected and, if practicable, emptied out and replaced after the disinfection of the container by wholesome water.

In countries in which investigation for detection of carriers of the cholera vibrio is prescribed for the inhabitants, persons arriving by aircraft who wish to remain in the country shall submit to the obligations imposed on the inhabitants under the same circumstances.

ARTICLE 32

Persons producing proof that they have been vaccinated against cholera within less than 6 months and more than 6 days may be subjected to surveillance only.

Proof shall consist of a written certificate signed by a doctor, whose signature shall be officially authenticated; or, failing such authentication, the certificate shall be countersigned by either (*a*) the medical officer attached to a sanitary aerodrome or (*b*) a person other than the person performing the vaccination, who is authorized to witness an application for a passport under the regulations of the country.

ARTICLE 33

The unloading from aircraft of the following fresh foods may be prohibited: Fish, shellfish, fruit, and vegetables coming from a local area infected with cholera.

C. Exanthematous typhus

ARTICLE 34

A. If there has not been a case of typhus on board, no sanitary measure may be carried out save those prescribed in article 52 of the present convention, for persons who have within 12 days left a local area where exanthematous typhus is epidemic.

B. The following measures are applicable if there is a case of exanthematous typhus on board:

1. Medical inspection.

2. The sick shall be immediately disembarked, isolated, and deloused.

3. Any person suspected of harboring lice or having been exposed to infection shall also be deloused and may be subjected to surveillance for a period not exceeding 12 days, reckoned from the date of delousing.

4. Linen, personal effects, and other articles which the sanitary authority considers to be infected, shall be disinsectized.

5. The parts of the aircraft which have been occupied by persons suffering from typhus and which the sanitary authority considers to be infected shall be disinsectized.

D. Smallpox

ARTICLE 35

A. If there has not been a case of smallpox on board, no sanitary measure may be carried out save in the case of persons who have within 14 days left a local area where smallpox is epidemic and who, in the opinion of the sanitary authority, are not sufficiently immunized. Such persons may be subjected, without prejudice to the terms of article 52, to vaccination, or to surveillance, or to vaccination followed by surveillance, the period of which shall not exceed 14 days from the date of arrival of the aircraft.

B. The following measures are applicable if there is a case of smallpox on board:

1. Medical inspection.

2. The sick shall be immediately disembarked and isolated.

3. Other persons who there is reason to believe have been exposed to infection and who, in the opinion of the sanitary authority, are not sufficiently immunized, may be subjected to the measures provided in paragraph A of this article.

4. Linen, personal effects, and other articles which the sanitary authority considers to have been recently infected shall be disinfected.

5. The parts of the aircraft which have been occupied by persons suffering from smallpox and which the sanitary authority considers to be infected shall be disinfected.

For the purposes of this article, persons shall be considered immune (*a*) if they can produce proof of a previous attack of smallpox or if they have been vaccinated within less than 3 years and more than 12 days or (*b*) if they show local signs of early reaction attesting an adequate immunity. Apart from cases where these signs are present, proof shall be afforded by a written certificate of a doctor, authenticated in the manner prescribed in the second paragraph of article 32.

Chapter II. Measures applicable in case of yellow fever

Section I. General provisions

ARTICLE 36

In territories where endemicity of yellow fever is suspected, the high contracting parties shall take the necessary steps to ascertain whether yellow fever exists in their territory in a form which, though not clinically recognizable, might be revealed by biological examination.

ARTICLE 37

Independently of the notification of the cases of and circumstances relating to recognized cases of yellow fever, as laid down in articles 1, 2, 3, 4, 5, and 8 of the International Sanitary Convention of June 21, 1926, each high contracting party undertakes to notify immediately to the other high contracting parties and at the same time to the Office International d'Hygiène Publique (either directly or indirectly through the regional Bureaux with which it has made agreements for this purpose) the discovery in its territory of the actual existence of yellow fever in the above-mentioned form.

Section II. Provisions concerning regions in which yellow fever is discovered or exists in the endemic form

ARTICLE 38

Notwithstanding article 4 of the present convention and subject to the terms of article 46 hereafter, every aerodrome which receives aircraft to which article 1, I, second paragraph, applies and which is situated in a region—that is to say, a part of a territory, in which yellow fever exists in a form clinically or biologically recognizable—shall become a sanitary aerodrome as defined in the present convention and, in addition, shall be—

(1) Situated at an adequate distance from the nearest inhabited center;

(2) Provided with arrangements for a water supply completely protected against mosquitoes, and kept as free as possible from mosquitoes by systematic measures for the suppression of breeding places and the destruction of the insects in all stages of development;

(3) Provided with mosquito-proofed dwellings for the crews of the aircraft and for the staff of the aerodrome;

(4) Provided with a mosquito-proofed dwelling in which passengers can be accommodated or hospitalized when it is necessary to apply the measures specified in articles 42 and 44 below.

ARTICLE 39

If, in the region where yellow fever has occurred or exists in an endemic form, there is not already an aerodrome fulfilling the conditions specified in the preceding article, all aerial navigation from this region to any other territory shall be suspended until such an aerodrome has been established.

ARTICLE 40

Every aerodrome established and equipped in accordance with the provisions of article 38 above shall be called an "antimaryl aerodrome" and shall be deemed to be a separate local area. The creation of such an aerodrome shall be notified, by the high contracting party in whose territory it is situated, to the other high contracting parties and either to the Office International d'Hygiène Publique or to the International Commission for Air Navigation, under the conditions laid down in article 7. Consequent on this notification, the declaration of the presence of yellow fever in an adjacent town or village or in another local area shall not apply to the aerodrome, and the aerodrome shall not be declared infected unless yellow fever occurs among the persons residing therein.

ARTICLE 41

If an antiamaryl aerodrome becomes an infected local area, aerial navigation from that aerodrome to any other territory shall be discontinued until all measures have been taken to free it from infection and all risk of the spread of the yellow fever has ceased.

ARTICLE 42

Where the antiamaryl aerodrome is not infected, but yellow fever exists in the region, the following measures shall be taken on the departure, or, in any event, as late as possible before the departure of an aircraft:

1. Inspection of the aircraft and cargo to ensure that they do not contain mosquitoes and, if necessary, disinsectization. A record of this inspection and any action taken shall be entered in the journey log book.

2. Medical inspection of passengers and crew; those who are suspected to be suffering from yellow fever or in whose case it has been duly established that they have been exposed to the infection of yellow fever shall be required to remain under observation either within the precincts of the aerodrome or elsewhere, under conditions approved by the sanitary authority, until 6 days have elapsed since the last day on which they were exposed to infection.

3. The names of the passengers and crew shall be entered in the journey log book, together with the relevant information with regard to their exposure to infection and the period and conditions of observation which they have undergone prior to departure.

ARTICLE 43

Aircraft in transit, not coming from a region in which yellow fever exists and landing for the purpose of taking in supplies in an antiamaryl aerodrome, shall be exempt from the prescribed sanitary measures on leaving that aerodrome. In the further course of the voyage, they shall not be subject to the provisions of this chapter, provided that the fact that they have called at an antiamaryl aerodrome for the sole purpose of taking in supplies is entered in the journey log book.

ARTICLE 44

Aircraft to which article 1, I, second paragraph, of the present convention applies, flying between two regions where yellow fever exists, must depart from and land at an artiamaryl aerodrome in these regions. Passengers, crew, and cargo shall not be disembarked or embarked except at an antiamaryl aerodrome.

During the voyage between these aerodromes, aircraft may land for the purpose of taking in supplies in any aerodrome not situated within a region where yellow fever exists.

The measures to be taken on arrival at the antiamaryl aerodrome are the following:

1. Inspection of the aircraft and cargo, to insure that they do not contain mosquitoes and, if necessary, disinsectization.

2. Medical examination of passengers and crew to ascertain that they are free from symptoms of yellow fever.

If a person is suspected to be suffering from yellow fever, or if it has not been established to the satisfaction of the sanitary authority of the aerodrome of arrival that a person has completed a period of 6 days since possible exposure to infection, he may be subjected to observation, either within the precincts of the aerodrome, or elsewhere, under conditions approved by the sanitary authority, for a period not exceeding 6 days, reckoned from the last day on which that person could have been infected.

ARTICLE 45

Aircraft having departed from an antiamaryl aerodrome in a region where yellow fever exists and arriving at a region where yellow fever does not exist shall be subject to the provisions of sections III and IV below.

ARTICLE 46

For the purposes of local aerial navigation, nothing in this section shall be deemed to prevent the governments of neighboring territories in which yellow fever is found or exists endemically from establishing or employing, by mutual agreement, aerodromes which are not antiamaryl aerodromes, for the needs of aerial navigation exclusively between these territories.

Section III. Provisions in respect of territories or regions in which yellow fever does not exist, but in which there may be conditions which permit of its development

ARTICLE 47

In territories or regions where yellow fever does not exist, but where there may be conditions which permit of its development, the measures which may be taken on the arrival of an aircraft at a sanitary aerodrome are the following:

1. Inspection of aircraft and cargo to insure that they do not contain mosquitoes, and, if necessary, disinsectization.

2. Medical examination of passengers and crew to ascertain that they are free from symptoms of yellow fever.

If a person is suspected to be suffering from yellow fever, or if it has not been established, to the satisfaction of the sanitary authority of the aerodrome, that a person has completed a period of 6 days since possible exposure to infection, he may be subjected to observation either within the precincts of the aerodrome, or elsewhere, under conditions approved by the sanitary authority, for a period not exceeding 6 days, reckoned from the last day on which that person could have been infected.

ARTICLE 48

The high contracting parties undertake, save in exceptional circumstances which will require to be justified, not to invoke sanitary reasons for prohibiting the landing in the territories referred to in article 47 of aircraft coming from regions where yellow fever exists, provided that the provisions of section II of this chapter, particularly those concerning the measures to be taken on departure, are observed there.

ARTICLE 49

Nevertheless, the high contracting parties may designate particular sanitary aerodromes as those at which aircraft from territories where yellow fever exists shall land for the purpose of disembarking passengers, crew, or cargo.

Section IV. Provisions in respect of territories or regions where the conditions do not permit of the development of yellow fever

ARTICLE 50

In territories or regions where the conditions do not permit of the development of yellow fever, aircraft coming from regions where yellow fever exists may land on any sanitary or authorized aerodrome.

ARTICLE 51

The measures to be taken on arrival are the following:

1. Inspection of the aircraft and cargo, to insure that they do not contain mosquitoes, and, if necessary, disinsectization.

2. Medical inspection of passengers and crew.

Chapter III. General provisions

ARTICLE 52

Persons who arrive in aircraft in the territory of any high contracting party, and who have been exposed to risk of infection by one of the diseases referred to in article 18 of the present convention and who are within the period of incubation may, subject to the provisions of chapter II of this part, be subjected to surveillance until the termination of that period.

In the case of cholera and smallpox, the provisions of articles 32 and 35, relating to immunized persons, equally apply to action under this article.

ARTICLE 53

Persons who, on their arrival at an aerodrome, are considered, under the terms of this part, liable to surveillance up to the expiration of the period of incubation of the disease may nevertheless continue the voyage, on condition that the fact is notified to the authorities of subsequent landing places and of the place of arrival, either by means of an entry in the journey log book as prescribed in article 9 of the present convention, or by some other method sufficient to secure that they can be subjected to medical inspection in any subsequent aerodromes on the route.

Persons who are liable to observation under the terms of articles 26, 44 (fourth paragraph), and 47 (second paragraph), of this convention, shall not be authorized until the expiration of the period of incubation, to continue their voyage, except—in the case of diseases other than yellow fever—with the approval of the sanitary authorities of the place of their destination.

ARTICLE 54

In applying sanitary measures to an aircraft coming from an infected local area, the sanitary authority of each aerodrome shall, to the greatest possible extent, take into account all measures which have already been applied on the aircraft, in another sanitary aerodrome abroad or in the same country, and which are duly noted in the journey log book referred to in article 9 of the present convention.

Aircraft coming from an infected local area which have already been subjected to satisfactory sanitary measures shall not be subjected to these measures a second time on arrival at another aerodrome, whether the latter belongs to the same country or not; provided, that no subsequent incident has occurred which calls for the application of the sanitary measures in question and that the aircraft has not called at an infected aerodrome except to take in fuel.

ARTICLE 55

The aerodrome authority applying sanitary measures shall, whenever requested, furnish free of charge to the commander of the aircraft or any other interested person a certificate specifying the nature of the measures, the methods employed, the parts of the aircraft treated, and the reason why the measures have been applied.

The authority shall also issue, on demand and without charge, to passengers arriving by an aircraft in which a case of one of the infectious diseases referred to in article 18 has occurred, a certificate showing the date of their arrival and the measures to which they and their luggage have been subjected.

ARTICLE 56

Save as expressly provided in the present convention, aircraft shall not be detained for sanitary reasons.

If an aircraft has been occupied by a person suffering from plague, cholera, yellow fever, exanthematous typhus, or smallpox, its detention shall be limited to the period strictly necessary for it to undergo the prophylactic measures applicable to the aircraft in the case of each disease referred to in the present convention.

ATRICLE 57

Subject to the provisions of chapter II of the present convention and particularly those of article 47, any aircraft which does not wish to submit to the measures prescribed by the aerodrome authority, in virtue of the provisions of the present convention, is at liberty to continue its voyage. It may not, however, land in another aerodrome of the same country, except for purposes of taking in supplies.

An aircraft shall be permitted to land goods on condition that it is isolated and that the goods are subjected, if necessary, to the measures laid down in article 10 of the present convention.

Aircraft shall also be permitted to disembark passengers at their request, on the condition that such passengers submit to the measures prescribed by the sanitary authority.

Aircraft may also take in fuel, replacements, food, and water while remaining in isolation.

PART IV. FINAL PROVISIONS

ARTICLE 58

Any two or more high contracting parties have the right to conclude between themselves, on the basis of the principles of the present convention, special agreements relating to particular points concerning aerial sanitary measures, notably as regards the application within their territories of chapter II of part III.

These agreements, as well as those referred to in article 46, shall be notified, as soon as they come into force, either to the Office International d'Hygiène Publique, or to the International Commission for Air Navigation, under the conditions laid down in article 7.

ARTICLE 59

The high contracting parties agree to seek the opinion of the Permanent Committee of the Office International d'Hygiène Publique, before having recourse to any other procedure, should any disagreement arise between them as to the interpretation of the present convention.

ARTICLE 60

Without prejudice to the provisions of the last paragraph of article 12, the high contracting parties undertake to apply the same tariff of charges to the aircraft of other high contracting parties as they apply to their own national aircraft, for sanitary operations in their aerodromes.

This tariff shall be as moderate as possible and shall be notified either to the Office International d'Hygiène Publique or to the International Commission for Air Navigation, under the conditions laid down in article 7.

ARTICLE 61

Any high contracting party which desires to introduce modifications in the present convention shall communicate its proposals to the Government of the Netherlands. The latter will inform the Office International d'Hygiène Publique, which, if it thinks fit, will prepare a protocol amending the convention and will transmit it to the Government of the Netherlands.

The Government of the Netherlands will submit, by dated circular letter, the text of the said protocol to the Governments of the other high contracting parties, asking them if they accept the proposed modifications. The accession of a high contracting party to these modifications will result either from explicit approval given to the Government of the Netherlands or from the fact that it refrains from notifying the latter of any objections within 12 months from the date of the circular letter above referred to.

When the number of expressed or tacit accessions represents at least two-thirds of the Governments of the high contracting parties, the Government of the Netherlands will certify the fact by means of a procès-verbal which it will communicate to the Office International d'Hygiène Publique and to the Governments of all the high contracting parties. The protocol will enter into force between the high contracting parties mentioned in the said procès-verbal, after a period of 6 months from the date of the procès-verbal. The present convention will continue to be applied without modification by the other high contracting parties until such time as they shall have acceded to the protocol.

ARTICLE 62

The present convention shall bear today's date and may be signed within 1 year from this date.

ARTICLE 63

The present convention shall be ratified and the ratifications shall be deposited with the Government of the Netherlands as soon as possible.

As soon as 10 ratifications have been deposited, the Government of the Netherlands will draw up a procès-verbal and transmit copies of the procès-verbal to the Governments of the high contracting parties and to the Office International d'Hygiène Publique. This convention shall come into force on the hundred and twentieth day after the date of the said procès-verbal.

Each subsequent deposit of ratification will be notified by a procès-verbal prepared and communicated according to the procedure indicated above. This convention shall come into force in regard to each of the high contracting parties on the hundred and twentieth day following the date of the procès-verbal attesting the deposit of its ratification.

ARTICLE 64

Countries which have not signed the present convention shall be allowed to accede to it at any time after the date of the procès-verbal recording the deposit of the first 10 ratifications.

Each accession shall be effected by a notification through the diplomatic channel addressed to the Government of the Netherlands. The latter will deposit the document of accession in its archives and will forthwith inform the governments of all the countries participating in the convention, as well as the Office International d'Hygiène Publique, informing them at the same time of the date of the deposit of the accession. Each accession shall come into force on the hundred and twentieth day from that date.

ARTICLE 65

Any high contracting party may declare, at the time of its signature, ratification, or accession, that its acceptance of this convention does not bind any or all of its colonies, protectorates, territories beyond the sea, or territories under its suzerainty or mandate. In that event the present convention shall not apply to any territories named in such declaration.

Any high contracting party may give notice to the Government of the Netherlands at any subsequent date that it desires that the present convention shall apply to any or all of its territories which have been made the subject of a declaration under the preceding paragraph. In that case, the convention shall apply to all the territories named in such notice, on the hundred and twentieth day from the date of the deposit of the notification in the archives of the Government of the Netherlands.

Any high contracting party may likewise declare, at any time after the expiration of the period mentioned in article 66, that it

desires that the present convention shall cease to apply to any or all of its colonies, protectorates, territories beyond the sea or territories under its suzerainty or mandate. The convention shall in that case cease to apply to the territories named in such declaration one year after the date of deposit of this declaration in the archives of the Government of the Netherlands.

The Government of the Netherlands will inform the Governments of all countries participating in the present convention, as well as the Office International d'Hygiène Publique, of the notifications and declarations made in pursuance of the above provisions, informing them at the same time of the date of their deposit in its archives.

ARTICLE 66

The Government of each country participating in the present convention may, at any time after the convention has been in force for the country for 5 years, denounce it by notification in writing addressed to the Government of the Netherlands through the diplomatic channel. The latter will deposit the act of denunciation in its archives; it will forthwith inform the governments of all the countries participating in the convention, as well as the Office International d'Hygiène Publique, and will at the same time notify them of the date of such deposit; each denunciation will come into force 1 year after that date.

ARTICLE 67

The signature of the present convention shall not be accompanied by any reservation which has not previously been approved by the high contracting parties who are already signatories. Moreover, ratifications or accessions cannot be accepted if they are accompanied by reservations which have not previously been approved by all the countries participating in the convention.

In virtue of which the respective plenipotentiaries have signed the present convention.

Done at The Hague, April 12, 1933, in a single original copy, which shall remain deposited in the archives of the Government of the Netherlands and of which certified true copies shall be sent through diplomatic channels to each of the high contracting parties.

For the Union of South Africa:
A. J. BOSMAN.
For Germany:
JULIUS GRAF VON ZECH-BURKERSRODA.
For the United States of America:

(1) With reference to article 61 no amendments to the convention will be binding on the Government of the United States of America or territory subject to its jurisdiction unless such amendments be accepted by the Government of the United States of America.

(2) The Government of the United States of America reserves the right to decide whether from the standpoint of the measures to be applied a foreign district is to be considered as infected, and to decide what requirements shall be applied under special circumstances to aircraft and personnel arriving at an aerodrome in the United States of America or territory subject to its jurisdiction.

GRENVILLE T. EMMET.
For Australia:

In signing the present convention in respect of the Commonwealth of Australia I declare that my signature is subject to the following reservation:

"His Majesty's Government in the Commonwealth of Australia reserve the right to accept only those certificates which are signed by a recognized official of the public-health service of the country concerned, and which carry within the text of the certificate an intimation of the office occupied by the person signing the certificate, if the circumstances appear to be such that certificates delivered under the conditions laid down in article 32 of the convention do not provide all the necessary guarantees."

In accordance with the provisions of article 65, I further declare that the acceptance of the convention does not bind the territories of Papua and Norfolk Island or the Mandated Territories of New Guinea and Nauru.

HUBERT MONTGOMERY.
For Austria:
GEORG ALEXICH.
For Belgium:
CH. MASKENS.
For Egypt:
HAFEZ AFIFI.
For Spain:
J. GÓMEZ OCERIN.
For France:
VITROLLES.
For Morocco:
VITROLLES.
For Tunisia:
VITROLLES.
For Syria:
VITROLLES.
For Lebanon:
VITROLLES.
For Great Britain and Northern Ireland, as well as all parts of the British Empire not separate members of the League of Nations:

In accordance with the provisions of paragraph 1 of article 65 of the convention I hereby declare that my signature does not include Newfoundland or any British colony or protectorate or any mandated territory in respect of which the mandate is exercised by His Majesty's Government in the United Kingdom.

ODO RUSSELL.
For Greece:
TRIANTAFYLLAKOS.
For the Irish Free State:
O'KELLY DE GALLAGH.
For Italy:
FRANCESCO MARIA TALIANI.
For Monaco:
HENRI E. REY.
For New Zealand:
ODO RUSSELL.
For the Netherlands (excepting the Netherland East Indies, Surinam, and Curaçao):
BEELAERTS VAN BLOKLAND.
For Poland:
W. BABINSKI.
For Rumania:
GR. BILCIURESCO.
For Sweden:
ADLERCREUTZ.

A certified true copy:

A. M. SNOUCK HURGRONJE,
Secretary of the Ministry of Foreign Affairs of the Netherlands.

Mr. PITTMAN. Mr. President, this is a convention dealing with the regulation of all sanitary matters which are now becoming so important by reason of international travel by airplane. We had before the committee General Cumming and others, who testified with regard to the matter. The convention has already been quite universally signed, and after hearings and careful consideration by the committee, we felt the convention to be necessary. There were no objections to it. It simply involves sanitary regulations for the various companies involved in international aerial transportation.

The PRESIDING OFFICER. If there be no amendments, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification, with the reservations reported by the committee, will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive G, Seventy-fourth Congress, first session, the International Sanitary Convention for Aerial Navigation which was opened for signature at The Hague on April 12, 1933, and was signed on behalf of the United States on April 6, 1934, subject to the following two reservations:

(1) With reference to article 61 no amendments to the convention will be binding on the Government of the United States of America or territory subject to its jurisdiction unless such amendments be accepted by the Government of the United States of America;

(2) The Government of the United States of America reserves the right to decide whether from the standpoint of the measures to be applied a foreign district is to be considered as infected, and to decide what requirements shall be applied under special circumstances to aircraft and personnel arriving at an aerodrome in the United States of America or territory subject to its jurisdiction.

The PRESIDING OFFICER. The question is on agreeing to the reservations to the resolution of ratification.

The reservations were agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification as amended by the reservations. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification, as amended by the reservations, is agreed to, and the treaty is ratified.

SUPPLEMENTARY EXTRADITION TREATY WITH POLAND

The Senate, as in Committee of the Whole, proceeded to consider Executive J (74th Cong., 1st sess.), a supplementary extradition treaty between the United States of America and Poland, signed at Warsaw on April 5, 1935, adding "offenses to the detriment of creditors in connection with a state of insolvency" to the crimes and offenses on account of which extradition may be granted, enumerated in the extradition treaty signed between the two countries on November 22, 1927, which was read the second time, as follows:

SUPPLEMENTARY EXTRADITION TREATY

The United States of America and the Republic of Poland, being desirous of enlarging the list of crimes on account of which extradition may be granted under the treaty signed between the United States of America and the Republic of Poland on November 22, 1927, with a view to the better administration of justice and the prevention of crime within their respective territories and jurisdictions, have resolved to conclude a supplementary treaty for this purpose and have appointed as their Plenipotentiaries:

The President of the United States of America:

Mr. JOHN CUDAHY, Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Poland,

The President of the Republic of Poland:

Mr. Jozef Beck, Minister of Foreign Affairs,

Who, after having communicated to each other their respective full powers, which were found to be in due and proper form, have agreed to and concluded the following articles:

ARTICLE I

The following crimes are added to the list of crimes numbered 1 to 18 in article II of the said treaty of November 22, 1927, on account of which extradition may be granted, that is to say:

19. Offenses to the detriment of creditors in connection with a state of insolvency.

ARTICLE II

The present treaty shall be considered as an integral part of the said extradition treaty of November 22, 1927, and article II of the last-mentioned treaty shall be read as if the list of crimes therein contained had originally comprised the additional crimes specified and numbered 19 in the first article of the present treaty.

The present treaty shall be ratified by the high contracting parties in accordance with their respective constitutional methods, and shall take effect on the thirtieth day after the date of the exchange of ratifications, which shall take place at Washington as soon as possible.

In witness whereof the above-mentioned plenipotentiaries have signed the present treaty in the English and Polish languages, both authentic, and have hereunto affixed their seals.

Done in duplicate at Warsaw this 5th day of April 1935.

JOHN CUDAHY. [SEAL]
J. BECK. [SEAL]

The PRESIDING OFFICER. If there be no amendments, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive J, Seventy-fourth Congress, first session, a supplementary extradition treaty between the United States of America and Poland, signed at Warsaw on April 5, 1935, adding "Offenses to the detriment of creditors in connection with a state of insolvency" to the crimes and offenses on account of which extradition may be granted, enumerated in the extradition treaty signed between the two countries on November 22, 1927.

Mr. PITTMAN. Mr. President, this is only an amendment to our usual extradition treaty to include bankruptcy and insolvency matters.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring, the resolution is agreed to, and the treaty is ratified.

EXTRADITION TREATY WITH CZECHOSLOVAKIA

The Senate, as in Committee of the Whole, proceeded to consider Executive K (74th Cong., 1st sess.), a supplementary extradition treaty between the United States of America and the Republic of Czechslovakia, signed at Washington on April 29, 1935, which was read the second time, as follows:

SUPPLEMENTARY EXTRADITION TREATY

Printer's copy

The United States of America and the Czechoslovak Republic, being desirous of enlarging the list of crimes and offenses on account of which extradition may be granted under the treaty concluded between the two countries on July 2, 1925, and of amending article IV of that treaty, with a view to the better administration of justice and the prevention of crime within their respective territories and jurisdictions, have resolved to conclude a supplementary treaty for this purpose and have appointed as their plenipotentiaries, to wit:

The President of the United States of America:

Mr. Cordell Hull, Secretary of State of the United States of America;

The President of the Czechoslovak Republic:

Dr. Ferdinand Veverka, Envoy Extraordinary and Minister Plenipotentiary of the Czechoslovak Republic in Washington;

Who, after having communicated to each other their respective full powers, which were found to be in due and proper form, have agreed to and concluded the following articles:

ARTICLE I

The following crimes and offenses are added to the list numbered 1 to 22 in article II of the said treaty of July 2, 1925, on account of which extradition may be granted, that is to say:

23. Crimes and offenses against the laws of bankruptcy.

ARTICLE II

The present treaty shall be considered as an integral part of the said extradition treaty of July 2, 1925, and article II of the last-mentioned treaty shall be read as if the list of crimes and offenses therein contained had originally comprised the additional crimes and offenses specified and numbered 23 in the first article of the present treaty.

ARTICLE III

Article IV of the said treaty of July 2, 1925, is hereby amended by adding thereto the following words:

"or be extradited to another country, unless he shall have been allowed one month to leave the country after having been set at liberty as a result of the disposition of the charges upon which he was extradited."

So that the article will now read:

"No person shall be tried for any crime or offense committed before his extradition other than that for which he was surrendered, or be extradited to another country, unless he shall have been allowed one month to leave the country after having been set at liberty as a result of the disposition of the charges upon which he was extradited."

ARTICLE IV

The present treaty shall be ratified by the high contracting parties in accordance with their respective constitutional method, and shall take effect on the date of the exchange of ratifications which shall take place at Prague as soon as possible.

In witness whereof the above named plenipotentiaries have signed the present treaty in both the English and Czechoslovak languages, each of which texts is equally authentic, and have hereunto affixed their seals.

Done in duplicate at Washington this 29th day of April 1935.

CORDELL HULL. [SEAL]
FERDINAND VEVERKA. [SEAL]

Mr. PITTMAN. Mr. President, this is exactly the same kind of extradition treaty as the one just ratified, adding only bankruptcy and insolvency matters.

The PRESIDING OFFICER. If there be no amendments, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive K, Seventy-fourth Congress, first session, a supplementary extradition treaty between the United States of America and the Republic of Czechoslovakia, signed at Washington on April 29, 1935.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to and the treaty is ratified.

CONVENTION FOR PROTECTION OF INDUSTRIAL PROPERTY

The Senate as in Committee of the Whole proceeded to consider Executive F (74th Cong., 1st sess.), an international convention for the protection of industrial property signed at London on June 2, 1934, by the plenipotentiaries of the United States of America and 28 other countries, at an international conference convened for the purposes of revising the convention of the international union for the protection of industrial property, signed at Paris on March 20, 1883, as revised at Brussels on December 14, 1900, at Washington on June 2, 1911, and at The Hague on November 6, 1925, which was read the second time, as follows:

[Executive F, 74th Cong., 1st sess.]

INTERNATIONAL CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY

[Translation]

CONVENTION OF THE UNION OF PARIS OF MARCH 20, 1883, FOR THE PROTECTION OF INDUSTRIAL PROPERTY

(Revised at Brussels Dec. 14, 1900, at Washington June 2, 1911, at The Hague Nov. 6, 1925, and at London, June 2, 1934)

The President of the German Reich; the President of the Republic of Austria; His Majesty the King of the Belgians; the

President of the United States of Brazil; the President of the Republic of Cuba; His Majesty the King of Denmark; the President of the Republic of Spain; the President of the United States of America; the President of the Republic of Finland; the President of the French Republic; His Majesty the King of Great Britain and Ireland and of the British Territories Beyond the Seas, Emperor of India; His Most Serene Highness the Regent of the Kingdom of Hungary; His Majesty the King of Italy; His Majesty the Emperor of Japan; His Most Serene Highness, the Prince of Liechtenstein; His Majesty the Sultan of Morocco; the President of the United States of Mexico; His Majesty the King of Norway; Her Majesty the Queen of the Netherlands; the President of the Polish Republic (in the name of Poland and the Free City of Danzig); the President of the Portuguese Republic; His Majesty the King of Sweden; the Federal Council of the Swiss Confederation; the President of the Czechoslovak Republic; His Highness the Bey of Tunisia; the President of the Turkish Republic; His Majesty the King of Yugoslavia, having deemed it expedient to make certain modifications and additions in the International Convention of March 20, 1883, for the creation of an International Union for the Protection of Industrial Property, revised at Brussels on December 14, 1900, and at Washington on June 2, 1911, have appointed as their plenipotentiaries, to wit:

The President of the German Reich:
His Excellency M. Leopold von Hoesch, German Ambassador in London.
Mr. Georg Klauer, President of the Patent Office.
Mr. Wolfgang Kühnast, Geh. Justizrat, Director in the Patent Office.
Mr. Herbert Kühnemann, Landgerichtsrat in the Ministry of Justice.

The President of the Republic of Austria:
Mr. le Hofrat Dr. Hans Werner, Chief Adviser in the Patent Office.

His Majesty the King of the Belgians:
Mr. Daniel Coppieters de Gibson, attorney at the Cour d'Appel of Brussels.
Mr. Thomas Braun, attorney at the Cour d'Appel of Brussels.

The President of the United States of Brazil:
Mr. Julio Augusto Barboza-Carneiro, Commercial Attaché at the Brazilian Embassy in London.

The President of the Republic of Cuba:
Mr. le Dr. Gabriel Suárez Solar, Cuban Chargé d'Affaires in London.

His Majesty the King of Denmark:
Mr. N. J. Ehrenreich-Hansen, Director of the Administration of Industrial Property.

The President of the Republic of Spain:
His Excellency Don Ramón Pérez de Ayala, Ambassador of Spain in London.
Mr. Fernando Cabello Lapiedra, Director of the Office of Industrial Property.
Mr. José García Monge y de Vera, Assistant Chief and Secretary of the Register of Industrial Property.

The President of the United States of America:
The Honorable Conway P. Coe, Commissioner of Patents.
Mr. Thomas Ewing.
Mr. John A. Dienner.

The President of the Republic of Finland:
Mr. Juho Fredrik Kautola, Industrial Adviser, Chief of the Patent Office at the Ministry of Commerce and Industry.

The President of the French Republic:
In the name of the French Republic:
Mr. Marcel Plaisant, senator, attorney at the Cour d'Appel of Paris, Assistant Delegate for France at the League of Nations, member of the Technical Committee on Industrial Property.
Mr. Roger Cambon, Minister Plenipotentiary, Adviser of the French Embassy in London.
Mr. Georges Lainel, Director of Industrial Property in the Ministry of Commerce and Industry.
Mr. Georges Maillard, attorney at the Cour d'Appel of Paris, Vice President of the Technical Committee on Industrial Property.
In the name of the States of Syria and Lebanon:
Mr. Marcel Plaisant.

His Majesty the King of Great Britain, Ireland, and the British Territories Beyond the Seas, Emperor of India:
For Great Britain and Northern Ireland:
Sir Frederick William Leith-Ross, K. C. B., K. C. M. G., Chief Economic Adviser to His Majesty's Government in the United Kingdom.
Mr. Mark Frank Lindley, LL. D., Comptroller General of Patents, Designs, and Trade Marks.
Sir William Smith Jarratt.
For the Commonwealth of Australia:
Mr. Bernhard Wallach, Commissioner of Patents, Registrar of Trade Marks, Registrar of Designs, Registrar of Copyrights.
For the Irish Free State:
Mr. John W. Dulanty, High Commissioner of the Irish Free State in London.
Mr. Edward A. Cleary, Controller of Industrial and Commercial Property.

His Most Serene Highness the Regent of the Kingdom of Hungary:
Mr. Zoltán Schilling, President of the Hungarian Royal Court of Patents.

His Majesty the King of Italy:
His Excellency Mr. Eduardo Piola Caselli, senator, President of the Chamber at the Cour de Cassation.
His Excellency Prof. Amedeo Giannini, senator, Minister Plenipotentiary, State Adviser.
Dr. Luigi Siamonti, Director of the Legal Office of the Confederation of Industry.
Dr. Alfre o Jannoni Sebastianini, Director of the Bureau of Intellectual Property.

His Majesty the Emperor of Japan:
His Excellency Massa-aki Hotta, Envoy Extraordinary and Minister Plenipotentiary of Japan in Prague.
Mr. Takatsugu Yoshiwara, Secretary General of the Office of Patents of Invention.

His Most Serene Highness the Prince of Liechtenstein:
Mr. Walther Kraft, Director of the Federal Bureau of Intellectual Property at Bern.

His Majesty the Sultan of Morocco:
His Excellency Viscount de Poulpiquet du Halgouet, Commercial Attaché of France in London.

The President of the United States of Mexico:
Mr. Gustavo Luders de Negri, Consul General of Mexico in London.

His Majesty the King of Norway:
Mr. Birger Gabriel Wyller, Director General of the Office of Industrial Property.

Her Majesty the Queen of the Netherlands:
Dr. J. Alingh Prins, President of the Council for Patents of Invention, Director of the Office of Industrial Property at The Hague.
Dr. Jonkheer J. van Hettinga Tromp, attorney at the Haute Cour at The Hague.
Dr. A. D. Koelman, adviser at The Hague.
Dr. H. F. van Walsem, attorney at Eindhoven.

The President of the Polish Republic (in the name of Poland and the Free City of Danzig):
In the name of the Polish Republic: Mr. Stefan Czaykowski, President of the Patent Office of the Polish Republic.
In the name of the Free City of Danzig: Mr. Stefan Czaykowski.

The President of the Portuguese Republic:
Dr. Joao de Lebre e Lima, Portuguese Chargé d'Affaires in London.
Ing. Arthur de Mello Quintella Saldanha, Director of the Bureau of Industrial Property.

His Majesty the King of Sweden:
Dr. Carl Birger Lindgren, Section Chief at the Office of Patents and Registration.
Mr. Ake de Zueigbergk.

The Federal Council of the Swiss Confederation:
Mr. Walter Kraft, Director of the Federal Bureau of Intellectual Property.

The President of the Czechoslovak Republic:
Dr. Karel Skála, Adviser at the Ministry of Commerce.
Dr. Otto Parsch, Secretary at the Ministry of Commerce.

His Highness the Bey of Tunisia:
Mr. Charles Billecocq, Consul General of France in London.

The President of the Turkish Republic:
His Excellency Ali Fethi Bey, Turkish Ambassador in London.

His Majesty the King of Yugoslavia:
Dr. Janko Choumane, President of the National Office for the Protection of Industrial Property.

Who, having communicated their respective full powers, which were found to be in good and due form, have agreed upon the following provisions:

ARTICLE 1

(1) The countries to which the present convention applies constitute themselves into a Union for the Protection of Industrial Property.

(2) The scope of the protection of industrial property shall include patents, utility models, industrial designs and models, trade marks, commercial names and indications of origin, or appellations of origin, as well as the repression of unfair competition.

(3) Industrial property shall be understood in the broadest meaning and shall apply not only to industry and commerce as such, but likewise to agricultural and extractive industries and to all manufactured or natural products, for example, wines, grains, tobacco leaves, fruits, cattle, minerals, mineral waters, beers, flowers, flours.

(4) The term "patents" shall extend to the various types of industrial patents recognized by the laws of the countries of the Union, such as patents of importation, improvement patents, patents and certificates of addition, etc.

ARTICLE 2

(1) Nationals of each of the countries of the Union shall, in all other countries of the Union, as regards the protection of industrial property, enjoy the advantages that their respective laws now grant, or may hereafter grant, to their own nationals, without any prejudice to the rights specially provided for by the present convention. Consequently they shall have the same protection as the latter, and the same legal remedy against any infringement of

their rights, provided they observe the conditions and formalities imposed upon nationals.

(2) Nevertheless, no condition as to the possession of a domicile or establishment in the country where protection is claimed can be required of those who enjoy the benefits of the Union for the enjoyment of any industrial property rights.

(3) The provisions of the legislation of each of the countries of the Union relative to judicial and administrative proceedings and to competent authority, as well as to the choice of domicile or the appointment of an authorized agent, which may be required by the laws on industrial property are expressly reserved.

ARTICLE 3

Nationals of countries not forming part of the Union who are domiciled or who have real and effective industrial or commercial establishments in the territory of one of the countries of the Union shall be assimilated to the nationals of the countries of the Union.

ARTICLE 4

A. (1) Any person who has duly applied for a patent, the registration of a utility model, industrial design or model, or trade mark in one of the countries of the Union, or his legal representative or assignee, shall enjoy for the purposes of registration in other countries, a right of priority during the periods hereinafter stated.

(2) Any filing having the value of a formal national filing by virtue of the internal law of each country of the Union or of international treaties concluded among several countries of the Union shall be recognized as giving rise to a right of priority.

B. Consequently, subsequent filing in one of the other countries of the Union before the expiration of these periods shall not be invalidated through any acts accomplished in the interval, as for instance, by another filing, by publication of the invention or the working thereof, by the sale of copies of the design or model, or by use of the trade mark, and these facts cannot give rise to any right of third parties or any personal possession. The rights acquired by third parties before the day of the first application on which priority is based shall be reserved by the internal legislation of each country of the Union.

C. (1) The above-mentioned periods of priority shall be 12 months for patents and utility models and 6 months for industrial designs and models and for trade marks.

(2) These periods shall start from the date of filing of the first application; the day of filing is not counted in this period.

(3) If the last day of the period is a legal holiday, or a day on which the Patent Office is not open to receive applications in the country where protection is claimed, the period shall be extended until the next working day.

D. (1) Any person desiring to take advantage of the priority of a previous application must make a declaration giving particulars as to the date of such application and the country in which it was made. Each country will determine the latest date at which such declaration must be made.

(2) The particulars referred to shall be stated in the publications issued by the competent authority, and in particular in the patents issued and the specifications relating thereto.

(3) The countries of the Union may require any person making a declaration of priority to produce a copy of the application (with the specification, drawings, etc.) previously made. The copy, certified as correct by the authority receiving this application, shall not require legal authentication, and in all cases it can be filed, without fee, at any time within the period of three months from the filing of the application. They may also require that the declaration later be accompanied by a certificate by the proper authority showing the date of application, and also by a translation.

(4) No other formalities may be required for the declaration of priority at the time application is filed. Each of the countries of the Union shall decide upon the consequences of the omission of the formalities prescribed by this article, but such consequence shall in no case exceed the loss of the right of priority.

(5) Further proof in support of the application may be required later.

E. (1) Where an application is filed in a country for the registration of an industrial design or model by virtue of a right of priority based on the registration of a utility model, the period of priority shall be the same as that fixed for industrial designs and models.

(2) Furthermore, it is allowable to deposit in a country a utility model by virtue of rights of priority based on a patent application, and vice versa.

F. No country of the Union can refuse an application for patent on the ground that it claims multiple priorities provided there is unity of invention in the sense of the law of the country.

G. If the examination shows that an application for patent is complex, the applicant can divide the application into a certain number of divisional applications preserving as the date of each the date of the initial application, and the benefit of the right of priority, if any.

H. Priority cannot be refused on the ground that certain elements of the invention for which priority is claimed do not appear among the claims made in the application in the country of origin, provided that the application, as a whole, discloses precisely the aforesaid elements.

ARTICLE 4 BIS

(1) Patents applied for in the various countries of the Union by persons entitled to the benefits of the Union shall be independent of the patents obtained for the same invention in other countries, whether or not such countries be parties to the Union.

(2) This stipulation must receive a strict interpretation; in particular, it shall be understood to mean that patents applied for during the period of priority are independent, both as regards the grounds for refusal and revocation and as regards their normal duration.

(3) This stipulation shall apply to all patents already existing at the time when it shall come into effect.

(4) The same stipulation shall apply, in the case of the accession of new countries, to patents in existence, either on one side or the other, at the time of accession.

(5) Patents obtained with the benefit of priority shall enjoy, in the different countries of the Union, a duration equal to that which they would have enjoyed if they had been applied for or granted without the benefit of priority.

ARTICLE 4 TER

The inventor shall have the right to be mentioned as such in the patent.

ARTICLE 5

A. (1) The introduction by the patentee into the country where the patent has been granted of objects manufactured in any of the countries of the Union shall not entail forfeiture.

(2) Nevertheless, each of the countries of the Union shall have the right to take the necessary legislative measures to prevent the abuses which might result from the exercise of the exclusive rights conferred by the patent; for example, failure to use.

(3) These measures will only provide for the revocation of the patent if the granting of compulsory licenses do not suffice to prevent these abuses.

(4) In any case the issuance of a compulsory license cannot be demanded before the expiration of 3 years beginning with the date of the granting of the patent and this license can be issued only if the patentee does not produce acceptable excuses. No action for the cancelation or revocation of a patent can be introduced before the expiration of 2 years beginning with the issuance of the first compulsory license.

(5) The preceding provisions, subject to necessary modifications, shall be applicable to utility models.

B. The protection of designs and industrial models cannot be liable to cancelation either for failure to work or for the introduction of objects corresponding to those protected.

C. (1) If in a country the use of a registered mark is compulsory, the registration can be canceled only after a reasonable period, and if the interested party cannot justify the causes of his inaction.

(2) The use of a trade mark by the owner, in a form which differs by elements not altering the distinctive character of the mark, in the form under which it was registered in one of the countries of the Union, shall not entail invalidation of the registration, nor shall it diminish the protection accorded to the mark.

(3) The simultaneous use of the same mark on identical or similar products by industrial or commercial establishments considered as joint owners of the mark according to the provisions of the national law of the country where protection is sought shall neither prevent registration nor diminish in any way the protection accorded the said mark in any country of the Union, provided the said use does not result in inducing the public into error and is not contrary to public interest.

D. Articles shall not be required to bear any sign or mention of the patent, the utility model, or the registration of the trade mark or of the deposit of the industrial design or model for recognition of the right.

ARTICLE 5 BIS

(1) A period of grace of at least 3 months shall be granted for the payment of charges prescribed for the maintenance of industrial property rights, subject to the payment of a surcharge, if the internal legislation so provides.

(2) For patents of invention, the countries of the Union undertake, moreover, either to prolong the extended period to 6 months at least, or to provide for the restoration of the patent which has lapsed owing to the nonpayment of fees, such provisions remaining subject to the conditions prescribed by internal legislation.

ARTICLE 5 TER

In each one of the countries of the Union, the following shall not be considered as infringing the rights of the patentee:

1°. The use on board ships of other countries of the Union of any article forming the subject matter of his patent in the body of the ship, in the machinery, tackle, rigging, and other accessories, when such ships shall enter temporarily or accidentally the waters of the country, provided that such article is used there exclusively for the needs of the vessel.

2°. The use of any article forming the subject matter of the patent in the construction or operation of air or land locomotive engines of the other countries of the Union, or of accessories to these engines, when the latter shall enter the country temporarily or accidentally.

ARTICLE 6

A. Every trade mark duly registered in the country of origin shall be admitted for registration and protected in the form originally registered in the other countries of the Union under the reservations indicated below. These countries can demand, before proceeding to a final registration, the production of a certificate of registration in the country of origin issued by the competent authority. No legalization shall be required for this certificate.

B. (1) Nevertheless, the following marks may be refused or canceled:

1°. Those which are of such a nature as to infringe upon rights acquired by third parties in the country where protection is applied for.

2°. Those which have no distinctive character, or which consist exclusively of signs or indications which serve in trade to designate the kind, quality, quantity, destination, value, place of origin of the products, or time of production, or which have become customary in the current language, or in the bona fide and unquestioned usages of the trade in the country in which protection is sought. In arriving at a decision as to the distinctiveness of the character of a mark, all the circumstances of the case must be taken into account, and in particular the length of time that such a mark has been in use.

3°. Those which are contrary to morality or public order, especially those which are of a nature to deceive the public. It is to be understood that a mark cannot be considered as contrary to public order for the sole reason that it does not conform to some legislative requirement concerning trade marks, except in circumstances where this requirement itself concerns public order.

(2) Trade marks cannot be refused in the other countries of the Union on the sole ground that they only differ from the marks protected in the country of origin by elements not altering the distinctive character and not affecting the identity of the marks in the form under which they have been registered in the aforesaid country of origin.

C. The following shall be deemed the country of origin:

The country of the Union where the applicant has an actual and genuine industrial or commercial establishment; and, if he has not such an establishment, the country of the Union where he has his domicile; and, if he has not a domicile in the Union, the country of his nationality in the case where he is under the jurisdiction of a country of the Union.

D. When a trade mark shall have been duly registered in the country of origin, then in one or more of the other countries of the Union, each one of these national marks shall be considered, from the date on which it shall have been registered, as independent of the mark in the country of origin, provided it conforms to the internal law of the country of importation.

E. In no case shall the renewal of the registration of a trade mark in the country of origin involve the obligation of renewal of the registration of the mark in other countries of the Union in which the mark has been registered.

F. The benefits of priority shall subsist in trade-mark applications filed in the period allowed by article 4, even when the registration in the country of origin is completed only after the expiration of such period.

ARTICLE 6 BIS

(1) The countries of the Union agree to refuse or to invalidate either administratively, if their legislation so permits, or at the request of an interested party, the registration of a trade mark which constitutes a reproduction, limitation, or translation, liable to create confusion with a mark considered by the competent authority of the country of registration to be well-known there as being already a mark of a person entitled to the benefits of the present convention and used for identical or similar products. The same shall apply when the essential part of the mark constitutes a reproduction of a well-known mark or an imitation likely to cause confusion therewith.

(2) A period of at least 3 years must be granted in order to claim the cancelation of these marks. The period shall start from the date of registration of the mark.

(3) No period shall be established to claim the cancelation of marks registered in bad faith.

ARTICLE 6 TER

(1) The countries of the Union undertake to refuse or invalidate registration, and to prohibit by appropriate means the use, failing authorization from the competent authority, whether as a trade mark or as the components of such, of all coats of arms, flags, and other State emblems of countries of the Union, official control and guarantee signs and stamps adopted by them, and any imitation thereof from an heraldic point of view.

(2) The prohibition of official control and guarantee signs and stamps shall apply only in cases where marks which comprise them are intended to be used on merchandise of the same or a similar nature.

(3) For the application of these provisions the countries of the Union agree to communicate reciprocally, through the intermediary of the International Bureau of Bern, the list of State emblems and official control and guarantee signs and stamps which they desire or will desire, to place, wholly or with certain reservations, under the protection of the present article, as well as any subsequent modifications added to the list. Each country of the Union shall place the communicated list at the disposal of the public in due course.

(4) Each country of the Union may, within a period of 12 months from the receipt of the notification, and through the intermediary of the International Bureau of Bern, transmit its possible objections to any other country concerned.

(5) For State emblems which are well known, the provisions of paragraph 1 shall be applicable only to marks registered after November 6, 1925.

(6) For State emblems which are not well known, and for official signs and stamps, these provisions shall be applicable only to marks registered more than 2 months after the receipt of the notification contemplated in paragraph 3.

(7) In the case of bad faith, the countries shall have the right to cancel even the marks registered before November 6, 1925, and embodying State emblems, signs, and stamps.

(8) Nationals of each country who are authorized to make use of State emblems, and signs and stamps of their country, may use them even if there be a similarity with those of another country.

(9) The countries of the Union undertake to prohibit the unauthorized use in trade of state coats of arms of other countries of the Union, when such use is liable to cause confusion as to to origin of the product.

(10) The preceding provisions shall not prevent the countries from exercising the right to refuse or to invalidate, by application of item 3°, paragraph (1), letter B, of article 6, marks including, without authorization, coats of arms, flags, decorations, and other state emblems or official signs and stamps adopted by a country of the Union.

ARTICLE 6 QUARTER

(1) When in accordance with the laws of a country of the Union the assignment of a mark is valid only if it takes place at the same time as the transfer of the enterprise or business and good will to which the mark belongs, it will suffice, for the admission of the validity of such transfer, that the part of the enterprise or business and goodwill which is located in this country be transferred to the assignee with the exclusive right therein to manufacture or sell products under the mark which has been assigned.

(2) This provision shall not impose upon the countries of the Union the obligation of considering as valid the transfer of any mark whose use by the assignee would, in fact, be of such a nature as to deceive the public, especially as regards the place of origin, the nature or the material qualities of the products to which the mark is applied.

ARTICLE 7

The nature of the goods on which the trade mark is to be used can in no case form an obstacle to the registration of the trade mark.

ARTICLE 7 BIS

(1) The countries of the Union undertake to allow the filing of and to protect collective marks belonging to collectivities, the existence of which is not contrary to the law of the country of origin, even if these collectivities do not possess an industrial or commercial establishment.

(2) Each country shall be the judge as to the particular conditions under which a collective mark shall be protected and it can refuse protection if this mark is contrary to public interest.

(3) However, the protection of these marks cannot be refused to any collectivity whose existence is not contrary to the law of country of origin, on the ground that it is not established in the country where protection is sought, or that it is not organized in conformity with the law of that country.

ARTICLE 8

A trade name shall be protected in all the countries of the Union without the obligation of filing or registration, whether or not it form part of a trade mark.

ARTICLE 9

(1) All goods illegally bearing a trade mark or trade name shall be seized at importation into those countries of the Union where this mark or name has a right to legal protection.

(2) Seizure shall likewise be effected in the country where the mark or name was illegally applied, or in the country into which the article bearing it has been imported.

(3) The seizure shall take place at the request either of the proper Government department or of any other competent authority, or of any interested party, whether an actual or a legal person, in conformity with the domestic laws of each country.

(4) The authorities shall not be bound to effect the seizure in transit.

(5) If the law of a country does not permit seizure at importation, such seizure shall be replaced by prohibition to import or by seizure within such country.

(6) If the law of any country permits neither seizure at importation, nor prohibition to import, nor seizure within the country, and until such time as this law shall be accordingly modified, these measures shall be replaced by the remedies assured to nationals, in such cases, by the law of such country.

ARTICLE 10

(1) The stipulations of the preceding article shall be applicable to every product which may falsely bear as indication of origin, the name of a specified locality or country when such indication shall be joined to a trade name of a fictitious character or used with intent to defraud.

(2) Any producer, manufacturer, or trader engaged in the production, manufacture, or trade of such goods and established either in the locality falsely designated as the place of origin, or in the district in which the locality is situated, or in the country falsely designated, or in the country where the false indication of origin is used, shall be deemed in all cases a party concerned, whether such person be actual or legal.

ARTICLE 10 BIS

(1) The countries of the Union are bound to assure to nationals of countries of the Union an effective protection against unfair competition.

(2) Any act of competition contrary to honest practice in industrial or commercial matters constitutes an act of unfair competition.

(3) The following particularly are to be forbidden:

1°. All acts whatsoever of a nature to create confusion in any way whatsoever with the establishment, the goods, or the services of the competitor;

2°. False allegations in the conduct of trade of a nature to discredit the establishment, the goods, or the services of a competitor.

ARTICLE 10 TER

(1) The countries of the Union undertake to assure to the nationals of other countries of the Union appropriate legal remedies to repress effectively all acts set forth in articles 9, 10, and 10 bis.

(2) They undertake, moreover, to provide measures to permit syndicates and associations representing the manufacturers, producers, or merchants interested, and of which the existence is not contrary to the laws of their country, to take action in justice or before the administrative authorities, with a view to the repression of the acts set forth in articles 9, 10, and 10 bis, so far as the law of the country in which protection is claimed permits such action to the syndicates and associations of that country.

ARTICLE 11

(1) The countries of the Union shall, in conformity with their own national legislation, accord temporary protection to patentable inventions, to utility models, and to industrial designs or models, as well as to trade marks in respect of products which shall be exhibited at official, or officially recognized, international exhibitions held in the territory of one of them.

(2) This temporary protection shall not prolong the periods provided by article 4. If later the right of priority is invoked, the competent authority of each country may date the period from the date of the introduction of the product into the exhibition.

(3) Each country may require, as proof of the identity of the object exhibited and of the date of introduction, such proofs as it may consider necessary.

ARTICLE 12

(1) Each one of the countries of the Union undertakes to establish a special government service for industrial property, and a central office for communication to the public of patents, utility models, industrial designs, or models and trade marks.

(2) This service shall publish an official periodical paper. It shall publish regularly—

(*a*) The names of the owners of the patents granted with a short designation of the patented inventions;

(*b*) Reproductions of the marks which have been registered.

ARTICLE 13

(1) The international office, established at Berne under the name of International Bureau for the Protection of Industrial Property, is placed under the high authority of the Government of the Swiss Confederation, which is to regulate its organization and supervise its working.

(2) The official language of the International Bureau shall be French.

(3) The International Bureau shall centralize information of every kind relating to the protection of industrial property; it shall collate and publish such information. It shall make a study of all matters of common utility to the Union and shall prepare, with the help of documents supplied to it by the various administrations, a periodical paper in the French language, dealing with questions regarding the purpose of the Union.

(4) The numbers of this paper, as well as the documents published by the International Bureau, are circulated among the administrations of the countries of the Union in proportion to the number of contributing units as mentioned below. Such further copies as may be ordered, either by said administrations or by companies or private persons shall be paid for separately.

(5) The International Bureau shall, at all times, hold itself at the service of members of the Union, in order to supply them with any special information they may need on questions relating to the international system of industrial property. The Director of the International Bureau will furnish an annual report on management which shall be communicated to all the members of the Union.

(6) The ordinary expenses of the International Bureau will be borne by the countries of the Union in common. Until further instructions, they must not exceed the sum of 120,000 Swiss francs per annum. This sum may be increased, in cases of necessity, by a unanimous decision of one of the conferences provided for by article 14.

(7) The ordinary expenses shall not include the costs relating to the work of plenipotentiary or administrative conferences nor the costs brought about by special work or by publications made in conformity with the decisions of a conference. These costs, of which the annual amount cannot exceed 20,000 Swiss francs, shall be apportioned among the countries of the Union in proportion to their contribution for the working of the International Bureau in accordance with the provisions of paragraph (8) hereinafter.

(8) To determine the part which each country should contribute to this total of expenses, the countries of the Union and those which may afterwards join the Union, shall be divided into six classes, each contributing in the proportion of a certain number of units, namely:

	Units
First class	25
Second class	20
Third class	15
Fourth class	10
Fifth class	5
Sixth class	3

These coefficients shall be multiplied by the number of countries in each class, and the sum of the results thus obtained shall give the number of units by which the total expense must be divided. The quotient shall give the amount of the unit of expense.

(9) Each one of the countries of the Union will designate, at the time of its accession, the class in which it wishes to be placed. However, each country of the Union may state later that it wishes to be placed in another class.

(10) The Government of the Swiss Confederation shall superintend the expenses of the International Bureau, advance the necessary funds, and render an annual account which shall be communicated to all the other administrations.

ARTICLE 14

(1) The present convention shall be submitted to periodical revisions with a view to the introduction therein of amendments calculated to improve the system of the Union.

(2) For this purpose conferences shall be held successively in one of the countries of the Union between the delegates of the said countries.

(3) The administration of the country in which the conference is to be held shall prepare for the work of that conference, with the assistance of the International Bureau.

(4) The Director of the International Bureau shall be present at the meetings of the conferences, and shall take part in the discussions, but without the privilege of voting.

ARTICLE 15

It is agreed that the countries of the Union respectively reserve to themselves the right to make separately as between themselves special arrangements for the protection of industrial property insofar as such arrangements do not contravene the provisions of the present convention.

ARTICLE 16

(1) The countries which have not taken part in the present convention shall be permitted to adhere to it upon their request.

(2) Such adherence shall be notified through the diplomatic channel to the Government of the Swiss Confederation, and by the latter to all the other Governments.

(3) It shall entail, as a matter of right, accession to all the classes, as well as admission to all the advantages stipulated in the present convention, and shall take effect 1 month after the dispatch of the notification by the Government of the Swiss Confederation to the other countries of the Union, unless a subsequent date has been indicated in the request for adherence.

ARTICLE 16 BIS

(1) Each one of the countries of the Union may, at any time, notify the Government of the Swiss Confederation, in writing, that the present convention shall be applicable to all or a part of its colonies, protectorates, territories under mandate or all other territories subject to its authority, or all territories under sovereignty, and the convention shall apply to all territories specified in the notification 1 month after the sending of the communication by the Government of the Swiss Confederation to the other countries of the Union, unless a subsequent date has been indicated in the notification. In the absence of this notification, the convention shall not apply to these territories.

(2) Each one of the countries of the Union may, at any time, notify the Government of the Swiss Confederation, in writing, that the present convention has ceased to be applicable to all or a part of the territories which have been made the object of the notification provided for in the preceding paragraph, and the convention shall cease to apply in the territories designated in this notification 12 months after receipt of the notification addressed to the Government of the Swiss Confederation.

(3) All notifications sent to the Government of the Swiss Confederation, in conformity with the provisions of paragraphs 1 and 2 of the present article, shall be communicated by this Government to all the countries of the Union.

ARTICLE 17

The execution of the reciprocal engagements contained in the present convention shall be subordinated, insofar as necessary, to the observance of the formalities and rules established by the constitutional laws of those of the countries of the Union which are bound to enforce the same, which they undertake to do with as little delay as possible.

ARTICLE 17 BIS

(1) The convention shall remain in force for an unlimited time, until the expiration of one year from the date of its denunciation.

(2) This denunciation shall be addressed to the Government of the Swiss Confederation. It shall be effective only for the country in whose name it shall have been made, the convention remaining in operation as regards the other countries of the Union.

ARTICLE 18

(1) The present act shall be ratified and the instruments of ratification shall be deposited in London not later than the 1st of July 1938. It shall come into force, between the countries in whose names it shall have been ratified, one month after such date. However, if before July 1, 1938, it is ratified in the name of at least six countries, it shall come into force between those countries one month after the Government of the Swiss Confederation has

notified them of the deposit of the sixth ratification, and for the countries in whose names it shall have been ratified thereafter, one month after the notification of each of these ratifications.

(2) The countries in whose names no instruments of ratification shall have been deposited within the period of time contemplated in the preceding paragraph shall be permitted to adhere under the terms of article 16.

(3) The present act shall replace, as regards relations between the countries to which it applies, the Convention of the Union of Paris of 1883 and the subsequent acts of revision.

(4) As regards the countries to which the present act does not apply, but to which the Convention of the Union of Paris, as revised at The Hague in 1925, does apply, the latter shall remain in force.

(5) Likewise, as regards the countries to which neither the present act nor the Convention of the Union of Paris, as revised at The Hague apply, the Convention of the Union of Paris as revised in Washington in 1911 shall remain in force.

ARTICLE 19

The present act shall be signed in a single copy, which shall be deposited in the archives of the Government of the United Kingdom of Great Britain and Northern Ireland. A certified copy shall be forwarded by the latter to each of the governments of the countries of the Union.

Done at London in a single copy, on June 2, 1934.

For Germany:
HOESCH
GEORG KLAUER
WOLFGANG KÜHNAST
HERBERT KÜHNEMANN
For Austria:
Dr. HANS WERNER
For Belgium:
COPPIETERS DE GIBSON
THOMAS BRAUN
For the United States of Brazil:
J. A. BARBOZA-CARNEIRO
For Cuba:
GABRIEL SUÁREZ SOLAR
For Denmark:
N. J. EHRENREICH-HANSEN
For the Free City of Danzig:

For Spain:
RAMÓN PÉREZ DE AYALA
FERNANDO CABELLO LAPIEDRA
JOSÉ GARCÍA MONGE
For the United States of America:
CONWAY P. COE
JOHN A. DIENNER
THOMAS EWING
For Finland:
J. KAUTOLA
For France:
MARCEL PLAISANT
ROGER CAMBON
GEORGES LAINEL
GEORGES MAILLARD
For Great Britain and Northern Ireland:
F. W. LEITH-ROSS
M. F. LINDLEY
WILLIAM S. JARRATT
For Australia:
B. WALLACH
For the Irish Free State:

For Hungary:
SCHILLING ZOLTÁN
For Italy:
EDUARDO PIOLA CASELLI
LUIGI BIAMONTI
ALFREDO JANNONI SEBASTIANINI
For Japan:
M. HOTTA
TAKATSUGU YOSHIWARA
For Liechtenstein:
W. KRAFT
For Morocco:
HALGOUET
For the United Mexican States:
G. LUDERS DE NEGRI
For Norway:
B. G. WYLLER
For the Netherlands:
J. ALINGH PRINS
J. VAN HETTINGA TROMP
A. D. KOELEMAN
H. F. VAN WALSEM
For Poland:
STEFAN CZAYKOWSKI
For Portugal:
JOAO DE LEBRE E LIMA
ARTHUR DE MELLO QUINTELLA SALDANHA
For Sweden:
BIRGER LINDGREN
AKE DE ZWEIGBERGK
For Syria and Liban:
MARCEL PLAISANT
For Switzerland:
W. KRAFT
For Czechoslovakia:
Dr. KAREL SKÁLA
Dr. OTTO PARSCH
For Tunis:
C. BILLECOCQ
For Turkey:
A. FETHI
For Yugoslavia:
Dr. JANKO CHOUMANE (SUMAN)

Mr. PITTMAN. Mr. President, this is an amendment to the original convention of 1883 dealing with patents and trade marks. It has been amended several times—in 1900, in 1911, and in 1925—and we now propose another amendment.

With regard to patents certain defects have been apparent. While the original convention provided for priority of a patent in one government during a period of years, yet as to another government, a party to the convention, there was some language excepting those obtaining priority rights. That was interpreted in some countries to mean that during the period of years in which a patent had been obtained in a foreign country, if some national of the foreign country should establish a factory for the manufacture of the patented material or the patented article, thereafter it should be considered an intervening prior right, which practically destroyed the benefit of priority to the patentee. That provision has been stricken out, so now the patentee of any article in one country has a year in which to patent it in any other country the government of which is a party to this convention.

There is only one other material change, and that is with regard to trade marks. Formerly, if there was a slight distinction made in the trade mark for which protection was applied for in one of the countries, protection would not be granted. That is eliminated. If the trade mark is substantially the trade mark for which protection was granted in the Government of its origin, it will be accepted and granted the usual privileges in the convention countries.

Again, there were trade marks that on occasions were used by two companies or two persons in a country. The International Union refused to register such a trade mark by reason of the fact that apparently there were two owners of it. Today that is treated as a joint ownership, and either one of the owners of the trade mark may register it in a foreign country that is a member of this convention.

Those are the only changes made.

The PRESIDING OFFICER. If there be no amendments, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive F, Seventy-fourth Congress, first session, an international convention for the protection of industrial property signed at London on June 2, 1934, by the plenipotentiaries of the United States of America and twenty-eight other countries, at an international conference convened for the purpose of revising the convention of the international union for the protection of industrial property, signed at Paris on March 20, 1883, as revised at Brussels on December 14, 1900, at Washington on June 2, 1911, and at The Hague on November 6, 1925.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the convention is ratified.

SUPPLEMENTARY EXTRADITION TREATY WITH LUXEMBURG

The Senate as in Committee of the Whole, proceeded to consider Executive M (74th Cong., 1st sess.), a supplementary extradition treaty between the United States of America and the Grand Duchy of Luxemburg, signed at Luxemburg on April 24, 1935, which was read the second time, as follows:

SUPPLEMENTARY EXTRADITION TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE GRAND DUCHY OF LUXEMBURG

The President of the United States of America and Her Royal Highness the Grand Duchess of Luxemburg being desirous of enlarging the list of crimes on account of which extradition may be granted under the convention concluded between the United States and the Grand Duchy of Luxemburg on October 29, 1883, with a view to the better administration of justice and prevention of crime within their respective territories and jurisdictions, have resolved to conclude a supplementary convention for this purpose and have appointed as their plenipotentiaries, to wit:

The President of the United States, the Honorable George Platt Waller, his Chargé d'Affaires ad interim near the Government of Her Royal Highness the Grand Duchess of Luxemburg; and

Her Royal Highness, the Grand Duchess of Luxemburg, His Excellency the President of Her Government, Mr. Joseph Bech, Minister of State, Minister of Foreign Affairs, etc., etc., etc.,

Who, after having communicated to each other their respective full powers, which were found to be in due and proper form, have agreed to and concluded the following articles:

ARTICLE I

The following crimes are added to the list of crimes numbered 1 to 12 in article II of the said convention of October 29, 1883, on account of which extradition may be granted, that is to say:

13. Fraud or breach of trust by a bailee, banker, agent, factor, trustee, executor, administrator, guardian, director or officer of any company or corporation, or by anyone in a fiduciary position, where the amount of money or the value of the property misappropriated exceeds $200 or Luxemburg equivalent.

14. Crimes or offenses against the bankruptcy laws.

15. Kidnaping of minors or adults, defined to be the abduction or detention of a person or persons, in order to exact money from them, their families or any other person or persons, or for any unlawful end.

16. Larceny, defined to be the theft of effects, personal property, or money, of the value of $25 or more, or Luxemburg equivalent.

17. Obtaining money, valuable securities, or other property by false pretenses, where the amount of money or the value of the property so obtained exceeds $200 or Luxemburg equivalent.

18. Perjury.

19. Bribery.

20. Willful desertion or willful nonsupport of minor or dependent children, or of other dependent persons.

21. Crimes or offenses against the laws for the suppression of the traffic in narcotics.

22. Crimes or offenses against the laws for the suppression of the traffic in women and children, otherwise known as the "white-slave traffic."

ARTICLE II

The present convention shall be considered as an integral part of the said extradition convention of October 29, 1883, and article II of the last mentioned convention shall be read as if the list of crimes therein contained had originally comprised the additional crimes specified and numbered 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22, in the first article of the present convention.

The present convention shall be ratified by the high contracting parties in accordance with their respective constitutional methods, and shall take effect on the date of the exchange of ratifications which shall take place at Luxemburg as soon as possible.

In witness whereof the above mentioned plenipotentiaries have signed the present convention both in the English and French languages and have hereunto affixed their seals.

Done, in duplicate, at Luxemburg, this twenty-fourth day of April in the year of our Lord one thousand nine hundred and thirty-five.

[SEAL] GEORGE PLATT WALLER.
[SEAL] BECH.

Mr. PITTMAN. Mr. President, this is another extradition treaty. It adds a number of offenses to those which originally were specified in the treaty between our country and Luxemburg. I will read them:

14. Crimes or offenses against the bankruptcy laws.

15. Kidnaping of minors or adults, defined to be the abduction or detention of a person or persons, in order to exact money from them, their families, or any other person or persons, or for any unlawful end.

16. Larceny, defined to be the theft of effects, personal property, or money, of the value of $25 or more, or Luxemburg equivalent.

17. Obtaining money, valuable securities, or other property by false pretenses, where the amount of money or the value of the property so obtained exceeds $200 or Luxemburg equivalent.

18. Perjury.

19. Bribery.

20. Willful desertion or willful nonsupport of minor or dependent children, or of other dependent persons.

21. Crimes or offenses against the laws for the suppression of the traffic in narcotics.

22. Crimes or offenses against the laws for the suppression of the traffic in women and children, otherwise known as the "white-slave traffic."

Those are the additions to the treaty.

The PRESIDING OFFICER. If there be no amendments, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive M, Seventy-fourth Congress, first session, a supplementary extradition treaty between the United States of America and the Grand Duchy of Luxemburg, signed at Luxemburg on April 24, 1935.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to and the treaty is ratified.

SUPERVISION OF INTERNATIONAL TRADE IN ARMS

Mr. PITTMAN. Mr. President, I have one other request to make of the Senate.

I have seen the Senator from Utah [Mr. KING], who is very much fatigued, and has asked the privilege that Calendar No. 12, being Executive H—Sixty-ninth Congress, first session—be not considered today, and I did not like to impose upon him in his present condition of health.

I spoke to the Senator in charge of the unfinished business, the Senator from Montana [Mr. WHEELER], and asked him if he would have any objection, if other Senators did not object, to having an executive session tomorrow afternoon so that we might consider this treaty. The Senator from Utah stated that he did not think he would desire to discuss it for over 30 minutes.

If it is not objectionable, I am going to ask, with the approval of the Senator from Arkansas [Mr. ROBINSON], at what hour tomorrow we might have consideration of this treaty. It is a treaty for the supervision of the international trade in arms and ammunition and in implements of war.

Mr. ROBINSON. I suggest the hour of 4 o'clock, if that suits the convenience of the Senator.

Mr. PITTMAN. Then I ask unanimous consent that at 4 o'clock tomorrow the Senate go into executive session for the consideration of Calendar No. 12, Executive H—Sixty-ninth Congress, first session—a Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, signed at Geneva, Switzerland, on June 17, 1925.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, I did not understand the subject matter of the convention, nor the hour, nor the request.

Mr. PITTMAN. There is one convention on the calendar which has been there for quite a while. It is the convention for the international control of the transportation of arms. It was to come up this afternoon. I will say to the Senator from Oregon that it is the first matter on the Executive Calendar. The Senator from Utah [Mr. KING] desires, however, to make a statement with regard to the convention, and is not feeling well enough today to take part in the debate. I therefore have asked that we may consider the convention at some time tomorrow.

Mr. McNARY. What time does the Senator suggest?

Mr. PITTMAN. I spoke to the Senator from Montana [Mr. WHEELER], who is in charge of the unfinished business, and I asked the Senator from Arkansas [Mr. ROBINSON] what hour he thought would be convenient. The Senator from Arkansas suggested that probably 4 o'clock tomorrow would be convenient, if there is no objection from others. That is the request I make. Does the Senator from Oregon desire any change in it?

Mr. McNARY. Mr. President, I feel that probably we should be more orderly in carrying forward the business of the session. We are all anxious to get away, and 4 o'clock is almost the end of the day. Why cannot the Senator wait until we dispose of the unfinished business before taking up the treaty?

Mr. PITTMAN. I will say to the Senator from Oregon that the State Department considers it a very important

treaty, as I think all the members of the Foreign Relations Committee do. Personally, I certainly do. This treaty was ratified previously, but the action was reconsidered so that a change might be made as to a reservation. There is only one reservation changed in it. The Senator from Utah [Mr. KING] alone insists on the reservation being put back in the treaty. I do not think it will take over 30 minutes to debate it.

Mr. McNARY. If that be true, why would not 4:30 be an appropriate time?

Mr. PITTMAN. That is satisfactory. Then I renew my unanimous-consent request, asking that the time be changed to 4:30.

Mr. LA FOLLETTE. Mr. President, did the Senator make any statement with regard to the copyright treaty, and what his intentions are concerning that?

Mr. PITTMAN. I did upon yesterday; not today.

Mr. LA FOLLETTE. The Senator does not intend to have it considered today?

Mr. PITTMAN. No. I stated yesterday that by reason of an understanding between the Senator from Wisconsin [Mr. DUFFY], chairman of the subcommittee, and others, it was agreed to bring up that treaty at the same time as a bill which we hope will be reported from the Committee on Patents.

Mr. LA FOLLETTE. I desired to be certain that that understanding was to be carried out.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement as modified? The Chair hears none, and the agreement as modified is entered into.

That completes the Executive Calendar.

Without objection, the Senate will return to legislative session.

LEGISLATIVE SESSION

The Senate resumed legislative session.

DISPOSITION OF RECORDS, FILES, ETC., OF FEDERAL AVIATION COMMISSION

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 92) making final disposition of records, files, and other property of the Federal Aviation Commission, which were, on page 2, line 3, to strike out "June 1" and insert "June 15", and on the same page, line 11, to strike out "June 1" and insert "June 15."

Mr. ROBINSON. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

LAS VEGAS HOSPITAL ASSOCIATION, LAS VEGAS, NEV.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 416) for the relief of Las Vegas Hospital Association, Las Vegas, Nev., which was, on page 1, line 14, after "Washington", to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. PITTMAN. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

GERMANIA CATERING CO., INC.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 41) for the relief of the Germania Catering Co., Inc., which were, on page 1, line 6, after the figures "$5,000", to insert a comma and "in full settlement of all claims against the Government of the United States"; and on the same page, line 12, after the word "provisions", to insert a colon and the following:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. COPELAND. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

EMMETT C. NOXON

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 42) for the relief of Emmett C. Noxon, which was, on page 1, line 7, to strike out the word "represents" and insert "shall be in full settlement of all claims against the United States for."

Mr. COPELAND. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating or marketing securities in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. BROWN. Mr. President, I have had some experience with State regulation of utilities. I served upon the New Hampshire Public Service Commission for more than 7 years. The duties of that body included, in part, the general supervision of utilities with respect to carrying into effect the laws relating to them, the necessity of keeping informed as to their capitalization, franchises, manner of operation, compliance with law or orders of the commission, and, of its own motion, to investigate as to rates or any violation of law or commission order. When I was appointed I was not completely unsophisticated; I did not expect the process of regulation to be mere child's play. But I must confess that my experience on the New Hampshire Public Service Commission was a revelation to me.

New Hampshire is not a large State. It has an area of something less than 10,000 square miles. Nor is it a densely populated State, having a population of approximately 465,000. The utility problem in that State ought not to be extremely complicated. Electric service is widely provided, and we enjoy a high percentage of rural electrification compared with other States. Our people are intelligent, industrious, and law-abiding. They want only a fair deal for themselves and have always ungrudgingly extended a fair deal to outside capital. In our State there was not the slightest justification for the utilities mixing in politics or indulging in tactics which Professor Ripley in "Main Street and Wall Street" so aptly characterized as "prestidigitation, double shuffling, honeyfugling, hornswoggling, and skullduggery."

When I first read that description of the holding company by Ripley a number of years ago I thought the learned professor was carried away by the flow of his exuberant words into a bit of overstatement. But I have learned from experience that the dangers of this holding-company business have been understated, not overstated. When I was appointed to the Public Service Commission of New Hampshire I was not wholly ignorant of the dangers of absentee ownership and excessive concentration of economic power in the textile industry, but I was utterly amazed to find the degree to which absentee ownership and excessive concentration of power was carried out in the utility field from 1925 on.

About half a dozen foreign holding companies now completely dominate and control the power industry throughout the length and breadth of the State of New Hampshire. I

was astonished at the brazen sense of irresponsibility that accompanied that control. I want to say to you, Mr. President, that if the stamp of some of the men with whom I have had to deal as representatives of the Associated Gas & Electric and Insull systems are to be permitted to continue to control large aggregations of other people's money invested in the utility field or in other essential industries, the kind of economic individualism and political democracy upon which this country was built cannot survive.

In reply to those well-meaning gentlemen who believe that regulation of holding companies is what we need, I invite attention to one H. C. Hopson, who stops sometimes at 61 Broadway, New York City. Mr. Hopson is the dominant figure and guiding spirit of the Associated Gas & Electric System. As a dominant figure he is a marvel, and I think he admits it. As a guiding spirit he leaves nothing undone to accomplish his purpose, and I may say that his chief purpose appears to be acquiring the coin of the realm. If I am rightly informed, he was a member of the staff of the New York Public Utilities Commission before he became a utility magnate, so he knows the game from all angles. One feeling like regulation might start out some New Year's Day with the intention of trying during that calendar year to drive that bird and his outfit to cover, and if he does not express a desire to quit the job in defeat and disgust before Decoration Day, then the individual attempting to regulate has an ability to absorb punishment far beyond anything I have heretofore observed. The Associated Gas & Electric System includes 164 companies, 42 of which have securities in the hands of the public. Companies of the system are found in many States. In my opinion under the present set-up, no body can effectively regulate such an organization. It is too big, too powerful, its officials are too fast, and its lawyers too smart.

Between the destruction of the holding company and the destruction of our democracy, the choice for me is not difficult, because I know that the choice is inevitable. I have seen these giant holding companies come into our State, where the utility problem should be a very simple one, and bring to the people, not the benefits of operating economies or of improved services, but all the corrupting and corroding influences of irresponsible absentee management and misused economic power.

I have seen them juggle their books, juggle their cash, juggle foreclosure sales where they were both buyer and seller, juggle their taxes, juggle their lawyers, their accountants and their engineers.

When we attempted to investigate the operations of these holding companies we were overwhelmed with wave after wave of lawyers, accountants, engineers—a new crowd of shock troops every week—gathered from different sections of the country.

When Boston lawyers could not convince the commission they would call on Philadelphia lawyers. And if Philadelphia lawyers could not accomplish their purpose they sent to us other hair-splitting legalists. And by subtle and well-distributed retainers, they seemed to have managed to bring under their influence virtually all the utility engineering firms of repute, so that our commission was at a loss to procure honest and independent engineering advice.

The confusing nature of the intercorporate relationships in a holding-company system hopelessly complicated the task of the State commission. The subsidiaries were all one company when it suited the holding company managers' purposes and they were separate and distinct entities with sacred constitutional rights whenever there was a chance of escaping the arm of the law.

Our commission could never even be certain as to the number of holding companies doing business in the State, because it is almost impossible for a State commission to discover the holding company or companies controlling an operating company, providing the representatives of the controlling company are not disposed to divulge the truth of the matter. More than once have I seen the person in charge of an operating company claim and insist that he did not know where the company was located which was over him; did not know the name of his boss; and did not know where he lived.

In most of the States there is a requirement that the operating company file an annual report, which report is generally made up under the supervision of the holding company. These reports, among other things, purport to show what holding company is in control, and the statement with relation thereto may or may not be true. In any event, if there is a change in holding companies 15 minutes after the report is filed, there is nothing to be done about it. It may be that no one will know the actual controlling interest for another year, and perhaps no one interested from a public standpoint will ever know.

In 1930, after repeated unsuccessful efforts to obtain the facts informally with relation to a holding company system having operating companies in New Hampshire, the regulatory body of which I was a member instituted a formal investigation for the purpose of gaining information as to whether or not certain operating companies in our State, controlled by a holding-company system which is doing business over a considerable part of this country, were complying with the law and orders of the commission, and to obtain evidence in detail as to the capitalization, franchises, and manner in which the lines and property controlled by this holding-company system were managed and operated. This investigation, with the court procedure entailed, covered some 2 years, and certain phases of the case are now before the Supreme Court, more than 5 years after initial steps for investigation were taken.

I do not think anyone can appreciate the hopeless task of trying to regulate anything of the size and power of Associated Gas or Insull unless he has lived with the nightmare. I have been impressed by the fact as I have talked with other Senators that it is only when you have lived and fought and died with these companies in an energetic regulatory commission that you have much idea of how dangerous they are to the public.

Holding companies and their subsidiaries or affiliated corporations or associations now provide various managerial, purchasing, construction, engineering, financial, accounting, advertising, and legal services. Such intercompany transactions are carried out under contracts which confuse and confound regulation.

Under these contracts profits are tapped in the guise of operating expenses or capital charges, and it has become increasingly difficult to determine if more than a fair return accrues from operations. Under holding-company accounting one cannot fix a fair rate for local utilities unless one breaks down the pro rata cost of service contracts involving utilities in many States, an impossible task for a State commission, even if it could get at the records which the holding companies manage to keep out of the jurisdiction.

Let me show the Senate concretely the way Associated Gas managed to do it in my State. I have here a memorandum of a management contract between a holding company or affiliate located outside my State and an operating company within my State, effective for a period of 10 years beginning June 1, 1929. I have substituted the name management corporation for the real name of the holding company or affiliate as set forth in the form contract, and, for the sake of brevity, have deleted unimportant verbiage contained therein.

I have here a memorandum of a construction contract between a holding company or affiliate located outside my State and an operating company within my State, effective for a period of 10 years beginning June 1, 1929. I have substituted the name construction company for the real name of the holding company or affiliate as set forth in the form contract, and, for the sake of brevity, have deleted unimportant verbiage found therein.

I also have here a memorandum of a purchasing contract between a holding company or affiliate located outside my State and an operating company within my State, effective for a period of 10 years beginning October 1, 1928. I have substituted the name purchasing company for the real name of the holding company or affiliate as set forth in the form

contract, and, for the sake of brevity, have deleted unimportant verbiage found therein.

I further have here a memorandum of an appliance contract between a holding company or affiliate located outside my State and an operating company within my State, effective for a period of 10 years beginning December 1, 1928. I have substituted the name appliance corporation for the real name of the holding company or affiliate as set forth in the form contract, and, for the sake of brevity, have deleted unimportant verbiage found therein.

Mr. President, I ask unanimous consent that these four memoranda be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The memoranda referred to are as follows:

MEMORANDUM OF MANAGEMENT CONTRACT

Section 2: The duty of the Management Corporation to consult with and advise the officers, directors, and employees of the local utility "with respect to the operation of the properties * * * and * * * to plan and direct the carrying out of operating programs and policies * * * and to supervise the conduct of its business" with "the following duties and authority."

(a) It has "authority to employ on behalf of the" local utility, "such persons as it may deem proper as employees of the" local utility, "in the operation of its properties and to discharge such employees and fix their compensation."

(b) It "shall advise and consult with the" local utility "and or the purchasing agent" of the local utility "to the end * * * insofar as * * * possible to make such purchases to the best advantage of the" local utility.

(c) It "may formulate and direct and will supervise" the bookkeeping and if requested by the board of directors "supervise the preparation of * * * reports * * * required by law * * * and upon request make reports for the board of directors of the affairs * * * and results of operation * * *."

(d) It will advise and supervise in the compilation, analysis, and presentation of statistics as may be requested, investigate operating results, and endeavor to remedy any faults to improve service and secure more efficient and economical operating methods.

(e) It will advise as to policies to be followed for business extension and securing new customers and "with respect to the relative merits of various appliances for use by customers and methods of introduction and sale of such appliances to customers."

(f) It will advise re wholesale purchase or sale of gas or electricity and byproducts, if any, and assist in negotiation and preparation of contracts.

(g) It will supervise current finances and assist in securing bank loans or other funds for current purposes.

It will advise regarding financial needs from an operating standpoint and cooperate with local utility's "financial experts" (hired by the Management Corporation under (a) above) "in the formulation of financial policies." It will cooperate with the "construction manager" "in maintaining a system of annual budgets providing for programs of extension and improvements * * * and setting forth * * * financial requirements * * *."

(h) It will supervise and direct placing of insurance.

(i) At its expense furnish "divisional general manager and a divisional accounting officer" to "superintend locally the operation of the properties and the accounts of financial records."

(j) It "will keep in touch with all legal problems" and recommend * * * such legal assistance as in its judgment may be necessary and * * * confer with and assist the attorneys * * * incident to financing, organization of new companies, reorganizations, consolidations, and all other actions of this character." The Management Corporation "will act under the direction of said attorneys."

(k) It "will assist in the formulation of rate schedules * * * and * * * in their application." Will assist in "preparation of papers and statements on any application to the Public Service Commission or on hearings affecting rates or other matters over which the Public Service Commission * * * has jurisdiction, and will see that" the local utility "is properly represented."

It will "keep informed as to decisions and orders of the Public Service Commission * * * and as to the decisions of the courts * * * and * * * advise" the local utility "as to important decisions or rulings."

(l) Its "engineering staff * * * will be available in New York * * * for consultation and advice on all operating engineering questions."

(m) It will "furnish at its * * * expense * * * office space and services incidental to maintaining its own organization at its office, including the services of clerks, stenographers, office boys, and similar assistants."

Section 3: "Authority herein * * conferred" on the management corporation is "subject to such limitations as the laws of the State of incorporation of the" local utility (New Hampshire) "may impose, and subject also to the general supervision and control of the board of directors of the" local utility. "Nothing * * * shall be deemed * * * as a surrender or abandonment by the board of directors of the" local utility "of any powers or duties imposed upon them by law, nor as a delegation of any authority or duty which may not be lawfully delegated by the board * * * it being the intention hereof that" the management corporation "shall have * * * only such authority and duties as might be lawfully delegated by the board * * * to an individual employed * * * for similar purposes."

Section 4: The management corporation, while given no authority "with respect to construction of additions or betterments * * * or acquisition of additional properties or * * * financing the cost * * * or other permanent financing" it "shall consult with the officers, directors, or other employees * * * in charge thereof and furnish such advice and cooperation as may be necessary * * * that such * * * may conform with the general operating and business needs of the" local utility.

Section 5: The management corporation has "at all times * * * full access to all * * * properties, books, and records" of the local utility "and shall be given full information * * *."

Section 6: The management corporation "shall be considered an employee" as shall employees whether engaged by it or not. Local utility to hold it harmless for any act or omission by employees.

Section 7: From date the Management Corporation gets a fee of 2½ percent per annum of gross earnings payable monthly.

Section 8: The local utility is to reimburse the Management Corporation "for all expenses necessarily incurred * * * for traveling or other incidentals (exclusive of the regular New York office expense. * * *)." Local utility also is to reimburse the Management Corporation for the salaries of its "subordinate employees who may * * * be engaged with the consent of the" local utility, "outside of the duties" of the Management Corporation under the contract.

Section 9: The local utility is to pay or reimburse the Management Corporation for all expenses incurred for employment with consent of local utility "of accountants, engineers, or financial or other expert employees * * * involving rates, taxes, finances, or other specialized services, it being the intent of this contract that in all such matters the services of", the Management Corporation "shall be chiefly of a directing, supervising, and advisory character, the actual * * * work to be done by the regular employees of the" local utility "or others employed by it * * * or for its account by" the Management Corporation.

Section 10: The contract covers properties after acquired.

Section 11: The Management Corporation may delegate authority and duties "to such * * * as in" its opinion "* * * shall be properly qualified" but to be paid by the Management Corporation at no "additional expense" to local utility except for incidental expenses, as per 8 above.

Section 12: The agreement to continue in force for 10 years and thereafter from year to year, terminable upon 60 days' notice.

Section 13: Liability of officers, stockholders, and directors is waived.

Section 14: Agreement binds the successors and assigns of the respective parties.

MEMORANDUM OF CONSTRUCTION CONTRACT

Section 2: The duty of the construction company to consult with and advise the officers, directors, and employees of the local utility "with respect to the requirements * * * for construction and additions to * * * properties * * * and to plan and direct the carrying out of construction programs and policies * * * and to supervise the execution thereof" with "the following duties and authority":

(a) It "shall keep itself thoroughly informed * * * of the needs * * * for improvements, betterments, extensions, and additions to the properties for the purpose of adequately taking care of the business * * * increasing the business * * * and adding to the efficiency and economy of operation * * * and * * * whenever, in its judgment, it shall seem advisable, or when requested * * * make * * * recommendation * * * desirable, for the improvement, betterment, enlargement, or extension of the plant, system, or facilities."

(b) It "shall * * * supervise and direct the construction of all improvements, extensions, and additions to the properties * * * * * * the duties * * * shall not include the preparation of plans and specifications and other detailed engineering services and the field supervision of construction work."

(c) It may "contract * * * in the name of" the local utility "for such labor and engineering services * * * order * * * materials and apparatus * * * necessary for the construction * * *." It may "not contract for expenditures for labor and engineering services, or order materials and supplies in excess of $5,000 for any single general purpose, unless * * * approved * * * generally or specially by the board of directors" of the local utility.

(d) It "shall advise * * * whenever * * * advisable * * * to acquire any adjoining plants or systems or plants or systems which * * * may be advantageously combined or operated in conjunction with the plants or systems of the" local utility "and shall also advise * * * as to the terms upon which such additional properties may be advantageously acquired."

(e) Its "engineering staff * * * will be available in New York * * * for consultation and advice in connection with cost estimates and designs prepared by the" local utility "will assist in the application * * * of standardized designs and types of construction devised to promote efficiency * * * and economy will keep in touch with new * * * developments * * * and advise * * * as to any new or improved types of machinery or apparatus that should be installed * * *."

(f) It will "furnish at its * * * expense * * * office space and services incidental to maintaining its own organization

at its office, including the services of clerks, stenographers, office boys, and similar assistants."

Section 3: "Authority herein * * * conferred" on the construction company is "subject to such limitations as the laws of the State of incorporation" of the local utility (New Hampshire) "may impose and subject also to the general supervision and control of the board of directors of the" local utility.

"Nothing * * * shall be deemed * * * as a surrender or abandonment by the board of directors of the" local utility "of any powers or duties imposed upon them by law, nor as a delegation of any authority or duty which may not be lawfully delegated by the board * * * it being the intention hereof that" the construction company "shall have * * * only such authority and duties as might be lawfully delegated by the board * * * to an individual employed * * * for similar purposes."

Section 4: It has "at all times * * * full access to all * * * properties, books, and records" of the local utility "and shall be given full information."

Section 5: It "shall be considered an employee" as shall employees whether engaged by it or not. Local utility to hold it harmless for any act or omission by employees.

Section 6: From date the construction company gets a fee of 7½ percent "of the gross amount charged or chargeable since" June 1, 1929, "to the plant or property accounts of the" local utility, payable monthly.

Section 7: The local utility is to reimburse the construction company "for all expenses necessarily incurred * * * for traveling or other incidentals (exclusive of the regular New York office expense * * *)." Local utility also is to reimburse the construction company "for the salaries of the latter's subordinate employees who may * * * be engaged, with the consent of the" local utility, "outside of the duties of the" construction company under the contract.

Section 8: The local utility is to pay or reimburse the construction company for all expenses incurred for employment with consent of local utility "of accountants, engineers, or other professional, or expert employees * * * involving specialized services, it being the intent of this contract that in all such matters the services of" the construction company "shall be chiefly of a directing, supervising, and advisory character, the * * * work to be done by the regular employees of the" local utility "or others employed by it * * * or for its account by the construction company.

Section 9: The contract covers properties after acquired.

Section 10: The construction company may delegate authority and duties "to such * * * as in" its opinion "* * * shall be properly qualified" but to be paid by the construction company at no "additional expense" to the local utility except for incidental expenses as per 7 above.

Section 11: The agreement to continue in force for 10 years and thereafter from year to year, terminable upon 60 days' notice.

Section 12: Liability of officers, stockholders, and directors is waived.

Section 13: Agreement binds the successors and assigns of the respective parties.

MEMORANDUM OF PURCHASING CONTRACT

Section 1: (a) Purchasing agent to purchase or supervise purchase of all apparatus, supplies, and materials; and

(b) Consult with utility re its needs; and

(c) Supervise shipping transportation, delivery, inspection, and distribution of said purchases.

Section 2: Utility to pay a fee of 1½ percent of amount paid for purchases.

Section 3: Purchasing agent authorized to contract on behalf of utility, execute "drafts, bills of exchange, acceptances, bills of lading, warehouse receipts, and other shipping documents." Also authorized to combine purchases with other utilities for which it also acts as purchasing agent.

Section 4: Purchasing agent released from liability for purchases made in good faith.

Section 5: Utility may examine books of purchasing agent, "but only pertaining to the performance by the purchasing agent of its duties under this agreement and/or to the compensation and reimbursement of the purchasing agent."

Section 6: Purpose and intent of "agreement that all of the apparatus, supplies, and materials required by the utility for its business shall be purchased under the supervision and/or through the agency of the purchasing agent", it to be notified "in writing of all * * * requirements."

Section 7: Purchasing agent "shall be considered an employee."

Section 8: Utility to reimburse purchasing agent "for all expenses necessarily incurred * * * for traveling or other incidentals (exclusive of the regular New York office expense of the purchasing agent)."

Section 9: Purchasing agent may delegate authority and duties "to such * * * as in the opinion of the purchasing agent shall be properly qualified", but to be paid by the purchasing agent at no "additional expense" to the local utility for incidental expenses, as per 8 above.

Section 10: Liability of officers, stockholders, and directors is waived.

Section 11: Agreement to continue in force for 10 years and thereafter from year to year, terminable upon 60 days' notice.

Section 12: Agreement binds the successors and assigns of the respective parties.

MEMORANDUM OF APPLIANCE CONTRACT

Appliance Corporation consigns all appliances required by the operating company at cost and the operating company in the promotion of its business will through its own new business department sell the appliances consigned to its consumers. The operating company will bill the goods and make the collections therefor in its own name, it being understood, however, that title to the appliances is at all times in the Appliance Corporation until the appliances are sold to consumers. At the close of each month or shortly thereafter the operating company is to remit to the Appliance Corporation the proceeds of sales of appliances made during the month, less all losses and expenses, with the exception of those expenses which are purely selling and promotional, and also less a commission for the sale of appliances as hereinafter indicated.

Pursuant to this plan the Appliance Corporation will—

1. Deliver on consignment to the operating company a full line of appliances and maintain same at the expense of the Appliance Co., without cost to the operating company and without remission of any proceeds to the Appliance Corporation until appliances are sold.

2. Provide experienced appliance directors, whose salaries and traveling expenses are paid by the Appliance Corporation, and who will assist the operating company in directing its appliance sales activities, including campaign boosting, testing of appliances, conferring with manufacturers, etc.

3. Reimburse the operating company for the carrying charges on installment sales:

(a) Three percent added to the sales price to cover billing and collecting expense, and bad debts.

(b) The balance of the carrying charge, i. e., 3 percent to 9 percent added to the sales price, depending on the number of monthly installment periods and local usage, to cover interest on deferred payments.

4. Pay the operating company a commission of 2½ percent of the actual proceeds from sales which is designed to reimburse the operating company for—

(a) Checking appliances received against the order and the vendor's invoice, and the expense of vouchering, bookkeeping, and paying vendor's invoice.

(b) Expenses in connection with appliances between the time they are received by the operating company and the delivery to the consumer, such as storage, handling, insurance, light, heat, and other storeroom overhead, bookkeeping for perpetual inventories, and taking semiannual inventories for the consignor.

5. Reimburse the operating company for the cost of installing the appliances on consumer's premises.

6. Assume all losses in inventory due to depreciation in value, through obsolescence, wear and tear, etc., and will permit the operating company to sell appliances, in cases where regular list price is unobtainable, for what they will bring, on permission from the appliance corporation, such loss to be assumed by the appliance corporation.

7. Take back into its own stock appliances which it is necessary to repossess, and assume the loss on repossessions.

8. Reimburse the operating company for reconditioning repossessed appliances.

9. Reimburse the operating company for payments made by it on behalf of the appliance corporation.

(a) Vendor's invoices.

(b) In-freight and in-delivery expenses.

10. Furnish the operating company with such appliances as it consumes in operations at cost to the appliance corporation.

11. Bear all discounts on sales of appliances to employees of operating company.

On the other hand, the operating company engages to promote the sales of the consigned appliances, to give an account of its consigned appliance transactions monthly, and to perform such acts as are implied in the above, and for which consideration to the operating company has therein been provided.

What appliances include

Appliances comprise all current-consuming devices. It includes appliances, lamps (except street lamps), fuse plugs, and commercial signs, but does not include spare parts nor jobbing materials and supplies. Appliances include irons, stoves, refrigerators, percolators, toasters, washers, house heaters, vacuum cleaners, ornamental lamps, egg boilers, curlers, exercisers, sunshine lamps, etc. Gas appliances are included as well as electric.

Mr. BROWN. If Senators will look at that management contract, they will note that the management corporation, which is really the holding company, plans and directs the carrying out of operating programs and policies, with the right to employ, on behalf of the local company, such persons as it may deem proper as employees, and fixes their compensation. For that service the holding company gets 2½ percent per annum of the gross earnings of the operating company, payable monthly.

This is the cost-plus system at its worst. In the course of an investigation undertaken by the Commission, it appeared that such management fees for a considerable period of time were accumulated on the books on a monthly basis

and interest at 8 percent compounded monthly thereafter charged. When asked as to the margin of profit under the contract, the representative of the Management Corporation stated, "I do not know, and I do not know how to obtain such information." Later he testified he did not know the profits of the Management Corporation under the contract, nor had he any idea how we could find out.

But charging high interest rates for money loaned and making costly management contracts are not the only devices used to tap profits of local companies. Another idea employed is that shown in the engineering and construction contract I have given here. Everyone knows a public utility requires engineers of many types, and a profit is taken out in this manner.

Under that construction contract the construction company—another holding company dummy—receives a fee of 7½ percent of the gross amount charged or chargeable to the plant or property accounts of the local utility, payable monthly, and certain expenses. Such fees for managing holding companies' own properties are not legitimate expenses of operations. They amount to nothing less than padded accounts. As in the case of the management contract aforementioned, at the investigation no witnesses were able to state what profit accrued to the holding company from this construction contract.

A public utility is entitled to charge such rates as will create sufficient income to provide a fair return upon the value of its property used and useful, and devoted to the utility business. Application of this rule necessitates the determination of what property is used and useful, its value, and what sum will give the return then considered fair. In determining that sum, proper operating expenses are deductible from the total operating revenues. If the owner of a utility increases operating expenses by payments to himself, subsidiary corporations, or affiliated companies, those payments are simply unconscionable profits taken out of the operating utility through the special position occupied by the holding company. Funds for operating expenses are received from the application of rates paid by the public, and a regulatory body is entitled to know what profit results from each such transaction. In other words, there may be certain operating expenses, part of which are in fact not an expense to the owner and should not be to the utility owned.

The greater the value of the plant devoted to the public service the larger the income must be to pay a fair return on that value. In rate cases the engineers for the utility almost always evidence a value in excess of that testified to by engineers representing the complainant. Any enhancement of plant value is to the advantage of the owners of the utility. Regulatory bodies aim to prevent increasing the plant or capital account by charges which are too high or otherwise improper. If the owner of a utility elects to perform work of a capital nature, or have it done by a subsidiary or affiliated corporation, there may result charges to plant account which are burdened with an unjust profit, as before stated, with respect to operating expenses. But padded costs are more important in construction work than in operating expenses. Operating expenses are an annual outlay, but the capital account representing the plant value is the foundation upon which rests any rate structure, and, barring amortization or depreciation, plant value once established is never lessened.

Under the purchasing contract I exhibited to the Senate, the operating utility employs the holding company or affiliate as purchasing agent. This contract applies to everything except what might be termed local purchases. No one connected with the local utility can go out and buy anything, barring a few minor items. The purchasing agent receives from the operating utility 1½ percent of the amount paid for purchases.

Let us look at the appliance contract. In my State, as well as in many others, it is the practice of electrical utilities to engage in the business of selling appliances. The business is generally considered profitable as a revenue producer and as a load builder through increased consumption. In the investigation by our commission it developed that the local utilities had ceased conducting an appliance business, and a holding-company agency, which we will call the "Appliance Corporation" was carrying on that business, but carrying it on from the offices of the local operating companies, with all the work being done by the employees of the operating companies. There is a margin of about 30 percent in the sale of appliances which was taken from the operating companies and given to the holding company.

All advertising by local utilities of the holding system creating these contracts was required to be done through a concern in New York City. No contract for this service existed, but a fee was charged just the same. What profit results therefrom is unknown. The immediate holding-company stockholder of the New Hampshire utilities advertises from time to time. When it does so, whether in New Hampshire or elsewhere, the local utilities pay their proportionate part of the cost based on gross revenue.

It may be of interest to know it was developed during the investigation that the books of the local operating utilities were annually audited by a firm controlled by the treasurer of two holding companies, and, further, that the books are not audited by any certified accountant not affiliated with the system.

To recapitulate, we have:

First. A management contract where the holding company is paid by the operating company 2½ percent per annum of gross earnings of the operating company, payable monthly, plus certain expenses.

Second. A construction contract giving to the holding company or affiliate a fee of 7½ percent of the gross amount charged or chargeable to the plant or property accounts of the operating company, payable monthly, and certain expenses.

Third. A purchasing contract where the holding company or affiliate receives 1½ percent of the amount paid for purchases by the operating utility.

Fourth. A plan as to appliances where the holding company or affiliate gets a margin of 30 percent profit on the sales by the operating utility.

Fifth. An advertising arrangement in which a fee is charged.

The New Hampshire commission was never able to get any information with respect to the amount of profit accruing to the holding company or affiliate on any of these contracts. I have always maintained, and still do, that where companies are commonly owned or have a common interest no profit should be allowed in their dealings one with the other.

A purchasing agent controlled by and affiliated with a holding company should not be a profit-making corporation to the common owners of it and the subsidiary utilities served. What profit is made, if any, should be disclosed and the local utilities given the full advantage secured by this centralized purchasing. That theory is carried out in the provision for mutual service companies in section 13 of this bill.

The appliance contract to which I have referred well illustrates how the profits of an operating utility can be siphoned out by a holding company and subsidiary device. It is fair to presume this practice would not be followed if the benefits derived accrued to some unaffiliated concern. It is merely a scheme whereby the local utility does the same business it did originally, in the same way, with the same facilities, through the same office and working force, and the profits are diverted to another subsidiary for the benefit of the same ultimate owners.

I hope the Senate will not be misled by the fine talk of the high-paid holding company managers and high-paid lawyers and lobbyists. Those of us who have had to deal with this holding company business know that it is not a business but a racket.

Mr. President, there used to be a time when a man in business in this country, in anticipation of selling his product or goods to the public, would sit down and endeavor to figure out for how low a price he could sell his goods and make a fair profit. Nowadays, everything is changed along that line and

apparently men in business figure not for how low a price they can afford to sell, but for how high a price they can sell their goods and have the public stand for it. Added to that, in other furtherance of their greediness and selfishness, they "trim up" in every way possible whether within or without the law. In short, they try to beat the game.

That is the economics of the whole holding company business—a racket, a racket that invents a lot of unnecessary high-sounding services for which it milks operating companies and eventually takes its toll out of investors and consumers.

The holding company boasts of the great expansion in the electric industry and the technical advances which have accompanied it, as if the holding company alone were responsible for the expansion and the technical advances in the arts which made it possible. It is nearer the truth to say that the holding company came in after the feast was spread, denuded the tables of whatever was really worth eating, and left the mere bones to the poor investor whose savings created this development.

I hear much talk about investors in holding company securities. Nobody has told me how many there are of them. Suppose there are a few million holders of all kinds of utility securities of both operating and holding companies. Those few millions have their biggest stake in the operating companies which the holding companies have nearly ruined, and will finish ruining if we do not pass this bill and stop them. Furthermore, there are at least 100,000,000 of the rest of our population who own no securities, or for that matter anything else, but whose gas and electric rates are the only source from which to pay interest and dividends on the securities the holding companies sold. The 100,000,000 who own nothing have enough of a job to pay rates which will support watered capitalization of operating companies, without having to support the watered capitalization of holding companies as well. Furthermore, the 100,000,000 have a real cash investment in the operating utility business larger even than the amount paid for holding company securities at the very top prices.

The consumer is after all the forgotten investor. The consumers, although this seems at first surprising, actually represent in the strictest sense, a larger investment of money in the utility industry than do those people who in the orthodox sense, are investors in electric-utility securities. In 1933 the utilities had an investment of $12,900,000,000 in capital equipment. The consumers had an investment of $13,200,000,000 in utilization equipment, one-half of which is in household appliances. The consumer, of course, invests every single dollar in actual equipment. However, no one, not even the utilities lobby itself, would actually contend that its claimed investment is really in capital equipment furnishing current to the consumer, because there is no way of knowing how much of these billions was spent on plants and how much was only "wind and water."

So these forgotten investors, having a greater investment than the stockholders, have the right, irrespective of the fact that this is an industry serving the public, to demand that electricity be furnished at the lowest possible cost. They are entitled certainly as much as the power companies to a fair return on their investment. Their return is through adequate service at a reasonable cost, but they cannot have that if the holding companies are to be protected in their racket, because of the fear of some mythical injury to their investors if we stop the racket.

I suppose I shall read in the newspaper tomorrow that I said we cannot worry about the investor in securities, and that the holding company should go whether he loses or not. I have seen that precise thing happen in the testimony of a witness before the Interstate Commerce Committee of this body, but there will be no such loss to the investor.

Mr. President, you and others have doubtless been impressed by the number of people who own holding company securities who write letters of protest against enacting the bill before us, and who obviously have no conception of the purpose of the bill, or of the difference between a holding company and an operating utility. One reason why there are so many misinformed people is that the holding companies forced the sale of their securities by using employees of the subsidiary operating utilities as salesmen. In the case of one operating utility we found that 90 percent of the employees were licensed to sell holding-company securities. These salesmen represented various classes of workmen, from meter readers to the general manager. It may well have been true in many cases that both the buyer and the seller had very little knowledge of the sort of securities being disposed of. It is also probably true that the seller was in no position to jeopardize his job by refusing to sell these holding-company securities. There is no doubt in my mind that the practice referred to was and is in effect very generally throughout the country.

Now let us get down to brass tacks about the poor devils who hold securities in this holding-company racket. We hear talk, talk, talk from holding-company lobbyists about the awful things this bill will do to investors, but after what we know of the way the holding-company crowd treated their investors, after we know that they completely cleaned out more investors than are left to be worried about today, should we not do a little common-sense thinking for these investors and the bill? As I have stated—and I have lived with this problem, and think I know something about it—the holding-company business is a racket, and is just as perilous a risk for the investor as any other racket. The same racketeers who cleaned out the first wave of investors in the holding companies will clean out the second and the third and the fourth, including those who are now subscribing to investors' federations to make sure the holding-company managers are permitted to continue to clean them out.

It is known what the history of the investor in this holding company racket has been in the past; and, as those of us who have tried to know the subject of holding companies have attempted to demonstrate, there is no guaranty for the protection of investors in the future unless the holding companies are brought down to a size and a power where Government commissions can really regulate them.

The pending bill will make the holding companies give their investors, under the protection of a Government commission, better securities in better and simpler companies. It will then watch those companies to see that they carry on an enduring, sound business in which they give value for their money, and provide the operating companies with a real service, instead of merely running a service racket.

How does it hurt the investor to be given a security in a sound business for one that has been unsound and always will be unsound? I recall one of the days of the financial crash in 1929. Going into a building, I saw people standing around a woman who had fainted. It developed that she had saved up a couple of thousand dollars scrubbing floors over a long period of time. Some one had persuaded her to put her entire savings into Cities Service securities, and she was still buying more on the installment plan.

The utility lobbyists tell us that what they are trying to do is to save what is left of the savings of poor old scrubwomen like that, but we all know that they care no more now for the widows and orphans and other unfortunates who hold their securities than they cared for the different set of widows, orphans, and other unfortunates they ruined in 1929, and that the only safe thing for those who hold Cities Service stock today is to make Cities Service give them a substitute security in a decent operating company that has an excuse for existence and that can be regulated sufficiently so that they can be protected from the Cities Service racketeers.

That is the blunt truth about the investor situation. The investor has to choose between protection by his Government, which has not let him down, and protection by the racketeers running around the corridors and sitting up in these galleries, who have always let him down. If one votes for the bill he votes to give the investor the protection of the Government. If one votes against the bill, he votes to leave the investors to the holding companies as victims for another skinning.

Those of us who have had to deal with this holding-company evil know that it is very real, and not a phantom affliction. We know that the legislation proposed is neither punitive nor vindictive. It is a practical measure to meet practical realities. I have seldom been accused of being an extremist in words or in action, but if we fail to destroy this holding-company menace, I say it will ruin us in the end.

The pending bill takes the greatest care to preserve every element of legitimate value for the investor. I think it will give the ordinary investor much more protection than if his property were left to the uncontrolled whim of the holding-company managers, who have taken away the savings of the people and given them next to nothing in return. The holding-company managers are not fighting for the investor, they are not fighting for the consumer; they are fighting only for power over other people's money, other people's business, and other people's lives.

Mr. BONE. Mr. President——

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from New Hampshire yield to the Senator from Washington?

Mr. BROWN. I yield.

Mr. BONE. If the holding-company managers had thought of the investor in 1929, as they profess to think of him now, and had exercised their thought and their energy, they might have saved the investor at that time. But there was not a murmur from the heads of the big holding companies in 1929, not a single syllable of protest from their lips about the fate of those whom the Senator has mentioned, friends of men who sit on the floor of the Senate, but only reproach for those who saw fit to criticize the "Old Counsellor" in Chicago, speaking for Halsey, Stuart & Co., the man with the mellifluous voice and the flow of honeyed words that came over the radio and helped to separate the people of this country from their money.

Mr. BROWN. Mr. President, I came to Congress with the hope that I might do what I could to put an end to holding-company abuses, and I consider it my duty to cast my vote for the pending bill, which strikes a blow at those aggregations of special privilege which threaten the liberty of a free people.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate took a recess until tomorrow, Thursday, June 6, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 5 (legislative day of May 13), 1935

COLLECTOR OF INTERNAL REVENUE

Nat Rogan, of San Diego, Calif., to be collector of internal revenue for the sixth district of California, to fill an existing vacancy.

PUBLIC HEALTH SERVICE

Dr. Theodore J. Bauer to be Assistant Surgeon in the United States Public Health Service, to take effect from date of oath.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 5 (legislative day of May 13), 1935

POSTMASTERS

NEW JERSEY

Stephen W. Margerum, Princeton.

PENNSYLVANIA

George Ramsey, Cheltenham.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 5, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we pray in the name of Him on whom we build our temple of hope and happiness. Thou dost have compassion according to the multitude of Thy mercies; Thou hast not dealt with us after our sins nor rewarded us according to our iniquities; Thou art our king and our judge. We beseech Thee to chasten and hallow us by the vision of Thy eternal holiness. Ashamed of our failures and inferiority, may we vividly see what we ought to be and pray that we may lead worthier lives. Identify us with the splendor and the unity of our historic institutions. Reveal unto men noble and enduring purposes that shall give them moral strength, and hasten the time when all peoples shall be righteous. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate disagrees to the amendments of the House to the bill (S. 2105) entitled "An act to provide for an additional number of cadets at the United States Military Academy, and for other purposes", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SHEPPARD, Mr. FLETCHER, and Mr. CAREY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 462. An act to authorize an extension of exchange authority and addition to public lands to the Willamette National Forest in the State of Oregon.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 23, 1935:

H. R. 4005. An act to amend section 21 of the Interstate Commerce Act, as amended, with respect to the time of making the annual report of the Interstate Commerce Commission.

On May 24, 1935:

H. R. 157. An act to amend section 5296 of the Revised Statutes of the United States;

H. R. 378. An act for the relief of Gerald Mackey;

H. R. 5707. An act to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting system, streets and alleys, sidewalks, curbs and gutters, and a municipal building, and for such purposes to issue bonds in any sum not exceeding $100,000; and

H. J. Res. 249. Joint resolution to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in June 1935.

On May 27, 1935:

H. R. 4239. An act authorizing the Secretary of Commerce to convey to the city of Grand Haven, Mich., certain portions of the Grand Haven Lighthouse Reservation, Mich.;

H. R. 5444. An act to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes; and

H. R. 6143. An act to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free.

On May 28, 1935:

H. R. 6021. An act to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes;

H. R. 6085. An act to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks, the construction and improvement of sewers and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding $35,000;

H. R. 6654. An act to increase the White House Police force, and for other purposes;

H. R. 6723. An act to authorize the town of Valdez, Alaska, to construct a public-school building, and for such purpose to issue bonds in any sum not exceeding $30,000; and to authorize said town to accept grants of money to aid it in financing any public works; and

H. R. 7131. An act to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes.

On May 29, 1935:

H. R. 2045. An act to set aside certain lands for the Chippewa Indians in the State of Minnesota;

H. R. 3975. An act to provide for the establishment of a Coast Guard station on the coast of Georgia at or near Sea Island Beach; and

H. R. 6954. An act to authorize the transfer of the Green Lake Fish Cultural Station in Hancock County, Maine, as an addition to Acadia National Park.

On May 31, 1935:

H. R. 972. An act for the relief of John Costigan;

H. R. 1846. An act for the relief of Daniel W. Seal;

H. R. 2192. An act for the relief of Harry B. Walmsley; and

H. R. 6114. An act to amend section 128 of the Judicial Code, as amended.

On June 3, 1935:

H. R. 3721. An act for the relief of Angelo J. Gillotti.

On June 4, 1935:

H. R. 2046. An act to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota under the Swamp Land Act;

H. R. 4528. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 5547. An act to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo.;

H. R. 6834. An act to revive and reenact the act entitled "An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.";

H. R. 6859. An act granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Waccamaw River at or near Old Pireway Ferry Crossing, N. C.;

H. R. 6997. An act authorizing the State of Illinois and the State of Missouri to construct, maintain, and operate a free highway bridge across the Mississippi River between Kaskaskia Island, Ill., and St. Marys, Mo.; and

H. R. 7291. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Boca Chica, Tex.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. McSWAIN. Mr. Speaker, reserving the right to object, and I shall not, I do wish to say that I hope these requests will not multiply, because we have a lot of business to do and have been waiting a long time to be reached under the Calendar Wednesday rule.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPPEL. Mr. Speaker, the recent department convention of the Spanish-American War veterans held at Berkeley, Calif., by resolution thanked the Republican Governor of the State of California for the joint-assembly resolution passed by the legislature petitioning Congress to restore to the Spanish War veterans' lists the 17,000 Spanish War veterans who were taken from the pension lists by the Economy Act.

The Pensions Committee of the House, of which I am a member, unanimously reported the bill H. R. 6995, but thus far our committee chairman has been unable to obtain a rule or receive recognition from the Speaker to call the bill up under suspension of the rules.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. BLANTON. If the gentleman would introduce a rule and let it go regularly to the Rules Committee, he could probably get a hearing on it.

Mr. HOEPPEL. Answering the gentleman from Texas, I am confident he is favorable to the passage of H. R. 6995, and I hope he will assist us in obtaining a rule for its consideration.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I would like to yield, but my time is limited.

Mr. O'CONNOR. Is the gentleman talking about the Spanish War veteran pension bill?

Mr. HOEPPEL. Yes; H. R. 6995.

Mr. O'CONNOR. There has just been called to my attention a letter signed by the Chairman of the Committee on Pensions, in which he states:

> I then went to Chairman O'CONNOR, of the Rules Committee, and asked him for a hearing before his committee on this bill. He has absolutely refused to grant me this hearing.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the gentleman from California be given 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, the Chairman of the Committee on Pensions is absolutely mistaken, for I have never refused him a hearing on this bill or any other bill. The Rules Committee has never operated that way; they never refuse hearings. So this letter which I hear has been sent to all Members of the House contains an absolute misstatement that I ever refused a hearing on this bill or refused a hearing on any other bill.

Mr. HOEPPEL. Mr. Speaker, answering the distinguished gentleman from New York, I would like to say that I am pleased to have this information. I believe he himself is in favor of the passage of this pension legislation, and I do hope he will give the chairman of our committee a rule so this question can be passed upon by the House before Congress adjourns.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. TRUAX. I also am glad to hear the gentleman from New York make the statement he has made. I am interested in the bill, as are a number of other Members; and I hope the Chairman of the Rules Committee will grant a hearing on this matter.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. BOILEAU. I want to ask the distinguished Chairman of the Rules Committee when he is going to grant this hearing?

Mr. O'CONNOR. I did not say as to when the committee was going to hold a hearing; I said I had not refused a hearing.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman from California may proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. DUFFEY of Ohio. Mr. Speaker, I object.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. I would like to ask the Chairman of the Rules Committee if it would not be of assistance in those cases where rules are desired for the Member to introduce the rule and let it come regularly before his committee? Would not that be of assistance to him and his committee?

Mr. O'CONNOR. No; we usually draft the rules in the committee.

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein this resolution, to which I have referred.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. DUFFEY of Ohio. Mr. Speaker, I object.

COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. AYERS. Mr. Speaker, I ask unanimous consent to submit a supplemental report from the Committee on Irrigation and Reclamation concerning the bill S. 1305.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

PUERTO RICO ASKS FOR STATEHOOD

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in reference to certain bills I have introduced in the House.

The SPEAKER. Is there objection to the request of the Commissioner from Puerto Rico?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to say that a delegation of the legislators of Puerto Rico, comprised of Senators Martinez Nadal, Bolivar Pagan, Alfonso Valdes, and Reyes Delgado, and Representatives Miguel A. Garcia Mendez, Rivera Zayas, Jorge Gauthier, and Leopoldo Figueroa has appeared before the House Committees on the Territories and Insular Affairs to request the consideration of pending bills for the liberalization of the Organic Act of Puerto Rico with a view to ultimate statehood for the island.

Correspondents of the bigger newspapers of New York have written stories which were sent from San Juan, the capital of Puerto Rico, in connection with this matter. Here I should like to insert the views of one of these writers whose story appeared in the New York Times:

Puerto Rico, which President Harding once called "our Caribbean State", would become a State in fact under a bill now before Congress. A delegation of Puerto Ricans, headed by Rafael Martinez Nadal, president of the island's senate, is now in Washington for a public hearing on the bill before the House Committee on Insular Affairs.

The desire for island statehood is expressed in a legislative resolution adopted a year ago, declaring that "the people of Puerto Rico desire to become a State." The bill to get the resolution before Congress was introduced at the present session of Congress by Resident Commissioner SANTIAGO IGLESIAS, Puerto Rico's spokesman at Washington.

The statehood resolution marked the first formal request to Congress for a final definition of the island's status, with a fixed objective, to be made by the legislature since Puerto Rico ceased to be a Spanish colony in 1898. The dream of ultimate statehood, however, goes back to the days of the Spanish regime.

REASONS FOR STAND

Basically, Puerto Ricans want their island to become a State in order to end uncertainties of both political and personal security. Independence and the establishment of a republic, even though guided by the United States, would provide no such security, many believe. Those who advocate the statehood step grant that it might increase rather than lighten the island's economic burdens, but they profess to be willing to pay this price for the one advantage of future safety both through association with and membership in the family of States.

Statehood, they say, would end for all time a sense of political inferiority, of which frequently the island people have complained. The movement for complete independence, which has always been present in the island, has at times gained temporary ground because of emphasis which its sponsors have placed on what they term Puerto Rico's second-class American citizenship under the Organic Act of 1917, which does not carry the right to vote for President. Further, advocates of statehood assert, no other form of government Congress might provide for the island would be quite so liberal as the autonomous regime Spain granted Puerto Rico just prior to the Spanish-American War—a form whose effective establishment was interrupted by the landing of American soldiers on island soil. Hostilities between the United States and Spain, though short-lived, ended at its very inception a regime of self-government for the island.

STATEMENTS BY DEMOCRATS

Another cause for seeking a definite hearing on the statehood bill has been the frequent statements from members of the present administration in substance asserting that Puerto Ricans should have the form of government they want—that independence would be granted if that is what the island wants. Statehood advocates would spike this seeming trend toward independence cause. Senators TYDINGS, KING, and REYNOLDS are credited with lending aid, unconsciously, perhaps, to the independence cause, while Dr. Ernest H. Gruening, head of the new Division of Territories and Insular Possessions, has stated that island independence was possible but has been less specific about possible statehood.

These statements have led statehood leaders to want to know from Congress just where the island stands. This verbal voicing of seeming sympathy for island independence from Democrats whose party platform declares for the island's ultimate statehood is a phase of new-deal expression Puerto Rico fails to comprehend.

Before Puerto Rico can gain statehood from Congress it must convince Washington that statehood is the desire of the majority, and that the island is prepared to assume the responsibilities such a changed status would bring. The present coalition majority, which elected 14 out of 19 Senators and 30 out of 37 Representatives in the legislature, contends that its election gave it a mandate to seek statehood. Island voters definitely turned from the independence party, in power from 1904 to 1932, to put the coalition in power, its leaders contend.

POINTS RAISED BY ICKES

Secretary of the Interior Ickes, who in the last year has been given supervision over Puerto Rico, recently outlined some of the points to be considered before both the United States and Puerto Rico should jointly decide on the statehood step. He raised the following points:

(1) That statehood for Puerto Rico would establish a new precedent by including in the Union as a sovereign State territory not actually contiguous with other States or Territories.

(2) Despite the precedent set in admitting Arizona and New Mexico, more than 20 years ago, where Spanish as a language persists, in admitting Puerto Rico to statehood, the United States for the first time would be including as a sovereign State a population of wholly different cultures, tradition, and language, and one whose culture and language are not likely to be altered by infiltration. The Secretary explained that he did not raise the point as an objection, but one which might result in discussion and opposition in Congress.

(3) Asserting there was some opposition to statehood in Puerto Rico, he said the admission of the island as a State against the wishes of a considerable majority would be both without precedent and undesirable.

(4) That the rights of the people already in the Union as well as those in the Territory seeking admission were involved.

(5) That statehood, once gained, according to American precedent, would be permanent.

STATEHOOD BILL NO. 1394 FOR PUERTO RICO

Puerto Rico is an organized Territory of the United States under the supreme authority of Congress. Article II of the treaty of Paris between the United States and Spain, of 1899, provided that the civil rights and political status of the native inhabitants of the territories hereby ceded to the United States shall be determined by Congress.

The treaty contained no promise or declaration regarding the political status of the inhabitants of Puerto Rico affected by the cession, but left the matter entirely to be decided by Congress.

Congress, as contemplated in the treaty of peace, granted American citizenship to Puerto Rico in 1917 and, under the

Jones Act, created a political body and a civil government, composed of American citizens in Puerto Rico, owing allegiance to and entitled to the protection of the United States. The island has over 1,600,000 American citizens and, for nearly three generations, our men, women, and children and the children of our children have been born under the American flag, and have been taught the American ideals of government in the political forum of public opinion and in our schools and courts.

We have rejected all formulas of a colonial government. We consider this formula disgraceful and not compatible with the civil dignity of our Nation and, therefore, we proclaim the permanent union of the people of Puerto Rico with the people of the United States to maintain and consecrate socially, politically, and industrially a democratic community with the same rights and duties as any community of our Nation. We want and are anxious to be recognized as an integral part of the States of the Union, to lead our future along that line.

Puerto Rico literally stands at the crossroads of the world, at the entrance to the Caribbean region and on a direct line between east and west, north and south. San Juan, the capital and chief port, is but 1,000 miles from the Panama Canal, 1,300 miles from New York and Philadelphia, less than 1,000 miles away from Havana, and less than 4,000 miles from the great European markets.

The Democratic platform of 1932 advocated, along with independence for the Philippine Islands, ultimate statehood for Puerto Rico. The 1928 platform had recommended territorial status for the island, "with a view to ultimate statehood accorded to all Territories of the United States since the beginning of our Government."

New Mexico and Arizona were the last States to be organized; their acceptance as States occurred in 1912. A Territory is traditionally ready for statehood when it has as many inhabitants as a congressional district of the older States. In 1872 Congress ordered this rule followed in all future cases, but since one Congress cannot bind another, the rule was later disregarded in the admission of Nevada, Wyoming, and Idaho.

The population of Puerto Rico at the last census of 1930 was 1,543,913, enough to entitle it, as a State, to six Members of the House of Representatives and the customary two Senators. (At present the Island has a single resident commissioner in the House, with a voice but not vote.) Eighteen of the present 48 States have fewer people, as follows:

Arizona	435,573
Colorado	1,035,791
Delaware	238,380
Florida	1,468,211
Idaho	445,032
Maine	797,423
Montana	537,606
Nebraska	1,377,963
Nevada	91,058
New Hampshire	465,293
New Mexico	423,317
North Dakota	680,845
Oregon	853,786
Rhode Island	687,497
South Dakota	692,849
Utah	507,847
Vermont	359,611
Wyoming	225,565

Puerto Rico, with 3,435 square miles, is larger in area than two of the present States—Rhode Island, with 1,248 square miles, and Delaware, with 2,370 square miles. Nevertheless, I repeat, Puerto Rico is now represented in Congress by only one Resident Commissioner, who has voice but cannot vote even on matters affecting the people whom he represents.

I desire that you bear in mind that Puerto Rico, having not the right to vote in Congress, cannot exercise nearly so great an influence as do the Senators and Representatives of the several States of the Union. While in the old monarchic regime Puerto Rico was represented in the Spanish Parliament by 16 representatives and 3 senators, selected by the privileged classes. These representatives and senators had both voice and vote in the "Cortes" of Madrid.

The parties of our coalition have affirmed—

That the influence of the people of the United States in the destiny of Puerto Rico has been, is, and will be, civilizing, and the extension of the Constitution to Puerto Rico represents a positive guaranty of the public and political liberties convenient and favorable to the enjoyment of the individual rights.

POLITICAL PARTIES

The island's political parties in existence at this time are organized in four groups, as follows:

First. The Union Republican Party of Puerto Rico historically represents a true spirit of Americanization of the island and maintains the fundamental principle of permanent association with the United States within the high democratic ideals of our great Nation of equal rights to all loyal American citizens. This party strongly supports the ideal of the admission of Puerto Rico as a State of the Union, as recently stated in the platform of the National Democratic Party.

The Union Republican Party advocates the adoption by our legislature and by Congress as a well-studied program for the complete rehabilitation of the island, which in cooperation with the national administration will involve the development of all agricultural and industrial resources of Puerto Rico. The total number of votes obtained by this party in November 1932 was 110,793. The president of the Union Republican Party is the president of the Senate of Puerto Rico, Mr. Rafael Martinez Nadal.

Second. The Liberal Party represents in the island the old political traditions and the old privileged school of government. The fundamental principle adopted lately by the Liberal Party in its platform is purely political in character. Only a minority asking for independence and the organization of Puerto Rico as a free republic. They want also that the statehood be granted by Congress at once. The total number of votes obtained in November 1932 by this party was 170,162. The president of the Liberal Party is Senator Antonio R. Barceló.

Third. The Nationalistic Party is radically antagonistic to American institutions and advocates the immediate constitution of Puerto Rico as a free republic with no connection whatsoever with the United States of America. The party obtained only 5,254 votes at the last election. The president of this party is Mr. Pedro Albixzu Campos.

Fourth. The Socialist Party of Puerto Rico is a creation of the labor organization represented by the American Federation of Labor and has been struggling for many years for the betterment of the conditions among the working men and women and for the thorough preparation of the masses to exercise their civil rights as granted by the Constitution of the United States and Puerto Rico. Since its organization over 30 years ago as a political party it has also maintained and supported the fundamental principle and aim of our permanent association with the people of the United States of America.

The Socialist Party was never greatly concerned with the immediate need for raising the statehood-independence political issues. It was and is more interested in the island's economic problems. It has been opposed to the continued revival of that issue considering it as a purely political scheme devised chiefly as a means of fomenting discord, fostering anti-American propaganda to enable the secessionists to capture, if they can, the island's government.

The Socialist Party is striving for such form of government as will guarantee equality, liberty, and justice for all citizens, but its fundamental goal is permanent association with the people of the United States.

The total number of votes obtained by this party in November 1932 was 97,433. The acting president of the Socialist Party is vice president of the house of representatives, Mr. Rafael Alonzo.

THE COALITION

Both parties, the Union Republican and the Socialist Parties, having some common ideals, decided to form a coalition, whose main object is the establishment and organization in the island of a government capable of safeguarding the fundamental principles and ideals of a true American democratic and republican form of government in the island

and who may be prepared to undertake the solution of the vital economic problems to bring about the complete rehabilitation of the island.

The coalition of these parties achieved complete victory at the November 8 election of 1932, gaining full control of the Puerto Rico Legislature, which is constituted as follows:

House of Representatives:	
Coalitionists	32
Liberals	7
Total	39
Senate:	
Coalitionists	14
Liberals	5
Total	19

The total votes cast by the four political groups for the Resident Commissioner from Puerto Rico in Washington were as follows:

	Votes
Coalition:	
Union Republican	110,793
Socialist Party	97,433
Total	208,226
Liberal Party	170,162
Nationalist Party	5,254

The majority of the coalition for the Resident Commissioner was 38,064 against the Liberal Party.

Puerto Rico, gentlemen, stands today as the first best buyer of American goods in all Latin America. With the exception of Canada, Puerto Rico is America's best overseas market in the new world, and is the eighth best buyer of all European nations and the rest of the world. The fact that Puerto Rico has bought, and is continuing to buy, millions upon millions of dollars' worth of goods from the continental United States is eminently interesting.

In 1931 the United States exported to all the world cotton manufactures to the value of $3,306,432, while in that same year Puerto Rico alone took $10,231,984 worth of cotton manufactures.

Plain statistical facts demonstrated that in 1931 Puerto Rico received from continental United States more than three times as much cotton manufactures as the entire rest of the world put together. In 1931 the United States sold to all foreign countries of the globe $4,719,305 worth of wood and wood manufactures. In that same year, it shipped to Puerto Rico $1,976,336 worth of the same commodity—in other words, little Puerto Rico.

In 1933 the United States sold to the entire foreign world $1,534,345 worth of paper and paper manufactures. At the same time, continental United States shipped little Puerto Rico, $1,242,533 worth of the same commodities. Gentlemen and friends, I request you to look on this great little Puerto Rico as an integral part of our Nation, that you may know more about it, and cultivate more and more the best feelings, extending to the people of the island the benefits of every measure intended to relieve the people, as a State of the Union.

Puerto Rico is American socially, politically, and its trade, its practices, and its industry pile and flourish under the American flag. Puerto Rico is paying indirectly its part to the Nation.

The plain facts of the case are that Puerto Rico has been American territory since 1898. Since 1917 all Puerto Ricans have been American citizens. The island is considered a part of this Nation by reason of the citizenship its people enjoy, the same brand of citizenship as that enjoyed by any New Yorker, Californian, or Utahan, but without the right of proper representation in Congress and in the Union.

PAST AND PRESENT

I want to deal again with the Americanization of Puerto Rico from a general political and administrative point of view. During the autonomous regime granted to Puerto Rico by Spain in 1897, the island had as income for itself the royal tariffs, taxes on personal "cedulas", disembarkment of voyagers, ecclesiastic bills, payments of periodicals, cedulas on privileges, and taxes on raffles and lotteries. The different classes of general taxes and others which were paid to the insular public treasury reached 29 divisions and numerous subdivisions.

The total budget of the Spanish insular autonomous regime reached the sum of $536,442.19. This total budget of the insular treasury was expended in a great part for soldiers and marines, clergy, construction of and repair of churches, and pensions, up to the sum of $2,174,879.13. The other expenditures of the Government, such as public education, public works, sanitation, and justice were assigned $1,361,963.06.

In those days we spent on public education, from the funds of the State, $30,000, and the municipalities spent in education through the Paulist Fathers, Jesuits, and Sisters of the Sacred Heart, $99,255. There were only 22,265 children in the schools throughout the island. The benefit of superior studies was granted to only 55 students every year.

Under our present American regime there are more than 239,000 children in the schools, and they are not restricted from reaching superior grades. Actually more than $4,900,000 from an insular budget of over $11,000,000 are assigned for schools and teachers.

Under the first year of our American regime the construction of the first buildings for public schools was ordered. We have already organized an army of 4,991 teachers who teach English and Spanish, and we use at present more than 2,000 buildings constructed for graded and high schools, which are the property of the insular government.

When the old regime was changed for the American regime there were 152.17 miles of constructed roads. Since June 30, 1900, to June 30, 1931, 1,859 kilometers of insular roads have been constructed and also numerous bridges and buildings at a great cost.

Sanitation was organized for the first time in the island during the present regime, and the installation of a modern system of public health service was inaugurated.

The insular government is composed at present of the following employees in the public service, including the Governor, the legislature, and the departments, who receive the following compensation: 6,011 Puerto Rican-American employees, $6,579,748; and 233 employees continental Americans, $409,585.75. Of these total employees, over 4,000 are school teachers and over 800 police.

The judiciary system of Puerto Rico has only four continental Americans serving as judges and the attorney general. The police has only three continental Americans and the executive government has at present three, including the Governor. The other continental Americans are mostly teachers, professors, and scientific men.

PUERTO RICO AN ORGANIZED TERRITORY

The following decision with regard to the political status of Puerto Rico was rendered by one of the Assistant Attorney Generals of the United States, in which the opinion is expressed that Puerto Rico is an organized Territory of the United States:

DEPARTMENT OF JUSTICE,
Washington, D. C., February 15, 1934.

MEMORANDUM FOR MR. STANLEY, THE ASSISTANT TO THE ATTORNEY GENERAL

I have had under consideration your request for recommendation on H. R. 7873 (73d Cong., 2d sess.) and reasons in support thereof, particularly concerning the request contained in the letter of SANTIAGO IGLESIAS, Resident Commissioner of Puerto Rico. I take it that the request of the Commissioner goes no further than to consider whether Puerto Rico is such a Territory as is intended to be governed by this act. I will therefore confine my consideration of the matter to that question.

It is to be first noted that the language of the act is broad, general, and comprehensive and without prohibitions or limitations as to any political subdivision of the United States. Section 1 reads:

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Congress hereby declares that the cooperation of the Federal Government with the several States, *Territories,* and the District of Columbia is necessary to prevent the premature closing of elementary and common schools * * *." (Italics ours.)

Section 2 of the act uses the same term: * * * as will enable the several States, Territories, and the District of Columbia, to maintain their regular school terms * * *

The bill does not exclude any form of political government which might be said to be within the broad and general definition of "State or Territory." If therefore Puerto Rico may be said to be within the meaning of the term "Territories" the act applies to Puerto Rico. It is true that Puerto Rico is not a fully organized territory such as Alaska and Hawaii and has not been incorporated into the Union as a Territory. *Balzac* v. *People of Puerto Rico* (258 U. S. 298, 305). On the other hand it has been held by the United States Supreme Court to be a completely organized territory.

In a case in which there was involved the question of the right of the Governor of any organized territory to issue requisitions for the return of fugitive criminals the Supreme Court held, *People of New York ex rel. Kopel* v. *Bingham, Commissioner* (211 U. S. 468):

"Under section 17 of the act of April 12, 1900, c. 191, 31 Stat. 77, 81, the Governor of Puerto Rico has the same power that the Governor of any organized territory has to issue requisitions for the return of fugitive criminals under section 5278, Revised Statutes.

"While subdivision 2, section 2, article IV, Constitution of the United States, refers in terms only to the States, Congress, by the act of February 12, 1793, c. 7, 1 Stat. 302, now section 5278, Revised Statutes, has provided for the demand and surrender of fugitive criminals by Governors of territories as well as of States, and the power to do so is as complete with territories as with States (*Ex parte Reggel* 114 U. S. 642).

* * * * * * *

"Puerto Rico, although not a territory incorporated into the United States, is a completely organized territory."

In the opinion Mr. Chief Justice Fuller said (p. 476):

"It may be justly asserted that Puerto Rico is a completely organized Territory, although not a Territory incorporated into the United States, and that there is no reason why Puerto Rico should not be held to be such a Territory as is comprised in S. 5278."

Section 5278, Revised Statutes, referred to States in part:

"Whenever the executive authority of any State or Territory demands any person as a fugitive from justice, of the executive authority of any State or Territory to which such person has fled * * *."

We find, therefore, the general term "Territory" used in a statute similar to the one under consideration, has been held to be a Territory within the meaning of the act.

Again in the case of *Gromer* v. *Standard Dredging Co.* (224 U. S. 362) the Supreme Court said with reference to Puerto Rico and the application of the Foraker Act of April 12, 1900 (p. 370):

"The purpose of the act is to give local self-government, conferring an autonomy similar to that of the States and Territories, reserving to the United States rights to the harbor areas and navigable waters for the purpose of exercising the usual national control and jurisdiction over commerce and navigation."

See also *People of Puerto Rico* v. *Rosaly y Castillo* (227 U. S. 270).

There must also be taken into consideration the Organic Act of Puerto Rico of April 12, 1900 (31 Stat. 77), known as the "Foraker Act", and the Organic Act of March 2, 1917 (39 Stat. 954), known as the "Jones Act", in which later act this provision appears:

"* * * the statutory laws of the United States not locally inapplicable, except as hereinbefore or hereinafter otherwise provided, shall have the same force and effect in Puerto Rico as in the United States, except the internal-revenue law * * *."

There does not seem to be anything in the act under consideration locally inapplicable and I see no reason why the act may not be as capable of operation in the Territory of Puerto Rico as in any State or Territory.

The same question, under a more doubtful status, was before Attorney General Mitchell with reference to the Agricultural Marketing Act (46 Stat. 11), his opinion with reference thereto appearing in 36 Ops. 326. There the question was specifically as to whether the Agricultural Marketing Act extended to Puerto Rico. The question was more difficult of determination in view of some expressions in the Agricultural Marketing Act which might not unreasonably be construed as limiting the operations of the act to continental United States. However, Attorney General Mitchell had under consideration the statute just referred to as to the applicability of the general laws of the United States where not locally inapplicable, and his opinion therefore appears as a precedent in the Attorney General's Office that under similar expressions Puerto Rico is held to be included within the general term "territory."

The specific question asked by the Commissioner is:

The object of this letter is to ascertain whether under the term "territories", Puerto Rico is included and will benefit by this bill or any other bill where the word "territories" is used.

I therefore answer this question in the affirmative.

Respectfully,

HARRY W. BLAIR,
Assistant Attorney General.

Mr. DUNN of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a memorial address delivered by James Van Zandt, commander in chief of the Veterans of Foreign Wars of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. RICH. Mr. Speaker, reserving the right to object, it has been customary during this session of Congress to prohibit the printing of newspaper articles and addresses made by those other than Members of Congress or members of the Cabinet in the CONGRESSIONAL RECORD. Because of the fact the Committee on Printing does not want these miscellaneous addresses put into the RECORD, I object.

Mr. WHITE. Mr. Speaker, reserving the right to object, I have heard a good deal from the gentlemen on the other side with reference to printing extraneous matter in the RECORD. We are compiling a great RECORD here in a great crisis, and I think the RECORD we are making now will be one of value for all time.

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

NATIONAL DEFENSE ACT, JUNE 3, 1916

Mr. McSWAIN (when the Committee on Military Affairs was called). Mr. Speaker, I call up the bill (H. R. 5720) to amend the National Defense Act of June 3, 1916, as amended, and ask unanimous consent that this bill may be considered in the House as in Committee of the Whole. I may say this is simply a matter of several amendments regarding the National Guard features of the National Defense Act.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 38 of the National Defense Act of June 3, 1916, as amended, be, and the same is hereby, amended by inserting the following paragraph after the third paragraph thereof:

"To the extent provided for from time to time by appropriations for this specific purpose, the President may order officials of the National Guard of the United States to active duty at any time and for any period: *Provided*, That, except in time of a national emergency expressly declared by Congress, no officer of the National Guard of the United States shall be employed on active duty for more than 15 days in any calendar year without his own consent. When on such active duty, an officer of the National Guard of the United States shall receive the same pay and allowances as an officer of the Regular Army of the same grade and length of active service, and mileage from his home to his first station and from his last station to his home, but shall not be entitled to retirement or retired pay."

With the following committee amendments:

On page 1, line 10, after the word "duty", insert "in an emergency"; and at the end of line 10 strike out "any period" and insert in lieu thereof "the period thereof."

The committee amendments were agreed to.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that the word "officials", on page 1, line 9, may be changed to the word "officer."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. WADSWORTH. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I desire to ask a question of the Chairman of the Military Affairs Committee in order to get some information. It was quite impossible sitting over here to hear what was going on with respect to the amendment which I imagine has just been adopted in line 10 of the first page. Is a change in the existing law contemplated there?

Mr. McSWAIN. Yes; a slight change in the existing law. It will be remembered there was enacted by an act approved June 15, 1933, a general law relating to the National Guard. Some phraseology therein has been found to be inconvenient in the operation of this matter, and this is to correct those features of the act of June 15, 1933.

Mr. WADSWORTH. Under the existing law the President may order out officials of the National Guard?

Mr. McSWAIN. "Officers." I have just had that changed. There was a typographical error made in printing the bill.

Mr. WADSWORTH. He may order an officer of the National Guard to active duty at any time under existing law?

Mr. McSWAIN. Only in the event of war or in the event of an emergency declared by Congress under existing law. In time of peace he may order an officer of the National Guard to duty only with the officer's consent.

Mr. WADSWORTH. What is the purpose of inserting the words "in an emergency", at this place in the bill?

Mr. McSWAIN. We wanted to include the word "emergency" in addition to the word "war."

Mr. WADSWORTH. This is an expansion of the power rather than a retraction?

Mr. McSWAIN. Exactly.

Mr. WADSWORTH. I was afraid it was a move in the other direction.

Mr. McSWAIN. No. This enlarges the power of the President.

Mr. SAUTHOFF. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from Wisconsin.

Mr. SAUTHOFF. Is not the Governor of a State the commander in chief of the National Guard of his State?

Mr. McSWAIN. Certainly, and until the National Guard is called into Federal service.

Mr. SAUTHOFF. Then is the Governor of each State included as an officer?

Mr. McSWAIN. No. He is the commander in chief of the National Guard under the State constitution, but he is not a member of the National Guard in any State of the United States.

Mr. McFARLANE. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from Texas.

Mr. McFARLANE. What is the reason and necessity for this enlarged power and who requests this?

Mr. McSWAIN. The National Guard Association of the United States.

Mr. McFARLANE. What showing have they made that this is needed?

Mr. McSWAIN. A very extensive, and, I believe, a very satisfactory showing. It has convinced the entire membership of the committee to the effect that this expansion of power is entirely justifiable in order to authorize the President to order out the National Guard in an emergency.

Mr. McFARLANE. In other words, what showing did they make that convinced the gentleman that this is needed?

Mr. McSWAIN. There were a number of witnesses who appeared before our committee. The president of the National Guard Association of the United States, General Keehn, and General Reckford, the legislative representative, and others appeared before our committee and showed the advantages of permitting this power.

Mr. McFARLANE. That is exactly what I am trying to get at.

Mr. McSWAIN. To be perfectly frank, conditions may arise other than war when it would be desirable to use the National Guard, rather than an emergency army called into existence by the President under the general provisions of the National Defense Act.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from New York.

Mr. FITZPATRICK. In 1933 they also had that provision in the bill, but it was knocked out at that time for the simple reason they then thought that in case there should be a strike, they could call that an emergency and take the National Guard of one State into another. Could they not do that if this bill should pass just as it is?

Mr. McSWAIN. That would be up to the President of the United States, of course. The President of the United States would be the judge of what is an adequate emergency.

Mr. ZIONCHECK. But this bill does give him that authority.

Mr. McSWAIN. Yes.

Mr. ZIONCHECK. And the emergencies the gentleman refers to are possible strikes.

Mr. McSWAIN. Anything might be an emergency. It might be an earthquake in San Francisco or it might be a flood in the Colorado River or any other sort of emergency.

Mr. MAY. They have the troops now in the flood area of the Colorado.

Mr. McSWAIN. I do not know about that.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. MOTT. In the event of such an emergency as the gentleman has named, the Governor of the State where the emergency occurred would have the authority, under existing law, to call out the National Guard?

Mr. McSWAIN. He would have that authority; yes.

Mr. MOTT. Then, what would be the object of giving the same authority to the President?

Mr. McSWAIN. It is conceivable that there could be an occasion where the National Guard of one State would not be sufficiently strong in numbers, and it might be desirable to bring in some of the National Guard from a neighboring State to assist in controlling the emergency. The Governor of the State could not order his National Guard troops out of that State. It would be up to the President to call such troops into the active service of the United States for the time being, and then they would be in the pay of the United States.

Mr. MOTT. Would the gentleman mention such a specific case as he may have in mind?

Mr. McSWAIN. I shall do that in connection with one of the other amendments.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 2. That section 58 of said act be, and the same is hereby, amended by adding thereto another paragraph to read as follows: ": *And provided further*, That in all grades below that of colonel the number in each grade will be limited only by the supply of qualified officers and enlisted men available within the National Guard."

With the following committee amendment:

On page 2, beginning in line 13, after the word "follows", insert a colon and strike out the remainder of line 13 and all of lines 14, 15, and 16, and insert "*And provided further*, That in the grades of first lieutenant and second lieutenant the number shall be unlimited."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 3. That section 70 of said act be, and the same is hereby, amended by adding the following paragraph at the end thereof:

"That the oath of enlistment prescribed in this section may be taken before any officer of the National Guard authorized to administer oaths of enlistment in the National Guard of the several States, Territories, and the District of Columbia, by respective laws thereof. All oaths of enlistment heretofore administered by the officers described above are hereby validated."

SEC. 4. That section 77 of said act be, and the same is hereby, amended by striking out all of said section and inserting in lieu thereof the following:

"Elimination and disposition of officers of the National Guard of the United States: The appointments of officers and warrant officers of the National Guard may be terminated or vacated in such manner as the several States, Territories, and the District of Columbia shall provide by law. Whenever the appointment of an officer or warrant officer of the National Guard of a State, Territory, or the District of Columbia has been vacated or terminated or upon reaching the age of 64, the Federal recognition of such officer shall be withdrawn and he shall be discharged from the National Guard of the United States: *Provided*, That under such regulations as the Secretary of War may prescribe, upon termination of service in the active National Guard, an officer of the National Guard of the United States may, if he makes application therefor, transfer to the inactive National Guard and remain in the National Guard of the United States in the same or lower grade. When Federal recognition is withdrawn from any officer or warrant officer of the National Guard of any State, Territory, or the District of Columbia, as provided in section 76 of this act or upon reaching the age of 64 years, he shall thereupon cease to be a member thereof and shall be given a discharge certificate therefrom by the official authorized to appoint such officer."

SEC. 5. That section 81 of said act be, and the same is hereby, amended by striking out, after the words "and shall" in the third sentence of said section, the word "not."

SEC. 6. That section 90 of said act be, and the same is hereby, amended, following the word "*Provided*", so as to read: "That the caretakers hereby authorized to be employed shall not exceed five for any one organization, except heavier-than-air squadrons, for each of which a maximum of 13 is authorized, who shall be paid by the United States disbursing officer for each State, Territory, and the District of Columbia.

"The compensation paid to caretakers who belong to the National Guard, as herein authorized, shall be in addition to any compensation authorized for members of the National Guard under any of the provisions of the National Defense Act.

"Under such regulations as the Secretary of War shall prescribe, the material, animals, armament, and equipment, or any part thereof, of the National Guard of any State, Territory, or the District of Columbia, or organizations thereof, may be put into a common pool for care, maintenance, and storage; and the employment of caretakers therefor, not to exceed 15 for any one pool, is hereby authorized.

"Caretakers heretofore detailed or employed in pools shall be deemed to have been regularly detailed or employed as such under the law and regulations; and all payments heretofore or hereafter made therefor are hereby validated and authorized.

"Commissioned officers of the National Guard shall not be employed as caretakers, except that one such officer not above the grade of captain for each heavier-than-air squadron may be employed. Either enlisted men or civilians may be employed as caretakers, but if there are as many as two caretakers in any organization, one of them shall be an enlisted man.

"The Secretary of War shall, by regulations, fix the salaries of all caretakers hereby authorized to be employed and shall also designate by whom they shall be employed."

Mr. BOILEAU. Mr. Speaker, I move to strike out the last word.

I would like to ask the chairman of the committee what emergency he believes is imminent that requires this legislation authorizing the President to bring into the service of the Federal Government officers of the National Guard?

Mr. McSWAIN. There is none that the committee contemplates as now in existence. It is only a possible, thinkable situation where the President may, in his discretion, decide that an emergency exists for calling into the active service of the United States these officers; and in this connection I wish to explain to the gentleman from Oregon [Mr. MOTT] that this applies only to the officers of the National Guard and not to the rank and file. These officers can be called into service for only 15 days without their consent, and only in the event of an emergency.

Mr. BOILEAU. Is there anything in existing law that permits the President or the Federal Government to call the rank and file or the enlisted men or the ordinary privates of the National Guard into the Federal service?

Mr. McSWAIN. Absolutely nothing as to the rank and file, and up to this time there was nothing to authorize the calling of the officers into such service in an emergency. This is an enlargement of his power in that respect.

Mr. BOILEAU. Do I understand, then, that if this bill were to be enacted into law there would be no authority, either under existing law or under the provisions of this bill, that would permit the President of the United States to call in an entire National Guard unit and bring them from one State into another or have any control whatsoever over the National Guard of the various States?

Mr. McSWAIN. Not until Congress had acted.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. MOTT. If this bill does not authorize the mobilization by the President of the National Guard, I am at a loss to understand what the purpose of the bill would be in simply mobilizing certain officers of the National Guard. What would the President do through a mobilization of these officers of the National Guard under this bill in case of an emergency such as the bill contemplates?

Mr. McSWAIN. I cannot describe the conditions and the particular emergency that the future may disclose. It is believed that the Reserve officers, trained and experienced and educated men, in an emergency could be of very great value in restoring order, taking care of distress, and being helpful generally in any emergency condition that may be created.

Mr. MOTT. The gentleman means just the officers and not the personnel of the National Guard?

Mr. McSWAIN. That is all the bill proposes to cover.

Mr. MOTT. I am not quite able to see that, but I want to ask the gentleman how he reconciles the report of his committee with the report of the Secretary of War, printed on the second page of the report, in which the Secretary of War says there is no necessity for this bill, and recommends against its passage.

Mr. McSWAIN. The War Department says that the act to which I referred a moment ago, in answer to the inquiry of the gentleman from New York, the act of June 16, 1933, has not been in operation long enough for it to ascertain whether or not these additional provisions are necessary, and therefore it states that for the time being it recommends against this legislation.

After hearing the officers of the National Guard from all over the United States, and a number of adjutants general of States, the committee unanimously reported that now is the proper time to make these amendments. In our judgment we differed from the War Department in that respect.

Mr. MOTT. It seems to me that if all this testimony was given to the committee by the National Guard officers, the Chairman of the Military Affairs Committee ought to be able to tell us exactly what kind of an emergency it is that the bill contemplates and the reason for mobilizing the officers of the National Guard. I would like to support the bill if I had a good reason.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent for 5 minutes more.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BOILEAU. I cannot see any real necessity for the bill, unless it is that the President of the United States could, if he saw fit, call these National Guard officers to act as strikebreakers, and in that way get the highest type of men to act for that purpose, to act in the same capacity as deputy sheriffs in the event of a strike. I do not propose to vote to give the President of the United States authority to take the National Guard officers of Wisconsin and bring them to Pennsylvania to act as strikebreakers. I cannot see any other purpose of the bill.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. HILL of Alabama. I think I can say to the gentleman that that is not the intent, that the reason for the legislation is as follows: There are some officers in the National Guard, field and staff officers, who have served with troops in different States. Different States have their troops brigaded together, and they have staff officers who must serve with these different troops. The infantry troops of Alabama are brigaded with the infantry troops of Florida. We have staff officers in Alabama who might be needed for some particular purpose in Florida.

Mr. BOILEAU. Then why not have the bill drawn in such a way that the men can be drafted into service for that purpose?

Mr. ZIONCHECK. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. ZIONCHECK. Can the gentleman see any reason for this bill unless these officers are to be commandeered, for instance, from the C. C. C. camps, for the purpose of breaking strikes?

Mr. HILL of Alabama. That is in no sense the intent.

Mr. BOILEAU. I can name in my own State hundreds of National Guard officers who would be tickled to death to get on the Federal pay roll because they have no job now. The President might detail hundreds to act as deputy sheriffs, and I do not propose to have the people of my State called to some other State to act in the capacity of deputy sheriffs.

Mr. McSWAIN. Let me assure the gentleman that so far as I recollect the word "strike" was not used in our committee in the hearings before the committee on this bill.

Mr. BOILEAU. I appreciate that fact.

Mr. McSWAIN. And representatives of the gentleman's State, and of practically every State in the Union, citizens, National Guard officers through their organizations and through their adjutants general of the States, have been urging this legislation for the last 2 or 3 years. It seems to us to be entirely harmless.

The SPEAKER. The time of the gentleman from Wisconsin has again expired.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 5 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. BOILEAU. Mr. Speaker, I appreciate that this fact may not have been brought to the attention of the committee, but the committee is not giving the House much information as to the emergency and necessity for this type of legislation, and that forces those of us who are somewhat suspicious, perhaps, to wonder if there is not something back of it—not in the gentleman's mind but in the minds of those advocating this legislation. I can see very grave danger in the way which I have pointed out, and I think the legislation should at least be amended so as not to permit these officers to be mobilized, to act as strike breakers, or to be mobilized for any other purpose than merely for training, as the gentleman from Alabama [Mr. HILL] has suggested. An amendment of that kind may easily be drawn permitting the President to transfer them from one National Guard unit to another, merely for the purpose of giving them military education or something of that kind, for training in the Military Establishment, but so long as the bill is broad enough to permit the use of these men as strike breakers, we ought to either kill it or amend it.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. ZIONCHECK. If it was the purpose to permit these officers to train among themselves, they would not have used the terminology they have here—

To active duty in an emergency.

An emergency means a strike or labor trouble.

Mr. BOILEAU. I thank the gentleman for his suggestion, because, obviously, under the wording of the bill, in the generally accepted meaning of the word "emergency", they could not do the thing the gentleman from Alabama suggested.

Mr. McSWAIN. I assure the gentleman that there is no such ulterior motive, so far as I am concerned, or so far as the committee is concerned, or any sinister motive in the minds of us as to the use of this power. Will not the gentleman consider an amendment to the bill? We are willing to revert to the section for the consideration of any amendment in order to make the bill agreeable to the thinking Members of the House.

Mr. BOILEAU. Can the gentleman give us any real necessity or urgency for this legislation?

Mr. McSWAIN. No more than when we say "in the event of war" the National Guard may be ordered out by the President of the United States.

Mr. BOILEAU. He can do that under the existing law.

Mr. McSWAIN. Suppose that was the question before the House, as it was at one time about 2 years ago, and suppose we should be asked to say upon what occasions war would be declared, and for what reason? We cannot tell what war will be declared for. We hope that it will never be declared, and we hope there will never be an emergency that would prompt the President of the United States, who represents all the people, to exercise this power, but we think from the showing made by these officers that it would be a desirable power. If the gentleman can offer some suggestion here that will meet with the approval of others we are perfectly willing. This committee wants to lay its cards right down on the table upon everything.

Mr. BOILEAU. I thank the gentleman for his attitude. This matter is all new to me, and I have no amendment prepared.

Mr. ZIONCHECK. The proper amendment would be to strike out section 1. Will the gentleman consent to that?

Mr. McSWAIN. Why not strike out "in an emergency" and not the whole section?

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. MARCANTONIO. We believe that there is no ulterior motive in the mind of any member of the committee, but at the same time they give us no reason for this type of legislation. When you say that it is the same as an emergency which exists during a war, there you specify the emergency, namely, that the emergency is war. Here you have no specification or definition of the word "emergency", and I repeat that while there is no ulterior motive in the mind of any member of the committee, I am frank to state that the only emergency that I can think of is a labor trouble or a strike, and I believe that whoever sponsors this bill—and I say "whoever" advisedly because I notice the chairman of the committee says that he introduced the bill by request—must have had the only possible emergency in mind, to wit, labor disputes. I am opposed to the use of any branch of the military during a labor struggle.

Mr. FADDIS. Is the gentleman from New York afraid it will be a bunch of Communists?

Mr. MARCANTONIO. Whether the strikers are Communists or not I am not interested. I am not interested in the politics of the strikers. I am interested in the protection of American workers when they strike for a living wage and insist that they should not be forced back to inhuman conditions at the point of the bayonet.

Mr. FADDIS. The gentleman is always up defending Communists.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. MOTT. I suggest to the chairman of the committee that the discussion here has shown that the bill is not very understandable to most of the Members. The reason for its consideration at this time is quite vague. Does not the gentleman think it would be a good idea to recommit the bill to the committee and have the committee send an amended bill to the House?

The SPEAKER. The time of the gentleman from Wisconsin [Mr. BOILEAU] has again expired.

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent to return to section 1 for the purpose of offering an amendment to strike out section 1.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. COOPER of Tennessee. Will the gentleman yield to me in order that I may propound a unanimous-consent request?

Mr. BOILEAU. I yield to the gentleman.

ANTISMUGGLING ACT

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent that a privileged status may be given to the bill (H. R. 7980) to protect the revenue of the United States and provide measures for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs-enforcement areas, and for other purposes, which has been unanimously reported by the Ways and Means Committee; and that general debate, to be confined to the bill, may proceed for not to exceed 1 hour, the time to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

NATIONAL DEFENSE ACT, JUNE 3, 1916

Mr. BOILEAU. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: Beginning on page 1, line 3, and ending in line 10 on page 2, strike out all of section 1.

Mr. BOILEAU. Mr. Speaker, I have no desire to debate the amendment further. My views have been expressed.

Mr. ZIONCHECK. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I am not thoroughly familiar with this bill. I have not had time to study it with care, but I do know that the War Department, on page 2 of the report, states that—

> No emergency exists or can be foreseen that justifies at this time amendments of the law respecting the National Guard of the United States. It is the view of the War Department that the time during which the law has been in effect is too short to have given its provisions a thorough test. Time and experience alone will determine what provisions need to be changed. For the foregoing reasons the War Department is of the opinion that the amendments proposed in H. R. 5720 are not warranted at this time.

As the gentleman from Wisconsin [Mr. BOILEAU] has stated, the only purpose of this bill is to allow the President of the United States to send the officers of the National Guard from one State into another State in an emergency and that the emergency in the minds of many of us means labor troubles contemplated in the future.

We had a recent experience in the State of Washington during the longshoremen's strike. Many interests in our State appealed to the Governor to call out the National Guard to suppress the strike in Seattle and in Tacoma and in other ports within the State. This he refused to do.

The most serious labor trouble during the strike on the whole Pacific coast was experienced in California. There the Governor of that State called out the National Guard to suppress the strike. As a direct result of this unwarranted interference San Francisco witnessed strife and trouble such as they had never witnessed before, because the unions as a direct reprisal called a general strike. The same result would have come about in the State of Washington had the National Guard been called to interfere. Had this bill been a law during the time of our longshoremen's strike in the State of Washington the President of the United States, were he so disposed, could have ordered the officers of the National Guard of the State of Oregon, or any other State or States, to come into the State of Washington and suppress the strike. I, for one, am opposed to such a grant of power, despite the fact that I am sure our present Chief Executive would never use such a power even though it were granted to him. It is by the passage of bills such as this that we are wittingly or unwittingly laying the foundation for fascism. I, for one, am a firm believer in our democratic form of government and feel that any abuse of democracy can only be cured by more democracy rather than by less of it.

On repeated occasions the Chairman of the Military Affairs Committee, the gentleman from South Carolina [Mr. MCSWAIN] has been asked just what emergency the committee had in mind when they were considering this bill. At no time has he made it clear what that emergency might be. If the chairman of the committee cannot explain this emergency, then he fails to explain the need of this legislation or any justification for its enactment. Therefore, I am in favor of the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU] to strike out section 1 in which this unwarranted grant of authority is embodied.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. ZIONCHECK. I yield.

Mr. DUNN of Pennsylvania. Since that humanitarian act, the N. I. R. A., has been destroyed, it may be necessary to call out troops to keep down labor troubles; nevertheless I am going to vote for the amendment.

Mr. ZIONCHECK. I may say to the gentleman from Pennsylvania that the Supreme Court's action in ruling the N. I. R. A. as unconstitutional will undoubtedly bring about trouble and strife in the industrial field, but such strife and such trouble cannot be intelligently handled by the use of bombs, machine guns, and bayonets.

If our present Constitution does not allow us to pass laws benefiting the laboring man and the farmer, so that they can get a greater share of what they produce, then it is high time that we amend our Constitution so that human rights will at least be given equal consideration in that great instrument with property rights, which very evidently have been most carefully safeguarded.

Mr. McSWAIN. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, it has been stated that the War Department does not favor this bill at this time. There is no assumption therefore that there is any militaristic motive back of this bill. It is sponsored by the adjutant generals of the States and by the National Guard Association, who represent the civilian soldiers in our national-defense system. I cannot see that there is any danger in this. I was perfectly willing to let it be debated and granted unanimous consent to revert to section 1 in order that an amendment might be offered, so that the membership of the House might say whether or not they could trust our National Guard Associations and the adjutant generals of our States. As far as I am concerned, I trust them almost completely.

Mr. BOILEAU. Will the gentleman yield right there?

Mr. McSWAIN. I yield.

Mr. BOILEAU. There is no man in the United States whom I trust more than the adjutant general of the National Guard of the State of Wisconsin. I know he is honest and sincere and all that. However, that is not the question involved. It is a question of whether or not the President shall have the power to send officers from one State to another State to act in any capacity he might see fit. I think there ought to be some restriction in time of peace. This anticipates action only in time of emergency, and not in the case of war.

Mr. McSWAIN. It is not the President who is asking for this power. It is not the War Department that is asking for it. It is the National Guard Association and the various adjutant generals of the States, civilian soldiers, who ask that the President be given this power. I am satisfied that their motives are patriotic and sincere and unselfish. While they have not undertaken to visualize just what the emergency might be, I cannot believe that the President of the United States would ask that those National Guard officers be called out at any time as strikebreakers or for any such purpose as that.

Mr. BOILEAU. Even though the President of the United States has not asked for this power, in the event of some trouble somebody might urge him or bring pressure to bear upon him to use this power. I do not think the President wants that power. He has not indicated that he does want it, and I do not think he should have it.

Mr. McSWAIN. I can see the considerations back of the gentleman's argument, but at the same time I respectfully ask the House to consider that this committee has considered these matters, sees no danger in it, and is willing to believe that the President and National Guard officers will do what is best for the interests of this Government at all times.

The SPEAKER. The time of the gentleman from South Carolina [Mr. McSWAIN] has expired.

Mr. MARCANTONIO. Mr. Speaker, up to the present moment the discussion has not revealed a single reason showing the necessity for this legislation. Just what is the emergency that requires the enactment of this legislation? Certainly it is not the emergency of war, yet nobody here advances even a theory as to just what is the emergency. I address this question to every member of the committee: What is the emergency for which we are providing?

As for the suggestion of the gentleman from Pennsylvania [Mr. FADDIS] that I am seeking to protect Communists, may I again say to him that I shall always try to protect labor, irrespective of the political belief of the workers involved. Labor has certain rights and I am not going to permit these rights to be destroyed simply because you do not like the politics of any group in the labor organizations. Their politics is their business and not ours. Their right to strike is our business and we should be ever vigilant to protect it. The cry of communism is the old war cry of strike breakers. They charge strikers with being Communists and under

the guise of a false patriotism they smash union headquarters, send strike leaders to jail, and force labor back to work under intolerable conditions. The use of the military in strikes has been too frequent in the past, and the danger of this bill is, as I see it, that the term "emergency" can only too readily be construed to mean a labor dispute, or a labor strike. Unless the members of the committee can define specifically the emergency they have in mind, I submit there is no excuse, reason, or justification for this bill. I have grave fears about it. Wage cuts will soon take place. The narrow definition of interstate given by the Supreme Court in the N. R. A. case will act as a signal to exploiters of labor to increase hours and cut wages. Labor will be forced to strike. Will such a situation be considered an emergency? I believe it may. Why pass such legislation as this, which may permit the fixed bayonets of the military to charge on the American workers, who may soon be out on strike for a decent American living wage?

Mr. CELLER. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, I do not want to make an extended speech on the subject, but wish merely to read that portion of the report of the committee which contains an excerpt from a letter written by the Secretary of War. The last two paragraphs of this letter read as follows:

> No emergency exists nor can any be foreseen that justifies at this time amendments of the law respecting the National Guard of the United States. It is the view of the War Department that the time during which the law has been in effect is too short to have given its provisions a thorough test. Time and experience alone will determine what provisions need to be changed.
>
> For the foregoing reasons the War Department is of the opinion that the amendments proposed in H. R. 5720 are not warranted at this time. It is, therefore, recommended that the bill be not enacted into law.

Mr. Speaker, I think this statement of the attitude of the Secretary of War requires some cogent explanation from the proponents of the bill as to why the bill should pass.

Further, in these parlous times when labor disputes might arise at any moment the militia might be kept well in the background.

Much unnecessary strife, causing irreparable injury to property and great loss of life might well be saved by shelving this bill—I refer to the strife bred of the presence of unnecessary soldiers and militia during labor troubles.

Mr. McSWAIN. Mr. Speaker, I have already stated that we considered the opinions of the War Department; and I think the House will approve the attitude of the committee that we are not bound by the views of the War Department on matters where we differ with them. In this case rather than take their conclusions it was felt we should take the conclusions of the National Guard Association and the adjutant generals of the States that this legislation is timely.

Mr. Speaker, I think we have had sufficient discussion of this amendment; I think we all understand it, and I ask for a vote.

The SPEAKER. The question is on the amendment of the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. BOILEAU and Mr. MARCANTONIO) there were—ayes 34, noes 60.

Mr. ZIONCHECK. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 113, nays 192, not voting 125, as follows:

[Roll No. 88]

YEAS—113

Amlie	Celler	Eagle	Gray, Ind.
Ashbrook	Citron	Eicher	Greenway
Ayers	Coffee	Ellenbogen	Griswold
Beiter	Cole, N. Y.	Fitzpatrick	Healey
Biermann	Connery	Fletcher	Higgins, Mass.
Boileau	Crosser, Ohio	Focht	Hildebrandt
Brown, Ga.	Crowe	Gehrmann	Hill, Knute
Brunner	Cullen	Gilchrist	Hill, Samuel B.
Buckler, Minn.	Delaney	Gillette	Hope
Burdick	Dunn, Pa.	Granfield	Hull
Imhoff	McFarlane	Peterson, Fla.	Smith, W. Va.
Jacobsen	McGrath	Peterson, Ga.	Spence
Jenckes, Ind.	McGroarty	Pierce	Stack
Johnson, Tex.	McKeough	Polk	Stubbs
Johnson, W. Va.	Marcantonio	Quinn	Sweeney
Kee	Martin, Colo.	Ramsay	Thom
Kelly	Massingale	Reilly	Tolan
Kenney	Mead	Richards	Truax
Kloeb	Meeks	Robsion, Ky.	Umstead
Kniffin	Monaghan	Ryan	Wallgren
Kopplemann	Moran	Sabath	Welch
Kramer	Mott	Sanders, La.	White
Kvale	Murdock	Sauthoff	Withrow
Lemke	O'Brien	Schneider	Wood
Lesinski	O'Connell	Schulte	Young
Lewis, Colo.	O'Day	Sears	Zioncheck
Ludlow	O'Leary	Secrest	
Lundeen	O'Malley	Sisson	
McAndrews	Patterson	Smith, Wash.	

NAYS—192

Adair	Dickstein	Kahn	Rich
Allen	Dies	Keller	Robertson
Andresen	Dingell	Kerr	Robinson, Utah
Andrew, Mass.	Disney	Kimball	Rogers, Mass.
Andrews, N. Y.	Ditter	Kinzer	Rogers, N. H.
Arnold	Dobbins	Kleberg	Rogers, Okla.
Bacharach	Dockweiler	Knutson	Romjue
Bacon	Dorsey	Kocialkowski	Sanders, Tex.
Barden	Doughton	Lambeth	Sandlin
Blackney	Doxey	Lanham	Schaefer
Bland	Drewry	Larrabee	Scrugham
Blanton	Driver	Lea, Calif.	Shanley
Bloom	Duffey, Ohio	Lloyd	Short
Bolton	Duncan	Lucas	Smith, Conn.
Boylan	Eaton	McCormack	Smith, Va.
Brewster	Edmiston	McGehee	Snell
Buchanan	Engel	McLean	Snyder
Buck	Englebright	McMillan	Sutphin
Buckbee	Faddis	McReynolds	Tarver
Burch	Farley	McSwain	Taylor, Colo.
Burnham	Fenerty	Maas	Taylor, S. C.
Caldwell	Ferguson	Maloney	Taylor, Tenn.
Cannon, Mo.	Fernandez	Mansfield	Terry
Carter	Fish	Mapes	Thomason
Cartwright	Flannagan	Marshall	Thompson
Cary	Ford, Calif.	Martin, Mass.	Thurston
Castellow	Ford, Miss.	May	Tinkham
Cavicchia	Frey	Merritt, Conn.	Tobey
Chapman	Fuller	Merritt, N. Y.	Treadway
Church	Fulmer	Michener	Turner
Claiborne	Gasque	Millard	Turpin
Clark, N. C.	Gearhart	Mitchell, Ill.	Vinson, Ga.
Colden	Greenwood	Mitchell, Tenn.	Vinson, Ky.
Cole, Md.	Gregory	Montet	Wadsworth
Colmer	Guyer	Norton	Warren
Cooley	Halleck	O'Connor	Weaver
Cooper, Tenn.	Hamlin	Palmisano	West
Cox	Hancock, N. Y.	Parks	Whelchel
Cravens	Harlan	Parsons	Whittington
Crosby	Hart	Patman	Wigglesworth
Cross, Tex.	Hess	Patton	Wilcox
Crowther	Hill, Ala.	Pittenger	Wilson, La.
Culkin	Hoeppel	Plumley	Wilson, Pa.
Cummings	Hollister	Powers	Wolcott
Daly	Holmes	Randolph	Wolfenden
Darden	Huddleston	Rankin	Wolverton
Deen	Johnson, Okla.	Rayburn	Woodruff
Dempsey	Jones	Reed, Ill.	Woodrum

NOT VOTING—125

Arends	Dirksen	Jenkins, Ohio	Reece
Bankhead	Dondero	Kennedy, Md.	Reed, N. Y.
Beam	Doutrich	Kennedy, N. Y.	Richardson
Bell	Driscoll	Lambertson	Rudd
Berlin	Duffy, N. Y.	Lamneck	Russell
Binderup	Dunn, Miss.	Lee, Okla.	Sadowski
Boehne	Eckert	Lehlbach	Schuetz
Boland	Ekwall	Lewis, Md.	Scott
Brennan	Evans	Lord	Seger
Brooks	Fiesinger	Luckey	Shannon
Brown, Mich.	Gambrill	McClellan	Sirovich
Buckley, N. Y.	Gassaway	McLaughlin	Somers, N. Y.
Bulwinkle	Gavagan	McLeod	South
Cannon, Wis.	Gifford	Mahon	Starnes
Carden	Gildea	Mason	Steagall
Carlson	Gingery	Maverick	Stefan
Carmichael	Goldsborough	Miller	Stewart
Carpenter	Goodwin	Montague	Sullivan
Casey	Gray, Pa.	Moritz	Sumners, Tex.
Chandler	Green	Nelson	Taber
Christianson	Greever	Nichols	Thomas
Clark, Idaho	Gwynne	Oliver	Touhy
Cochran	Haines	O'Neal	Underwood
Collins	Hancock, N. C.	Owen	Utterback
Cooper, Ohio	Harter	Pearson	Walter
Corning	Hartley	Perkins	Wearin
Costello	Hennings	Pettengill	Werner
Crawford	Higgins, Conn.	Peyser	Williams
Darrow	Hobbs	Pfeifer	Zimmerman
Dear	Hoffman	Rabaut	
DeRouen	Hook	Ramspeck	
Dietrich	Houston	Ransley	

So the amendment was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. Corning with Mr. Cooper of Ohio.
Mr. Beam with Mr. Dondero.
Mr. Maverick with Mr. Goodwin.
Mr. Cochran with Mr. Taber.
Mr. Montague with Mr. Ransley.
Mr. Miller with Mr. Lord.
Mr. Nelson with Mr. Darrow.
Mr. Oliver with Mr. Gifford.
Mr. Ramspeck with Mr. Ekwall.
Mr. Goldsborough with Mr. Lehlbach.
Mr. Steagall with Mr. Reed of New York.
Mr. Green with Mr. Stewart.
Mr. Hancock of North Carolina with Mr. Thomas.
Mr. Sumners of Texas with Mr. Seger.
Mr. Williams with Mr. McLeod.
Mr. Sullivan with Mr. Stefan.
Mr. Kennedy of New York with Mr. Perkins.
Mr. Underwood with Mr. Jenkins of Ohio.
Mr. Haines with Mr. Hartley.
Mr. Piesinger with Mr. Reece.
Mr. Moritz with Mr. Lambertson.
Mr. Pettengill with Mr. Hoffman.
Mr. DeRouen with Mr. Gwynne.
Mr. Carmichael with Mr. Higgins of Connecticut.
Mr. Carden with Mr. Crawford.
Mr. Bulwinkle with Mr. Doutrich.
Mr. Rudd with Mr. Carlson.
Mr. Boland with Mr. Arends.
Mr. Boehne with Mr. Christianson.
Mr. Bankhead with Mr. Dirksen.
Mr. Nichols with Mr. Collins.
Mr. Dietrich with Mr. Pfiefer.
Mr. Pearson with Mr. Casey.
Mr. McLaughlin with Mr. Lamneck.
Mr. Lee of Oklahoma with Mr. Bell.
Mr. Brooks with Mr. Luckey.
Mr. Mahon with Mr. Chandler.
Mr. Owen with Mr. Rabaut.
Mr. Dear with Mr. Duffy of New York.
Mr. South with Mr. Berlin.
Mr. Walter with Mr. Hobbs.
Mr. Somers of New York with Mr. Richards.
Mr. Evans with Mr. Costello.
Mr. O'Neal with Mr. Clark of Idaho.
Mr. Brennan with Mr. Mason.
Mr. Lewis of Maryland with Mr. Brown of Michigan.
Mr. McClellan with Mr. Cannon of Wisconsin.
Mr. Dunn of Mississippi with Mr. Carpenter.
Mr. Russell with Mr. Eckert.
Mr. Gassaway with Mr. Starnes.
Mr. Zimmerman with Mr. Kennedy of Maryland.
Mr. Werner with Mr. Hook.
Mr. Schuetz with Mr. Tonry.
Mr. Gavagan with Mr. Harter.
Mr. Scott with Mr. Buckley of New York.
Mr. Gambrill with Mr. Hennings.
Mr. Houston with Mr. Utterback.
Mr. Wearin with Mr. Greever.
Mr. Gray of Pennsylvania with Mr. Sirovich.
Mr. Peyser with Mr. Gildea.

Mrs. GREENWAY, Mr. WELCH, Mr. COFFIN, Mrs. JENCKES of Indiana, Mr. O'BRIEN, Mr. MEEKS, Mr. SPENCE, Mr. GRANFIELD, and Mr. BEITER changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The Clerk read as follows:

SEC. 7. That section 111 of said act be, and is hereby, amended by striking out after the words "any or all units and", in the first sentence of said section, the words "the members thereof" and inserting in lieu thereof the word "members."

Mr. DINGELL. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I ask unanimous consent to proceed out of order for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, at this time I want to report an unfortunate accident to a Member of the House, my colleague from Michigan, Mr. RABAUT, who wants to be recorded as unable to be here for an indefinite period.

Mr. BOLTON. Mr. Speaker, I move to strike out the last two words for the purpose of asking the chairman a question with reference to section 6.

I notice that in line 22, on page 4, it is stated:

Under such regulations as the Secretary of War shall prescribe, the material, animals, armament, and equipment, or any part thereof, of the National Guard of any State, Territory, or the District of Columbia, or organizations thereof, may be put into a common pool for care, maintenance, and storage; and the employment of caretakers therefor, not to exceed 15 for any one pool, is hereby authorized.

I want to ask particularly the reason for this wording, whether it has reference to animals, and whether it was the intention of the War Department to pool animals of Cavalry regiments. I think it would be very undesirable if, for instance, in a State the animals of 8 or 10 troops of cavalry were all pooled and subject only to the care of 15 caretakers.

Mr. McSWAIN. The gentleman will realize that the proposal to pool equipment and armament is, of course, in the nature of economy. The same argument would apply as to the care of animals; provided, of course, the limitation of 15 caretakers should not be so restrictive as to make it impossible properly to care for the animals.

We must assume, if this should become law, the Secretary of War would not make a regulation, which is under his control, as to animals requiring the pooling of more animals in any one particular case than 15 caretakers could care for and oversee.

Mr. BOLTON. I know that in the Appropriations Committee there was considerable discussion as to the number of animals one caretaker could properly handle. I think that subject has been a bone of contention in the guard for several years. We attempted to clarify that by having our appropriations provide, as I recall, 1 caretaker for every 15 animals. However, I remember very distinctly an incident in the State of Ohio where it was attempted to pool the animals of two or three troops of Cavalry and it worked to the detriment of the various units involved.

Mr. McSWAIN. If that showing were made the Secretary of War would not make a regulation, I am sure, which would mean the neglect of the animals. That would be the sense of the House, and I should be glad to join with the gentleman, if that condition arises in his State, in urging the Secretary of War to make no such detrimental regulation.

Mr. BOLTON. I thought that was the intent of the committee, and I wanted that brought out.

Mr. PARKS. Under the provisions of this bill, is the discretion left to the Secretary of War as to whether or not the animals shall be concentrated and more than 15 put under the care of 1 man?

Mr. McSWAIN. It is left to the Secretary of War, under the language of this act, to make such regulation whereby the pooling of material, armament, munitions, animals, and so forth, may be had. There is the proposal here that in no case will the caretakers of any 1 pool exceed 15. That is the proposal here. If there should be such a pool where 15 could not take care of the situation, it would be up to the Secretary of War to modify his regulations and provide for 2 or 3 pools in a State, rather than 1.

Mr. PARKS. He has that discretion and that power?

Mr. McSWAIN. Yes; and I think he will exercise it wisely.

COMMENCEMENT AT SHEPHERD STATE TEACHERS COLLEGE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a commencement address delivered this morning at Shepherdstown, W. Va., by Harold L. Ickes, Secretary of the Interior.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following commencement address by Hon. Harold L. Ickes, Secretary of the Interior, at Shepherd State Teachers College, Shepherdstown, W. Va., June 5, 1935:

There is one ideal that the teacher should always have before him and that is the ideal of truth. The quality and degree of our civilization is measured by the extent of our devotion to the truth. Our physical well-being, our happiness, the maintenance of our institutions, and the future security and welfare of our children depend upon whether truth or error shall in the end prevail in the age-long struggle upward from the cave man in which we have been engaged. "Seek the truth, and the truth shall make you free," is not merely a striking phrase—it contains within itself the hard kernal of incontrovertible fact.

The teacher is under an especial obligation not only to pursue the truth into its furthermost lair but, having proved it, to proclaim it. There is one supreme test of the fitness of any man or woman to become a member of what is one of the finest and noblest of all professions, and that test is his devotion to truth. And this devotion must be real. No lip service, pretending to hue to the line of truth, while in fact, indifferent to it; no compromising of the verities of history and nature and life can be regarded as anything less than an act of betrayal. No easier way than that of truth should ever be trod by those entrusted with the greatest of all responsibilities, which is that of training the minds of our youth. No teacher is worthy of his great cause, who if need be, in the service of truth, is not prepared to endure privations and suffer the scornful insults of those who, through ignorance or for some sinister and antisocial purpose, would substitute superstition for knowledge and prejudice for reason.

It is especially important in times of social unrest resulting from economic stress and strain, such as we are passing through at the present time, that the teacher should firmly keep his feet upon the solid rock of truth that has laboriously been hewn out of the superstitions, the errors, the false philosophies, and the deliberate misrepresentations of the past and the present. It is a truism that a democratic form of government is of all others most dependent upon an enlightened public opinion. And there can be no public opinion that is really enlightened that is not based upon a painstaking investigation of past and present social, economic, political, and physical facts. The measure of our success in maintaining and developing a sound and enduring system of popular government will be the measure of our success in qualifying ourselves and our children, by a process of intensified and specialized education, to perform intelligently our grave duties as citizens of the Republic.

The only way to overcome error is to enter truth in the lists against it. Some people have the naive notion that the method to be employed to meet false social, economic, or political doctrines is to shut our eyes and ears to them; ostrich-like, to ignore their existence. This is just as fallacious as the notion that a special loyalty oath, not required of other professions, or of citizens generally, should be exacted of the teacher, thus casting an unjust stigma upon a profession whose self-sacrificing devotion to duty as well as to truth is an example to inspire all the world.

For my part I believe that the American Government is the best that has been evolved by the mind of man. If I were not satisfied that our American political institutions are the most enlightened and the freest in the world, I would join the ranks of those who would forbid the hateful words "fascism" and "communism" even to be spoken in a whisper in our schools; but since I am a firm believer in our American system, I am willing to have it compared critically with fascism or communism, or any other "ism", confident as I am that as the result of such critical comparison we would be even surer than we are that for Americans the American way of life is the ideal way of life. In all our affairs the way to overcome superstition and prejudice and dispel false propaganda is to turn on the light of truth, just as the way to disperse noxious vapors is to expose them to the sunlight.

While we may justifiably be satisfied that our form of government, firmly grounded as it is upon constitutional sanctions, is the best that has yet been developed, it is not required of us that we insist that that system cannot be, and ought not to be, improved. In fact, one of the strong points about our institutions is that it has been recognized from the beginning that they are susceptible of improvement, to effect which the necessary instrumentalities are always at hand. Congress, our State legislatures, and our city councils all have the right to amend or repeal laws in the light of experience, or determined needs. Our Federal and State Constitutions, possessing within themselves, as they do, machinery for revision and change, contain also implications that even those extraordinary instruments may not be infallibly perfect. The Constitution of the United States, since its adoption, has already been changed 21 times, with a twenty-second amendment now making the rounds of the States for ratification. Undoubtedly it will be amended to meet future needs; to give concrete expression to other political and social aspirations of the American people.

So long as social and political changes are brought about by constitutional methods, there need be no fear for the safety and the perpetuity of our American institutions. As I see it, the teacher should be careful not to inculcate the idea that changes, as and when desired by the people, should not be made. On the contrary, they should teach that the American system is particularly superior to other forms of government in that, in an orderly and constitutional way, it provides for changes in our fundamental law, whenever the people believe that they are for the benefit of the country.

The present threat to our American institutions does not rest upon economic or political fallacies that are bred on alien soil. These will evaporate into thin air when exposed to the clear light of truth. The threat, and it is a real one, comes from within. It comes from those influences that would circumscribe, or even deny, those fundamental constitutional guaranties of a free press, free speech, and the right of free assemblage. The attack on these basic liberties is a stroke aimed at the very heart of our American system of government. Deprive us of these rights, and we will have no weapons left in our hands with which to resist the onslaught of error or fallacy, either from abroad or from within our own borders. Leave us these three essential weapons, without which a free democracy cannot hope to exist, and we will be able to resist any attack of poisonous propaganda or insidious doctrine.

Free speech is as vital to the schoolroom as free assemblage is to the people, and as a free press is to the newspapers. These rights are of equal importance. Each is an integral part of the trilogy which guards our liberties. Without them we may be called upon to endure the tragedies which have befallen other peoples who are denied these basic and fundamental rights. Majorities can protect themselves, but minorities must rely on the protection afforded by these three rights. They are the beacons that light the way of progress for us. If one is extinguished the others will languish and die.

That we are in the preliminary stages of profound and significant social changes in this country cannot be doubted by any intelligent student of history or of current events. How long the period of gestation will be, no one can predict, but that the America of the next generation will be profoundly different from that of the present, no one can doubt. Whether the social order of our children will be a better and more desirable social order than that of the present lies largely in your hands, and particularly does it lie in the hands of those of you to whom we shall entrust the teaching of our children. I have no hesitation in saying that the result will depend upon your ability, with clear sight and true hearts, to face the facts of the past and the present, with a high resolve that you will carry on into the future what has been found to be good when tested by truth in the laboratory of experience, and that we will discard what has been proved to be spurious or false or base.

At least one truth has been indelibly burned into our souls as a result of the tragic experience through which we have been passing during these past few years. We now know that no man, however strong he may be, should be permitted to be a law unto himself. We know now there is something more to life than the acquisitions of wealth, the gratification of personal desires. We know now that that man's life will be most truly rich and satisfactory, who, at the end thereof, can look back upon years devoted to the common good, to unselfish and even unrewarded efforts to help to make the world a better and a happier place in which to live.

I believe that we are witnessing the birth throes of a finer and a better social order. You are either going out to help to improve our social order, or to assist, either actively or by acquiescence, in making it a worse one. It will be one or the other. We cannot stand still, even if we would. If you have the courage to smile in the face of disappointment, to overcome difficulties, to look squarely into the sullen eyes of possible adversity, it will be your privilege to help to determine the principles of the new social order that is coming, whether we will it or not, and shape those principles into workable and desirable political formulae.

Yours will be the task to give reality to the vision that all of us are glimpsing today. If we are to build a happier future for our children and our children's children, we must build it together. We must let live if we would ourselves live. We must adopt and adhere to a policy of protecting the weak against the strong; of curbing overreaching and ruthless power; of assuring to all, both weak and strong, that equality of opportunity under the law which we have boasted to be the cornerstone of our American civilization.

Realizing as we do our mutual dependence on each other, knowing that we must all go up or down together, understanding that the happiness of all is the sum of the happiness of each, there are certain goals that we must set up for ourselves to achieve.

Let us strive together to the end that every man and woman and child in this land shall be given an opportunity equal to that of every other man or woman or child to carve out for himself a happier and more worth-while life. Let us see to it that everyone who works does so in wholesome surroundings and receives for that work wages that will provide the necessities of life and something besides for modest pleasures and luxuries. Let us assure to all who work everywhere a legitimate share of leisure to enjoy the American civilization that they are helping to build. It is not enough that any worker in this land of plenty should derive from a life of toil only the bare privilege of staying alive in order to continue to toil.

In the new social order that we intend to build upon the catastrophe through which we are now passing let there be no more child labor. Let us do away with sweatshops. Let us protect our women workers from unreasonably long hours of employment at tasks beyond their strength. Let us be honorable and fair in our business dealings with each other. Let us understand and control our economic system so that it will no longer run wild at intervals, smashing itself upon the rocks and throwing millions of men and women out of work. Let us make it impossible for a handful of acquisitive, predatory men to accumulate disproportionate and antisocial wealth by exploiting less fortunate people in no position to protect themselves. Let us clean up our slum areas, both in the cities and on the countryside. Let us insist upon a just and fair system of taxation, instituted and maintained for the common welfare, the essential feature of which will be the assessment of taxes in proportion to ability to pay. Let us conserve our natural resources, preventing waste and reckless exploitation of our common heritage while at the same time reasonably developing those resources for our legitimate needs.

The new social order calls for even-handed justice, regardless of social standing, business or political prestige, or wealth. It will tolerate no racial or religious prejudice. It envisages the bringing of farm prices into fair relationship with factory prices and aiding in every way possible our stricken farm industry to rehabilitate itself. Under the new social order those men who want work and are able to work will be given work and no one, unless he so wills

it, will be compelled to go hungry or cold. To assure this, there must be established a system of social insurance—old age, disability, unemployment, etc.—thus meeting in the most economical and self-respecting manner an obligation which in any event society must somehow meet.

Particularly must we see to it that opportunities for an education are provided for every child born in the land up to his capacity to absorb and use that education. But education without a highly developed sense of social responsibility would be a tragic failure. We would be better off without an education that is used for selfish ends or hired out to the highest bidder to be used for antisocial purposes. Education is the finest flower of American idealism. It has been to us a second religion. It is the symbol of our hopes for a better life for our children than we have ourselves had, of our dreams of a richer and finer opportunity for all men everywhere under the American flag. We must not permit our precious heritage of intelligence, which the human race has acquired through many weary centuries of struggle, to be restricted or devoted to base ends.

I have enumerated some of the goals toward which we are headed. After doubt and hesitation and grim despair, we are at last moving in the right direction. But I would warn you that it is a long road that we must travel. You members of this graduating class are heirs both to our achievements and to our mistakes. I charge you to make the best use possible of our achievements for the benefit of yourselves and of society. As to our mistakes, we would not have you forget them, grievous and devastating though they have been. We would have you profit by them. Set them up as red traffic lights along the road that I confidently hope your feet will tread in the direction of a social order that, so far as the essential and worth-while things of life are concerned, will be the best social order that the world has ever seen.

But if it is to be the best social order that the world has ever seen, it must be anchored to and guided by the truth. At the beginning of my remarks today I exhorted you to seek the truth because the truth would make you free. I will close with this objurgation: Hold on to the truth, and the truth will keep you free.

NATIONAL DEFENSE ACT, JUNE 3, 1916

Mr. MOTT. Mr. Speaker, I move to strike out the last three words.

Mr. Speaker, at the beginning of the debate it was not disclosed what this bill was about, and in spite of the efforts made here on the floor to find out something about it, I contend that its purpose, if it has any, has not yet been disclosed. I doubt very much whether anyone can determine what this bill is for, either by reading the bill or the report.

I stated at one time during the discussion that if any good reason or any necessity could be shown for the enactment of this legislation I would be very glad to vote for it, because I have consistently supported every bill having for its purpose the good of the National Guard. But not only has no good reason been shown, but I believe it must be apparent to every Member here that no serious attempt has been made to advance any reason whatever, through anything that has been said on this floor, why this proposed legislation should become law. The House, obviously, should not pass legislation for which its sponsors either cannot or will not give a reason when the reason for it is demanded from the floor in open debate.

At the conclusion of this debate a motion to recommit the bill will be offered, and I trust very sincerely that Members will realize that legislation should not be considered in this fashion and that they will vote for that motion.

This bill provides that the President, in case of an emergency in peace time, may mobilize the officials of the National Guard and send them on active duty. Why? If there is a reason why the President should do this, why not state it? He may take them from one State and put them on active duty in another State. For what purpose? For active duty in regard to what? In what sort of peace-time emergency—for it is only in such an emergency that the authority is to be exercised—is it contemplated that this may be necessary or proper? When the Chairman of the Military Affairs Committee was asked what peace time emergency was anticipated or contemplated in this connection, he said very frankly he did not know. He suggested merely that some such emergency might conceivably happen. And no one has ever suggested during this debate an emergency which would be even likely to happen and which would warrant the President of the United States in mobilizing the officials of the National Guard—not the Guard itself but only the officials—and sending them into active duty in other States. If the emergency visioned by the sponsors of the bill is so vague and remote that it cannot even be named, then I submit that there is no justification for legislation to meet it.

It has been stated that the National Guard Association and the Reserve Officers' Association urgently request this bill. If that is so, I have never heard of that fact. I am quite well acquainted with our own Adjutant General and with the commander of the Eighty-second Infantry Brigade in Oregon, and I feel that if this bill were so important to the interests of the National Guard as some gentlemen have rather mysteriously intimated it is, I would have heard something about it from our own National Guard officers by this time. Neither have I any evidence whatever that the Reserve Officers' Association is interested in this proposed change in the law, as has been asserted here. On the other hand, the only testimony before the committee, so far as this report discloses, consists of two letters, one from an official of the Reserve Officers' Association and the other from an official of the National Guard Association. And do either one of these letters constitute, by any stretch of the imagination, an endorsement of this bill? They do not. The contents of these two letters simply indicates there has been a dispute of some sort between the two associations as to the merits of this bill and that they will agree to support it only on condition that certain amendments are made.

On the contrary, however, you have a positive report from the Secretary of War incorporated in the body of the committee report affirmatively recommending against the passage of the bill. Here is what the Secretary of War says:

Careful consideration has been given to the provisions of H. R. 5720, a bill to amend the National Defense Act. This bill, in fact, proposes to amend those provisions of the National Defense Act that appeared in the act of June 15, 1933, known as the "National Guard Act." This act established the National Guard of the United States.

The provisions of this act were subjected to long and exhaustive study in the War Department over a period of years prior to its enactment. Officers of the National Guard contributed their knowledge and practical experience of the problems confronting the National Guard. The bill as introduced was in effect their bill.

The effect of the change in status of the National Guard is to make of it a Federal force, subject to the orders of the President in an emergency declared by the Congress. This new status became effective on April 4, 1934, in accordance with the provisions of a general order published by the War Department on that date. It will be seen, therefore, that the National Guard of the United States has been in existence only 11 months, and the provisions of the act of June 15, 1933, have not had a thorough trial.

No emergency exists nor can any be foreseen that justifies at this time amendments of the law respecting the National Guard of the United States. It is the view of the War Department that the time during which the law has been in effect is too short to have given its provisions a thorough test. Time and experience alone will determine what provisions need to be changed.

For the foregoing reasons the War Department is of the opinion that the amendments proposed in H. R. 5720 are not warranted at this time. It is, therefore, recommended that the bill be not enacted into law.

So, as I stated, no good reason has been shown, and, in fact, no reason whatever has been shown for the enactment of this legislation. On the other hand, you have in the adverse report of the Secretary of War a sufficient and an intelligent reason why it should not be enacted.

May I say in conclusion that this bill has been brought in here in a manner in which I believe no legislation should be submitted to the House. It is so badly drawn it is actually difficult to tell what is meant by the bill. The report does not comply with the Ramseyer rule, and there can be no possible excuse for that. We do not know, from reading the bill, what part of the original law is to be amended unless we get the law and search it, and we do not know exactly what the scope of the amendments are, because the text of the original law is not given in the report, as the Ramseyer rule requires. This legislative body should not undertake to pass a bill unless the committee which reports the bill reports it in compliance with the rules of the House and gives some plausible reason for its passage. For that reason I think the motion to recommit should be adopted. The bill would then go back to the committee. The committee could then send it in properly drafted, together with a report telling us exactly why the committee favors it, what the real purpose of it is, and why the House should pass it. If the committee is not willing to do that, I shall be obliged to vote against the bill on final passage.

Mr. HILL of Alabama. Mr. Speaker, I move to strike out the last four words.

Mr. Speaker, there is nothing mysterious or hidden in this bill. The truth is that with the exception of one provision, which is a provision of little consequence with reference to certain caretakers of National Guard property, all this bill does is to carry out what was the intent of the Congress when the Congress passed the basic National Guard Act of June 16, 1933. This bill comes before the House today on account of the fact that, due to certain interpretations and certain constructions that the Congress did not and could not foresee, the intent of the Congress in passing the original act has been in a few small particulars thwarted.

The reason for section 1, giving to the President of the United States authority in time of emergency to call out a National Guard officer for a period of 15 days, or longer with his consent, is this: Before the passage of the basic National Guard Act of June 16, 1933, National Guard officers were eligible for commissions in the Officers' Reserve Corps of the United States, and practically all of the National Guard officers availed themselves of this privilege and received their Reserve Corps commissions. By a construction of the National Guard Act of June 16, 1933, this privilege has now been taken away from National Guard officers, and that act is construed to mean that National Guard officers can no longer receive commissions in the Officers' Reserve Corps. Section 1 would simply give back to National Guard officers the same right to be called by the President in case of emergency that they had prior to the act of June 16, 1933, when they held Reserve commissions.

Under the law today the President of the United States at any time, whether there be an emergency or not, as the Commander in Chief of the Army of the United States, can call out every Reserve officer in the land for a period of 15 days, and for a longer period with the consent of the Reserve officer.

There are some ninety-thousand-odd active Reserve officers. There are some 18,000 National Guard officers; and, as I have said, all that section 1 will do will be simply to restore to these 18,000 National Guard officers the privilege that they formerly enjoyed before the passage of the act of June 16, 1933, and the privilege that all these ninety-thousand-odd Reserve Corps officers now enjoy.

So why should we haggle or quibble about the right of the President to do what he could do before June 16, 1933, and what he can do with reference to all the 90,000 Reserve officers, and, of course, what he can do with reference to every officer in the Regular Army of the United States?

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. HILL of Alabama. Yes.

Mr. FITZPATRICK. In the 1933 act the word "emergency" was in the original bill and the committee struck it out. Is that not true?

Mr. HILL of Alabama. The word "emergency" is still in the original act insofar as an emergency declared by Congress is concerned.

Mr. FITZPATRICK. That is absolutely true, but it must be by an act of Congress.

Mr. HILL of Alabama. Oh, no. Let us keep in mind the line of distinction, which is very clear. Those words with reference to a declaration of an emergency by Congress apply only where you are to call out your enlisted men and your National Guard, as National Guard units, and not where you are simply calling out individual National Guard officers.

Section 1 of the bill now before us is applicable only to National Guard officers, giving them, as I have tried to make clear, the privilege that they had until the passage of the act of June 16, 1933; a privilege that the Congress did not intend to change or take away from these officers, but which, by construction, has been taken away from them.

Mr. FITZPATRICK. But it was in the original bill passed in 1916, and the committee amended it by striking out the word "emergency."

Mr. HILL of Alabama. No; not as to this provision, which applies only to calling out officers.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. HILL of Alabama. I yield to the gentleman from Oregon.

Mr. MOTT. I did not quite understand what privilege it was that the National Guard officers had prior to 1933 which was taken away from them by that act.

Mr. HILL of Alabama. They had the privilege of holding a commission in the Reserve Officers' Corps, which practically all of them held, and by holding this commission they, like all the Regular Reserve officers, could be called into service by the President of the United States for a 15-day period, or for a longer period with their consent.

Mr. ZIONCHECK. Section 1 does not give them that privilege.

Mr. HILL of Alabama. That is exactly what section 1 does do. This bill does nothing whatever except carry out what was the intent and purpose of this House and the Congress of the United States when it passed the basic act of June 16, 1933.

Mr. ZIONCHECK. Can the gentleman show in section 1 where that power or that privilege is given?

[Here the gavel fell.]

Mr. MOTT. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 2 minutes more.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ZIONCHECK. I would like to have the gentleman answer my question.

Mr. HILL of Alabama. I shall have to yield first to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. If I understand the gentleman correctly, according to his explanation—which, by the way, is the first explanation of this bill that has been given on the floor—the purpose of this bill is to give National Guard officers the same opportunity for commissions as the Reserve officers have at the present time.

Mr. HILL of Alabama. For commissions? Oh, no; they hold commissions in the National Guard. This is to give them the same opportunity to be called out by the President that the Reserve officers have today.

Mr. MOTT. Then why could not the bill simply state that?

Mr. HILL of Alabama. It was not the best way to write this particular legislation.

Mr. MOTT. I think if you had written the bill in that way it would be much plainer than it is now.

Mr. HILL of Alabama. The basic act dealt only with the National Guard, and an amendment to the basic act had to deal with the language found in the basic act, and the language of the bill is according to the best and simplest procedure, in view of the language in the basic act.

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that the gentleman may have one additional minute in order that I may ask a question.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ZIONCHECK. In the national basic act was there any similar provision in the event of an emergency?

Mr. HILL of Alabama. In the national basic act there is a provision that in the event of war declared by Congress or a national emergency declared by Congress the President then can call into the Federal service the National Guard, which means the enlisted personnel as well as the officers.

Mr. ZIONCHECK. But under this bill the President can simply declare an emergency and then can call out the officers of the National Guard and put them in any State he wishes.

Mr. HILL of Alabama. Just exactly as he can call out the 90,000 Reserve officers and the 12,000 Regular Army officers.

Mr. ZIONCHECK. And the gentleman feels that he needs these additional 18,000 officers?

Mr. HILL of Alabama. I think, in justice to the National Guard officers, they ought to have the same rights and the same standing that the Reserve officers have, and that is the issue in this bill.

Mr. CONNERY. Mr. Speaker, I rise in opposition to the pro forma amendment. I do not like this section, in spite of the explanation by my good friend from Alabama [Mr. HILL]. I went before the Committee on Military Affairs by the courtesy of the distinguished chairman, in a hearing on a bill that I introduced, asking that the National Guard be not called out in any State of the Union by the Governor of that State in a strike or labor disturbance without the permission of the Secretary of War.

At that time the members of that committee said, "Oh, no; you should not delegate that power to the Secretary of War or the President, you should leave it to the Governors of the States." Now, they come in here with the proposition to leave to the President of the United States the very thing they would not do when I asked them to do it.

In other words, it looks to me as if the situation was like this: That if we have any more strikes or labor disturbances the President can call out the officials of the National Guard, send them to any State he wants to, to help break a strike, as the National Guard has been used for the last few months—driving people back into the mills at the point of the bayonet, when they have been doing nothing except picketing. They put women in a warehouse and kept them for 24 hours. This looks to me like another step in the attempt to break labor strikes and labor disturbances.

Mr. McSWAIN. The gentleman must assume that the Secretary of War would not send out officers of the National Guard or the National Guard equipment in labor troubles unless it was approved by the President of the United States.

Mr. CONNERY. That is right.

Mr. McSWAIN. If that is so, why is the gentleman opposed to putting that authority in the hands of the President of the United States?

Mr. CONNERY. I would like to take away the power to call out the Reserve officers. I believe the Congress of the United States is the only one to decide when the National Guard shall be called out. I do not think the National Guard should be called out except in war time.

Mr. HILL of Alabama. The gentleman knows that a great many Reserve officers are in the C. C. C. camps, and the gentleman would deny the same provision with reference to the National Guard.

Mr. CONNERY. I do not think that any National Guard officer or Reserve officer should be in the C. C. C. camps. I think they could be well served by civilians who need the jobs.

Mr. HILL of Alabama. The gentleman would deny the National Guard officers the same right that the Reserve officers have?

Mr. CONNERY. The gentleman did not hear what I said a few moments ago. I do not think they should try to sneak any more in.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. BOILEAU. The gentleman from Alabama [Mr. HILL] suggests using the National Guard officers in C. C. C. camps. What kind of an emergency is that? This bill provides that the President can call them into duty only in case of an emergency. I cannot conceive, with the strongest imagination, that bringing these men into the C. C. C. camps is bringing them there under an emergency.

Mr. MARCANTONIO. And, as a matter of fact, the C. C. C. camps were never considered or intended to be military camps.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. McSWAIN. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. MARCANTONIO. Mr. Speaker, I offer the following motion to recommit, which I send to the desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MARCANTONIO. Yes; I am.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Motion to recommit by Mr. MARCANTONIO: I move to recommit the bill (H. R. 5720) to the Committee on Military Affairs.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 34, noes 51.

So the motion to recommit was rejected.

The SPEAKER. The question now is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 58, noes 42.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote because there is no quorum present, and make the point of order that there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present. Evidently there is no quorum present. The Doorkeeper will close the doors and the Clerk will call the roll. The question is on the passage of the bill.

The question was taken; and there were—yeas 182, nays 119, not voting 137, as follows:

[Roll No. 89]

YEAS—182

Allen	Dobbins	Kocialkowski	Richards
Andresen	Dockweiler	Kramer	Robinson, Utah
Andrew, Mass.	Dorsey	Lambeth	Rogers, Mass.
Andrews, N. Y.	Doughton	Lanham	Rogers, N. H.
Arnold	Doxey	Larrabee	Rogers, Okla.
Bacharach	Drewry	Lea, Calif.	Romjue
Bacon	Driver	Lloyd	Ryan
Barden	Duffey, Ohio	Lucas	Sanders, La.
Blackney	Duncan	McCormack	Sandlin
Bland	Eaton	McGehee	Schaefer
Blanton	Edmiston	McGrath	Scrugham
Bloom	Engel	McLean	Shanley
Bolton	Englebright	McMillan	Short
Brooks	Faddis	McReynolds	Smith, Conn.
Brown, Ga.	Farley	McSwain	Snyder
Buchanan	Fenerty	Maas	Sutphin
Buck	Flannagan	Mansfield	Tarver
Buckbee	Focht	Mapes	Taylor, Colo.
Caldwell	Ford, Miss.	Marshall	Taylor, S. C.
Cannon, Mo.	Frey	Martin, Mass.	Terry
Carter	Gasque	May	Thomason
Cary	Gearhart	Merritt, Conn.	Thompson
Castellow	Greenwood	Merritt, N. Y.	Thurston
Cavicchia	Gregory	Michener	Tinkham
Chapman	Haines	Millard	Tobey
Church	Halleck	Mitchell, Ill.	Tolan
Claiborne	Hancock, N. Y.	Mitchell, Tenn.	Turner
Clark, N. C.	Harlan	Montet	Turpin
Coffee	Hart	Norton	Vinson, Ga.
Colden	Harter	O'Connor	Vinson, Ky.
Cole, Md.	Hess	Owen	Wadsworth
Cole, N. Y.	Hill, Ala.	Palmisano	Warren
Colmer	Hill, Samuel B.	Parks	Weaver
Cooley	Hollister	Patman	Werner
Cooper, Tenn.	Holmes	Patton	West
Cox	Huddleston	Peterson, Ga.	Whelchel
Cravens	Jenkins, Ohio	Pettengill	Whittington
Crosby	Johnson, Okla.	Pittenger	Wigglesworth
Cross, Tex.	Johnson, Tex.	Plumley	Wilcox
Culkin	Jones	Powers	Wilson, La.
Cummings	Kahn	Quinn	Wilson, Pa.
Darden	Keller	Randolph	Wolverton
Deen	Kimball	Rankin	Woodruff
Dies	Kinzer	Ransley	Woodrum
Dingell	Kleberg	Reece	
Ditter	Knutson	Reed, Ill.	

NAYS—111

Adair	Crosser, Ohio	Gilchrist	Jacobsen
Amlie	Crowe	Gillette	Jenckes, Ind.
Ashbrook	Cullen	Granfield	Johnson, W. Va.
Ayers	Delaney	Gray, Ind.	Kee
Beiter	Dickstein	Greenway	Kelly
Biermann	Dunn, Pa.	Greever	Kenney
Boileau	Eagle	Griswold	Kloeb
Boylan	Eicher	Healey	Kniffin
Brewster	Ellenbogen	Higgins, Mass.	Kopplemann
Brunner	Ferguson	Hildebrandt	Kvale
Buckler, Minn.	Fernandez	Hill, Knute	Lemke
Burdick	Fitzpatrick	Hoeppel	Lesinski
Celler	Fletcher	Hook	Lewis, Colo.
Citron	Gassaway	Hull	Ludlow
Connery	Gehrmann	Imhoff	McFarlane

McGroarty	O'Brien	Sanders, Tex.	Sweeney
McKeough	O'Connell	Sauthoff	Taylor, Tenn.
Maloney	O'Day	Schneider	Thom
Marcantonio	O'Leary	Schulte	Truax
Martin, Colo.	O'Malley	Sears	Umstead
Mason	Parsons	Secrest	Wearin
Massingale	Patterson	Sirovich	Welch
Mead	Peterson, Fla.	Sisson	White
Meeks	Pierce	Smith, Wash.	Withrow
Monaghan	Polk	Smith, W. Va.	Wolfenden
Moran	Ramsay	Spence	Wood
Mott	Reilly	Stack	Zioncheck
Murdock	Robsion, Ky.	Stubbs	

NOT VOTING—137

Arends	DeRouen	Hope	Richardson
Bankhead	Dietrich	Houston	Robertson
Beam	Dirksen	Kennedy, Md.	Rudd
Bell	Disney	Kennedy, N. Y.	Russell
Berlin	Dondero	Kerr	Sabath
Binderup	Doutrich	Lambertson	Sadowski
Boehne	Driscoll	Lamneck	Schuetz
Boland	Duffy, N. Y.	Lee, Okla.	Scott
Brennan	Dunn, Miss.	Lehlbach	Seger
Brown, Mich.	Eckert	Lewis, Md.	Shannon
Buckley, N. Y.	Ekwall	Lord	Smith, Va.
Bulwinkle	Evans	Luckey	Snell
Burch	Fiesinger	Lundeen	Somers, N. Y.
Burnham	Fish	McAndrews	South
Cannon, Wis.	Ford, Calif.	McClellan	Starnes
Carden	Fuller	McLaughlin	Steagall
Carlson	Fulmer	McLeod	Stefan
Carmichael	Gambrill	Mahon	Stewart
Carpenter	Gavagan	Maverick	Sullivan
Cartwright	Gifford	Miller	Sumners, Tex.
Casey	Gildea	Montague	Taber
Chandler	Gingery	Moritz	Thomas
Christianson	Goldsborough	Nelson	Tonry
Clark, Idaho	Goodwin	Nichols	Treadway
Cochran	Gray, Pa.	Oliver	Underwood
Collins	Green	O'Neal	Utterback
Cooper, Ohio	Guyer	Pearson	Wallgren
Corning	Gwynne	Perkins	Walter
Costello	Hamlin	Peyser	Williams
Crawford	Hancock, N. C.	Pfeifer	Wolcott
Crowther	Hartley	Rabaut	Young
Daly	Hennings	Ramspeck	Zimmerman
Darrow	Higgins, Conn.	Rayburn	
Dear	Hobbs	Reed, N. Y.	
Dempsey	Hoffman	Rich	

So the bill was passed.

The Clerk announced the following additional pairs:

Additional general pairs:

Mr. Montague with Mr. Snell.
Mr. Rayburn with Mr. Treadway.
Mr. Fuller with Mr. Fish.
Mr. Fiesinger with Mr. Burnham.
Mr. Smith of Virginia with Mr. Wolcott.
Mr. Gavagan with Mr. Hartley.
Mr. McAndrews with Mr. Crowther.
Mr. Burch with Mr. Guyer.
Mr. Disney with Mr. Rich.
Mr. Cartwright with Mr. Hoffman.
Mr. Robertson with Mr. Hope.
Mr. Fulmer with Mr. Lundeen.
Mr. Kerr with Mr. Gray of Pennsylvania.
Mr. Brennan with Mr. Luckey.
Mr. Walgren with Mr. Dempsey.
Mr. Binderup with Mr. Rabaut.
Mr. Ford of California with Mr. Greever.
Mr. Sadowski with Mr. Storms.
Mr. Secrest with Mr. Driscoll.
Mr. Young with Mr. Hamlin.

The result of the vote was announced as above recorded.

The doors were opened.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1936

Mr. CANNON of Missouri. Mr. Speaker, I present for printing under the rule a conference report and statement on the bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District, for the fiscal year ending June 30, 1936, and for other purposes.

NATIONAL LABOR RELATIONS BOARD

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to recommit the bill (S. 1958), to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes, for the purpose of adding certain committee amendments to the bill.

The SPEAKER. Is there objection?

There was no objection.

CALENDAR WEDNESDAY

LONGEVITY PAY

Mr. McSWAIN. Mr. Speaker, I call up the bill (S. 2287), to authorize the crediting of service rendered by personnel (active or retired) subsequently to June 30, 1932, in the computation of their active or retired pay after June 30, 1935, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from South Carolina calls up the bill S. 2287 and asks unanimous consent that it be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That notwithstanding the suspension during the fiscal years 1933, 1934, and 1935 of the longevity increases provided for in the tenth paragraph of section 1 of the Pay Adjustment Act of 1922, the personnel (active or retired) so affected shall be credited with service rendered subsequently to June 30, 1932, in computing their active or retired pay accruing subsequently to June 30, 1935: *Provided*, That this section shall not be construed as authorizing the payment of back longevity pay for the fiscal years 1933, 1934, and 1935 which would have been paid during such years but for the suspension aforesaid.

Mr. McSWAIN. Mr. Speaker, I yield to the gentleman from New Hampshire [Mr. ROGERS] for a very brief explanation.

Mr. ROGERS of New Hampshire. Mr. Speaker, this bill, S. 2287, was introduced on March 18 of this year by Senator TRAMMELL, of Florida, was reported back to the Senate by the Senate Naval Affairs Committee by Senator WALSH, and passed the Senate on April 15. It was then referred to the House Committee on Military Affairs on April 17 and favorably reported on May 24.

The bill authorizes the crediting of service rendered by personnel—active or retired—subsequent to June 30, 1932, in the computation of their active or retired pay after June 30, 1935.

A similar bill, H. R. 6512, was introduced on March 7 by the gentleman from Georgia [Mr. VINSON] and referred to the House Committee on Naval Affairs. It was favorably reported back to the House by that committee on April 29. An examination of the report which I have filed on this Senate bill will show that it is to correct an injustice; that it has the full approval of the Secretary of War, the President of the United States, the Secretary of the Navy, and the Director of the Budget. No back longevity pay for the fiscal years 1933, 1934, and 1935 is authorized. I trust there will be no objection thereto.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WAR MINERALS RELIEF STATUTE

Mr. COX, from the Committee on Rules, submitted the following privileged report (H. Res. 240, Rept. No. 1108) on the bill (S. 1432) to amend section 5 of the act of March 2, 1919, generally known as the "war minerals relief statute", for printing in the RECORD:

House Resolution 240

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of S. 1432, "A bill to amend section 5 of the act of March 2, 1919, generally known as the 'war minerals relief statute.'" That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Mines and Mining, the bill shall be read for amendment, under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

COMPUTATION OF MARINE CORPS SERVICE OF ARMY OFFICERS

Mr. McSWAIN. Mr. Speaker, I call up the bill (S. 2029) to authorize naval and Marine Corps service of Army officers

to be included in computing dates of retirement, and I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That in computing service for the purpose of retirement of an officer of the Army, there shall be included, in addition to service now authorized by law to be included, all service in the Navy or Marine Corps which is authorized by law to be included for the purpose of retirement of an officer of the Navy or Marine Corps.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WAR-TIME RANK TO RETIRED OFFICERS OF THE ARMY, NAVY, AND MARINE CORPS

Mr. McSWAIN. Mr. Speaker, I call up the bill (S. 927) to amend the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States", approved June 21, 1930, so as to give class B officers of the Army benefits of such act, and I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States", approved June 21, 1930, is amended by striking out the words "except those retired under the provisions of section 24b of the act of June 4, 1920."

Mr. WADSWORTH. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, in reading this bill which would repeal a certain minor provision in the National Defense Act of 1920, one or two thoughts come to my mind, and I am somewhat in doubt as to whether the legislation is wise.

There is a provision in the National Defense Act of 1920 providing for the elimination of officers from the Regular Army who are found to be unfit to remain on the active list. It is contained in section 24 (b). I am not at all certain that the system has worked well, because human nature has come into the picture so often, and influence has been brought to bear so often that the authors of that particular section, I think it can be said, are somewhat disappointed in that it has not rid the commissioned personnel of the Regular Army of a sufficient number of unfit officers. But, in any event, in connection with legislation passed at about that time, which provided that officers of the Regular Army when they came to retire by reason of age or by reason of the 40-year provision or the 30-year provision, could be retired at the highest rank held by them during the World War, the authors of this 24 (b) section put in a provision that that should not apply to officers who, subsequent to the enactment of that retirement legislation, were removed or retired from the active list of the Army for having been inefficient officers. This bill is to take out that little provision and permit officers who have been removed from the active list of the Army on account of their inefficiency to be promoted upon the retired list to the highest rank held by them during the World War.

Now, it is a small matter, I admit, and I believe it involves no expenditure from the Treasury.

Mr. McSWAIN. Not a cent.

Mr. WADSWORTH. It is a question in which there appears to be a little matter of principle. We all know that when we went into the World War officer material was so scarce, especially at the beginning, and tactical commands were organized with such rapidity and reached such large dimensions that it was inevitable that practically every officer in the Regular Army of that day had to be promoted to a higher rank temporarily and for the duration of the war.

Practically every Regular Army officer received a higher rank and served in such capacity during the war itself. When the war was over they reverted to their normal rank in the regular service.

Not all of the men, by any means, who got that higher rank did well with it. Generally speaking, the Regular Army officers put up a splendid performance, but here and there there were men who were not able to carry those higher responsibilities that went with the higher rank, and many of them had to be relieved of command and sent back to S. O. S.

It will be found that before this section 24 (b) went into effect in 1920 they had reverted to their normal rank. Those were the very men who were found inefficient and who had to be removed from the active list of the Army. Now, it is a grave question in my mind whether they should at this time be rewarded by promotion on the retired list. The Congress back in 1920 thought they should not be.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. McFARLANE. Why would not this bill give them more money if it promotes them on the retired list?

Mr. WADSWORTH. My recollection is that retirement at the advanced rank does not carry with it the retired pay of the advanced rank.

Mr. McFARLANE. Is the gentleman sure about that?

Mr. WADSWORTH. Yes.

Mr. McSWAIN. The present law provides that they shall not be given any advanced retirement pay.

Mr. McFARLANE. Why pass the bill?

Mr. WADSWORTH. It is a decoration, the conferring of an honorary higher rank on the very group of officers who have been determined to be least fit.

Mr. KVALE. Mr. Speaker, I am not going to enter into any controversy with my distinguished colleague from New York. Although he is not a member of the Committee on Military Affairs, he is very familiar with military legislation by reason of his service in the Senate.

Mr. Speaker, while the gentleman's remarks may be well taken as to the class-B legislation, this particular bill affects only 26 officers who were mistakenly included in this group and who are laboring under this class-B stigma even though they did not receive their retirement as a result of misconduct or avoidable habits, or whatever reasons are ascribed for retirement under this section.

The report sets out exactly the 26 individuals who will be benefited by this legislation. Your committee has reported the bill out unanimously. The bill has twice been considered by the Senate and had passed that body.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. KVALE. I yield.

Mr. McFARLANE. Do they all live here in Washington? You know these social battles of Washington are very important.

Mr. KVALE. I do not have any data before me, but I believe only a very limited number live here.

As I say, Mr. Speaker, only 26 individual officers are involved in this matter, and your committee feels they have carried this stigma long enough through no fault on their part. We should now pass this bill and correct the situation.

Let me say also that this bill does not go to the merits of the class-B legislation and it will not harm section 24 (b) in its application.

Mr. Speaker, the War Department originally took an unfavorable view of this bill. Since their original stand they have seen fit to modify their position. In view of the fact it does not cost the Government any money whatever, and in view of the injustice done these 26 officers who are affected, we recommend that the bill be favorably considered. The committee authorized me to make the report, and on the part of the committee I make this plea for the passage of the bill.

Mr. McSWAIN. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF NATIONAL DEFENSE ACT

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 6250) to amend the National Defense Act.

The Clerk read the title of the bill.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill as follows:

A bill to amend the National Defense Act

Be it enacted, etc., That in order to provide the Army Air Corps with 1,514 officers in grades from colonel to second lieutenant, inclusive, as specified by section 13a of the National Defense Act, as amended by the act of July 2, 1926 (44 Stat. 780), there are hereby authorized, to be appointed and commissioned as second lieutenants in the Air Corps of the Regular Army, from among applicants hereinafter specified, such number as may be necessary to fill up the commissioned strength of the Air Corps by July 1, 1935, or as soon thereafter as possible, to the number above specified; and in order to provide the Regular Army with sufficient commissioned personnel to enable the commissioned strength of the Air Corps to be maintained at the number specified in said section 13a, National Defense Act, as amended, the commissioned strength of the active list of the Regular Army shall, on and after July 1, 1935, be maintained at an aggregate annual average of not less than 12,400 officers: *Provided*, That the appointees as second lieutenants in the Air Corps of the Regular Army above authorized shall be selected, under such regulations as the President may prescribe, from applicants who hold commissions as first or second lieutenants in the Air Corps Reserve and are graduates of the Army Air Corps Training Center.

SEC. 2. The President is hereby authorized to call to active service, with their consent, for a period of not more than 1 year for any one officer, not to exceed at any time 2,000 Reserve officers of the combatant arms and the Chemical Warfare Service, for active duty with the Regular Army: *Provided*, That members of the Officers' Reserve Corps so called to active service shall be distributed as nearly as may be practicable among the said combatant arms and the Chemical Warfare Service in proportion to the commissioned strength of such arms and service, and shall be apportioned in grades therein, so far as possible, as follows: Not to exceed 5 percent in the field grades, 20 percent in the grade of captain, 35 percent in the grade of first lieutenant, and 40 percent in the grade of second lieutenant: *Provided further*, That no Reserve officer shall be called to active service under the provisions of this section who is more than 45 years old at the time of such call: *And provided further*, That nothing herein containd shall affect the number of Reserve officers that may be called to active duty under existing laws, nor the conditions under and purposes for which they may be so called.

Mr. McSWAIN. Mr. Speaker, I offer a committee amendment.

The Clerk read as follows:

Committee amendment to H. R. 6250 to be inserted after line 12, on page 3, and to constitute a new section to be designated as section 3, and to read as follows:

"SEC. 3. That for the period of 10 years beginning July 1, 1936, the Secretary of War is authorized to select annually from all such Reserve officers having received the training herein authorized as may apply for commissions in the Regular Army, 200 officers who shall be commissioned as second lieutenants in the Regular Army, and they shall be arranged on the promotion list in the order of time of their first commissions in the Officers' Reserve Corps, and any whose commissions in the Officers' Reserve Corps bear the same date, then the names of all such shall be arranged on the promotion list in the order of their respective ages, the older first."

The committee amendment was agreed to.

Mr. McSWAIN. Mr. Speaker, I offer a rather informal amendment from the floor.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN: Page 2, line 16, after the word "call", insert the word "annually."

The amendment was agreed to.

Mr. WADSWORTH. Mr. Speaker, I was caught napping. I thought the informal amendment just offered by the gentleman from South Carolina was a part of the committee amendment. I wanted to ask the chairman of the committee a question about the amendment just read by the Clerk.

Mr. McSWAIN. Mr. Speaker, I ask recognition for the purpose of permitting the inquiry of the gentleman from New York.

The SPEAKER. The gentleman from South Carolina is recognized.

Mr. WADSWORTH. Mr. Speaker, as I understand the committee amendment offered by the gentleman from South Carolina, the President is authorized to commission in the Regular Army young Reserve officers at the rate of 200 a year.

Mr. McSWAIN. For 10 years.

Mr. WADSWORTH. For the next 10 years?

Mr. McSWAIN. Yes.

Mr. WADSWORTH. We are about to pass legislation, I hope, which will increase the number of cadets in the Military Academy. My understanding is when that increase is accomplished the Military Academy will graduate annually about 340 second lieutenants into the Army. The amendment offered by the gentleman from South Carolina provides for another 200 annually from the Reserve, which makes a total of 540. I do not remember just now how many men are supposed to be commissioned from the enlisted personnel of the Regular Army or from the enlisted personnel of the National Guard, but the law provides that there shall be a certain number of commissions reserved for enlisted men in the Regular Army and in the National Guard if they are able to pass the examination. Can the gentleman tell us what the annual requirement of the Regular Army is in the matter of second lieutenants?

Mr. McSWAIN. Yes. The annual requirement for the last 10 years has only been around 300.

Mr. WADSWORTH. That is all we need annually?

Mr. McSWAIN. Yes. However, it is believed when we shall have passed the promotion bill which the Senate has passed and now pending before our committee and which we are going to take up for consideration at our next meeting, and hope to report to the House with certain amendments, that the inducements for retirement on the part of officers who are within the hump and who have flopped promotion will be such as to greatly increase the number of vacancies annually caused by voluntary retirements or otherwise. But for that situation there would have been no excuse for increasing the number of cadets in the Military Academy.

I am satisfied all of the representatives of the War Department who appeared before the committee when we were considering the matter of the increase in the matter of cadets at the Military Academy believe it is always desirable that the ratio of trained officers from the Military Academy compared to those received from civil life or from other sources anyway shall approximate the stable ratio of about 50-50. I think it is universally agreed that at the present time the number of graduates from the Military Academy is about 38 percent of the requirements, but the gentleman also knows it is the belief of many of us who have studied the matter that the minimum officer strength of the Army for peace times ought to be 14,000 rather than 12,000. Rather than make up the 2,000 in one leap, thereby creating another hump that will cause trouble in the future, it is proposed to take up the additional 2,000 at the rate of 200 a year and from the source here indicated and not from the Military Academy, from the Regular Army, and from the National Guard, the factors to which the gentleman called attention. Taking into consideration the vacancies caused by ordinary attrition, plus the accelerated attrition due to the promotion act, which I hope we will pass, at the end of 10 years there will be an existing ratio of approximately 50-50 from these two sources.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to proceed for an additional 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McFARLANE. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from Texas.

Mr. McFARLANE. When is the gentleman going to bring in here some kind of an officers' selection board bill?

Mr. McSWAIN. Yes. So far as I know, the committee has no bill before it proposing to select officers. Personally I am opposed to that method of promotion. The bill before the House is one that has passed the Senate and calls for ordinary promotion from those on the single promotion list. I do not think there is a likelihood of any such bill coming out. I do not know, however. Sometimes my prognostications as to what would come out have been in error.

Mr. WADSWORTH. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from New York.

Mr. WADSWORTH. May I ask the gentleman if he believes that at the end of the 10-year period provided for in this amendment, the annual needs of the Regular Army will amount to as many as 540 second lieutenants?

Mr. McSWAIN. I am not prepared now to answer that question, I am sorry to say, as to what would be the degree of attrition at the end of 10 years. I doubt if there would be more than 550, because we would be taking in many of these young officers who would not be retiring on account of disability or age.

Mr. WADSWORTH. I do not intend to oppose the amendment. In fact, the amendment has already been adopted. But I venture to express the opinion that the President will never be able to appoint the 200, because there will not be sufficient vacancies.

Mr. McSWAIN. Mr. Speaker, may I acknowledge in this way the debt which the country owes the distinguished gentleman from New York, who was Chairman of the Committee on Military Affairs of the Senate when the National Defense Act of 1920 was enacted? Under the leadership of the gentleman from New York and Brig. Gen. John McAuley Palmer, they wrote a most constructive piece of legislation, for which the country will eternally be grateful.

Mr. ANDREWS of New York. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. ANDREWS of New York: On page 2, line 17, after the word "consent", insert the words "upon application to and selection by the War Department."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESERVE DIVISION OF THE WAR DEPARTMENT

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 6674) to create the Reserve Division of the War Department, and for other purposes, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes", approved June 3, 1916, as amended, be, and the same is hereby, further amended by inserting after section 38 a new section as follows:

"SEC. 39. The Reserve Division of the War Department: There is hereby created the Reserve Division of the War Department. This division shall consist of one Chief of the Reserve Division with the rank of major general, appointed by the President from officers of the Organized Reserves, and six other officers to be assigned to duty in the Reserve Division by the Secretary of War: *Provided*, That at least three of the officers so assigned shall be members of the Officers' Reserve Corps.

"The duties to be performed by the Chief of the Reserve Division shall include general supervision under the Chief of Staff of the administration and development of the Officers' Reserve Corps. In the performance of these duties the existing bureaus, departments, and agencies of the War Department shall be utilized as far as practicable. In coordination with the General Staff, the Chief of the Reserve Division shall be consulted by the Chief of Staff and Secretary of War regarding, and kept informed and advised of, all existing and proposed policies, regulations, plans, and orders affecting the Officers' Reserve Corps and the individual members thereof, and he will make directly to the Chief of Staff recommendations pertaining thereto. He shall at all times maintain contact with the Officers' Reserve Corps, and through inspections in person or by representatives, shall keep the Chief of Staff and the Secretary of War informed of their state of efficiency and measures for their proper development.

"The Reserve officers on duty in the Reserve Division shall be called to active duty with their own consent for this purpose, and while so serving shall receive the active-duty pay and allowances of their grades as prescribed in the Pay Readjustment Act of June 10, 1922. Appropriations are hereby authorized to be made annually for the contingent and operating expenses of the Reserve Division.

"The Secretary of War is authorized to transfer or assign to the Reserve Division such office space and clerical personnel as in his judgment may be necessary."

With the following committee amendment:

On page 2, line 2, after the word "Reserves", insert "for a term of 4 years."

The committee amendment was agreed to.

Mr. WADSWORTH. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, in reading the committee report, we find the assertion that the new Chief of the Reserve Division of the War Deparament, who is to be appointed and hold the rank of major general, is to be selected from among the graduates of the General Staff and Command Schools; but I do not find that in the bill.

Mr. McSWAIN. We shall offer an amendment to that effect.

Mr. Speaker, I offer an amendment to the committee amendment which the report shows was agreed to in committee, after the word "Reserves" on page 2, line 2, of the amendment, insert "for a term of 4 years from among the officers who have graduated in the special course of the General Staff and Command School at Fort Leavenworth, Kans."

The Clerk read as follows:

Amendments to the committee amendment offered by Mr. McSWAIN: On page 2, line 2, after the word "Reserves", insert "for a term of 4 years from among the officers who have graduated in the special course of the General Staff and Command School at Fort Leavenworth, Kans."

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. WADSWORTH. Has the committee given any consideration to the qualifications of such officer with respect to the rank which he now holds? Will any officer of the Reserve Corps be eligible or merely officers holding the rank of lieutenant colonel or colonel?

Mr. McSWAIN. Yes; the committee considered that, but did not see fit to restrict it to colonels. It assumed that those who had graduated in the special course of the General Staff and Command School would have been selected certainly from field officers, because no one but field officers would go to this school.

Mr. WADSWORTH. Undoubtedly that is true.

Mr. McSWAIN. And undoubtedly the President would pick from among the Reserve officers who held the rank of colonel or lieutenant colonel some outstanding officer of ability, education, and leadership; and we did not feel we should restrict it to the rank of colonel, because it might be that at the time the matter was up the officers of that rank might not be so outstanding in ability as some with the rank of lieutenant colonel. We leave this to the President.

The amendment to the committee amendment was agreed to.

The Clerk read as follows:

SEC. 2. That all laws and parts of laws inconsistent with this act are hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARMY AIR CORPS STATION AND FRONTIER AIR-DEFENSE BASES

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 7022) to authorize the selection, construction, installation, and modification of permanent stations and depots for the Army Air Corps, and frontier air-defense bases, generally.

The Clerk read the title of the bill.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to determine in all strategic areas of the United States, including those of Alaska and our overseas possessions and holdings, the location of such additional permanent Air Corps stations and depots as he deems essential, in connection with the existing Air Corps stations and depots and the enlargement of the same when necessary, for the effective peace-time training of the general headquarters air force and the Air Corps components of our overseas garrisons. In determining the locations of new stations and depots, consideration shall be given to the following regions for the respective purposes indicated: (1) The Atlantic Northeast—to provide for training in cold weather and in fog; (2) the Atlantic Southeast and Caribbean areas—to permit training in long-range operations, especially those incident to reinforcing the Panama Canal; (3) the Southeastern States—to provide a depot essential to the maintenance of the general headquarters air force; (4) the Pacific Northwest—to establish and maintain air communication with Alaska; (5) Alaska—for training under conditions of extreme cold; (6) the Rocky Mountain area—to provide a depot essential to the maintenance of the general headquarters air force, and to afford, in addition, opportunity for training in operations from fields in high altitudes; and (7) such intermediate stations as will provide for transcontinental movements incident to the concentration of the general headquarters air force for maneuvers.

In the selection of sites for new permanent Air Corps stations and depots and in the determination of the existing stations and depots to be enlarged and/or altered, the Secretary of War shall give consideration to the following requirements:

First. The stations shall be suitably located to form the nucleus of the set-up for concentrations of general headquarters air force units in war and to permit, in peace, training and effective planning, by responsible personnel in each strategic area, for the utilization and expansion, in war, of commercial, municipal, and private flying installations.

Second. In each strategic area deemed necessary there shall be provided adequate storage facilities for munitions and other essentials to facilitate effective movements, concentrations, maintenance, and operations of the general headquarters air force in peace and in war.

Third. The stations and depots shall be located with a view to affording the maximum warning against surprise attack by enemy aircraft upon our own aviation and its essential installations, consistent with maintaining, in connection with existing or contemplated additional landing fields, the full power of the general headquarters air force for such close and distant operations over land and sea as may be required in the defense of the continental United States and in the defense and the reinforcement of our overseas possessions and holdings.

Fourth. The number of stations and depots shall be limited to those essential to the foregoing purposes.

SEC. 2. To accomplish the purposes of this act, the Secretary of War is authorized to accept, on behalf of the United States, free of encumbrances and without cost to the United States, the title in fee simple to such lands as he may deem necessary or desirable for new permanent Air Corps stations and depots and/or the extension of or addition to existing Air Corps stations or depots; or, with the written approval of the President, to exchange for such lands existing military reservations or portions thereof; or, if it be found impracticable to secure the necessary lands by either of these methods, to purchase the same by agreement or through condemnation proceedings.

SEC. 3. The Secretary of War is further authorized and directed to construct, install, and equip, or complete the construction, installation, and equipment, inclusive of bombproof protection as required, at each of said stations and depots, such buildings and utilities, technical buildings and utilities, landing fields and mats, and all utilities and appurtenances thereto, ammunition storage, fuel and oil storage and distribution systems therefor, roads, walks, aprons, docks, runways, sewer, water, power, station and aerodrome lighting, telephone and signal communication, and other essentials, including the necessary grading and removal or remodeling of existing structures and installations. He is authorized, also, to direct the necessary transportation of personnel, and purchase, renovation, and transportation of materials, as in his judgment may be required to carry out the purposes of this act.

SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, such sums of money as may be necessary, to be expended under the direction of the Secretary of War for the purposes of this act, including the expenses incident to the necessary surveys, which appropriation shall continue available until expended: *Provided*, That the provisions of section 1136, Revised Statutes (U. S. C., title 10, par. 1339), shall not apply to the construction of the aforesaid stations and depots.

With the following committee amendment:

Page 5, line 3, after the word "act" insert: "The Secretary of War is further authorized to acquire by gift, purchase, lease, or otherwise, at such locations as may be desirable, such bombing and machine-gun ranges as may be required for the proper practice and training of tactical units."

The committee amendment was agreed to.

Mr. WADSWORTH. Mr. Speaker, I move to strike out the last word. May I direct the attention of the chairman to the language on page 2 of the bill, in order to ask a question. I am not at all in opposition to this measure. I notice that in reciting the different areas in which the air stations are to be erected, in each case a certain type of station or use is set forth. For example, "training under conditions of extreme cold"—"training in operations from fields in high altitudes", and so forth, as if Congress was laying down in advance what the station was to be used for and nothing else. I am wondering if that is the proper way to establish any military undertaking. I suspect somebody is afraid of something.

Mr. McSWAIN. I will answer the gentleman in my feeble way, and then yield to the gentleman from Florida who introduced the bill. The gentleman from Florida who introduced the bill did undertake to lay down certain geographical, and you might say, functional purposes for which these stations would be established. The War Department, through the head of the War Planning Division, in reporting orally on the original Wilcox bill, criticized it for the reason that it did undertake to do practically what the gentleman from New York calls attention to, and he proposed the very language of this bill.

I then introduced the bill in the language of the War Planning Division, and the committee considered the bill and proposed an amendment, which appears on page 5. The gentleman from Florida [Mr. WILCOX], having done so much work in this line and being familiar with it, I suggested the propriety of having him introduce the bill that has been drawn by the Chief of the War Planning Division.

Now, answering more specifically the suggestion of the gentleman from New York, certain purposes and advantages are undertaken to be stated, as, for instance, the cold weather and the warm weather, and so on; but they are not deemed to be exclusive, but only as an argument in favor of particular location; and it does not undertake to say definitely that that is all they shall be used for.

Mr. WADSWORTH. Will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. WADSWORTH. Is not the gentleman afraid of the Comptroller?

Mr. McSWAIN. I hope I am not getting into trouble. I now yield to the gentleman from Florida [Mr. WILCOX].

Mr. WILCOX. Mr. Speaker, the object of the bill is to accomplish two things—to locate bases within certain strategic areas for availability in war time and for the effective peace-time training of general headquarters air force and the Air Corps of our overseas garrisons. The language is not exclusive on the War Department in training at these respective bases.

It is expected that these bases will be equipped for training purposes. The specific character of the training mentioned for each of these bases certainly will not menace the character of general flying to be done there. Special instruction can be given under general training, and it is sought by the bill to train them to operate under extreme cold or under fog conditions or other climatic conditions that may exist.

Mr. WADSWORTH. The gentleman would concede that the Army would do that anyway, would he not?

Mr. WILCOX. I hope so.

The bill now under consideration proposes an authorization for the location and construction of certain bases for the use of the Army Air Corps and for the effective peace-time training of the general headquarters air force within designated strategic areas. The bill designates six areas within each of which a base shall be established for the purposes indicated for each area.

The strategic areas referred to are first, the Atlantic northeast to provide for training of the air forces in cold

weather and in fog; second, the Atlantic southeast and Caribbean areas, to permit training in long-range operations, especially those incident to reinforcement of the Panama Canal; third, the Southeastern States, to provide a depot essential to the maintenance of the general headquarters air force; the Pacific Northwest, to establish and maintain air communication with Alaska; fifth, Alaska, for training under conditions of extreme cold; and sixth, the Rocky Mountain area, to provide a depot essential to the maintenance of the general headquarters air force and to afford in addition opportunity for training in operations from fields in high altitudes.

Before proceeding to any discussion of the necessities which have prompted the introduction and favorable report of this measure, I think it advisable to make certain explanations and to discuss certain principles which have been followed in the preparation and report of this bill.

In the first place, the use of the term "general headquarters air force" has not been fully understood in some circles, and some who have examined the bill have been misled into believing that two or three of the proposed bases are to be designated as the headquarters for the air force. This, of course, is an erroneous impression. The "general headquarters air force" is the title of our air force and that term is used to describe the force rather than to describe the location of the air forces. The object of the bill is to provide bases for the use of the general headquarters air force in the various strategic areas which have been referred to.

I think it also well at the outset to call attention to the fact that these areas have been designated for strategic as well as climatic and other reasons. They have been selected also as affording locations for air fleet bases in areas where no such bases now exist.

I want also to call attention to the fact that no effort has been made in this measure to designate the specific location of any particular base. That responsibility is placed in the bill upon the Secretary of War, who is required to select the location of these bases, having in mind the general purposes of the bill. This was deliberately done to prevent political logrolling or the location of bases for any reason other than strategy and the best interests of the air force and its proper development and training. Probably the most unfortunate thing that could take place in connection with the location of air bases of the character here dealt with would be to undertake the designation of particular locations. This would open the measure up to political logrolling and might result in the location of such bases according to political influence as distinguished from strategic necessity.

In the preparation of this bill two objectives have been sought. First, to provide bases which in peace time will permit the training of Army aviators under every climatic condition which exists in the United States, and, second, to so locate bases along our frontiers as in case of an emergency will afford the greatest measure of defense against an attempted invasion of this country by an enemy air force.

In the accomplishment of the first of these objectives, I think we should not lose sight of the fact that our Army flyers must be able to fly under any and all climatic conditions. It is necessary that they be fully acquainted with the problems incident to flying in tropical and subtropical climates, as well as those which arise from flying under extreme cold and mountain conditions. If our aviators are trained to fly in good weather, they will be at a great disadvantage when called upon to fly in fog, snow, or other adverse conditions. If and when an emergency shall arise, the enemy will not select favorable conditions for the attempted invasion. Neither will he select a field of operations which is best known to our own flyers. It is of the greatest importance, therefore, that our flyers be trained to manipulate their planes in fog, snow, sunshine, and all other climatic conditions that exist in any section of the United States. Bases should also be located in such positions that the aviators, by rotation at proper intervals, can become thoroughly familiar with every portion of the country which they will be called upon to defend in case of war. They should certainly know their own country better than the enemy could possibly know it. In the preparation of this bill, therefore, we have had constantly in mind the location of bases in such positions that by rotating the air force from one section to another aviators will become thoroughly familiar not only with climatic conditions but with the geography of every nook and corner of the United States.

The second objective contemplated in the preparation of this bill is the location of bases in such positions as to afford a maximum of defense.

With the invention of the airplane a new and deadly force has been added to the engines of destruction available in warfare. Because of its great nobility, the wide range of its activities, the great speed with which it may launch attacks, and the demoralizing effect of such an attack upon the morale of the country attacked, as well as the destructive character of such an attack, it is essential that our country be so prepared as to prevent an enemy attack at its very inception. In order that this may be effectively accomplished, it is essential that we be in position to contact an enemy air force long before it reaches our own borders.

It is now well recognized that in the event of war an enemy undertaking an air attack upon the United States would pursue two methods: First, he would undertake to establish bases of operations in nearby territory from which his aircraft could be operated into the United States and back to his bases of operations; second, he would launch his air force from aircraft carriers in midocean. The only effective means of defense against such an invasion would be the establishment of air bases along our frontiers in such position that our own force could fly out and contact the enemy, break up his concentrations in nearby territory, and destroy aircraft carriers while they are still five hundred or a thousand miles from our shores. It is essential that our defensive air bases be located at the nearest point to the enemy, so that our planes may contact him at the earliest possible moment. If an enemy is approaching over the sea, our air forces should be able to fly out and meet him a thousand miles from shore. Our planes should be able to return to their bases, refuel, and reload and return to the fight as often and as promptly as possible. If the bases are not located along the frontiers but are stationed in the interior, the speed with which our own planes can contact the enemy and the rapidity with which our forces may strike is lessened by the distance that the bases are located in the interior. If the bases are a hundred miles in the interior, then it would mean that our planes must make a 200-mile farther flight than they would make if the bases were nearer or at the frontier. The difference of a hundred miles in the interior would make a 200-mile round-trip flight, which would mean the loss of at least 1 hour for each trip that our planes have to make in returning to their bases to refuel and reload; and the difference of an hour for each return to its bases could very easily mean the difference between victory and defeat. The invention of the airplane has somewhat changed some of the methods of warfare. We will not in any future war be able to defend a particular portion of our territory simply by the erection of breastworks around the territory to be defended. In the war of the future at least the first phase of the war will be fought in and from the air; and in order to successfully defend against an attack from the air it is necessary that our forces be placed greatly in advance of the territory sought to be defended in order that the enemy may be contacted and his air forces destroyed before he can deliver his blow.

I have heretofore referred to the comparatively small area of the United States which may be regarded as the nerve center of the country. I have referred to the fact that within the territory embraced within a line drawn from Boston to Washington to St. Louis to Chicago and back to Boston is only approximately 8 percent of our entire territory, and yet within that area is located approximately half of our entire population, 60 percent of our wealth, and almost three-fourths of our industry. It is easily conceivable that in any war of the future this nerve center of the

country will be the objective to which the enemy will direct his attack. If by a succession of swift blows he can paralyze this nerve center of the country, he could bring our Nation to its knees begging for peace within a comparatively short time.

We will not be able to adequately defend this nerve center, however, simply by the establishment of Army bases within that territory nor by massing our naval forces in the Atlantic to the east of this territory. The enemy would undoubtedly establish bases in nearby territory and would launch his air forces not only from those bases but also from aircraft carriers in mid ocean, and thus be in position to strike at this nerve center without exposing his main forces to the Army or Navy of our own country. In order that this section to which I have referred may be defended against such an attack it will be necessary that bases be established in the Northeast and in the Southeast greatly removed from the territory involved in order that our forces may prevent the approach of the enemy to the area specified.

Another important area in the eastern part of the United States is that portion of the South and Southeast in which is located our deposits of coal, iron, and oil. So far as this section of the country is concerned, I think it safe to assume that any enemy with which we might be at war would undertake to seize the coal and iron deposits of Alabama and the oil of the Southwest. To accomplish this he would undoubtedly send his surface ships into the Gulf of Mexico through the Straits of Florida and the Yucatan Channel and by this maneuver undertake to seize these important and highly necessary commodities. Another point which will require defense is the Panama Canal in order that we may keep commerce constantly moving from the Atlantic to the Pacific and in order that we may insure the free movement of our fleet from one ocean to the other. These two areas may likewise be defended by the establishment of a similar base in the extreme Southeast from which our air forces might operate in the same manner and to the same end that other bases would operate to defend the central section of the country.

Just off the coast of Florida and in the West Indies and the Caribbean area there are literally hundreds of islands, any one of which would make an excellent base of operations for air forces contemplating a raid upon the United States. In the event of war these ready-made bases of operations are right in our front door ready to be seized and occupied by the enemy as bases from which their air forces could be flown into the United States. They are within easy reach of Puerto Rico, the Virgin Islands, and the Panama Canal, and once seized the enemy would be in position not only to destroy the Canal but to operate into continental United States through the Southeast. The establishment of a strong air base in the farthest practical point in the extreme southeastern part of continental United States would put us in position to prevent the occupancy of any of these islands and to prevent the establishment of bases by an enemy air force in that territory. Such a base would, therefore, serve to protect the Panama Canal, Puerto Rico, the Virgin Islands, and the entire southeastern portion of the United States. It would command the entrances to the Gulf of Mexico, and thereby protect our coal, iron, and oil deposits of the Southeast and Southwest, and at the same time it would enable flyers in peace time to become thoroughly familiar with all of the island territory which might be available to an enemy in time of war.

A similar condition exists on the Pacific coast from southern California to Alaska. And while there is not such a great concentration of population and industry on the Pacific side of the United States, that section is equally vulnerable to an attack from the air.

In case of an attack from the West, I think we may safely assume that Alaska would be the prize which any enemy would seek, but we may also safely assume that the same effort to paralyze industry and destroy the morale of the people of the West would be made which I have indicated would be done in the East if the attack should be in that quarter. The Columbia River Power projects and other great dams and power plants would be sought out for destruction. Fires in the great Northwest woods and other similar destructive tactics could be pursued which would make that area uninhabitable and which would break the morale of the people of that section of the country. Alaska, of course, is a veritable storehouse of minerals and because of its great wealth in natural resources it would be a great prize for any enemy in case of war. The establishment of bases on the Pacific coast and in Alaska as provided for in this measure would prevent air raids or air attacks on the Pacific coast and in Alaska just as has been outlined for the Atlantic coast.

The principal purpose of the bill as already explained is to provide an adequate system of defense for our frontiers, but of necessity there must be certain supporting or reinforcing and supply bases in the interior which would reinforce the frontier bases and from which supplies may be moved up to the respective frontier stations. In addition to these supply bases it will also be essential that certain interior bases be provided to enable the air force to make transcontinental flights and movements from one coast to the other for maneuvers. The bill therefore provides for the establishment of such bases in the Rocky Mountain area and in the southeastern territory.

It is not the purpose of this measure either to supplant existing bases or to duplicate facilities already existing. The object of the bill is to provide bases in those sections where facilities do not now exist. For that reason no reference has been made in the bill to the areas in which bases have already been established. For example, there is no reference made to the middle Atlantic area, for the reason that we already have bases established at Langley Field, in Virginia; at Bolling Field, at Washington; and at other points along the middle Atlantic seaboard. No provision is made for additional supply bases for this area, because we already have at Wright Field, in Ohio, and other spots in this territory, existing bases which may serve for this purpose. It is not intended, of course, to limit any existing base to its present facilities nor to prevent enlargement or extension of such existing bases. But, as already stated, the purpose of the measure is to provide for those areas in which no adequate facilities now exist.

I want to again stress the point which was mentioned in the beginning, and that is that this measure is a nonpolitical, nonsectional measure, designed to provide the United States with an adequate system of frontier defense bases, without regard to politics, political influence, or other considerations except the necessities of our country. It has been deliberately designed to prevent logrolling and is in no sense a pork-barrel measure. The Secretary of War is charged with the duty and responsibility of selecting sites for the location of these bases and to select those sites which are best adapted to the purposes contemplated in the measure. Every community within the respective areas specified will have an even break. There has been no attempt to prejudge the location of any of the bases, and the Secretary of War is given a free hand to select the sites according to the best strategy required for the adequate defense of the Nation.

The establishment of permanent Army air bases is a purely defensive measure. Great strides have been made in the perfection of aircraft in recent years, but it has not yet reached the point where it can sustain itself in the air for any great period of time. Airplanes must return to their bases at frequent intervals. For this reason, airplanes operating from permanent land bases within the United States are in a different category from planes operating from aircraft carriers which are capable of moving for great distances out to sea and from which attacks might be launched upon other countries. Air forces stationed at land bases within the United States are strictly limited to defensive operations. They may fly out a thousand miles from shore to contact the enemy and destroy his aircraft, but they cannot be used for extremely long-range operations for the reason that they must return frequently to their bases for refueling. This

measure, therefore, is one strictly of national defense. But since bases from which aircraft may operate constitute an absolute essential to the successful operation of air forces, they are just as essential as the airplanes themselves. Planes are of no value unless adequate bases from which they may operate are provided. The establishment of these bases, therefore, is a matter of the most vital and extreme importance to the safety, welfare, and well-being of our country.

Our country is at peace with the world. We have no quarrel with any nation on the face of the earth. We want none of their territory, and we covet none of their gold. We are content to pursue the even tenor of our own way and permit every other nation on earth to do the same thing. No nation under the sun has any cause to fear the United States; but, for my part, I want to see this Nation in such a position that, regardless of what may happen in world affairs or in world politics, we shall have no cause to fear any other nation. I am not concerned with means for conducting offensive warfare, but I do want to see established along the frontiers of continental United States a system of air bases so located, so equipped, and so manned with trained personnel that no other nation may be able to conduct an offensive warfare against us.

We have always pursued a policy of unpreparedness, secure in the thought that since we are at peace with the world and since we have no quarrel with any other nation, we are safe from the disasters which result from war. The fallacy of this position, however, was demonstrated in the World War. The development of commerce and our own participation in world affairs has somewhat destroyed our isolation which we previously enjoyed and the development of the airplane and the other means of rapid transportation and communication now makes it necessary that we prepare ourselves in times of peace, not for the conduct of war but for the prevention of war by being in such position as to adequately defend our own territory.

I am convinced that had we been adequately prepared in 1917 we would never have been drawn into the World War. I am equally convinced that if in the future we are so equipped as to hold our own in case of war we shall never be drawn into another war. Reasonable preparation is therefore the greatest insurance policy against war. And since the airplane has added this new, swift, and deadly means of destruction, I believe that no adequate system of defense can be complete without taking this machine into account. This measure will provide the bases from which these machines may operate in defense of our country. It is vital to the future welfare, safety, and security of our country and its institutions and I therefore respectfully urge its passage.

Mr. McSWAIN. Mr. Speaker, I ask for a vote.

Mr. ROGERS of New Hampshire. Mr. Speaker, I move to strike out the last word to say in answer to a suggestion made, that the whole explanation is furnished in lines 2 and 3, on page 2. It simply provides that consideration shall be given to these matters. Nothing definite is fixed.

Mr. McSWAIN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read a third time and passed, and a motion to reconsider laid on the table.

APPOMATTOX COURT HOUSE NATIONAL HISTORICAL PARK

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 4507) to amend sections 1, 2, and 3 of the act entitled "An act to provide for the commemoration of the termination of the War Between the States at Appomattox Court House, Va.", approved June 18, 1930, and to establish the Appomattox Court House National Historical Park, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from South Carolina calls up the bill H. R. 4507, and asks unanimous consent to consider it in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That sections 1, 2, and 3 of the act entitled "An act to provide for the commemoration of the termination of the War between the States at Appomattox Court House, Va.", approved June 18, 1930, are hereby amended to read as follows:

"That when title to all the land, structures, and other property within a distance of 5 miles from the Appomattox Court House site, Virginia, as shall be designated by the Secretary of the Interior in the exercise of his discretion as necessary or desirable for national-park purposes, shall have been vested in the United States in fee simple, such area or areas shall be, and they are hereby, established, dedicated, and set apart as a public park for the benefit and enjoyment of the people and shall be known as the 'Appomattox Court House National Park'.

"SEC. 2. That there is hereby authorized to be appropriated the sum of $100,000, or so much thereof as may be necessary, to carry out the provisions of section 1 of this act as amended hereby.

"SEC. 3. That the Secretary of the Interior be, and he is hereby, authorized to accept donations of land and/or buildings, structures, etc., within the boundaries of said park as determined and fixed hereunder and donations of funds for the purchase and/or maintenance thereof: *Provided*, That he may acquire on behalf of the United States, by purchase when purchasable at prices deemed by him reasonable, otherwise by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said park as may be necessary for the completion thereof."

SEC. 4. The administration, protection, and development of the aforesaid national historical park shall be exercised under the direction of the Secretary of the Interior by the Office of National Parks, Buildings, and Reservations, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes", as amended.

Mr. DREWRY. Mr. Speaker, this bill is an amendment to a bill passed in 1930 to provide that the memorial established at Appomattox should be a memorial park instead of a memorial monument.

Mr. McFARLANE. Does it cost the Government anything?

Mr. DREWRY. No. The authorization has already been made in the act of 1930. I have an amendment I shall offer to section 4 providing that the administration shall be under the direction of the National Park Service. Section 4 provides that the administration shall be under the direction of the Office of National Parks, Buildings, and Reservations. No such bureau exists at the present time, and my amendment is to change that. I offer the following amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DREWRY: Page 3, strike out lines 1 to 7, inclusive, and insert in lieu thereof the following:

"SEC. 2. Such act of June 18, 1930, is amended by adding at the end thereof a new section to read as follows:

"'SEC. 4. The administration, protection, and development of the Appomattox Court House National Historical Park shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes", as amended.'"

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

GENERAL JOHN J. PERSHING NATIONAL MILITARY PARK

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 3272) providing for the establishment of the Gen. John J. Pershing National Military Park near Laclede, in Linn County, Mo., and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from South Carolina calls up the bill H. R. 3272, and asks unanimous consent that it be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That in order to memorialize the heroism, outstanding military accomplishments, and distinguished public services of Gen. John J. Pershing, commander of the American military forces in the World War, the Secretary of War is hereby authorized and directed to locate and establish a national military park near Laclede, Linn County, Mo., the birthplace of General

Pershing, to be known as the "General John J. Pershing National Military Park" whenever title to same shall have been acquired by the United States.

With the following committee amendment:

Page 1, line 7, strike out the words "and directed."

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. In order to establish said General John J. Pershing National Military Park the Secretary of War is hereby authorized to acquire by purchase, condemnation, or otherwise, at a cost not to exceed $250,000, which sum is hereby authorized to be appropriated for the acquisition, landscaping, and beautification of said park, such land near Laclede, Linn County, Mo., the birthplace of General Pershing, as shall be suitable for the memorial objects of this act, the Secretary of War being hereby vested with authority to determine the area and exact location of said park, and the amount that shall be expended for the acquisition and landscaping of said park, in no event to exceed the sum herein authorized to be appropriated.

With the following committee amendment:

Page 2, line 5, strike out the words "and directed."

The amendment was agreed to.

Mr. McFARLANE. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. McFARLANE: Page 2, line 6, after the word "exceed", strike out "$250,000" and insert "$25,000."

Mr. ROMJUE. Mr. Speaker, will the gentleman withhold his amendment for a moment until I can make a statement?

Mr. McFARLANE. Mr. Speaker, I withhold my amendment pending a statement by the gentleman from Missouri.

The SPEAKER. The gentleman from Texas withdraws his amendment temporarily.

Mr. ROMJUE. Mr. Speaker, I move to strike out the last word.

I wish to make a statement of the facts in connection with this matter.

At the time the bill was introduced the State of Missouri had taken no action in regard to the matter, and had made no appropriation and the bill was introduced in its present form. At the time the committee made a favorable report of this bill the State of Missouri had not had an opportunity to make any contribution and, of course, the bill was drawn at that time on the theory that whatever appropriation was authorized should be in accordance with what the bill states. Since that time the Legislature of the State of Missouri has been in session and has appropriated out of the funds of the State of Missouri sufficient money to buy the land for the needs of the park, so there will be no charge on the Federal Government whatever for the purchase of the park site.

Mr. McFARLANE. Will the gentleman yield for a question?

Mr. ROMJUE. In just a moment I will yield, after I have more nearly completed a statement. This bill is intended for the purpose of maintaining the park improving the site and authorize utilizing the premises within the scope of the provisions of the bill after it is acquired. I would be perfectly willing to have the amount reduced from that contained in the original bill, in regard to the expenditure to some reasonable amount but not to the point proposed by the gentleman from Texas. Aside from that, the provision in the bill does not direct the expenditure of a single dollar. It only authorizes the War Department to make a survey and then expend such amount of money as it thinks advisable. As I said a moment ago, since the State of Missouri has appropriated a sum sufficient to purchase all the land, it will only be limited to maintaining the park after the State of Missouri has paid for it, and doing such work as is necessary in cleaning it up and preparing it, doing those things along the line of public-works programs throughout the country and in keeping with the language of the bill.

Mr. McFARLANE. Will the gentleman yield now?

Mr. ROMJUE. I yield.

Mr. McFARLANE. How much money does the gentleman estimate it will be necessary to appropriate at this time to take care of expenses such as the gentleman has mentioned?

Mr. ROMJUE. Of course, it would run over a period of some years.

Mr. McFARLANE. But we take care of all other appropriations each year.

Mr. ROMJUE. I have no objection to reducing this amount somewhat.

Mr. McFARLANE. Reducing it to $5,000?

Mr. ROMJUE. Oh, no. That would not be sufficient.

Mr. McFARLANE. How much would be sufficient?

Mr. ROMJUE. By the time the park is fenced and it is cleared up and some monuments erected, I think there ought to be about $100,000. The department does not need to use all that. Of course, I am not experienced in the park business, and the bill does not call for a positive expenditure of a specific amount.

Mr. McFARLANE. How large a park is it?

Mr. ROMJUE. The size has not been set yet. Possibly it may be 1,000 acres or 1,200 acres. That is left to the discretion of the department in selecting it. However, the land contained in the park will be paid for out of the funds furnished by the State. I hope the balance of the States will be willing to come in and contribute to the upkeep and beautifying of it after Missouri has paid for it.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. ROMJUE. I yield.

Mr. ANDREWS of New York. I am wondering if the gentleman would be willing to have the Federal Government appropriate the same amount of money as was appropriated by the State of Missouri?

Mr. ROMJUE. I think it ought to be more than that, to be frank with the gentleman. Of course, if it was not sufficient we might have to come back again for park contribution purposes like other similar parks.

Mr. ANDREWS of New York. As I understand, the State of Missouri appropriated $40,000?

Mr. ROMJUE. Yes. The State of Missouri appropriated $40,000. That will buy all the land. Now, there will have to be some monument erecting, and the land will have to be cleared. The main question that was considered heretofore was acquiring the park. Missouri has stepped in and arranged to do that. Certainly I think the other States would be glad to contribute their portion to the upkeep of it after we have acquired it.

Mr. KENNEY. Will the gentleman yield?

Mr. ROMJUE. I yield.

Mr. KENNEY. In some parts of the country many fraternal and benevolent organizations have gone into public parks like this and erected monuments for the purpose for which the park was erected. I notice that in the gentleman's bill that privilege is not accorded. I wonder if the gentleman would have any objection to putting that in? Of course, any such condition would have to be approved by the Secretary of War, under the provisions of the bill.

Mr. ROMJUE. I have no objection to that.

The SPEAKER. The time of the gentleman from Missouri [Mr. ROMJUE] has expired.

Mr. McFARLANE. Mr. Speaker, I have an amendment at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. McFARLANE: Page 2, line 6, strike out "$250,000" and insert "$25,000."

Mr. McFARLANE. Mr. Speaker, we have too many ciphers in this bill. My amendment strikes out the last cipher and reduces this appropriation from $250,000 to $25,000.

Since the State of Missouri has purchased the park site and has gone to the expense of purchasing a memorial park since this bill was reported out of committee, I see no reason why we ought to tempt the gentlemen down in the War Department to spend $250,000. I think $25,000 would certainly be ample to take care of the situation. The only expense that they will necessarily incur will be the fencing of the park and some expenses incidental thereto.

The maintenance of the park in the future, of course, will be under the National Park Service and will be taken care of

through regular appropriations. I see no reason, therefore, why we should authorize the appropriation of such a large sum of money for this purpose since all of the park property has been purchased by the State of Missouri.

Mr. Speaker, I think my amendment should be adopted.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. COLDEN. This acreage now comprises farm lands, does it not, and requires the removal of fences, buildings, and a good deal of work generally in order to fit it for park purposes.

Mr. McFARLANE. Yes.

Mr. ROMJUE. Would not $25,000 be a rather small amount to put 1,200 acres in shape to be used as a park?

Mr. McFARLANE. I think that amount of money would be ample. No doubt the removal of fences and cleaning up of property will be done by C. C. C. boys and the only necessary outlay will be the actual purchase of whatever material is necessary for the construction of fences upon the park site.

Mr. COLDEN. Does this plan contemplate a monument to General Pershing?

Mr. McFARLANE. The Government already furnishes monuments for its soldiers, and I see no reason why the General ought to have one different from the boys in the ranks to whom he did not want to pay their adjusted-service certificates. We already furnish headstones to soldiers, and I say that his should be the same size as the rest. He is drawing retired pay now of over $20,000 a year. He was one of the officers of the National Economy League and helped them fight their battles against the soldiers in the ranks. It is very pertinent to inquire why they do not oppose such needless expenditure. These Treasury-raiding robbers such as the National Economy League do not oppose the $4,000,000,000 bills, tax refund, and similar bills for the benefit of the rich, but always come around and fight the bills for the benefit of the rank and file of the soldiers. I think they ought to provide for this memorial. I do not think they ought to allow the Government to contribute any such amount. If they want a monument they ought to build it themselves. It seems to me that $25,000 is enough for the Federal Government to spend on this project, and I hope my amendment will be adopted.

Mr. ROMJUE. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I want to call the attention of the House to the fact that because a certain sum may be authorized is no indication that it will all be expended; it may be so far as needed to meet the objects intended to be accomplished.

I have no objection to a reasonable reduction of the authorization, and in view of the fact Missouri is putting up forty thousand of the fund, realize not so much as in the original bill will be required.

Answering the gentleman from Texas, may I say that the American Legion posts throughout the country have endorsed this bill. The bill has been endorsed by nearly every State in the Union many times by State legislatures. In fact, the legislature of the gentleman's own State, Texas, has endorsed this project. The American Legion of his own State has endorsed the project.

The American Legion of nearly every State of the Union has recommended and endorsed this memorial park; and $25,000 means nothing under the circumstances of the case, because the State of Missouri is already purchasing the site. Twenty-five thousand dollars would be about $500 per State, and I certainly think each of the other 47 States of the Union would be willing to contribute $500 at least for this park. As I said a moment ago, not only has the American Legion endorsed this, but the American Legion is acting along the line one gentleman suggested a moment ago. Fraternal organizations are making contributions for the erection of monuments.

Mr. Speaker, I hope the gentleman's amendment will be voted down.

The gentleman's amendment proposes to reduce the Government contribution to $25,000; that would be inadequate under the circumstances, considering the achievements of General Pershing and the many valiant soldiers who followed him in the great World War.

I am sure many Members of this House and the public in general will be glad to have their own State aid in a reasonable contribution in assisting in this worthy proposal.

Mr. ANDREWS of New York. Mr. Speaker, I offer a substitute for the amendment offered by the gentleman from Texas [Mr. McFARLANE].

The Clerk read as follows:

Substitute amendment offered by Mr. ANDREWS of New York: Strike out "$25,000" and insert in lieu thereof "$40,000."

Mr. McFARLANE. Mr. Speaker, I shall be glad to accept the substitute amendment. It will authorize the same amount the State of Missouri has appropriated.

The SPEAKER. The question is on the substitute amendment.

The substitute amendment was agreed to.

The SPEAKER. The question recurs on the amendment as amended by the substitute.

The amendment as amended by the substitute was agreed to.

The Clerk concluded the reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF N. R. A.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the joint resolution (S. J. Res. 113) be given a privileged status, to be called up at any time, and that general debate be confined to the joint resolution and continue not to exceed 1 hour, to be equally divided and controlled by the gentleman from Massachusetts [Mr. TREADWAY] and myself.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the joint resolution (S. J. Res. 113) be given a privileged status, to be called up at any time, and that general debate be confined to the joint resolution and continue not to exceed 1 hour, to be equally divided and controlled by the gentleman from North Carolina [Mr. DOUGHTON] and the gentleman from Massachusetts [Mr. TREADWAY].

Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, it seems to me that perhaps 1 hour is a little short time for debate. I would like to have it understood, as the gentleman from Massachusetts [Mr. TREADWAY], the ranking member of the Committee on Ways and Means, does not happen to be on the floor at this time, that should we need a little more time the gentleman from North Carolina would grant that request.

Mr. DOUGHTON. I am sure that we can arrange that all right.

Mr. SNELL. And I think the gentleman should give us a little notice of the day it is going to be called up. I do not want to object to giving the joint resolution a privileged status.

Mr. TARVER. Mr. Speaker, may we have the resolution reported? It has not yet been reported and we do not know what the subject matter of the resolution is.

The SPEAKER. The matter before the House is simply a request to give the resolution a privileged status.

Mr. TARVER. What is the resolution?

The SPEAKER. It is the resolution extending the N. I. R. A.

The Clerk will report the title of the joint resolution.

The Clerk read as follows:

S. 113

Joint resolution to extend until April 1, 1936, the provisions of title I of the National Industrial Recovery Act, and for other purposes.

Mr. SNELL. As I understand the situation, the chairman of the committee expects to call this up on Friday?

Mr. DOUGHTON. It is our hope and expectation to call it up for consideration on Friday. We will know more definitely tomorrow.

Mr. TARVER. Mr. Speaker, reserving the right to object, the committee, as I understand it, has not yet reported the resolution?

Mr. DOUGHTON. It has not.

Mr. TARVER. I have noticed in the press two statements which are to some extent in conflict as to what course is to be followed by the committee. One statement would indicate that the committee intends to report the resolution without amendment, in which event the question before the House would be whether or not the N. R. A. shall be extended for 10 months approximately, including an authorization for the extension of the codes with the understanding that the administrative authorities, in view of the Supreme Court decision, will not undertake to enforce the codes. Another viewpoint expressed in the press is that the resolution will be amended so as to eliminate any suggestion of the continuation of the codes. May I ask the Chairman of the Ways and Means Committee if he is in position to give us information as to whether or not the committee intends to amend the resolution to comply strictly with the Supreme Court decision?

Mr. DOUGHTON. In response to the inquiry of the gentleman from Georgia [Mr. TARVER] may I say that I cannot give definite information, but it is my impression, speaking for myself alone and as chairman of the committee, that the Senate joint resolution will be amended before being reported to the House so as to conform to the Supreme Court decision.

Mr. TARVER. Speaking for myself, I would not feel inclined to vote for a resolution which is in conflict with the Supreme Court decision upon the assumption that the administrative authorities by inaction would leave inoperative those portions of the act which may be in conflict with that decision.

Mr. DOUGHTON. The gentleman is familiar with the rules of the House. This request does not bind anyone as to his vote. I am simply asking unanimous consent that this matter may have a privileged status.

Mr. TARVER. The gentleman is requesting only 1 hour's general debate and if any such question as I have just referred to were to be presented, certainly more than an hour should be set aside for the purpose of discussion.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. McFARLANE. Mr. Speaker, reserving the right to object, and I do not intend to object, may I ask the gentleman whether it is the purpose of the committee to amend the Senate resolution or report an entirely new resolution?

Mr. DOUGHTON. The purpose, so far as the Chairman knows at this time, is to bring in an amended Senate resolution, but the committee has not yet reached a final decision with reference to the matter. So far as I am advised at this time, it will be our purpose to amend the Senate joint resolution and bring it in for consideration.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. SHORT. Mr. Speaker, reserving the right to object, may I ask the chairman of the committee if it is possible to extend a dead carcass?

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. HULL. Mr. Speaker, reserving the right to object, may I ask the gentleman a question. Why, after we have been here 2 weeks doing very little of anything, is it so necessary now to have this brought out and passed with only 1 hour's debate? Why can we not have a voice in these matters instead of having these bills held up until the last minute and then, with practically nothing to do on the floor of the House day after day, we have to come in and are required to vote with the majority?

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. SHORT. Mr. Speaker, I object.

CAPT. ALEXANDER C. DOYLE

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 240) for the relief of Capt. Alexander C. Doyle, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the Senate amendment, as follows:

Lines 10 and 11, strike out "decision, and to certify same to Congress for an appropriation" and insert "decision. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,655, or so much thereof as may be necessary, to pay said claim."

The Senate amendment was concurred in.

ADDITIONAL CADETS AT UNITED STATES MILITARY ACADEMY

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Chair appointed the following conferees: Mr. McSWAIN, Mr. HILL of Alabama, and Mr. RANSLEY.

RIGHT-OF-WAY TO PHILLIPS PIPE LINE CO.

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 7902) to provide a right-of-way, and ask unanimous consent that this bill may be considered in the House as in the Committee of the Whole. I may say that this merely provides for a modification of a previous right-of-way act of Congress.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and empowered, under such terms and conditions as are deemed advisable by him, to grant to Phillips Pipe Line Co., its successors and/or assigns, an easement for a right-of-way for a gasoline pipe line over, across, in, and upon Jefferson Barracks Military Reservation, Mo.: *Provided*, That such right-of-way shall be granted only upon a finding by the Secretary of War that the same will be in the public interest and will not substantially injure the interest of the United States in the property affected thereby: *Provided further*, That all or any part of such right-of-way may be annulled and forfeited by the Secretary of War if the property is needed for governmental purposes, for failure to comply with the terms or conditions of any grant hereunder, or for nonuse or for abandonment of rights granted under the authority hereof.

Mr. McSWAIN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN: Page 2, line 4, after the word "purposes" and before the word "for", strike out the comma and insert in lieu thereof the word "or."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN LAND IN LOS ANGELES COUNTY, CALIF.

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 6437) to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain land in the county of Los Angeles, State of California."

The Clerk read the title of the bill.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That Private Act No. 5, Seventy-third Congress, approved March 24, 1933, is amended to read as follows:

That the Secretary of War be, and he is hereby, authorized and directed to convey to the county of Los Angeles, State of California, without cost, the hereinafter-described land, to be used for public park, playground, and recreation purposes only, on condition that should the land not be used for such purposes it shall revert to the United States:

"All those certain lots, pieces, or parcels of land, together with all buildings thereon, situate, lying, and being in the city of

Arcadia, county of Los Angeles, and State of California, and particularly described as follows, to wit: Lot 4 of tract no. 949 as delineated upon the map of said tract recorded in book 17 of maps, at page 13, records of Los Angeles County, and lots 3, 4, 5, and 6 of tract no. 2409 as delineated upon the map of said tract, recorded in book 23 of maps, at page 23, records of Los Angeles County. The land intended to be conveyed by this deed is bounded on the north by Falling Leaf Avenue, on the east of Santa Anita Avenue, on the south by Huntington Drive and by land now owned by Clara Baldwin Stocker, and on the west by the rights-of-way of Pacific Electric Railroad Co. and Southern Pacific Railroad Co., and being all of the land claimed or owned by the grantor within the exterior bounds of Arcadia balloon field."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUSSIAN RAILWAY SERVICE CORPS

Mr. McSWAIN. Mr. Speaker, I call up the bill (S. 1095) for the relief of the officers of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany.

The Clerk read the title of the bill.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

Mr. COLLINS. Mr. Speaker, I object.

The SPEAKER. This bill is on the Union Calendar and the House automatically resolves itself into the Committee of the Whole House on the state of the Union for the consideration of the bill.

Mr. COLLINS. Mr. Speaker, I make the point of no quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, will the gentleman from California withhold that a moment in order that the gentleman from Texas may submit a unanimous-consent request?

Mr. COLLINS. Yes; I withhold it, Mr. Speaker.

4-H CLUBS

Mr. JONES. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H. J. Res. 288) authorizing the Secretary of Agriculture to pay necessary expenses of assemblages of the 4-H clubs, and for other purposes, which I send to the Clerk's desk.

The Clerk read the joint resolution, as follows:

House Joint Resolution 288

Resolved, etc., That nothing contained in the act of February 2, 1935 (Public Resolution No. 2, 74th Cong.), shall be construed to prohibit the Secretary of Agriculture from paying the necessary expenses or assemblages of the 4-H boys' and girls' clubs, and other committees, assemblages, or gatherings called by the Secretary of Agriculture in the District of Columbia or elsewhere, in the furtherance of the cooperative, technical, and scientific work of the Department.

With the following committee amendment:

Page 1, line 7, strike out the words "and other committees, assemblages, or gatherings"; on page 1, line 10, strike out, after the word "cooperative", the words "technical and scientific" and insert the word "extension."

Mr. SNELL. Mr. Speaker, reserving the right to object, I would like to have some explanation of this bill to see just exactly what it does.

Mr. JONES. Mr. Speaker, on February 2, 1935, the House passed a resolution which forbade any of the departments paying any of the expenses of any of the groups which came to Washington. For 15 years the 4-H boys' and girls' club, through competitive methods and through prizes, have been sending representatives from each State on a few days' camping trip in Washington. They camp on the Department of Agriculture grounds. The Army furnishes the tents and the Department of Agriculture has been accustomed to paying for the lights and for the water and, perhaps, some cleaning up of the grounds. The expenses of the boys and girls to Washington are paid through prizes and contributions by chambers of commerce and through railway rates, and so forth. There is no expense to the Government except these incidental expenses while these representatives are in Washington.

Mr. SNELL. This bill does not provide for anything else or for anybody else except the members of the 4-H clubs?

Mr. JONES. That is correct. The committee has cut out everything except the 4-H boys' and girls' clubs.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The committee amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—COMMISSION OF FINE ARTS

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on the Library:

To the Congress of the United States:

I transmit herewith for the information of the Congress the report of the Commission of Fine Arts of their activities during the period July 1, 1929, to December 31, 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 5, 1935.*

AMENDING THE MIGRATORY BIRD HUNTING STAMP ACT OF MARCH 16, 1934

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7982) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wild life, administered by the Department of Agriculture, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc.,

TITLE I—MIGRATORY BIRD HUNTING STAMP

SECTION 1. That section 1 of the act entitled "An act to supplement and support the Migratory Bird Conservation Act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, for the enforcement of the Migratory Bird Treaty Act and regulations thereunder, and for other purposes", approved March 16, 1934 (48 Stat. 451), is amended so as to read as follows:

"That no person over 16 years of age shall take any migratory waterfowl unless at the time of such taking he carries on his person an unexpired Federal migratory bird hunting stamp validated by his signature written by himself in ink across the face of the stamp prior to his taking such birds; except that no such stamp shall be required for the taking of migratory waterfowl by Federal or State institutions or official agencies, or for propagation, or by the resident owner, tenant, or share-cropper of the property or officially designated agencies of the Department of Agriculture for the killing, under such restrictions as the Secretary of Agriculture may by regulation prescribe, of such waterfowl when found injuring crops or other property. Any person to whom a stamp has been sold under this act shall upon request exhibit such stamp for inspection to any officer or employee of the Department of Agriculture authorized to enforce the provisions of this act or to any officer of any State or any political subdivision thereof authorized to enforce game laws."

SEC. 2. That section 2 of said act is amended so as to read as follows:

"SEC. 2. That the stamps required by this act shall be issued and sold by the Post Office Department under regulations prescribed by the Postmaster General: *Provided*, That the stamps shall be sold at all post offices of the first and second class and at such others as the Postmaster General shall direct. For each stamp sold under the provisions of this act there shall be collected by the Post Office Department the sum of $1. No such stamp shall be valid under any circumstances to authorize the taking of migratory waterfowl except in compliance with Federal and State laws and regulations, and then only when the person so taking such waterfowl shall himself have written his signature in ink across the face of the stamp prior to such taking. Each such stamp shall expire and be void after the 30th day of June next succeeding its issuance, and all such stamps remaining unsold by the Post Office Department at the expiration of said June 30 shall be destroyed by said Department. No stamp sold under this act shall be redeemable by said Department in cash or in kind."

SEC. 3. That section 4 of said act is amended by striking out the word "postmaster" in the second line of said section and substituting in lieu thereof the words "Post Office Department", and by striking out subdivision (b) of said section and substituting in lieu thereof the following:

"(b) The remainder shall be available for expenses in executing this act, the Migratory Bird Conservation Act, the Migratory Bird Treaty Act, and any other acts to carry into effect any treaty for

the protection of migratory birds, including personal services in the District of Columbia and elsewhere, and also including advance allotments to be made by the Secretary of Agriculture to the Post Office Department at such times and in such amounts as may be mutually agreed upon by the Secretary of Agriculture and the Postmaster General for direct expenditure by the Post Office Department for engraving, printing, issuing, selling, and accounting for migratory bird hunting stamps and moneys received from the sale thereof, personal services in the District of Columbia and elsewhere, and for such other expenses as may be necessary in executing the duties and functions required of the Postal Service by this act: *Provided*, That the protection of said inviolate migratory-bird sanctuaries shall be, so far as possible, under section 17 of the Migratory Bird Conservation Act of February 18, 1929."

SEC. 4. That subdivision (c) of said section 4 of said act is hereby repealed.

SEC. 5. That section 5 of said act is amended so as to read as follows:

"SEC. 5. (a) That no person to whom has been sold a migratory-bird hunting stamp, validated as provided in section 1 of this act, shall loan or transfer such stamp to any person during the period of its validity; nor shall any person other than the person validating such stamp use it for any purpose during such period.

"(b) That no person shall alter, mutilate, imitate, or counterfeit any stamp authorized by this act, or imitate or counterfeit any die, plate, or engraving therefor, or make, print, or knowingly use, sell, or have in his possession any such counterfeit, die, plate, or engraving."

TITLE II—INTERSTATE COMMERCE IN GAME AND OTHER WILDLIFE KILLED OR SHIPPED IN VIOLATION OF LAW

SECTION 201. That sections 242, 243, and 244 of the act of March 4, 1909, entitled "An act to codify, revise, and amend the penal laws of the United States" (35 Stat. 1088), are amended to read as follows:

"SEC. 242. It shall be unlawful for any person, firm, corporation, or association to deliver or knowingly receive for shipment, transportation, or carriage, or to ship, transport, or carry, by any means whatever, from any State, Territory, or the District of Columbia to, into, or through any other State, Territory, or the District of Columbia, or to a foreign country any wild animal or bird, or the dead body or part thereof, or the egg of any such bird imported from any foreign country contrary to any law of the United States, or captured, killed, taken, purchased, sold, or possessed contrary to any such law, or captured, killed, taken, shipped, transported, carried, purchased, sold, or possessed contrary to the law of the State, Territory, or the District of Columbia, or foreign country or State, Province, or other subdivision thereof in which it was captured, killed, taken, purchased, sold, or possessed or in which it was delivered or knowingly received for shipment, transportation, or carriage, or from which it was shipped, transported, or carried; and it shall be unlawful for any person, firm, corporation, or association to transport, bring, or convey, by any means whatever, from any foreign country into the United States any wild animal or bird, or the dead body or part thereof, or the egg of any such bird captured, killed, taken, shipped, transported, or carried contrary to the law of the foreign country or State, Province, or other subdivision thereof in which it was captured, killed, taken, delivered, or knowingly received for shipment, transportation, or carriage, or from which it was shipped, transported, or carried; and no person, firm, corporation, or association shall knowingly purchase or receive any wild animal or bird, or the dead body of part thereof, or the egg of any such bird imported from any foreign country or shipped, transported, carried, brought, or conveyed, in violation of this section; nor shall any person, firm, corporation, or association purchasing or receiving any wild animal or bird, or the dead body or part thereof, or the egg of any such bird, imported from any foreign country, or shipped, transported, or carried in interstate commerce make any false record or render any account that is false in any respect in reference thereto.

"SEC. 243. All packages or containers in which wild animals or birds, or the dead bodies or parts thereof, or the eggs of any such birds are shipped, transported, carried, brought, or conveyed, by any means whatever, from one State, Territory, or the District of Columbia to, into, or through another State, Territory, or the District of Columbia, or to or from a foreign country shall be plainly and clearly marked or labeled on the outside thereof with the names and addresses of the shipper and consignee and with an accurate statement showing by number and kind the contents thereof.

"SEC. 244. For each evasion or violation of, or failure to comply with, any provision of the three sections last preceding, any person, firm, corporation, or association, upon conviction thereof, shall be punished by a fine of not more than $1,000 or by imprisonment for not more than 6 months, or both."

SEC. 202. That any employee of the Department of Agriculture authorized by the Secretary of Agriculture to enforce the provisions of said sections 242 and 243, and any officer of the customs, shall have power to arrest any person committing a violation of any provision of said sections in his presence or view and to take such person immediately for examination or trial before an officer or court of competent jurisdiction; shall have power to execute any warrant or other process issued by an officer or court of competent jurisdiction to enforce the provisions of said sections; and shall have authority to execute any warrant to search for and seize wild animals or birds, or the dead bodies or parts thereof, or the eggs of such birds, delivered or received for shipment, transportation, or carriage, or shipped, transported, carried, brought, conveyed, purchased, or received in violation of said sections 242 and 243. Any judge of a court established under the laws of the United States or any United States commissioner may, within his jurisdiction, upon proper oath or affirmation showing probable cause, issue warrants in all such cases. Wild animals or birds, or the dead bodies or parts thereof, or the eggs of such birds, delivered or received for shipment, transportation, or carriage, or shipped, transported, carried, brought, conveyed, purchased, or received contrary to the provisions of said sections 242 and 243 shall, when found, be taken into possession and custody by any such employee or by the United States marshal or his deputy, or by any officer of the customs, and held pending disposition thereof by the court; and when so taken into possession or custody, upon conviction of the offender or upon judgment of a court of the United States that the same were delivered or received for shipment, transportation, or carriage, or were shipped, transported, carried, brought, conveyed, purchased, or received contrary to any provision of said sections 242 and 243, or were imported in violation of any law of the United States, as a part of the penalty and in addition to any fine or imprisonment imposed under aforesaid section 244, or otherwise, shall be forfeited and disposed of as directed by the court.

TITLE III—ACQUISITION OF LANDS FOR MIGRATORY BIRD REFUGES

SECTION 301. That section 6 of the Migratory Bird Conservation Act, approved February 18, 1929 (45 Stat. 1222), is amended to read as follows:

"SEC. 6. That the Secretary of Agriculture may do all things and make all expenditures necessary to secure the safe title in the United States to the areas which may be acquired under this act, but no payment shall be made for any such areas until the title thereto shall be satisfactory to the Attorney General, but the acquisition of such areas by the United States shall in no case be defeated because of rights-of-way, easements, and reservations which from their nature will in the opinion of the Secretary of Agriculture in no manner interfere with the use of the areas so encumbered for the purposes of this act; but such rights-of-way, easements, and reservations retained by the grantor or lessor from whom the United States receives title under this or any other act for the acquisition by the Secretary of Agriculture of areas for wildlife refuges shall be subject to rules and regulations prescribed by the Secretary of Agriculture for the occupation, use, operation, protection, and administration of such areas as inviolate sanctuaries for migratory birds or as refuges for wildlife; and it shall be expressed in the deed or lease that the use, occupation, and operation of such rights-of-way, easements, and reservations shall be subordinate to and subject to such rules and regulations as are set out in such deed or lease or, if deemed necessary by the Secretary of Agriculture, to such rules and regulations as may be prescribed by him from time to time."

SEC. 302. That when the public interests will be benefited thereby the Secretary of Agriculture is authorized, in his discretion, to accept on behalf of the United States title to any land which he deems chiefly valuable for wildlife refuges, and in exchange therefor to convey by deed on behalf of the United States an equal value of lands acquired by him for like purposes, or he may authorize the grantor to cut and remove from such lands an equal value of timber, hay, or other products, or to otherwise use said lands, when compatible with the protection of the wildlife thereon, the values in each case to be determined by said Secretary. Timber or other products so granted shall be cut and removed, and other uses exercised, under the laws and regulations applicable to such refuges and under the direction of the Secretary of Agriculture and under such supervision and restrictions as he may prescribe. Any lands acquired by the Secretary of Agriculture under the terms of this section shall immediately become a part of the refuge or reservation of which the lands, timber, and other products or uses given in exchange were or are a part and shall be administered under the laws and regulations applicable to such refuge or reservation.

SEC. 303. That when the public interests will be benefited thereby the Secretary of the Interior is authorized, in his discretion, to accept on behalf of the United States title to any lands which, in the opinion of the Secretary of Agriculture, are chiefly valuable for migratory bird or other wildlife refuges, and in exchange therefor may patent not to exceed an equal value of surveyed or unsurveyed, unappropriated, and unreserved nonmineral public lands of the United States in the same State, the value in each case to be determined by the Secretary of Agriculture. Before any such exchange is effected notice thereof, reciting the lands involved, shall be published once each week for 4 successive weeks in some newspaper of general circulation in the county or counties in which may be situated the lands proposed to be granted by the United States in such exchange. Lands conveyed to the United States under this section shall be held and administered by the Secretary of Agriculture under the terms of section 10 of the aforesaid Migratory Bird Conservation Act of February 18, 1929, and all the provisions of said section of said act are hereby extended to and shall be applicable to the lands so acquired.

SEC. 304. That all the provisions of section 6 of the aforesaid Migratory Bird Conservation Act, as hereby amended, relating to rights-of-way, easements, and reservations shall apply equally to exchanges effected under the provisions of this act, and in any such exchanges the value of such rights-of-way, easements, and reservations shall be considered in determining the relation of value of the lands received by the United States to that of the land conveyed by the United States.

TITLE IV—PARTICIPATION OF STATES IN REVENUE FROM CERTAIN WILDLIFE REFUGES

SECTION 401. That 25 percent of all money received during each fiscal year from the sale or other disposition of surplus wildlife, or of timber, hay, grass, or other spontaneous products of the soil, shell, sand, or gravel, and from other privileges on refuges established under the Migratory Bird Conservation Act of February 18, 1929, or under any other law, proclamation, or Executive order, administered by the Bureau of Biological Survey of the United States Department of Agriculture, shall be paid at the end of such year by the Secretary of the Treasury to the county or counties in which such refuge is situated, to be expended for the benefit of the public schools and roads in the county or counties in which such refuge is situated: *Provided*, That when any such refuge is in more than one State or Territory or county or subdivision, the distributive share to each from the proceeds of such refuge shall be proportional to its area therein: *Provided further*, That the disposition or sale of surplus animals, and products, and the grant of privileges on said wildlife refuges may be made upon such terms and conditions as the Secretary of Agriculture shall determine to be for the best interests of government or for the advancement of knowledge and the dissemination of information regarding the conservation of wildlife, including sale in the open market, exchange for animals of the same or other kinds, and gifts or loans to public or private institutions for exhibition or propagation: *And provided further*, That out of any moneys received from the grant, sale, or disposition of such animals, products, or privileges, or as a bonus upon the exchange of such animals the Secretary of Agriculture is authorized to pay any necessary expenses incurred in connection with and for the purpose of effecting the removal, grant, disposition, sale, or exchange of such animals, products, or privileges; and in all cases such expenditures shall be deducted from the gross receipts of the refuge before the Secretary of the Treasury shall distribute the 25 percent thereof to the States as hereinbefore provided.

TITLE V—ACQUISITION OF WILDLIFE REFUGES

SECTION 501. The President of the United States is hereby authorized to allocate out of moneys appropriated to him under the terms of Public Resolution No. 11, Seventy-fourth Congress, approved April 8, 1935, such sum as he may deem necessary or advisable for the acquisition by purchase, or otherwise, including the necessary expenses incidental thereto, of areas of land and water or land or water for game bird and animal refuges and for migratory bird sanctuaries and refuges, to be expended in accordance with the provisions of the said Public Resolution No. 11.

TITLE VI—TRANSFER OF WIND CAVE NATIONAL GAME PRESERVE TO THE DEPARTMENT OF THE INTERIOR

SECTION 601. That, effective July 1, 1935, the Wind Cave National Game Preserve in the State of South Dakota, be, and the same is hereby, abolished, and all the property, real or personal, comprising the same is hereby transferred to and made a part of the Wind Cave National Park and the same shall hereafter be administered by the Secretary of the Interior as a part of said park, subject to all laws and regulations applicable thereto, for the purposes expressed in the act of August 10, 1912 (37 Stat. 268–293), establishing said game preserve.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MOTT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a report of the Secretary of War on H. R. 5720.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PRESIDENT ROOSEVELT ON HOME RULE UNDER THE CONSTITUTION

Mr. ANDREW of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD by inserting a national broadcast given by President Roosevelt on March 2, 1930, when he was Governor of New York.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ANDREW of Massachusetts. Mr. Speaker, I believe that the Members of this House, irrespective of party, but especially the Democratic Members who do not believe that the Constitution of the United States belongs entirely to "the horse and buggy era", will be glad to turn back the pages of history and read what President Franklin D. Roosevelt thought 5 years ago when he was Governor of the State of New York.

Under the leave to extend my remarks in the RECORD, I include, therefore, the following quotations from the reported text of his speech in defense of home rule in a coast to coast broadcast on March 2, 1930:

Governor Roosevelt said:

The proper relations between the Government of the United States and the governments of the separate States thereof depend entirely, in their legal aspects on what powers have been voluntarily ceded to the central Government by the States themselves. What these powers of government are is contained in our national Constitution, either by direct language, by judicial interpretation thereof during many years, or by implication so plain as to have been recognized by the people generally.

BELIEVES OVERCENTRALIZATION LEADS TO DISUNION

The United States Constitution has proved itself the most marvelously elastic compilation of rules of government ever written. Drawn up at a time when the population of this country was practically confined to a fringe along our Atlantic coast, combining into one Nation for the first time scattered and feeble States, newly released from the autocratic control of the English Government, its preparation involved innumerable compromises between the different Commonwealths. Fortunately for the stability of our Nation, it was already apparent that the vastness of our territory presented geographical and climatic differences which gave to the States wide differences in the nature of their industry, their agriculture, and their commerce. Already the New England States had turned toward shipping and manufacturing, while the South was devoting itself almost exclusively to the easier agriculture which a milder climate permitted. Thus, already it was clear to the framers of our Constitution that the greatest possible liberty of self-government must be given to each State, and that any national administration attempting to make all laws for the whole Nation, such as was wholly practical in Great Britain, would inevitably result at some future time in a dissolution of the Union itself.

NOTES DANGER SIGNALS FOR THE STATES

The preservation of this home rule by the States is not a cry of jealous Commonwealths seeking their own aggrandizement at the expense of sister States. It is a fundamental necessity if we are to remain a truly united country. The whole success of our democracy has not been that it is a democracy wherein the will of a bare majority of the total inhabitants is imposed upon the minority, but because it has been a democracy where, through a dividing of government into units called States, the rights and interests of the minority have been respected and have always been given a voice in the control of our affairs. This is the principle on which the little State of Rhode Island is given just as large a voice in our national Senate as the great State of New York.

The moment a mere numerical superiority by either States or voters in this country proceeds to ignore the needs and desires of the minority, and for their own selfish purposes or advancement, hamper or oppress that minority, or debar them in any way from equal privileges and equal rights—that moment will mark the failure of our constitutional system.

For this reason a proper understanding of the fundamental powers of the States is very necessary and important. There are already, I am sorry to say, danger signals flying. A lack of study and knowledge of the matter of the sovereign power of the people through State government has led us to drift insensibly toward that dangerous disregard of minority needs which marks the beginning of autocracy. Let us not forget that there can be an autocracy of special classes or commercial interests which is utterly incompatible with a real democracy whose boasted motto is, "Of the people, by the people, and for the people." Already the more thinly populated agricultural districts of the West are bitterly complaining that rich and powerful industrial interests of the East have shaped the course of government to selfish advantage.

DENOUNCES RULE BY MASTER MINDS

The doctrine of regulation and legislation by master minds, in whose judgment and will all the people may gladly and quietly acquiesce, has been too glaringly apparent at Washington during these last 10 years. Were it possible to find master minds so unselfish, so willing to decide it unhesitatingly against their own personal interests or private prejudices, men almost godlike in their ability to hold the scales of justice with an even hand—such a government might be to the interests of the country; but there are none such on our political horizon, and we cannot expect a complete reversal of all the teachings of history.

Now, to bring about government by oligarchy masquerading as democracy it is fundamentally essential that practically all authority and control be centralized in our National Government. The individual sovereignty of our States must first be destroyed, except in mere minor matters of legislation. We are safe from the danger of any such departure from the principles on which this

country was founded just so long as the individual home rule of the States is scrupulously preserved and fought for whenever they seem in danger.

STRESSES VALUE OF HOME RULE

Thus it will be seen that this home rule is a most important thing—the most vital thing—if we are to continue along the course on which we have so far progressed with such unprecedented success.

* * * * * * *

On this sure foundation of the protection of the weak against the strong, stone by stone, our entire edifice of government has been erected. As the individual is protected from possible oppression by his neighbors, so the smallest political unit, the town, is, in theory at least, allowed to manage its own affairs, secure from undue interference by the larger unit of the county, which in turn is protected from mischievous meddling by the State.

That is what we call the doctrine of "home rule", and the whole spirit and intent of the Constitution is to carry this great principle into the relations between the National Government and the government of the States.

DISPARAGES NATIONAL UNIFORMITY IN LEGISLATION

Let us remember that from the very beginning differences in climate, soil conditions, habits, and mode of living in States separated by thousands of miles rendered it necessary to give the fullest individual latitude to the individual States. Remembering that the mining States of the Rockies, the fertile savannahs of the South, the prairies of the West, and the rocky soil of the New England States created many problems, introduced many factors in each locality which have no existence in others, it is obvious that almost every new or old problem of government must be solved, if it is to be solved to the satisfaction of the people of the whole country, by each State in its own way.

LEAVE TO ADDRESS THE HOUSE

Mr. HOOK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes tomorrow morning, immediately after the business on the Speaker's table has been disposed of.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CARMICHAEL (at the request of Mr. HILL of Alabama), on account of important business;

To Mr. COSTELLO (at the request of Mr. HILL of Alabama), on account of important business;

To Mr. STEAGALL (at the request of Mr. HILL of Alabama), on account of illness; and

To Mr. OLIVER (at the request of Mr. HILL of Alabama), on account of illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and under the rule referred as follows:

S. 2512. An act to require registration of persons engaged in influencing legislation or Government contracts and activities; to the Committee on the Judiciary.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills and an enrolled joint resolution of the Senate of the following titles:

S. 38. An act for the relief of Winifred Meagher;

S. 279. An act to extend the time for the refunding of certain taxes erroneously collected from certain building-and-loan associations;

S. 285. An act to reimburse the estate of Mary Agnes Roden;

S. 448. An act to authorize a preliminary examination of the Coquille River and its tributaries in the State of Oregon with a view to the control of its floods;

S. 449. An act to authorize a preliminary examination of Umpqua River and its tributaries in the State of Oregon with a view to the control of its floods;

S. 462. An act to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest in the State of Oregon;

S. 535. An act for the relief of William Cornwell and others;

S. 558. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of an individual claim approved by the War Department;

S. 654. An act authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands;

S. 742. An act for the relief of Charles A. Lewis;

S. 905. An act for the relief of Edith N. Lindquist;

S. 931. An act for the relief of the Concrete Engineering Co.;

S. 1027. An act for the relief of Dr. R. N. Harwood;

S. 1038. An act authorizing adjustment of the claim of Elda Geer;

S. 1212. An act to amend section 1383 of the Revised Statutes of the United States;

S. 1317. An act authorizing a preliminary examination of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the controlling of floods;

S. 1386. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim, or claims, of Duke E. Stubbs and Elizabeth S. Stubbs, both of McKinley Park, Alaska;

S. 1469. An act to transfer certain lands from the Veterans' Administration to the Department of the Interior for the benefit of Yavapai Indians, Arizona;

S. 1487. An act for the relief of Mick C. Cooper;

S. 1513. An act to add certain lands to the Siskiyou National Forest in the State of Oregon;

S. 1539. An act relating to undelivered parcels of the first class;

S. 1609. An act for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps;

S. 1712. An act to amend section 4878 of the United States Revised Statutes, as amended, relating to burials in national cemeteries;

S. 1942. An act to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927;

S. 2146. An act for the relief of certain Indians of the Flathead Reservation killed or injured en route to dedication ceremonies of the Going-to-the-Sun Highway, Glacier National Park;

S. 2241. An act to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484);

S. 2467. An act for the retirement of William J. Stannard, leader of the United States Army Band;

S. 2505. An act authorizing a preliminary examination of Sebewaing River, in Huron County, Mich., with a view to the controlling of floods;

S. 2530. An act to protect American and Philippine labor and to preserve an essential industry, and for other purposes;

S. 2899. An act to provide for increasing the limit of cost for the construction and equipment of an annex to the Library of Congress; and

S. J. Res. 130. Joint resolution making immediately available the appropriation for the fiscal year 1936 for the construction, repair, and maintenance of Indian-reservation roads.

ADJOURNMENT

On motion of Mr. TAYLOR of Colorado (at 3 o'clock and 55 minutes p. m.) the House adjourned until tomorrow, Thursday, June 6, 1935, at 12 o'clock noon.

COMMITTEE MEETING

SUBCOMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Will hold hearings on H. R. 3263 and other railroad legislation at 10 o'clock Thursday morning, June 6, 1935, in the committee room of Coinage, Weights, and Measures, 115 old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, Executive communications were taken from the Speaker's table and referred as follows:

375. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Labor for the fiscal year 1936, amounting to $600,000 (H. Doc. No. 216); to the Committee on Appropriations, and ordered to be printed.

376. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the District of Columbia for the fiscal year 1936, in the amount of $3,000, for the maintenance of isolating wards for minor contagious diseases at Garfield Memorial Hospital (H. Doc. No. 217); to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 6768. A bill to authorize the Secretary of War to lend War Department equipment for use at the Seventeenth National Convention of the American Legion at St. Louis, Mo., during the month of September 1935; without amendment (Rept. No. 1099). Referred to the Committee of the Whole House on the state of the Union.

Mr. SCHULTE: Committee on Immigration and Naturalization. House Joint Resolution 236. Joint resolution to suspend issuance of nonquota immigration visas to persons born in the Republic of Mexico, to suspend issuance of all nonpreference quota immigration visas, and for other purposes; without amendment (Rept. No. 1100). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREEVER: Committee on the Public Lands. H. R. 8289. A bill to amend an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, and 226), as amended; without amendment (Rept. No. 1101). Referred to the Committee of the Whole House on the state of the Union.

Mr. FLANNAGAN: Committee on Agriculture. H. R. 8026. A bill to establish and promote the use of standards of classification for tobacco, to provide and maintain an official tobacco inspection service, and for other purposes; without amendment (Rept. No. 1102). Referred to the Committee of the Whole House on the state of the Union.

Mrs. GREENWAY: Committee on the Public Lands. House Joint Resolution 276. Joint resolution authorizing the State of Arizona to transfer to the town of Benson without cost title to section 16, township 17 south, range 20 east, Gila and Salt River meridian, for school and park purposes; without amendment (Rept. No. 1103). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 1420. A bill to provide for the acquisition of the Andrew Johnson Homestead, Greenville, Tenn., as a national shrine; with amendment (Rept. No. 1105). Referred to the Committee of the Whole House on the state of the Union.

Mr. KING: Committee on Immigration and Naturalization. H. R. 7975. A bill to permit alien wives of American citizens who were married prior to the approval of the Immigration Act of 1924 to enter the United States; without amendment (Rept. No. 1106). Referred to the Committee of the Whole House on the state of the Union.

Mr. COX: Committee on Rules. House Resolution 240. Resolution for the consideration of S. 1432; without amendment (Rept. No. 1108). Referred to the House Calendar.

Mr. BLACKNEY: Committee on Public Buildings and Grounds. H. R. 7875. A bill to provide for the transfer of certain land in the city of Charlotte, Mich., to such city; without amendment (Rept. No. 1109). Referred to the Committee of the Whole House on the state of the Union.

Mr. KERR: Committee on Immigration and Naturalization. H. R. 8163. A bill to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes; without amendment (Rept. No. 1110). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. STUBBS: Committee on the Public Lands. H. R. 7671. A bill to direct the Secretary of the Interior to convey title to certain lands in California to the heirs of George P. Eddy; without amendment (Rept. No. 1104). Referred to the Committee of the Whole House.

Mr. PLUMLEY: Committee on Military Affairs. H. R. 5325. A bill for the relief of Ira L. Reeves; without amendment (Rept. No. 1111). Referred to the Committee of the Whole House.

Mr. COLLINS: Committee on Military Affairs. H. R. 5516. A bill authorizing the President to issue a posthumous commission as second lieutenant, Air Corps Reserve, to Archie Joseph Evans, deceased, and to present the same to Maj. Argess M. Evans, father of the said Archie Joseph Evans, deceased; without amendment (Rept. No. 1112). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 8220) for the relief of Helen Mahar Johnson, and the same was referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK: A bill (H. R. 8360) to promote the general welfare of the Indians of the United States, and for other purposes; to the Committee on Indian Affairs.

Also, a bill (H. R. 8361) to promote the general welfare of the Indians of the United States of America, and for other purposes; to the Committee on Indian Affairs.

By Mr. CANNON of Missouri: A bill (H. R. 8362) to amend the Packers and Stockyards Act; to the Committee on Agriculture.

By Mr. DOCKWEILER: A bill (H. R. 8363) to exempt from taxation receipts from the operation of Olympic Games if donated to the State of California, the city of Los Angeles, and the county of Los Angeles; to the Committee on Ways and Means.

By Mr. DRIVER: A bill (H. R. 8364) to amend section 4 of the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. MARCANTONIO: A bill (H. R. 8365) to provide for the immediate payment to World War veterans of the World War adjusted-service certificates, providing an authorization for an appropriation of $2,265,000,000, and to extend the period for filing applications for rights under the World War Adjusted Compensation Act, and for other purposes; to the Committee on Ways and Means.

By Mr. RANKIN (by request): A bill (H. R. 8366) for the benefit of widows and children of any deceased person who served in the World War before November 12, 1918, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. MARTIN of Massachusetts: A bill (H. R. 8367) to amend the Silver Purchase Act of 1934; to the Committee on Ways and Means.

By Mr. SUMNERS of Texas: A bill (H. R. 8368) to enforce the twenty-first amendment; to the Committee on the Judiciary.

By Mr. MAAS: A bill (H. R. 8369) relating to laborers in the Railway Mail Service and motor-vehicle employees of the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. REILLY: A bill (H. R. 8370) to provide for the establishment of a Coast Guard station at Port Washington, Wis.; to the Committee on Merchant Marine and Fisheries.

By Mr. KELLER: A bill (H. R. 8371) to promote safety and efficiency in the national transportation system through a retirement system for railroads engaged in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WILCOX: A bill (H. R. 8372) to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon; to the Committee on Naval Affairs.

By Mr. SMITH of Washington: Resolution (H. Res. 241) for the consideration of H. R. 6995; to the Committee on Rules.

By Mr. MAAS: Joint resolution (H. J. Res. 309) extending the effective period of the Emergency Railroad Transportation Act, 1933; to the Committee on Interstate and Foreign Commerce.

By Mr. CROSSER of Ohio: Joint resolution (H. J. Res. 310) to provide for the payment of compensation and expenses of the Railroad Retirement Board as established and operated pursuant to section 9 of the Railroad Retirement Act of June 27, 1934, and to provide for the winding up of its affairs and the disposition of its property and records, and to make an appropriation for such purposes; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Pennsylvania, regarding the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, regarding the use of granite in public buildings; to the Committee on Public Buildings and Grounds.

Also, memorial of the Legislature of the Commonwealth of Massachusetts regarding the watch industry and persons employed therein; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEAM: A bill (H. R. 8373) for the relief of James Fitzgerald; to the Committee on Claims.

By Mr. BEITER: A bill (H. R. 8374) granting an increase of pension to Sarah Wilcox; to the Committee on Invalid Pensions.

By Mr. BURNHAM: A bill (H. R. 8375) for the relief of Mearon Perkins; to the Committee on Claims.

By Mr. CARTER: A bill (H. R. 8376) for the relief of Katheryn S. Anderson; to the Committee on Claims.

By Mr. FLETCHER: A bill (H. R. 8377) granting a pension to Linford E. Dinkle; to the Committee on Pensions.

By Mr. KERR: A bill (H. R. 8378) to authorize a preliminary examination to be made of the Contentnea Creek, in the State of North Carolina, with a view to the control of floods; to the Committee on Flood Control.

By Mr. LUDLOW: A bill (H. R. 8379) granting an increase of pension to Catherine J. Robertson; to the Committee on Invalid Pensions.

By Mr. TURNER: A bill (H. R. 8380) for the relief of Thomas J. Jackson; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8728. By Mr. ANDREW of Massachusetts: Petition of the General Court of Massachusetts, memorializing Congress relative to the use of granite in the construction of public buildings; to the Committee on Public Buildings and Grounds.

8729. Also, petition of the General Court of Massachusetts, urging Congress to increase the tariff on watch movements, and to aid the watch industry and persons employed therein; to the Committee on Ways and Means.

8730. By Mr. DRISCOLL: Petition of citizens of Oil City, Pa., favoring continuous operation of the tobacco industry under National Recovery Act codes; to the Committee on Ways and Means.

8731. By Mr. FORD of California: Resolution of the United Spanish War Veterans of the Department of California, memorializing the Congress of the United States to pass House bill 6995 and thus restore the pensions which were taken away from many Spanish-American War veterans who are now aging and physically unable to overcome the economic difficulties of today; to the Committee on Pensions.

8732. By Mr. HIGGINS of Massachusetts: Resolution memorializing the President and Congress of the United States in behalf of the watch industry; to the Committee on Ways and Means.

8733. Also, resolutions memorializing Congress relative to the use of granite in the construction of all public buildings; to the Committee on Public Buildings and Grounds.

8734. By Mr. KRAMER: Joint resolution of the California Assembly urging Congress to furnish aid in the construction of check dams in the Salinas River Valley; to the Committee on Rivers and Harbors.

8735. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging the use of granite in construction of public buildings; to the Committee on Public Buildings and Grounds.

8735a. Also, memorial of the General Court of Massachusetts, urging the Government of the United States, in negotiating a reciprocal treaty with Switzerland, to refrain from reducing the tariff on watch movements; to the Committee on Ways and Means.

8736. By Mr. MERRITT of New York: Petition of Edwin R. Dobbin, director and representative for northern district, Utilities Employees Securities Co., Ithaca, N. Y., and 6,844 employee holders, protesting against the passage of the bill known as the "Public Utility Holding Company Act of 1935", and urging Congress to defeat same; to the Committee on Interstate and Foreign Commerce.

8737. Also, petition of the Ithaca Chamber of Commerce, protesting against the enactment of the Public Utility Act of 1935, and calling upon Congress to defeat same; to the Committee on Interstate and Foreign Commerce.

8738. By the SPEAKER: Petition of the Oakland Lodge, No. 802, Brotherhood of Railway and Steamship Clerks; to the Committee on the Judiciary.

SENATE

THURSDAY, JUNE 6, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, June 5, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 927. An act to amend the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United

States", approved June 21, 1930, so as to give class B officers of the Army benefits of such act;

S. 2029. An act to authorize naval and Marine Corps service of Army officers to be included in computing dates of retirement; and

S. 2287. An act to authorize the crediting of service rendered by personnel (active or retired) subsequently to June 30, 1932, in the computation of their active or retired pay after June 30, 1935.

The message also announced that the House insisted upon its amendments to the bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. McSWAIN, Mr. HILL of Alabama, and Mr. RANSLEY were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 240) for the relief of Capt. Alexander C. Doyle.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 3272. An act providing for the establishment of the Gen. John J. Pershing National Military Park near Laclede, in Linn County, Mo.;

H. R. 4507. An act to amend sections 1, 2, and 3 of the act entitled "An act to provide for the commemoration of the termination of the War between the States at Appomattox Court House, Va.", approved June 18, 1930, and to establish the Appomattox Court House National Historical Park, and for other purposes;

H. R. 5720. An act to amend the National Defense Act of June 3, 1916, as amended;

H. R. 6250. An act to amend the National Defense Act;

H. R. 6437. An act to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain land in the county of Los Angeles, State of California";

H. R. 6674. An act to create the Reserve Division of the War Department, and for other purposes;

H. R. 7022. An act to authorize the selection, construction, installation, and modification of permanent stations and depots for the Army Air Corps, and frontier air-defense bases generally;

H. R. 7902. An act to provide a right-of-way;

H. R. 7982. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes; and

H. J. Res. 288. Joint resolution authorizing the Secretary of Agriculture to pay necessary expenses of assemblages of the 4-H clubs, and for other purposes.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolutions of the House of Representatives of the State of Pennsylvania, which were referred to the Committee on Banking and Currency:

Resolution 146

IN THE HOUSE OF REPRESENTATIVES (PENNSYLVANIA),
May 13, 1935.

Whereas many small business enterprises are conducted in properties which are at the same time used as homesteads on which under existing Federal laws and the Home Owners' Loan Corporation is unable to grant loans; and

Whereas such small business enterprises are a necessity in the residential sections of large centers of population: Therefore be it

Resolved, That the House of Representatives of the Commonwealth of Pennsylvania hereby memorializes the President and the Congress of the United States to foster and enact legislation which will enable the Home Owners' Loan Corporation to grant loans on real property erected for the combined use of business as dwellings.

Resolved, That a copy of this resolution be transmitted to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives of the United States by the chief clerk of this house.

The VICE PRESIDENT also laid before the Senate resolutions adopted by the General Court of Massachusetts, memorializing the President and Congress in behalf of the watch industry and the persons employed therein, which were referred to the Committee on Foreign Relations.

(See resolutions printed in full when presented by Mr. WALSH on the 5th instant, p. 8665, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate resolutions adopted by the General Court of Massachusetts, memorializing Congress relative to the use of granite in the construction of public buildings, which were referred to the Committee on Public Buildings and Grounds.

(See resolutions printed in full when presented by Mr. WALSH on the 5th instant, p. 8665, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate resolutions adopted by officers and members of Oakland Lodge, No. 802, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express, and Station Employees, of Oakland, Calif., favoring the prompt adoption of an amendment to the Constitution restricting the powers of the Supreme Court of the United States to set aside laws enacted by the Congress and approved by the President, which were referred to the Committee on the Judiciary.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana (Mr. LONG and Mr. OVERTON), which were referred to the Committee on Privileges and Elections.

REPORTS OF COMMITTEES

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 540. A bill for the relief of Fred Luscher (Rept. No. 800); and

S. 2206. A bill for the relief of the State of New Mexico (Rept. No. 801).

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (S. 2993) for the relief of Carrie Price Roberts, reported it with amendments and submitted a report (No. 802) thereon.

Mr. BLACK, from the Committee on Claims, to which was referred the bill (S. 2160) for the relief of the George C. Mansfield Co. and George D. Mansfield, reported it with an amendment and submitted a report (No. 803) thereon.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 1409) for the relief of the General Baking Co., reported it with an amendment and submitted a report (No. 804) thereon.

He also, from the same committee, to which was referred the bill (H. R. 2204) for the relief of Robert M. Kenton, reported it without amendment and submitted a report (No. 805) thereon.

Mr. BURKE, from the Committee on Claims, to which was referred the bill (H. R. 2466) for the relief of John E. Click, reported it without amendment and submitted a report (No. 806) thereon.

He also, from the same committee, to which was referred the bill (S. 1111) for the relief of Alfred L. Hudson, reported it with amendments and submitted a report (No. 807) thereon.

Mr. SCHWELLENBACH, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 2422. A bill for the relief of James O. Greene and Mrs. Hollis S. Hogan (Rept. No. 808); and

H. R. 3180. A bill for the relief of Ruth Nolan and Anna Panozza (Rept. No. 809).

Mr. SCHWELLENBACH also, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 1146. A bill for the relief of Michael Dalton (Rept. No. 810); and

H. R. 3512. A bill for the relief of H. B. Arnold (Rept. No. 811).

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 2889) to authorize settlement, allow-

ance, and payment of certain claims, reported it with an amendment and submitted a report (No. 812) thereon.

He also, from the same committee, to which was referred the bill (S. 2169) for the relief of certain disbursing officers of the Army of the United States, reported it with amendments and submitted a report (No. 813) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 556. A bill for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department (Rept. No. 814);

H. R. 2553. A bill for the relief of Eva S. Brown (Rept. No. 815);

H. R. 2683. A bill for the relief of Henry Harrison Griffith (Rept. No. 816); and

H. R. 4798. A bill to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army (Rept. No. 817).

Mr. GIBSON also, from the Committee on Territories and Insular Affairs, to which was referred the bill (S. 2965) to amend the Hawaiian Homes Commission Act of 1920, reported it with an amendment and submitted a report (No. 824) thereon.

Mr. WALSH, from the Committee on Education and Labor, to which was referred the bill (H. R. 6371) to authorize an increase in the annual appropriation for books for the adult blind, reported it without amendment and submitted a report (No. 818) thereon.

He also, from the same committee, to which was referred the bill (S. 1116) authorizing the establishment of a filing and indexing service for useful Government publications, reported it with amendments and submitted a report (No. 819) thereon.

He also, from the Committee on Public Buildings and Grounds, to which was referred the joint resolution (S. J. Res. 132) to create a commission to determine a suitable location and design for a memorial to the men and women who have been notable or may become notable in the history of the United States, reported it without amendment and submitted a report (No. 820) thereon.

Mr. KEYES, from the Committee on Naval Affairs, to which was referred the bill (S. 2521) amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy, reported it with an amendment and submitted a report (No. 821) thereon.

Mr. PITTMAN, from the Special Committee on Conservation of Wildlife Resources, to which was referred the bill (S. 3006) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes, reported it without amendment and submitted a report (No. 822) thereon.

Mr. AUSTIN, from the Committee on Immigration, to which was referred the bill (S. 2508) to authorize the naturalization of certain resident alien World War veterans, reported it with amendments and submitted a report (No. 823) thereon.

Mr. KING, from the Committee on Territories and Insular Affairs, to which was referred the bill (S. 2966) to empower the Legislature of the Territory of Hawaii to authorize the issuance of revenue bonds, to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes, reported it without amendment and submitted a report (No. 825) thereon.

Mr. NORBECK, from the Committee on Indian Affairs, to which was referred the bill (S. 2388) authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge, reported it with amendments and submitted a report (No. 826) thereon.

Mr. BULOW, from the Committee on Indian Affairs, to which was referred the bill (S. 1968) authorizing an appropriation for payment to certain bands of Ute Indians in the State of Utah for certain coal lands, and for other purposes, reported it with an amendment and submitted a report (No. 827) thereon.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 5th instant that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 38. An act for the relief of Winifred Meagher;

S. 279. An act to extend the time for the refunding of certain taxes erroneously collected from certain building-and-loan associations;

S. 285. An act to reimburse the estate of Mary Agnes Roden;

S. 448. An act to authorize a preliminary examination of the Coquille River and its tributaries in the State of Oregon with a view to the control of its floods;

S. 449. An act to authorize a preliminary examination of Umpqua River and its tributaries in the State of Oregon, with a view to the control of its floods;

S. 462. An act to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest in the State of Oregon;

S. 535. An act for the relief of William Cornwell and others;

S. 558. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of an individual claim approved by the War Department;

S. 654. An act authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands;

S. 742. An act for the relief of Charles A. Lewis;

S. 905. An act for the relief of Edith N. Lindquist;

S. 931. An act for the relief of the Concrete Engineering Co.;

S. 1027. An act for the relief of Dr. R. N. Harwood;

S. 1038. An act authorizing adjustment of the claim of Elda Geer;

S. 1212. An act to amend section 1383 of the Revised Statutes of the United States;

S. 1317. An act authorizing a preliminary examination of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the controlling of floods;

S. 1386. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim, or claims, of Duke E. Stubbs and Elizabeth S. Stubbs, both of McKinley Park, Alaska;

S. 1469. An act to transfer certain lands from the Veterans' Administration to the Department of the Interior for the benefit of Yavapai Indians, Arizona;

S. 1487. An act for the relief of Mick C. Cooper;

S. 1513. An act to add certain lands to the Siskiyou National Forest in the State of Oregon;

S. 1539. An act relating to undelivered parcels of the first class;

S. 1609. An act for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps;

S. 1712. An act to amend section 4878 of the United States Revised Statutes, as amended, relating to burials in national cemeteries;

S. 1942. An act to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927;

S. 2146. An act for the relief of certain Indians of the Flathead Reservation killed or injured en route to dedication ceremonies of the Going-to-the-Sun Highway, Glacier National Park;

S. 2241. An act to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484);

S. 2467. An act for the retirement of William J. Stannard, leader of the United States Army Band;

S. 2505. An act authorizing a preliminary examination of Sebewaing River, in Huron County, Mich., with a view to the controlling of floods;

S. 2530. An act to protect American and Philippine labor and to preserve an essential industry, and for other purposes;

S. 2899. An act to provide for increasing the limit of cost for the construction and equipment of an annex to the Library of Congress; and

S. J. Res. 130. Joint resolution making immediately available the appropriation for the fiscal year 1936 for the construction, repair, and maintenance of Indian-reservation roads.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

A bill (S. 3008) to increase the efficiency of the Regular Army; to the Committee on Military Affairs.

By Mr. COUZENS:

A bill (S. 3009) for the relief of Will A. Helmer; to the Committee on Claims.

By Mr. BURKE:

A bill (S. 3010) to investigate the claims of and to enroll certain persons, if entitled, with the Omaha Tribe of Indians; to the Committee on Indian Affairs.

A bill (S. 3011) to amend the act entitled "An act to insure adequate supplies of timber and other forest products for the people of the United States, to promote the full use for timber growing and other purposes of forest lands in the United States, including farm wood lots and those abandoned areas not suitable for agricultural production, and to secure the correlation and the most economical conduct of forest research in the Department of Agriculture, through research in reforestation, timber growing, protection, utilization, forest economics, and related subjects, and for other purposes", approved May 22, 1928; to the Committee on Agriculture and Forestry.

By Mr. NEELY:

A bill (S. 3012) to prohibit and to prevent the trade practices known as "compulsory block-booking" and "blind selling" in the leasing of motion-picture films in interstate and foreign commerce; to the Committee on Interstate Commerce.

By Mr. WAGNER:

A joint resolution (S. J. Res. 144) to provide for the payment of compensation and expenses of the Railroad Retirement Board as established and operated pursuant to section 9 of the Railroad Retirement Act of June 27, 1934, and to provide for the winding up of its affairs and the disposition of its property and records, and to make an appropriation for such purposes; to the Committee on Interstate Commerce.

By Mr. KING:

A joint resolution (S. J. Res. 145) authorizing the appropriation of funds for the maintenance of public order and the protection of life and property during the convention of the Improved Benevolent and Protective Order of Elks of the World in the District of Columbia, August 25, 1935, to August 31, 1935, both inclusive; to the Committee on the District of Columbia.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and ordered to be placed on the calendar, or referred, as indicated below:

H. R. 5720. An act to amend the National Defense Act of June 3, 1916, as amended;

H. R. 6437. An act to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain land in the county of Los Angeles, State of California"; and

H. R. 7982. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes; to the calendar.

H. R. 3272. An act providing for the establishment of the Gen. John J. Pershing National Military Park near Laclede, in Linn County, Mo.;

H. R. 4507. An act to amend sections 1, 2, and 3 of the act entitled "An act to provide for the commemoration of the termination of the War between the States at Appomattox Court House, Va.", approved June 18, 1930, and to establish the Appomattox Court House National Historical Park, and for other purposes;

H. R. 6250. An act to amend the National Defense Act;

H. R. 6674. An act to create the Reserve Division of the War Department, and for other purposes;

H. R. 7022. An act to authorize the selection, construction, installation, and modification of permanent stations and depots for the Army Air Corps, and frontier air-defense bases generally; and

H. R. 7902. An act to provide a right-of-way; to the Committee on Military Affairs.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES—AMENDMENTS

Mr. GORE (by request) submitted two amendments intended to be proposed by him to the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, which were ordered to lie on the table and to be printed.

ADDRESS BY SENATOR BYRNES TO GRADUATING CLASS, UNIVERSITY OF SOUTH CAROLINA

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD the very able address delivered on June 5 by the Senator from South Carolina [Mr. BYRNES] at the commencement exercises of the University of South Carolina, Columbia, S. C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A few days ago I was impressed by a picture representing the commencement exercises of a university. Upon the steps leading from the stage there was a fair graduate. At the bottom of the steps there was a figure representing the World. Of the graduate the World inquired, "What is that you have in your hand?" As she looked at her diploma she said, "This is my A. B." "Come with me", said the World, "and I will teach you the rest of the alphabet."

As you go into the world today, you will be confronted with problems more serious than have ever been presented in time of peace. Those problems will greatly affect your careers and your lives, regardless of the field of endeavor into which your footsteps may lead you.

During the last 4 years while you have been preparing yourselves within the walls of this institution, momentous events have taken place, affecting the economic and social life of the Nation. Those problems, in great measure, must be attributed to the World War. During the war, in response to patriotic appeals, and because of the desire to accumulate money, production was speeded up in factories and upon farms. The industries of the Old World were idle except insofar as their activities were essential for the prosecution of the war. The Government of the United States loaned billions of dollars to the allied nations. These loans made it possible for those governments to purchase the goods and the commodities of America. When the war ended, such loans ceased. With the cessation of loans, there was a reduction of purchases. As a result of the inability of the people of Europe to purchase our commodities, exports dropped from eight billion to $4,000,000,000, and we went through the depression of 1921, then regarded as one of the most serious in the history of the Nation.

Financiers then conceived the idea of substituting for the loans, which during the war had been made to European governments by our Government, loans to individuals and corporations of other nations, by the banks and the investing public of the United States. Under the leadership of the banks of New York City, the bonds and stocks of European enterprises were purchased and in turn sold to the banks and to the investors of this country. The money thus furnished to Europe and also to South America enabled the people of those countries to again purchase our manufactured commodities and agricultural products. Our exports increased, business revived. At the same time there ensued an era of speculation unparalleled in our history. People who had never before purchased either bonds or stocks crowded into the offices of the brokers throughout the Nation and staked their savings in an effort to get rich quick and without the expenditure of effort.

The banking system of the Nation, which possessed the power to either contract or expand credit, failed to raise the rediscount

rates, which would have made credit more difficult to obtain. Officials of Government, instead of discouraging speculation, issued official statements that the quotation of bonds and stocks were not unduly high. The inevitable crash came. Foreign loans were discontinued. Exports decreased, and from the fall of 1929 there followed the period of deflation.

While all of this was going on, the Government of the United States increased the tariff duties levied upon all goods imported into this country to rates higher than had ever been levied by any Nation. The result was to cause other governments to enter upon reprisals, and similar barriers were erected against our exports.

In order to bring home to you the conditions that existed throughout the Nation, let us discuss the effect of these factors upon cotton, the commodity with which we of this section are most familiar.

When cotton is shipped to Europe the purchasers can pay for it only with gold or by shipping to us goods, the equivalent of gold. They had no gold, and our tariff duties operated to restrict the amount of goods they could ship us. Consequently exports of cotton decreased and the surplus in this country increased. As the surplus increased the price the farmer received necessarily decreased. When the farmer received less than the cost of production for his cotton his purchasing power was destroyed. He could not purchase the goods of the manufacturer. When the manufacturer could not sell his goods he had to dismiss employees, thereby destroying the purchasing power of industrial workers. It was a vicious and deadly circle in operation.

The cotton manufacturer was presented with a problem equally as grave. While the nations of the world were at war the cotton mills of Europe could not produce supplies sufficient to satisfy the demands. Our own demands increased. The cotton mills of the United States entered upon the policy of working night as well as day. This was equivalent to doubling the number of cotton mills operating in the United States. The mills found it economical to operate under this schedule. They paid no more taxes upon machinery which was being operated 24 hours a day than they paid upon machinery operated 10 hours a day. The organization of employees was increased to an extent sufficient to operate 24 hours per day.

After the war, the mills of the old world resumed operation, and there was less demand for our goods. There was not a sufficient increase in domestic demands to consume the doubled production of our mills. Each year the cotton mills have been confronted with the necessity of curtailing production with consequent unemployment of large numbers of people. In order to avoid the demoralization of employees, many mills continued to operate, resulting in the accumulation of large stocks of goods in warehouses. Whenever efforts were made by the manufacturers to agree upon curtailment of production, the question was raised whether such action would constitute a violation of the antitrust laws. When efforts were made to agree to prohibit the night work of women and children, a number of manufacturers refused to cooperate, making any effective voluntary agreement impossible.

Efforts of the manufacturers to agree upon this subject were just as futile as were the efforts of the cotton farmers to agree upon a curtailment of cotton acreage. As the surplus of cotton increased, appeals were made by the press and by agricultural leaders for a reduction of acreage. These appeals were in vain. The man who responded in good faith, found that he was making a sacrifice while his selfish neighbor took advantage of his sacrifice and increased his acreage. Finally the situation became so serious, appeals were made for compulsory control by State governments. The legislatures of some States, including the Legislature of South Carolina, went so far as to enact laws prohibiting the planting of any cotton for a period of 1 year. The prohibition, however, was contingent upon similar action being taken by all other cotton-growing States. Such unity of action could not be secured and no effort was made to enforce the law.

Similar conditions existed in other sections as to other crops and other industries. When the farmers, manufacturers, and wage earners of the Nation found themselves in this serious financial condition, manifestly they were unable to pay their obligations. Within a few years 4,000 banks closed their doors. General demoralization followed. Mortgages were foreclosed upon the homes of the cities and upon the farms. The people lost confidence in government, in courts, and finally lost confidence in themselves.

This is the situation in which the Nation found itself in March 1933. Then, without regard to party affiliations, the representatives of the people in Congress, under the leadership of the President, undertook to help solve the economic problems which had absolutely overwhelmed the people. Many laws were passed by the Congress. Practically every one of them recited the existence of an emergency and the necessity of legislation to remedy the condition complained of. The banks were opened, but opened only after examination gave assurance that they would be able to remain open. The deposits of the people were guaranteed. The mortgages upon farms were refinanced through the Federal land bank, and mortgages upon homes in the cities through the Home Owners' Loan Corporation. In refinancing these real-estate mortgages, funds were advanced to pay taxes which were past due to State, county, and city governments, thereby enabling such governments to meet their obligations.

The so-called "processing tax" was levied upon cotton goods, tobacco, hogs, wheat, and other agricultural products. The proceeds of such tax were paid to the farmers who reduced production in order to bring about a readjustment of the supply to the demand for such products. Congress enacted the Bankhead Act to do that which it had been impossible to do through voluntary action of cotton farmers or through the action of State governments.

But the situation that commanded more attention than all other problems was the size of the army of the unemployed, which army was daily increasing in number. While estimates varied widely, it was generally agreed that they numbered at least 12,000,000.

The Congress enacted the National Industrial Recovery Act. The act recited the existence of an emergency and the seriousness of the unemployment situation. It authorized an industry to adopt a code under which the hours and wages of employees would be fixed, and under which agreements could be made prohibiting unfair practices. The reduction in the number of hours an employee could work made necessary the employment of additional workers. The increase in the compensation of those who did work increased the purchasing power of the people.

In the administration of the National Recovery Administration law mistakes were undoubtedly made. It was construed to apply to some local transactions which should not have been regulated. Mistakes are inevitable in the administration of all laws. They were made in the administration of the Agricultural Adjustment Act and of the Bankhead Act. But as a result of the program of recovery legislation, great progress was made. The number of unemployed was greatly reduced. The purchasing power of the people was in great measure restored. The surplus of wheat was reduced to normal. The price increased from 30 cents to more than a dollar per bushel. The surplus of cotton was gradually reduced, and the price increased from 5 to 12 cents. Industry revived. The income-tax returns in March this year based upon net incomes for the year 1934 showed an increase of 39 percent over the year 1933. Bank deposits of the Nation on January 1, 1935, were more than $3,000,000,000 greater than on July 1, 1934. During the same 6-month period, the bank deposits in South Carolina increased from seventy-nine million to $106,000,000, an increase of approximately 33⅓ percent. Postal receipts and every other index gave evidence of substantial improvement.

In view of the liberal interpretations that had been placed by the Supreme Court upon the Interstate Commerce clause in many decisions rendered during the last 25 years, the Congress had reason to believe that the validity of the act would be sustained by the Court, should it ever be questioned. We had talked about the glory of the Government being the ability with which, during the century and a half of its existence, its written Constitution had been so interpreted to meet changing conditions. We know that originally the commerce clause had been adopted for the purpose of preventing the erection at the border of States, tariff barriers that would prevent the shipment of goods from one State into another. We know, however, that it had been interpreted to give to the United States Government jurisdiction, not only of lottery tickets sent across State lines, but of the individuals who sent such tickets across State lines.

It had been interpreted in the so-called "white-slave cases" to give jurisdiction over the individuals who crossed State lines for unlawful purposes. Under its language, the Congress had given to the United States courts jurisdiction over one who kills a human being within a State and then in an automobile flees into another State. It had been interpreted to give jurisdiction to United States courts in the Appalachian Coal case, where the Court said: "The interests of producers and consumers are interlinked. When industry is grievously hurt, when producing concerns fail, when unemployment mounts and communities dependent upon profitable production are prostrated, the wells of commerce go dry."

But now the Supreme Court of the United States has held the Recovery Act unconstitutional. The serious effect of the decision is due not so much to the determination of the facts of the case involved, as to the views expressed by the Court. In its obiter dictum the Court gave to the commerce clause an interpretation more restricted than any rendered in half a century. It quoted with approval a decision reading as follows: "For building is as essentially local as mining, manufacturing, or growing crops, and if, by resulting dimunition of the commercial demand, interstate trade was curtailed either generally or in specific instances, that was a fortuitous consequence so remote and indirect as plainly to cause it to fall outside the reach of the Sherman Act." If this view and other similar views expressed in the decision are an index as to the decisions of the Court in other cases pending in the courts involving acts of Congress, there is reason to doubt whether the Court will hold valid, the Agricultural Adjustment Act, under which benefits are paid to farmers in the effort to regulate production; the Bankhead Act regulating the production of cotton; the Securities Act protecting the public against the sale of worthless securities; and other legislation pending in the Congress, such as the unemployment insurance and old-age pension bill.

The immediate effect of the decision of the Court is discouraging. Some of the great department stores have resumed the practice of offering for sale certain articles at less than cost for the purpose of attracting customers in the hope they will purchase other goods, a practice that cannot be indulged in by the independent merchants with less capital. At least one of the large mail-order houses has advertised that the abolishment of the restrictions of the N. R. A. code makes possible reduced prices.

Many employers have reduced wages. Others have returned to the longer hours of work that prevailed prior to the enactment of the Recovery Act and have dismissed employees. Longer hours of work result in increased production; lower wages result in reduced purchasing power. The effect is necessarily deflationary.

Employers in many industries have announced their intention to maintain the existing schedule of wages and hours. They deserve commendation for their effort to preserve the existing order. Should they find it impossible to maintain that policy they will not deserve criticism. In every industry there is a selfish minority that will refuse to cooperate. All industry is competitive. If your competitor reduces wages, increases working hours, and, as a result, cuts prices, you will necessarily find it difficult to maintain the higher costs of production.

As a result of the Court's decision the several boards created to settle labor disputes arising under the codes, including the Automobile Labor Board and the Textile Labor Board, were abolished. If in the coal industry the threatened strike occurs, or if, as a result of wage cutting in other industries serious strikes occur, the United States Government can do nothing more than offer the services of a conciliator.

If the dictum of the Court is followed in future decisions and agriculture held to be essentially local even though the product of the farm be shipped in interstate commerce, and the Bankhead Act and the Agricultural Adjustment Act be declared invalid, the picture will be complete. But the results will be unfortunate. Uncontrolled production of cotton will undoubtedly mean a return to 5-cent cotton. Five-cent cotton means bankruptcies; it means unpaid taxes and crippled State institutions.

An outstanding critic announces that the decision of the Supreme Court means a return to the normal conditions existing prior to the enactment of the N. R. A. If it does, then it means a return to unfair competition among employers; it means longer hours, lower wages, sweatshop practices, and child labor in industry and economic slavery upon the farm. It may mean a return to rugged individualism, but, so far as I am concerned, I prefer cooperation and prosperity to rugged individualism and poverty.

The situation cannot be remedied by voluntary action. That has been tried and has failed. I do not believe it can be remedied by State action alone. Whenever a State has tried to legislate as to the wages, hours, or working conditions of labor, the argument has been made by employers that any regulation would make it impossible for employers to compete with employers in other States where no such regulation existed. The argument has great force. In South Carolina, the legislature has time and again adopted this view and on several occasions has appealed to the congressional delegation to advocate Federal legislation upon such subjects. That is true of the legislatures of other States.

To be effective the same legislation would have to be adopted by all States. It would be difficult to secure such unanimous action even by the Governors of the States. Then, of course, Governors can only recommend, and legislatures sometimes fail to adopt recommendations. Nevertheless, I hope the Governors will act. Even if they fail to agree, or agree and cannot effectuate their agreement in legislation, because of their influence their action will help mold public sentiment in favor of retaining the beneficial things that have been accomplished within the last few years.

After all, the decision rests with the people. Effective remedies cannot be accomplished by efforts to evade or circumvent the decision of the Supreme Court. If there is a return to the evil conditions I have described and the people become dissatisfied, then they should, in the manner prescribed by the Constitution, amend the Constitution. Any proposed amendment should be drafted with skill and only after mature deliberation. It should not give to the Congress the power to legislate as to purely local intrastate transactions. It should, however, give the Congress the power to legislate as to all matters that affect interstate commerce and which experience has shown cannot, under present-day conditions be effectively remedied by State action.

Human beings can act only in the light of past experience and existing conditions. The framers of the Constitution acted in the light of conditions existing a century and a half ago. As they read by firelight or lamplight, they could not anticipate that today electric power generated in one State would, in many instances, be transported to another State, there to be used not only to furnish light but to furnish heat, to operate industries, and operate even our stoves and laundry machines.

As they rode to a convention hall in buggies drawn by horses, they could not anticipate that today in South Carolina, there would be one automobile for every 10 persons and, in many States, one automobile to every four persons.

As they waited for the post to bring week-old news from an adjoining colony, they could not anticipate that today you would be able to turn a knob on a radio and receive news of occurrences, within the hour, at the most distant point in the Nation, or listen to a broadcast from Europe, and even from the South Pole.

They could not see the express trains racing between the States, or watch the planes flying like birds in the skies.

But from the progress that had been made in their day, they knew that the Constitution would have to be amended and they provided the method for its amendment.

Twenty amendments have been adopted. Practically every one has been adopted only after bitter debate.

It was not without a contest that there was adopted the amendment giving to Congress the right to levy a tax upon incomes. Today, no thoughtful man would urge its repeal.

Within my own legislative experience, there was adopted the amendment providing for the election of United States Senators by the vote of the people. It was adopted only after years of effort and against serious opposition.

The amendment conferring upon women the right to vote was adopted only after a long and bitter fight. Today, no thoughtful person urges the repeal of that amendment.

In truth, the constitutional provision for amendment of the Constitution is one of the surest guaranties of its preservation.

Much is being said about Thomas Jefferson and the doctrine of States' rights. Certainly I subscribe to the principle that government should be kept close to the people. But it does not follow that when one champions the State rights doctrine of Jefferson, that by it is meant the Federal Government must stand aloof in meeting broad social and economic problems.

Indeed, this was not the thought of Jefferson. He was a progressive, a liberal, and above all, a champion of the masses. I venture the opinion that if the sage of Monticello were alive today, he would frown upon any effort to use his views on States' rights to block social and economic reforms so badly needed to improve conditions for those who labor in the factories and toil in the fields. You who have made a study of Jefferson may recall a letter written to Samuel Kercheval from Monticello in 1816 after his retirement from public life. The question of revising the Constitution of Virginia was under consideration, and the people of that Commonwealth turned to him for guidance. What he said then on the subject of revising the Constitution of Virginia so well fits the issue with which you and I are confronted today that I desire to quote a few passages from the Kercheval letter, preserved for posterity in volume 15 of the Writings of Thomas Jefferson:

"Some men look at constitutions with sanctimonious reverence, and deem them like the ark of the covenant, too sacred to be touched. They ascribe to the men of the preceding age a wisdom more than human and suppose what they did to be beyond amendment. * * * I am certainly not an advocate for frequent and untried changes in laws and constitutions. I think moderate imperfections had better be borne with, because, when once known, we accommodate ourselves to them and find practical means of correcting their ill effects. But I know also that laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths disclosed, and manners and opinions change with the change of circumstances, institutions must advance also and keep pace with the times.

"We might as well require a man to wear still the coat which fitted him when a boy as civilized society to remain ever under the regimen of their barbarous ancestors. * * *"

And continuing, this greatest of all teachers on democratic government says:

"By the European tables of mortality, of the adults living at any one moment of time, a majority will be dead in about 19 years. At the end of that period, then, a new majority is come into place; or, in other words, a new generation. Each generation is as independent of the one preceding as that was of all which had gone before. It has, then, like them, a right to choose for itself the form of government it believes most promotive of its own happiness; consequently, to accommodate to the circumstances in which it finds itself that received from its predecessors; and it is for the peace and good of mankind that a solemn opportunity of doing this every 19 or 20 years should be provided by the Constitution, so that it may be handed on, with periodical repairs, from generation to generation, to the end of time, if anything human can so long endure."

So we observe that Thomas Jefferson propounded the doctrine that a constitution should be repaired every 20 years in order to make it an instrument to serve the living instead of the dead. The "dead have no rights", he tells us. "They are nothing; and nothing cannot own something. Where there is substance there can be no accident. This corporeal globe, and everything upon it, belongs to its present corporeal inhabitants during their generation. They alone have a right to direct what is the concern of themselves alone, and to declare the law of that direction; and this declaration can only be made by their majority. That majority, then, has a right to depute representatives to a convention, and to make the Constitution what they think will be the best for themselves."

I yield to no man in respect for our constitutional forefathers. They blazed the trail and gave us the pattern for the greatest constitutional government the world has ever known. But they fully realized that changes would come and necessitate amending that historic document. And they provided the way.

Whether the time has come to further amend the Constitution to permit our National Government to legislate on matters affecting interstate commerce, to the end that broad social and economic problems which the States cannot solve acting independently, is for majority of the people to say.

I leave that thought with you. It is likely to be a burning issue in our political life for several years to come.

I make no apology for calling these problems to your attention. They are political, but they are not partisan. They affect the career of each and every one of you, and in their solution you must be interested.

While you go out into the world at a time when economic conditions may restrict opportunities, after all there are some compensations—men no longer have the confidence in their own opinions they formerly held. There was a time when the banker in the metropolitan centers was confident that he knew not only the intricacies of banking but the solution of all the problems of government. They no longer speak with finality even of the problem of their own business. In predepression days, when men came before congressional committees and announced that

they were economists, they were regarded with awe. Today I fear some of them are regarded with amusement. The leaders of industry are not only tolerant, they are humble. Thoughtful men know only that they do not know what the future holds.

Since 1929 approximately 1,000,000 men and women have been graduated from the colleges of the Nation. They have been called the "depression graduates." Today you join them. Conditions force upon you a keener sense of responsibility and demand of you a high order of courage and faith.

If you have worked and paid for your own education, you possess that courage and faith. If you have not done so, but your education was made possible by your parents, then I tell you that in your veins there courses the blood of parents who possess courage and faith—courage to endure sacrifices and faith that you would justify those sacrifices.

In song and story we pay tribute to the courage of the soldier who, in time of war, risks his life for his country. From that glory I would not detract. But there is another kind of courage, the courage of the man who, during the economic crisis I have described to you, found his savings lost by the failure of a bank, found it impossible to meet his obligations; that his home would be sold under foreclosure, found that he could not secure employment, and daily, without flying flags or martial music, fought for those who were dependent upon him. I have no doubt that in the homes of many of you there were demonstrations of such courage, and to you it should ever be an inspiration.

A few days ago Senator MOORE, of New Jersey, told me of an incident at the commencement exercises of one of our universities. Just before the class received their diplomas he noticed in the aisle a German police dog. The president advised him that for 4 years the dog had led around the university and its grounds a blind student. That day several classmates asked the privilege of escorting the blind boy to the stage. But to them he said that as his dog had led him for 4 years the dog should accompany him to the stage. And on they came. He received his diploma. He started down the four or five steps from the stage, the dog preceding him, and in accordance with his training, turning on each step so that if the boy fell he would fall over his body. As he reached the floor facing the audience the entire audience arose to pay tribute to the courage of man and dog.

Courage and faith make us think of still another man. One to whom nature was generous with her gifts. Strong of mind and body, he attracted attention as he walked among men. He was stricken with a dread disease. For months and years he endured not only physical suffering, but the mental suffering born of the medical advice that never again would he walk as other men walked, never again enjoy the athletic sports at which he excelled. One not possessed of a stout heart might have become reconciled to the career of an invalid. But not this man. Suffering made him only the more determined to conquer disease, to return to his work in the world. Conquer it he did. And on March 4, 1933, when the banks of the Nation had closed, when the whole economic structure was about to collapse, and Government itself faltered, this man became President of the United States—and Franklin Roosevelt gave to the people a leadership born of his own courage and faith in the future of America.

The solution of the problems confronting us calls for men of courage and faith. Answer that call, and answer it in such way as to reflect credit not only upon yourselves but upon the University of South Carolina and the State of South Carolina.

In the early days of the Republic the Nation looked for leadership to Virginia and South Carolina. No history of that period can be written without recording the deeds of the sons and daughters of these two States. And no history of South Carolina during that period can be written without recording the names of men who graduated from the University of South Carolina. I trust I am not guilty of treason in saying that during the last half century the State has not occupied the position of leadership it formerly held. But today, as I look at you, and as I think of the other young men and women who, this year, are graduating from the institutions of learning in South Carolina and going out into the world with trained minds and stout hearts, I have an abiding confidence that you will do your part to restore South Carolina to the place it once held in the councils of the Nation, and in the minds and hearts of the people.

"WE ARE WITH YOU, MR. PRESIDENT"—EDITORIAL FROM AUGUSTA (GA.) CHRONICLE

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial which appeared in the Augusta Chronicle, of Augusta, Ga., on Monday, June 3, 1935, written by Thomas J. Hamilton, the editor, entitled "We Are With You, Mr. President."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WE ARE WITH YOU, MR. PRESIDENT

Many millions of Americans, from the most remote, the uttermost parts of our broad land, to the vast congested cities that dot our East and West coasts and all in between, will join in the thunderous chorus, "We are with you, Mr. President." Awaiting the reaction to the Supreme Court death sentence for the National Recovery Act, followed by the President's own solemn words to the American people of the gravity of our situation, Mr. Roosevelt has not yet definitely formulated his plans, but we can assure him already, without waiting for further reaction, that Americans are with him and we have an idea that the God of the universe is watching with great satisfaction the work of Franklin D. Roosevelt, who gave us hope and promise of the "more abundant life." From millions of throats prayers of thanks uttered for our great President, accompanied by petitions for continued Divine guidance, and for good health and strength that he may carry on his great work.

When Franklin D. Roosevelt came to us as President in March 1933, he found utter chaos and despair, with heartaches and heartbreaks, and with bankruptcies and suicides following each other with such relentless regularity that Americans were going about their daily tasks with dreariness and hopelessness, as if to the accompaniment of a funeral dirge.

We had gone wild in an orgy of speculation from 1925 to the fall of 1929, and crooked, get-rich-quick schemes were abroad in the land. In their wild scramble for riches, people forgot to be honest, forgot that there were such attributes as unselfishness, generosity, and fair dealing, and, indeed, "judgment had fled to brutish beasts and men had lost their reason." People forgot that there had to be a day of reckoning, and when it came, desolation and despair were left in its wake.

As a result of the chastening, those who survived the debacle became more humble, became a better people, and while we remained for what seemed an interminable period in the slough of despond, we waited, seemingly in vain, for a great leader who would bring us out of the wilderness, restore our shattered nerves, rebuild our hopes, and instill courage in us again as a Nation with the greatest natural resources in the world. We found in the fateful years from 1930 to 1933 that we were a panic-stricken, bankrupt people in the midst of plenty; that people were starving while cribs and smokehouses groaned with their loads of grain and meat. The farmers could not sell their plethora of foodstuffs, and the millions of city consumers could not buy. The farmers were bankrupt, and farm mortgages weer being foreclosed, while great industries in the cities stopped and smokeless smokestacks stood like stark sentinels of despair, and 15,000,000 Americans were unemployed. And then the steady, persistent regularity of bank failures increased, with late February 1933 came State moratoriums with all banks closed, followed by a national moratorium that ushered in the new administration and the man who promised a new deal, the man who promised to remember the forgotten man and give us the more abundant life.

And how well he has kept his promises a grateful Nation now knows, and that the people of this Nation will follow him to the uttermost we unhesitantly predict. He instituted the National Industrial Recovery Act with all of its numberless codes, and amid criticism from a few malcontents, he swung this Nation toward recovery. He had Congress to pass a relief and public-works bill of nearly $3,000,000,000; he guaranteed the farmers a decent price for their commodities; he stimulated public-works employment and created, first, the Civil Works Administration, and then the Federal Emergency Administration, which have given millions employment, saving their self-respect by not furnishing them a dole but actual work for the money they received.

In his recovery act there were shorter hours, increased pay, abolition of child labor, and other wise provisions, including elimination of destructive competition. The shorter hours increased the number of employed and their efficiency, while the increased pay gave a living wage to millions who had not received it before. If any one doubts what President Roosevelt has done, ask the many hundreds of thousands of working girls in this country—girls who had been in the garment factories, the textile mills, the restaurants, the stores, and had been working 60 hours per week, and sometimes longer, with pay ranging from $5 to $8 per week, and who have been receiving under N. R. A. more than twice the pay working 40 hours per week. These hundreds of thousands of girls who were tired and heartsick and hopeless are now getting a taste of the "more abundant life", and are being saved from the degradation of extreme poverty and all of the temptations that it brings to lives of usefulness with prospective wifehood and motherhood, with respectability and good citizenship being exchanged for what, in numerous cases, would have been the opposite with all of the sorrow and woe that go with it. We say without hesitation that if Franklin D. Roosevelt had done no more than to uplift the status of the working girls of this country, he would have been the greatest man of our time. And we are happy to say that the novel experiment of short hours, better pay, and better working conditions all round have increased efficiency; and the heads of great industries, great department stores, and tens of thousands of small businesses throughout this country are so delighted with the results achieved that they have announced voluntary compliance with the N. R. A., even after our august Supreme Court decides that it is a dead letter.

Yes; the country is with you, Mr. President, and there is going to be a national chorus of voices that will tell you about it. You will be told through the Members of Congress, you will be told directly by countless thousands of messages, and America is also with you in your next step, whatever that may be. We have abandoned the old order forever; we are thinking as a Nation more in terms of human needs and human relations and less in regard to selfishness and sordidness. We are, indeed, a better Nation, a far better Nation, and the world is a far better world because you have lived in it, Mr. President; and the editor of the Chronicle, who has always supported you and your wise and beneficent policies and your superb leadership, takes this occasion again to give assurance that Augusta, Ga., joins with the remainder of America in telling you, "We are with you, Mr. President."

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. METCALF obtained the floor.

Mr. JOHNSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Overton
Ashurst	Coolidge	King	Pittman
Austin	Copeland	La Follette	Pope
Bachman	Costigan	Lewis	Radcliffe
Bailey	Couzens	Logan	Reynolds
Bankhead	Dickinson	Lonergan	Russell
Barbour	Dieterich	McAdoo	Schall
Barkley	Donahey	McCarran	Schwellenbach
Black	Duffy	McGill	Sheppard
Bone	Fletcher	McKellar	Shipstead
Borah	Frazier	McNary	Smith
Brown	George	Maloney	Steiwer
Bulkley	Gerry	Metcalf	Thomas, Okla.
Bulow	Gibson	Minton	Thomas, Utah
Burke	Glass	Moore	Townsend
Byrd	Gore	Murphy	Trammell
Byrnes	Guffey	Murray	Tydings
Capper	Hale	Neely	Vandenberg
Caraway	Harrison	Norbeck	Wagner
Carey	Hatch	Norris	Walsh
Chavez	Hayden	Nye	Wheeler
Clark	Johnson	O'Mahoney	White

Mr. LEWIS. I announce that the Senator from Mississippi [Mr. BILBO], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. ROBINSON], the Senator from Missouri [Mr. TRUMAN], and the Senator from Indiana [Mr. VAN NUYS] are unavoidably detained from the Senate. I request that this announcement stand for the day.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness and that the Senator from Delaware [Mr. HASTINGS] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

Mr. METCALF. Mr. President, official Washington seems to have become obsessed with a mania to destroy. Radical theories engendered in the minds of many of our leaders reach the heights of fanaticism and take from our Government all semblance of the sane and sound institutions established on these shores by the Constitution of the United States.

The mania for destruction has spread through all lines of human endeavor. From the killing of hogs to the liquidation of utility holding companies, it runs from the smallest farm through the most complicated organization of industry and finance. Where does it lead and where will it end?

Agriculture is dominated and regulated, while hogs are being destroyed and fields of corn plowed under the ground. At the same time people are hungry and prices are mounting. Money is loaned on cotton at artificial values and farmers are paid not to plant their cotton fields. Cotton-textile mills are made to stagger under a load of processing taxes, while their employees, in ever-increasing lines, march toward the relief rolls. Factories are closed by the policies of an unwise, if not unfriendly, Government. Some $5,000,000 was paid by the cotton mills of Rhode Island in unconstitutional processing taxes, and many of these mills are now closed and the employees on the relief rolls. We can be thankful that we have a Supreme Court in days like these. The only unfortunate thing about our system of jurisprudence is that we cannot expedite decisions as to the constitutionality of radical measures forced upon the people of these United States.

The President appointed a committee to look into the processing tax, almost every member of which had already declared himself unalterably opposed to a repeal of that tax. One of the principal members of the committee had declared that he not only opposed repeal of the tax, but probably would increase it. When I want to submit a question for judgment I should like judges who have not expressed an opinion beforehand.

The psychology of fear is nourished by the instruments of government which should seek to create confidence. The Government is slowly, but surely, becoming the master of the people and not the servant—an instrument of fear and not of confidence; a weapon of destruction and not a builder.

What is to be the end of all this madness, this radicalism? A new form of government? A dictatorship? Socialism, communism, and chaos?

We have before us now a bill which does not stand alone in the philosophy of this administration. It is very much a part of what is apparently a preconceived plan for expunging from the Government all elements of industrial democracy and all but the mere rudiments of the rights of men to compete openly and honestly in private business.

No one will seek to defend the evils which have existed in some of the holding companies. They should be quickly and permanently removed. Holding companies should be subjected to such regulation as will make them safe and reasonable institutions for both the consumer and the investor. But this bill goes further. It seeks to destroy forever the organizations in which millions of thrifty Americans have invested their savings. It will reduce a large group of our citizens from middle-class security to poverty.

This bill will force into liquidation all utility holding companies, regardless of the abstract formulas contained in the bill for the salvation of a very small minority of them. Who is to buy the millions of shares of stock? Who would be foolish enough, even if he had the money, to invest in the utility industry in the face of the obvious enmity of his own Government? The man of small means, who has invested his daily savings in a few shares of stock, has been responsible for building up these companies. Is he to be penalized and rendered a pauper because of the misdeeds of a few greedy manipulators of high finance?

Are we to be so vindictive, so cruel, so uncharitable that we will destroy the whole rather than attempt to cure the ills? Such an act contains neither reason nor good will toward our fellow men, and it should be condemned with all the power at our command. Let those who steal be punished for their crimes. Let those who lust for power at the expense of others be shorn of their ill-gotten leadership. But let us temper our acts with a true appreciation of the fact that millions of our finest American citizens are really the support of these holding companies, and that through no fault of theirs have evil practices crept into the organizations in which they have invested their savings.

Will this bill stop with the destruction of holding companies? Or is it a forerunner of complete domination of all our public and private utilities by the Government? From the past acts of this administration we might well assume that we are moving with alarming rapidity toward Government ownership of all utilities. From the Tennessee Valley Authority through the long list of Federal power projects we find evidences of the Government entering into competition with private industry. Millions are being squandered in the Tennessee Valley, and thirty-six millions have been allocated for a fantastic scheme to harness the tides in an area already adequately supplied with electric power. Is this bill simply another effort to weaken the strength of privately owned utilities?

Any stockholder, having been once pauperized by his Government, will most certainly give much thought to the investment of his savings in the future. It is not likely that people who will lose money as a result of this bill will ever save again, even if they are not too old or too discouraged to attempt it. Why should they? Where can they invest their money? In the case of inflation and unstable credit, can they turn to Government bonds? Can they invest in municipal securities when the Federal Government is weaning all communities into bankruptcy? In industries at the mercy of autocratic and all-powerful bureaucracies? No; they cannot, and they will not. The passage of this bill and the liquidation of some of the most largely financed institu-

tions in the United States will suffocate and strait-jacket our industrial and banking institutions until we find ourselves foundering in a slough of industrial despair.

Let us be reasonable. Let us be fair with the widows and orphans who are dependent on these investments for the very necessities of life. Let us not destroy the savings of millions of our citizens. Let us not plunge our Government into complete ownership of public utilities, for to do this will be almost to destroy democracy itself.

We can and should remove the evils of these holding companies. Let us regulate and not confiscate.

> The seeming truth that cunning times devise
> To entrap the unwary.

Mr. President, I have a few letters from small stockholders in some of the utility companies. Here is one:

As all my little savings are invested in utilities and holding companies recommended to me as being the safest kind of investment for a woman, I am now alarmed for fear I am going to lose them.

If this bill is passed I believe she will lose them.

I wish to protest against any such unjust legislation as will wreck the companies or allow the Government to enter into competition with them.

Here is another:

I am trustee for a trust fund and hold 175 shares of the North American Co. stock. This stock was purchased several years ago as an investment and it has always paid dividends. The beneficiaries of this trust fund are two aged women well beyond the earning age. If these women ever needed a Government official to protect their legal rights it is now.

Here is another one:

I am 71 years old, have worked 51 years and saved my money. Have been out of work 3 years and not earned one cent. My savings were invested in public utilities. I am one of thousands.

My income has dwindled from $25 per week to about five, and I expect to see that go.

Listen to this:

My husband resigned from business 3 years ago. We are both over 60; we help support five grandchildren, and are dependent for our living on returns from investments.

I beg of you to use your influence not to let the Government by competition or legislation destroy the electric light and gas companies from which we derive much of our small income.

Here is another one:

We, the undersigned, have all made an honest living through daily toil. We have lived on a moderate American scale, with an eye to the future. Whatever savings have been accumulated were put aside and invested. Of these investments we have bought shares of public utilities and holding companies, realizing that this industry is a necessity to the American people.

In the last 5 or 6 years our dividends, which were of great importance to our livelihood, have been cut down to almost nothing. Aside from that, if we were to sell our stocks, which we might be forced to do, our savings will have dropped 80 percent or lower. This partly comes about through interference of the Government in the public-utility field.

Here is another one:

From what I read in the papers and hear over the radio, it seems to me our President is bound to put most all public utilities out of business. I am an old man, and all I have is in public-utilities preferred stock. I cannot understand the reason for taking from one section to give to another. I used to think that whatever Congress did was right and for the best interest of the greatest number. It does not seem that way to me now. Personally, I hope you will help to defeat the legislation now trying to destroy public utilities. If these bills go through and my public-utility stock does not pay dividends—they have already shrunk a great deal in value—I will be obliged to ask you to help me get on the relief roll. I am too old to work and, besides, I am not in good health. There is nothing for me to do now but wait.

Another one:

All my small life-savings are invested in part in public utilities, and as the dividends were never large—and that is why I invested in good faith that I would be assured of a steady income—and as I fear now losing even that if the Wheeler and Rayburn bills are passed, I ask you to do all you can to oppose them.

And so they go. I have picked only these few out of the thousands which have been received in my office.

Here are others:

Most of my income is derived from the public utilities. If House bill 5423 and Senate bill 1725 are passed, I shall be a dependent widow and not a soul to look to for any help.

If the Government scraps these utilities and goes into this business, it will be the greatest holding company in the country.

I am a poor, single woman, 69 years old, very deaf, and entirely dependent on a small income in utilities. Just supplies me with necessities, no luxuries, cars, or travel, but able to take care of myself. This was saved dollar by dollar at great sacrifice through the years I was able to work.

I earnestly entreat you, as a man of fair-mindedness and justice, to veto this bill. If my income is taken away, I lose my all and would have to go to the poorhouse, as I have no one able to take care of me.

I truly believe this bill is very unfair and will give both the consumer and investor a dirty deal.

Furthermore, if the Government wants to wipe out the holding companies, let them do it honestly by paying back investors every cent of the hard-earned money they paid for stocks and bonds.

Power holding companies haven't paid dividends for years, due to the depression and Government interference.

Prosperity would be helped more by constructive legislation, to enable and compel the holding companies to pay at least 6 percent on their common and preferred stocks.

It will deprive many honest and thrifty citizens of this country of the results of hard-earned savings and honestly made investments. I respectfully request that you exercise your influence and your vote against this bill.

Those honest, industrious, self-reliant people of this country who have worked and saved and invested some of their savings in securities of public utilities, with the expectation that the diminished earning power incident to old age would in some measure thus be supplemented, should not be deprived of the results of their thrift.

Without doubt the Rayburn utilities bill, if passed, would result in destruction of property value and increase the burdens already pressing upon many of us in the so-called "middle class."

Being a single and not a young woman, who holds several investments in public utilities and holding companies, and depends upon such income for a living, the Public Utility Act of 1935, confronts one with a very serious situation as to one's future.

Listen to this:

I am not a rich man, and these bonds represent a substantial portion of the savings of a lifetime. They were bought on the advice of a prominent banker in Providence, who pronounced them to be one of the safest possible investments. I depended on them to a large extent for the education of my children in case of my death.

Now I am informed that the Government proposes to pass a law which will make this company and other similar companies illegal, and jeopardize my investment and the investments of thousands of others who, by scrimping and deprivation, have been able to save a few thousands of dollars, and have invested them in such securities.

Here is a sad case:

I am a widow, 70 years of age, with a very small income, and practically alone; there is no one to whom I could turn for help financially should the bill now pending be passed, known as 1725. Will you personally consider the privations that would come to thousands like myself should this bill be passed?

All my life's savings are invested in public utilities with a view to having a future somewhat free from financial worries. I do protest against the passage of any legislation which might mean the destruction of holding companies, the wrecking of private investments, and the domination of the electric industry by political agencies.

I have many more letters along the same line. I will ask permission to put them in the RECORD. I do not wish to detain the Senate long, but I did want all Senators to understand the feeling of these people. There is not one of the letters I am now reading which I believe was inspired by any holding company.

Listen to this:

There are many people in the State of Rhode Island, some of very small means, today who in good faith in the past purchased utility stocks and bonds as a means of deriving better than "bank-interest income" in their older years, and in this manner tried to care for themselves rather than become a public charge. I, a former salesman of securities, also in good faith sold securities of many utility companies to many of our citizens with that same idea in view.

At the time of these sales most of the utility investments, if not all, were sold under Federal and State regulation to a certain degree; and, regardless of political faith, it seems to me that we

have a right to expect that this country of ours will also deal justly with the thrifty citizen as well as the persons who not only squander their own money but many who today indirectly, through taxation, etc., are squandering as well some of their neighbors'.

Here is a letter from another widow:

I am a widow, and nearly all the small amount of money which I have invested in public-utility stocks, so highly recommended a few years ago by our Providence banks. Without doubt, the passage of the Rayburn bill in the House and the Wheeler bill in the Senate will seriously affect my small income and the few savings which I have, and will undoubtedly work a great hardship and loss on thousands and thousands of small investors of the middle class who made their investments with the assurance that they were the safest investments in the world. Such action would seriously affect the morale and confidence of these thousands. They would never dare invest in anything again or take the advice of men of standing in finance and business.

Here is another one:

My parents, ruined in business years ago by the failure of a local industry, have been carrying on since on a meager income from a block of utility stocks. I am convinced that passage of the "act of 1935" would adversely affect that income, and cause a genuine hardship.

Here is another one:

I am a woman 74 years of age. My chief source of income is from 35 shares of stock, so I am very much concerned over the prospect of the Government taking control of the company, a course which I understand you strongly oppose.

I earnestly protest against any actions that will be likely to curtail my own income, as well as that of thousands of others.

I am interested in public-utility securities. I own a few stocks and bonds in electric light and power companies, and it seems to me that the Rayburn bill as it is will commit a great injustice to owners of bonds in holding companies. While they may have committed some sharp practices, there have also been a great many benefits to the consumers, which they could never have received from private companies; nor will they ever get the service from municipal-owned companies. I am a man 67 years of age, and depending on the income from those securities to support me.

This is the way all these letters read. Here is another:

If the claims of the Federal Trade Commission that abuses have been found to exist in the public holding company field are substantiated, some provision of law should of course be enacted to correct and end them; but to destroy these companies will result in the destruction of property of hundreds of thousands of their innocent shareholders.

All governmental officers, from the President down, should not forget that they are the servants, not the masters, of the people, elected only to manage and regulate the Government which the people have established. When these servants, or any number of them, have combined to destroy the property of their employers, or to rob one of its classes to enrich another class, they should be discharged and punished.

The stockholders who own these corporations are among their employers. If the favored class are more numerous than those who are despoiled, although the discharge of the servants may be impossible, their conduct is not less reprehensible and dishonest, or their dereliction of duty and violation of their oath of office less inexcusable and contemptible.

Can nothing be done to stop the destruction of our savings invested in public utilities? I am a nurse and in my late sixties, and can find little or no work to do. I have 15 shares of Commonwealth, and 9 shares of American Telephone & Telegraph. The former has reduced the dividend from 6 to 3. I get now only $45 a year, when it was $90. It may not seem much. All my income is now about $125 a year, and so I am living on a starvation income and have rent to pay for a room. If the depression caused it I would have to grin and bear it; but it is being done deliberately, and our means of living taken from us. Senator, is there nothing that you can do?

Here is another:

I am an investor in a holding company. All my life's earnings are at stake, if this bill to abolish holding companies is passed.

I appeal to you, as Senator from Rhode Island, to vote against the passage of this bill.

For the past several years I have put a portion of my savings in stocks of public utilities as a nest egg for my old age.

The proposed Public Utility Act of 1935 will destroy these savings. It is confiscatory, un-American, and a violation of State rights and the Constitution.

I know that you will realize this and vote against the Public Utility Act of 1935.

This is another letter:

This bill I feel in its present form is a drastic violation of public rights and property, and unless we are to have a complete socialization of the State and utter disregard of the interests of investors in all undertakings in the country, I can see no justice in such an act.

If such legislation is permitted, the business man in this country will lose all hope of ever having any recovery, and I must say that hope is already at a low ebb, due to the uncertainties engendered by unwise legislation.

I know that I am by no means alone in this feeling, and that there exists a large body of men in this community who feel the same as I do.

Regulation is one thing, but confiscation is another.

Why wreck private investments? The poor and middle class save through only two mediums—the savings bank and the insurance company. What are the major investments behind these two types of companies? They are public-utility holding company stocks and bonds. Why make these people suffer and add to the relief rolls? Is that going to bring back recovery?

Why single out the electrical utilities? Neither my friends nor I have any objections to the utility bills we get each month. They are small to start with, and a few cents added or reduced would not make any difference. We wonder why all the hue and cry about it. What we do worry about is the big increase in taxes everywhere we turn. The utilities are paying more taxes now than any other industry. If you destroy them, where is that revenue coming from? It seems to me you are cutting off the hand that feeds you, and also the hand that feeds hundreds of thousands of people.

Is not the above straight common sense? Shouldn't the people and the Nation be put above any party or personal wishes?

Listen to this one:

Our charities, savings banks, and thousands of small investors will suffer untold losses if the Wheeler-Rayburn bill is passed as published.

In my opinion, it is un-Christian, un-American, and destructive to force any industry to liquidate within a few years.

I believe in honest and reasonable regulation of utilities, and hope you will help to prevent serious losses to millions of thrifty investors.

Here is one from a man who is the head of a charity organization. Let us see what he writes:

As president of the Ballou Home for the Aged of Woonsocket, a charitable organization, the funds of which organization are invested in utility securities, as well as in other forms of investments, allow me to strongly urge you to vote against the substitute Wheeler utility bill S. 2796, which is now on the floor of the United States Senate.

The adoption of this bill would inflict serious loss upon our corporation and would materially hamper its good work by substantially depleting its income from its investments.

Senators, let us do what we can to put an end to dishonesty and corruption wherever they may appear, but let us not destroy all confidence and make it impossible to carry on and do business.

ELECTRIC POWER AND DICTATORSHIP

Mr. SCHALL. Mr. President, I voted for the T. V. A., as the Tennesssee Valley Authority is called. I voted with the Senator from Nebraska [Mr. NORRIS] for the Muscle Shoals project.

I support the people of Minnesota in their plan for the more complete electrification and power development of my own State. I approve of the many hundred municipal lighting projects of my State in which our people, when convinced that they are paying excessive domestic rates, exercise their civic rights under the power of eminent domain to run their own lighting plants.

Because I believe in the rights of the sovereign States, because I believe in self-government by and for the people, and in protecting the rights and liberty of us all under the 10 articles of Jefferson's Bill of Rights, I am opposed to the pending bill.

Lenin expressed the new philosophy of modern dictatorship in the following mathematical terms: Control of electric power plus socialism equals communism.

What Prof. Rexford Guy Tugwell calls "collectivism" means the same thing. And "collectivism"—called Fascism in Italy, nazi-ism in Germany, and Sovietism in Russia—Comrade Tugwell here calls the "new deal."

The logic of the Lenin formula—that electrification plus socialism spells "communism"—is apparent in this:

First. Electric power is the ultimate source of motive energy for all industries, transportation, and communications.

Second. He who controls the industries upon which the people live and thereby controls the transportation of the

people and their products and controls the communications which make them a civilized society governed by law controls thereby their lives, liberty, property, and pursuit of happiness.

Therefore the control of electric power and its transmission under a system of state socialism gives a bureaucratic dictatorship a power over the people far more complete—a communism far more perfect—than any crude communism of a savage or semicivilized state based on primitive physical force.

Not any army of 10,000,000 guns quartered within the boundaries of our 48 States and 3,000 counties would have the power to dominate the lives, liberty, and the industries of our 130,000,000 people as would the centralized control of the electric energy of our streams and coal mines, of our rainfall and the stored fuel power of the ages, together with the centralized control of public-utility holding companies, the centralized control of electric transmission and sale, the control of natural gas and converted coal power, and control of all communications dependent thereon such as the Rayburn bill and its companion Rayburn Communications Act would have in destroying the rights and powers of the States in defiance of our Constitution.

Mr. President, I shall never vote to surrender the basic structure of this Republic, namely, the rights of the constituent States and the rights of the people of those States to local self-government, by voting to turn over to a centralized autocracy, a bureaucratic dictatorship organized on Moscow and Tammany Hall lines, the control over electric power, control over the transmission and sale of power, the public utilities and communications, for which political purpose this bill appears directly aimed.

In its ultimate goal, this is not a public-utility bill but a political-power bill.

A Federal bureaucracy which controls our communications seeks control of our press associations, control of news, and the thought of the day in order that it can therefore control the public opinion upon which our Government rests.

A Moscow-Tammany control of the Nation through control of electric energy and communications would more speedily and completely destroy our indestructible States, and more completely destroy government by the people than any other planned emergency yet presented as a bold experiment.

If we believe in this America for which our fathers fought, if we believe in the rights of the States which are the national foundation, if we believe in the Constitution which we have sworn to uphold, we cannot support any proposal to join electrification and socialism into that which Tugwell calls "collectivism", and Lenin calls "communism", and Mussolini calls "Fascism", and Hitler calls "nazi-ism", and the "brain trust" calls "new deal." All of these "isms" and "deals" come under the category "all darkness looks alike to me", and none of them qualify as American under the American Bill of Rights.

Give a centralized Federal bureaucracy control of electric transmission and communications and we have a Federal censorship such as that of Hitler in Berlin, of Mussolini in Rome, and Stalin in Moscow.

The pending bill is only one in the long series of steps in that Fabian policy to destroy democracy in America. It is just another of those Fabian moves to undermine the rights and powers of the States in America, as in Italy, Germany, and Russia. It is just another move in the plan to build up a centralized Federal power which shall reduce all forms of self-government under an imperial dictatorship like that of ancient Rome from the time in the second century B. C., when Fabius Maximus was twice dictator and imperial censor, followed by Sulla, the first permanent dictator, who, by the way, was retired to private life in just two bloody years.

When Franklin D. Roosevelt complains that the United States Supreme Court decision, concurred in by the unanimous judgment of 9 Justices, 3 of whom are from his own State of New York, has set the country back to horse-and-buggy days, let him not forget that his own autocratic program which the Court has halted would set this country back to the Roman-chariot days when Nero fiddled on a hill and Catiline distributed doles to a starving multitude.

This new Rayburn-Roosevelt bill attempts to add to the autocratic powers of the President and his bureaucracy and take from the States the fundamental powers on which this Republic was founded. It is a follow-up sequel to the unconstitutional N. R. A. and the Federal censorship control under the Rayburn-Roosevelt Communications Act.

The Rayburn-Roosevelt Communications Act governs the radio, the telegraph, and long-distance telephone communications, and this second Rayburn-Roosevelt bill—the pending public-utilities bill—governs the electric-power transmission necessary to the transmission of the messages governed by the Communications Act. One is the complement of the other. Combined they give Federal control of all those modern facilities through which the people of the States voice the public opinion which today makes possible government for and by the people.

Add to these Rayburn-Roosevelt bills the control of the mails by a Postmaster General who is both chairman of the President's party committee and personal political manager of the President; add the pending politically centralized bank bill; add the proposed political control of railways under Federal operation; add to control of railways the new Federal control of motor traffic; add the unconstitutional N. R. A. to "crack down" industry under monopoly codes; add the destruction of crops aided by the Catiline plan of $1,000,000,000 of Federal subsidy doles—then give the President $5,000,000,000, or a sum one-half larger than all the Federal revenues of the United States, to meet his political "emergency" of 1936; and where is the freedom of the American ballot? Where is the boasted liberty of this "land of the free and home of the brave"?

Where is that "indivisible Union of indestructible States", which so long we have boasted as the beacon light of the world?

Mind you, this pending bill, this companion of the Rayburn Communications Act, drafted by the White House and handled in this Chamber by an emissary of the White House, an attorney not elected by the people of any State, seated in this Chamber, I understand, at the elbow of the Senator who consents to be the bill's sponsor, is laid before us for passage in time to become effective in the coming Presidential election.

This Rayburn-White House bill is the companion measure, not only of the Rayburn Communications Act, but of that measure providing the $5,000,000,000 lump sum demanded by the President for his own allocation in the 1936 campaign.

Even though the N. R. A. and the A. A. A. and 16 subsidiary alphabetical bureaus are destroyed by the court as unconstitutional, the administration may have the exalted confidence to believe that, given this bill, plus the Rayburn Communications Act, plus the $5,000,000,000 for 1936, plus another five billion he no doubt will secure by asking this subservient Congress to give it to him in the next session, plus the further billions now supporting 22,000,000 public charges, it may have all the power which Lenin predicted by adding electrification to centralized socialism—the power to control the United States and secure 4 years more of bureaucratic dictatorship, and thus fulfill the grandiose idea of the President as he intimated that he would be the last President.

The Russian newspapers during the last election published the photograph of Franklin D. Roosevelt over the caption "the first communistic President of the United States." Evidently the Russian newspapers had knowledge concerning the ultimate intent of the President, which had been carefully withheld from the voters in this country. In fact the voters of the United States were meticulously misled as to such intentions, as has been disclosed by such words from the President himself as:

> The great strength of our Government is due to the basic fact that we have 48 laboratories in which the people can acquaint themselves with and work out their policies—this responsibility is indispensable to a self-governing people.

He said on another occasion:

The preservation of this home rule by the States is a fundamental necessity if we are to remain a truly united country. To bring about government by oligarchy masquerading as democracy it is fundamentally essential that practically all authority and control be centralized in our National Government, the individual sovereignty of our States must first be destroyed.

On March 2, 1930, Governor Franklin D. Roosevelt delivered himself thus:

The doctrine of regulation and legislation by "master minds" in whose judgment and will all the people may gladly and quietly acquiesce has been too glaringly apparent at Washington during these last 10 years. Were it possible to find "master minds" so unselfish, so willing to decide unhesitatingly against their own personal interests or private prejudices, men almost godlike in their ability to hold the scales of justice with an even hand—such a government might be to the interests of the country. But there are none such on our political horizon, and we cannot expect a complete reversal of all the teachings of history.

Governor Franklin D. Roosevelt undoubtedly would have impeached President Franklin D. Roosevelt at that time for his conniving conspiracy to destroy the Constitution after taking the oath to defend and uphold the Constitution, and would have presented as exhibit 1 to that impeachment the recent unanimous decision of the Supreme Court on the N. R. A. Would the President claim immunity from this impeachment by assertion of his godlike master mind, and would he further excuse his delinquency at his demise by recommending a continuance, through his blood kin, of this godlike master mind, "this divinity that doth surround a king"? After 7 long years of bloodshed we did away, as we thought forever, with the king-can-do-no-wrong stuff and placed the perpetual sovereignty of our country in the people by a written Constitution. This bill is only another link in the malicious connivings of conspirators to circumvent the Constitution, take the sovereign power from the hands of the people where the Constitution put it, and place it in the hands of our Executive and his minions of secret, dark bureaucracies. On what meat has this our President fed that he has, within the last 4 years, become so great, so godlike, so masterfully minded, so divine, so beyond criticism that he now feels himself to be a complete reversal of history, and like weak-minded Louis XIV must usurp the functions of and declare himself the State, for just last Friday, while smarting under the unanimous decision of the Supreme Court on the N. R. A., thwarting his grandiose idea of dictatorship, he declared unequivocally for the destruction of the individual sovereignty of our States, and we have at last revealed by his own expression an explanation of all this queer un-American legislation that he has with boot and spur driven through Congress.

This bill is only another link in the international Fabian plan to take over our Republic which has been built upon the teachings of Christ, in which all men are declared equal and under the sovereign power of the individual free to choose between good and evil, as Christ said we must be in order to grow in understanding and in soul. The forces of darkness and the forces of light today are contending in fierce strife for the souls of men, and I believe the vehicle of this Republic is one of God's instruments through which he has written and will continue to write the doctrine of the salvation of the world, despite the forces of darkness which seek to retard and throw us back in our struggle for liberty and light 2,000 years.

Senators have not forgotten that in the administration's first annual message, delivered at the opening of the 1934 session, the President demanded that his temporary so-called "emergency" powers be made permanent.

I have shown in the CONGRESSIONAL RECORD of February 6, 1935, that at the same time he was making this demand to have his temporary dictatorial powers made permanent, he was sending his Cabinet members and bureau chiefs over to Delaware to incorporate, under his regal charters, six Delaware holding companies, all of which carried an article reading:

This corporation shall have perpetual existence.

He was doing the same thing which Sulla did in 80 B. C.—Sulla, the first permanent dictator of ancient Rome!

It seems that the constitution of the early Roman Republic carried a provision that in time of war or exigency—today called "emergency"—Rome could have a dictator not governed by the lawmaking power under the constitution. However, that dictator was limited by Rome to a term of only 6 months. The Roman name for permanent dictator was "emperor." Even the Roman people of 2,000 years ago were too zealous of their liberty to withstand a permanent dictator. Sulla's ambitious terms as permanent dictator ended in two short years. Julius Caesar was assassinated by Roman Senators, simply on the rumor that he had designs in becoming permanent dictator or emperor.

But the Constitution of the United States, unlike that of ancient Rome, has no provision for any dictator, even for a term of 6 months. The delegation of the legislative powers of government to the Chief Executive would make him dictator. That is what dictatorship means—the legislative power and executive power combined in one man. That is what the Supreme Court in its N. R. A. decision declares unconstitutional. That is the gist of the Supreme Court decision—there can be no emergency dictator under the Constitution, even in a time of pretended emergency or planned chaos.

If Senators will read those six Delaware holding-company charters again, which I published in the RECORD of February 6, they will make an interesting discovery. They will find that the entering wedge, indeed, the first crude version of this public-utility bill, was embodied in the articles of those Federal Delaware holding companies chartered by the President's Cabinet members and bureau chiefs in the 90 days preceding and coincident with his message to Congress in January 1934, asking to have his emergency powers made permanent.

On November 16, 1933—the day Tugwell declared at Columbia University that government of men had superseded the fiction of government of laws, Cabinet Members Harold L. Ickes and Frances Perkins, with Robert D. Kohn, filed a charter under the provision:

This corporation shall have perpetual existence.

Among the lines of business for which this Federal Delaware holding corporation was chartered, article "Third (7)" provided:

To furnish, equip, operate, manage, and maintain public-works projects and buildings and structures of every kind, nature, or description, and to do any and all things necessary, suitable, or convenient in connection therewith, including without limitation the supplying of heat, steam, water, gas, electricity, and transportation, telephone, and any other facilities or utilities necessary, suitable, or convenient.

This Federal holding company, incorporated in Delaware, operating under acts and Executive orders, "hereinafter collectively called the 'Recovery Act'", was also authorized to—

Exercise any and all such powers in connection with the foregoing as may be delegated to, or conferred upon the corporation by the President of the United States of America, or the Federal Emergency Administrator of Public Works, or other duly designated representative of the United States of America, under or in conformity with the Recovery Act.

Again, on January 2, 1934, the day before Franklin D. Roosevelt demanded of Congress that his temporary emergency powers be made permanent, Secretary Harold L. Ickes, and fellow bureaucrats, Oscar L. Chapman and Theodore A. Walters appeared before a District of Columbia notary to swear to articles for the incorporation of another Delaware holding company, known as the "Public Works Emergency Leasing Corporation", also a holding company having perpetual existence and operating in conformity with the Recovery Act. This second corporation likewise exercised wholesale powers in constructing and financing public-utility plants, including—

(7) To undertake, construct, or finance * * * projects * * * for development of water power, generation and transmission of electrical energy—

And so forth. Likewise it was chartered—

(11) To furnish, equip, operate, and maintain projects and structures of every kind, nature, or description, and to do any and all

things necessary, suitable, or convenient in connection therewith, including, without limitation, the supplying of heat, steam, water, gas, and electricity, and transportation, telephone, and any other facilities or utilities necessary, suitable, or convenient.

These Federal Delaware holding corporations, in acquiring public utilities by purchase or otherwise, were also authorized to acquire securities, stocks, and bonds, to borrow and loan money without limit as to amount, take over franchises, property, and goodwill—to exercise all powers of "any other corporation, or any person, firm, association, or government"—and, besides such powers, the corporation also should perform any and all functions—

As may be delegated or assigned to or conferred upon the corporation by the President of the United States of America, etc., under or in conformity with the Recovery Act.

These Federal Delaware holding corporations were to conduct their business and have offices—

(12) * * * hold, purchase, mortgage, and convey real and personal property in the State of Delaware, or in any other State, Territory, or locality, and to carry on any and all of its operations and business without restriction or limitation as to amount.

The passage of the pending Rayburn bill giving the authority of Congress to the Federal control of all electric energy and transmission, following the Supreme Court decision invalidating the "Recovery Act", would provide these Federal Delaware holding corporations the legal pretense for their plan of socialization of electric production and transmission and ownership and operating of gas, electricity, transportation, telephone, and all other like facilities and utilities which the administration deems suitable, necessary, or convenient.

This public-utility bill would afford the legislative basis necessary to legalize these Delaware charters, which provide that the temporary emergency powers demanded by the President, January 2, 1934, shall have perpetual existence.

Unlike the Supreme Court decision, which carries us back to the Constitution as it existed for 146 years up to March 4, 1933, this bill would enable the Commander in Chief of the Army and Navy to return for his precedent of permanent dictator to the year 80 B. C., when the lawless Sulla became, for a riotous period of 2 years, the so-called "permanent dictator" of Rome.

THE NEW-DEAL TUGWELL-ICKES HOLDING COMPANY

We are now confronted by a strange picture. The very administration which sets up, by royal charters from the President, six Delaware holding companies with Nation-wide powers—powers that are to be exercised without limit or restriction as to place, scope, operation, or liability—submits a White House bill to destroy existing holding companies necessary to the efficient supply of the country's electric transmission.

We are not surprised to hear that Norman Thomas, the Socialist leader, welcomes this Rayburn-Roosevelt bill as a model plan of socialism. Were Lenin alive, he would find here the fruition of his dream—electrification plus socialism equals communism. And the administration which deplores holding companies gives the world the example of the greatest proposed holding company outside of the Union of Soviet Socialist Republics.

"Comrade Tugwell", as he was known in Moscow while studying the Soviet plan, is known in Washington as "brain truster no. 1"—the under secretary of the new-deal underworld. He it is, no doubt, with the aid of the Kohns or Cohens of Russian nationality, who has borrowed this collectivist plan from the Soviets to perpetrate as a bold experiment upon the people of the United States.

It is significant that on the same day, November 16, 1933, when Tugwell was delivering his Columbia University address, now distributed as a public document of this administration, telling the country how he has lived to see government of men, as in Moscow, supersede the fiction of government of laws, which we have had in the United States since the Constitution of 1787, it is significant, I repeat, that on that very day Harold L. Ickes and Robert D. Kohn were standing before Nat. P. Thompson, a notary public of the District of Columbia, in the presence of Charles P. Grimes, and swearing that they were members of the first board of directors of a Federal Delaware holding company—

To act as an agency of the United States of America—

To furnish, equip, operate, manage, and maintain public-works projects and buildings and structures of every kind, nature, and description * * * including without limitation the supplying of heat, steam, water, gas, and electricity, and transportation, telephone, and any other facilities or utilities necessary, suitable or convenient.

Certainly such Federal Delaware holding company might reasonably command the applause of Norman Thomas, our American Socialist, or Lenin, the father of the Russian Soviet. The question before the Senate is, Does such socialistic holding company satisfy the requirements of our Constitution and the Americanism we are sworn to uphold? Are we ready to destroy the $12,000,000,000 of investment, held by millions of small investors throughout the United States, in order to convert the United States of America into an imitation of the Union of Soviet Socialist Republics?

Tugwell tells us in his public document of November 16, 1933, that the fiction of government of laws would not have attained such great prestige in this country if we had had the right men to govern us. But on that November 16, 1933, the right men seemed to have come forward though not by election of the people, to govern the public utilities, "including without limitation the supplying of heat, steam, water, gas, and electricity, and transportation, telephone, and any other facilities" which the "brain trust" deemed necessary, suitable, or convenient. Also, these right men—Harold L. Ickes and Robert D. Kohn—were to exercise "any and all such powers" as "may be delegated or assigned to, or conferred upon the corporation by the President of the United States of America."

Thus we are asked in this Rayburn-Roosevelt bill to tell the people of our respective States that we have found the right men; that we have found the right holding company that will swallow up all existing holding companies and exercise all the powers of existing holding companies combined; that the Tugwell-Ickes-Kohn holding company, whose resident office is at no. 100 West Tenth Street, Wilmington, Del., will take over the holding companies of 48 States, 3,000 counties, and all towns and cities, and operate them pursuant to the bold experiment of a new deal that has plunged us into $18,000,000,000 of new debt, $12,000,000,000 of new Treasury deficits, and today exhibits 11,500,000 unemployed and 22,000,000 public charges, thereby beating the record of Cataline by 1,000 percent. It is too bad that Lenin is not alive to assist Mr. Kohn on the Federal-Delaware board of directors or to sit in the Senate Chamber at the elbow of this bill's distinguished sponsor.

I am wondering, Mr. President, if the Kohn who sits with Mr. Ickes on the Federal-Delaware board is the same gentleman of similar name who sits in this Senate Chamber, although not elected to a seat here. Whether there is only one or two of them does not matter, but it does matter if an attorney or lobbyist for this bill can sit here and direct legislation. If delegation of the legislative power of Congress to the White House is in violation of the Constitution, as held by the Supreme Court in the "sick chicken" case, what shall be said of this White House delegation of its attorney and lobbyist to the United States Senate?

Have we adopted the British system of seating the executive representatives of the king without the knowledge or consent of the Senate?

Most of us recall an incident a few years ago when a Senator who was defeated in the succeeding election brought into the executive session of a committee—not the Senate itself—a lobbyist by appointing him as a private secretary. Many Senators recall what happened. Substantially every Democrat and most of the Republicans and Progressives joined in a reprimand—the most unanimous reprimand in the history of the United States Senate. The dignity of the United States Senate had been subjected to insult because of the invasion even of a committee room by a lobbyist not entitled to a seat there. What would have happened if this Senator had brought his lobbyist, not into a Senate com-

mittee room but into the United States Senate itself, to direct legislation?

What is this new deal which flaunts the Constitution and the United States Supreme Court; which denounces the rights of the States, which constitute our national foundation; which usurps the legislative functions of Congress; which exercises the tax power and the allocation of Federal appropriations; which drafts our bills and railroads them through Congress and secures committee reports, and even passage in some cases before the bill is even printed? Is it a misdeal, a raw deal, or just a slippery deal whereby government by the people is converted into government by men, as in Rome, Berlin, and Moscow?

Is this the method by which American investors are to be robbed and swindled, as they were, to the tune of $15,000,000,000, by Wall Street brokers in foreign securities? The amount lost to American investors through the new deal, or slippery deal, of international bankers seems to compare in amount with the loss proposed through the operations of this bill. Have we not had enough of that class of investment robbery?

Senators have read the minority report of the Senate committee, denoting that in this Rayburn-Roosevelt bill maneuvering there was a new double deal at work. The statement is made without contradiction, as I recall, that the majority report was printed 2 days before the star-chamber final substitute bill was printed for the committee members to read. Hearings were made on one bill, while the final substitute dealt out to the Senate is another thing.

Mr. WHEELER. Mr. President, I merely wish to interrupt by saying that that statement is not true.

Mr. SCHALL. Did the Senator ask me a question?

The PRESIDING OFFICER (Mr. BURKE in the chair). A statement was made by the Senator from Montana.

Mr. SCHALL. I did not hear what the Senator said.

Mr. WHEELER. I said I wanted to interrupt by saying that the statement of the Senator to the effect that the committee report was printed 2 days before the final bill was printed is not true.

Mr. SCHALL. In answer to the Senator, I desire to quote the following extract from the minority views submitted by the Senator from Delaware [Mr. HASTINGS]:

> We thus have presented to the Senate a bill which was voted out of committee without an opportunity for any member of the committee to read it, and accompanied by a report that was sent to the Public Printer 2 days before a printed copy of the bill was presented to the members of the committee.

In the case of last year's Rayburn-Roosevelt Communications Act, the House, I understand, never saw the bill which was passed. In the case of the Securities Act, one bill passed the House, another quite different bill passed the Senate, and then, finally, a third substitute bill, which neither House had seen, was dealt out of the new-deal deck and put through by the conference committee.

In short, as correctly interpreted by Professor Tugwell, or Comrade Tugwell, as he is better known in Moscow, we have here in this new-deal or double-deal mode of legislation government of men in lieu of what Comrade Tugwell describes as the fiction of government of laws which obtained such great prestige in this country up to March 4, 1933, because for 140 years, beginning with Washington and Jefferson, down through Jackson and Lincoln, to the times of Theodore Roosevelt, Wilson, and Coolidge, we had not the right men to govern us.

Now we have the right men. We have in the White House a man who describes the nine Justices of the United States Supreme Court as belonging to the "horse and buggy" days. We have a man after the heart of Sulla and Fabius Maximus, who joins in himself both legislative and executive powers of government. We have a man who pooh-poohs the rights of sovereign States and proceeds to override them with the three Rayburn bills and his $5,000,000,000 in one sum, subject to the allocation of the Executive.

We have a man who grabs up the World War Act of 1917 and uses it to "crack down" and close up the 17,000 banks of the United States, solvent and insolvent—chiefly solvent—and thereby produce the first planned chaos, who 25 days after he took the oath to defend and uphold the Constitution from foreign and domestic enemies forces through the House, without even allowing it to be printed, a bill that would put a publisher in jail for 10 years and fine him $10,000 for daring to advocate anything the President did not approve.

We have a man who suspends the antitrust laws, who creates by Executive fiat 731 monopoly codes of unfair competition, whereby small industries are crippled or abolished and the trusts given franchises to do what for 40 years it had been unlawful for trusts to do, namely, boost the monopoly prices on living costs in 30,000,000 homes, cut down the true wages of labor, and then tell the victims: "I am increasing your purchasing power."

We have a man who dispenses with the lawmaking body of Congress, except as a handy rubber stamp and a scapegoat for Executive blunders, and, after shuffling the deck, with a new joker unseen, sends his attorney here, or croupier, to whirl the roulette wheel of controlled legislation.

All was working well until the referees named in article III of the Constitution, which states, "the judicial power of the United States shall be vested in one Supreme Court", spied a woodchuck in the "sick chicken" coop of the N. R. A. When they finally examined that woodchuck, the referees indicted it for sucking eggs. Congress seems to have been the egg, and the contents thereof—namely, the legislative powers of government—appeared to have been sucked out for the nourishment of the White House and its bureaucracy, over which Farley was head nurse and the "brain trust" the doctors. The referees, by a vote of 9 to 0, declared this egg-sucking business unconstitutional and a thing to be stopped. It might be all right in the eyes of Tugwell, Moley, and Farley. It would be orthodox according to the practices of Mussolini, Hitler, and Joseph Dzugashvili Stalin. But it was not in accord with the rules of John Marshall, Melvin W. Fuller, Charles Evans Hughes, and the Supreme Court of the United States from March 4, 1789, down to May 27, 1935.

This bill provides for a delegation to the White House of all the rights and powers of the 48 States, the 3,000 counties, and the countless towns and cities over electric energy and transmission thereof. It deprives them of the power of eminent domain in using their own power and transmission resources to meet civilized necessities for public service. It places all electric-power development and communications under the control of a Federal bureaucratic dictatorship. It gives the rights of the people to a Tammanyized bureaucracy.

The necessity for a holding-company organization to tie in the several rainfall areas of a given section of the country in order to obtain an efficient and dependable source of electric energy to maintain the industries and secure dependable public service is known to all students of the subject as derived from general public experience.

One of the leading outstanding authorities on this subject—the president of the University of Wisconsin, at Madison, Glenn Frank, known to all economists as a liberal of progressive views—tells the country:

> Great statesmanship will not damn the holding company indiscriminately, but will judge it by whether it represents the productivity of functional capitalism or the parasitism of financial capitalism. * * * The holding company is a tool that modern capitalism needs in order effectively to do its job. It can do for a series of separate enterprises what these enterprises may not be able separately to do.

Thus Glenn Frank sees the necessity of aggregating the separate rainfall areas into an effective unit against the encroachments of drought, just as George Washington and his compatriots saw the necessity of the Thirteen Colonies to join forces against a foreign enemy. These States were formed on the doctrine, "United we stand, divided we fall." This Union is a national holding company. The respective States are the holding companies of their counties. Our war for the Union was to preserve the great holding company provided for under the Constitution.

It is the enemy of our Union, the foes of our liberty, that now seek to dismember our effective holding company on the old Fabian principle, "Divide, then conquer." And what

they do to destroy us politically, they first seek to do by destroying our economic unity, which is the foundation of our political existence as an indivisible Union of indestructible States.

They have broken down our agricultural production. They sought to "crack-down" our industrial production. They seek control of our banking and transportation, and in this bill they seek control of all communications upon which rest the public opinion that maintains the Government built upon the reserved rights of the sovereign States.

President Glenn Frank, the progressive economist of Wisconsin's University, gives this common-sense advice to the President of the United States:

> Let us hope that Mr. Roosevelt will be the statesman he has it in him to be, and that, in meeting the holding-company issue, will salvage the holding-company device for the social service it may serve, while making the maladministration of the holding company the social treason it is.

Gentlemen of the Senate, there is an old story which doubtless you may have heard in your boyhood days concerning the methods of a certain quack doctor. He was "hell on fits", so, whatever the disease he was called upon to cure, he would throw the patient into a fit. He killed the fit by killing the patient. That method has been taken over today by the doctors of the "brain trust."

There are evils in the holding-company organization here and there, just as there are diseases and sin in the human family. Statesmanship would cure the disease to save the patient. Dictatorship would kill the patient to reach the disease. Congress was created, not to kill the States, but to preserve them as the foundation rocks of liberty and union. Let us be true to the Constitution which all of us have sworn to uphold in the performance of our public duty.

Mr. President, this bill S. 2796, should be indefinitely postponed or recommitted to the Senate Judiciary Committee with instructions to rewrite the same pursuant to the terms of the Constitution and our Bill of Rights whereby no bureaucratic dictatorship may invade the rights and powers of the sovereign States.

There is one feature of this bill—it may become the outstanding feature as a menace to the constituent States involved—that I have not yet heard discussed by the proponents of this public utility Federal force bill.

That feature concerns the fundamental stream structure of our domain which in the physical nature of the case makes substantially water-power projects Federal, because water powers of any consequence are on potentially navigable streams which are the property of the Federal Government. Thereby they come under title II of the bill, which is a revision of the Federal Water Power Act.

Moreover, the stream capable of developing electric power of commercial value is interstate, either in its source, its course, or final destination, and thereby the electric energy generated therefrom has a Federal and interstate origin—and comes under titles II and III of the bill.

Thus, while the bill pretends to be limited to interstate and foreign commerce, it in fact swallows up intrastate business. It places both the State and municipality under Federal control, per se, notwithstanding the verbal denials.

Take the stream basis of my own State of Minnesota. Substantially every water power of consequence in Minnesota is on a stream subject to Federal authority. Whether developed or undeveloped at the present time, Minnesota streams are interstate and Federal streams which under this bill yield their State jurisdiction over power transmission to the Federal Government. For the purposes of illustration I am reviewing the stream geography of Minnesota.

Beginning at the northwest boundary of the State is the Red River of the North, which forms most of the interstate boundary between Minnesota and North Dakota. It rises in Lake Traverse, a boundary lake within sight of the sod shanty where I spent my early boyhood on the old-soldier homestead of my father, who was a Civil War veteran.

The Red River of the North is interstate and Federal in its source and in its course finally crosses the Canadian boundary to Hudson Bay. Any State enterprises that may be developed on this river or its Minnesota tributaries will be placed by this bill under the interstate control of the Federal Government pursuant to titles II and III.

The Minnesota River rises in Big Stone Lake, only a few miles from the old homestead of my boyhood days, a companion lake in close proximity to Lake Traverse, on the interstate boundary between Minnesota and the two Dakotas. Thence it flows southerly and easterly to empty at St. Paul into the Mississippi which flows down the State boundaries of Wisconsin, Iowa, Missouri, and Arkansas to the Gulf.

All electric enterprises of power and transmission on the Minnesota River, whether called "State" or "interstate", are alike subjected by the bill to Federal control under the interstate powers based on the interstate origin and Federal control of Minnesota River. Despite all the verbal denials and exceptions, the revised Water Power Act and Power Commission Act written into this bill give Federal control.

The St. Croix River, which forms 100 miles of the interstate boundary between Minnesota and Wisconsin, and has its source in Wisconsin and tributaries in both States, flows into the Mississippi at Hastings, a few miles south of St. Paul, and then becomes a part of the Father of Waters. All electric development on the St. Croix and tributaries, whether State or interstate, and all transmission therefrom pass under Federal dominion pursuant to this Rayburn-Roosevelt bill under its water-power provisions.

The same is true of the St. Louis River, which flows into Lake Superior at Duluth. The same holds for Pigeon River, with its many valuable water powers, developed and undeveloped, which forms 100 miles of Minnesota's northeastern international boundary with Canada, before falling, after a drop of 900 feet in the aggregate, into Lake Superior. The same holds for the Rainy River Watershed, which for another 100 miles separates Minnesota from Ontario. The same holds for something like 100 water powers, developed and undeveloped, between Lake Superior and Lake of the Woods, of which 100 boundary lakes are the mill ponds and 100 streams are potential mill races.

All of this vast international watershed, forming the northern boundary of Minnesota for a distance of nearly 250 miles—a part of which is developed by companies having an aggregate capital of $100,000,000, not including an estimated 200,000 water power undeveloped, one of the greatest undeveloped or partially developed water-power districts of the United States—all of this, under the revised Federal Water Power Act and revised Power Commission Act written into this bill, is Rayburn-Rooseveltized under this bill.

The principal developed water power and electric power and transmission plants now operating, of course, are on the Mississippi and its tributaries, reaching from the north center to the southeastern corner of the State. They now approximate 200,000 developed horsepower, which supplies something like 40 public-utility and municipal plants—lighting, street-railway, and for industrial service—besides or in part including the St. Anthony Falls power for running the flour mills and numerous factories.

All of this Mississippi River power now developed by Government dams at several points for over 100 miles from Mississippi headwaters down river to Winona, on the lower Wisconsin border, is subject to the Rayburn-Roosevelt Federal dominion under the 100 pages of this bill, in titles II and III—the revised Federal Water Power Act and revised Power Commission Act—concerning which we hear no White House or other new-deal publicity.

All the publicity is devoted to about 30 percent of the bill—the first 40 of the 178 voluminous pages, that concerning the public-utility holding company securities—concerning which it is possible to arouse popular prejudice because not understood.

Have you heard the White House say a word about the great body of this bill—the 100 pages devoted to rewriting of the Federal Water Power Act and the Power Commission Act? Have you heard a word from the publicity end of this administration, which, by the way, constitutes pretty much

all of the new-deal experiments, concerning the proposed Federal domination of all State enterprises operating on interstate and Federal streams? Have you heard the proponents of the bill tell you that the bulk of the water-power development of the United States is on Federal streams and water bodies subject to Federal development and under Federal control, and that this bill places power transmission from these streams under domination of a Federal bureaucracy?

The distinguished Senator from Idaho [Mr. BORAH], I note, has provided a new scientific term for the 100,000 new Federal barnacles of the new bureaucracy. He calls them "bureaucratic ascaridae." The dictionary tells us that ascaridae represents a family of parasitic nematoid worms having three lips. Thus we find that most of the 57 alphabetical bureaus have three initials, such as N. R. A., A. A. A., C. W. A., and so forth, denoting their three-lipped ancestry.

Thus, when the 48 States wake up to find their constitutional rights missing, they will know where to lock. They will find their power transmission and communication plants in the worm-eaten possession of those three-lipped parasites known as the "bureaucratic ascaridae." The sills of their plants, the beams in the structures, will be bored through by these ascaridae.

However, nothing herein can be interpreted as an attack on the Senators on the majority or Democratic side of this Senate aisle, unless they elect to support this and other new-deal socialistic and bureaucratic measures. There is nothing in the Democratic platform adopted at Chicago calling for these bureaucratic ascaridae.

It seems, from the chapter on political Messiahs published in the Washington Post, that the new deal follows the Socialist platform of 1932. That may be a cardinal reason why Norman Thomas supports this bill, which is based on Socialist plank no. 14—Socialism of power, banking, and other industries.

Therefore, unless a Senator on the majority side of this aisle hops over from the Democratic platform to the Socialist platform used as the new-deal foundation, he has a perfectly good alibi. He is not a rubber stamp of the bureaucratic ascaridae unless he elects to be.

The Democratic platform adopted at Chicago in 1932 provides for cutting off these needless bureaus and reducing the cost of Federal Government by at least 25 percent. It is the Socialist platform which demands the creation of these bureaucratic ascaridae.

The Democratic platform calls for a Federal budget annually balanced. It is the Socialist platform that calls for $5,000,000,000 at a lump, regardless of Federal revenues or the Budget.

Both Republican and Democratic Senators can well agree on preserving the powers of the States under the Constitution, on resisting the encroachments of socialism, on balancing the Budget, and abolishing the bureaucratic ascaridae. Therefore we ought to agree on the indefinite postponement of this new Rayburn-Roosevelt bill, which violates our Bill of Rights, defies the constitutional guaranty of a republican form of government to each and every State, and flouts the Constitution which we are sworn to uphold.

There is no pledge, either 100 percent or 1 percent, in any Republican or Democratic platform of the past century committing Senators on either side of this aisle to a program of the Lenin formula that electrification plus socialism equals communism or other "isms". The only "ism" to which we are pledged is Americanism, which for 140 years has led the world in the march of progress, both in the horse-and-buggy days, the horseback days, the ox-team days, the prairie-schooner days of the West, and in all the battles for freedom and union. No man here is in duty bound to support the Tugwell-Lenin-Stalin-Socialist bureaucratic ascaridae, and I trust that few may elect to do so.

Let us not be fooled by the clause in this bill verbally limiting its power to "interstate and foreign commerce." The same clause was in the N. I. R. A. Act and the rest of the bureaucratic alphabet. What did it mean? Absolutely nothing. Someone has estimated that 80 percent of all the business covered by the N. R. A. was interstate. This administration, through its Executive orders, made flat law for every industry and trade in the United States. It overrode all State boundaries and all State enterprises.

The other day we learned that since the Supreme Court decision on the N. R. A. over 400 cases had been thrown out by the "code courts." What does that mean? It means that the "new dealers", standing on a Socialist platform, were not satisfied with usurping the legislative powers of Congress and overriding the powers of the States, but had started on a raid of the judiciary powers of the Government.

What are they trying to do at this hour? They are considering two plans: First, to rewrite the Constitution to bring it into accord with new-deal socialism; second, to wipe out the power of the Supreme Court in passing upon the constitutionality of acts of Congress and the State legislatures. And to these proposals those "code courts" which the administration is trying to perpetuate, and you have a fair idea of what the new deal involves in overthrowing democracy in America. This Rayburn bill even carries the $10,000 fine and 5 years' imprisonment of the first Rayburn bill, imitating in coercion and punishment the censorship bill that allotted 10 years' imprisonment and $10,000 fine for any publisher daring to advocate anything inconsistent with the President's ideas.

Two years of this new-deal dynasty has brought upon our country more disgrace, more economic collapse, more subservient public charges, more debt and deficits, more bureaucratic ascaridae and political insanity than all the former depressions and follies of 140 years combined. Is it not time, under the leadership of the United States Supreme Court, to go forward with the good old American platform of common sense and common honesty?

I hope, Mr. President, that this bill may be referred to the Judiciary Committee for a thorough overhauling, or, that motion failing, that it may be indefinitely postponed.

THE BRAIN TRUST REVOLUTION IS OVER

Mr. President, when the United States Supreme Court in its unanimous decision of 9 to 0, on May 27, removed the handcuffs and shackles of 731 N. R. A. codes binding American industry and trade, it laid the foundation of national industrial recovery, and overthrew the so-called "brain trust" revolution.

The Court has cleared the way to normal industrial recovery by restoring to industry its inalienable right to life, liberty, and the pursuits of industry, declared July 4, 1776, and confirmed by the guaranties of the Constitution.

What industry had a chance to expand its operations in safety and with assurance of marketing its product, with a gang of political hoodlums seated astride its neck, a so-called "brain trust" of 13 quack doctors pouring 731 nostrums down its throat, and a wild-eyed circus boss "cracking down" every step it made toward normal progress?

It will be noted that the leading manufacturing industry which showed marked advance in production and sales, employment, and high-standard wages, during the past 2 years of the N. R. A.—namely, the Ford Motor Co.—defied the N. R. A., defied the code administration, and refused to carry the monopoly sign of the Blue Eagle. Paying a wage scale far above the N. R. A. code scale, selling at prices below the N. R. A. requirement, and denied by the administration its lawful rights as low bidder in Government contracts, the Ford Motor Co. doubled its production during a period when general industrial production under the N. R. A. declined.

We see the same sound advance in volume of commercial sales in the case of the chain stores and mail-order stores which refused to be governed by the politicians of the N. R. A. The two leading mail-order houses—Montgomery Ward & Co. and Sears, Roebuck & Co.—were strong to defy, and did defy, the "crack down" antics of "Blue Eagle" Johnson, and have increased their sales volume 60 percent in 20 months of independence from political dictatorship.

Indeed, the same thing is true of the steady advance of the manufactured tobacco and cigarette industry, which sent to Washington its head manager and spokesman as

administrator of the N. R. A. for 6 months to keep that industry free from the control of the N. R. A. and unshackled by political ignorance.

The same thing likewise is true in the case of rural retail trade, which for a year was under the blanket retail code. In a study of Minnesota retail trade, conducted by economic experts of the University of Minnesota, the first year of the N. R. A., when all rural sales were blanketed by the Blue Eagle, showed a marked decline in over 80 counties of Minnesota. The same condition prevailed throughout the country, until the administration was compelled to drop rural sales from N. R. A. dictatorship. Within 6 months after the "Blue Eagle" was taken off the backs of rural trade, that trade had made a 50-percent recovery, as shown by the Commerce Department survey of current business, and the March statement of the Commerce Department indicates a rural trade 90 percent of normal.

The same normal development which has attended those industries and that trade which declared and earned their independence of the N. R. A. dictatorship is now—thanks to the United States Supreme Court—made possible to all the industries and trade which for 2 blatant years have struggled under the 731 codes of monopoly.

Instead of codes to license monopoly and extend to the trusts a charter to do to consumers that which for 40 years had been unlawful, the antitrust laws are again in force to prohibit unfair practices in restraint of trade.

The "brain trust" doctors are taken off the neck of industry, and their quack nostrums can no longer drug the country and prevent normal recovery.

The howling political dervishes, armed with their 731 code blunderbusses, will be retired from the N. R. A. to earn an honest living; taxpayers will be saved $100,000,000 a year in unnecessary and unlawful Government expense; and billions of stock loss will be saved to honest producers, wage earners, and 130,000,000 consumers.

In the decision of May 27 the Supreme Court not only has saved government by the people through restoration of the legislative power of government to Congress but has given the country the only honest-to-God economy and recovery act we have seen in 2 years.

When the effect of this decision has been fully measured in abolishing not only the N. R. A. but the A. A. A. and 20 other alphabetical bureaus created under N. R. A. provisions, we shall see that the Court has achieved at one stroke that Government reduction of at least 25 percent pledged in the Chicago platform of 1932, for which Franklin D. Roosevelt pledged himself to stand 100 percent, and which he has repudiated 100 percent.

At one stroke the Court has knocked out one-half of the whole new-deal structure, which has cost the country not less than $17,650,000,000 in debts, doles, deficits, and Executive allocations.

Had this decision come 30 days earlier, we might have stopped the $5,000,000,000 Executive allocation for the campaign of 1936.

In at least a dozen fields of national economics and government the Supreme Court decision of May 27 is the first and foremost step of national recovery, as witness:

First. It will restore liberty to American industry by striking off its limbs 731 codes of monopoly and restoring the antitrust laws against unfair practices.

Second. It will restore the freedom of the American home market—the greatest market on the globe.

Third. It will strike a deathblow to the unconstitutional delegation of the tariff-making powers of Congress and the treaty-making powers of the Senate to the President, and thereby promises to bring an end to this progressive demolition of American tariff duties and rising flood of imports. You will note that last month, as in August 1933, the first month after the N. R. A. and the A. A. A. came into action, American imports exceeded exports; something that seldom happens to this country oftener than once in a decade.

Fourth. It will destroy the unlawful delegation of tax powers to the President, and from him to the A. A. A., which has resulted in the levy of $837,000,000 of processing taxes on agricultural commodities and products thereof—an unlawful tax burden upon both industrial production and consumption, the farms and factories, the wage earners, and the homes, while the N. R. A. has taxed the consumers in higher prices about $12,000,000,000.

Fifth. It will destroy the Federal dictatorship over intrastate commerce and restore the right of the States to regulate their own industries and trade under the guaranty of the Constitution to give each State a republican form of government.

Sixth. It will lift the paralyzing hand of the Federal Government from 100,000 small industrial enterprises—manufactures, mines, shops, and commercial activities—imposed both by the N. R. A. and the A. A. A.

Seventh. It will increase the true wages of labor by removing from the costs of living: (1) The pyramided processing taxes of $800,000,000; (2) the trust exactions under the protection of monopoly codes; (3) by reducing the costs of government, which, in the final analysis, always fall upon the producer and wage-earning consumer, and finally, in blocking that unlawful delegation of bureaucratic power by which one-third of the food production of the United States is destroyed by Government edicts and at unwarranted Government expense.

Eighth. It will restore to agriculture its liberty and independence from a centralized Washington Soviet regime, which by an unlawful delegation of power not only destroyed the crops upon which 50,000,000 rural people relied for a living but was reducing by corn-hog checks and other Government subsidies an independent and self-reliant farm yeomanry into a helpless condition of Federal subservience.

Ninth. It will cut down the cost of Federal Government by billions annually, not only by elimination of scores of useless and injurious alphabetical bureaus but by reduction of the doles of planned emergency, the cost of public works through collusion of the Government and contractors under the cover of monopoly codes, and thereby cut down the tax burdens upon industry and the 130,000,000 consumers.

Tenth. It will stop the progressive piling up of public debt, which in 2 years has risen by $17,670,000,000, until the yearly interest burden exceeds collections from income taxes.

Eleventh. It will stop the accumulation of new-deal Treasury deficits, which today approximate an accumulated aggregate of $12,000,000,000—a direct menace to every field of national recovery.

Twelfth. Finally, this decision of the Supreme Court is the first definite and dependable step in the restoration of that public confidence which is the foundation of all recovery—industrial, financial, commercial, moral, and governmental—the faith of America in itself, its Constitution, in government by the people.

This nine-to-nothing decision of the United States Supreme Court upholding the doctrines of 1776, the Constitution, the Bill of Rights, and the guaranty of a republican form of government to each of our sovereign States fittingly preceded by the space of 3 days the Nation-wide celebration of Memorial Day, where over the graves of the veterans who in three wars had fought for liberty and union the survivors listened to the inspired prayer of Lincoln at Gettysburg—"that government of the people, by the people, and for the people shall not perish from the earth."

There was a shower in Washington on Decoration Day morning. It did not stop the attendance of 5,000 war survivors at Arlington to listen to the patriotic address of the distinguished Senator from Iowa [Mr. DICKINSON]. It did not stop the decoration of 43,000 graves by the G. A. R. Memorial Day Association. It did not stop the Memorial Day parades in any other city in the United States. But it stopped the President and his Cabinet from attending the Memorial Day exercises and it caused the Commander in Chief of the Army and Navy and all the new-deal bureaucrats to stay away from the National Cemetery and cancel the parade of the Army and Navy up Pennsylvania Avenue past the Lincoln Memorial and across the bridge to Arlington.

Among the patriotic throng who assembled at Arlington, I note in the press reports of the day, there were thousands of Spanish War and World War veterans, and there were six who wore the Union blue of 70 years ago and were still sound enough, physically, to defy the rain, notwithstanding the fact that they were 90 to 94 years of age. But the Army and Navy and their Commander in Chief, his Cabinet and bureaucrats, were not there, though the Army post at Fort Myer lies just across the road from Arlington Cemetery, and the homes of the Army officers line the road which forms the western boundary of Arlington for a mile or more.

The Memorial Day rain did not stop the double header at the Washington Baseball Park, and it did not deter the 15,000 fans who witnessed the two scheduled games. It did not stop the Daughters of Union Veterans, the Gold Star Mothers, the Vincent Costello Post, the Italian War Veterans, the Veterans of Foreign Wars, the American Legion, or the Boy Scouts, and a score of other veterans' organizations from decorating the graves of their beloved ones and comrades and banking the marble monolith of the Unknown Soldier with roses, peonies, and lilies.

But the Memorial Day showers were too much for the new-deal administration, our Commander in Chief, and his Army and Navy.

The President remained at the White House and conferred with his N. R. A. chiefs on the problem of how to save their jobs. His only act in commemoration of Memorial Day, according to press reports, was to issue a formal answer to the cable of King Leopold of Belgium, who joined in the homage of the American people to their veteran dead, and assured the American people that he and his compatriots would strew with flowers the "graves of your soldiers who fell upon our soil during the World War."

Diplomatically, perhaps, the King of Belgium did not allude to the veto message which killed the act of Congress redeeming the 17-year-old debt of America to its sons who fought in the World War to save Belgium under the guise of saving democracy.

It is perhaps humanly natural that the commander in chief of the new-deal thought it too much of a strain to be called upon, first, to celebrate the decoration of the graves of those who died for liberty; second, to hear again Lincoln's Gettysburg speech praying for government by and for the people; and, last but not least, to listen to patriotic addresses of thanks and praise for the United States Supreme Court for its indictment of the new deal and its indictment of the President and his alphabetical bureaus because of the unconstitutional delegation and usurpation of legislative powers, and because of the attempted overthrow of constitutional provisions and the Bill of Rights, and because of the Federal invasion of the rights of sovereign States.

So the President remained at the White House. He did not entertain the veterans of our wars, though the press mentions the fact that he did entertain Prof. Rexford Guy Tugwell, acclaimed "brain truster no. 1", and Donald Richberg, the special counsel of the administration in the famous or infamous "sick chicken" case.

Up at Oyster Bay, N. Y., there was a Roosevelt celebration of another character. War veterans and members of patriotic socities held services at the grave of Theodore Roosevelt. Airplanes dropped wreaths upon the grave of Theodore Roosevelt, while the patriotic throng paid homage to the man who never shunned a battle for the Republic, whether against the European foes of the Monroe Doctrine or against the trusts whom he fought under the Sherman Act—the same industrial trusts which are given monopoly codes and exploitation licenses under the N. R. A. which the new-deal commander is vainly trying to save.

The desperation of the new-deal plight following the decision of the Supreme Court on May 27 is evidenced by the act of the President in recalling the late Brig. Gen. Hugh S. Johnson to two White House conferences preliminary to Johnson's radio speech in defense of the N. R. A. on the day following the Court decision.

Less than a year has passed since the President forced Johnson off the Federal pay roll as Administrator of the N. R. A. Johnson had put his foot in it every time he opened his mouth, and he had spread the foot-and-mouth disease over the country from Atlantic to Pacific. Nevertheless, it was Johnson who made the first administration speech in defense of N. I. R. A. after the Supreme Court had verified Johnson's earlier post mortem, that the N. R. A. was "dead as a dodo."

It was to Johnson that the White House appealed to bring about an N. R. A. resurrection. The press relates that Johnson and Frankfurter had entered the White House through the back-door entrance. It was appropriate that "Frankfurter and Sauer Kraut" came in by the kitchen entrance. Perhaps the President sensed that the country was fed up on frankfurters and sauerkraut—the piece de resistance of the new misdeal, and therefore brought them in through the back way.

But on Memorial Day—when the President was afraid of the rain at Arlington, or afraid of that Supreme Court indictment—he entertained in prolonged conference his "brain truster no. 1", Prof. Rexford Guy Tugwell. It was Tugwell who brought back from Moscow, where he was known as "Comrade Tugwell", the outstanding philosophy of the new deal. Tugwell was his conferee at Georgia's Warm Springs, and Tugwell attended the White House Cabinet meetings. And here lies the strangest irony of new-deal fate.

Tugwell, in his speech of November 1933 distributed by the administration as a public document, has convicted the whole new-deal administration of the charges brought in the Supreme Court indictment.

Senators may not be able to secure a copy of that public document, now that the Court has read its decision and indicted the administration for unconstitutional delegation and usurpation of legislative power. But I have a copy in my file, and there are other copies in official files.

Tugwell, the star witness of the new deal, has admitted in advance the whole case as charged in the Supreme Court indictment, when he uttered the following boast of new-deal achievement in changing the form of government during the period beginning March 4, 1933, up to November 16, 1933, the first 9 months up to the date of his Columbia University 21-page speech. In the two following sentences he boasts that government of men has superseded government of laws in this country when he says:

> I have had a chance to see the truth of the saying that ours is a government of men. The fiction that it is a government of laws would, I think, never have attained its great prestige if the right men had been called to govern.

In other words, government of laws pursuant to the Constitution would not have attained its great prestige from the time of the inauguration of Washington in 1789 down to the inauguration of Franklin D. Roosevelt in 1933 if the right men had been called to govern!

He then speaks of "the new institutions that have been invented, of the changes which have overtaken hitherto accepted arrangements." He then comes to the new legislation of the 1933 special session, which he describes as having a "novel characteristic", the powers granted to the Executive being permissive; in other words, a delegation of legislative powers which the Supreme Court indicts as unconstitutional.

Read the following boast and admission of Tugwell in describing the new legislation:

> In fact, a careful examination of the new legislation will disclose that its novel characteristic is its provision of freedom of action by those who do the acting. The powers granted are permissive; the rules written are mandates of performance. Everything depends on men!

That is precisely the ground of the Supreme Court indictment. The permissive grants of power by Congress to the President, and from the President to his bureaus, are unconstitutional delegations of legislative powers. Everything depends on men, and nothing depends upon the

Constitution, the law of the land, which for 146 years of American progress has been administered by such men as Washington and Jefferson, Jackson and Lincoln, Harrison and Cleveland, Woodrow Wilson and Theodore Roosevelt. It is under the leadership of such Presidents that the fiction of government of laws has attained such prestige, according to Tugwell, because the right men had not been called to govern.

This Tugwell document the administration made its own when the speech went to the Government Printing Office and thereafter was distributed as a public document.

Tugwell at the time of his speech was a Federal official as Assistant Secretary of Agriculture. After that speech Tugwell was promoted in salary and position to the office of Under Secretary of Agriculture, an office created for him by the President. His standing in the administration is evidenced by his attendance at Cabinet meetings, and finally, when the Supreme Court kills the N. R. A., Tugwell spends Memorial Day trying to help the President, Johnson, Moley, Richberg, and Frankfurter save the N. R. A., the decree of the Court notwithstanding.

Among the gems in Tugwell's address of November 1933 we catch the following sentences indicating that the economic field in which the N. R. A. was the outstanding feature was Tugwell's chief concern and along with the N. R. A. the A. A. A. The following excerpts denote his program of planned economy:

So far we have covered the agricultural and industrial program.

He is now referring to the A. A. A. and N. I. R. A. Acts of the 1933 session. Again, he suggests drastic methods suggestive of the new deal in Russia, where he studied the 5-year Soviet planned economy. Says Tugwell:

The sheer hard economics of the situation in which we find ourselves makes certain demands on human nature from which recoil is natural. Sacrifice is demanded.

Thus Tugwell, in November 1933, was on the way to scrap the American economic system, as shown again by the following:

The center of the present storm is in the economic field.

Again—

Economics belonged to laissez faire; the world has turned its back on that.

By the term "world" he may have had especially in mind the nine new dictatorships including those of Rome, Berlin, and Moscow.

He estimates that the new deal may require 2, 4, or 6 years. And then he says:

But the longest step toward its accomplishment was taken when the new and untrod path was entered on.

His ultimate goal is indicated in the final clause of his speech, wherein he closes:

* * * the political economy out of which the new industrial state must be forged.

It should be remembered that at the time of Tugwell's speech in the late fall of 1933, 4 members of the President's Cabinet and 8 bureau chiefs were securing charters for the 6 Delaware corporations which aimed to take over and expand to Soviet socialistic limits all the 2-year temporary powers of planned emergency, under articles which provided:

This Corporation shall have perpetual existence.

The fall of the N. R. A. and the prospective fall of the A. A. A. and at least 16 other alphabetical bureaus, pursuant to the May 27 decision of the United States Supreme Court, ditches the whole Tugwell economic revolution sketched in his 1933 address and distributed as a public document.

The failure of the Tugwell cult and the break-down of the N. R. A. "crack down" is the best recovery news that has come to American industry since the inauguration of March 4, 1933. Now we may recover.

The first exhibit in the conviction through an impeachment proceeding for deliberately conniving to overthrow the Constitution will be the recent unanimous decision of the Supreme Court with respect to the National Ruin Act or the National Racketeer's Association known as the deceased "N. R. A."

Mr. President, in view of the pending bill and in view of the recent statements of the White House as to future legislation, and in view of all the things that have happened under this so-called "new deal", I wish to read into the RECORD as a part of my remarks a letter from Charles Hall Davis, of Petersburg, Va., a lifelong Democrat, a man of sterling character and undoubted great ability, as will be shown as we read the product of his pen.

PETERSBURG, VA., *June 3, 1935.*

Hon. THOMAS D. SCHALL,
United States Senate, Washington, D. C.

DEAR SENATOR SCHALL: In the issue of the CONGRESSIONAL RECORD for March 9, 1935, there appeared as a part of your remarks on the Constitution a copy of an article, which I had previously written, entitled "The New Deal Will Reenslave the Forgotten Man."

This article had been called to your attention by a mutual friend, and I want again to express my appreciation of your courtesy in so calling it to public notice; and my gratification that you are so deeply interested in the restoration of the American political philosophy and the reenforcement of constitutional limitations on the exercise of the entrusted governmental powers.

With a strong conviction that the present administration plans of centralization of power in the Federal Government and a creation of a bureaucratic despotism in Washington is jeopardising our American constitutional Republic, and must result (unless promptly halted) in the supplanting of our political philosophy with that of the socialist school of thought, and in the ultimate conversion of the United States into a socialist or communist state, on January 30 last I mailed to Senator HARRY FLOOD BYRD, of Virginia, an open letter, arraigning the administration and calling attention to the menace to our liberties involved in its legislative program.

This letter was dated as of January 19, 1935, and Senator BYRD was requested to insert it in the CONGRESSIONAL RECORD so that its statements and warnings might be called to the attention of the citizens of the United States. But this was not done, and the letter has never been published.

The recent decisions of the Supreme Court, practically invalidating the N. R. A. and some of the other alphabetical bureaus, have confirmed many of the claims made in this letter as to the unconstitutionality of much of the legislation recently enacted; and I hope and believe that our people have been aroused by these Court decisions to the necessity of informing themselves as to the significance and value of our political philosophy and of the governmental plan for effectuating it, which are now being discarded and scrapped.

Believing that you are interested in the maintenance of American ideals and of our form of democratic republican constitutional government as bequeathed to us by the founders and framers, and hoping that you will concur with me in the wisdom of bringing this statement and warning to our citizens through presenting it in the Senate and publishing it in the CONGRESSIONAL RECORD, I respectfully submit to you, as a United States Senator, for your consideration, comment, and action, this arraignment of the administration and these statements as to our American political philosophy and our theory and plan of government substantially in the form sent to Senator BYRD, namely:

AN OPEN LETTER FROM A PRIVATE CITIZEN OF VIRGINIA

A warning to our governmental officers, representatives, and agents and a demand that they desist from efforts to distort the American political philosophy and the American plan of a representative constitutional Republic, being an arraignment of the President and Congress for their surrender and betrayal of American rights and liberties and their attempts to supplant the American theory and plan of government with the theories and plans of the Socialist school of thought whereby government will become the master of the people

"Upon this country more than any other has, in the providence of God, been cast the special guardianship of the great principle of adherence to written constitutions. If it fails here, all hope in regard to it will be extinguished. * * * I cannot, therefore, too strongly or too earnestly warn you against all encroachments upon the legitimate sphere of State sovereignty. Sustained by its healthful and invigorating influence the Federal system can never fail" (President Andrew Jackson, in his first annual message, Dec. 8, 1829).

A protest from a private citizen:

I am writing as a private citizen of Virginia, where I was born and have always lived, as a lifelong Democrat, as a man who has never held public office, and as an American who really believes in the political philosophy set out in our Declaration of Independence and in the American plan of constitutional limitations on the powers of government in the hands of agents.

Against the administration's assault on the rights of American citizenship:

The present Federal administration has apparently repudiated this American political philosophy; and in the effort to supplant it with other political theories has violated the American declaration of the true purpose of government and has disregarded the

limitations imposed on governmental powers by the Constitution of the United States. It has usurped dictatorial powers over the people without their consent and is exercising those powers free from constitutional restraints, with the result that the sovereign citizens of the United States are being treated as the subjects of a despotic bureaucracy. Thereby the entire structure of our free institutions—our heritage of ordered liberty and the existence of the American constitutional republic—are endangered.

Justification for this letter:

When American liberties are so assailed it is time for the people to speak plainly. That is my justification for this letter, for as John Philpot Curran said in his Speech Upon the Right of Election in 1790:

"The condition upon which God hath given liberty to man is eternal vigilance; which condition, if he break, servitude is at once the consequence of his crime and the punishment of his guilt."

The purposes of American Government:

You were elected to the United States Senate under our written Constitution, which in its preamble sets forth the purposes for which our Federal Government was created, and by its terms limits the powers which that Government may exercise, specifically reserving all undelegated powers to the States respectively or to the people.

The object of constitutional limitations:

These limitations on the ends and purposes of Federal Government, on the sovereign powers which it was authorized to administer, and on the methods of exercise of the delegated powers, were adopted as an assurance that the delegated powers would be used only to carry into effect the American political philosophy as set out in the Declaration of Independence, and that the reserved powers of the States and the retained rights of the people would not be invaded by the Federal Government.

The special function of the Senate:

Under our governmental plan the Senate was to be representative of the sovereignty of the States. To it was particularly entrusted the protection of their reserved powers against Federal aggression, and the preservation of local self-government through the maintenance of State autonomy.

WHAT THE SO-CALLED "DEMOCRATIC ADMINISTRATION" HAS DONE IN REPUDIATING AND ATTEMPTING TO REPUDIATE OUR POLITICAL PHILOSOPHY AND PLAN OF GOVERNMENT

The administration's repudiation of our American political philosophy:

The present so-called "Democratic administration" has substantially attempted to supplant our political philosophy with that of the Socialist school of thought, and its authoritative spokesmen openly declare the purpose to go even further in this direction.

Its surrender and betrayal of American rights and liberties:

(1) It has disregarded, overridden, and practically nullified many of the guaranties of individual rights contained in our Bill of Rights.

(2) It has disregarded and practically denied and defeated the principles of our American political philosophy as set out in the Declaration of Independence.

(3) It has rejected and repudiated the American political theory therein set out that Government derives its just powers from the consent of the governed, and that the sole purpose of government is to secure the individual in the exercise of his inalienable rights.

(4) It has attempted to destroy the foundation stone of American liberties by its disregard of the importance and solemnity of the God-given individual rights of men, and by attempting to displace and destroy those rights by supplanting them with privileges accorded by government, thus changing government from its proper position of servant to that of master of the people.

(5) It has undertaken to establish government as a partner, having rights, instead of as an agent and servant of the people, exercising only delegated powers.

(6) It has attempted to empower government to control and regulate the lives and business of the American people, instead of confining its activities to the administration of the powers delegated to it under the Constitution.

(7) It has invaded the retained rights of the people, and has despotically restrained the exercise of those inalienable individual rights with which each human being has been endowed by the Creator, and for the security of which our Government was established. The Constitution was put in writing in order to so expressly state the limitations on governmental powers as to leave nothing to assumption through construction or interpretation by ambitious and aggressive rulers.

(8) It has seized, and is now exercising over the people, a great mass of powers never delegated to it in the attempt to centralize all political power in the Federal Government and to supplant our limited Union of sovereign States with a consolidated democracy exercising its sovereign powers through Washington only.

(9) It has usurped many of the powers reserved to the respective States and is administering them in derogation of State sovereignty, thereby impairing the right of self-government in local affairs.

(10) It has attempted to transfer legislative authority to the President and to numerous boards or bureaus in direct violation of the constitutional provision that all legislative powers granted by the Constitution shall be vested in the Congress.

(11) It has attempted to vest in particular persons or groups of persons a combination of legislative, executive, and judicial functions in violation of our governmental principles and of constitutional provisions.

Some of the ways in which Federal usurped powers have been used:

(12) It has wrongfully and unconstitutionally attempted to establish the Federal Government—

(a) As an agency for fixing rates of wages, conditions and hours of employment, selling price of output, distribution of profits, and every detail of business operations;

(b) As an increasing mortgage lender on, and owner and manipulator of, real property in every State of the United States;

(c) As an investment-banking enterprise financing private property and private effort;

(d) As a commercial banker for individuals and an insurer of their accumulated savings;

(e) As an organization for developing the material assets of one section of the country at the expense of other sections;

(f) As a great business enterprise to carry on, with money raised from taxation, various kinds of business in competition with private enterprise;

(g) As a controller of markets and an agency to change, defer, or defeat the operation of economic laws, and to defeat the normal operation of competition in trade;

(h) As a speculator in produce in a futile attempt to control and dictate the operation of the law of supply and demand;

(i) As an agency to control the volume of agricultural production for the same purpose, by requiring the farmer to turn under a part of his acreage, reimbursing the farmer with funds extracted from the manufacturer through a so-called "processing tax";

(j) As an enormous owner of, and dealer in, cattle, sheep, and various general products, purchased to relieve distressed stock raisers, to ameliorate drought conditions, or to affect the livestock or other markets;

(k) As fostering various combinations of grouped citizens who report direct to Federal departments and act under the direction of those departments, as in the case of so-called "codes" and "code authorities";

(l) As an organization for dispensing charity from funds which Congress is empowered to raise through taxation for Federal governmental purposes only;

(m) As an instrumentality for redistributing the wealth of the people; and

(n) As an absolute bureaucratic dictator over the daily details of American business, social, and economic life.

BUREAUCRACY ESTABLISHED AND THE RESULTS

Autocratic bureaucracy controlling America:

To accomplish these ends there has been installed a Federal governmental bureaucracy embracing a horde of highly paid executive officers and hundreds of thousands of Federal employees, which has in many cases been ostensibly vested with legislative, executive, and judicial powers, and with autocratic control over the business, social, and economic future of the United States.

The results:

The individual and political liberty of American citizens has been impaired, the structure of American freedom has been undermined, the rights of American citizens have been invaded, the American business structure has been paralyzed, and the continuance of the American Republic has been jeopardized by these and other such acts. They have been put into effect by the President, with the connivance and assistance of the Congress.

OATHS OF OFFICE

Official oaths of office of the President and Members of Congress:

When the President was installed in his great office he took a solemn oath "to preserve, protect, and defend the Constitution of the United States." You and every other Member of both Houses of Congress have likewise solemnly sworn to support the Constitution. In consummating this policy and program of the administration, I respectfully ask whether you think that the President and Congress have observed and fulfilled the obligations and duties imposed on them under these oaths? And I submit the following questions so as to indicate clearly what I understand these oaths bound the Members of Congress to support, and to emphasize some of the ways in which they have been violated.

Some pertinent questions as to Americanism and as to understanding of the meaning of oaths of office:

Do you believe in and subscribe to our American theory and plan of government?

Do you believe that each human being has been directly endowed by the Creator with certain unalienable rights; that he has an equal right with all other human beings to exercise them; and that the purpose of government is to secure him in the orderly exercise of those rights?

Do you believe that, in the United States, government derives all its just powers from the consent of the governed, and is always the agent and servant of the people?

Do you believe that the Federal Government is one of limited powers, and can properly exercise only those powers delegated to it by the Constitution, and impliedly such powers as are necessary to the exercise of the delegated powers, and must exercise the delegated powers in accordance with the constitutional entrustment?

Do you agree that nowhere in the Constitution is there a substantive grant of general powers (as is sometimes claimed for the general welfare clause), whereby Congress can, at its own whim, seize and exercise powers in addition to those enumerated in article I, section 8?

Do you agree that neither Congress nor the President, nor both combined, have any authority to seize and exercise new or undelegated powers over the people on the ground that in their judgment an emergency exists, or on any other ground?

Do you believe in the American governmental theory of equality of right, equality of burden, and equality of opportunity to every citizen?

Do you believe that Americans are sovereign citizens of a representative constitutional Republic, and that under no circumstances can they be treated as subjects by their chosen temporary governmental rulers?

Do you believe in the American political philosophy as set out in the Declaration of Independence, and in the American plan of limited representative government as safeguarded by the Constitution of the United States and the first 10 amendments thereto, known as the "Federal Bill of Rights"?

I imagine that you do substantially hold this political faith and this view of the constitutional limitations on Federal powers.

But I submit the following in order to emphasize how our political philosophy and governmental plan are being jeopardized by the administration program.

If anyone endorses or approves of the administration program in any or all of the following particulars; and, if so, how could anyone reconcile support of such policies with the official oath?

Does anyone endorse the President's policy to the substantial effect that those in political control should bend their efforts to substitute a consolidated Government for our limited representative constitutional Government instead of endeavoring "to preserve, protect, and defend the Constitution of the United States" as required under his official oath and to carry out the purpose of American government as set out in the Declaration of Independence?

Does anyone endorse his statement that Government should be the business partner of the people?

Does anyone approve of his plans for regimenting and coding American business under the direction and despotic authority of Federal bureaucrats?

Does anyone advocate subjecting our people to further control and regulation by Executive appointees not elected by the people nor authorized to represent them?

Does anyone believe that the Federal Government has any delegated authority to redistribute the wealth of the people, either through taxation or in any other way?

Does anyone advocate a planned society or a coded and regimented state; or do you advocate American citizenship and individual liberty?

Does anyone approve or endorse the effort of the administration to secure Federal authority "to limit, regulate, and prohibit the labor of persons under 18 years of age" through the adoption of the so-called "child-labor amendment" to the Constitution or its efforts in the meantime to limit, regulate, and/or prohibit the labor of persons under 18 by the exercise of usurped powers administered through some of the Federal alphabetical bureaus?

Does anyone approve of the use of funds raised by Federal taxation for other than Federal purposes or for administering powers other than those delegated under the Constitution?

Does anyone believe in or advocate the governmental theories and plans of the socialist school of thought?

Does anyone approve of the usurpation by Congress of the undelegated powers which it has in recent months attempted to transfer to the President or of any attempted transfer by Congress to the Executive of any powers entrusted to Congress by the Constitution?

Does anyone approve of any attempt by Congress to vest in any man or group of men a combined legislative, executive, and judicial authority?

By what right can a Member of Congress, who is paid a generous salary by the people, delegate his constitutional duties to Executive appointees not elected to represent his constituents and thus evade the work imposed on him as a paid representative?

Does anyone approve of the violations of the constitutional limitations on the power of Congress to levy and collect taxes and on its power to use and disburse such funds embodied in the Agricultural Adjustment Act, which attempts to delegate to the Secretary of Agriculture power to fix, levy, and collect certain taxes, and to disburse the funds so collected without appropriation by Congress?

Does anyone approve of the attempted delegation to the Secretary of Agriculture under that act of authority to deprive the individual farmer of his inalienable right to use the land owned by him in such way as he chooses through preventing his raising certain crops on portions of his land or requiring him to turn under parts of his growing crops?

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. HATCH in the chair). The Senator will state it.

Mr. CONNALLY. I understand this is the third speech by the Senator from Minnesota. Is that correct?

The PRESIDING OFFICER. No. It is one continuous speech.

Mr. CONNALLY. I had understood the Senator was probably violating the rule about speaking more than twice on the same measure on the same day.

The PRESIDING OFFICER. The Chair is advised that the Senator's speech does not violate the rule. The Senator from Minnesota will proceed.

REASONS FOR THE FOREGOING QUESTIONS

Mr. SCHALL. These questions are pertinent and should be answered because the answers to them are illuminating.

THE POSITION AND RIGHTS OF PRIVATE CITIZENS IN THE UNITED STATES

American Government was established for the security of the rights of the individual citizens:

The American Government was established to secure the free and ordered exercise by me and millions of other like private citizens of our God-given individual rights, to protect our liberties, and to make possible our individual pursuit of happiness—not to promote the interests of favored classes, or to furnish Federal jobs to a horde of unnecessary office seekers, or to redistribute the wealth of the country, or to conduct its business affairs, or to operate as a national charitable organization, or to develop our country's resources, or to enable our temporarily chosen rulers to gratify their lust for power over other human beings.

As one of the people who are theoretically the sovereigns in America, and toward whom all governmental representatives hold a position of servant and agent, I wish to convey to you my own opinions of the actions of the so-called "Democratic administration" and my views as to what course I consider advisable for the protection of the rights and liberties of which I have been unjustly and illegally deprived.

The present assault on human freedom will not be condoned through any appeal to party loyalty:

Personally I value the liberties which are guaranteed and protected under the principles of our American political philosophy and under our American governmental plan; and I do not propose to sit quietly and permit them to be filched from me by our temporary rulers, who seem to have entirely forgotten that they are merely our agents and servants, administering a limited authority delegated to them and which is revocable at the will of the people. Nor do I propose to be forced into any connivance with an assault upon human freedom through an appeal to party loyalty; for principles are greater than party, and the preservation of the Republic is more important than party success.

Or through intellectual bluffing or ridicule by "brain trusters"—"brain trusters" compared with founders and framers:

Nor do I propose to be intellectually bluffed out of my reasoned convictions of the soundness of our principles and plan of government by the patronizing attitude and propaganda of the self-styled intellectuals, or to be shamed or ridiculed into a rejection of my Americanism by any so-called "brain trusters." In their own judgment they may be intellectual giants and political wizards. In my humble judgment they are intellectual and political pygmies, when compared with Washington, Jefferson, Madison, Mason, Henry, Hamilton, Franklin, Adams, James Wilson, George Wythe, Richard Henry Lee, John Marshall, and the other members of that unequalled group that believed in the God-given rights of man, dreamed a dream of human liberties, visualized a nation of freemen, and then had the courage, the ability, and the political sagacity to formulate that belief, establish the United States of America, and make that dream a reality.

THE AMERICAN GOVERNMENTAL THEORY AND PLAN

The American governmental theory formulates a definite political philosophy; it is an answer to, a defiance of, and a betterment of the theory of a planned society and a regimented state, which had been often tried and had always failed; the so-called "new deal" is the "old deal" which the men who made America considered and rejected:

The American governmental theory and plan is not a haphazard experiment couched in high-sounding but meaningless terms and offering elusive shadows as its objectives. That theory formulates a definite political philosophy based on a belief in and a declaration of the existence of fundamental principles and rights established by the Supreme Creator of the Universe, so that the controlling force of those principles and the title to those rights may be unassailable. The principles and rights so adopted as the foundation of our American Government were so generally accepted by mankind, and are so essentially reasonable, sound, and just, that they are stated as "self-evident truths" needing no proof. They were the answer to and the repudiation of the theories now advocated by socialism, and were adopted as a result of the experience of ages and established knowledge.

Our governmental plan for effectuating this theory:

On the foundation or premise of the existence of these principles and rights, the founders and framers then established a scientific governmental structure, designed to secure the orderly exercise of these individual and God-given rights, through such governmental restraints on the exercise of some of them, as, by consent of the people, would best serve to assure the greatest possible freedom to each individual in the exercise of all of them.

The founders and framers as political philosophers and practical statesmen:

The founders and framers were not a group of ignorant political experimenters. History shows no record of any associated group of men possessing such a combination of high character, intellectual endowment, political wisdom, exhaustive knowledge of the political history and experiments of the past, and deep appreciation of the solemn significance of their action.

The results of their work:

On the justice and soundness of their political philosophy and of their plan for effectuating it they staked, not only their own heads but the future happiness and welfare of 3,000,000 liberty-loving people and their descendants; and the results, through a century and a half of national development and progress, have justified their action.

THE SAFEGUARDS OF AMERICAN LIBERTIES—THE MUNIMENTS OF THE INDIVIDUAL AND POLITICAL LIBERTY OF CITIZENS OF THE UNITED STATES

First, the Declaration of Independence

First safeguard, the Declaration of Independence; the original charter of American freedom:

The Declaration of Independence is the original charter of American freedom and has been described by the Supreme Court as "that new evangel of liberty to the people" (Mr. Justice Field, in the *Slaughter House Cases*, 111 U. S. 746). It excludes all theory of the divine rights of kings and rulers by asserting the divine rights of human beings. It destroys class privilege by asserting the political equality of all men. It arrests the growth of despotic governmental power by establishing in the path of its onward march the invincible citadel of the "unalienable, indubitable, and indefeasible" sovereignty of the people over government. It blasts and withers governmental arrogance by reducing rulers to the position of mere agents and servants of the people. It guarantees against the privileges and the tyranny of titled aristocracy, which had oppressed mankind through countless ages.

It states the sole purpose of government and mentions three unalienable rights of each human being, viz, life, liberty, and property:

The Declaration of Independence asserts that the sole purpose and object of government is to secure human beings in the exercise of their unalienable rights, and states that among such unalienable rights of each human being are the rights of life, liberty, and the pursuit of happiness. The Supreme Court of the United States has held that the right of private property in the United States is included in this right to the pursuit of happiness. In the *Slaughter House Cases* (16 Wall. 36), Justice Bradley said:

"Right of life, liberty, and the pursuit of happiness are equivalent to the rights of life, liberty, and property."

The American political philosophy as set out in the Declaration of Independence:

The Declaration of Independence bases our entire political philosophy on the dignity and the inherent rights of each human being. It asserts that each human being obtained an unalienable, indefeasible, and unimpeachable title to his individual rights by direct endowment from the Creator Himself. Holding his rights under such a supreme title, he cannot be divested of them or restrained in their exercise by any lesser authority save by his own consent. From this premise necessarily flow the conclusions that government is a mere agent of the always sovereign people; that it must derive all its just powers from the consent of the governed; that its sole purpose is to secure the individual human being in the orderly exercise of his rights; and that the governmental agency can exercise only such powers as are delegated to it, and must exercise them in accord with the terms of the entrustment and in consonance with the laws of right and justice established by Nature's God for the control of the universe.

The Declaration of Independence is the keystone of the structure of American individual and political liberty:

The Declaration of Independence is the historic statement of the basic philosophy on which rests the governmental structure of the United States. It was the first official act of the Colonies in proclaiming themselves an independent nation. The principles of natural law, right, and justice established by the Creator for the regulation of His universe (which are recognized as being so fundamental that they govern governments) and the God-given rights of human beings (for the security of which government is established) are therein set out and vouched as the reason and justification for the birth of our Nation.

"The Constitution is but the body and letter of which the Declaration of Independence is the thought and the spirit."

Is it not time to recall and consider the opinion of the Supreme Court of the United States in the leading case of *Gulf, Col. & Santa Fe R. Co.* v. *Ellis*, in 1897, as delivered by Mr. Justice Brewer (see 165 U. S. 150, at pp. 159–160):

"When we consider the nature and theory of our institutions of government, the principles upon which they are supposed to rest, and review the history of their development we are constrained to conclude that *they do not mean to leave room for the play and action of purely personal and arbitrary power. The first official action of this Nation declared the foundation of government in these words:* We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness.' While such declaration of principles may not have the force of organic law, or be made the basis of judicial decision as to the limits of right and duty, and while in all cases reference must be had to the organic law of the Nation for such limits, yet *the latter is but the body and the letter of which the former is the thought and spirit, and it is always safe to read the letter of the Constitution in the spirit of the Declaration of Independence.* No duty rests more imperatively upon the courts than *the enforcement of those constitutional provisions intended to secure that equality of rights which is the foundation of free government.*" (Italics inserted.)

Second, written constitutions

Second safeguards: Written constitutions; the purposes (a) of all written constitutions, (b) of the Constitution of the United States:

All written constitutions in America are merely a means to an end. They are limitations on the powers of government in the hands of agents. They create the governmental agency designed to carry out and effectuate our political philosophy. The purpose and object of the Constitution of the United States was to establish a governmental agency, exercising only the limited sovereign powers entrusted to it, in the manner set out in the constitutional entrustment, so as to secure to each human being a maximum of ordered liberty in the exercise of the rights given him by God.

Third, Bill of Rights

Third safeguard: Bill of Rights; purposes and significance of Bill of Rights:

As preliminary to any delegation of powers to governmental agencies, the American people not only solemnly declared the principles which should control those agencies in their construction and administration of the delegated powers, but further declared that certain rights were so individual in their nature that they were withheld from governmental regulation or restraint. That was the purpose and significance of our Bill of Rights, which established the limitations within which the Constitution was to be construed.

Fourth, the Federal Bill of Rights

Fourth safeguard: The Federal Bill of Rights; rights withheld from Federal governmental restraint by our Federal Bill of Rights:

In the Federal Bill of Rights a long list of individual rights is set out as being withheld from Federal governmental control. Among them are: Freedom of religious belief; freedom of speech; freedom of the press; the right peaceably to assemble and to petition the Government for a redress of grievances; the right of the people to keep and bear arms; the right to exemption from unreasonable searches and seizures; the right to exemption from prosecution for crime except after presentment or indictment by a grand jury; the right to exemption from any requirement to be a witness against one's self in a criminal case; the right to due process of law; the right to exemption from governmental taking or expropriation of private property without just compensation; the right in all criminal prosecutions to a speedy and public trial by an impartial local jury; the right to be informed of the nature and cause of the accusation; the right to be confronted with the adverse witnesses; the right to have compulsory process for obtaining witnesses in one's favor; the right to have the assistance of counsel for one's defense; and numerous others.

Individual and political liberty defined

American individual liberty defined:

In America individual liberty may be accurately defined as the sum of the unalienable individual rights withheld from governmental restraint; and when to this is added the sum of the limitations on government as an agent of the people, plus the sum of the safeguards assuring the indefeasible sovereignty of the people over government as their agent, we have a definition of political liberty in America.

American political liberty defined:

The sum of all the rights withheld from governmental control (and together constituting individual liberty) is only one of the three factors which, taken together, constitute American political liberty.

Three factors in American political liberty:

You must add to the aggregate or sum of all of these individual rights another aggregate or sum of all the limitations imposed on government as the agent of the people, and yet another aggregate or sum of all the safeguards assuring the indefeasible sovereignty of the people over government as their agent in order to get a correct definition of political liberty.

Fifth, the Constitution of the United States—How it has been violated

Fifth safeguard: The Constitution of the United States; the Constitution is an instrument of limitation; powers delegated to Congress are enumerated; all other powers are reserved to the organized State groups separately and respectively:

The limitations on the governmental agency, both as to the extent of the delegated powers and as to the manner of their exercise, are set out in the Constitution. The powers delegated to Congress are enumerated in article I, section 8, and are 18 in number. By the tenth amendment "all powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States, respectively, or to the people."

IMPAIRMENT OF POLITICAL LIBERTY BY THE FEDERAL GOVERNMENT

Our political liberty is being destroyed (a) by governmental usurpation of undelegated powers; (b) by combining legislative, executive, and judicial powers in one group of persons; (c) by Congress delegating legislative power to the President; (d) by disregarding the limitations imposed by the Constitution; (e) by using the delegated powers to accomplish unauthorized governmental ends; (f) by using Federal funds for non-Federal purposes; (g) by usurping powers reserved to the States and thereby impairing the right of local self-government; (h) by making government a partner instead of a servant:

Political liberty is invaded, impaired, overridden, or destroyed:

When Congress usurps powers not delegated to it;

When Congress, in violation of constitutional inhibitions, attempts to authorize any board or commission to exercise legislative, executive, and judicial functions;

When Congress attempts to delegate its legislative powers to the President;

When any limitation imposed by the Constitution is overridden;

When the Federal governmental agency uses its delegated powers or any of them to accomplish any ends other than those set out in the Declaration of Independence and in the Constitution;

When the Federal Government uses money raised by Federal taxation for other than the Federal purposes authorized in the enumeration of delegated powers in article I, section 6;

When the Federal Government usurps any of the powers reserved to the States, thereby impairing the reserved right of local self-government; and

When the Federal Government, created as a mere agent of the people, and as such having no rights but having merely limited and delegated powers, assumes to discard its position of servant and agent by proclaiming itself as a partner of the people and asserting rights as against its masters.

Neither Congress nor President is authorized to usurp additional powers under any circumstances:

Nothing in the Constitution authorizes the President or the Congress, or both together, or any governmental agency, to usurp and exercise additional powers. If a limited governmental agent can, at its whim, declare that an emergency exists, and thereby justify its usurpation of such new powers as it desires, a constitution as a limitation on governmental powers is the veriest farce.

Constitutional provisions and safeguards cannot be suspended on the ground of the existence of an exigency.

In the case of *Ex parte Milligan* (4 Wall. 1) the Supreme Court said:

"The Constitution of the United States is a law for rulers and people, equally in war and in peace, and covers with the shield of its protection all classes of men at all times and under all circumstances. No doctrine, involving more pernicious consequences, was ever invented by the wit of man than that any of its provisions can be suspended during any of the great exigencies of government. Such a doctrine leads directly to anarchy or despotism. The theory of necessity on which it is based is false."

MR. ROOSEVELT WAS ELECTED AS A CONSTITUTIONAL PRESIDENT AND NOT AS A DICTATOR

I have never voted any other than the Democratic ticket in the 41 years since I attained my majority. I voted for Mr. Roosevelt for President.

The writer voted for a constitutional President—not for a dictator:

But in voting for Mr. Roosevelt, I voted for him as a constitutional President, not as a dictator or absolute ruler. My vote for Mr. Roosevelt and my votes for Senators and Congressmen have been cast with a full knowledge that oaths to support the Constitution were required of all of them and with the expectation that these oaths would be observed.

THE PRESIDENT'S CONSTITUTIONAL POWERS

Powers of the President; constitutional limitations on Presidential powers:

When Mr. Roosevelt came into office he was confronted with a condition of national economic distress possibly unparalleled in our history. To remedy this distress he was fully authorized and expected, with the cooperation of Congress, to use to the fullest extent every power granted under the Constitution. But he was neither authorized nor expected to disregard constitutional limitations or to seize and exercise such additional powers as he chose or thought wise.

THE PRESIDENT'S UNCONSTITUTIONAL ACTS AND THE CONNIVANCE OF CONGRESS

What Mr. Roosevelt did; the unworthy camouflage of an attempted grant to him by Congress of powers never delegated to it:

But that is just what he did. It is true that the action was camouflaged by a deferential request that Congress should grant him the desired powers. As it happened, Congress did not have the powers to grant. Congress had only 18 delegated powers under the Constitution; and even if Congress had been delegated the desired powers, it is an axiom in law that "a delegated power cannot be redelegated." But Congress carried out this polite fiction by solemnly enacting numberless bills, ostensibly giving to the President various sovereign powers which had never been delegated to Congress, but which were solemnly reserved "to the States, respectively, or to the people" by the very Constitution which both Congress and the President had sworn to support.

Usurpation by the Executive:

The President's right to exercise many of the powers now being administered by the Federal Executive is just about as unjustified as would be your right to own and occupy the White House on the strength of a deed to it made by me. I have no title to the White House and hence cannot convey any title. Congress had no title to many of the powers ostensibly redelegated or conveyed to the President, and hence could make no valid conveyance of them, and both the Congress and the President knew this.

CONGRESS UNLOADS ON THE PRESIDENT

The spinelessness of Congress; Congress cannot delegate to the President or to anyone else the legislative powers intrusted to it:

Moreover, Congress became so panic-stricken that it proceeded to unload many of its responsibilities on the Executive in plain violation of the constitutional intrustment. All the powers ever delegated to Congress are legislative powers, and in *Field* v. *Clark* (143 U. S., 649), the Supreme Court said:

"Congress cannot delegate legislative authority to the President."

But Congress attempted to do this, and the Executive, in like violation of the Constitution, is now exercising countless legislative powers, and using the organized power of the Nation to compel me and other private citizens to observe rules, regulations, business codes, and bureaucratic orders that have been promulgated in pursuance of this despotic and unconstitutional procedure. This has impaired my constitutional liberties, and I resent it.

The United States cannot grant powers to the States or any of them:

Moreover, any attempted grant of power from the United States to one or more of the States is an absurdity. All of the powers intrusted to the United States were delegated to it by the States, which still retain respectively all powers not so delegated. The United States cannot delegate any of the powers delegated to it under the Constitution, and it has no others.

THE ADMINISTRATION'S CAMPAIGN OF PROPAGANDA

The administration's campaign of propaganda; its unjust villification and abuse of all who opposed its despotic and unconstitutional action:

All of this unconstitutional action was accompanied by the most elaborate campaign of propaganda that I have ever seen, even in war time. The press, the mails, the public platform, the radio, and every possible means of reaching the public were used to drown out all protest in a sea of words. For months it has been almost impossible to tune in on the radio at any hour of the day or night without hearing some such announcement as that Prof. John Doe, the eminent authority on food production, who has just been appointed as the head of the new Federal Bureau known as "The Less Food You Raise the Less Hungry Will the People Be", commonly called the TLFYRTLHWTPB, will now address the American people on the wisdom, soundness, justification, constitutionality, and necessity of regimenting the farmers of America, and will demonstrate that the only patriotic, sensible, and dependable Americans are the Frankfurter-Richberg-Tugwell groups of "brain trusters", the "crack down" group of "go-getters", and those who follow them blindly.

THE USE OF OUR UNIVERSITIES FOR PROPAGANDA PURPOSES

Socialist influence in American colleges and universities:

Probably the most dangerous, insidious, and far-reaching influence in the thoroughly organized campaign for discarding our American theories and plan of government, and for supplanting them with the governmental theories and plan of the Socialist school of thought, has been the prostitution of our great universities, colleges, and schools to the position of practical breeding grounds and training camps for recruits to that political philosophy.

The belittling and opposing of our political philosophy and the undermining of our constitutional plan of Republican Government by college and university professors, many of whom are outspoken advocates of the Socialist school of thought:

At many of these institutions a number of the professors (particularly in the schools of law, of government, of the social sciences, and of kindred subjects) are either foreign born or foreign taught. They systematically ridicule our American political philosophy, deny the existence of natural rights and natural laws controlling the intellectual, ethical, and spiritual universe, belittle the Constitution as out of date, and openly urge the acceptance and advocacy by our youth of the political principles of the Socialist school of thought.

Evidences of this:

As an evidence of this insidious influence in our institutions of higher learning attention is called to the large number of avowed followers of the Socialist school of thought now acting as members of the administration's advisory group of "brain trusters", who are professors in American colleges.

The function of our universities: To teach all political philosophy, not to be political propagandists, or leaders in a movement to destroy American institutions:

The universities should properly offer instruction as to any and all schools of political philosophy. But that does not mean that our university professors should be permitted to use their great and influential positions as advocates and propagandists of political theories opposed to our own or as centers of disaffection and revolt against our established Government, or to train our youth to a disrespect and contempt for the entire governmental system under which freedom of speech and discussion is made possible, or to act as sappers and miners of our governmental principles and plan.

When these men have played their small part and been forgotten, mankind will still be raising monuments to the great figures of the eighteenth century who changed the course of civilization and breathed new hope into humanity by formulating and establishing a governmental system under which men can govern themselves without a master.

Suggested cooperation between Massachusetts and Virginia:

But in the meantime it might be wise for Virginia and Massachusetts again to form committees of correspondence to reassert the principles and plan of government which their earlier and clearer-visioned leaders bequeathed to Americans as a sound plan for preserving the rights of man through endless generations.

MR. ROOSEVELT'S BETRAYAL AND SURRENDER OF AMERICAN RIGHTS AND LIBERTIES AND HIS VIOLATION OF HIS CAMPAIGN PLEDGES

The President's political obligations under the Constitution, under his oath of office, and under the pledges of his party platform:

For the great office which Mr. Roosevelt holds I have the most profound respect. But this should not, and does not, deter me as a free American citizen from criticizing and calling attention to his failures as our political executive, elected to his high office by the suffrages of his fellow citizens, bound under his oath to preserve, protect, and defend the Constitution of the United States, and empowered by the people to execute the great but definitely limited powers intrusted to him only in order to carry out the American political philosophy and to secure the exercise of individual rights as set out in the Declaration of Independence. It does not deter me from emphasizing the fact that he has deliberately broken many of the most important planks and pledges in the platform on which he was elected, and which he repeatedly stated that he would faithfully carry out.

In his pre-election speeches he gave no indication of his intention to carry through the legislative program which he has since sponsored and practically forced through Congress. Had he done so, the result of that election might have been different. Certainly I, and thousands of others, I believe, would not have voted for him.

Under a representative form of government the right of each citizen to criticize the acts of his governmental agents is an incident of citizenship; and the Constitution recognizes the accountability of every governmental official to the people as sovereigns through its provisions for impeachment.

His political betrayal and surrender of American rights and liberties:

But my criticism of the President goes even further than this. He has, in my judgment, more than all his predecessors combined, disregarded our governmental theories and political philosophy, set aside and nullified our plan of a limited representative constitutional government, and endangered the cause of human freedom.

The President's supplanting of our political philosophy by socialism under the influence and control of the "brain trusters":

Apparently under the domination of a group, many of whom are admitted advocates of the political philosophy and governmental theories and plans of the Socialist school of thought, the President, with the aid and connivance of Congress, is gradually supplanting our political philosophy and our plan of a government of limited powers with the Socialist theory and plans, which deny the supremacy of individual rights, deny that the sole purpose of government is to secure the individual in the exercise of his rights, and deny and defeat our theory of a government of limited powers.

The group now dominating the President do not represent the majority of our citizens or advocate Americanism. They speak only for a blatant minority, who advocate socialism and the destruction of our constitutional form of representative and limited government:

This group does not represent the views of the American people. They speak for the Socialist school of thought, and are interested in carrying out its program. They represent a well-organized and blatant minority, who wish to destroy American citizenship by making Americans the subjects of a governmental despotism, which that group intends to control and administer in its own class interest. The Members of Congress who are being browbeaten and driven into support of their program are "riding for a fall." The increasing dissatisfaction with, and revolt against, bureaucratic tyranny evidences the fact that the mass of our people intend to preserve their liberties and will repudiate the leadership of those who betray them.

The President was not commissioned to replace Americanism with socialism, but "to preserve, protect, and defend the Constitution of the United States":

We did not elect Mr. Roosevelt to supplant American ideals, principles, and government with those of the Socialist school of thought. We did not commission him to destroy the American theory and plan of government, but to preserve, protect, and defend it. We did not commission him to make government a partner of the people, but to maintain its proper position of agent and servant. We did not commission him to code and regiment American business and to attempt to regulate our daily lives through a despotic bureaucracy. We commissioned him to administer the great and limited powers intrusted to him so that each individual could have the greatest freedom in pursuing his own happiness as he chose.

The American people can change their philosophy and form of government:

If the American people want to discard their present governmental plan and adopt the Socialist theory and plan of government, they have an unquestioned right to do so; and the Constitution itself provides an orderly method for making changes by action of State conventions as representing the sovereign people. But neither the President nor the Congress are authorized to do it for them. If both President and Congress will remember whose servants they are, and attend to the task of administering the powers intrusted to them in accordance with the constitutional intrustment, and for the purpose of securing the ends set out in the Declaration of Independence, we will all be happier. They have brought on an era of unhappiness and anxiety by disregarding the limitations imposed on them by the people. They can restore balance, confidence, and prosperity by confining themselves to the administration of the limited powers intrusted to them.

THE DEGRADATION OF CONGRESS

The cowardice of Congress; it shamelessly obeys the orders of the "brain trusters":

Every criticism made of the President applies with equal and probably greater force to the two Houses of Congress. He at least has displayed courage, while the cowardice of Congress is a byword. Congress has apparently evaded every responsibility, has tamely surrendered its privileges and failed to perform its duties, and has become a mere rubber stamp to be affixed to any ostensible grant of powers suggested by the "brain trust" advisers of the Executive, without even considering its constitutionality.

THE TAME SURRENDER OF THE RIGHTS OF THE PEOPLE AND OF THE RESERVED POWERS OF THE STATES BY STATE GOVERNORS AND LEGISLATURES

How States are bribed into a surrender of their reserved powers:

In this spectacular disintegration of the temple of American liberty, the part played by the State Governors and legislatures has been pitiful and humiliating. Representing all the sovereign powers of a great people, except the 18 enumerated powers delegated to Congress, and charged with the protection of local self-government, they have been easily swayed from their State allegiance by the device of appropriations for the State's ostensible benefit, paid by the Federal administration, on condition that some portion of the reserved State sovereignty be surrendered.

These insidious bribes to the States have been paid out of money extorted from the people by Federal taxation, and frequently have been paid on condition that the State shall provide an equal sum (derived by taxing its people), and shall agree that these State-raised sums, as well as the Federal allocation, be expended under the direction and control of the Federal agency.

Fifty-fifty appropriations:

The plan of 50–50 appropriations by the Federal Government so often used in the past, and now being overworked, is a masterpiece of strategy for destroying State sovereignty, gradually usurping reserved State powers, using other people's money to do this, and having the dupes of that strategy (the State citizens) pay a major part of the bill incurred in impairing their own liberties.

Congress will appropriate hundreds of millions for some State purpose and ten million of this, for instance, will be allocated to Virginia on condition that the State of Virginia provides an equal sum by taxing its citizens, and consents that the expenditure of the entire twenty million shall be made under Federal direction and control; with the necessary concession that the Federal boards or agents shall have and exercise within the State any authority needed to direct and control such expenditures.

The ten millions provided for Virginia (as well as the millions allocated to other States) by the Federal Government are raised by Federal taxation, a material part of which falls on Virginia citizens; and all of Virginia's half is raised by Virginia taxes.

The humiliation of the sovereign States:

Moreover the administration has in recent months appropriated vast sums for almost every conceivable purpose, and there has been a mad scramble between States, political subdivisions, counties, municipalities, and local projects to share in the distribution of this Federal "pie." No more humiliating spectacle has been presented in our national history than that of Governors, United States Senators and Representatives, and the accredited agents of great and sovereign States, crowding the Washington office of some Federal bureaucrat appointed to allocate these Federal funds, humbly beseeching that they be allowed to share in this public plunder, and surrendering some portion of the reserved State sovereignty as a condition of participation in the same. No State Governor or legislature, so far as I am informed, has attempted to defend the invaded State rights or to check Federal seizure of tax resources to an extent which makes it difficult to raise the funds needed to conduct State government.

Unless the States are preserved, the United States will be destroyed and the American Republic will disappear:

The United States has been correctly described by the Supreme Court as "an indestructible Union composed of indestructible States" (*Texas* v. *White*, 7 Wall., 700). The oath to support the Constitution of the United States imposes an obligation to protect and defend the States in the exercise of their reserved powers as genuinely as is the Federal Government to be protected and defended in the exercise of its delegated powers. But the chosen defenders of the reserved powers of the States and the retained rights of the people are betraying their trust. They are tamely surrendering to despotic power, the ever-vigilant enemy of human freedom. They seem to have no realization of the extent of the powers, or the magnitude of the trust, confided to them; or of the invincibility of their entrenched position, if they will only protect their defenses and act in harmony and cooperation against the usurper.

The Supreme Court's view of the importance of preserving the States and of safeguarding their reserved powers:

Listen to the Supreme Court's estimate of the necessity for preserving the reserved sovereignty of the States.

That Court said in 1869: "Without the States in union there could be no such political body as the United States" (*Lane Co.* v. *Oregon*, 7 Wall. 71, 75).

Again it said in 1871: "Without them (the States) the general Government itself would disappear from the family of nations" (*Collector* v. *Day*, 11 Wall. 113).

And in 1918 it stated that "the maintenance of the authority of the States over matters purely local is as essential to the preservation of our institutions as is the conservation of the supremacy

of the Federal power in all matters intrusted to the Nation by the Federal Constitution" (*Hammer* v. *Dagenhart*, 247 U. S. 251, 275).

The administration is destroying the Republic under the domination and influence of socialist "brain trusters", who are not seeking social reform but the establishment of a Socialist state:

The present administration is juggling with human rights, is toying with human liberty, and is experimenting with human happiness. It is doing this under the domination and at the instigation of a group of highly intellectual outsiders, who know exactly what they want—socialism—and apparently know exactly how to get it. They prate loudly of social reform (which every decent man approves), but insidiously urge that socialism is the only road to social reform. They are seeking the abolition of the American principles and plan of government, because that is today the one outstanding bulwark against an international Socialist state.

YOU CANNOT LEGISLATE A PEOPLE INTO MORALITY, BUT YOU MAY LEGISLATE THEM OUT OF LIBERTY

We have proved that the American people cannot be legislated into a certain brand of morality:

For nearly 15 years this country under prohibition was dominated by a group of clerical reformers, who thought they could legislate their brand of morality into a great people. At the end of that period we had nationally reached a state of immorality and lawlessness probably never equaled in our history.

But they may be legislated out of their liberties:

Today we seem to be under the domination of professors, theorists, and so-called "social reformers"; and I confidently predict that a few years of such domination will bring us to the lowest level we have ever reached in knowledge of governmental principles, in understanding of the significance and value of human liberty, and in appreciation of the social duties and obligations of an ordered state.

Genuine social reform is impossible when government functions merely in the interest of a class:

Socialism will never produce true social reform. It is government by a class and in their interest.

AMERICANS DO NOT WISH TO BE LEGISLATIVELY REFORMED

Americans have no desire to be legislatively reformed; the individualistic ideals and strength of American political philosophy:

Moreover, there are some millions of us who have no desire to be legislatively reformed, or remolded to conform to patterns selected and approved by our temporary rulers. We merely want to pursue our happiness in our own way, and to permit every other person to do the same thing, and we want our Government to secure us in this right, as it was designed to do. To conduct, or to dominate and direct, private business, and to legislate some special brand of morality and ethics into the people are not proper functions of American government. The United States was established to assure freedom from just such governmental tyranny.

UNBEARABLE FEDERAL TAXATION

The burden of Federal taxation; unsound methods of taxation:

Federal taxation has passed the limit that a free people will tolerate, and much of the Federal plan of taxation is economically unsound and must eventually dry up the sources from which a large proportion of Federal revenue is now derived.

Our graduated income taxes unjust and nationally hurtful:

A graduated income tax, imposing enormously increased percentages on larger incomes, contradicts our entire theory of equality of burden, as well as of right and opportunity. "Soak the rich" may be a popular political slogan, but it is not sound economics nor is it fundamentally just. It necessarily discourages individual initiative and effort by depriving them of its fruits.

Our inheritance taxes are uneconomic:

Similarly the inheritance taxes levied by the Federal Government tend to destroy and defeat the ambition and efforts of men to provide for their families by saving and accumulation of an estate, because at their deaths government will seize so great a part of it.

Results of such methods of raising revenue:

The results of these methods of raising Federal revenue have been noticeable in their stifling of individual effort and ambition, in the withholding of capital from new enterprises, and in the piling up of hundreds of millions in insurance and investment companies, where these funds can be invested only in a restricted field, and where their use in current business and productive effort is seriously impaired.

The exercise of limitless powers calls for limitless funds:

If the Federal Government can exercise limitless powers and undertake limitless activities, including the operation of the business of the country, then it must secure limitless income, in order to meet the bill. If Congress continues its present course, it seems probable that it will ultimately siphon the entire national annual income into the Federal Treasury, and redistribute it according to its whim, so that the right of private property will be defeated through the seizing by the Government of all returns from its use.

It is plain robbery to take one man's income under the guise of taxation and give it to another:

That is robbery; and the Supreme Court so stated in the case of *Loan Association* v. *Topeka* (20 Wall. 655), when it said:

"To lay, with one hand, the power of the Government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprise and build up private fortunes, is none the less a robbery because it is done under the forms of law and is called taxation."

Federal bond issues to provide for current expenditures:

Already the unconstitutional Federal activities have required such colossal sums that current revenues were entirely inadequate for supplying them; and the Government has proceeded on a vast scale to mortgage our national future by issuing billions of bonds and increasing the public debt to what it was at the close of the World War. The money so raised has been largely used in temporary and nonproductive ways, with nothing to show for it. And yet the people must pay every cent of this debt, which will be a continuing burden on our posterity, limiting and largely defeating their unalienable right to the pursuit of happiness.

Congress is now spending the income of future generations:

In entire disregard of economic laws, of principles of common sense and common justice, Congress, in its insatiate greed for power and political influence, and in direct violation of its constitutional obligations, is not only forcibly taking away an inexcusable proportion of our annual income, but is also appropriating to its present use the income of future generations of Americans.

And is "poking its pilfering fingers into the pockets of posterity":

A great American lawyer, in contesting the validity of certain bonds issued by a "carpet bag" legislature of one of the Southern States during reconstruction days, largely for their own purposes and without benefit to the State, described that State legislature as "poking their pilfering fingers into the pockets of posterity."

There is danger that the same description may hereafter be applied to our National Legislature.

The remedy—Reduce the volume of needed revenue and of taxes by confining the activities of Congress to its 18 delegated powers:

The remedy for these conditions is obvious. If Congress will confine its activities to the administration of the 18 enumerated powers delegated to it, they will have no need for, and no way of spending, the larger part of the billions now being wasted. Federal taxes can be reduced and many of them abolished.

There is no other practical way for permanently reducing Federal taxes.

A WARNING TO ALL AMERICAN GOVERNMENTAL AGENCIES

A solemn warning to the President, the Congress, the courts, and all governmental agencies against discarding our American political philosophy, against scrapping the Constitution, and against any attempt to make free Americans subject to despotic bureaucratic control:

I solemnly warn you, Senator, that the substitution of the political philosophy of the Socialist school of thought for the American political philosophy as outlined in the Declaration of Independence, the Virginia Bill of Rights, and the Federal Bill of Rights, jeopardizes the entire structure of American freedom and will ultimately destroy the United States of America, unless promptly repudiated and courageously rejected by Congress as the trusted representatives of the people.

I warn you that the disregard of the limitations imposed by the Constitution, whether by the President or Congress or both, is a step toward despotism and tyranny over your posterity and mine, for which the people will surely hold you to account.

I warn you that bureaucratic despotism is the worst type of despotism that history records.

I warn you that neither President nor Congress can by legislation defeat the operation of economic laws.

I warn you that the great structure of human freedom established by our forefathers and bequeathed to us is jeopardized by the policy and acts of the present administration. It is betraying the trust of the electorate.

Posterity will execrate those who attempt to surrender human freedom and the rights of man, and the American electorate will repudiate them:

And I warn you that that administration will be called to account not only by their present constituents but by the dispassionate and relentless verdict of posterity, which will execrate its attempted surrender of the God-given rights of man and of the priceless boon of human liberty. The American people will ultimately reject and recover from the follies of this administration. They will reassert their political philosophy and reenforce constitutional limitations. But they will resent the imposition on them of such a task by their representatives whom they intrusted to prevent it.

OUR ECONOMIC EVILS AND DISTRESS CAN BE REMEDIED UNDER OUR CONSTITUTIONAL PLAN

Admittedly evils and abuses arose under our constitutional plan:

There were unquestioned evils and outstanding abuses under our constitutional plan. No fair-minded man will deny this. They were the results and products of maladministration, rather than of defects in our system, and a recurrence of them can be prevented under that plan.

No government can function perfectly; remove the abuses, but don't abandon our tried and proven plan, which is the best ever put into effect for protecting individual and political liberty.

All governmental functions must be administered by men, and because men are selfish and imperfect, no governmental plan can ever be perfect. The fact that abuses exist requires the remedying of the abuses, not the abandonment of the plan, unless a better plan can be offered.

Along with millions of other Americans, I believe that our political philosophy and our governmental plan is the best ever put into effect for the protection of individual and political liberty and

under which men can secure equality of right, equality of opportunity, and equality of burden.

The Socialists attempt to frighten us with the cry that this cannot be done, and the "brain trusters" urge haste so as to prevent investigation of their suggestions:

The advocates of socialistic experiments are vociferous in asserting that abuses under our system cannot be remedied save by abandoning the system in favor of their political philosophy and their plan of governmental absolutism, to be administered in the interest of a class. They want no reasoned consideration of their suggestions of reform, because those suggestions would be discarded as proven vicious and harmful by the experience of the past. Taking advantage of our economic panic, they produce from their pockets an endless succession of proposed enactments, assert that each is a panacea for our troubles, stamp their suggestions with the approval of themselves as supermen and "brain trusters", and urge the greatest haste in putting their ideas into effect. They are rushing the Republic to destruction.

WE HAVE WEATHERED OTHER DEPRESSIONS AND PANICS

As a constitutional republic the United States through 150 years has weathered wars, depressions, and panics, and has enjoyed a welfare, happiness, and prosperity not excelled by any nation:

We, as a nation, have weathered other panics, and we can weather this one under the same principles of right and justice and the same governmental plan under which we achieved national happiness, prosperity, and welfare for a century and a half. Our troubles are not due to our plan of government but to distortions and maladministration of that plan.

THE ENFORCED DEGENERACY OF AMERICAN CHARACTER

The results of the administration's policies and program: (a) Individual initiative, self-reliance, energy, and hopefulness are being destroyed; (b) the people fear to undertake business enterprises when their success or failure can be determined by despotic bureaucrats; (c) Americans are degenerating into servile groups of officeholders, dole takers, and charity beneficiaries; (d) they are being trained to expect Washington to think for them, regulate their daily lives, and care for them:

The results of the governmental procedure of the past 18 months are disturbing to every observant and patriotic American. Our great national characteristics of individual initiative, supreme self-confidence, personal self-reliance, and limitless personal ambition are being stifled. The aggressiveness, the hopefulness, the energy, the self-dependence of Americans are being undermined. Men feel that new business ventures are unwise and hopeless, for their success or failure is entirely dependent on the changing whims of Federal bureaucrats, ostensibly clothed with arbitrary powers, which are enforced on us by a tyrannous Federal Government.

We are degenerating into spineless and servile groups of officeholders, dole takers, and charity beneficiaries. We are being taught to expect the Federal Government to think for us, take care of us, and to regulate us. We are building up a political machine that must destroy us. It is a pitiful sight to watch the degeneracy of a great and free people under the destructive influence of governmental bureaucracy. Such bureaucracy always has and always will destroy any nation subjected to its blight.

What will happen when Federal funds and credit are exhausted?

What will happen to the great mass of Americans who are now living as Federal officeholders or on Federal charity when the Federal funds and credit are exhausted, as must inevitably happen? Their initiative and self-reliance will have been seriously impaired, and such an army of unemployed citizens, deprived of their accustomed dole, may constitute a social menace far more serious than has been the economic menace of the last few years.

Americans will not permit their heritage of freedom to be taken from them:

But I confidently believe that the American people are awakening to these dangers. They will not permit their heritage of freedom to be taken from them. If their representatives in Congress will not protect them, they will cast them out as unprofitable and untrustworthy servants.

What we reject; what we want:

We want no governmental regimentation or coding of business; we want no bureaucratic direction and control of our daily lives; we want no bureaucratic masters; we don't wish to be legislatively reformed; and we want no socialism. We do want to protect our rights and liberties and to preserve the United States of America as a constitutional republic.

A CALL TO REASSERT OUR POLITICAL PHILOSOPHY AND TO REIMPOSE CONSTITUTIONAL LIMITATIONS

A call to Congress to (a) repudiate and abolish socialism; (b) reestablish our American political philosophy; (c) confine their activities to the attainment of the objects set out in the Declaration of Independence and the Constitution; (d) observe and enforce constitutional limitations; (e) abolish bureaucracy; (f) keep separate the legislative, executive, and judicial functions; (g) protect the reserved rights of the States and restore local self-government; (h) get the Federal Government out of business and out of charity.

I call on you Congressmen in the Senate and House—

To act with the same promptness in destroying all socialism in our Government as has been used during the past 2 years in destroying Americanism.

To exert your full effort and capacity for the repeal of every enactment which violates our governmental plan and disregards our political philosophy.

To use the powers intrusted to you to accomplish the true ends of government as set out in the Declaration of Independence and our other fundamental instruments.

To confine governmental activities to the accomplishment of these purposes through the exercise of the limited powers enumerated in the Constitution.

To abolish bureaucracy by abolishing governmental bureaus (refusing appropriations for their support if no more direct method can be followed).

To keep separate the legislative, executive, and judicial departments.

To guard the reserved rights of the States and the principles of local self-government.

To get the Federal Government out of business and out of charity and confine its functions to those intrusted to it by the Constitution.

The value and significance of American citizenship:

In the *Slaughter House Cases* (16 Wall. 36) Justice Bradley said: "In this free country * * * citizenship means something. It has certain privileges and immunities attached to it which the Government, whether restricted by express or implied limitations, cannot take away or impair. It may do so temporarily by force, but it cannot do so by right."

The writer speaks for millions of private citizens who have had no spokesman:

I believe that in this letter I voice the sentiments of millions of thoughtful and patriotic Americans, who constitute an overwhelming majority of our citizenship, but whose wishes have not been consulted, because they have had no one to speak on their behalf.

Sincerely yours,

CHARLES HALL DAVIS.

P. S.—As an aid to a clear understanding by the public of our American political philosophy and of the significance and value of the governmental theory and plan of the United States I append a short summary of the same.

A BRIEF SUMMARY OF THE POLITICAL PHILOSOPHY AND THE GOVERNMENTAL THEORY AND PLAN OF THE UNITED STATES OF AMERICA

THE AMERICAN POLITICAL PHILOSOPHY

The United States of America is officially theistic. It officially recognizes the existence of Almighty God (a) who created human beings and directly endowed each with certain unalienable rights; (b) who established natural laws and principles of right and justice; (c) which control the material universe and the exercise by man of his God-given faculties; (d) and which control government as a man-made institution for the orderly restraint of some of his rights; the United States holds (e) that the individual human being is the basic factor of the social state, and the protection of his God-given rights is the sole purpose of ordered society; (f) that no individual can be justly deprived of his God-given rights or restrained in their exercise save by the consent of the people themselves:

The American political philosophy is set out in the Declaration of Independence, which recognizes—

(a) The existence of a Supreme Creator, possessing intellectual, ethical, and spiritual faculties, who created both the material universe and man; directly endowing each man with intellectual, ethical, and spiritual faculties, to be exercised and expressed through his physical body, and with equal rights in every man freely to exercise these faculties, so as to give to each full opportunity to express his individual personality and to pursue his own happiness.

(b) That this omnipotent Creater has established laws for the orderly regulation of the material universe generally known as "laws of nature", and that He has similarly established laws for the regulation of the intellectual, ethical, and spiritual universe, which are sometimes designated as principles of right and justice.

(c) That these natural laws and principles of right and justice control man as a physical being exercising intellectual, ethical, and spiritual faculties; and also control government as an institution established by man to restrain and regulate the exercise of certain of his God-given rights.

(d) That to secure an ordered state of society man must establish government as a means for utilizing the collective power of the community to restrain the exercise by each human being of his individual rights so as not to prevent or interfere with a like exercise by other human beings of their similar and equal rights.

(e) That the individual human being is the basic factor of the social state, and that as each human being has been directly endowed by his Creator with certain individual rights the only purpose and object of just government is to secure him in the orderly exercise of those rights.

(f) That these individual rights being unalienable, no human being can justly be deprived of them or restrained in their exercise, except to such extent as may be necessary to protect others in the like exercise of their similar and equal rights, and such restraints as are so imposed must be exercised by the consent of the people.

THE AMERICAN GOVERNMENTAL THEORY AND PLAN

(1) The American theory and plan of government is one whereby man can govern himself without a master.

(2) Under the American theory of government, each human being has been directly endowed by the Creator with certain unalienable individual rights.

(3) Holding his rights under the supreme title of a gift from the Creator, he cannot be divested of them nor restrained in their use by any lesser authority, save by his own consent.

(4) The purpose of American Government is "ordered liberty" for the individual; that is, to secure each individual in the exercise of his rights, subject to a like right of every other individual to exercise similar rights, and subject to individual liability for their abuse.

(5) To secure ordered liberty, the individuals consent that certain of their unalienable rights shall thereafter be exercised in conformity with regulations or laws approved by a majority of the people.

(6) Certain rights are so individual and personal that they are not to be exercised according to the community or majority will; such as the right to worship God as one pleases. These inalienable individual rights are withheld from governmental regulation or control, usually by a bill of rights.

(7) In order to enforce the exercise of the agreed rights under regulations or laws approved by the majority of the community, the people create an agent or servant known as "government", and delegate to it the right to administer such of their soverign powers as they deem necessary to carry out their purposes.

(8) Individual liberty in America is the sum of the inalienable individual rights withheld from governmental control.

(9) Political liberty in America is correctly defined as individual liberty, plus the sum of the limitations on the governmental agent, plus the sum of the safeguards assuring the sovereignty of the people over the government.

(10) To the extent that governmental control is extended over rights previously withheld from its regulation, individual liberty is reduced.

(11) As the sum of the limitations on government is reduced, political liberty is lessened.

(12) When the safeguards assuring the sovereignty of the people over government are discarded, both individual and political liberties disappear.

(13) The rights of man and the value of citizenship depend upon the maintenance of the sovereignty of the people over their governmental agents.

(14) The rights of man can be preserved only if government is always relegated to its true position of servant and agent.

(15) Tyranny and despotism on the part of government can be defeated only by imposing limitations on the powers of the governmental agent.

(16) Limitations cannot be imposed and enforced by the people on any government unless the governmental powers are derived from the people.

(17) Limitations cannot be imposed on a government where the people act directly, as in a pure democracy; for no higher power exists which can control any specific exercise of their irresistible will.

(18) The only form of government upon which limitations can be imposed and enforced by the people is a representative government where the governmental agent is the creation and servant of the people.

(19) The people as sovereigns and as creators of the governmental agent can at any time enlarge, restrict or abolish the powers of government, or establish such new governmental agencies as they desire.

(20) The Constitution of the United States created a governmental agency for the administration of certain sovereign powers affecting our foreign relations or more than one State, and delegated to that agency certain limited and enumerated powers to be exercised as therein provided; reserving all undelegated sovereign powers to the States respectively, or to the people.

(21) The people can at any time change the Constitution of the United States as they desire, and under its terms a method of orderly change is provided so as to avoid the necessity for revolution.

(22) Neither the governmental agent nor any branch of it can, under any circumstances, extend, restrict, discard, or violate the constitutional limitations upon its powers without destroying liberty.

(23) The American theory and plan of government denies the divine rights of kings and rulers by asserting the divine rights of human beings. It destroys class privilege by asserting the political equality of all men. It prevents the growth of despotic governmental power by asserting the indefeasible sovereignty of the people over government. It confronts governmental arrogance with the statement that rulers are the servants of the people. It wipes out the privileges and tyranny of titled aristocracy by declaring that no man or set of men is entitled to exclusive or separate emoluments or privileges from the community, except in consideration of public service, and that those so granted are not descendible.

It is the only Government ever established, designed to offer equality of right, equality of opportunity, and equality of burden to every human being.

(24) It is hopeless to attempt to improve the American plan by grafting on it the principles of despotic government, to defeat which it was created.

Sincerely yours,

CHARLES HALL DAVIS.

Mr. SCHALL. Mr. President, I should like to have the clerk read the editorial signed by William Randolph Hearst, which I have sent to the desk.

The PRESIDING OFFICER (Mr. HATCH in the chair). The clerk will read.

The legislative clerk read as follows:

[From the Washington Herald]

WHICH?—AMERICAN DEMOCRACY OR PERSONAL DICTATORSHIP?

The latest decisions of the Supreme Court of the United States should arouse all loyal American citizens to a full realization of how entirely this so-called "Democratic" administration at Washington has abandoned Democratic principles and how utterly it has discarded the fundamental Democratic policy, and the fundamental American constitutional policy of strict limitation of Federal powers.

The Federal power during the Roosevelt regime has so thoroughly invaded and dominated the States and counties and cities of the country that Mayor LaGuardia, of the city of New York, for example, has established an office in Washington, where he will spend a good part of his time receiving his orders from the Federal Government and trying to secure his share of the Federal moneys, or rather the people's moneys, that are being handed out by the Federal Government to complaisant supporters of the Government program.

But not only has the Federal Government violated in this respect the spirit and letter of the American Constitution, which strictly limits the powers of the Federal Government, but it has violated the Constitution in its definition of the relative powers of the executive branch of the Federal Government, of the legislative branch and of the judicial branch.

The President has assumed, unconstitutionally in most cases, more power than European constitutional monarchs, and, in fact, practically the same powers as the European dictators.

As a matter of fact, Dictator Hitler, for instance, professes respect and strict adherence to the constitution of Weimar, and declares specifically and emphatically that his whole plan was submitted to the people of Germany and ratified by a vote of more than two-thirds of the electorate.

According to the constitution of Weimar, under which Germany's Government operates, a vote of two-thirds of the electorate constitutes a positive injunction by the people upon the Government to proceed with the plan as submitted to the people and endorsed by them.

When have Mr. Roosevelt's plans and policies been submitted to the electorate of the United States?

Surely they were not submitted or defined or even intimated in the Presidential election.

On the contrary, the declarations of the Democratic platform, and the utterances of Mr. Roosevelt himself during the campaign, were in complete variance with the policies he has pursued since elected.

Indeed, his policies are in absolute and utter violation of all the pledges of the platform and of the personal pledges of the candidate.

In an address delivered on March 2, 1930, Franklin D. Roosevelt, then Governor of the State of New York, condemned government by bureaucracies and dictatorships in the following terms:

"The doctrine of regulation and legislation by 'master minds', in whose judgment and will all the people may gladly and quietly acquiesce, has been too glaringly apparent at Washington during these last 10 years.

"Were it possible to find 'master minds' so unselfish, so willing to decide unhesitatingly against their own personal interest or private prejudices; men almost godlike in their ability to hold the scales of justice with an even hand—such a government might be to the interests of the country.

"But there are none such on our political horizon, and we cannot expect a complete reversal of all the teachings of history."

* * * * * * *

The Democratic national platform adopted in 1932 pledged the Democratic Party to economy in government and denounced bureaucratic extravagance. The platform said in part:

"The Democratic Party solemnly pledges:

"An immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government.

"Maintenance of the national credit by a Federal Budget annually balanced.

"We condemn:

"The improper and excessive use of money in political activities. * * *"

In a campaign speech as the Democratic nominee for President, Governor Roosevelt said:

"The platform is a promise binding on the party and its candidates.

"I have accepted the platform without equivocation and without reserve.

"Let us have the courage to stop borrowing to meet continuing deficits. Stop the deficits."

These are the declared policies of the Democratic Party in the party's national platform.

These are the declared principles of Mr. Roosevelt himself.

And if the vote of the people can be considered an injunction to carry out the policies submitted in an election, Mr. Roosevelt has not heeded that injunction, and is even more of a dictator and more of a defiant dictator than the dictators of Europe.

Perhaps Mr. Roosevelt was wrong when he said that no man had the "almost godlike" ability to be a dictator.

It is, of course, conceivable that Mr. Roosevelt may have an inspired genius far greater than that of other men.

It is possible that he has more of a "master mind" than the founders of this Nation.

It is possible, too, that his is a "master mind", greater than any of the framers of the Constitution; that his wisdom is greater than the wisdom of all the Presidents who have preceded him, greater than the wisdom of the people themselves.

Perhaps the Budget should not be balanced.

Perhaps the substance of the country and of the citizenry should be dissipated in reckless political largesse and in political coercion.

Perhaps the future of the country and of this generation of citizens, and of future generations, should be mortgaged to give one man the greatest money power ever wielded in the history of the world; the greatest power to violate the Constitution, to invade the rights of the States, to reverse the policies of a nation.

But such are not the tenets of democracy, nor the principles of Americanism.

Furthermore, there has been no approval of such a revolutionary program by the voters of the United States.

Mr. Roosevelt is not proceeding under an injunction by the people to carry out his socialistic policies.

The Constitution of the United States has not been repudiated by the people at the polls.

The Government of the United States has not yet been constituted a despotism by any decision of the electorate.

The invasion of State rights, the destruction of local and independent government, have not been approved by popular vote.

The reckless use of public funds has not been authorized by the people.

All these things—even national bankruptcy, even the abolition of our American institutions and our governmental system—may be right; but they are not authorized by popular approval at the polls.

They are the acts of an arbitrary dictator, and are in contradiction of that dictator's own professions and pledges.

Mr. Lincoln said this country cannot endure half slave and half free.

And it cannot endure half democracy and half despotism.

Shall we go the full route to socialism or fascism, or shall we return to American constitutional government?

Whatever we do, let us do it at the command of the people and not at the instance and instigation of a self-constituted dictator.

WILLIAM RANDOLPH HEARST.

Mr. SCHALL. Mr. President, I ask unanimous consent to have read at the desk an article which appeared in the Atlanta Life, of Atlanta, Ga., Saturday, June 1, 1935.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk read as follows:

[From the Atlanta Life of June 1, 1935]

NO LONGER HOG-TIED

If there is one thing apparent to the man on the street, it is that there is no longer any such thing as a clear division of Democrats and Republicans.

The fateful questions before the American people are far bigger than any party labels, and the people of Georgia and the South should wake up to the fact that hog-tied allegiance to the Democratic Party is a thing of the past.

The Supreme Court of the United States has thrown down the gauntlet with its clear decisions on the N. R. A., the Frazier-Lemke Act, and the Humphrey decision, as to Presidential power.

The battle lines are now drawn hard and fast. The "new dealers" have been told in unmistakable language that they cannot twist and warp the fundamental law of the land to work their socialistic schemes by legal trickery and evasion. They must go direct to the people by some form of constitutional amendment and with a plain statement of their intentions.

On the one side are the Tugwells, Wallaces, Ickes, Richbergs, Perkinses, Frankfurters, and other parlor pinks who have bored into the Democratic Party like rats in a cheese and who have all but taken complete charge of it, relegating the elected representatives of the people to the position of mere office boys and automatons going through the motion of validating their acts with an occasional crack of the Executive whip when one of them gives signs of a little independent thinking for himself.

Through their vast organizations, the spending of billions, thousands of employees scattered over the length and breadth of the land, in every hamlet, the control of the radio and a subsidized press, together with well-oiled publicity departments, they are rapidly building up a gigantic Nation-wide machine which has and will continue to terrorize Senators and Congressmen into doing their bidding.

Through ceaseless propaganda and fake demonstrations they are able to flood the representatives of the people with petitions, letters, telegrams, and so-called "marches on Washington", so as to keep in the dark the people's representatives, and deceive them as to the real sentiment of the great middle class, the backbone of the Nation.

On the other side of the approaching battle will be the great silent mass of people who do their own thinking, who by industry and thrift have accumulated something for themselves and their dependents, and who believe that this great Nation can still rise to greater heights under a system of government which has endured for 150 years, while the balance of the world floundered about in uncertain change and constant strife.

Reduced to its final and simplest analysis, the great fundamental issue will be whether or not this Nation is to go into some form of modified communism whereby the lazy, shiftless, and ignorant are to share the fruits of those who have accumulated something by hard work, sacrifice, and individual ability, or whether we will follow the fundamental tenets of common sense and the experience of countless centuries, which have proven that intelligence, ability, and willingness to sacrifice always bring their own rewards.

The great issue has been made—the die is cast. The new deal has been declared out of harmony with the fundamental law of the land.

The next move of the Washington crackpots is not hard to predict. They must now go direct to the people in an effort to infuriate them against the protectors and defenders of their Constitution. They must instill into them a spirit of hatred and disrespect for the greatest of all human documents, under which a great people have led the world. They must endeavor to deceive them into believing that this, the greatest charter of human liberties ever drawn, is but the refuge and haven of soulless corporations, bloated capitalists, and exploiters of human misery. Like their Russian brethren, they must turn loose the flood gates of propaganda and deceit in order that the people may be bent to their wishes.

The next Presidential campaign will be the battleground and there will be decided the great and fateful question of whether the Constitution of the United States will stand like the Rock of Gibraltar, unmoved by the waves of temporary hysteria and the petty blasting of little Utopian visionaries, or whether it will be rent apart and scrapped and this great Nation launched upon an uncertain course of God knows where.

In this great decision the South should play its proper part. Party labels will mean nothing in the approaching battle; indeed, the first to realize this has been the titular head of the so-called "Democratic Party" himself, who has long since ceased to refer to his administration as anything but the new deal. He has openly invited Republicans into the fold, and has publicly stated that he himself often voted for Republicans.

Under these circumstances, what right has any little Georgia party satrap to call on the voters of Georgia in the name of party loyalty when there is no party such as we have known in the past? What right has any little peewee Federal job holder or jumping-jack Congressman to call on anybody in the name of a label which has long since ceased to mean anything? Such appeals, based on such shallow argument, remind us of the carpetbaggers who put pictures on the tops of their ballots in reconstruction days in order that the ignorant Negroes would be sure and pick out the right ballot to drop into the box.

Let the people of Georgia do their own thinking and voting. If they desire to scrap the system of government under which their Nation has successfully operated since its inception, let them do so with their eyes open; but if they still believe in the great principles of government for which their southern forefathers fought and which southern statesmen have expounded and defended for these many years, let them speak out, unafraid of the little Federal job holders, subsidized editors, patronage hounds, and others of the new-deal visionaries.

THE SUPREME COURT DECISION ON THE N. R. A.

Mr. SCHALL. Mr. President, I ask leave to have printed in the RECORD a letter from J. W. Wilson, a good California Democrat, to the President.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SAN FRANCISCO, *May 30, 1935.*

To the PRESIDENT OF THE UNITED STATES,
Washington, D. C.

I notice in the morning papers you have given out to the newspaper reporters what you desire them to say (as is your custom), that of several hundred letters and telegrams you have received relative to the Supreme Court decision, that only two or three approve of the decision, and you infer that the reactions are to the effect that the people of the Nation want some kind of an N. R. A.

After receiving the greatest rebuke ever administered to a President of the United States, one would suppose you had received sufficient answer. By what method of reasoning do you imagine any intelligent person should request of you any action relative to the enactment of any law? I suggest you read the Constitution of the United States which you swore to uphold and defend, and you will find you were elected as only one branch of the Government, and that is not the legislative or lawmaking branch.

I know I speak the views of many thousands of small businessmen (real Americans, not Communists or Sovietists) who hail this decision as the greatest judicial act ever rendered under such critical circumstances. We consider it the lifesaver of our Republic, and we intend to see that you obey that decision. You are not above the law, notwithstanding your acts indicate you apparently think so.

It might interest you to know that today—Memorial Day—for the first time since you took office, the American flag was unfurled

and displayed by many in recognition of this Supreme Court decision. We were among that number, using the flag that was draped over the casket that bore our son's body from France—the flag that you have sought by every act to discredit. Do you imagine that real Americans are unaware of your invitations and welcome to Communist Russia to make of our country a field for their activities?

Deny if you dare that your Secretary of Labor ever since she has been in office, carrying out your instructions, has refused to comply with the law and deport the several thousand convicted Communists and radicals, and is even now endeavoring to have your rubber-stamp Congress enact a law that will permit them to remain in this country and continue their work to Sovietize America.

You discharged Federal Trade Commissioner Humphrey for the mere reason you said you wanted someone to act in harmony with your views. I presume your Secretary of Labor, and all of your other radical advisers and appointees, then are disobeying your wishes in carrying out their radical activities and disobeying the laws of the land.

Deny if you will that you and your appointees are continually preaching class hatred, endeavoring to stir up strife, foment rebellion against law and order so that you can have the excuse of stepping in on emergency and assume dictatorial control. Do you imagine that the people are not aware of how you control the radio, sought to control the press, and in your subtle manner, as you did in opening the San Diego exposition, take credit for everything worth while that is being accomplished? The people are awakening to all the hypocrisy that has been practiced on them.

Even though 100,000 radicals holding the same views as do you and all your appointees write to you and suggest that you enact some N. R. A. legislation, so as to continue your work of destroying business so that you may have the emergency excuse of gratifying your dictatorial designs, it will still leave 129,900,000 who will not write you.

You cannot duplicate the "voluntary" farmers' march on Washington, in view of this decision, to secure such "voluntary" requests.

"My friends" are becoming more and more disillusioned, thanks to the real fine Americans and Democrats—men with principle—men like Carter Glass, Senator Byrd, Bainbridge Colby, Newton D. Baker, David Lawrence, Frank Kent, and thousands of other Democrats, of whom I also am one.

J. W. WILSON.

THE FARMER AND THE ADMINISTRATION

Mr. SCHALL. Mr. President, the President told the farmers who came to Washington that no food had been wasted and that animals killed had been used to feed the unemployed. I have just received an affidavit signed by Dr. B. G. Williams, of Mahaska County, Iowa, that on the 28th day of August 1934, at Oskaloosa, Iowa, the Department of Agriculture bought calves, transported them to another nearby town, and shot them, buried them in a pit dug for that purpose, and before burying them slashed the hides so they could not be dug up and used. The slaughter of these calves is in violation of the code of Iowa, chapter 601, sections 13, 249.

After the farmers left Washington, Secretary Wallace said the administration had nothing to do with financing them, despite the fact that he paid the rent on Constitution Hall here in Washington, where the farmers held their meeting, with Treasury check no. 649406.

I ask leave to insert in the RECORD a letter, an affidavit, and an item from the Washington Herald of June 3, 1935.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS' HOLIDAY ASSOCIATION,
Des Moines, Iowa, May 31, 1935.

Senator THOMAS D. SCHALL,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: I inclose some photographs together with an affidavit of a prominent citizen concerning the destruction of food products, under the A. A. A. These photographs actually show these calves being shot down and the affidavit explains the story.

The slaughter of these calves is in violation of the Code of Iowa, chapter 601, section 13, 249.

Yours very truly,

L. M. PEET.

AFFIDAVIT

STATE OF IOWA,
Mahaska County, ss:

I, Dr. B. G. Williams, being first duly sworn, on oath depose and say that I am a resident of Mahaska County, Iowa, and have been such for 33 years; that I am a physician and surgeon, regularly engaged in the practice of medicine and surgery at Mercy Hospital, in the city of Oskaloosa, said hospital being my property and being operated by myself, together with Dr. W. V. Campbell; that on the 28th day of August 1934 the Agricultural Department of the Federal Government, through one of its duly accredited representatives, held a sale at the M. & St. L. stockyards, in the city of Oskaloosa, Iowa, at which said time and place the Federal Government purchased considerable livestock, a portion of which was calves; that a large number of said calves, my recollection being 82 head, were transported in trucks from the stockyards aforementioned to a small stockyard then located on the C. B. & Q. Railroad between Oskaloosa and Tracy, Iowa, known as "Fosterdale", and at said stockyards the said calves were shot down and killed by men employed by the agent of the Agricultural Department of the United States Government so to do, and the animals were dragged out of the stockyards and buried in a pit dug for that purpose; however, before their burial the hides of all animals so killed were slashed many times in order that the animals could not be dug up, their hides removed, and be used for commercial purposes.

That prior to the removal of said calves from the M. & St. L. stockyards, in the city of Oskaloosa, Iowa, I approached the agent of the Agricultural Department of the United States Government and made him two propositions: First, to put up a bond for the value of said calves and feed them until they were fit for slaughter for human food; second, I offered to buy those calves which I was prepared to feed at the same price the Federal Government paid for them; and the agent in charge of the purchasing and slaughtering of said calves said to me: "Doctor, I could not sell one of those calves to you for a thousand dollars." I then offered to buy these calves and to feed them until they were large enough to slaughter and would then turn them over to the Mahaska County relief organization without charge. This was refused.

At the time of the shooting of said calves in the Fosterdale stockyards, located as herebefore described, I made a number of kodak pictures of said livestock, before, during, and after they were shot down.

Two men from Oskaloosa were employed by the Federal authorities to shoot these calves; and, to my knowledge, I know that one Walter DeLong, a resident of Mahaska County, Iowa, was present, as well as other persons known to me, and of their own knowledge they know that the foregoing statements relative the killing of said calves are true and correct.

Dr. B. G. WILLIAMS.

Subscribed and sworn to before me by Dr. B. G. Williams, to me personally known, this 29th day of May 1935.

[SEAL] H. S. LIFE.
Notary Public in and for said county and State.

[From the Washington Herald, June 3, 1935]

Did the United States Government pay the bill for the "march" of landlord farmers to Washington in May? Some say "yes"; Henry Wallace says "no." These facts have just come to view:

Treasury check no. 649406, symbol no. 78253, dated May 9, 1935, drawn to the order of Walter L. Randolph, Auburn, Ala., in care of B. Z. Kile, room 5786, South Building, Department of Agriculture, endorsed by Randolph to the order of the National Society of Daughters of the American Revolution, in whose Constitution Hall the "marchers" convened before going to the White House. Further, the check bears this notation: "Object 1408585", meaning for services rendered.

Mr. Kile is administrative assistant, office of the Business Manager, A. A. A. Mr. Randolph is at Auburn, location of an extensive farm experiment station.

CONSTITUTIONAL GOVERNMENT—LETTER FROM MILO RENO

Mr. SCHALL. Mr. President, I ask leave to print a letter received from Milo Reno, of the National Farmers' Holiday Association.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS' HOLIDAY ASSOCIATION,
Des Moines, Iowa, June 2, 1935.

Senator THOMAS D. SCHALL,
Washington, D. C.

DEAR SENATOR: I certainly appreciate the splendid efforts you are making in the interest of decent government.

While I have been classed as a radical, and have always been a liberal, I realize the danger to American institutions, and while I may differ with you upon many legislative proposals, yet I certainly admire the stand you have taken in support of the Constitution and your opposition to the bunch of communistic destructionists that are, today, in control of the Government.

If any President in the past had made the statement that was attributed to President Roosevelt in his press conference, he would have been impeached, and I am not so sure but impeachment proceedings would be justified at this time, in view of the fact that our Chief Executive took a solemn oath to support the Constitution of the United States, yet, at the present time, does everything in his power to destroy it and offers the excuse that other nations have centralized powers in their dictators.

Rest assured that I will not forget the splendid battle you are making.

Very sincerely yours,

MILO RENO, *President.*

VETO OF ADJUSTED SERVICE CERTIFICATE BILL

Mr. SCHALL. Mr. President, I am requested in a letter sent me by William Lee, a lawyer in Granite Falls, Minn.,

to have it brought to the attention of the President as one argument in answer to his bonus veto. This veteran waited 7½ months for a call to service after he had rendered himself eligible, then mortgaged his salary for months to buy officers' equipment, then got the "flu", and finally was discharged after 12 months' service, when he had to borrow $12.05 from his wife to pay the balance of what he owed the Government on his equipment.

Then the Government gave him, along with all other veterans, an extra dollar a day for the privilege of working and dying for his country, and now, when Congress has decided that the veterans had waited long enough for this extra dollar, the President says the Government has already done so much for the veterans and is in such hard shape financially that it really cannot afford to pay this dollar, though it has appropriated $17,650,000,000 to be otherwise spent for its planned economy of destruction and chaos, for only through chaotic conditions can the administration realize its grandiose ideas of dictatorship.

So Mr. Lee will have to wait until 1945 before he can collect enough from Uncle Sam to pay his wife the $12.05 he had to borrow from her to pay the balance he owed the Government on his equipment after 12 months' service in the World War.

Mr. President, I ask leave to insert in the RECORD the letter from Mr. Lee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LEE & LEE,
Granite Falls, Minn., May 23, 1935.

Senator SCHALL,
Washington, D. C.

Honorable SIR: After reading the President's veto message, I was somewhat amused, as it is difficult for me to believe that full payment of the compensation certificates will even pay in a measure the debt due and owing to the service men. As a "dry-land sailor" I wish to relate my own experiences to show you how shallow and absurd the arguments in the veto message really are.

At the outset of the war I closed my office and enrolled in the officers' training camp. I was selected as an alternate, but was not called and before I secured my release I was called under the first draft. Only the small contingent was sent to Camp Dodge and I was obliged to walk the streets for months waiting for my call. At that time I was subject to a call on 24 hours' notice and could not accept employment. I finally secured my release and then enrolled in the Navy, intending to go at once. Two months and nineteen days later I received my call. The result was that I was penniless when I went into the service.

At the time of my enlistment I had a daughter and a grandmother partially dependent upon me. I made an allotment of $15 a month. I was successful in collecting this allotment a year and a half after my discharge. In making collection, however, the amount involved was not large enough to even cover fair pay for the services required in making such collection. During the war my grandmother and daughter were obliged to pick some kind of weeds which they were able to sell in order to provide for themselves. The allotment during that period would have come in handy to them, but it never arrived.

When I was accepted in the Navy I had passed 11 physical examinations, but it took 7½ months time to get into the service. That was the hardest 7½ months work I ever did in my life.

After my enlistment I was obliged to buy equipment, and out of my "large salary" pay for all of the equipment required in excess of $60. I mortgaged my "large income" for a number of months for my equipment. In the meantime I had worn out shoes, and soon all the equipment I had either had been lost or stolen and I was obliged to buy new equipment. Then I got the "flu" and most of my equipment was missing when I returned. As a result of 12 months of hard work for the Government I had one pay day when I received $10. At the time of my discharge I had to borrow from my good wife the sum of $12.05 to pay the overdraft.

If it is possible I wish that you would bring this letter to President Roosevelt's attention. He can't convince me that I have been overpaid.

Very truly yours,

WILLIAM LEE.

THE CONSTITUTION—ADDRESS BY SENATOR BORAH

Mr. SCHALL. Mr. President, I wish to call attention to a great speech made over the radio last Sunday night by the senior Senator from Idaho [Mr. BORAH] which was put into the RECORD by the Senator from Michigan [Mr. VANDENBERG]. I hope every American will read the speech. I marvel that so much good could have been comprehended in so brief an address.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes; that the House had receded from its disagreement to Senate amendments nos. 16, 37, and 48 to the bill, and concurred therein severally with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 41. An act for the relief of the Germania Catering Co., Inc.;

S. 42. An act for the relief of Emmett C. Noxon;

S. 416. An act for the relief of Las Vegas Hospital Association, Las Vegas, Nev.;

S. 557. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

S. 927. An act to amend the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States", approved June 21, 1930, so as to give class B officers of the Army benefits of such act;

S. 2029. An act to authorize naval and Marine Corps service of Army officers to be included in computing dates of retirement;

S. 2287. An act to authorize the crediting of service rendered by personnel (active or retired) subsequently to June 30, 1932, in the computation of their active or retired pay after June 30, 1935; and

H. R. 240. An act for the relief of Capt. Alexander C. Doyle.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. DICKINSON. Mr. President, it is my purpose to take a short time in which to make a few observations with reference to the pending bill. In the first place, the bill is limited in its scope to public-utility holding companies. It is my understanding that in the United States public-utility holding companies represent only a very small percentage of the total number of holding companies. I have here the record only for the year 1928, but it shows that in that year there were 573 active corporations listed on the recognized stock exchanges, of which 487 were holding companies. Of these, only 34 represented utilities, 46 represented railroads, and 407 represented other industrial organizations.

There will be found among the names best known to the American public such holding companies as General Electric Co., General Motors, General Foods, National Dairy Products Corporation, United States Steel Corporation, Diamond Match Co., American Tobacco Co., Armour & Co., Standard Oil Co. of New Jersey, National Biscuit Co., Standard Brands, Inc., United Fruit Co., Hearst Consolidated Publications, Inc., Eastman Kodak Co., Procter & Gamble Co., Anaconda Copper Mining Co., Bethlehem Steel Co., Sears, Roebuck & Co., and so on.

I wonder whether or not in now setting the precedent in the field in which the Government is going to assume control, we are opening the way for Federal control of types of businesses other than public-utility corporations.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from Iowa yield to the Senator from Montana?

Mr. DICKINSON. I yield.

Mr. WHEELER. Let me say to the Senator, first, that there is not any control of public utilities provided in title I except insofar as provision is made to regulate the activities of interstate holding companies. Title II merely supplements regulation by the Federal Government under present law.

Mr. DICKINSON. The 46 railroad companies, of course, would come under exactly the same supervision as is suggested in this bill, providing we thought it was preferable to the present type of control by the Interstate Commerce Commission.

Mr. WHEELER. Let me say to the Senator with reference to railroads that it has only been within very recent time that we have had holding companies spring up in the railroad field, and the Interstate Commerce Commission and everyone who has given any serious consideration to the railroad program has said that one of the worst evils which has crept into the railroad business in recent years has been the holding-company system.

The Interstate Commerce Commission, the advantages of which are recognized by business throughout the country and even by the railroads, which would oppose any action looking to its abolition, has repeatedly recommended to Congress that there ought to be some regulation and something done with reference to the holding company, which is one of the evils of the railroad business.

Mr. DICKINSON. May I inquire has not the evil of the public-utility holding company grown up largely on account of speculation in stocks?

Mr. WHEELER. Let me say to the Senator that it has grown up to quite an extent by reason of speculation in stocks, but not entirely so, by any means. The evil has sprung up because of the fact that certain groups of individuals saw an opportunity, under the guise of the holding-company system, to milk the utility-operating companies for the purpose of using the funds of such companies in order to build up speculative stocks which they unloaded upon the public.

Mr. DICKINSON. Let me inquire why that same process through holding companies cannot be resorted to in the case of newspapers or in the manufacturing of electrical equipment or of automobiles or any of the other types of business to which I have referred?

Mr. WHEELER. Simply because all the other businesses to which the Senator has referred are not businesses which are monopolies in and of themselves. The utility business is essentially a monopolistic business in and of itself, and its rates are guaranteed in various communities.

Mr. DICKINSON. Let me inquire whether or not the rates are not controlled, instead of being guaranteed? For instance, the public-utility commissions in the various States in the Union have the right to establish rates. Of course they take into account the question of paying a certain return, just as is done in the case of the railroads.

Mr. WHEELER. I correct the statement. I did not mean to say that the rates were guaranteed, but the effect, of course, where they have sufficient business, is that the investment is practically guaranteed.

Mr. VANDENBERG. Mr. President, will the Senator from Iowa yield to me?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. The Senator from Montana is discussing a matter at the moment which to me is one of the unsolved perplexities in this entire discussion. He is saying that public-utility holding companies pyramided on top of the operating company become a burden upon the rate structure of the operating company. I do not understand how any watered stock in the super holding company can become a factor of burden in respect to the rate structure and, therefore, upon the ultimate consumer, if the State public-utility commission is doing its duty by fixing rates upon real value. What is the answer to that?

Mr. WHEELER. I will tell the Senator the answer. I have never been a member of a State utility commission, but there are members of the Committee on Interstate Commerce who have been members of State commissions. If the Senator will consult the utility commission of his own State and the utility commission of every other State in the United States he will find that the State commissions in their conventions in which they have assembled have on two or three different occasions condemned the practices of the holding companies and have asked for legislation to deal with them, because, they have said, it was impossible for them to reach and effectively control the local utility business when it was dominated and controlled by a holding company located in a far-off city.

The Senator from New Hampshire [Mr. BROWN], the Senator from Indiana [Mr. MINTON], and other Senators, as well as utility commissions themselves in their conventions, have specifically pointed out the difficulty. For instance, let me give an illustration.

Here is a utility company located, we will say, in the State of Michigan; its holding company is in the city of New York; and it has several superstructures based upon that company, each one of which has to live off the operating company at the bottom of the ladder, each one of which is fattening and has to fatten off the operating company. When the State commissions seek to go into the books to regulate the company to find out what its necessary expenses are for carrying on its business, and how much they have to pay to the holding companies, they find that the holding company is in New York and they cannot get the books of the holding company, because it is domiciled in New York. Charges of this kind are made: One holding company charged up to the operating company $2,000,000 for attorneys' fees. Afterward it developed that the amount actually paid by the holding company to the legal firm was $1,000,000. In innumerable instances they have indulged in practices of that kind. Each and every one of the holding companies almost, I think without exception, has resorted to one or more of these various practices. That is one of the evils that have been cited by the State and local utility commissions which they cannot get at and cannot regulate and cannot reach.

Of course, there has been the second feature of the distribution of great amounts of watered stock which have no foundation upon which to rest except the milking of the operating companies, which practice again directly affects the consumers and the general public by the sale of bogus stocks and bonds.

Mr. VANDENBERG. Mr. President, will the Senator from Iowa indulge me just for a moment further?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. I entirely concede the Senator's point regarding unregulated service fees charged by holding companies to operating companies. I had a 20-year battle with the American Telephone & Telegraph Co. in my State of Michigan in respect to their demand to have the right to inject an unregulated service fee into the cost structure which became part of the rate base. I concede absolutely that that situation ought to be corrected and supervised; but this is what stumps me at the moment: It would seem to me, if we regulate all service charges of every character which a holding company is permitted to charge against its subsidiary, that such regulation, plus the State regulation of rates, plus the Securities Commission protection of the investor would do the immediate job which is immediately necessary.

Mr. WHEELER. Let me say to the Senator, with reference to his suggestion, that I agree that many of the evils can be reached in that way; but there is the further consideration as to which the utility people testified before the committee. Each and every one of them said—what? They said that the utility business is essentially a local institution. In that they are correct, for it is essentially a local

business and its rates ought to be subject to local regulation wherever and whenever it is possible for them to be so regulated. But when the holding company system is set up, then the operating company immediately ceases to be a local business, which it really should be, and which the utility companies themselves say it should be, and it becomes a nonresidential and nonlocal business, as in the case of the Electric Bond & Share Co., the Commonwealth & Southern Co., and the United Corporation, with their control of various operating companies. For instance, the Electric Bond & Share Co. controls the Montana Power Co. in Montana, the Florida Light & Power Co.—I think that is the name of it—in Florida, and other operating companies scattered over the country. Thus there is involved absentee landlordism.

In my judgment, no one can come before the Congress and justify the necessity for holding companies. As has been pointed out by the President of the United States, and has been pointed out by the former president of the United States Chamber of Commerce when he testified before the House committee, and as was pointed out by Mr. Owen D. Young when he testified before the Banking and Currency Committee, there is not any excuse for the tremendous loss involved in the holding-company system; there is not any business for them to do; there is not any excuse for their existence. No one has come before the committee seeking to justify the set-up of all these holding companies.

Mr. VANDENBERG. Mr. President, will the Senator from Iowa permit me to say to the Senator from Montana that I concur in everything he is saying, and, if we were in a normal situation, I would join him unhesitatingly in terminating certainly holding companies beyond the first degree; but we confront a condition and not a theory, and it is a condition, it seems to me, in which we are called upon to avoid all possible deflationary influences with respect to the investments of our people. Therefore, I want to know, since we do confront a condition rather than a theory, why we cannot achieve all the immediately necessary things by the type of regulation which the Senator and I have been discussing together, without invading this particular deflationary field at the present time? I apologize to the Senator from Iowa.

Mr. WHEELER. Mr. President, will the Senator from Iowa pardon me for one additional statement?

Mr. DICKINSON. I will yield in a moment, but first let me say that I should like to have the Senator from Montana suggest why the rates cannot be determined on the basis of fair value and not upon the number of holding companies?

Mr. WHEELER. The local commissions cannot do it on the basis of fair value, let me say, because fair value includes not only the value of the property itself but also the amount of money they have to pay out which goes to make up the fair value.

Mr. DICKINSON. To whom does the Senator refer when he says "they have to pay out"—the holding company?

Mr. WHEELER. No; I refer to the operating company. In other words, the expenses that go to make up the costs are always taken into consideration and must be taken into consideration by the local commission. A situation such as this arises in the case of the operating companies. A holding company says to the operating company, "We are going to build a plant for you at a certain place; you cannot build it yourself because we are going to furnish the engineers, and so forth." So the holding company goes down there and takes the money of the operating company—it does not use its own money—with which to build the plant; and then, in the first place, the holding company takes a rake-off on the construction work, which is carried on with the money of the operating company, and then, in addition to that, charges a percentage. That has been the customary practice. Then they charge an exorbitant fee for the insurance service; and they charge exorbitant fees for legal services.

I am satisfied if the Senator from Iowa would read carefully, though it is a difficult thing to do, the reports of the Federal Trade Commission, which were essentially fair and honest, he would be convinced that I am right. Everything in those reports was submitted to the holding companies and to the operating companies before they were issued. The things which have been done have been so startling that, as a matter of fact, they are almost unbelievable. I would not have believed if I had not seen it in black on white and heard it admitted upon the witness stand that those things have been done. No one from any one of the companies, no man representing the utilities themselves, came before the committee and attempted to defend the practices which had been followed by practically every one of the holding companies.

Mr. DICKINSON. The matter of securities that can be sold by these various companies is already regulated by the Securities Commission.

Mr. WHEELER. No; the Senator is wrong.

Mr. DICKINSON. Anything that is sold on the stock exchange may now be regulated under the law.

Mr. WHEELER. No; the Senator is wrong with reference to that, because all the Securities Commission does is to enforce substantially a blue-sky law. Insofar as the companies do not lie about their stock, the Commission has very little power. This bill proposes to do with securities what the Interstate Commerce Commission——

Mr. DICKINSON. Let me read from the Securities Act of 1933, paragraph 2, of section 17 (a), with reference to fraudulent stock transactions:

> It shall be unlawful * * * (2) to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or
>
> (3) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

Mr. WHEELER. That is the point I wanted to make. That gives the Commission power to say that if a company issues stock it shall not make unfair or false representation; but it does not permit it to say in the slightest degree, as the Interstate Commerce Commission may say with reference to railroads, "We do not think you should issue the security because it is an unnecessary security and it should not be issued because you have not anything back of it." All the Securities Commission can do is to see that nothing false is said about the stocks to be issued.

Mr. DICKINSON. If the Senator thinks that is not sufficient, then let me say that in order to sell such securities in a State like Iowa, compliance must be made with what is known as the "blue-sky law." That law requires the Commission to go into inventories, property statements, earning capacity of all the companies before stocks can be listed on the exchange.

Mr. WHEELER. How much of Cities Service stock was sold in Iowa?

Mr. DICKINSON. I do not know, but we have enacted a new law since then.

Mr. WHEELER. I venture the assertion that notwithstanding the enactment of that law, Iowa and every other State has been flooded with fake stocks and bonds by holding companies. No State blue-sky law can be effective. The State blue-sky law may enable the State commission to say to a local company that they can do this or that with reference to the issuance of stock, but when some stock comes in from outside the State there is a serious question whether the State has the right to regulate the sale of that stock because it is claimed in some instances that it is interstate commerce.

Mr. DICKINSON. That brings me to the question of the pressure which has been brought to bear to put this bill through. Advantage is being taken of the wild speculation in land and stocks and practically every phase of investment in the United States growing out of the after-war period. Advantage is being taken of that situation in order to create a sentiment which in my judgment, if we are not careful, is going to impose laws on the country which will handicap recovery and prevent progress in the future.

Mr. WHEELER. If the Senator will pardon a further interruption, here is what Mr. Benton, attorney for the State commissions, said.

Mr. DICKINSON. Attorney for what State commission?

Mr. WHEELER. For the National Association of State Commissions. He said:

> Last, but not least, the public buys these securities often believing they are buying public-utility securities which are subject to regulation by State commissions. Then when the companies collapse or their associates become worthless, the entire system of regulation in the public estimation is held responsible for something over which it had no control. The fraudulent practices through which the public has been scandalously robbed, which have been exhibited here and before the House committee, have been beyond the reach of State commissions.

Mr. DICKINSON. Is the pending bill satisfactory to Mr. Benton?

Mr. WHEELER. As a matter of fact, the bill has been recommended in large part by Mr. Benton. We have accepted practically all the suggestions offered by Mr. Benton to the bill, I think, with possibly two exceptions. We accepted, perhaps not the exact language but substantially, the amendments suggested by him.

Mr. DICKINSON. Is Mr. Benton in favor of the entire elimination of all holding companies, and does he want to put them out of business?

Mr. WHEELER. He did not go as far as to say he was in favor of their elimination; but I say we accepted practically all the amendments which were offered by Mr. Benton and the public utilities, and in the proposed amendments he submitted to the committee no mention, as I recall, was made of section 11, or elimination of holding companies.

Mr. DICKINSON. Would not Mr. Benton favor regulation rather than elimination?

Mr. WHEELER. I am not sure whether he would or not. It may be that he would.

Mr. VANDENBERG. Mr. President, before the Senator leaves Mr. Benton, may I ask him if the Michigan Public Service Commission is mistaken when it telegraphs me the bill is unsatisfactory from their standpoint because of the failure to accept Mr. Benton's suggestions?

Mr. WHEELER. As a matter of fact, we accepted practically all his suggestions. There were one or two amendments which we felt we could not accept because the State commissions suggested they wanted to leave the regulation of some clearly interstate matters to the State commissions. It will be recalled that in the bill we provide in title II that nothing in this act shall in any wise interfere with State regulation. We preserved the State regulation completely in the bill, but in title II we made the positive statement that the policy should be not to interfere with State regulation, but to assist and help State regulation.

When the Walsh resolution providing an investigation of public utilities, was pending before the Senate 8 or 10 years ago, many public-service commissions sent telegrams opposing the investigation of the utilities and holding companies. Some of the commissions appeared before the Interstate Commerce Committee in opposition to the Walsh resolution to investigate the utilities and opposed it without any rime or reason. Some of them, unfortunately, in my judgment, were brought down here at the request of some of the large public-utility companies of the country to oppose the Walsh resolution. I think that is one of the sad things that happened with reference to the national association of utility commissioners and the attempts to regulate these holding companies.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Kentucky?

Mr. DICKINSON. I yield.

Mr. BARKLEY. In connection with the Senator's question I desire to submit an observation. My recollection is that the State commissions are not primarily concerned with the question of elimination of holding companies. The thing that concerns them is to see to it that the bill shall not take away from them any jurisdiction they already possess as to local regulation, and that it shall aid them in the matter of local regulation which they have already undertaken. They were not primarily concerned in the question of eliminating holding companies, and, therefore, their attention was largely devoted to the other phases of the bill.

Mr. WHEELER. If I may be permitted one moment in answer to the statement which has been made several times, that the enactment of this bill would have a deflationary effect, let me say that, of course, any piece of legislation which attempts to regulate holding companies is not deflationary but, because it takes away from the holding companies the right to exploit the operating companies and prevents wild splurges of high finance, will tend in the future to present the sort of inflation we had in 1929.

Mr. DICKINSON. Then is it the Senator's suggestion that the holding companies ought simply to be wiped out of existence, without any thought as to the investment of the public or the service the holding companies are rendering?

Mr. WHEELER. If someone will point out to me an instance where a holding company is really rendering some service, I should like to have him do so. No man has risen on the floor of the Senate and tried to justify the practices of holding companies. Not one man who appeared before the committee attempted to justify the practices of the holding companies, and no Senator has stood on the floor of the Senate to justify those practices.

Mr. DICKINSON. Let me suggest to the Senator that all the discussion here with reference to the holding companies has been with reference to certain vicious phases and vicious practices of certain holding companies; but there are holding companies, both in the utility business and in other lines of business, which certainly are performing a valuable service. Otherwise, I am convinced that the business interests of the country would not permit them to endure.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield to the Senator from Maine.

Mr. WHEELER. Let me interrupt for just a moment further.

The Senator from Iowa says that unless holding companies were rendering a valuable service the business interests of the country would not permit them to exist. The business interests of the country permitted Mr. Insull to exist. They permitted the Associated Gas & Electric Co. to exist.

Mr. DICKINSON. Those are the two outstanding companies which are referred to, one in the Middle West and the other in New England. No one is attempting to justify the type of methods they use.

Mr. WHEELER. Let me call the Senator's attention to Mr. Harley Clarke's Utilities Light & Power Co. Let me call his attention also to the practices of the Electric Bond & Share Co. As a matter of fact, the president of the Commonwealth & Southern denounced their upstream loans. He not only denounced their upstream loans but the write-ups in their stocks have been condemned.

Mr. DICKINSON. Does not the Senator think all that can be reached by Federal regulation of electrical energy transmitted in interstate commerce?

Mr. WHEELER. No; I am satisfied that it is impossible to regulate the great, strong holding companies and prevent all the evils flowing from their activities.

Let me point out that the same arguments were made upon the floor of the Senate, as the Senator will see if he will go back and read the RECORD, with reference to the passage of the Sherman Antitrust Law and the Hepburn Act; and if he will go back and read what the Supreme Court said in some of those cases, he will see that the same arguments were made in the Supreme Court, for instance, in the Reading case. The same arguments were made in regard to the legislation as to dealing in futures on grain markets. It was said, "You are destroying investments in property. You are hurting innocent people." But what did Chief Justice Taft say in one of the cases? He said in substance it is perhaps unfortunate that some people who have invested their money innocently in these concerns may be hurt; but the Congress has declared a national policy in the public interest, and that is the paramount interest to which we must look.

The same thing is true with reference to holding companies. As the President of the United States said, in substance, in his recent message to the Congress of the United

States, the difficulty with the holding companies is that their mechanism is such that it readily lends itself to the evil practices which have grown up in the industry.

Then I am told by various persons that it would be a bad thing politically to put holding companies out of business, because some innocent stockholders would be hurt. Let me say to the Senators on the other side of the Chamber that I should like nothing better than to see the Republican Party adopt as a plank in its platform the statement that, "We are against the elimination of holding companies in the utility field." I should like to see them adopt that as their slogan in the election 2 years from now. I will venture the assertion that any party which did such a thing would not get enough votes to wad a shotgun.

Mr. DICKINSON. Then, let me inquire whether or not the Senator thinks we ought to write into the Republican platform proper regulation rather than Government confiscation?

Mr. WHEELER. This is not Government confiscation. Let me say to the Senator that if this is Government confiscation, then what the Supreme Court did to the Standard Oil Co. was Government confiscation; and in saying this I am standing squarely back of the opinions of the Supreme Court. What the Supreme Court of the United States did in the Reading case was Government confiscation.

What the Supreme Court did in the Northern Securities case was Government confiscation. What the Supreme Court and various Congresses have done when they stopped the abuses that had grown up in interstate commerce and what they have done with reference to ending monopolies is Government confiscation.

Mr. DICKINSON. I perceive that by a short inquiry I can keep the Senator from Montana going all afternoon. [Laughter.]

Mr. WHITE. Mr. President——

Mr. DICKINSON. I yield to the Senator from Maine.

Mr. WHITE. Something has been said about the stocks and bonds issued by a company having some bearing upon the rates which may legally be charged by that company. I desire to say to the Senator that the capital structure of a corporation in a legal sense has no relation whatsoever to the charge which may legally be made to consumers. The rate which may be charged should be and is, if the law is followed, based upon the present fair value of the property devoted to the particular use. I take it, then, that if in any instance a charge or an expense is sought to be set up against an operating company within the jurisdiction of any State, the regulatory body of the State has the right to exclude or disregard that particular charge or item of expense. In other words, it is a matter of value and not a matter of stock and bonds which have been issued, which is the basis of a rate.

Mr. DICKINSON. That is my understanding; and under most of what we call the "blue sky" laws of different States of the Union the State commissions do have the right to make inquiry into practically every phase of the activities of a corporation; and the reason why we have more drastic "blue sky" laws now than formerly is that we have suffered from the sale of "blue sky" stocks all over the country to the citizens of the various States of the Union.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Kentucky?

Mr. DICKINSON. I yield.

Mr. BARKLEY. Reverting to what the Senator from Maine [Mr. WHITE] has just said, while it is theoretically true that real value, as determined by prudent investment, with all the elements that enter into it, ought to be a fair basis for fixing rates, is it not true that in estimating what is a fair return upon any investment there must first be deducted the expenses of operation in order to determine whether there is a return over and above the expenses of operation? And if there are interrelated contracts among five or six corporations organized by the same group involving engineering expenses brought from the outside, legal expenses brought from the outside, and financial expenses brought from the outside, all of which go to make up a top-heavy expense account, does not that have a very direct bearing upon the rates which will be urged upon any State utility body?

Mr. DICKINSON. But there is authority in the State commissions to eliminate any items they desire to eliminate, or reduce them, or allow them, and they are the supreme authorities in the various States for the determination of the rates which may be charged.

Mr. BARKLEY. While that may be true as a matter of theory, there is no way by which a commission located in any State can go outside the State to examine the books of all this mesh of corporations to determine whether the charges are fair or unfair.

Mr. DICKINSON. But it could eliminate the charges, if it desired to do so, and put the burden of proof on the contending holding company that it must justify its charges.

Mr. BARKLEY. According to my information, there have been very few instances where such charges have been very largely eliminated.

Mr. DICKINSON. The phase of this bill which I think is most serious is that, with the inflation following the war, which not only involved public-utility stocks but involved stocks of every kind and description, as well as the value of every type of property in the United States, the public-utility stocks are now down to a very low level, so far as I know; and I am fearful that if we shall pass this bill, which goes so far as to provide for the elimination of holding companies, it will have a further depressing effect on the value of the stocks now held by the American people.

I have not been impressed with the view that since the war we have had very much difficulty in the matter of adjustment of rates. Electric-light rates have been going down, as I understand. They have gone down some 30 or 40 percent.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield to the Senator from Montana.

Mr. WHEELER. Let me call attention, first, to the fact that electric-light rates have gone down more since President Roosevelt appointed a commission to investigate these matters than they did in a great number of years prior to that time. Secondly, in connection with the Senator's statement about utility stocks going down, I wish to say that one of the men in the press gallery called my attention this morning to the fact that in the last break of the stock market the only stocks which did not crack and did not break after the N. R. A. decision were the utility stocks, notwithstanding the fact that this bill had been passed on by the Interstate Commerce Committee.

Mr. DICKINSON. Is it the theory of the Senator from Montana that it was the belief of those on the stock exchanges that the bill is unconstitutional by reason of the Schechter case decision, and, therefore, that they were not in danger?

Mr. WHEELER. No; it is not.

Mr. DICKINSON. What percentage of the public-utility interests of the country is owned by what the Senator calls the "major" holding companies?

Mr. WHEELER. The Senator is talking about the common stock?

Mr. DICKINSON. Yes.

Mr. WHEELER. I may not have the accurate figures, but about 40 percent of the electrical business of the United States is controlled by either three or four of the big holding companies scattered all over the country.

Mr. DICKINSON. What happened to the Insull companies?

Mr. WHEELER. They are in the hands of receivers.

Mr. DICKINSON. What happened to the New England company about which the Senator from New Hampshire [Mr. BROWN] spoke last evening?

Mr. WHEELER. The Associated Gas?

Mr. DICKINSON. Yes.

Mr. WHEELER. I am not sure whether it is in the hands of receivers or not. If it is not, it ought to be. I do not think it is.

Mr. DICKINSON. Does the Senator think the men who organized these big companies are going to proceed to organize more of them when those now in existence are in the hands of receivers?

Mr. WHEELER. Unless this proposed legislation shall be enacted we will see a further concentration and, perhaps, another wild holding-company era, and we are going to see every operating company in the United States owned by 1 or 2 or 3 great holding companies, from one end of this country to the other. Is that what the Senator favors?

Mr. DICKINSON. No; I am not in favor of that at all, and I do not believe that the enactment of the proposed legislation will either prevent or encourage any such program, for I do not believe that it will be possible to have a company in one section of the country controlling a company in another section of the country. There may be a holding company in the Mississippi Valley that will own stock and possibly have an interest in a company in the Pacific Northwest, but the real operation of the company is bound to be retained in the locality where the plant is located.

Mr. WHEELER. I am sure that if the Senator understood the real facts in the situation he would not make that statement. I appreciate that he has not had an opportunity to go into the matter.

Let me call attention to the fact that there is at the present time hardly an operating company in the United States that is not absolutely controlled by some superholding company. The Senator says he thinks the control will be in the local company. Not at all. Take the Florida Light & Power, the Montana Power, the Idaho Light & Power, the Utah Light & Power, the Washington Light & Power—practically every one of those companies is controlled by a holding company located in the city of New York and organized in the State of Delaware.

Mr. DICKINSON. Are they the people who furnished the money to build these plants?

Mr. WHEELER. No. The argument has been made frequently that the necessity for these great holding companies grew out of the fact that they could furnish the money; that they could get the money in New York City at a cheaper rate than that at which it could be obtained out in the country where the plants are located.

Let me call attention to the fact that in the last financing by the Montana Power Co. that I recall they went to the people of Montana and sold preferred stock in order to get the money they needed.

Mr. DICKINSON. The Senator does not mean to suggest by his statement that they sold enough of their preferred stock in the State of Montana to furnish all the money necessary to promote the enterprise?

Mr. WHEELER. I am quite sure of that as to the last sale of stock.

Mr. DICKINSON. If that could be done, why was the company in Montana allowed to go to New York for the investment?

Mr. WHEELER. Because of the fact that the people of Montana had nothing to say about it any more than did the people of the Senator's State.

Mr. DICKINSON. Why?

Mr. WHEELER. Because this controlled company sold their stock and turned over the control to the Electric Bond & Share. Where there are companies in the Senator's State which are controlled by some superholding company, the people of the State of Iowa have nothing to say.

Mr. DICKINSON. There is one company out there the name of which I do not even know. I have never had anything to do with holding companies. I never had a client during all the time I was in the practice of the law who was in the electric-light business, and therefore I am a novice in this game; but I know that in the eastern section of our State a holding company took over five or six plants which were more or less on the decline. They improved them and expanded them, and, so far as I know, that company has paid its dividends through the entire depression. I have never heard any complaint about its charges, and I do not know that there is any complaint about how much the holding company charges up as a part of the overhead or excessive expenditures about which the Senator speaks.

Mr. WHEELER. Has the Senator consulted those who are using electric energy in his State?

Mr. DICKINSON. I know a great many people in the various towns in the State, and I have never known of any complaint.

Mr. WHEELER. If the company is a holding company entirely within the State of Iowa, the bill would not affect it.

Mr. DICKINSON. Let me suggest what I should like to see done with the bill. It is so complicated that, with my short experience of about 15 or 16 or 17 years in the Congress, I have not been able to understand the bill or just what it means; and I will say to the Senator frankly that I have worked on it. What I should like to see first would be a set-up which would distinctly provide that when electrical energy is transmitted in interstate commerce—that is, when it is transported by wire from one State to another—a Federal bureau or commission shall have something to say about that operation; and other than that, we ought not to legislate at all.

Mr. WHEELER. Then the Senator does not feel that we should do anything at all except to regulate the transmission of electrical energy in interstate commerce?

Mr. DICKINSON. That is correct.

Mr. WHEELER. Let me say to the Senator that I have numerous letters from his State on my desk supporting the bill, letters written voluntarily, urging that the proposed legislation be enacted, communications from stockholders who have lost their money in these great holdings companies. I am perfectly amazed at the Senator's statement, because I have not heard of another Senator, however much he was opposed to the bill, who has not contended that the Federal Government ought to regulate holding companies which are engaged in interstate commerce not merely by selling their electricity across State lines, but which are engaged in interstate commerce through the sale of their stocks and bonds, and which carry on other transactions in interstate commerce. The Senator is the first one I have heard upon the floor of the Senate say that the bill ought to be limited to the regulation of the sale of electrical power in interstate commerce. I am sure the Senator will wish to retract that statement.

Mr. DICKINSON. No; I will not retract it at all, and let me ask why, if the legislation which was heretofore enacted is not effective, it is not amended and made effective?

Mr. WHEELER. Which legislation?

Mr. DICKINSON. The Securities Act, affecting the matter of the sale of securities. Why is it necessary to duplicate that law? In this bill its proponents are revising and revamping the Securities Act, and not only doing that, but rewriting the Federal Power Act.

Mr. WHEELER. We are not doing what the Senator suggests. We are not revamping it; we are simply giving to the Securities Commission more power over holding companies, which the other act was never intended to give and did not give.

Mr. DICKINSON. Why did it not give it? If this is a vicious type of stock speculation that is being imposed upon the country, where were the great saviors of the American people around here when we were passing the securities bill?

Mr. WHEELER. When we passed the securities bill we dealt with one evil, and that was the evil of the stock exchange. Now we are dealing with an evil which every man, woman, and child with whom I have come in contact in the United States recognizes, an evil of national importance, that is, the evil of holding companies, and the sale of the fake securities which they have been foisting on the American people.

Mr. DICKINSON. The Senator admits that the Securities Act does not touch that evil at all?

Mr. WHEELER. No; I say that the Securities Act touches it only insofar as the Senator read, which means that they have the right to say, "You cannot misrepresent your se-

curities by making false statements or misrepresentations with reference to them."

Mr. DICKINSON. Does the Senator think it is not a false statement when a concern says that they charged up $2,000,000 for attorneys' fees when they did not charge it up?

Mr. WHEELER. They do not say that in their securities.

Mr. DICKINSON. They say it in their inventories, upon which they base their securities.

Mr. WHEELER. They do not say that in their securities at all.

Mr. DICKINSON. But they base their securities on their earnings, and their earnings are dependent on their receipts and expenditures.

Mr. WHEELER. I can illustrate my point. They say to the Securities Commission, "We have a revenue of $2,000,000." The Securities Commission only questions as to whether they actually have that revenue. They do not question as to whether or not they robbed the operating company under the present law. They do not do anything more about it. They are simply looking at the sale of securities of the holding company, and they say, "Did you get that much money, and is your security based upon that?

The bill seeks to prevent abuses by holding companies and manipulators. I desire to say to the Senator that no language is sufficiently strong to denounce, as they should be denounced, some of the holding-company operators, and I am amazed that the Senator should stand here and defend them.

Mr. DICKINSON. I wish the Senator would stop repeating that statement, for the reason that I no more condone those acts than he does.

But, having adopted the Securities Act, having given the States the authority to control rates, if we should pass this bill and then find another evil not covered by it, what would the Senator then suggest?

Mr. WHEELER. If we find other evils we shall correct them. That is what we are elected for—to correct such evils as these.

Mr. DICKINSON. Then, why not repeal the Securities Act and present a bill which, instead of regulating will put the holding-company type of corporation entirely out of business?

Mr. WHEELER. Mr. President, we recognize certain types of holding companies as a national evil. They are a national evil because the president of a holding company is permitted to sit across the table as a director of an operating company, and the Supreme Court has said that a contract entered into under such circumstances is in and of itself tainted with fraud. We seek to prevent such abuses, and we seek to eliminate certain holding companies which have their operating companies scattered all over the country, for the reason that such a situation so easily leads to fraud and manipulation.

Mr. DICKINSON. Not only is that done, but the Senator comes here and says that the Securities Commission shall be substituted for the receivers of all concerns which are in receivership. The concerns are going to be taken over, and the people who own them are to have nothing to do with them. In other words, in section 11 there is provision for absolute control, if I remember correctly. Is that true?

Mr. WHEELER. I shall propose an amendment to subsection (f) of section 11 which, I think, will eliminate the objectionable features to which the Senator refers. I shall propose an amendment providing that in the event a receiver is to be appointed, the courts shall appoint the Commission as receiver. I feel confident the Senator would not disagree with such a provision, because I am sure the Senator agrees with me that there has grown up a racket in receiverships, which has been called to the attention of the Senate, and which we have investigated. That provision, as it will be amended, will be only for the purpose of protecting the poor fellow who has put his money into the business from a racket which has been going on by means of receivers charging enormous fees, robbing the investors, and leaving absolutely nothing for them of the money which they have put into the business. The Senator from Iowa certainly does not object to that.

Mr. DICKINSON. I do not object to honest fees being paid to a receiver, but I do object to his receiving exorbitant fees. I am wondering whether we should be getting into difficulty or out of difficulty by adopting a provision of this kind.

Mr. WHEELER. Mr. President, the Senator is aware of some of the practices which have prevailed in the railroad world. I sat as a member of the Senate Committee on Interstate Commerce for a number of years with the late Senator Cummins, from the Senator's State of Iowa. He was vitally interested in railroad legislation. I have heard that former distinguished Senator many times condemn the practices employed in railroad receiverships and the abuses which grew out of them, such as happened in the case of the Chicago, Milwaukee & St. Paul Railroad. In that instance receivers were appointed and set up an organization, and, after putting the railroad into the hands of receivers, and drawing down exorbitant fees, those in control of it are again about ready to have the road go into the hands of receivers once more. Less than 3 or 4 years after the road went through one receivership they are back again and are asking the Reconstruction Finance Corporation to put up a lot of money in connection with it. If I may believe what I read in the newspapers, they are going to be successful in putting over another fraud on both the Government and the security holders. We desire to stop that racket in the public utilities as we have been seeking to stop it in connection with the railroads of the country.

Mr. DICKINSON. Why not limit the fees of receivers, rather than put the Commission in control of receiverships?

Mr. WHEELER. Let me ask the Senator whether he would repeal the laws upon the statute books at the present time saying that the Comptroller of the Currency of the United Sttaes shall appoint men who shall be under his jurisdiction to be receivers of national banks all over the country?

Mr. DICKINSON. No; I would not repeal those laws.

Mr. WHEELER. That is all this proposal is. All we are seeking to do in this bill is to say to the court, "The Commission shall be appointed receiver in order to protect the investor's money, the poor stockholder's money—the poor stockholder whom the Senator has been talking about; the poor widows and orphans for whom the utility companies have been pleading, and who have been pleaded for on the floor of the Senate. We are trying to protect them.

Mr. DICKINSON. Why not say that the Commission shall supervise the fees received, rather than act as receiver?

Mr. WHEELER. The question of fees is not the whole question. Fees are only a small part of it. It is a notorious fact that railroad receivers have in some instances robbed the widows and orphans for whom the utilities have pleaded. I may be wrong about it, but I do not recall that even the utility people themselves have objected to the provision about which the Senator complains.

Mr. DICKINSON. I am of the impression that if this bill shall be enacted they are going practically to give up anyway, so if a receiver seizes their property it will be just a part of the program; that is all.

Mr. BARKLEY. Mr. President, if they give up after the passage of this bill it will be something they never did after the passage of any other bill which so far has been placed on the statute books.

Mr. DICKINSON. I do not think there had been suggested any law of this type, for the elimination of holding companies, until the Democratic administration came into power.

Mr. BARKLEY. Oh, yes. There is something else involved besides fees, as suggested by the Senator from Montana. Receiverships may be necessary in the reorganization of holding companies provided for in the 5- or 7-year clause of section 11; and in that process, of course, the Commission is given certain powers, in conjunction with the courts of the country, with respect to the reorganization of holding companies, some of which may be in such a condition as to necessitate the appointment of a receiver.

Mr. DICKINSON. Let me suggest to the Senator from Kentucky that under section 202 (a) there will be set up regional power sections in the country. In other words, it is proposed to revamp the entire set-up of electric and public-utility concerns of the country, under Government supervision. That is what the bill means; and I wish to say to the Senator that every time we have imposed such supervision over any interest in the United States it has curbed its progress rather than promoted it.

Mr. BARKLEY. The Senator is now referring to that part of the bill in title II which regulates, under the Federal Power Commission, the interstate business in electric energy. We did the same thing with respect to the railroads in the Transportation Act of 1920. That act authorized and commanded the Interstate Commerce Commission to group the railroads of the country for rate-making purposes, and to provide in each group rates sufficient to bring about a fair return on the value of the property used for transportation within the region or within the group.

Mr. DICKINSON. Let me inquire whether it has worked.

Mr. BARKLEY. No one has complained about it. No one has attempted to repeal it.

Mr. DICKINSON. What has happened to our railroads?

Mr. BARKLEY. No one has offered any bill to repeal that provision of the law.

Mr. DICKINSON. That is not the query.

Mr. BARKLEY. The Interstate Commerce Commission has been attempting to work out the matter with relation to fair rates for the railroad systems of the United States. Of course, as the Senator knows, there are certain roads which, by reason of their location, by reason of the territory in which they were built, by reason of the fact that they never should have been constructed in the first place, never could get rates sufficiently high to give them a 5- or 6-percent basis of return. They could not get a sufficient return by charging such rates as would provide an ample basis for more prosperous and better located roads. So there is no way in which to work out any rate scheme which will be absolutely effective in bringing a fair return to every railroad or to every public utility.

Mr. DICKINSON. The Senator does not think the public utilities are in that position at the present time; does he? As a matter of fact, what the Senator is complaining of is that they are charging excessive rates rather than not getting enough to bring a fair return. Therefore, the argument would not apply to public utilities.

Mr. BARKLEY. Personally, I am not making any charge. We know that taking the country by and large, many unfair rates are being charged, because of the fact that in the rate structure there have been included many exorbitant expenses which ought to be eliminated. The Senator a moment ago stated that what he favored was a law simply regulating the transmission of electric power from one State to another, but not in any way controlling the financial or economic structure of the concerns which are included under the jurisdiction of this bill, leaving that to the States.

Mr. DICKINSON. Mr. President, the report referred to passes over the Utah case as though it were not worth mentioning, when, as a matter of fact, I think it is perhaps the most important case which has been mentioned during the discussion of the pending bill. The Utah case, as I remember, says that the generation of electricity is not a part of interstate commerce.

Mr. BARKLEY. The question of generation of electricity for the purpose of transmitting it in interstate commerce is one which is dealt with in title II of the bill. Title I does not have anything at all to do with that.

Mr. DICKINSON. That is true.

Mr. BARKLEY. We are talking about the regulation of the financial structure of a holding company. The Senator knows that more than half the States of the country do not attempt to regulate holding companies at all, even within their own boundaries, and they cannot regulate companies which are outside the boundaries of the State. Many of the States by their laws prevent the ownership by a corporation outside the State of more than 10 percent of the stock of any operating utility within the State. Those laws have been enacted in an effort to bring about local control and management of the public utilities which are a monopoly in the section where they exist.

Mr. DICKINSON. As a matter of fact, there are some States which have already passed laws providing that the States shall have absolute supervision of all electric energy which is transmitted into them.

Mr. BARKLEY. I understand that; but we are now talking about the corporate structure. There are a number of States which prohibit the ownership by a corporation outside the State of more than 10 percent of the stock of any company in the State. To show how easy it is to evade such a law, and how impossible it is for a State to protect its citizens by such a law, a holding company which was unable to own more than 10 percent of the stock in a certain utility concern in another State organized 10 dummy corporations under the laws of one of the States, and almost exhausted the forest in obtaining names for their dummy corporations. They organized the Ashwood Co.; they organized the Birchwood Co.; they organized the Mahogany Co.; they organized the Sycamore Co.; they organized the Beechwood Co., and each one of those horticultural and forest-product companies was able to buy as much as 10 percent of the stock of the operating utility and completely evade the law of the State which sought to protect itself against such procedure.

Mr. DICKINSON. Does not the Senator think the State could enact a law which would prohibit a thing of that kind?

Mr. BARKLEY. No; I do not.

Mr. DICKINSON. In that way it would make it unnecessary for us to go into this field.

Mr. BARKLEY. No State could enact a law prohibiting a holding company located in New York from organizing 10 sub holding companies in Delaware and allowing each one of them to buy 10 percent of the stock of a corporation in another State.

Mr. DICKINSON. What about saying "the corporation and its affiliates"? We would then have them all.

I desire to discuss the Utah case, which has been passed over in the report very lightly. Reading from page 48 of the report, I find the following:

> Subsection (b) defines the scope of this part of the act and the jurisdiction of the Commission. Its provisions apply to the transmission of electric energy in interstate commerce, the sale of energy at wholesale in interstate commerce, and the production of energy for such transmission or sale.

What we get into here, and, in my judgment, it is very crucial, is whether or not, when a commodity is transmitted in interstate commerce, we can go back to its origin and control its production. In other words, can we, by controlling electric energy in interstate commerce, go back to the producers and tell them the type of dynamo or engine, whether Diesel or steam, or the type of water wheel they may use in the generation of that electric energy? That is what I think we are getting into in this case.

In this connection I think the recent decision of the Supreme Court in the so-called "chicken case" is worthy of consideration. Why in the world the "brain trusters" selected a chicken case to test out the N. R. A., I am unable to determine. On page 6 of the opinion in that case I find this statement:

> The Constitution established a national government with powers deemed to be adequate, as they have proved to be both in war and peace, but these powers of the National Government are limited by the constitutional grants. Those who act under these grants are not at liberty to transcend the imposed limits because they believe that more or different power is necessary. Such assertions of extra-constitutional authority were anticipated and precluded by the explicit terms of the tenth amendment—"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

I find we have not discussed the question as to the line which can be drawn between interstate commerce and merchandise or products affecting interstate commerce. The grain case is continually brought up and referred to. As it happens I was in the House of Representatives at the time

the grain case was inaugurated. I think I was the first to introduce a grain-futures bill. I remember one paragraph of the act was held unconstitutional by the Supreme Court, and it was returned and was corrected. The whole theory of that case, if I recall it correctly, was that grain in the control of the Chicago Board of Trade intermingled with grain which was not in interstate commerce and in that way it affected it. Of course electric energy which is transmitted out of a State does not intermingle with that which is transmitted within the State. As a matter of fact, a producing company can measure exactly the amount which is used in the State and the exact amount transmitted out of the State.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. MINTON. Did the Senator say that a generating plant developing electricity for consumption within the State and for transmission outside the State could distinguish that which goes within the State from that which goes outside the State?

Mr. DICKINSON. I certainly did say so for the reason that when it comes from the generator, the power intended for one destination goes on one wire and that for some other destination on another wire, and therefore it is segregated. There is no way by which it can be said it is intermingled, because it comes from two separate leads and therefore it is not intermingled in any way.

Mr. MINTON. Of course the same thing would apply to a trainload of wheat that was sold through the Chicago Board of Trade.

Mr. DICKINSON. Oh, no! As it happens, wheat comes in and it is no. 2 wheat and it is all mixed, whether it comes from Illinois or from Iowa or from North Dakota.

I read further from the Supreme Court decision at page 15, where I find the following:

> In determining how far the Federal Government may go in controlling intrastate transactions upon the ground that they "affect" interstate commerce, there is a necessary and well-established distinction between direct and indirect effects. The precise line can be drawn only as individual cases arise, but the distinction is clear in principle. Direct effects are illustrated by the railroad cases we have cited, as, e. g., the effect of failure to use prescribed safety appliances on railroads which are the highways of both interstate and intrastate commerce, injury to an employee engaged in interstate transportation by the negligence of an employee engaged in an intrastate movement, the fixing of rates for intrastate transportation which unjustly discriminates against interstate commerce. But where the effect of intrastate transactions upon interstate commerce is merely indirect, such transactions remain within the domain of State power. If the commerce clause were construed to reach all enterprises and transactions which could be said to have an indirect effect upon interstate commerce, the Federal authority would embrace practically all the activities of the people and the authority of the State over its domestic concerns would exist only by sufferance of the Federal Government.

That is the very question we are trying to decide in connection with practically all the new-deal legislation. It is involved in practically every piece of legislation we are considering and have considered. Very much to my surprise, with 140 years of history behind us, in only 60 cases has the Supreme Court held laws to be unconstitutional. We have had four of them so held in the 4 or 5 months of the current calendar year, all of them new-deal legislation. It is my judgment we are going to have several more next fall when the Supreme Court reconvenes. Therefore why should we disorganize business? We have authority to regulate. Why not amend the bill so that instead of eliminating we shall regulate, and in that way avoid some of the embarrassments which, in my judgment, we are going to be compelled to face.

A little while ago I referred to the Utah case. I think that case has a decided bearing on the bill before us. In Two Hundred and Eighty-sixth United States Reports, at page 181 we find this conclusion:

> We are satisfied, upon a consideration of the whole case, that the process of generating is as essentially local as though electrical energy were a physical thing.

How could language be any plainer?

> And to that situation we must apply, as controlling, the general rule that commerce does not begin until manufacture is finished, and hence the commerce clause of the Constitution does not prevent the State from exercising exclusive control over the manufacture (*Cornell* v. *Coyne*, 192 U. S. 418, 428–429). "Commerce succeeds to manufacture, and is not a part of it" (*United States* v. *E. C. Knight Co.*, 156 U. S. 1, 12).

It seems to me that case has a direct bearing on the measure we have before us at the present time.

In the recent decision of the Supreme Court in the case of Railroad Retirement Board against the Alton Railroad Co., we find the rights of Congress further defined, particularly the rights arising under the commerce clause. It was there held that the "improvement of employee morale and efficiency through providing definite assurance of old-age security", "assurance of old-age support", "mind at ease", and "fear of old-age dependency" were not within the regulation of commerce.

In the same case there is a dissenting opinion, and in that dissenting opinion reference is made to volume 1 of the report to the President of the United States on the Employers' Liability and Workmen's Compensation Act. That has been referred to several times. I wish to suggest that the distinction is that there we were dealing with employers' liability and compensation. That means compensation for sickness, for injury, for a liability that may be imposed upon an employer in his capacity as such. Therefore, it is my contention that the holdings in that case do not apply to the conditions we are here compelled to face.

Just one more citation, which happens to be from the opinion on the famous Frazier-Lemke Act, which was recently held to be unconstitutional. That case involved the question of taking property without due process of law under the fifth amendment to the Constitution. Let me read into the RECORD at this point the last paragraph of that holding:

> We have no occasion to consider either the causes or the extent of farm tenancy; or whether its progressive increase would be arrested by the provisions of the act. Nor need we consider the occupations of the beneficiaries of the legislation. These are matters for the consideration of Congress; and the extensive provision for the refinancing of farm mortgages which Congress has already made shows that the gravity of the situation has been appreciated. The province of the Court is limited to deciding whether the Frazier-Lemke Act as applied has taken from the bank without compensation, and given to Radford, rights in specific property which are of substantial value. Compare *Ochoa* v. *Hernandez* (230 U. S. 139, 161); *Loan Association* v. *Topeka* (20 Wall. 655, 662, 664); *In re Dillard* (Fed. Cas. No. 3912, p. 706). As we conclude that the act as applied has done so, we must hold it void. For the fifth amendment commands that, however great the Nation's need, private property shall not be thus taken even for a wholly public use without just compensation. If the public interest requires, and permits, the taking of property of individual mortgagees in order to relieve the necessities of individual mortgagors, resort must be had to proceedings by eminent domain; so that, through taxation, the burden of the relief afforded in the public interest may be borne by the public.

It is my judgment that if this bill shall be passed it will be detrimental to the progress which heretofore has been made in the extension of electric-light service to the people of the United States. It is my judgment that if there is any necessity for additional legislation, it should be in the form of regulation only, and not taking over or putting out of business any particular line of holding companies or corporations.

I am not here to defend the acts of the holding companies, because I think many of them have done things which are unjustifiable in the eyes of the law. On the other hand, I believe those difficulties can be reached by regulation. If a thing cannot be regulated, usually it cannot be operated; and I am fearful that if we go further we shall find ourselves in a position where we shall have not only the railroads but many public utilities on our hands.

Therefore, I do not believe the Government ought to extend its activities into the public-utility business. I have no objection to the State of Iowa or any other State in the Union or any municipality going into the public-utility business; but I do not believe the Federal Government ought to go into the public-utility business. I have made that statement before on the floor of the Senate. Therefore, it is my judgment that we ought to refer this bill back to the proper committee, and have them amend it or adjust it in line with the suggestion that we may regulate rather than eliminate.

For that reason I shall vote for a motion to refer the bill back to the committee; and, if that motion shall be defeated, I shall vote for an amendment which will provide for the regulation rather than the confiscation or elimination of these corporations.

It may be that Congress, in its judgment, ought to pass upon whether or not a business organization should continue. I have always been rather convinced that a useless business organization usually limited itself and eventually eliminated itself if given time to run its due course. If the public-utility holding companies have no place in American business, I believe they will soon disappear. If the Securities Act needs to be strengthened in order to prevent the sale of valueless securities over the country, let us strengthen it; but let us not cripple an industry by imposing on it some regulation which will tend to continue the depression and retard recovery. That is what I am fearful of in the case of this bill if it should become a law. I believe this bill, if enacted, will have much the same effect in retarding recovery that the N. R. A. had on industry in this country, and probably even a greater effect. A great many people may think the N. R. A. assisted recovery. I have not been of that frame of mind.

There is one other phase of this subject which I wish to mention before taking my seat.

Public utilities are regulated by the State units. I read with a great deal of interest in the New York Herald Tribune of yesterday the statement of the President, when he was Governor of the State of New York, with reference to preserving the integrity of the States. That statement is also published in Wednesday's CONGRESSIONAL RECORD, printed at the request of Representative A. PIATT ANDREW. How we can preserve the rights of the States if we continue this program of having bureaucratic control of practically every phase of economic and social life in the United States is a conundrum to me. I have not been able to reconcile that statement in an address by the President of the United States, when Governor of New York, with the recent recommendations of the President for legislation to which I have just referred.

In other words, it seems to me we should preserve the identity and integrity of the States, and their right to control the type of business over which they have been given authority, and the type that they deem to be for the economic and social interest of their people. Therefore, it is my hope that the pending bill will either be recommitted to the committee or that it will be amended so as to provide for regulation under the provisions of the Dieterich amendment.

Mr. President, I ask unanimous consent that there be inserted in the RECORD at this point a report of the committee on the public-utility holding company bill of the Business Advisory Council for the Department of Commerce, dated April 30, 1935.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

APRIL 30, 1935.

The committee appointed by you on the public-utility holding company bill begs leave to report as follows:

The turnover of an electric public utility is very low, ranging from 10 percent to 25 percent, which means that relative to other industries, a much larger amount of capital is required to do a given business.

A large part of the cost of producing and distributing electricity is the cost of this capital. In the cost of electricity produced by water powers, the cost of the capital is the preponderating and controlling element in the cost of the electricity produced. From these considerations it is easy to see the vital relation which the cost of capital bears to the cost of electric power.

During the last 15 years the cost of electricity has been steadily going down, followed by a corresponding reduction in rates to the consuming public, which have also been going steadily down.

In the face of rising wage rates, reduction in the cost of electricity has been brought about chiefly through two causes, increase in the mechanical and electrical efficiencies of generation and distribution arising from science and invention, and decrease in the cost of obtaining capital, arising from the advent of the holding company.

No exact calculation can be made of the extent to which each of these factors has contributed to the result, but a fair estimate would seem to ascribe an equal part to each. It is undebatable that in the cost of hydroelectric generation, almost the whole of the reduction has come about through reduction in the cost of the capital.

The manner in which the holding company has enabled the financing of electric-power projects at lower costs of capital resulting in lower rates to the public, has been so ably presented at length at the hearings of the House and Senate Interstate Commerce Committees, that your committee does not feel it necessary to duplicate that presentation here and will refer only to a few general features.

The credit of the holding company is the credit of a going concern to which each new project is an extension, whereas if the project stood alone investors would regard it as largely speculative and demand a greater yield, if indeed they would be tempted at all. As an extension to a holding company, the management also has a record of performance behind it. As an isolated project, the quality of the management would be undemonstrated. The securities of an isolated project being smaller in amount and less well known do not have the broad market enjoyed by the securities of a holding company. This narrowness of market reduces the value of the securities and requires a promise of larger yield to induce investment. The cost of financing a smaller project in registration, advertising, and similar costs are proportionally much higher than the costs attending these functions in connection with a larger issue by a holding company, and there are many other advantages possessed by an operating company identified with a holding company that are not possessed by an isolated operating company.

The disadvantages under which the isolated project operates are reflected in a higher cost of operation and are passed on in correspondingly higher rates to the public.

These advantages of identification with a holding company that have so far been enumerated are just as great whether the operating properties constitute one regional system, or whether they are widely scattered.

As a matter of fact, the financial advantages of widely scattered properties owned by a holding company are greater than the financial advantages of these same properties if they constituted what has been called a geographically integrated or regional system, for in the scattering lies the safety of diversity of climatic and economic risks. Droughts and dust storms, boll-weevils, earthquakes, and other national disasters and certain economic disorders are usually of regional not national incidence.

It is obvious that climatic and economic conditions do not vary uniformly throughout the country, and that in normal times different sections take their turn in increased prosperity and in liability to adverse meteorological conditions.

Even when properties are scattered, linkage through the common ownership of the holding company thus greatly reduces the cost of electricity through reducing the cost of capital. When the properties are close enough together to permit electrical interconnection, there are engineering advantages that still further reduce the cost of electricity.

These engineering advantages have also, in their turn, been so ably presented to the Senate and House committees that only passing reference will be made to them here. They are: Increased load factor, namely, increased output from a given total of generating capacity, resulting from the staggering instead of the addition of peak loads, which staggering arises out of the time diversity of the demand in the various regions supplied; reduced idle capacity held in reserve for break-downs and other emergencies; by interconnection the spare capacity of one plant is made available for many others; ability to shift the principal or base load to the most economical plants in a group using the others for the peaks and the advantages of many kinds that flow from service from a network instead of service from isolated lines.

Interconnection is possible between operating companies of different ownership, but it is almost impossible to assess the benefits, consequently it is in general brought about only when these benefits inure to a common ownership.

The holding-company ownership of scattered properties performs for the financial element of the cost of power similar functions to that which physical interconnection performs for the physical elements of the cost of power. When both are present, the result is cumulative.

When, however, physical interconnection has resulted in a regional group of a certain size, further interconnection does not produce proportional advantages. The existing groups in the United States that are physically interconnected do not in general spread over wide enough geographical areas to enable them to reap the financial advantage of diversity of risk from climatic and economic conditions. The financial interconnection of widely scattered regional groups does accomplish this and is justification for permitting holding companies to hold a number of units provided they are geographically scattered.

This diversity of financial risk, arising from the ownership of scattered regional groups is one of the strongest points in favor of the holding company, making for the stability of its securities and consequently contributing to the reduction of rates to consumers.

The abuses of the holding company have also been so ably brought out at the hearings that only a few of them will be here enumerated, since the object of this report is to present constructive recommendations that will abolish the abuses while preserving the great advantages of the holding companies to the people of the United States in the improved service and reduced rates which they bring about.

The multistage holding company has introduced complications that in unscrupulous hands have permitted financial jugglery and confused the public as to the values behind securities that have been offered and as to the relationship between those securities

and the underlying earning powers and equities. So-called "leverage" has created the appearance of earnings in one or more of the stages of a pyramided holding company, disproportionate to the actual earnings that have been made by the underlying operating companies. This disproportionate ratio in which earnings are displayed operates equally disproportionately when losses are incurred and destroys the very stability of the securities which it is one of the functions of properly managed holding companies to create.

The use of various categories of stock without voting rights and the concentration of voting rights into small holdings of common stocks has permitted control of large amounts of capital with small amounts of investment.

The control by holding companies of engineering, construction, purchasing, appliance, management, and similar service organizations in which sometimes officers, directors, and others identified with the holding company management participated has yielded profits to individuals and to the holding companies out of costs that went into the operating expenses of the operating properties, and in the case of construction costs increased the rate base on which rates were regulated.

Your committee having in mind these disadvantages as well as the previously enumerated advantages of holding companies, desires to present the following recommendations for amendments to the Rayburn-Wheeler bill, H. R. 5423, known as the "Public Utility Act of 1935."

The object of the bill as drawn is the abolition of the holding company, and the draftmanship of the bill is so perfect that your committee finds it difficult to present its recommendations in the form of actually drafted amendments that will fit into the existing bill, but your committee believes that this can be ultimately accomplished if the principles here recommended receive approval.

These principles are as follows:

1. Define as a holding company and require registration as such any company owning 50 percent or more of the voting stock of any regional operating system or of any intermediate holding company, unless such holding company elects to become an investment trust, as later referred to, and files with the commission a notice of such intention.

2. Define as a regional operating system a system owned by a holding company and consisting of one or more operating electric companies in adjacent territory whose physical properties are connected or capable of advantageous connection.

3. Provide that regional operating systems as they now exist shall be permitted to continue, but that no new operating properties may be added, or, excepting extensions, no new systems shall be created without the consent of a Federal commission.

4. Provide that an operating company shall not be considered to be a holding company if it has one or more subsidiaries which carry out an integral part of its operations or a business incident to its operations provided all the stock of such subsidiaries is owned by the operating company, except in the case of mutual service appliance or similar service companies.

5. Define as an intermediate holding company a company interposed between a regional operating system and a holding company, which does not include companies engaged in the business of artificial or natural gas, transportation, water, ice, steam, hotel, or other business, and provide further that no holding company which at the time of its registration does not have an intermediate holding company, shall be permitted to acquire one without the authorization of a Federal commission.

6. Provide that within 2 years, unless the commission shall extend the time, a tax will be imposed in a manner equitable to the various classes of security holders, upon the security holders of all intermediate holding companies, and exempt from taxation such companies and their security holders in connection with any exchange or issue of securities or transfer of assets growing out of the elimination of intermediate holding companies.

7. Notwithstanding the general principles hereinbefore stated in regard to the advantages of financial diversification and as a compromise in order to avoid undue disruption of the industry, impairment of the credit of existing holding companies an unnecessary loss to the holders of their securities, provide that after 5 years no holding company may own or control more than five regional operating systems unless after public hearing a Federal commission shall determine that such ownership or control is in the public interest and accordingly grant its permission.

8. Provide that a holding company may own or control an intermediate holding company or operating company engaged in the business of artificial or natural gas, transportation, water, ice, steam, hotel, or other business if such intermediate holding company does not own stock in operating electric properties.

9. Provide that holding companies shall be subject to regulation by a Federal commission in respect to the issue of securities, in respect to accounting practices and in respect to the acquisition of any properties or securities other than such securities as are issued by themselves or by their subsidiaries.

10. Provide that within 1 year all classes of stock of holding companies and of operating companies shall be given voting power.

11. Provide that any holding or other company electing to become an investment trust and any company partnership, association, or any individual owning or later coming into possession of more than 5 percent and less than 50 percent of the stock of any holding company shall be deemed to be an investment trust and shall file a statement of its holding with a Federal commission.

12. Provide that within 2 years, unless a Federal commission shall grant additional time, the power of any investment trust to vote any stock of any holding company over 5 percent of the total amount of voting stock outstanding shall cease.

13. Provide that if in connection with title II of the act, Federal regulation can be made exclusive (which is subject to considerable doubt), operating companies engaged in interstate commerce shall be subject to the jurisdiction of a Federal commission in connection with interstate sales of power and that all other provisions of title II shall be eliminated.

14. Provide that interstate natural-gas pipe lines covered by title III of the act, shall be subject to the jurisdiction of a Federal commission in respect to the issue of securities, in respect to accounting practices, and in respect to the issue of certificates of public convenience and necessity in relation to all new natural-gas lines and extensions of existing natural-gas lines into new territory, and that they shall also be so subject in relation to the regulation of city gate rates on natural gas for domestic consumption.

15. And further provide that all other provisions of title III shall be eliminated.

In your committee's opinion the foregoing principles represent a reasonable basis of compromise between the drastic provisions of the Public Utility Act as drawn for the purpose of abolishing the holding companies and modifications of that act which while preserving the holding companies securing their great advantages to the public of the United States, will insure the abolition of the abuses that have been identified with them, without destroying their enormous capacity for service, and without destroying or impairing the value of their securities now so widely held by institutions serving the public and by individual investors throughout the country.

HAROLD E. SEAVEY

The PRESIDING OFFICER (Mr. MOORE in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 581) for the relief of Harold E. Seavey, which was, on page 1, line 9, after the name "Maine", to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. HALE. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PAUL H. CRESWELL

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1474) for the relief of Paul H. Creswell, which were, on page 1, line 6, to strike out "representing payment" and insert "in full settlement of all claims against the Government of the United States for payments"; and, on the same page, line 15, after "1933", to insert:

: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. BULKLEY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. WHEELER. Mr. President, I understand the Senator from Maine [Mr. WHITE] desires to speak on the bill. However, I wonder whether he would have any objection to my offering some amendments now, or would he prefer that I

wait until after he shall have concluded? I have a few amendments I desire to offer to the bill and to have adopted. They are clarifying amendments, and may be of assistance in the consideration of some of the points which have been raised. If the Senator should prefer, I shall wait until after he finishes.

Mr. BARKLEY. The Senator from Montana will recall that we are to go into executive session at 4:30 o'clock, under a previous order.

Mr. McNARY. Mr. President, the suggestion of the Senator from Montana would conflict with the unanimous-consent agreement. I entertain the hope that at the conclusion of the executive session we may take a recess until tomorrow.

Mr. WHEELER. I should have liked to have the amendments adopted. They clarify some of the points which have been raised by Senators, and I am sure there will be no argument.

Mr. McNARY. I thought the Senator was seeking to get the Senator from Maine to proceed with his argument.

Mr. WHEELER. I was, provided he desired to do so.

Mr. WHITE. Mr. President, I can conclude all I care to say in probably 15 minutes. What I shall say does not deserve to be called an argument, but I should like to state some of the conclusions I have reached concerning the bill. I can readily do so in 15 minutes.

Mr. McNARY. Of course, that would not come within the understanding under the unanimous-consent agreement. I have no objection to the Senator from Montana presenting his amendments between now and half past 4, if they are simply clarifying in their nature.

Mr. WHEELER. They are merely clarifying in their nature. If they lead to argument, I will not try to press them, of course. I shall send to the desk and ask to have adopted the following amendment, to strike out in section 3, line 18, page 17, after the word "title", everything down to and including the word "consumers", in line 20, and to insert in lieu thereof this language:

Except insofar as the commission finds the exemption from any provision affecting the sale or distribution of securities by any means or instrumentality of interstate commerce detrimental to the protection of investors.

Section 3 exempts certain companies engaged in intrastate business, or predominantly intrastate business, from the provisions of the bill. The section is under the holding-company title, and reads in part as follows:

The commission, by rules and regulations or order, shall exempt any holding company, and every subsidiary company thereof as such, from any provision or provisions of this title.

Then this amendment would be added:

Except insofar as the commission finds the exemption from any provision affecting the sale or distribution of securities by any means or instrumentality of interstate commerce detrimental to the protection of investors.

In other words, it makes the exemption absolute in these categories unless the companies sell securities in interstate commerce, and insofar as they sell their securities in interstate commerce, the sale of such securities will be regulated.

Mr. KING. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. KING. The Senator used the word "predominantly." Is there any provision in the bill, or will one be offered as an amendment to the bill, which would make a little more definite what is contemplated by the drafters of the bill? What is meant by "predominantly"? What percentage would be involved?

Mr. WHEELER. I think "predominantly" is a well-understood term. No definition has been offered. I would have no objection to the Senator offering a definition of "predominantly"; but it is a word which is well defined and, I think, quite well understood.

Mr. McNARY. Let me suggest to the Senator from Montana that I think the amendment goes to the substance of the bill, particularly in regard to whether business is interstate or intrastate.

Mr. WHEELER. That is correct.

Mr. McNARY. It certainly clarifies it and, I think, improves the bill. But, inasmuch as it is a part of the substance of the bill, I should think the Senator would not want to present it with so few Senators present, but would wish to present it and discuss it in detail tomorrow. I, therefore, suggest to the Senator, in view of the lateness of the hour, that he suspend until tomorrow.

Mr. WHEELER. I accept the suggestion.

EXECUTIVE SESSION

The PRESIDING OFFICER (Mr. MOORE in the chair). The hour of 4:30 o'clock having arrived, the Senate, under the unanimous-consent order previously entered, will proceed to the consideration of executive business for the consideration of treaties.

EXECUTIVE REPORT OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

SUPERVISION OF INTERNATIONAL TRADE IN ARMS

The Senate, as in Committee of the Whole, proceeded to consider Executive H (69th Cong., 1st sess.), a Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, signed at Geneva, Switzerland, on June 17, 1925, which had been reported from the Committee on Foreign Relations with a reservation in the resolution of ratification.

The convention was read the second time, as follows:

CONVENTION FOR THE SUPERVISION OF THE INTERNATIONAL TRADE IN ARMS AND AMMUNITION AND IN IMPLEMENTS OF WAR

Germany, the United States of America, Austria, Belgium, Brazil, the British Empire, Canada, the Irish Free State and India, Bulgaria, Chile, China, Colombia, Denmark, Egypt, Spain, Esthonia, Abyssinia, Finland, France, Greece, Hungary, Italy, Japan, Latvia, Lithuania, Luxemburg, Nicaragua, Norway, Panama, the Netherlands, Persia, Poland, Portugal, Roumania, Salvador, Siam, Sweden, Switzerland, the Kingdom of the Serbs, Croats and Slovenes, Czechoslovakia, Turkey, Uruguay and Venezuela,

Whereas the international trade in arms and ammunition and in implements of war should be subjected to a general and effective system of supervision and publicity;

Whereas such a system is not provided by existing Treaties and Conventions;

Whereas in relation to certain areas of the world a special supervision of this trade is necessary in order to render more effective the measures adopted by the various Governments as regards both the import of such arms and ammunition and implements of war into these areas and their export therefrom; and

Whereas the export or import of arms, ammunition or implements, the use of which in war is prohibited by International Law, must not be permitted for such purpose;

Have decided to conclude a Convention and have accordingly appointed as their Plenipotentiaries:

[Here follow the names of the Plenipotentiaries.]

Who, having communicated their full powers, found in good and due form, have agreed as follows:

CHAPTER I. CATEGORIES.

Article 1.

For the purposes of the present Convention, five Categories of arms, ammunition and implements are established:

CATEGORY I. ARMS, AMMUNITION AND IMPLEMENTS OF WAR EXCLUSIVELY DESIGNED AND INTENDED FOR LAND, SEA OR AERIAL WARFARE.

A.—Arms, ammunition and implements exclusively designed and intended for land, sea or aerial warfare, which are or shall be comprised in the armament of the armed forces of any State, or which, if they have been but are no longer comprised in such armament, are capable of military to the exclusion of any other use, except such arms, ammunition and implements which, though included in the above definition, are covered by other Categories.

Such arms, ammunition and implements are comprised in the following twelve headings:

1. Rifles, muskets, carbines.

2. (*a*) Machine-guns, automatic rifles and machine-pistols of all calibres;

(*b*) Mountings for machine-guns;

(*c*) Interrupter gears.

3. Projectiles and ammunition for the arms enumerated in Nos. 1 and 2 above.

4. Gun-sighting apparatus including aerial gun-sights and bomb-sights, and fire-control apparatus.

5. (*a*) Cannon, long or short, and howitzers, of a calibre less than 5.9 inches (15 cm.);

(*b*) Cannon, long or short, and howitzers, of a calibre of 5.9 inches (15 cm.) or above;

(*c*) Mortars of all kinds;

(*d*) Gun carriages, mountings, recuperators, accessories for mountings.

6. Projectiles and ammunition of the arms enumerated in No. 5 above.

7. Apparatus for the discharge of bombs, torpedoes, depth charges and other kinds of projectiles.

8. (*a*) Grenades;

(*b*) Bombs;

(*c*) Land mines, submarine mines, fixed or floating, depth charges;

(*d*) Torpedoes.

9. Appliances for use with the above arms and apparatus.

10. Bayonets.

11. Tanks and armoured cars.

12. Arms and ammunition not specified in the above enumeration.

B.—Component parts, completely finished, of the articles covered by A above, if capable of being utilised only in the assembly or repair of the said articles, or as spare parts.

CATEGORY II. ARMS AND AMMUNITION CAPABLE OF USE BOTH FOR MILITARY AND OTHER PURPOSES.

A.—1. Pistols and revolvers, automatic or self-loading, and developments of the same, designed for single-handed use or fired from the shoulder, of a calibre greater than 6.5 mm. and length or barrel greater than 10 cm.

2. Fire-arms designed, intended or adapted for non-military purposes, such as sport or personal defence, that will fire cartridges that can be fired from fire-arms in Category I; other rifled fire-arms firing from shoulder, of a calibre of 6 mm. or above, not included in Category I, with the exception of rifled fire-arms with a "break-down" action.

3. Ammunition for the arms enumerated in the above two headings, with the exception of ammunition covered by Category I.

4. Swords and lances.

B.—Component parts, completely finished, of the articles covered by A above, if capable of being utilised only in the assembly or repair of the said articles, or as spare parts.

CATEGORY III. VESSELS OF WAR AND THEIR ARMAMENT.

1. Vessels of war of all kinds.

2. Arms, ammunition and implements of war mounted on board vessels of war and forming part of their normal armament.

CATEGORY IV.

1. Aircraft, assembled or dismantled.

2. Aircraft engines.

CATEGORY V.

1. Gunpowder and explosives, except common black gunpowder.

2. Arms and ammunition other than those covered by Categories I and II, such as pistols and revolvers of all models, rifled weapons with a "break down" action, other rifled fire-arms of a calibre of less than 6 mm. designed for firing from the shoulder, smooth-bore shot-guns, guns with more than one barrel of which at least one barrel is smooth-bore, fire-arms firing rimfire ammunition, muzzle-loading fire-arms.

CHAPTER II. SUPERVISION AND PUBLICITY.

Article 2.

The High Contracting Parties undertake not to export or permit the export of articles covered by Category I, except in accordance with the following conditions:

1. The export shall be for a direct supply to the Government of the importing State or, with the consent of such Government, to a public authority subordinate to it;

2. An order in writing, which shall be signed or endorsed by a representative of the importing Government duly authorised so to act, shall have been presented to the competent authorities of the exporting country. This order shall state that the articles to be exported are required for delivery to the importing Government or public authority as provided in paragraph 1.

Article 3.

Nevertheless, export for supply to private persons may be permitted in the following cases:

1. Articles covered by Category I exported direct to a manufacturer of war material for use by him for the requirements of his industry, provided their import has been duly authorised by the Government of the importing country;

2. Rifles, muskets and carbines and their ammunition exported for supply to rifle associations formed for the encouragement of individual sport and duly authorised by their own Government to use them, the import of which is not contrary to any other provisions of the present Convention. Such arms and ammunition shall be sent direct to the Government of the importing country for transmission by such Government to the associations for which they are supplied.

3. Samples of articles covered by Category I exported for demonstration purposes direct to a trade representative of the exporting manufacturer, such representative being duly authorised by the Government of the importing country to receive them.

In the above-mentioned cases, an order in writing, endorsed by the Government of the importing country or by its representative duly authorised so to act, must have been presented to the authorities of the exporting country. It shall contain all the information necessary to show that the order is properly made under this Article.

Article 4.

Permission to export under Articles 2 and 3 shall be signified by a license. An export declaration, if filed with and approved by the competent authorities of the exporting country, may take the place of a licence.

Such license or declaration must contain:

(*a*) A description sufficient for the identification of the articles to which it relates, and giving their designation according to the headings in Category I and their number or weight;

(*b*) The name and address of the exporter;

(*c*) The name and address of the importing consignee;

(*d*) The name of the Government which has authorised the import.

Each separate consignment which crosses the frontier of the exporting country, whether by land, water or air, shall be accompanied by a document containing the particulars indicated above. This document may be either the licence or export declaration or a certified copy thereof or a certificate issued by the Customs authorities of the exporting country, stating that the consignment is exported under licence or export declaration in accordance with the provisions of the present Convention.

Article 5.

The articles covered by Category II shall only be exported under cover of an export document, which may be either a license issued by the competent authorities of the exporting country or an export declaration endorsed by or filed with them. If the legislation of the importing country requires the endorsement of a duly authorised representative of its Government, and if this fact has been notified by the said Government to the Government of the exporting country then such an endorsement must have been obtained and submitted to the competent authorities of the exporting country before the export may take place.

Neither the license nor the export declaration shall entail any responsibility upon the Government of the exporting country as to the destination or ultimate use of any consignment.

Nevertheless, if the High Contracting Parties consider, on account of the size, destination or other circumstances of a consignment, that the arms and ammunition consigned are intended for war purposes, they undertake to apply to such consignment the provisions of Articles 2, 3 and 4.

Article 6.

As a preliminary to a general system of publicity for armaments irrespective of their origin, the High Contracting Parties undertake to publish, within two months of the close of each quarter, a statistical return of their foreign trade during this quarter in the articles covered by Categories I and II. This return shall be drawn up in accordance with the specimen forms contained in Annex I to the present Convention and shall show under each heading appearing in Categories I and II in Article 1 the value and the weight or number of the articles exported or imported under a license or export declaration, allocated according to country of origin or destination.

In all cases where the consignment comes from, or is sent to, a territory possessing an autonomous Customs system, such territory shall be shown as the country of origin or destination.

The High Contracting Parties further undertake, so far as each may be concerned, to publish within the same time-limits a return containing the same information in respect of the consignments of articles covered by Categories I and II to other territories placed under their sovereignty, jurisdiction, protection or tutelage, or under the same sovereignty, jurisdiction, protection or tutelage.

The first statistical return to be published by each of the High Contracting Parties shall be for the quarter beginning on the first day of January, April, July or October, subsequent to the date on which the present Convention comes into force with regard to the High Contracting Party concerned.

The High Contracting Parties undertake to publish as an annex to the above-mentioned return the text of the provisions of all statutes, orders or regulations in force within their territory dealing with the export and import of articles covered by Article 1, and to include therein all provisions enacted for the purposes of carrying out the present Convention. Amendments and additions to these provisions shall be likewise published in annexes to subsequent quarterly returns.

Article 7.

The High Contracting Parties, in all cases covered by Category III, undertake to publish within two months of the close of each quarter a return for that quarter, giving the information detailed below for each vessel of war constructed, in course of construction or to be constructed within their territorial jurisdiction on behalf of the Government of another State:

(*a*) The date of the signing of the contract for the construction of the vessel, the name of the Government for which the vessel is ordered, together with the following data:

Standard displacement in tons and metric tons;

The principal dimensions, namely: length at water-line, extreme beam at or below water-line, mean draft at standard displacement;

(*b*) The date of laying the keel, the name of the Government for which the vessel is being constructed, together with the following data:

Standard displacement in tons and metric tons;

The principal dimensions, namely: length at water-line, extreme beam at or below water-line, mean draft at standard displacement;

(c) The date of delivery, the name of the Government to which the vessel is delivered, together with the following data with respect to the vessel at that date:

Standard displacement in tons and metric tons;

The principal dimensions, namely: length at water-line, extreme beam at or below water-line, mean draft at standard displacement;

As well as the following information regarding the armament installed on board the vessel at the date of delivery and forming part of the vessel's normal armament:

Number and calibre of guns;

Number and calibre of torpedo-tubes;

Number of bomb-throwers;

Number of machine-guns.

The above information concerning the armament of the vessel shall be furnished by means of a statement signed by the shipbuilder and countersigned by the commanding officer or such other representative fully authorised for the purpose by the Government of the State to whom the vessel is delivered. Such statement shall be transmitted to the competent authority of the Government of the constructing country.

Whenever a vessel of war belonging to one of the High Contracting Parties is transferred, whether by gift, sale or other mode of transfer, to the Government of another State, the transferor undertakes to publish within two months of the close of the quarter within which the transfer is effected the following information:

The date of transfer, the name of the Government to whom the vessel has been transferred and the data and information referred to in paragraph (c) above.

By the standard displacement in the present Article is to be understood the displacement of the vessel complete, fully manned, engined and equipped ready for sea, including all armament and ammunition, equipment, outfit, provisions and fresh water for crew, miscellaneous stores and implements of every description that are intended to be carried in war, but without fuel or reserve feed-water on board.

Article 8.

Without prejudice to the provisions of Article 7, if the transport of any vessel of war is carried out otherwise than by such vessel's own motive power or towage, the vessel, whether assembled or in component parts, and the armament thereof will become subject also to the provisions of this Convention as if they were included in Category I.

Article 9.

The High Contracting Parties undertake to publish, within six months of the close of each quarter, a return for that quarter of the export of aircraft and aircraft engines, giving quantities exported and their allocation according to country of destination.

Article 10.

Subject to the provisions of Chapter III, the articles covered by Categories IV and V may be exported without formalities or restrictions.

Article 11.

The High Contracting Parties undertake not to apply a more favourable regime to imports of articles refered to in Article 1 coming from territories of non-contracting States than that which they will apply to such imports coming from territories of contracting States, and to subject these imports, of whatever origin, to the same conditions of authorisation and, so far as possible, of publicity.

CHAPTER III. SPECIAL ZONES.

Article 12.

The High Contracting Parties agree that the provisions of this Chapter apply to the territorial and maritime zones hereinafter defined and referred to in the present Convention as the "special zones."

1. *Land zone.*

(a) The whole of the continent of Africa, with the exception of Egypt, Lybia, Tunisia, Algeria, the Spanish possessions in North Africa, Abyssinia, and of the Union of South Africa together with the territory under its mandate, and of Southern Rhodesia.

This zone also includes the adjacent islands which are situated within 100 marine miles from the coast thereof and also Prince's Island (Principe) in the Bight of Biafra, St. Thomas (São Thomé), Annobon and Socotra, but does not include the Spanish islands situated to the north of the parallel of 26° North latitude.

(b) The Arabian peninsula, Gwadar, Syria and Lebanon, Palestine and Transjordan, and Iraq.

2. *Maritime zone.*

A maritime zone, which includes the Red Sea, the Gulf of Aden, the Persian Gulf and the Gulf of Oman and is bounded by a line drawn from and following the latitude of Cape Guardafui to the point of intersection with longitude 57° East of Greenwich and proceeding thence direct to the point at which the eastern frontier of Gwadar meets the sea.

Article 13.

The High Contracting Parties undertake not to export or to permit articles covered by Categories I, II, IV and V to be exported to places within the special zones, unless a license has been issued in conformity with the conditions defined in Article 14.

An export declaration, if filed with and approved by the competent authorities of the exporting country, may take the place of a license.

The High Contracting Parties also undertake, each in respect of any territory under its sovereignty, jurisdiction, protection or tutelage situated within the special zones, not to permit articles covered by the Categories above mentioned to be imported into such territory unless their import has been authorized by the authorities of the territory concerned. Such articles shall only be admitted into territory within the special zones at such ports or other places as the authorities of the State, colony, protectorate or mandated territory concerned shall designate for this purpose.

Article 14.

The High Contracting Parties undertake not to issue the export licences nor to approve the export declarations required under Article 13 unless they are satisfied that the conditions stated in paragraph (a) or (b) hereof are fulfilled and also, as regards articles covered by Categories I and II, the conditions laid down in Articles 2, 3, 4 and 5.

(a) That, if an export is being made to territory under the sovereignty, jurisdiction, protection or tutelage of a High Contracting Party, articles covered by Categories I, II and IV to which the licence or export declaration applies are required for lawful purposes and that the authorities of the territory to which they are consigned are willing to admit them; and that, in the case of articles covered by Category V, a copy of the license or export declaration has been set to the authorities aforesaid before the export takes place.

(b) That, if an export is being made to territory which is not under the sovereignty, jurisdiction, protection or tutelage of a High Contracting Party, articles covered by Categories I, II, IV and V are required for lawful purposes.

Article 15.

The High Contracting Parties undertake to publish, in addition to the returns provided for in Article 6 and Article 9 in respect of articles covered by Categories I, II and IV, a return of articles covered by Category V exported to territory situated within the special zones. This return shall be published within the same time-limits and at the same intervals as those provided in the first paragraph of Article 6, and shall contain, as far as possible, the same particulars.

Article 16.

The trade in articles covered by Categories I, II, IV and V within the special zones shall be placed under the supervision of officials of the authorities of the State, colony, protectorate or mandated territory concerned.

The admission and transit of and trade in such articles within the said zones shall also be subject to the provisions of Section I, §§ 1 and 2, of Annex II of the present Convention, to which provisions the High Contracting Parties undertake to conform.

An authorisation must be given by a duly authorised representative of the authorities aforesaid in each case before any such articles may be reconsigned to any place outside the territory to which they have been admitted.

Article 17.

The manufacture, assembly and repair within the special zones of articles covered by Categories I, II, IV and V shall be subject to the provisions of Section I, § 3, of Annex II of the present Convention, to which provisions the High Contracting Parties undertake to conform.

Article 18.

The High Contracting Parties undertake, each in respect of any territory under its sovereignty, jurisdiction, protection or tutelage situated within the special zones, not to permit the transit by land across such territory of articles covered by Categories I, II, IV and V when their destination is another territory also situated in the special zones, unless their transport to their destination is assured and the authorities of the latter territory have authorised their import.

The prohibition referred to in the above paragraph shall not apply to the transit of such articles through a territory situated in the special zones when their destination is territory of one of the High Contracting Parties not included in the said zones, provided that their transport to their destination is assured.

If, for the purposes of transport to a territory situated within the special zones, it is necessary to pass through a contiguous territory likewise situated within the said zones, the transit shall be permitted, subject always to the conditions laid down in the first paragraph hereof, at the request of the authorities of the importing territory, provided that such authorities guarantee that the articles in respect of which the request is made shall not at any time be sold, or otherwise transferred, contrary to the provisions of the present Convention. Nevertheless, if the attitude or the disturbed condition of the importing State constitutes a threat to peace or public order, permission for transit shall be refused to such State by the authorities of all such contiguous territories until this threat has ceased to exist.

Article 19.

Subject to any contrary provisions in existing special agreements or in any future agreements, provided that in all cases such agreements otherwise comply with the provisions of the present Convention, the High Contracting Parties agree that in the special zones the authorities of the State, colony, protectorate or mandated ter-

ritory concerned shall carry out within their territorial waters the supervision and police measures necessary for the application of the present Convention.

Article 20.

The High Contracting Parties agree that within the special zones no native vessel, as hereinafter defined, of less than 500 tons (net tonnage) shall be allowed to ship, discharge or tranship articles covered by Categories I, II, IV and V.

A vessel shall be deemed to be a native vessel if she is either owned, fitted out or commanded by a native of any country bordering on the Indian Ocean west of the meridian of 95° East of Greenwich and north of the parallel of 11° South latitude, the Red Sea, the Persian Gulf, or the Gulf of Oman, or if at least one-half of the crew are natives of such countries.

The provisions of paragraph 1 hereof do not apply to lighters or barges or to vessels engaged exclusively in the coasting trade between different ports of the same State, colony, protectorate or mandated territory where warehouses are situated. The conditions under which articles covered by Categories I, II, IV, and V may be carried by such vessels are laid down in § 1 of Section 11, of Annex II of the present Convention, to which the High Contracting Parties undertake to conform.

The provisions of this Article and of Section II, § 1, of Annex II do not apply:

(a) To arms, ammunition or implements carried on behalf of a Government either under an authorisation or accompanied by a duly authorised official of such Government; or

(b) To arms and ammunition in the possession of persons provided with a licence to carry arms on the condition that such arms are for the personal use of the bearer and are accurately described in such licence.

Article 21.

The High Contracting Parties agree that, with the object of preventing all illicit conveyance within the special zones of articles covered by Categories I, II, IV, and V, all native vessels within the meaning of Article 20 must carry a manifest of their cargo or a similar document specifying the quantities and nature of the goods on board, their origin and destination. This manifest shall remain covered by the secrecy to which it is entitled by the law of the State to which the vessel belongs, and must not be examined during proceedings for the vertification of the flag, unless the interested party consents thereto.

The provisions of this Article shall not apply to:

(a) Vessels exclusively engaged in the coasting trade between different ports of the same State, colony, protectorate or mandated territory; or

(b) Vessels engaged in carrying arms, ammunition, and implements on behalf of a Government under the conditions defined in Article 20 (a) and proceeding to or from any point within the said zones; or

(c) Vessels only partially decked, having a maximum crew of ten men, and exclusively employed in fishing within territorial waters.

Article 22.

The High Contracting Parties agree that no authorisation to fly the flag of any of such High Contracting Parties shall be granted to native vessels of less than 500 tons (net tonnage) as defined in Article 20, except in accordance with the conditions prescribed in Section II, §§ 3 and 4, of Annex II of the present Convention. Such authorisation, which shall be in writing, shall be renewed every year and shall contain the particulars necessary to identify the vessel, the name, tonnage, type of rigging, principal dimensions, registered number and signal letters if any. It shall bear the date on which it was granted and the status of the official who granted it.

Article 23.

The High Contracting Parties agree to communicate to any other High Contracting Party who so requests the forms of the documents to be issued by them under Articles 20 (a), 21 and 22 and Section II, §1, of Annex II of the present Convention.

The High Contracting Parties further agree to take all necessary measures to ensure that the following documents shall be supplied as soon as possible to any other High Contracting Party who has requested the same:

(a) Certified copies of all authorisations to fly the flag granted under the provisions of Article 22;

(b) Notice of the withdrawal of such authorisations;

(c) Copies of authorisations issued under Section II, § 1, of Annex II.

Article 24.

The High Contracting Parties agree to apply in the maritime zone the regulations laid down in Annex II, Section II, § 5, of the present Convention.

Article 25.

The High Contracting Parties agree that any illicit conveyance or attempted conveyance legally established against the captain or owner of a vessel authorised to fly the flag of one of the High Contracting Parties, or holding the licence provided for in Section II, § 1, of Annex II, of the present Convention, shall entail the immediate withdrawal of the said authorisation or licence.

Article 26.

The High Contracting Parties who have under their sovereignty, jurisdiction, protection or tutelage territory situated within the special zones, undertake, so far as each is concerned, to take the necessary measures to ensure the application of the present Convention and, in particular, the prosecution and punishment of offences against the provisions thereof, and to appoint the territorial and consular officers or competent special representatives for the purpose.

They will communicate these measures to such High Contracting Parties as shall have expressed the desire to be informed thereof.

Article 27.

The High Contracting Parties agree that the provisions of Articles 16 to 26 inclusive and Annex II of the present Convention establishing a certain regime of supervision in the special zones shall not be interpreted, as regards such High Contracting Parties as have no territory under their sovereignty, jurisdiction, protection or tutelage within or immediately adjacent to the said special zones, either as constituting an obligation to apply the regime defined in the above-mentioned provisions or as involving their responsibility with respect to the application of this regime.

However, the said High Contracting Parties shall conform to the provisions of Article 22, 23 and 25, which relate to the conditions under which native vessels under 500 tons (net tonnage) may be authorised to fly the flag of such High Contracting Parties.

CHAPTER IV. SPECIAL PROVISIONS.

Article 28.

Abyssinia, desirous of rendering as effective as possible the supervision of the trade in arms and ammunition and in implements of war, which is the subject of the present Convention, hereby undertakes, in the free exercise of her sovereign rights, to put into force, so far as concerns her own territory, all regulations which may be necessary to fulfil the provisions of Articles 12 to 18 inclusive of the said Convention relating to exports, imports and the transport of arms, ammunition and implements of war

The High Contracting Parties take note of the above undertaking, and, being in full sympathy with the desire of Abyssinia to render as effective as possible the supervision of the trade in arms and ammunition and in implements of war, hereby undertake to conform to the provisions of the above-mentioned Articles so far as concerns Abyssinian territory, and to respect the regulations put into force, in accordance with the said undertaking, by Abyssinia as a sovereign State.

If a State, at present included in the special zones, should at the moment of its accession to the present Convention assume with respect to its own territory the same undertaking as those set forth in the first paragraph of this Article, and also, when such State possesses a sea-coast, those contained in Articles 19 to 26 inclusive in so far as the same are applicable, the High Contracting Parties hereby declare that they will consider such State as excluded from the said zones from the date that its accession becomes effective as specified in Article 41 and that they will accept as regards such State the obligations set forth in the second paragraph of the present Article, and also, when the State excluded possesses a sea-coast, the obligations of Articles 19 to 27 inclusive in so far as they are applicable.

Article 29.

The High Contracting Parties agree to accept reservations which may be made by Esthonia, Finland, Latvia, Poland and Roumania at the moment of their signature of the present Convention and which shall suspend in respect of these States, until the accession of Russia to the present Convention, the application of Articles 6 and 9, as regards both export to and import into these countries by the High Contracting Parties. These reservations shall not be interpreted as preventing the publication of statistics in accordance with the laws and regulations in effect within the territory of any High Contracting Party.

Article 30.

The High Contracting Parties who possess extra-territorial jurisdiction in the territory of another State party to the present Convention undertake in cases where the rules of this Convention cannot be enforced by the local courts as regards their nationals in such territory to prohibit all action by such nationals contrary to the provisions of the present Convention.

CHAPTER V. GENERAL PROVISIONS.

Article 31.

The provisions of the present Convention are completed by those of Annexes I and II, which have the same value and shall enter into force at the same time as the Convention itself.

Article 32.

The High Contracting Parties agree that the provisions of the present Convention do not apply:

(a) To arms or ammunition or to implements of war forwarded from territory under the sovereignty, jurisdiction, protection, or tutelage of a High Contracting Party for the use of the armed forces of such High Contracting Party, wherever situated, nor

(b) To arms or ammunition carried by individual members of such forces or by other persons in the service of a High Contracting Party and required by them by reason of their calling, nor

(c) To rifles, muskets, carbines and the necessary ammunition therefor, carried by members of rifle clubs for the sole purpose of individual use in international competitions in marksmanship.

Article 33.

In time of war, and without prejudice to the rules of neutrality, the provisions of Chapter II shall be suspended from operation until the restoration of peace so far as concerns any consignment of arms or ammunition or of implements of war to or on behalf of a belligerent.

Article 34.

All the provisions of general international Conventions anterior to the date of the present Convention, such as the Convention for the Control of the Trade in Arms and Ammunition and the Protocol signed at St. Germain-en-Laye on September 10th, 1919, shall be considered as abrogated in so far as they relate to the matters dealt with in the present Convention and are binding between the Powers which are Parties to the present Convention.

The present Convention shall not be deemed to affect any rights and obligations which may arise out of the provisions either of the Covenant of the League of Nations or of the Treaties of Peace signed in 1919 and 1920 at Versailles, Neuilly, St. Germain and Trianon, or of the Treaty Limiting Naval Armaments signed at Washington on February 6th, 1922, or of any other treaty, convention, agreement or engagement concerning prohibition of import, export or transit of arms or ammunition or of implements of war; nor, without prejudice to the provisions of the present Convention itself, shall it affect any other treaty, convention, agreement or engagement other than those referred to in paragraph 1 of the present Article having as its object the supervision of import, export or transit of arms or ammunition or of implements of war.

Article 35.

The High Contracting Parties agree that disputes arising between them relating to the interpretation or application of this Convention shall, if they cannot be settled by direct negotiation, be referred for decision to the Permanent Court of International Justice. In case either or both of the States to such a dispute should not be parties to the Protocol of December 16th, 1920, relating to the Permanent Court of International Justice, the dispute shall be referred, at the choice of the Parties and in accordance with the constitutional procedure of each State, either to the Permanent Court of International Justice or to a court of arbitration constituted in accordance with the Hague Convention of October 18th, 1907, or to some other court of arbitration.

Article 36.

Any High Contracting Party may declare that its signature or ratification or accession does not, as regards the application of the provisions of Chapter II and of Articles 13, 14 and 15 of the present Convention, bind either all or any one of the territories subject to its sovereignty, jurisdiction or protection, provided that such territories are not situated in the special zones as defined in Article 12.

Any High Contracting Party which has made such a declaration may, subsequently, and in conformity with the provisions of Article 37, adhere entirely to the present Convention for any territories so excluded. Such High Contracting Party will use its best endeavours to ensure as soon as possible the accession of any territories so excluded.

Any High Contracting Party may also, as regards the application of the provisions of Chapter II and of Articles 13, 14 and 15 of the present Convention, and in conformity with the procedure laid down in Article 38, denounce the present Convention separately in respect of any territory referred to above.

Any High Contracting Party which shall have availed itself of the option of exclusion or of denunciation provided for in the preceding paragraphs undertakes to apply the provisions of Chapter II to consignments destined for territories in respect of which the option has been exercised.

Article 37.

The High Contracting Parties will use their best endeavours to secure the accession to the present Convention of other States.

Each accession will be notified to the Government of the French Republic and by the latter to all the signatory or acceding States.

The instruments of accessions shall remain deposited in the archives of the Government of the French Republic.

Article 38.

The present Convention may be denounced by any High Contracting Party thereto after the expiration of four years from the date when it came into force in respect of that Party. Denunciation shall be effected by notification in writing addressed to the Government of the French Republic, which will forthwith transmit copies of such notification to the other Contracting Parties, informing them of the date on which it was received.

A denunciation shall take effect one year after the date of the receipt of the notification thereof by the Government of the French Republic and shall operate only in respect of the notifying State.

In case a denunciation has the effect of reducing the number of States parties to the Convention below fourteen, any of the remaining High Contracting Parties may also, within a period of one year from the date of such denunciation, denounce the Convention without waiting for the expiration of the period of four years mentioned above and may require that its denunciation shall take effect at the same date as the first-mentioned denunciation.

Article 39.

The High Contracting Parties agree that, at the conclusion of a period of three years from the coming into force of the present Convention under the terms of Article 41, this Convention shall be subject to revision upon the request of one-third of the said High Contracting Parties addressed to the Government of the French Republic.

Article 40.

The present Convention, of which the French and English texts are both authentic, is subject to ratification. It shall bear to-day's date.

Each Power shall address its ratification to the Government of the French Republic, which will at once notify the deposit of ratification to each of the other signatory Powers.

The instruments of ratification will remain deposited in the archives of the Government of the French Republic.

Article 41.

A first proces-verbal of the deposit of ratifications will be drawn up by the Government of the French Republic as soon as the present Convention shall have been ratified by fourteen Powers.

The Convention shall come into force four months after the date of the notification of this proces-verbal by the Government of the French Republic to all signatory Powers.

Subsequently, the Convention will come into force in respect of each High Contracting Party four months after the date on which its ratification or accession shall have been notified by the Government of the French Republic to all signatory or acceding States.

In witness whereof, the above-mentioned Plenipotentiaries have signed the present Convention.

Done at Geneva, in a single copy, this seventeenth day of June, One Thousand Nine Hundred and Twenty-Five.

For Germany

H. VON ECKARDT.

For the United States of America

THEODORE E. BURTON
HUGH S. GIBSON

For Austria

E. PFLÜGL

For Belgium

——— ———

For Brazil

Contre-Amiral A. C. DE SOUZA E SILVA
Major ESTEVAO LEITAO DE CARVALHO.

Brazil reserves the right, during the whole period of application of the present Convention, to execute it, in so far as she is concerned, in accordance with the spirit of the clauses which aim at rendering the supervision general both as regards the trade in and the manufacture of armaments.

For the British Empire

I declare that my signature does not bind India or any British Dominion which is a separate Member of the League of Nations and does not separately sign or adhere to the Convention.

ONSLOW

For Canada

——— ———

For the Irish Free State

——— ———

For India

P. Z. COX

For Bulgaria

——— ———

For Chile

Général de Division LUIS CABRERA

For China

——— ———

For Colombia

——— ———

For Denmark

——— ———

For Egypt

——— ———

For Spain

EMILIO DE PALACIOS

For Esthonia

Subject to the suspension of the application of Articles 6 and 9 in virtue of the right accorded to Esthonia by Article 29.

J. LAIDONER.

For Abyssinia

GUÉTATCHOU
BLATA HEROUY HEROUY
A. TASFAE

For Finland

Subject to the suspension of the application of Articles 6 and 9 in virtue of the right accorded to Finland by Article 29.

O. ENCKELL.

For France

B. CLAUZEL

For Greece

——— ———

For Hungary

Dr. BARANYAI ZOLTÁN

For Italy

PIETRO CHIMIENTI
ALBERTO DE MARINIS-STENDARDO

For Japan

M. MATSUDA

For Latvia
Subject to the suspension of the application of Articles 6 and 9 in virtue of the right accorded to Latvia by Article 29.
Colonel HARTMANIS

For Lithuania
_____ _____

For Luxemburg
CH. G. VERMAIRE

For Nicaragua
_____ _____

For Norway
_____ _____

For Panama
_____ _____

For the Netherlands
_____ _____

For Persia
_____ _____

For Poland
Subject to the suspension of the application of Articles 6 and 9 in virtue of the right accorded to Poland by Article 29.
Général CASIMIR SOSNKOWSKI
G. D. MORAWSKI

For Portugal
_____ _____

For Roumania
Ad referendum subject to the reservation provided for in Article 29 of the Convention to the effect that the application of Articles 6 and 9 as regards both export to and import into Roumania by the High Contracting Parties shall be suspended until the adhesion of Russia to the present Convention and to its Annexes.
N. P. COMNENE
Général T. DUMITRESCU

For Salvador
J. GUSTAVO GUERRERO

For Siam
_____ _____

For Sweden
_____ _____

For Switzerland
_____ _____

For the Kingdom of the Serbs, Croats and Slovenes
J. DOUTCHITCH
Général KALAFATOVITCH
Capt. d. frég. MARIASEVITCH

For Czechoslovakia
Dr. VEVERKA, FERDINAND

For Turkey
_____ _____

For Uruguay
_____ _____

For Venezuela
_____ _____

ANNEX I.

STATISTICAL FORMS.

Form I.

Imports[1] into _____ (name of importing country) during the_____quarter of 19__

Description[2] of arms and ammunition and implements of war according to the headings in attached schedule.	Countries of Origin							Total		
	A[3]				Z[3]					
	No. of articles	Weight	Declared value[4]		No. of articles	Weight	Declared value[4]	No. of articles	Weight	Declared value[4]
Totals										

EXPLANATORY NOTES

[1] The imports included in this table shall be the general imports of arms and ammunition and of implements of war set out in the attached schedule, arriving from abroad, *i. e.*, the total of the goods imported for home consumption, into warehouse, free zones, free ports and all other places excluded from the Custom-territory, also temporary imports, improvement trade, etc., but excluding goods for transit of transshipment.

When temporary warehousing pending transit or transshipment is permitted, arms and ammunition and implements of war arriving under these conditions shall not be considered as imports, provided that the consignments are accompanied by a license or similar document mentioned in Article 4 of the present Convention showing some other country as destination.

[2] Arms and ammunition and implements of war covered by Category I shall be tabled separately from those in Category II.

[3] Name of country which issued the license or similar document mentioned in Article 4 of the present Convention. But when the goods come from a Colony or Dependency, not issuing licenses in its own name, but having an autonomous Customs system, such colony or dependency shall be shown as the country of origin.

[4] In legal currency of the importing country. In cases where the values are the result of conversion on a gold standard basis, this fact should be expressly mentioned in the heading of this column. In all cases the value shall be shown, except in the case of samples referred to in Article 3, paragraph 3, of the Convention when it is not obligatory.

Form II.

Exports and Re-exports[1] from_____(name of exporting country) during the_____quarter of 19_____.

Description[2] of arms and ammunition and implements of war according to the headings in attached schedule.	Countries of Destination							Total		
	A[3]				Z[3]					
	No. of articles	Weight	Declared value[4]		No. of articles	Weight	Declared value[4]	No. of articles	Weight	Declared value[4]
Totals										

EXPLANATORY NOTES

[1] The exports and re-exports included in this table shall be the general exports and re-exports of arms and ammunition and implements of war set out in the attached schedule leaving for abroad, *i. e.*, the total of the goods exported and re-exported from the internal market from warehouse, free zones, free ports and all other places excluded from the Customs territory, also temporary exports and re-exports, improvement trade, etc., but excluding goods for transit or transshipment.

When temporary warehousing pending transit or transshipment is permitted, the arms and ammunition and implements of war arriving under these conditions shall not be considered as imports provided that the consignments are accompanied by a license or similar document mentioned in Article 4 of the present Convention showing some other country as destination.

[2] Arms and ammunition and implements of war covered by Category I shall be tabled separately from those in Category II.

[3] Country in whose favour the license or similar document mentioned in Article 4 of the present Convention has been issued. In the case of an application by a mother-country on behalf of a Colony or Dependency having an autonomous Customs regime, such Colony or Dependency should be shown as country of destination.

[4] In legal currency of the exporting country. In cases where the values are the result of conversion on a gold standard basis, this fact should be expressly mentioned in the title of this column. In all cases value shall be shown, except in the case of samples referred to in Article 3, paragraph 3, of the Convention when it is not obligatory.

SCHEDULE

CATEGORY I. ARMS, AMMUNITION AND IMPLEMENTS OF WAR EXCLUSIVELY DESIGNED AND INTENDED FOR LAND, SEA OR AERIAL WARFARE.

Arms and ammunition and implements exclusively designed and intended for land, sea or aerial warfare, which are, or shall be, comprised in the armament of the armed forces of any State, or which, if they have been, are no longer comprised in such armament but are capable of military to the exclusion of any other use, except such arms, ammunition and implements which, though included in the above definition, are covered in other categories.

Such arms, ammunition and implements are comprised in the following twelve headings:

1. Rifles, muskets, carbines (number).
2. (*a*) Machine-guns, automatic rifles and machine-pistols of all calibres (number);
(*b*) Mountings for machine-guns (number);
(*c*) Interrupter gears (number).
3. Projectiles and ammunition for the arms enumerated in Nos. 1 and 2 above (number).
4. Gun-sighting apparatus including aerial gun-sights and bomb-sights, and fire-control apparatus (number).
5. (*a*) Cannon, long or short, and howitzers, of a calibre less than 5.9 inches (15 cm.) (number);
(*b*) Cannon, long or short, and howitzers, of a calibre of 5.9 inches (15 cm.) or above (number);
(*c*) Mortars of all kinds (number);
(*d*) Gun carriages (number), mountings (number), recuperators (number), accessories for mountings (weight).
6. Projectiles and ammunition for the arms enumerated in No. 5 above (number).
7. Apparatus for the discharge of bombs, torpedoes, depth charges and other kinds of projectiles (number).
8. (*a*) Grenades (number);
(*b*) Bombs (number);
(*c*) Land mines, submarine mines, fixed or floating, depth charges (number);
(*d*) Torpedoes (number).
9. Appliances for use with the above arms and apparatus (number).
10. Bayonets (number).
11. Tanks and armoured cars (number).
12. Arms and ammunition not specified in the above enumeration (number or weight).

Components parts, completely finished, of the articles covered by the above headings, if capable of being utilised only in the assembly or repair of the said articles, or as spare parts, should be entered separately, by weight, under each of the above headings or subheadings to which they belong.

CATEGORY II. ARMS AND AMMUNITION CAPABLE OF USE BOTH FOR MILITARY AND OTHER PURPOSES

1. Pistols and revolvers, automatic or self-loading, and developments of the same, designed for single-handed use or fired from the shoulder, of a calibre greater than 6.5 mm. and length of barrel greater than 10 cm. (number).

2. Fire-arms designed, intended or adapted for non-military purposes, such as sport or personal defence, that will fire cartridges

that can be fired from fire-arms in Category I. Other rifled fire-arms, firing from the shoulder of a calibre of 6 mm. or above not included in Category I, with the exception of rifled fire-arms with a "breakdown" action (number).

3. Ammunition for the arms enumerated in the above two headings, with the exception of ammunition covered by Category I (number).

4. Swords and lances (number).

Component parts, completely finished, of the articles covered by the above headings, if capable of being utilised only in the assembly or repair of the said articles, or as spare parts, should be entered separately, by weight, under each of the above headings or sub-headings to which they belong.

ANNEX II.

SUPERVISION WITHIN THE SPECIAL ZONES.

Section I. Supervision on Land.

§ 1.

All articles covered by Categories I, II, IV and V admitted into the territory of a State, colony, protectorate or mandated territory situated in the special zones, except such articles imported by individuals for their personal use under an authorisation issued by the authorities of the territory concerned, shall be deposited by the importer at his own expense and risk in a public warehouse maintained under the exclusive custody and permanent supervision of the authorities aforesaid or their officials, of whom at least one must be a member of their armed forces, and who shall keep an official record of such deposit.

Every withdrawal from a public warehouse must be authorised beforehand by such authorities. No such authorisation shall be given except for the purposes of transfer to another public warehouse or to a private warehouse duly approved by the said authorities or for delivery to individuals who have proved to the satisfaction of the said authorities that the articles are necessary to them for their personal use.

Articles required for the equipment of the national forces or for the defence of the territory are exempted from all formalities in connection with deposit in or withdrawal from a public warehouse.

§ 2.

No private warehouse for articles covered by Categories I, II, IV and V shall be allowed within the special zones unless authorised by the authorities of the State, colony, protectorate or mandated territory. Such warehouse must consist of enclosed premises, reserved for that purpose and having only one entry, which must be fitted with two locks, one of which can be opened only by officials of the authorities.

The person in charge of the warehouse shall be responsible for all such articles deposited therein and must account for them on demand by the authorities.

Such articles must not be withdrawn from the warehouse nor be transported or transferred without a special authorisation. The particulars entered on such authorisations shall be noted in a special register numbered and initialled.

Every arm imported under the provisions of § 1 by an individual for his personal use or transferred under the provisions of the same § from a public warehouse to a private warehouse or a private individual must be registered. A mark shall be stamped thereon if it does not already bear another mark or a number sufficient for identification. The mark or number shall be noted in the licence to carry arms issued by the authorities.

§ 3.

The manufacture or assembly within the special zones of articles covered by Categories I, II, IV, and V is prohibited otherwise than in establishments instituted for the defence of the territory or maintenance of public order by the authorities of the territory concerned, or in the case of mandated territory by such authorities under the supervision of the mandatory Power.

The repair of such articles shall only be carried out in establishments instituted by the authorities or in private establishments which shall have been authorised for this purpose by the said authorities. Such authorisation shall not be granted without guarantees for the observance of the rules of the present Convention.

Section II. Maritime supervision.

§ 1.

Cargoes of articles covered by Categories I, II, IV and V shipped on board the lighters, barges or coasting vessels referred to in Article 20, paragraph 3, must be covered by a special license issued by the authorities of the State, colony, protectorate or mandated territory in which such cargoes are shipped, and containing the particulars specified in § 2 hereof. All articles so shipped shall in addition be subject to the provisions of the present Convention.

§ 2.

Special licenses referred to in § 1 of Section II of the present Annex shall contain the following particulars:

(*a*) A statement of the nature and quantity of the articles in respect of which the license is issued.

(*b*) The name of the vessel on which the cargoes are to be shipped.

(*c*) The name of the ultimate consignee.

(*d*) The ports of loading and discharge.

It shall be certified on such licenses that they have been issued in conformity with the provisions of the present Convention.

§ 3.

An authorization to fly the flag of a High Contracting Party may only be granted by the authorities mentioned in paragraph (*b*) below, and subject to the three following conditions:

(*a*) The owners must be nationals of the Power whose flag they claim to fly or companies who are nationals under the laws of that Power.

(*b*) The owners must have furnished proof that they are *bona fide* owners of real estate in the territory of the authorities to whom the application for a license is addressed, or have given to such authorities sufficient guarantees for the payment of any fines to which they may become liable.

(*c*) The owners and the captain of the vessel must have furnished proof that they enjoy a good reputation and, in particular, that they have never been convicted of illicit conveyance of arms or ammunition or implements of war.

§ 4.

All native vessels before they are authorised to fly the flag of a High Contracting Party shall have complied with the following regulations for the purpose of their identification at sea:

(*a*) The initial letters of the port of registration of the native vessel, followed by the vessel's registration number in the serial port numbers, must be incised and painted in white on black ground on both quarters of each vessel is such a position as to be easily distinguishable from a distance.

(*b*) The net tonnage of the native vessel shall also, if practicable, be incised and painted inside the hull in a conspicuous position.

§ 5.

The regulations referred to in Article 24 of the present Convention are as follows:

1. When a warship belonging to one of the High Contracting Parties encounters within the maritime zone but outside territorial waters a presumed native vessel of under 500 tons burden (net tonnage),

(*a*) Flying the flag of one of the High Contracting Parties, or

(*b*) Flying no flag,

and the Commanding Officer of the warship has good reason to believe that the said vessel is flying the flag of any High Contracting Party without being entitled to do so, or is illicitly conveying articles covered by Categories I, II, IV and V, he may proceed to stop the vessel in order to verify the nationality of the vessel by examining the document authorizing the flying of the flag, but no other document.

2. Any vessel which presents the appearance of native build and rig may be presumed to be a native vessel.

3. For the purpose of verifying the nationality of the suspected vessel, or boat commanded by a commissioned officer in uniform may be sent to visit the vessel after she has been hailed so as to give notice of such intention. The officer sent on board the vessel shall act with all possible consideration and moderation. Before leaving the vessel, the officer shall draw up a proces-verbal in the form and language in use in his own country. This proces-verbal shall state the facts of the case and shall be dated and signed by the officer.

Should there be on board the warship no commissioned officer other than the Commanding Officer, the above prescribed operations may be carried out by a warrant, petty or non-commissioned officer at the discretion of the Commanding Officer.

The captain or master of the vessel visited, as well as the witnesses, shall be invited to sign the proces-verbal and shall have the right to add to it any explanations which they may consider expedient.

4. In the cases referred to in paragraph 1 (*a*) hereof, unless the right to fly the flag can be established, the vessel may be conducted to the nearest port in the maritime zone where there is a competent authority of the Power whose flag has been flown and shall be handed over to such authority, but if such a port should be at such a distance from the point of detention that the warship would have to leave her station or patrol to escort the detained vessel thereto, the vessel may be taken to the nearest port where there is a competent authority of one of the High Contracting Parties of nationality other than that of the warship and handed over to such authority, and steps shall at once be taken to notify this fact to the competent authority representing the power concerned.

No proceeding shall be taken against the vessel or her crew until the arrival of the representative of the Power whose flag the vessel was flying or without authority from such representative.

Instead of conducting the suspected vessel to a port as laid down above, the Commanding Officer of the detaining warship may hand her over to a warship of the nation whose flag she has flown if the latter consents to take charge of her.

5. The procedure laid down in paragraph 4 may also be followed if, after the verification of the flag and in spite of the voluntary production of the manifest, the Commanding Officer of the warship continues to suspect the vessel of engaging in the illicit conveyance of articles covered by Categories I, II, IV and V.

6. In the cases referred to in paragraph 1 (*b*) hereof, if it is ascertained, as a result of the visit made on board the vessel that, whereas it flew no flag, it was also not entitled to fly the flag of a recognised State, the vessel may, unless the innocent nature of her cargo can be duly established to the satisfaction of the Commanding Officer of the warship, be conducted to the nearest point in the maritime zone where there is a competent

authority of the Power to which the detaining warship belongs, and shall be handed over to such authority.

7. The authority before whom the suspected vessel has been brought shall institute a full enquiry in accordance with the laws and regulations of his country and in conformity with the procedure laid down in paragraph 8 below.

This enquiry shall be carried out in the presence of an officer of the detaining warship.

If, however, the presence of such officer is impracticable owing to the duties upon which the warship is engaged, an affidavit sworn by the Commanding Officer may in special cases be accepted by the authority holding the enquiry in place of the oral evidence of an officer of the warship.

8. (*a*) In the case of vessels referred to in paragraph 1 (*a*) above, if it is proved at this enquiry that the flag has been illegally flown, but that the vessel is entitled to fly the flag of a recognised State, she shall, if that State is one of the High Contracting Parties, be handed over to the nearest authority of that State. If such State is not a High Contracting Party, the vessel shall be disposed of by agreement between the State responsible for her detention and the State whose flag she is entitled to fly, and, pending such agreement, shall remain in the custody of the authorities of the nationality of the detaining warship.

(*b*) If it should be established that the use of the flag by the detained vessel was correct, but that the vessel was engaged in the illicit conveyance of articles covered by Categories I, II, IV and V, those responsible shall be brought before the courts of the State under whose flag the vessel sailed. The vessel herself and her cargo shall remain in charge of the authority conducting the enquiry. The illicit cargo may be destroyed in accordance with laws and regulations drawn up for the purpose.

(*c*) In the case of vessels referred to in paragraph 1 (*b*) above, if it be established that the vessel had the right to fly the flag of one of the High Contracting Parties but was engaged in the illicit conveyance of any of the articles covered by Categories I, II, IV, and V, the procedure laid down in the preceding paragraph should be followed.

(*d*) In the case of vessels referred to in paragraph 1 (*b*) above, if it be established that the vessel was not entitled to fly the flag of any of the High Contracting Parties and was engaged in the illicit conveyance of any of the articles covered by Categories I, II, IV and V, the vessel and all cargo carried in addition to these articles shall be seized by such authorities and disposed of according to the national laws and regulations of the authorities before whom the vessel has been brought. The destruction of this cargo may be ordered according to the same laws and regulations.

(*e*) If the authority entrusted with the enquiry decides that the detention and diversion of the vessel or other measures imposed upon her were irregular, he shall assess the amount of the compensation which he considers to be due.

9. If the decision and assessment of the said authority are accepted by the detaining officer and the authorities to whom he is subject, the amount awarded shall be paid within six months from the date of the said assessment.

10. If the detaining officer, or the authorities to whom he is subject, contest the decision or the amount of the compensation assessed, the dispute shall be submitted to a Court of Arbitration consisting of one arbitrator appointed by the Government whose flag the vessel was flying, one appointed by the Government of the detaining officer, and an umpire chosen by the two arbitrators thus appointed. The two arbitrators shall be chosen, as far as possible, from among the Diplomatic, Consular or Judicial officers of the High Contracting Parties. These appointments must be made with the least possible delay. Any compensation awarded shall be paid to the persons concerned within six months at most from the date of the award of the court.

11. The Commanding Officer of a warship who may have stopped a vessel flying a foreign flag shall in all cases make a report thereon to his Government, stating the grounds on which he acted. An extract from this report, together with a copy of the proces-verbal, drawn up by the officer, warrant officer, petty or non-commissioned officer sent on board the vessel detained, shall be sent as soon as possible to the Government whose flag the detained vessel was flying and to such of the High Contracting Parties as may have expressed the desire to receive such documents.

The PRESIDING OFFICER. If there be no amendments, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification, with the reservation reported by the committee, will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive H, Sixty-ninth Congress, first session, a convention for the supervision of the international trade in arms and ammunition and in implements of war, signed at Geneva, Switzerland, on June 17, 1925, subject to the reservation that the said convention shall not come into force so far as the United States is concerned until it shall have come into force in respect to Belgium, the British Empire, Czechoslovakia, France, Germany, Italy, Japan, Sweden, and the Union of Soviet Socialist Republics.

The PRESIDING OFFICER. The question is on agreeing to the reservation to the resolution of ratification.

The reservation was agreed to.

Mr. PITTMAN. Mr. President, I wish to make a very brief statement with regard to this treaty.

This is a convention for the supervision of the international trade in arms. It is a treaty in the form of a convention; that is, it is open to the signatures of any and all governments of the world. It contains a great many rules and regulations, which were adopted at Geneva at a conference on June 17, 1925. It was signed by all the principal governments of the world. It has been ratified unconditionally by China, Egypt, Latvia, the Netherlands, Poland, Spain, and Venezuela. It was been conditionally ratified by the British Empire, Australia, Denmark, France, and Sweden.

I will say as to the conditional ratifications that they are to the effect that when the United States shall have ratified the convention the ratifications shall go into force and effect. Our committee has also recommended a reservation which has just been adopted to the effect that the treaty shall not go into effect until all the great manufacturing and export governments of ammunition and munitions of war shall have also ratified it.

The chief purpose of this convention is to prevent the export of arms into any country until the consent of the government of that country to such shipments shall have been obtained.

The second advantage of this treaty is that it provides for publicity as to the export of all munitions of war. Today we find it impossible to ascertain what the shipments of munitions of war are, or to what countries they are shipped. The convention provides that every government which adheres to the convention shall quarterly publish in detail every category of arms and munitions of war which are shipped, as to quantity, the shipper, and the persons to whom they are shipped. It provides for a license system in shipping such goods.

Those are the two main advantages of the convention.

There were certain zones which were set out especially in the convention aside from the other countries. As to those particular zones it was required that shipments should not be made into them without the consent of the government of the country to which they were to be shipped, and the consent also of any government having any tutelage or control over such country. There were exceptions made by which one of the governments in that particular zone, if not under the tutelage or sovereignty of another government, might as a government import arms and munitions. It was thought that that provision might be a reflection on some of the governments. However, the letter of the Department of State with regard to the matter, I think, clearly absolves our Government or the other signatories from any intention to reflect on such governments in any way whatever.

I also feel that the discrimination was not so great as it was thought to be when the treaty was first read, because the provision does not prevent the governments within those special zones from importing, as governments, arms or munitions in the same way as the governments which are signatory to the treaty.

The State Department and the Senate committee consider this one of the most valuable conventions which have been internationally agreed to; and I may say that I hold the same view. I think it will do more to control the illegal shipment and uses of arms and munitions of war than anything which has taken place internationally. For that reason I hope the Senate will advise and consent to the convention.

Mr. KING. Mr. President, the treaty before us for consideration is known as the "treaty for supervision of international trade in arms." It is a convention which was signed at Geneva, Switzerland, June 17, 1925, as I recall, by 44 or 45 countries. Notwithstanding the intervening years, so little interest has been manifested in the convention that less than one-half of the signatories to the same have ratified it. Since 1925 the treaty has been sleeping, not only in the United States but in other countries. If the treaty

possesses the virtues ascribed to it by the Senator from Nevada, one would be justified in the belief that all signatories to the same would have been eager to ratify it and to have its provisions carried into effect.

It will be admitted that all efforts to prevent war are not only praiseworthy but should command the most earnest and sincere support of all civilized countries. War has been a great foe to humanity. It has destroyed nations and brought immeasurable sorrows and woe to hundreds of millions of people. It is the great scourge which has afflicted the world; and to abolish war, with all of the horrors and evils attending it, should command the loyal support of this and all other countries. The horrors of the World War are still vividly before us, and the burdens which it imposed, not only upon the belligerent nations but upon the world, will weigh heavily upon the peoples of all lands perhaps for centuries to come. Indeed the wrongs and injustices not only left their trace upon the moral and spiritual face of the world but upon the economic, financial, and political structures within which nations conduct their operations. War has produced scars that are never effaced. It was said by Hegel:

> * * * What experience and history teach is this: That peoples and governments never have learned anything from history, nor acted on principles deduced from it. * * *

However, may we not hope that what appears to be an accepted thesis, that we learn nothing from the history of the past, no matter how tragic the record may be, that a new day will dawn and a new era be opened in which there will appear powerful moral and spiritual forces that will enable humanity not only to learn but to profit from the records of the past and to inaugurate and carry into effect policies and principles that will work miracles in the lives and thoughts of men and lift humanity to a higher standard where the light of peace and justice will reign supreme.

I have examined the convention or treaty now before us. It contains some provisions that, if observed by all nations, will remove some of the causes of war and therefore be promotive of peace. Every effort to reduce the manufacture of arms and to prevent the traffic in the same is praiseworthy.

A Senate committee known as the "Munitions Committee", for a number of months has been conducting an investigation which has adduced important information which, I am sure, will arouse, not only in our country but in other countries, a desire, indeed a determination, to restrict warlike preparations, and particularly the manufacture of arms for military purposes, and lead to treaties and international agreements, if not statutes, that will constitute important impediments to war-like preparations, and, it is to be hoped, prohibit the extensive and almost world-wide manufacture in arms for employment in the destruction of life upon land and upon sea. The Senators who have given so much of their time in conducting this investigation are entitled to the thanks not only of the Senate, but of the entire country.

I shall not take the time of the Senate to analyze the provisions of the convention before us, but to point out what I conceive to be some of its defects and weaknesses. That it fails in many respects to attain the end in view, or to meet the present situation and future conditions, I have no doubt. However, I believe that if ratified by all the signatories to the treaty, and its provisions loyally observed and carried into effect, an important step forward will be taken in supervising and regulating the international traffic in arms.

I recur to the observation made a moment ago that there has been remarkable apathy upon the part of the signatories to the convention in securing ratification and giving effect and vitality to the convention. As stated, the treaty was signed June 17, 1925, and transmitted to the Senate by President Coolidge January 12, 1926. So little interest has been evinced in the treaty by the people of the United States, and certainly by the Senate, that no action was taken by the latter until some time in June 1934. So far as I can learn, other nations signatories to the treaty exhibited but little interest in securing its ratification. As stated, more than one-half of the 44 or 45 nations signatories to the same never ratified the convention and, so far as I can learn, are manifesting but little, if any, concern in its ultimate fate.

Perhaps the foregoing statement is rather too general because there is evidence that a number of conferences have been held by representatives of some of the signatories to the treaty at which the terms of the treaty have been discussed and numerous suggestions made for modifications and changes.

As I understand, committees were appointed in each of the years 1932, 1933, and 1934 for the purpose of examining the convention of 1925, and of meeting objections which were urged to the same, and preparing amendments to be submitted for consideration at a plenary conference of all signatories of the treaty who might care to participate in such conference. In each of these conferences, as I recall, there were representatives of 20 nations signatory to the convention. Among the nations represented were Belgium, Canada, China, the United States, Spain, France, Japan, Sweden, and the Soviet Republic. In each of these committee conferences the question of amending the treaty was considered and indeed recommended.

The committee held in May 1933 contained a large number of recommendations for changes in the convention. Some of them were important. The object of the committee was to push forward the study of questions relating to the trade in arms in such a way as to facilitate the subsequent work of the committee. It further stated that in accordance with the report submitted by the committee and the rule of the conference, on November 12, 1932, the committee has agreed in principle to recommend a revision of the 1925 convention but for reasons of expediency to limit the amendment to the minimum strictly required. The committee further stated that it took the 1925 convention as a basis for discussion but that the delegation reserved their final attitude toward the convention. The committee report further stated that in several cases the committee could not come to an agreement so that certain proposals mentioned are only supported by a few delegations; other proposals are merely provisions because they depend on work of the convention which has not yet been terminated.

A number of amendments were suggested to the convention and were set forth textually, all of which the report shows were to be submitted to the representatives of the signatories of the treaty at a plenary conference to be held in 1935.

Some of the suggested amendments were that "there should be a quantitative limitation of the trade in arms." As a matter of fact, this suggestion as an amendment to the treaty was submitted by the representatives of France, Poland, and Spain. The report further states that a number of delegations reserved the right to submit concrete proposals on the question of supervision, as well as other provisions of the treaty.

I shall not take the time of the Senate to examine the 20 pages of the report bearing date May 27, 1933, which, as I have indicated, contains many suggested amendments to the treaty of 1925, which we are called upon today to ratify. It is evident from the three reports for the years mentioned that the treaty of 1925 was to be modified and changed at a plenary conference to be held during the present year. Mr. President, in my opinion, the treaty now under consideration will not be the treaty which is finally ratified, even if one shall be acceptable and shall be ratified. Changes have occurred since 1925, not only in European nations but in many parts of the world.

It must be borne in mind that the treaty before us lacks vitality; it is not a living or effective treaty. If our Government should ratify the treaty, there is no assurance that the 25 or 26 nations which were signatories to the same would ratify it, nor is there any assurance that a number of those which did ratify it would give their support to the same.

Indeed, there might be some question as to whether their ratifications were not coupled with understandings that substantially all who were signatories to the convention would

give their adhesion to the same. At any rate, it is certain that the treaty, when brought before the plenary committee during the coming year will undergo material, and perhaps drastic, modifications. Some of the changes which undoubtedly will be made may not prove acceptable to the United States.

In view of the fact that there will be a plenary assembly to deal with the treaty and the suggested amendments, it seems to me that it is profitless, if not unwise, for the United States to now ratify the same. Would it not be the part of wisdom to await the coming plenary committee or conference gathering in order that we may be advised as to what will ultimately be the form of the treaty? Doubtless, having been a signatory to the treaty, our Government will be a participant in the plenary conference. It is also worthy of note that a number of the governments that did ratify the treaty did so upon the express condition that certain other nations would ratify the treaty.

A number of the enumerated nations have not as yet ratified the treaty, and Senators will note that the resolution of ratification submitted by the Senate committee, and which has just been agreed to by the Senate, contains a provision that the ratification by our Government is subject to the reservation that the said "convention shall not come into force, so far as the United States is concerned, until it shall have come into force in respect to Belgium, the British Empire, Czechoslovakia, France, Germany, Italy, Japan, Sweden, and the Union of Soviet Socialist Republics." It is known that a number of the countries just named have not ratified the treaty, and with respect to others in this group the treaty has not yet come into force. We are, then, asked to ratify the treaty before 24 nations who were signatories to it have ratified the same, and before the treaty has come into force with respect to a number of other signatories to the treaty, many of whom are some of the most powerful nations.

I repeat that we are acting prematurely and with no certainty that the treaty will ever become effective and with rather positive assurance that it will undergo many changes and modifications before it shall become effective, if ever.

Mr. President, when the convention was before the Senate on June 15, 1934, the chairman of the committee [Mr. PITTMAN] offered a resolution of ratification which, among other things, stated that the said convention—

> • • • shall not come into force so far as the United States is concerned until it shall have come into force in respect to Belgium, the British Empire, Czechoslovakia, France, Germany, Italy, Japan, Sweden, and the Union of Soviet Republics. • • •

To this resolution I offered an amendment as follows:

> • • • *Resolved*, That such adherence to this treaty shall not be construed as denying any right or sovereignty which the Kingdom of Persia may have in or to the Persian Gulf or to the waters thereof. • • •

There was no objection to the reservation which I offered and it was agreed to. The treaty was then ratified containing in part the reservation which I offered.

I am not fully advised as to just what happened in the Department of State or what course was taken by the Executive of the United States with respect to the treaty. It has been made known, however, that the treaty containing the reservations submitted by the Senator from Nevada and myself were transmitted to the Government of the French Republic pursuant to article 41 of the convention. That Government was merely the depositary agreed upon by the signatories to the treaty which was to receive the first procès-verbal for the deposit of the ratifications, together with any other ratifications or documents in connection with the treaty. Apparently the depositary took the position that because of the reservation which I had offered or the one which the Senator from Nevada had offered, it was necessary to notify all signatories to the treaty of such reservations.

It is now contended, as I understand, by the Senator from Nevada that the reservation which I offered was harmless, if not meaningless; but we are advised that whether harmless and meaningless no steps were taken by the depositary of the treaty to bring to the attention of those governments which had signed it that the reservation offered by the Senator from Nevada and that which I had offered had been adopted by the Senate of the United States. Apparently the treaty was permitted to continue its slumber; and, as I have stated, no action whatever was taken to have the governments which had ratified the treaty made known of the reservation adopted by the Senate. I cannot believe that the amendment which I offered would have been objectionable to a single signatory other than Great Britain; indeed I had known that a number of important countries which had knowledge of the reservation were quite indifferent to the same. It appears, however, that Great Britain's Ambassador to the United States, not formally, indicated that his Government did not approve of the reservation. As stated, no other nation objected to it; but when Great Britain's Ambassador mentions to the Department of State that the reservation does not please his country, then steps are taken to have the treaty returned to the Senate in order that the amendment which I offered may be deleted.

There are some persons who believe that Great Britain has occasionally attempted to exercise too much authority over matters and territory entirely outside of her sphere. I would be the last person to criticize Great Britain or to attempt to derogate from the honor to which she is entitled because of her great contributions to the world's civilization. I do say, however, with the utmost good feeling toward Great Britain, that she has not always been considerate of the rights of other peoples. Back in 1812 there was some controversy between Great Britain and the United States, and I think that history will hold the United States blameless.

Great Britain's flag is seen in every part of the world, and her war vessels are not strangers in the harbors of all countries. Her merchant marine traverses every sea and her dominions encircle the world, and her naval bases give to her fleets a strength and power denied to other countries.

I offered the reservation to which I have referred because I believed the treaty which we are now called upon to ratify contained a provision which was not entirely fair to a nation with which we have amicable relations. An examination of the treaty will reveal that a "special maritime zone" is created. This "maritime zone" is segregated from the rest of the waters of the world and subjected to a different treatment and different consideration. This special maritime zone includes the Red Sea and the Gulf of Aden, controlled by Great Britain, and the Persian Gulf and the Gulf of Oman. Why the Persian Gulf and the small body of water at its mouth, known as the Gulf of Oman, should be placed in a special maritime zone and differentiated from the rest of the waters of the world is not difficult to understand. But at the same time it is obvious that this differentiation or classification was calculated to create some concern, if not resentment, upon the part of the Persian Government.

I have referred to the fact that at the three committee conferences in 1932, 1933, and 1934 the questions arose as to the provision of the treaty creating the maritime zone and the inclusion of the Persian Gulf therein. Representatives of the Persian Government, now the Government of Iran, objected to this provision of the treaty and indicated that their Government could not and would not sign the treaty if the provision referred to was not modified or eliminated. In the report of the committee of May 27, 1933, a mimeographed copy of which I have before me, the question of special zones was the subject of debate. The report before me states:

> That the Persian delegation declared that it was their opinion that the provision in article 23–D of the Covenants of the League of Nations, which entrusts the League with the general supervision of the trade in arms and ammunition in the countries in which the control of this traffic is necessary in the common interest, does not involve the necessity of providing for special maritime zones.

The delegation further stated that—

> If the conference should decide to maintain the maritime zones—

And I might add that the maritime zone consisted only of the Red Sea and the Gulf of Aden and the Persian Gulf and the Gulf of Oman—

their Government, in a spirit of compromise, would agree, but requested that the Persian Gulf and the Gulf of Oman be excluded.

The delegation further stated that—

It is only at the cost of great sacrifices that Persia has insured the security of her territory, and of her territorial waters, and of the high seas, and the provision of the 1925 convention, therefore, no longer correspond to the actual situation, especially as these provisions are contrary to the Covenant and infringe Persia's freedom of the seas and of trade. Persia proposed to conclude a bilateral treaty with the United Kingdom regarding supervision in the Persian Gulf and the Gulf of Oman with a view to safeguarding the interests of the two countries.

The report further states that—

The United Kingdom delegation is not convinced of the advisability of settling the question of general security in the Persian Gulf and the Gulf of Oman by a bilateral agreement—

But that—

it considers that such security could only be adequately ensured in the interests of all the States and in accordance with the provisions of the covenant by the maintenance of the maritime zones as defined in article 12 of the 1925 convention.

Senators will observe that the treaty under consideration really hinges upon, or at least has its foundation within, the League of Nations, and the Persian delegation referred to the Covenant of the League of Nations and the fact that there was nothing therein that justified the placing of the Persian Gulf in a special maritime zone, particularly in view of the conditions existing in the Near East. Following the discussion, the subcommittee reported that—

As regards the maritime zones, the subcommittee agrees to their maintenance in the Red Sea and the Gulf of Aden, but has decided to refer to the plenary committee the question of the Persian Gulf and the Gulf of Oman, which more especially concerns the United Kingdom and Persian delegations.

I think I referred to the fact that in the conferences of 1932 and 1933 the Persian delegations took a similar position, and it was agreed that the treaty should be modified, obviously in response to the position of the Persian Government.

In view of what occurred in the committee conferences and the position taken by the Persian Government, it seemed to me, when the treaty was under discussion a year ago, that the reservation which I offered was not only proper and appropriate but that the situation called for its adoption.

As I have indicated, the relation between the Kingdom of Persia—now Iran—and the United States were of the most cordial and friendly character. I could not help but believe that Great Britain, in insisting upon the Persian Gulf being included in a special maritime zone which would give to Great Britain, as I interpreted the treaty, a greater authority than if the maritime provision were not a part of the treaty, was asserting an authority, or at least taking a position not entirely fair to Persia and which might result in creating no little resentment against Great Britain by the Persian Government.

It seemed to me that it was our duty to make it clear that the United States, while adhering to the treaty, did so with the understanding that such adherence was not to be construed as denying any right which the Kingdom of Persia might have in and to the Persian Gulf or the waters thereof. I also had in mind the provision of article 24 of the treaty, which declares "that the high contracting parties agree to apply in the maritime zone the regulations laid down in annex II, section II, paragraph 5."

I have not time to examine the provisions referred to but they deal with the policing of the Persian Gulf and impose obligations upon all of the signatories to the treaty, including the United States. I also had in mind the fact that there was some controversy between Persia and Great Britain, the latter claiming that it had treaties with a number of tribes upon the Arabian coast along the western borders of the Persian Gulf.

I likewise had in mind the fact that Persia, under the present ruler, had built naval vessels and was exercising fair and just police regulations over territorial waters in which the Kingdom of Persia claimed an interest. It seemed to me that the resolution which I offered merely reiterated the oft-expressed policy of our Government toward small and rather weak nations. Senators know that we are seeking trade in all countries, and that because of our friendly relations with Iran there will be markets for our surplus commodities and international trade will be developed of no small proportions.

When I offered the reservation I could not believe that Great Britain, or any nation, would object to a declaration that our Government, in ratifying the treaty, "did not deny any rights which the Kingdom of Persia might have in the Persian Gulf." The distinguished chairman of the committee, when he reported the treaty in March of this year, the treaty now before us, stated that the committee voted against including the reservation which was adopted by the Senate a year ago—

For the reason that the committee when it adopted the reservation, intended to make it clear that our Government would take no part in disputes between governments with regard to sovereignty in the Persian Gulf. It intended to make it clear that our Government does not deny any sovereignty that any government may have in the Persian Gulf. The committee recognized that there are disputes between governments as to sovereignty in the Persian Gulf. It intended therefore to clearly convey the attitude of the committee which is that it would neither admit nor deny any sovereignty that any government might have in the Persian Gulf. Unfortunately it appeared from matters submitted to the committee that the Persian Government or those in high authority in the Persian Government did not place the same construction upon the reservation that was given to it by the committee but rather looked upon it as an expression in aid of the claim of the Persian Government to sovereignty which is disputed by other governments.

Mr. President, it appears that the reservation which I offered and which was adopted was merely for the purpose of making it clear that our Government would neither admit nor deny any sovereignty that any government might have in the Persian Gulf. I submit that the reservation which I offered conveyed that view and none other. It is admitted by the Senator that there are some disputes between governments as to sovereignty in the Persian Gulf. The Senator states that there are tribes of sheiks upon the western coast and that Great Britain has interests in some of them, even in territory which they occupy. I repeat that in view of such disputes, and in view of the attitude of the representatives of the Kingdom of Persia in the various conferences with respect to the special maritime zone, that it was entirely proper for the United States in ratifying the treaty to state in effect that this act of ratification was not to be construed as denying any sovereignty which Persia might have in or to the Persian Gulf, and so forth.

Mr. President, with respect to the statement of the Senator that the Persian Government, or those in high authority, did not place the same construction upon the reservation as was given to it by the committee, I state, upon what I consider authority, that the Persian Government placed the same interpretation upon the reservation as was given it by the committee, by the Senate, and by myself. The Persian Government, I am sure, did not claim, nor does it now claim, any advantage by reason of the reservation. It places upon it the same construction as that which was given by the Senate.

I respectively submit that there is no valid ground for the contention that the Persian Government claimed, or in the future may claim, any advantage resulting from the reservation.

In my opinion, Persia believed that it was unfair to place the Persian Gulf in a special zone, when, manifestly, it was for the purpose of giving to Great Britain and other powers privileges which they might not claim with respect to other bodies of water, such as the Adriatic Sea or the Gulf of Alexandretta.

In my view, the attitude of Great Britain is not warranted. If the reservation which was adopted was objectionable, why did not Great Britain formally protest rather than indicate in the manner I have before stated her position with respect to the same? France, Italy, Spain, Poland, and other nations raised no objection to the reservation, and if submitted

to them will, in my opinion, promptly indicate that they have no objection to the same.

Persia makes no claim that Great Britain is without rights in the Persian Gulf, but it is quite likely that Persia may feel that Great Britain is seeking some advantage in the Persian Gulf by reason of her power and her great naval strength. It is obvious that when the Plenary Council deals with the treaty amendments will be made and Persia will there insist, as she has done in the three conferences referred to, that the provision placing the Persian Gulf in a special maritime zone shall be eliminated from the treaty. I am sure it is desired that Iran shall adhere to any treaty agreed upon for the supervision of international trade in arms.

Mr. President, I shall offer a reservation which is somewhat different from the one which was approved by the Senate when the treaty was under consideration a year ago. The following is the amendment which I offer and ask that it be adopted:

That such adherence to this treaty is not to be construed as expression of any opinion or view of the United States as to the sovereignty or right of any government in the Persian Gulf.

Mr. JOHNSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from California?

Mr. KING. I yield.

Mr. JOHNSON. The Senator has modified the resolution which originally was adopted?

Mr. KING. Yes.

Mr. JOHNSON. Will the Senator tell me whether there was any objection to the reservation at the time originally it was presented here?

Mr. KING. None.

Mr. JOHNSON. It was accepted?

Mr. KING. It was; and no objection was raised at any time until a short time ago, when the British Ambassador—let us be frank about it—indicated orally that perhaps his Government would not be pleased with the reservation; and we must now yield to the oral, informal suggestion of the British Ambassador!

Mr. JOHNSON. Would the Senator mind reading again the reservation he now intends to present?

Mr. KING. I shall be glad to do so. I might add that the committee has offered a reservation which has just been adopted here to the effect that the treaty shall not go into effect, so far as our country is concerned, until Great Britain and other countries shall have done certain things. I propose to add this reservation, as follows:

That such adherence to this treaty is not to be construed as expressive of any opinion or view of the United States as to the sovereignty or right of any government in the Persian Gulf.

Mr. JOHNSON. Why is not that perfectly harmless? It asserts nothing. May I inquire of the chairman of the committee if he deems the reservation inappropriate?

Mr. PITTMAN. Mr. President, this reservation, though not in this form, was offered by the Senator from Utah for the same purpose at the time the treaty was under consideration before.

I felt that the reservation was not only harmless but meaningless. It stated before that—

Such adherence to this treaty shall not be construed as denying any right of sovereignty which the Kingdom of Persia may have in and to the Persian Gulf, or to the waters thereof.

Mr. JOHNSON. Mr. President, there is no such expression in what is now presented, as I understand it. As I understand what has been now presented, it merely says that our Government expresses no opinion at all. Is not that correct?

Mr. PITTMAN. That is practically what we said before, when we stated that we did not deny any rights which the Persian Government might have in and to the waters of the Persian Gulf. As a matter of fact, it has some rights in them because it borders on the Persian Gulf, and therefore it has sovereign rights for a distance of 3 miles out.

Unfortunately there are several governments, either permanent governments or temporary governments or partial governments, some claiming independence and other governments claiming to control them, also bordering on the gulf.

The Persian Government is insisting now that she have a 12-mile sovereignty into the Persian Gulf. I think that is based on a treaty we have with Great Britain regarding prohibition, we insisting that we should have sovereignty for 12 miles out. There are some places where the 12 miles lap over the 12-mile limits of other governments in the Persian Gulf. Therefore it becomes quite annoying.

If the Senator from Utah desires to have me wait until he gets through, I shall be glad to do so.

Mr. KING. The hour is late, and I shall not longer detain the Senate.

Mr. PITTMAN. Mr. President, this matter has been heard before the committee. It is very true that, when the Senator from Utah offered his reservation on the floor of the Senate, in order to save time, in an intense desire to secure action on this most important convention, and believing, as I said before, that the reservation was immaterial, I stated that, so far as I was concerned, I had no objection to its adoption.

When the treaty went to the President containing the reservation, it was submitted first to the Government of France, because under the terms of the instrument the convention is to be lodged with the Government of France so that any governments which desire to adhere to it may know where to find the convention and sign it.

According to the testimony given before the committee, and the written documents which we have, France made inquiry as to whether or not there would be any objection to the reservation. It was then that the British Government stated that there were certain disputes affecting sovereignty over the island of Bahrein, on the west side of the Persian Gulf, several hundred miles away from Persia; that the mention of sovereignty in connection with Persia was undoubtedly construed by the Persian Government as an indication that the United States sympathized with Persia in the dispute over this island, and that the reservation would of necessity be sent to every one of the signatory powers to ascertain whether or not they consented to it, which would take a long time, and that other reservations would be offered or changes in the language suggested which would mean an indefinite postponement of action on the treaty.

There are matters, however, which affect the United States as well as they affect Great Britain. There are American citizens now owning property in the Bahrein Islands. They are engaged in business there. They have title to the property under the local government, under the Sheik of Bahrein, with the approval of the British Government, which claims suzerainty over it. The title of the American citizens has been questioned by Persia, and there is a threat by Persia to Japan and India, which countries are buying some of the oil from that district, that it will hold those countries responsible for the value of such oil. So we have become involved in the controversy to a certain extent.

Now we are informed that those in high authority in the Persian Government—or, as it is now called, the Iran Government—consider our mention of sovereignty in connection with the Persian Government as subject to being construed as an admission in the event of any arbitration as to the rights of American citizens on the islands of Bahrein. So it became a very interesting question to us.

When we go back to the history of these islands we find that the islands were claimed by Persia in 1820, and it will also be found that they were claimed by a sheik long before 1820; and the sheikdom has continued to claim them at all times and never has given up its claim.

The difficulty with regard to the Persian Gulf is that titles to land all around the Gulf are now in question. If there were but one country, with its borders on the Persian Gulf—that is to say, Persia, or Iran, as it is now called—there would be little complaint; but there are tribesmen who have claimed land there since the beginning of history. They are called "sheiks." Their territories are called "sheikdoms." In some cases they are islands. In other cases they

are small areas of land principally on the west coast of the gulf.

It is true that at the present time we are not involved in that claim of title in any sense of the word; but it is not Great Britain alone which is interested in that matter, because there is sheikdom after sheikdom there bordering Arabia over which Great Britain claims no suzerainty whatsoever.

In that situation, we should not attach any reservation unless it is deemed essential, because even if it will accomplish any good purpose for us it will undoubtedly bring about a long delay in the ratification of the convention.

As was said by the Senator from Utah [Mr. KING], this convention was signed by some 40 governments back in 1925. It was ratified almost immediately by the British Empire, Australia, Denmark, France, Sweden, China, Latvia, the Netherlands, Poland, Spain, and Venezuela; but, of course, in the case of a convention such as this it is useless, it is futile, to bind some of the great countries manufacturing munitions and war materials and not bind the others. It would only harm the countries bound without accomplishing results.

So when, for many years, the United States refused to act upon this convention, Great Britain, Australia, Denmark, France, and Sweden passed resolutions providing that their former ratification should not become effective until the United States ratified. They were entirely wise in that respect, because otherwise, they were only binding themselves to restrictions without binding the United States. We have done exactly the same thing in our own reservation. We say that this ratification shall not take effect until other great countries have ratified, and we name them.

The convention is useless, it is futile, it is unfair, until all the great countries that manufacture munitions of war and export them are parties to it; but we cannot get them to become parties except by the method we now propose, of doing what the other countries have done; namely, ratify the convention, but not have it go into effect until the date when all the principal countries have ratified and confirmed it.

So much on the question of ratification.

Now on the question of the reservation offered by the Senator from Utah: Here is a reservation which to my mind means nothing, as, in my opinion, the original reservation meant nothing. There is no such reservation in any treaty we have ever ratified, and we ratified 8 or 10 treaties during the past week or two dealing with all kinds of conventions. We ratified the other day an international sanitary convention dealing with sanitary regulations for airplanes passing through various countries. We did not say anything in that treaty about the sovereignty of any country. We could find the same excuse for placing a similar reservation in every treaty and every convention we might ratify.

This reservation says that adherence to this treaty is not to be construed as an expression of any opinion or view of the United States as to the sovereignty or right of any government in the Persian Gulf. We might say that we raise no question as to the sovereignty of any country on the Arabian Gulf or the Red Sea, because some of them are included in these special zones. We might say that we raise no question as to the sovereignty of any country in Africa, because Africa is placed in this special zone. I do not think we should place meaningless, unnecessary reservations in any treaty if we want the treaty to become law, because the natural effect of such a course is long delay, and possibly the destruction of the treaty.

As I said before, I consider this the most valuable convention which has ever come to the Senate for ratification.

It is the first time in history when a convention has been proposed by which one government protects another, without its consent, against the importation of arms. That applies to colonies and territories alike. It is the first time we have ever had an international convention which actually provided for publicity, which actually provided that every 90 days each signatory of the convention should make public a detailed statement of the arms which had been exported, who exported them, where they were exported, and the quantity and character of the material.

I think this is one of the most important conventions ever proposed; and it discourages me, as Chairman of the Foreign Relations Committee, upon whom is imposed the duty of presenting these matters, to have the convention threatened for years and years by what I consider an absolutely meaningless reservation.

It we were speaking only of Persia, or Iran, there might be some reason for the reservation; but we are speaking of the Persian Gulf. What was formerly known as "Persia" is not even called "Persia" any more. It is now called "Iran." We are speaking of a gulf, an enormous body of water, probably a thousand miles long by two or three hundred miles wide; bordered by several countries, not by one. When we speak of the Persian Gulf we are not referring to any country on the Persian Gulf.

It seems to me that if we adopt such a reservation as this, we must constantly hereafter adopt similar reservations, and it will mean simply delay and nothing else.

Mr. KING. Mr. President, I stated at the outset that there is no excuse for the long delay in ratifying the treaty by the governments which are signatory to the same. If they had been anxious for the prompt ratification of the treaty they would not have permitted it to lie dormant from 1925 until the present time, and, as I have shown, there appears to be no interest in the treaty now except upon the part of Great Britain and the United States.

The Senator from Nevada said it would take considerable time, if this simple reservation is adopted, for the Government of France to contact all the governments signatory to the treaty. In the first place, most of the nations which signed the treaty have not ratified it and have taken but little, if any, interest in it.

The Government of France has nothing to do with the treaty. The treaty merely provided there should be some depository for the treaty and any documents connected with it. Its function was not to take any particular action but to be the repository there of documents which were filed with it and to take such steps as signatories to the treaty might desire. All that France needed to have done as depository was to transmit the reservation to the various countries. It could have done it in a few days, but it did nothing. It was quiescent because, apparently the treaty was not exciting any particular interest upon the part of the French Government or any other government, even our own, because, as stated, it lay here dormant from 1925 until just a short time ago.

There is no virtue in the Senator's suggestion that it would delay the matter if the reservation just offered were appended to the treaty. The signatories to the treaty could request France to contact immediately the nations and to send a copy of the reservation to each nation. She would not need to send it very far because most of the countries have representatives in Paris, and almost over night, by radio, or otherwise, the answers of the respective nations could be ascertained.

Mr. President, the Senator from Nevada has made very much of the point that there are a number of islands and a number of sheiks and Arabs interested in the Persian Gulf, and the fact that the Standard Oil Co. has a lease upon part of the Bahrein Islands and has sold some oil from wells which it developed, to the Japanese Government. Then conditions add to the merit of the argument I am making that there are conflicts in the Persian Gulf, that we desire to take no sides in any controversies that may develop. The reservation which I have offered seems to me to be eminently proper, and the argument made by the Senator from Nevada only emphasizes the wisdom and propriety of the adoption of the same.

The PRESIDING OFFICER. The question is on agreeing to the reservation offered by the Senator from Utah [Mr. KING].

The reservation was rejected.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification as amended by the reservation. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution, as amended by the reservation, is agreed to, and the treaty is ratified.

If there be no further treaties to be considered at this time, the clerk will state the first nomination in order on the calendar.

BUREAU OF INTERNAL REVENUE

The legislative clerk read the nomination of Nat Rogan to be collector of internal revenue, sixth district of California.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination of Nat Rogan to be collector of internal revenue, sixth district of California. The President will be leaving the city tomorrow and will not be back until next Wednesday. The nomination is to fill a vacancy which has existed for a number of months. At the request of the Senator from California [Mr. McADOO] I ask unanimous consent that the President be notified.

The PRESIDING OFFICER. Without objection, the President will be notified.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations for postmasters.

Mr. BARKLEY. I ask unanimous consent that nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

The Senate resumed legislative session.

APPROPRIATIONS FOR THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 8, 9, 14, 15, 24, 25, 26, 42, 47, 51, 52, 53, 54, 55, 56, 57, 60, 61, 62, 63, 64, 66, 69, 72, 78, 80, 82, 89, 90, 100, and 101.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 10, 11, 12, 17, 18, 19, 20, 21, 22, 23, 27, 28, 29, 31, 32, 33, 34, 35, 36, 38, 39, 40, 43, 44, 45, 46, 49, 50, 58, 65, 74, 75, 76, 77, 79, 84, 85, 86, 87, 88, 91, 93, 94, 97, 102, 104, 105, 107, 108, 109, 110, 111, 112, 113, and 114, and agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$12,600"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,375,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$50,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For improvements at the Armstrong High School, $70,000."

And the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$830,000"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,280,000"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$69,770"; and the Senate agree to the same.

Amendment numbered 71: That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$50,125"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$8,400; for personal services, $9,420; in all, $17,820"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$52,000"; and the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$102,500"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$36,500"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$77,410"; and the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$67,000"; and the Senate agree to the same.

Amendment numbered 98: That the House recede from its disagreement to the amendment of the Senate numbered 98, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$396,300"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$230,000"; and the Senate agree to the same.

Amendment numbered 103: That the House recede from its disagreement to the amendment of the Senate numbered 103, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: ", of which amount not more than $79,000 shall be available for free lunches for necessitous school children"; and the Senate agree to the same.

Amendment numbered 106: That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"ANACOSTIA RIVER AND FLATS

"For continuing the reclamation and development of Anacostia Park, in accordance with the revised plan as set forth in Senate Document Numbered 37, Sixty-eighth Congress, first session, $40,000".

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 16, 37, and 48.

ELMER THOMAS,
CARTER GLASS,
ROYAL S. COPELAND,
WILLIAM H. KING,
GERALD P. NYE,
HENRY W. KEYES,
Managers on the part of the Senate.

CLARENCE CANNON,
THOMAS L. BLANTON,
J. W. DITTER,
Managers on the part of the House.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
June 5, 1935.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 16 to the bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes, and concur therein with the following amendment:

In lieu of the sum inserted by said amendment insert "$43,000, and the last proviso of this paragraph shall not apply to work which can be performed in the central duplicating section of the District of Columbia or the printing plant at the reformatory at Lorton, Va.";

That the House recede from its disagreement to the amendment of the Senate numbered 37 to said bill and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert "$6,953,100, of which not exceeding $5,000 may be expended for compensation to be fixed by the Board of Education and traveling expenses of educational consultants employed on special educational projects"; and

That the House recede from its disagreement to the amendment of the Senate numbered 48 to said bill and concur therein with the following amendment:

Before the period at the end of the matter inserted by said amendment insert ": *Provided*, That hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism."

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate nos. 16, 37, and 48.

The motion was agreed to.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Friday, June 7, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 6 (legislative day of May 13), 1935

COLLECTOR OF INTERNAL REVENUE

Nat Rogan to be collector of internal revenue, sixth district of California.

POSTMASTERS

ARKANSAS

Houston E. Mayhew, Greenbrier.
Allen T. Cowden, Horatio.

OKLAHOMA

Grover H. Hope, Frederick.
Finis E. Gillespie, Hobart.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 6, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in Heaven, let us feel the breath of Thy holy presence, which is the breath of the ages, working, molding, and raising up all things. By searching we cannot find Thee out; neither by searching can we find out the wonder of the summer sun, yet we rejoice in its life and glory. O Sun of Righteousness, rise upon us as servants of Thine, and under Thy transforming power send us forth in paths of usefulness and unselfish service. Be with any who may be in the throes of despondency and distrust; make them strong, not in their own might but in the Lord. Clothe us with great fortitude to meet embarrassments, weariness, or unsatisfied longings. In the Savior's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 143. Joint resolution authorizing the Secretary of Agriculture to pay necessary expenses of assemblage of the 4-H clubs, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to bills and a joint resolution of the Senate of the following titles:

S. 41. An act for the relief of Germania Catering Co., Inc.;

S. 42. An act for the relief of Emmett C. Noxon;

S. 416. An act for the relief of Las Vegas Hospital Association, Las Vegas, Nev.; and

S. J. Res. 92. Joint resolution making final disposition of records, files, and other property of the Federal Aviation Commission.

EXTENSION OF N. R. A.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that Senate Joint Resolution 113, to extend until April 1, 1936, the provisions of title I of the National Industrial Recovery Act, and for other purposes, be given a privileged status, to be called up at any time; that general debate be confined to the joint resolution and continue not to exceed 2 hours, to be equally divided and controlled by myself and the gentleman from Massachusetts [Mr. TREADWAY].

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MAPES. Mr. Speaker, I reserve the right to object, to ask the Chairman of the Committee on Ways and Means whether a report has been filed on the resolution?

Mr. DOUGHTON. It has not been. It was my purpose to ask unanimous consent to have until midnight tonight to file the report.

Mr. MAPES. When does the gentleman expect to call up the legislation?

Mr. DOUGHTON. I hope to be able to call it up tomorrow. That is our purpose at this time, unless some other more important matter comes in ahead of it.

Mr. MAPES. Mr. Speaker, it seems to me rather unusual——

Mr. BLANTON. Mr. Speaker, I demand the regular order, if they are going to have to make a speech about it. They are going to object anyway.

Mr. SHORT. Mr. Speaker, I object.

Mr. SNELL. Mr. Speaker, I object.

Mr. RICH. Mr. Speaker, I object.

Mr. MAPES. And, Mr. Speaker, I should like to file my objection also.

STATUE OF HANNIBAL HAMLIN

Mr. HAMLIN. Mr. Speaker, I ask unanimous consent for the present consideration of House Concurrent Resolution 26, which I send to the desk and ask to have read.

The Clerk read as follows:

House Concurrent Resolution 26

Resolved by the House of Representatives (the Senate concurring), That the statue of Hannibal Hamlin, presented by the State of Maine, now in Statuary Hall, is accepted in the name of the United States, and that the thanks of Congress be tendered the State for the contribution of the statue of one of its most eminent citizens, illustrious for his distinguished service to the country.

Resolved further, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of Maine.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. I do not understand the reason for a resolution of this kind. Has some statue been put in there lately?

Mr. HAMLIN. No. It was put in there, I think, 2 years ago. It has not been formally accepted by the Congress. The purpose of some of us Maine folk is to have some exercises pertaining to the unveiling and acceptance of the statue next Monday in Statuary Hall.

Mr. SNELL. Under the usual practice a resolution of this kind would go to the Committee on the Library, I think, and then be reported back. Why is this done out of the usual line of procedure?

Mr. HAMLIN. I think this is in accordance with the usual procedure. It is merely a concurrent resolution, to have the matter concurrent with Senate action.

Mr. SNELL. Concurrent resolutions are usually considered by a committee.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield to me?

Mr. HAMLIN. Yes.

Mr. McCORMACK. It is my understanding that the unveiling is to take place some day next week?

Mr. HAMLIN. That is the hope.

Mr. McCORMACK. As I understand it, each State is allowed statues of two of its distinguished citizens.

Mr. HAMLIN. Yes.

Mr. McCORMACK. And this is one of the two that Maine is permitted to have, and immediate action is necessary to have the unveiling take place.

Mr. SNELL. I have no objection to that; but why should not the resolution take the usual procedure?

Mr. RICH. Why was this not done 2 years ago when they put the statue in Statuary Hall? They have had 2 years in which to consider this. It seems to me the Committee on the Library is the committee to give consideration of whether statues should remain in Statuary Hall.

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. HAMLIN. Yes.

Mr. WARREN. I think I can clarify the matter.

Mr. SNELL. I wish the gentleman would.

Mr. WARREN. I am not now a member of the Committee on the Library, but, as I recall, these resolutions have never been passed upon by the committee.

I remember when the State of North Carolina placed a statue of Governor Aycock in Statuary Hall, a resolution was offered by me from the floor. The same policy was pursued with reference to the acceptance of the two statues from Virginia. As far as I know, a resolution of this nature has never gone before a committee.

Mr. SNELL. Very well. If the gentleman states that such resolutions have never gone to a committee, it is all right with me.

Mr. O'CONNOR. Reserving the right to object, I think the gentleman has consulted with the Chairman of the Committee on the Library, according to my knowledge.

Mr. SNELL. According to the gentleman from North Carolina [Mr. WARREN], it is not necessary. If that is the way it is done, I have no objection.

Mr. RICH. Will the gentleman yield?

Mr. HAMLIN. I yield.

Mr. RICH. Is this another emergency measure?

Mr. HAMLIN. Not necessarily. Perhaps the gentleman might consider it so.

Mr. RICH. If it is, we are doing most anything under the guise of an emergency.

The SPEAKER. Is there objection to the request of the gentleman from Maine [Mr. HAMLIN]?

There was no objection.

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

DISPOSITION AND APPORTIONMENT OF WATERS OF THE COLUMBIA RIVER

Mr. KNUTE HILL. Mr. Speaker, I ask unanimous consent that I may have 3 days within which to file a supplemental report from the Committee on Irrigation and Reclamation on the bill (S. 1077) to further extend the time in which the States of Washington, Idaho, Oregon, Montana, and Wyoming may enter into a compact or agreement respecting the disposition and apportionment of the waters of the Columbia River and its tributaries.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

NATIONAL INDUSTRIAL RECOVERY ACT

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a report on Senate Joint Resolution 113.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. TREADWAY. Reserving the right to object, we do not know as yet what kind of a bill we are to consider or what the Chairman of the Committee on Ways and Means is asking the privilege to file a report on. I suppose if the minority members see fit to do so and want to file a report also, they would have that privilege under the request of the gentleman from North Carolina.

The SPEAKER. Minority views can accompany the majority views.

Mr. DOUGHTON. I will modify my request by asking unanimous consent that the same privilege be granted the minority to file minority views.

The SPEAKER. Is there objection?

Mr. MAPES. Reserving the right to object, I would like to ask the Chairman of the Committee on Ways and Means if the committee has reported the bill as yet?

Mr. DOUGHTON. It has not.

The SPEAKER. The request is that the gentleman be allowed until midnight tonight to file a report.

Mr. MAPES. I understood the request, Mr. Speaker, was to file a report. I am wondering if any action had been taken by the committee which authorized the filing of a report? That is the question I was asking the chairman of the committee, if the committee had authorized the filing of a report?

Mr. DOUGHTON. No. And if the committee does not authorize it, it cannot be filed. The gentleman is aware of that.

Mr. MAPES. I wanted to keep the Speaker correct on the matter.

The SPEAKER. The Chair thinks the Speaker was correct in his statement to the House.

Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

Mr. JENKINS of Ohio. Reserving the right to object, I would like to ask what bill the gentleman refers to?

Mr. DOUGHTON. Senate Joint Resolution 113.

Mr. JENKINS of Ohio. That is the N. I. R. A. bill?

Mr. DOUGHTON. Yes.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

DEPORTATION OF CRIMINALS

Mr. STARNES. Mr. Speaker, I ask unanimous consent that I may have 5 additional days within which to file minority views on the bill H. R. 8163, to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

FRATERNAL ORDER OF EAGLE'S PLAN FOR STABILIZATION OF EMPLOYMENT

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein very brief excerpts from an address by Mr. Frank E. Hering, editor of the Magazine of the Fraternal Order of Eagles.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. RICH. Reserving the right to object, I think my colleague understands that the Committee on Printing is desirous of keeping out of the RECORD the speeches of everybody except Members of Congress and members of the Cabinet. They have so instructed me, and for that reason I must object.

Mr. LUDLOW. Will the gentleman withhold his objection until I can further explain it?

Mr. RICH. Yes; I will withhold the objection.

Mr. LUDLOW. The excerpts which I have asked permission to insert have relation entirely to a bill which I have introduced. My own remarks in connection with it will have no pertinency whatever unless I insert those excerpts. I hope the gentleman will not object.

Mr. RICH. How much of the RECORD will it occupy?

Mr. LUDLOW. About one-half of 1 page.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. LUDLOW]?

There was no objection.

Mr. LUDLOW. Mr. Speaker, the Fraternal Order of Eagles, which, in my judgment, is the greatest of all of our humanitarian fraternal organizations, finds in the plans of President Roosevelt for the extension of N. R. A., with new fact-finding duties, a fruition of the matchless fight

which that great order has been making for 5 years to secure a stabilization of employment commission that would protect our American wage earners against unemployment and guarantee to them steady work with reasonable hours and satisfactory working conditions at a saving wage.

As the President's proposal is now understood, the N. R. A. during the coming months will function as an economic planning commission in the same way as was proposed by the far-seeing leaders of the Fraternal Order of Eagles when they authorized me 5 years ago to introduce the Eagles' stabilization of employment bill.

This measure which, at the request of the order, I have introduced in each succeeding Congress, is predicated on the idea that there is no reason or excuse for such cycles of depression and unemployment as the one through which we are now passing and that there ought to be enough constructive ability in Congress to set up regulatory machinery that will prevent such national misfortunes in the future. Just as the Interstate Commerce Commission stabilizes railroad activities and investments in railroad securities and as the Federal Reserve System, to a marvelous degree, stabilizes the monetary and financial conditions in this country, it is hoped that the Federal industrial commission provided in this bill will be effective in keeping industry on an even keel and preventing the recurrent cycles of industrial depression and unemployment.

The bill I have introduced by request has been worked out with the greatest thought and care. It has back of it the 650,000 members of the Fraternal Order of Eagles and the 100,000 members of the Eagles' auxiliary. It was first proposed in substance in the Indiana State Aerie in June 1930 by Frank E. Hering, of South Bend, Ind., past grand worthy president of the order. It was unanimously approved by the State organization, and when the grand aerie met at San Francisco in August, that year, it received a unanimous endorsement from the national body of the order after Mr. Hering had made a stirring address explaining the proposal to an audience of 1,000 delegates. A commission of members of the order was then created to draft a bill, and the measure I have introduced is the product of that commission. Col. Conrad H. Mann, of Kansas City, president of the Kansas City Chamber of Commerce and president of the Missouri Manufacturers' Association, is chairman of the commission. The other members include Frank E. Hering, of South Bend, Ind.; Otto P. Deluse, of Indianapolis, president of the Indianapolis Board of Trade; and ex-Congressman John M. Morin, of Pittsburgh.

In this bill the Fraternal Order of Eagles sought to bring before Congress and to the attention of the President and his advisers a vision of what may be accomplished if our statesmanship arises to the occasion and provides stabilizing machinery to carry out the principle that men have a right to work, not spasmodically but continuously, at a wage which permits them to live decently under happy working conditions and save something for old age. The order dismisses as sheer nonsense the statement so often heard in this country of incomparable wealth and resources that "we must have business depressions." It believes that Congress and the President have the brains to work out a stabilizing plan that will diminish unemployment and finally reduce it to the minimum. There is nothing radical about the proposal, which promises to be beneficial alike to both capital and labor. It has a very significant and important aim, which is worthy of the best traditions of the great humanitarian order that offers it for the consideration of Congress. While I had no part in drafting the bill, I appreciate the honor of having been chosen to introduce in the House a measure which I believe to be wise and timely and characterized by sound common sense.

Mr. Speaker, Mr. Frank E. Hering, the editor of the Eagle Magazine, the organ of the Fraternal Order of Eagles, who first proposed the Eagles' stabilization of employment bill, finds that the new function of the N. R. A., as defined by the President's announcement, is in exact harmony with the idea he had in mind when the Eagles' bill was drafted. In a most interesting and informative address prepared for delivery at Dayton, Ohio, Mr. Hering explained the similarity of the two proposals. By unanimous consent granted by the House I quote from his very interesting address:

EXCERPTS FROM SPEECH OF HON. FRANK E. HERING

Mr. Hering said:

The great depression hit us with full force in October 1929. Seven months later the Fraternal Order of Eagles had committed its strength and its funds to the enactment of a Federal law that would, we believe, hasten the stabilization of employment—would protect the wages of the honest workingman and the dollars of the honest investor. Four past national presidents of the Eagles were commissioned to prepare a bill and have it introduced in both branches of Congress. We did so without delay. Congressman LOUIS LUDLOW, of Indianapolis, an Eagle, introduced the bill in the House December 1, 1930. Senator John G. Blaine, of Wisconsin, an Eagle, introduced the bill in the Senate December 3, 1930. That was 4½ years ago. With every session since we have again presented our bill.

In March 1932 the Judiciary Committee of the House, which was considering our measure, was so impressed with the exposition and arguments of the Eagles who presented the merits of the bill, that it was referred to a subcommittee of the Judiciary Committee for further consideration. Four of the committeemen were Republicans and three Democrats. But without a dissenting voice that subcommittee, after a second hearing, recommended the bill for passage.

With this session of Congress our bill was honored by being made bill no. 2 on the calendar of the House of Representatives. This would seem to be an official recognition of its major importance.

Then, 3 days ago, President Roosevelt stated that he would ask Congress for certain changes in the N. R. A. that would enable it to pass the objections in the recent Supreme Court decision on the subject. The very heart of the President's latest recommendation to Congress is also the heart of the Eagles' bill to stabilize employment—the bill introduced in the House and the Senate in December 1930, almost 5 years ago.

Section I of the Eagles-Ludlow bill provides:

"That a commission is created, to be known as the 'Federal Industrial Commission', which shall be composed of five commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate."

Section II of the Eagles-Ludlow bill provides:

"The commission is authorized and directed to make surveys, studies, and investigations of all problems relating to the stabilization of employment in industry, agriculture, and commerce in the United States with a view to formulating such plans and recommending such legislation as will enable employees to obtain a saving wage and investors a reasonable dividend."

Section III of the Eagles-Ludlow bill provides:

"A commission shall make a report to Congress at least once a year—including recommendations for legislation necessary to stabilize employment in industry, agriculture, and commerce."

The President, in the new N. R. A. legislation that he requests, asks that the new N. R. A. be a research body resembling decidedly the Federal industrial commission provided for in the Eagles-Ludlow bill. This research body is to gather and coordinate information on which can be based legislation to enforce minimum wages and maximum hours of labor, and to maintain fair standards in industry and in commerce. In other words, the Eagles-Ludlow bill and the new N. R. A. legislation both provide for commissions to make new surveys in industry and commerce, and to correlate new material to the records already collected by the Federal Government. Both commissions would recommend to the President and to Congress legislation—based on their actual findings—to protect the honest working man and the honest business man.

In other words, 5 years ago we Eagles anticipated in our bill the present recommendations of the President.

MEMORIAL DAY

Mr. STACK. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein a speech delivered on Memorial Day by our colleague [Mr. DORSEY].

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. STACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit the following Memorial Day address by Hon. FRANK J. G. DORSEY, of Pennsylvania, at Magnolia Cemetery, Philadelphia, Pa., May 30, 1935:

As we stand today on this soil where repose the remains of the honored dead, we are gripped with feelings of emotion which words cannot describe. Within our hearts are mingled feelings of sorrow for the loved ones who have departed this life, pride—as evidenced in the faces of the happy children—for those who with military tread march in solemn procession to honor their comrades in arms, and joy springing from a patriotic fervor for our beloved Nation.

It is well that we have a Memorial Day, because this day serves to remind us that a free and united Nation has been given to

us—the living—through the sacrifice of those who fought and died in defense of its ideals.

While it is a day of memoriam, it should not be considered as a day of mourning. Expressing these sentiments on Memorial Day, President Harrison said, "I have never been able to think of the day as one of mourning; I have never quite been able to feel that half-masted flags were appropriate on Decoration Day. I have rather felt that the flag should be at the peak, because those whose dying we commemorate rejoiced in seeing it where their valor placed it. We honor them in a joyous, thankful, triumphant commemoration of what they did. We mourn for them as comrades who have departed, but we feel the glory of their dying and the glory of their achievement covers all our great country, and has set them in an imperishable roll of honor."

Memorial Day affects us with a feeling of patriotism, instilling in us a pride and love of country which beckons us to go forward with serene faith in the future. True patriotism rises above the selfish things in life, since in its very essence it demands sacrifice on the part of the individual for the common good of all. It is the willingness of the American people to be bound by the restrictions on personal actions, through respect for our laws enacted for the general welfare, that has made us a great Nation.

The patriotism that was engendered in the hearts of the fathers of our country has left an indelible mark on all generations—a love which has prompted our youth to make every sacrifice, even of life itself, in defense of its principles and ideals. This was the true patriotism described by President McKinley in eulogizing our honored dead, "Blessed is that country whose soldiers fight for it and are willing to give the best they have, the best that any man has, their own lives to preserve it because they love it. Such an Army the United States has always commanded in every crisis of her history. From the War of the Revolution to the late Civil War the men followed that flag in battle because they loved that flag and believed in what it represented."

If we are to accept the torch which has been handed to us by those whom we honor today, it is our duty as citizens to be ever ready to defend our institutions from enemies both within and without our borders.

We are living under a Constitution which has been designated as the greatest instrument of government ever struck off at one time by the brain and purposes of man. It has stood the test of time and has guided us in peace and in war, in adversity and prosperity.

But do we realize that there are thousands within our borders who have neither love nor respect for that great document? There are those who, with a foreign complex, would tear the foundation from under this instrument of Government—the Constitution, which has served us through the greatest period of material and intellectual development ever known to man.

I refer plainly to those avowed Communists who, with great audacity, are preaching the overthrow of this Government by force and violence. I have no complaint with those of any political faith, whether they be Democrats, Republicans, or Socialists, who atempt to change our form of government by constitutional means. That is the American way of doing it. But I do object to those who, by subversive methods, regardless of constitutional guarantees, would violently throw us into a "communistic nothingness."

Oh, you might say that there is no danger in America from that source. Perhaps there isn't any immediate danger. But from little acorns great oaks grow.

So it behooves every patriotic American, believers in our constitutional form of government, to be ever alert and stultify such movements before they spread to dangerous proportions.

Our fundamental law is based on the rights of the individual—freedom of religion, freedom of speech, and of the press—and we must protect those rights against any foreign idea which would take from us that freedom. We are a God-fearing and God-loving Nation, basing our principles and actions on the moral code laid down by the Supreme Master; and we cannot and will not allow our children to be guided by atheistic ideas in government.

These the honored dead have handed us the torch. Oh, let us carry it forward unsullied and blazing on high in preservation of orderly government and in defense of individual freedom.

The patriotism which leads to defense against the enemies from within our borders must also arise to the defense of the nation against those powers which, for selfish purposes, would take aggressive steps against us.

Veterans are the essential leavening when we discuss the problem of national defense. Never call them jingoistic, they who know what a putrid game war really is. They have tasted war and liked it none too well, and they will not rush their callow offspring into the game of wars without provocation. Your veteran is not militaristic, but this does not imply that he is indifferent to national defense.

The veteran has no fundamental disagreement with those organizations which are striving for peace among nations. While we agree on principle we seriously disagree on methods to attain peace.

With nations still so far apart in their desires and actions to eliminate war, we know that we cannot afford to disarm to the point where we invite war. The best assurance of peace is the insurance of a national defense which will warn nations that we are ready to protect our land and people against any aggression. With an understanding of world conditions we cannot afford to live in a fool's paradise and at the same time hold high the torch which has been handed to us to carry on for America.

In our desires for peace and our efforts to preserve it by warning aggressive nations that we are prepared to defend ourselves, let us be mindful that we can go a long way toward securing peace by making it unprofitable to wage war. Let us by voice and action be ever ready to support legislation which will take the profits from war.

In war today the entire social structure is involved. God forbid that there will be another war; but if fate decrees it, and war is conducted on the same basis as the World War, with almost unlimited profit to the manufacturer of war equipment, it will be so destructive to the important elements of our civilization that we shudder to think of the consequences.

Democracy marches on if the American people decree it through their support of legislation which will take the profits from war. The veterans ask parity between the man who makes war equipment and him who uses it in your defense. They claim that the sovereign power which has the right to conscript one can also exercise like authority over the other.

All the pomp and ceremony, the sighs and supplications, the eulogy and tribute of today can weigh naught with voiceless lips and hearts that are long since still. The import and value of this Memorial Day stand only insofar as we, the men and women upon whose shoulders rest the burden and duties of the present hour, realize and remember the principles for which they have fought, and each for himself resolves that the light shall not be dimmed, that the effort they put forth shall not have been in vain. And to you, the honored dead—

"What is worth living for is worth dying for, too;
And, therefore, all honor, brave heart, unto you
Who have fallen, but Freedom, more fair by your death,
A pilgrim may walk where your blood on her path
Leads her steps to your graves.
Let them babble o'er you.
Sleep well! where no breath of detraction may move you,
And the peace the world gives not is yours at the last."

REPORT FROM COMMITTEE ON RULES

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until midnight tonight to file a privileged report from that committee.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MARTIN of Massachusetts. Reserving the right to object, will the gentleman state upon what subject the report is to be filed?

Mr. O'CONNOR. Oh, it might take up any sundry matter. The Rules Committee will meet at 4 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. Under the special order for today, the gentleman from Michigan [Mr. HOOK] is recognized for 10 minutes.

Mr. HOOK. Mr. Speaker, 148 years ago the statesmen of our Nation, confronted with a growing crisis in political and economic life, gathered in Philadelphia to consider means of coping with the threatening situation. The result of their labor was the Constitution of the United States. We rightly honor the memory of these men. Their work has always excited our keenest admiration and respect. The American people have always realized the greatness of their Constitution and the wisdom of the eighteenth-century political leaders who framed it.

Today the United States is again facing problems of political and economic maladjustments as deep-seated as were those which threatened the growth and prosperity of our country at the close of the Revolution. We are again, as in 1787, facing the problem of charting a course for the future, of laying plans for the security and well-being of our people. In times of crisis, leaders of courage and vision are needed. The American people proved again their ability to raise up a leader with the qualities of greatness necessary to cope with a national crisis. President Franklin D. Roosevelt, with the same courage possessed by the fathers of the Constitution, has faced realistically the problems of our national life today. He, as they, has builded on the past, yet has looked always to the future.

On Monday, May 27, the Supreme Court of the United States invalidated the N. I. R. A. The Justices in this decision, declaring unconstitutional this portion of the program of American reconstruction, have given us an interpretation of the American Constitution as it was in 1787. Laying aside the legal technicalities of the decision the ques-

tion which it poses is simple enough: Is the America of 1935 so like the America of 1787 as to make possible the solution of the problems of our day in terms of the constitutional dicta of a century and a half ago. If these two Americas are alike then the decision of the Court should stand. If these Americas are so unlike as to make impossible the solution of our problems in terms of 1787, then action and criticism are justified.

A constitution, to perform its true function, must conform to the practicalities of economic life. Otherwise it becomes an obstacle, a hindrance, rather than a means to progress. Constitutions exist for the people; not the people for the Constitution. And if we agree that the political theory of 1787 does not suffice for 1935, then the only sensible thing to do is to obtain conformity—not by blinding our eyes to the stern facts of historical development but by changing the Constitution.

There are those among the leaders of the Republican Party today who, with elephantine ignorance of the facts of American history, contend that no change is needed. The highly industrial America of today presents to these men the same problems as rural America of 1787. Is America that knows the airplane, the automobile, the radio, to be governed by the same structure of government as the America of the stagecoach and Indian trail? America 150 years ago knew not the factory system; industry was unimportant. Communities were isolated, each living its own independent existence. America today is one community. The various parts of our Nation are so interdependent, so interrelated, so integrated, that what affects one member immediately affects all. Business interests in America are not community affairs today. Industry is national, and the problems of industry are national. Unemployment in Georgia affects labor in Michigan. Price levels in New York affect price levels in Kansas. Despite the Snell—I mean snail—like blindness of those who refuse to see, the problems of industry, labor, mining, commerce, and agriculture are national, and no conjuring of the spirits of the past will change this fact. In a broad sense the question posed by the recent decision of the Supreme Court is this: Are these national problems of such moment as to warrant national action and control or are they minor and of no consequence? To anyone who has human sympathy for the millions of unemployed, to anyone who suffers to see the misery of mothers who beg for food for their babies, to anyone who realizes the frustration that faces the youth of our Nation, there is only one answer—yes, the problems of industry, of mining, of commerce, of agriculture, are important enough to warrant national control, yes, more than warrant, to demand national control.

The issue is clear and the course of action unmistakable. We must so change our Constitution as to permit this national control. To be true to the traditions of America we must resolutely go forward. There are those among us who show an astonishing inability to see ought but the Constitution. We are told not to change what the fathers have wrought. These political patrioteers confuse every problem of national life today by ostrichlike blinding their eyes and crying "Protect the Constitution." I venture to ask what the opinion of the fathers of the Constitution would be toward these men who cringe thus behind their work. The fathers of our Nation did not hesitate to face reality—this is the secret of their greatness. They refused to be bound by the old simply because it was old. The men who made our Constitution discarded by that action a previous instrument, the Articles of Confederation, because they believed this instrument unworkable. They retained what was good, and they went forward. If we follow the advice of our Republican friends and keep our eyes ever on the past, we shall be untrue to the challenge which was given us by the founders of our Government.

The men who made our Constitution were not seventh sons of seventh sons. They did not seek to solve all problems for all time. They could not foresee the ribbons of concrete that stretch across the continent; they could not foresee the magnitude of business enterprise; they could not foresee the intricacies nor the delicate structure of complex industrial life. They realized the necessity for change, and today we face the challenge of their greatness. I ask you, Who are the truer patriots today, those constitutional screech owls who, looking ever backward, have tripped over their own heels, or those who desire to carry on in the tradition of Americans of 1787. A screech owl, let me explain, is a species of bird who comes out at night and raises his lamentations to the high heavens purely for the satisfaction of hearing his own voice. With the dawn of day he closes his eyes and sleeps while others work. Shrouded in darkness there are some who for the past 2 years have screeched about the Constitution while others have done the work. There is work to be done in America, and a beating of the tomtoms to recall the spirit of the past will not do it.

It is said that should the Democratic Party, under President Franklin D. Roosevelt, move for an amendment to the Constitution to permit the National Government to solve without question, national problems by national action, then this party will have forsaken the principles of its founder. To one who reads American history correctly no statement could be further from the truth. I refer these critics to the fundamentals of Jeffersonian Democracy. Basic in the philosophy of this great leader was the desire to protect and preserve the rights of humanity against the invasions of predatory wealth. That State rights figured prominently in Jefferson's theory means simply that this was a means to an end. State rights were not defended simply because they were State rights. The end sought by Jefferson was the defense of the human values of our civilization. The theory of State rights 150 years ago was the means to that end.

Thomas Jefferson, the greatest of all our strict constructionists perhaps, wrote, referring to the work of the Convention of 1787:

> Nothing is more likely than that their enumeration of powers is defective. This is the ordinary case of all human works. Let us go on then perfecting it, by adding, by way of amendment to the Constitution, those powers which time and trial show still wanting.

The last 150 years of American development have brought many changes to America, changes that have so altered our existence that we are forced to seek new means to accomplish our purpose. Our purpose today, as in the days of Jefferson, is to hold the values of human life and welfare higher than those of property; our means today to that end involve an increased emphasis on national action simply because today our problems are national. I venture the assertion that Thomas Jefferson, were he alive today, would be the first to acquiesce in this change of means.

While the Democrats have been consistent, so also have the Republicans. In the 1790's the Federalists, whose first interest was the protection of the propertied classes, and from whose traditions the Republicans of today have come, chose as their means an emphasis on the National Government. Today, because conditions have changed, and because their goal remains the same, they have seized on the rights of the States as their best defense against control.

We have been told that the issue is clearly drawn. It is that—and let me remind you that the issue is not new. It is the same issue that has faced our people from the beginning of our history. We are called upon to decide whether the interests and welfare of the people are to be put above the interest and welfare of property. We are called upon to decide whether we shall resign ourselves to abide by the narrow construction placed on our Constitution by the Supreme Court, thereby crippling and stultifying all constructive efforts to remedy the evils that afflict us, or whether we shall carry on in the traditions of America and utilize those means necessary to attain the goal of security for all.

The decision of the Court has been made, and that decision will be respected. It is not out of place, however, to recall that there is ample precedent to have possible a decision of the Supreme Court that would have upheld the National Recovery Act. It is not written expressly in the Constitution that the Supreme Court shall have the power to declare laws made by Congress unconstitutional. That power was

assumed by the Court under Chief Justice Marshall—it was read into the Constitution. And by the same authority assumed by the honored Chief Justice in 1803 the Court in 1935 could have recognized the changes that have made interstate commerce something different now than it was 150 years ago.

The issue is clearly drawn. I place my faith in the American people. Despite the vagaries of some, they are still the sovereign power in our Nation. [Applause.]

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1936

Mr. CANNON of Missouri. Mr. Speaker, I call up the conference report on the bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes.

Contrary to the usual rule, the report is shorter than the statement, so I shall not make the customary request, but ask that the report be read in this instance.

The SPEAKER. Without objection, the Clerk will read the report.

There was no objection.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 8, 9, 14, 15, 24, 25, 26, 42, 47, 51, 52, 53, 54, 55, 56, 57, 60, 61, 62, 63, 64, 66, 69, 72, 78, 80, 82, 89, 90, 100, and 101.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 10, 11, 12, 17, 18, 19, 20, 21, 22, 23, 27, 28, 29, 31, 32, 33, 34, 35, 36, 38, 39, 40, 43, 44, 45, 46, 49, 50, 58, 65, 74, 75, 76, 77, 79, 84, 85, 86, 87, 88, 91, 93, 94, 97, 102, 104, 105, 107, 108, 109, 110, 111, 112, 113, and 114, and agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$12,600"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,375,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$50,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For improvements at the Armstrong High School, $70,000."

And the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$830,000"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,280,000"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$69,770"; and the Senate agree to the same.

Amendment numbered 71: That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$50,125"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$8,400; for personal services, $9,420; in all, $17,820"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "$52,000"; and the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "$102,500"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "$36,500"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$77,410"; and the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$67,000"; and the Senate agree to the same.

Amendment numbered 98: That the House recede from its disagreement to the amendment of the Senate numbered 98, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$396,300"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$230,000"; and the Senate agree to the same.

Amendment numbered 103: That the House recede from its disagreement to the amendment of the Senate numbered 103, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: ", of which amount not more than $79,000 shall be available for free lunches for necessitous school children", and the Senate agree to the same.

Amendment numbered 106: That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"ANACOSTIA RIVER AND FLATS

"For continuing the reclamation and development of Anacostia Park, in accordance with the revised plan as set forth in Senate Document Numbered 37, Sixty-eighth Congress, first session, $40,000", and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 16, 37, and 48.

CLARENCE CANNON,
THOMAS L. BLANTON,
J. W. DITTER,
Managers on the part of the House.

ELMER THOMAS,
CARTER GLASS,
ROYAL S. COPELAND,
WILLIAM H. KING,
GERALD P. NYE,
HENRY W. KEYES,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference as to each of such amendments, namely:

On amendment no. 1: Provides $5,700,000 as the Federal contribution, as proposed by the House, in lieu of $8,317,500, as proposed by the Senate.

On amendments nos. 2 and 3: Appropriates $37,690 and one additional plumbing inspector at $2,000, as proposed by the Senate, in lieu of $35,690, as proposed by the House.

On amendment no. 4: Appropriates $40,150, as proposed by the Senate, instead of $37,650, as proposed by the House, for printing liquor stamps for the Alcoholic Beverage Control Board.

On amendments nos. 5, 6, and 7, relating to the office of superintendent of weights, measures, and markets: Appropriates $53,800, as proposed by the Senate, instead of $46,600, as proposed by the House, the increase providing four additional inspectors; and makes $1,000 available for the purchase of commodities in detecting sales of short weight and measure, as proposed by the Senate, instead of $500, as proposed by the House.

On amendment no. 8: Appropriates $46,920, as proposed by the House, instead of $48,720, as proposed by the Senate, for the municipal architect's office.

On amendment no. 9: Appropriates $69,000, as proposed by the House, instead of $94,000, as proposed by the Senate, for personal services for the Public Utilities Commission.

On amendment no. 10: Appropriates $24,620, for personal services in the Department of Insurance, as proposed by the Senate, in lieu of $20,820, as proposed by the House.

On amendments nos. 11, 12, and 13, relating to the Recorder of Deeds: Appropriates $104,580 for personal services, as proposed by the Senate, in lieu of $93,060, as proposed by the House; provides

$12,500 for miscellaneous expenses, as proposed by the Senate, instead of $10,000, as proposed by the House; and appropriates $12,600 for rent, instead of $10,000, as proposed by the House, and $14,000, as proposed by the Senate.

On amendments nos. 14 and 15, relating to contingent and miscellaneous expenses of the District Government: Provides $1,000 for traveling expenses, as proposed by the House, instead of $2,000, as proposed by the Senate; and appropriates $26,000 for the several purposes of the paragraph, as proposed by the House, instead of $32,000, as proposed by the Senate, $5,000 of such reduction being due to the elimination of funds for furniture and equipment for the Health Department.

On amendment no. 17: Inserts the word "and", as proposed by the Senate, in lieu of the phrase "and/or", as proposed by the House.

On amendment no. 18: Provides that requests for printing and binding may be approved by the purchasing officer and the auditor, acting for the Commissioners, as proposed by the Senate.

On amendment no. 19: Appropriates $25,000 for postage, as proposed by the Senate, instead of $22,500, as proposed by the House.

On amendment no. 20: Appropriates $4,640 for the employment service, as proposed by the Senate.

On amendments nos. 21, 22, and 23, relating to the Public Library: Appropriates $343,550, as proposed by the Senate, instead of $333,870, as proposed by the House, for personal services; appropriates $70,000 for the purchase of books, as proposed by the Senate, in lieu of $60,000, as proposed by the House; and provides $32,625 for maintenance, as proposed by the Senate, instead of $30,000, as proposed by the House.

Street and road improvement and repair

On amendment no. 24: Eliminates the Senate amendment appropriating $125,000 for the purchase of street and road materials and equipment.

On amendments nos. 25 and 26: Eliminates the Senate amendments appropriating $15,000 for surveys and investigations in connection with the proposed new bridge in line of Pennsylvania Avenue over the Anacostia River.

On amendment no. 27: Inserts the word "and", as proposed by the Senate, in lieu of the phrase "and/or", as proposed by the House.

On amendment no. 28: Strikes out the proviso requiring railroads to pay one-half the cost of widening the Benning Road Viaduct, as proposed by the Senate.

On amendment no. 29: Appropriates $200,000 for the proposed Franklin Street Bridge or Viaduct, as proposed by the Senate.

On amendment no. 30: Corrects a total.

Sewers

On amendment no. 31: Appropriates $200,000 for assessment and permit work, as proposed by the Senate, instead of $150,000, as proposed by the House.

Collection and disposal of refuse

On amendment no. 32: Appropriates $795,000, as proposed by the Senate, in lieu of $781,492, as proposed by the House, for collection and disposal of refuse and garbage.

Electrical department

On amendment no. 33: Appropriates $25,000, for placing wires underground, as proposed by the Senate, in lieu of $20,000, as proposed by the House.

On amendment no. 34: Appropriates $801,000, as proposed by the Senate, instead of $800,000, as proposed by the House, for street lighting.

Public schools

On amendment no. 35: Appropriates $671,100, as proposed by the Senate, instead of $661,800, as proposed by the House, the increase being attributable to the restoration of funds for character education.

On amendment no. 36: Appropriates $187,880, as proposed by the Senate, instead of $165,140, as proposed by the House, for clerks, the increase, with the exception of two clerks at $1,200 each, being provided for employees engaged in character education work.

On amendments nos. 38 and 39, relating to night schools: Appropriates $91,360, as proposed by the Senate, instead of $88,230, as proposed by the House, for teachers; and provides $10,000, as proposed by the Senate, in lieu of $4,000, as proposed by the House, for contingent expenses, $5,000 of the increase being intended for two welding shops and $1,000 for character education.

On amendment no. 40: Appropriates $11,500, as proposed by the Senate, instead of $10,500, as proposed by the House, for maintenance and instruction of blind children.

On amendment no. 41: Appropriates $50,000 for the community center department, instead of $44,811, as proposed by the House, and $75,000, as proposed by the Senate.

On amendments nos. 42, 43, and 44: Appropriates $7,500, as proposed by the House, in lieu of $8,000, as proposed by the Senate, for maintenance of schools for tubercular and crippled pupils; and appropriates $20,000, as proposed by the Senate, instead of $17,000, as proposed by the House, the increase being intended for transportation of sight conservation pupils.

On amendment no. 45: Appropriates $300,000, as proposed by the Senate, in lieu of $290,000, as proposed by the House, for fuel, gas, light, and power.

On amendment no. 46: Appropriates $119,500, as proposed by the Senate, instead of $119,100, as proposed by the House, for contingent expenses.

On amendment no. 47: Strikes out the amendment of the Senate appropriating $15,000 for reequipping the Shaw Junior High School.

On amendments nos. 49 and 50: Appropriates $420,950, in providing $10,000 for repairs to grounds, as proposed by the Senate, instead of $410,950, as proposed by the House.

On amendments nos. 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, and 66, relating to school buildings and grounds: Strikes out appropriations inserted by the Senate for the following new school buildings or sites: Bunker Hill School, Dennison Vocational School, Ketcham School, plans for senior high school in Manor Park area, addition to Paul Junior High School, addition to Truesdell School, addition to Roosevelt Senior High School, improvement of Shaw Junior High School, classroom at Margaret Murray Washington Vocational School for Girls, combination assembly hall and gymnasium at the Giddings School, addition to the Grimke School, combination assembly hall and gymnasium at the Monroe School, and a site for the Jefferson Junior High School. For completion of construction and improvement of grounds of the Woodrow Wilson High School $70,000 is appropriated, for improvements at the Armstrong High School $70,000 is appropriated, and $55,000 is provided for the purchase of additional land at the Phelps Vocational School, as proposed by the Senate.

On amendment no. 67: Corrects a total.

Metropolitan Police

On amendment no. 68: Appropriates $3,280,000, instead of $3,213,500, as proposed by the House, and $3,487,950, as proposed by the Senate, for additional members for the police department.

On amendment no. 69: Appropriates $8,000, as proposed by the House, instead of $20,000, as proposed by the Senate, for repairs to stations.

On amendment no. 70: Appropriates $69,770, instead of $69,000, as proposed by the House, and $72,102, as proposed by the Senate, for contingent expenses.

On amendment no. 71: Appropriates $50,125 for the purchase of uniforms, instead of $47,500, as proposed by the House, and $58,075, as proposed by the Senate.

On amendments nos. 72 and 73 relating to the house of detention: Strikes out $8,000, inserted by the Senate, for rent of quarters and provides for one additional clerk at $1,260, as proposed by the Senate.

Fire department

On amendments nos. 74, 75, 76, and 77: Appropriates $29,500 for hose, as proposed by the Senate, in lieu of $15,000, as proposed by the House; appropriates for three combination hose wagons, as proposed by the Senate, in lieu of one such wagon, as proposed by the House; and appropriates $77,241 for a new fire house at Fourteenth Street and Rhode Island Avenue NE., as proposed by the Senate.

Health department

On amendment no. 78: Appropriates $178,500, as proposed by the House, instead of $239,740, as proposed by the Senate, for personal services.

On amendment no. 79: Appropriates $33,500, as proposed by the Senate, instead of $30,000, as proposed by the House, for prevention of contagious diseases.

On amendments nos. 80 and 81: Strikes out the language inserted by the Senate authorizing the purchase and operation of one motor vehicle for use by the tuberculosis and venereal disease clinics; and appropriates $52,000 for these two dispensaries, instead of $69,440, as proposed by the Senate, and $45,797, as proposed by the House.

On amendments nos. 82 and 83: Strikes out the language inserted by the Senate providing for the establishment of additional dental clinics; and appropriates $102,500 for hygiene and sanitation, public schools, instead of $94,820, as proposed by the House, and $127,300, as proposed by the Senate.

Courts

On amendments 84, 85, and 86: Appropriates $2,000, as proposed by the Senate, instead of $1,500, as proposed by the House, for compensation of jurors for the juvenile court; appropriates $6,000, as proposed by the Senate, instead of $4,500, as proposed by the House, for compensation of jurors for the municipal court; and provides $5,500, as proposed by the Senate, instead of $5,000, as proposed by the House, for printing and binding for the supreme court and the court of appeals.

Public welfare

On amendment no. 87: Appropriates $115,990, as proposed by the Senate, instead of $113,140, as proposed by the House, for personal services for the Board of Public Welfare.

On amendment no. 88: Appropriates $82,000, as proposed by the Senate, instead of $80,500, as proposed by the House, for maintenance of prisoners at the jail.

On amendments nos. 89, 90, and 91, relating to the workhouse and reformatory: Appropriates $389,560, as proposed by the House, instead of $407,320, as proposed by the Senate, for personal services; appropriates $350,000, as proposed by the House, instead of $360,000, as proposed by the Senate, for maintenance; and makes the appropriation of $100,000 for construction of buildings and walls immediately available, as proposed by the Senate.

On amendments nos. 92 and 93, relating to medical charities: Appropriates $36,500 for the Children's Hospital, instead of $30,000, as proposed by the House and $50,000, as proposed by the Senate; and appropriates $55,000, as proposed by the Senate, instead of $50,000, as proposed by the House, for the Central Dispensary and Emergency Hospital.

On amendment no. 94: Appropriates $99,500, as proposed by the Senate, instead of $90,600, as proposed by the House, for personal services at the Tuberculosis Hospital.

On amendments nos. 95, 96, and 97, relating to the Children's Tuberculosis Sanatorium: Appropriates $77,410 for personal services, instead of $65,510, as proposed by the House and $89,890, as proposed by the Senate; appropriates $67,000 for maintenance and supplies, instead of $45,000, as proposed by the House and $78,110, as proposed by the Senate; and provides $40,000 for furniture and equipment, as proposed by the Senate, instead of $30,000, as proposed by the House.

On amendments nos. 98, 99, 100, and 101, relating to Gallinger Municipal Hospital: Appropriates $396,300, for personal services, instead of $379,000, as proposed by the House and $542,542, as proposed by the Senate; appropriates $230,000 for maintenance, instead of $215,000, as proposed by the House and $290,000, as proposed by the Senate; appropriates $4,500 for repairs and improvements to buildings and grounds, as proposed by the House, instead of $10,000 as proposed by the Senate; and strikes out the appropriation of $1,000 inserted by the Senate for purchase of a motor truck.

On amendments nos. 102 and 103, relating to emergency relief: Inserts the word "and", as proposed by the Senate, in lieu of the phrase "and/or", as proposed by the House; and inserts the amendment of the Senate relating to free lunches for school children modified by inserting the word "more" in place of the word "less."

On amendment no. 104: Appropriates $9,000, as proposed by the Senate, instead of $7,500, as proposed by the House, for the Florence Crittenton Home.

On amendment no. 105: Appropriates $13,000, as proposed by the Senate, instead of $8,000, as proposed by the House, for relief of the poor.

Anacostia River and Flats

On amendment no. 106: Inserts the amendment of the Senate reappropriating funds for continuing the Anacostia River and Flats project, modified so as to provide a direct appropriation of $40,000 for such work.

Water service

On amendments nos. 107, 108, 109, 110, 111, 112, and 113, relating to the water service: Inserts the word "and", in lieu of the phrase "and/or"; appropriates $225,000, as proposed by the Senate, instead of $200,000, as proposed by the House, for extension of the distribution system; appropriates $90,000, as proposed by the Senate, instead of $75,000, as proposed by the House, for installing and repairing meters; appropriates $120,000, as proposed by the Senate, instead of $100,000, as proposed by the House for replacement of old mains; appropriates $120,250 for 6,500 feet of water main from Eleventh and Kenyon Streets to Seventeenth and Taylor Streets; and inserts the Senate amendment providing for two 25,000,000-gallon daily electrical pumping units, instead of one such unit as proposed by the House.

On amendment no. 114: Eliminates section 8 of the House bill relating to the reallocation of positions, as proposed by the Senate.

The committee of conference report in disagreement the following amendments of the Senate:

On amendment no. 16: Relating to printing and binding.

On amendment no. 37: Relating to the appropriation for teachers and librarians in the public schools.

On amendment no. 48: Relating to the admission of children of officers and employees of the Federal Government to the schools of the District of Columbia without the payment of tuition.

CLARENCE CANNON,
THOMAS L. BLANTON,
J. W. DITTER.
Managers on the part of the House.

Mr. CANNON of Missouri. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, it will be remembered by our colleagues that when our distinguished and able chairman of the committee handling this bill, the gentleman from Missouri [Mr. CANNON], reported this bill to the House and passed it, he kept it within the Budget estimates. He held it within the amount the President of the United States said was proper and right.

Then when it reached the other end of the Capitol, the Senate placed on it 114 amendments, enlarging its total several million dollars. On its first amendment the Senate added $2,617,500, all of which it proposed to take out of the Federal Treasury, and give to the taxpayers of Washington. The House had allowed the sum of $5,700,000 as a Federal contribution to the civic expenses of Washington, when some members of the committee did not believe that the Federal Government should pay 1 cent contribution, for the tax rate now is only $1.50 on the $100, and year before last the District Commissioners arbitrarily lowered the assessed valuation of property $80,000,000, and again last year they arbitrarily lowered the assessed valuation of property another $50,000,000, which allowed taxpayers here in Washington to pay a tax rate of only $1.50 on the $100, with their property assessed far below its real value. Naturally, with 114 amendments in disagreement, and the first Senate amendment having added $2,617,500 above the House figure on a most controversial issue, your House managers had a Herculean task before them in this conference.

Mr. Speaker, a conference on 114 amendments in disagreement must necessarily embrace a bunch of compromises. And it naturally took a lot of compromises in this conference to reach an agreement. I want to congratulate our able chairman [Mr. CANNON] for the skill he exercised in getting an agreement on all of these controversial matters, and at the same time preserving the desire and wishes of the House on practically all issues of any great importance. He deserves the thanks and commendation of this House for holding the Federal contribution to the sum of $5,700,000, which was the amount authorized by the President's Budget, and on this one amendment alone he saved $2,617,500 for the already overburdened taxpayers of the United States.

IGNORANCE CAUSES LOTS OF TROUBLE

Every year, for almost a century, the newspapers of Washington, aided by selfish groups of citizens' associations here, have annually besieged Congress with the demand that it pay a large percent of the local civic expenses of Washington people out of the Federal Treasury. They use their stock argument that they have no vote, that they are without representation, and therefore they should be granted special favors and privileges financially that the citizens in the 48 States do not enjoy. And they always play up to advantage such contentions with some new Members who are unacquainted with the history of the way Congress used to be hounded, and warted, and attacked, and persecuted, and overreached during the years prior to the time the United States acquired and established its own seat of Government, absolutely controlled by itself.

WASHINGTON PEOPLE LIVE HERE BY CHOICE

When the United States Government acquired the 10 miles square on the Potomac, now known as Washington, D. C., 135 years ago, under a Constitution that gave to Congress the absolute management and control of the District of Columbia, and which prevented any citizens of Washington from voting at elections, the people of Washington then knew that if they lived here they would not be allowed to vote, and they then knew that if they lived here, they would have to live in a District absolutely controlled by Congress, and they voluntarily chose Washington as their home, knowing all of those facts, and they then had full knowledge of the fact that there was a good reason for the framers of our Constitution to incorporate those provisions in it, for the common good of all of the people in the 48 States of this Union.

ONE OF THEIR MOST RECENT CONVERTS

One of our distinguished new colleagues, who began his services last January, was invited out to speak here Tuesday night. The Washington Post yesterday quoted his militant utterances, and under large headlines "D. C. citizens urged to rise, demand rights" quoted him as saying:

He urged District citizens to rise from apathy and take the American rights that belong to you from the Federal Government.

ONLY CONGRESSMEN FROM BIG CITIES SHOULD SERVE

And the Washington Post quoted this distinguished new colleague of ours as saying:

Only legislators from large cities should be given posts, those who are liable to best understand and be familiar with your needs.

And it so happens that the one who was thus prescribing the qualifications Congressmen should have who pass on District matters, himself hails from the little city of Braddock, Pa.

I wonder if he knows that our former great Speaker who presided over this House last Congress—Mr. Speaker Henry

Rainey—who exercised much control not only of legislation affecting the District of Columbia but also of all legislation affecting the entire United States, came from the little town of Carrollton, Ill. I wonder if he knows that our present Vice President of the United States, who now so ably presides over the United States Senate, lives in the little city of Uvalde, Tex., and that he has not only been the Democratic leader of the House of Representatives but he was also the Speaker of this House.

I wonder if he knows that the present Democratic majority leader of this House, the distinguished gentleman from Alabama [Mr. BANKHEAD], lives in the small city of Jasper, Ala. I wonder if he knows that our present acting Democratic majority leader of this House of Representatives, our distinguished and able colleague from Colorado, Mr. TAYLOR lives in the small city of Glenwood Springs, Colo., and that he is faithfully and efficiently serving 28 years in the Congress of the United States. I wonder if he knows that the present distinguished and able Republican minority leader of this House, the gentleman from New York [Mr. SNELL], lives in the small city of Potsdam, N. Y. I wonder if our new colleague, who contends that only big-city Congressmen are qualified to legislate, knows that our distinguished Democratic whip of the House, his colleague from Pennsylvania, Mr. PATRICK BOLAND, lives in the small city of Scranton, Pa.

FORCED MOVES OF SEAT OF OUR GOVERNMENT

I wonder if our new colleague knows that during its early history the seat of government has been located in Princeton, Annapolis, Baltimore, Lancaster, York, Trenton, New York, and Philadelphia before our wise forefathers placed in their Constitution that this Government should acquire and control a District 10 miles square, wherein no persons should vote, and which should be controlled absolutely by the Congress of the United States. I suggest that he should read Watson on the Constitution, wherein on page 698 he says:

> This clause of the Constitution confers upon Congress absolute control and authority over the District of Columbia.

I suggest that he should read the cases of Loughborough against Blake, and Kendall against United States, and Shoemaker against United States, and Parsons against District of Columbia, and Capital Traction Co. against Hof, and Gibbons against District of Columbia, wherein the Supreme Court of the United States has held that this clause in our Constitution gives Congress exclusive jurisdiction over the District of Columbia for every purpose of government, national or local, in all cases whatsoever, including taxation, and that the terms of the clause are not limited by the principle that representation is necessary to taxation.

CHIEF JUSTICE WILLIAM HOWARD TAFT

Our new colleague whom the Post quotes as advising Washington people "to rise from apathy and take the American rights that belong to them from the Federal Government" should read the splendid speech made to Washington people on May 8, 1909, by William Howard Taft, who, after being President of the United States, became the Chief Justice of the Supreme Court of the United States, and then he will clearly understand just why the people of Washington are not allowed to vote and are not allowed to select their own officials, and just why it is necessary for the United States to have a seat of government of its own and to absolutely control it. And then he would understand that the people of Washington cannot rise and take from the Federal Government the rights he advised them to take, because they have no such rights under their Constitution of the United States, and their taking would be unlawful.

WANT OF KNOWLEDGE ABOUT POLICE

When this bill was passed here in the House on January 18, 1935, the gentleman from West Virginia [Mr. RANDOLPH] offered an amendment to increase the number of police, and the following colloquy occurred:

Mr. BLANTON. Does my friend know how many patrolmen we have in Washington?

Mr. RANDOLPH. We have about 1,400.

Mr. BLANTON. We have 1,304, I may say to the gentleman.

With the major and superintendent of police, there are exactly 1,306 members in uniform of the Metropolitan Police Force in Washington. And with respect to cities of comparable size, there is no city in the United States that is better policed.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. SNELL. A great deal has been said as to why additional policemen should be provided; they wanted them and were willing to pay for them. I should like to have the gentleman give us information regarding the matter. I understood the gentleman just now said that the city of Washington has more policemen proportionately than any other city in the United States.

Mr. BLANTON. Of comparable size.

Mr. SNELL. That is what I mean. Then why is there need for more?

Mr. BLANTON. I will tell the gentleman why. Washington expected to get the money for them out of the Federal Treasury. And I will prove that in a few minutes. Here is what Eugene Meyer's Washington Post said in an editorial yesterday:

> The House and Senate conferees finally agreed that a budget of $40,548,000 was essential to meet the minimum needs of Washington in 1936. But a stubborn attitude on the part of the House conferees prevented an increase in the Federal contribution to cover in part the larger outlay.

UNANSWERABLE STATEMENT FROM CHAIRMAN CANNON

In speaking against the Randolph amendment to increase the number of police, on January 18, 1935, Chairman CANNON said:

> Mr. CANNON of Missouri. Mr. Chairman, I trust the Members of the House will not think the Appropriations Committees arrive at decisions without exhaustive investigation and statistical information which justify them in the decisions which they reach.
>
> We investigated this matter very thoroughly. We investigated it both as to crime conditions in the District as compared with crime conditions in other jurisdictions and also as to the number of police in Washington as compared with the number of police per 1,000 inhabitants in other cities.
>
> We found crime statistics for Washington were vastly less than those of the average American city. We found more policemen per thousand of population in Washington than in the average American city. We found the rate of pay of police much in excess of the average American city.
>
> In other words, the actual statistics of police efficiency, crime conditions, and appropriations for maintenance of the police force are much more favorable to Washington than to the average American city.
>
> We found—and our information is secured from the official reports of the United States Department of Justice—that only two cities of the United States have more police per capita than Washington. Boston has more police per thousand, and Newark, N. J., has more police per thousand than Washington. We have more than San Francisco, New Orleans, Baltimore, Philadelphia, Chicago, New York, or any other city except the two mentioned.
>
> Mr. BULWINKLE. Will the gentleman yield?
>
> Mr. CANNON of Missouri. I yield.
>
> Mr. BULWINKLE. Is the gentleman including in that number the Park Police, the Capitol Police, and the White House Police?
>
> Mr. CANNON of Missouri. No. Excluding all extra police, we still have more per thousand than any except the two cities I have mentioned—Boston and Newark.
>
> Mr. RANDOLPH. Will the gentleman yield?
>
> Mr. CANNON of Missouri. I yield.
>
> Mr. RANDOLPH. Is it not a fact, taking the per capita, Washington is the second city in the number of murders and first in the number of robberies?
>
> Mr. CANNON of Missouri. The gentleman is mistaken in that. According to the figures of the Department of Justice, in the number of murders in the cities of the United States Washington ranks twenty-seventh.
>
> Mr. RANDOLPH. Per capita?

HURRIED ACTION BY CRIME SUBCOMMITTEE

The crime subcommittee could not wait until it had concluded its labors, but it hurriedly made a recommendation that 141 additional policemen must be added to the force. Just to show you what these additional 141 police would have cost, I quote the following from page 39 of the Senate hearings:

Additional appropriation necessary to take care of 141 men requested

Salaries, officers and members:	
1 captain	$3,600
2 lieutenants, at $3,050 each	6,100
3 sergeants, at $2,750 each	8,250
135 privates, at $1,900 each	256,500
Total (141)	274,450
Uniforms	10,575
Contingent expenses (revolvers)	3,102
Total	288,127

WOULD HAVE BEEN FURNISHED, IF NEEDED

The House managers in conference would have willingly agreed to furnish these additional 141 men, had they been needed, but we convinced the managers on the part of the Senate that they were not needed, although we granted the 35 men who had been dropped under the economy measure.

COMPARATIVELY NEW MEN CONDEMNED GARNETT

Because in a report yesterday, against which there were strong adverse views, nine of our colleagues who are all comparatively new Members, condemned United States Attorney, Leslie C. Garnett, and without any authority whatever recommended his removal from office, the newspapers are broadcasting it over Washington, intimating that Judge Garnett is to be removed, when there is no possible chance of his removal.

In the first place this committee had no authority from the House of Representatives to make any such recommendation. And it had no basis or reason or foundation whatever for such a recommendation.

United States attorneys are not removed on recommendations. They could be impeached, but even then they are given a fair and impartial trial by the Senate, and they are entitled to be heard, and they are entitled to have counsel, and they are entitled to offer witnesses in their behalf. None of these precious privileges and prerogatives have ever been accorded to United States Attorney Garnett.

Our colleague, Mr. PATMAN, asked that Mr. Garnett be allowed to be heard. This request was denied. The distinguished Members of the Virginia delegation in Congress justly asked that Mr. Garnett be allowed to be heard. Their reasonable request was denied. The rights and privileges usually accorded to the lowest down criminal have been denied Mr. Garnett. He has been treated shamefully.

The report condemning Judge Garnett, and asking for his removal was drawn by a "Dr. John R. Fitzpatrick", so it is asserted by the Washington Herald, the Washington Post, the Washington News, the Washington Times, and the Washington Star, all of them having asserted that Fitzpatrick framed it. And he is the disgruntled employee of Mr. Garnett, whom Mr. Justice Proctor complained was so insolent and impudent that he did not want him in his court, which led to Fitzpatrick's resignation.

REFLECTION UPON ENTIRE BAR

On page 2 of said report, Fitzpatrick stated, "Applications were received from approximately 100 attorneys who sought appointment as counsel to the subcommittee." Leading lawyers of Washington contend that the above statement is a reflection upon the entire Bar Association of the District of Columbia, as it is unethical for any lawyer to ask that he be employed, and that no ethical lawyer of any standing in Washington would have asked that he be employed as counsel, and they challenge this committee to give the names of any lawyers who asked to be employed. And I challenge this committee to name the lawyers who asked this committee to employ them.

CONDEMNED FOR NOT CONVICTING ENOUGH

In effect this unauthorized report in condemning Judge Garnett, said that he was not an attorney who possesses a creditable record as a trial lawyer, that he did not have a broad knowledge and thorough understanding of Federal and District of Columbia laws and procedure, that he did not possess the vigor and energy to personally prosecute dangerous criminals, that he did not command the respect of the bench, the bar, his subordinates, and the citizens of the community, that he did not by his official conduct and personal behavior, personify the dignity and the majesty of the law, that he did not by persistent and adamant prosecution of criminals, symbolize the power of the Government to condemn and punish enemies of society, and that he lacked in executive and administrative ability and leadership, and that he is incompetent and should be removed from office.

POSSESSES ABOVE QUALIFICATIONS

Both the bench and bar of the District of Columbia have certified that United States Attorney Leslie C. Garnett is competent and that he possesses the above qualifications. This committee cannot find a judge in Washington who will condemn Judge Garnett. The 1,100 lawyers of Washington who belong to the bar association here have passed resolutions unanimously refuting the above charges, and certifying to Judge Garnett's efficiency and competency, and asking that he be not removed. The 80 young lawyers of Washington who belong to the barristers' association have likewise endorsed him.

WILL NOT BE REMOVED

And this gesture of this committee is futile, and of no avail, for United States Attorney Garnett will not be removed. He will be sitting in his office attending to the business of this district years after those fellows who have tried to get his scalp are gone and forgotten.

BRING REPORT BEFORE HOUSE

I challenge Garnett's enemies to bring this report before the House of Representatives and let a vote be taken on it. The House of Representatives will not condemn Judge Garnett without a hearing. It will give him a chance for his life—and in effect it is his life—for his good name is worth more to him than his life. He is entitled to have his good name cleared by a vote of this House. And this House will never condemn him without a hearing and a trial.

I want to tell all of the splendid newspaper men up in that gallery that he has the confidence of the President of the United States who appointed him. He has the confidence of the Attorney General of the United States. He has the confidence and the endorsement of 1,100 lawyers in Washington who are members of the Bar Association. He has the confidence, respect, and endorsement of that young lawyers' organization called "The Barristers", which has endorsed him. He has the confidence of every judge in Washington. Why, our nine judges of the Supreme Court of the District of Columbia sent a committee of three of their members to the Attorney General to tell him that the Supreme Court of the District of Columbia has absolute confidence in the United States attorney appointed by the President of the United States and by the Attorney General of the United States. So all this buncombe about kicking a United States district attorney out of office overnight because somebody recommends it is still buncombe. You cannot do it that way.

There is a proper way of getting rid of an improper district attorney. There is a lawful way to get rid of him if he should be put out of office. Any Member of this Congress has the right to start proper proceedings, if he can produce the required evidence on him. You may rise in your seat here on this floor at any time and say, "Mr. Speaker, on my responsibility as a Representative of the people of the United States in this Congress, I hereby impeach this United States attorney." That is the way to get rid of him if you have the evidence. Then you have to produce the evidence.

You have to give the man a fair trial before our Judiciary Committee. You have to permit him to be heard and to have counsel and permit him to call witnesses who may be heard; and then if the House votes impeachment, he is tried by the Senate. That course was not pursued here. No constitutional method, in fact, was pursued in trying to get rid of him. This is merely an unauthorized recommendation of a committee by a vote of 9 to 6, when such recommendations have no status or effect whatsoever.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield the gentleman 10 additional minutes.

Mr. BLANTON. Mr. Speaker, if we Members of Congress would let the courts in Washington alone, and if we would not allow ourselves in our official capacity to go into the court room as character witnesses to help fellows who have been indicted for crime to escape punishment, the district attorney would not have so much trouble and might have a better record on convictions.

Mr. DITTER. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Pennsylvania.

Mr. DITTER. Will the gentleman not also add "and not intrude into the Supreme Court of the United States"?

Mr. BLANTON. Yes; both of them.

Mr. Speaker, I want to read from a transcript which has been prepared for me by the court reporter down here. I read the heading: "Testimony of Jennings Randolph in *United States* v. *Roy Hugh Jarvis*, Criminal Case No. 53,407, on May 22, 1934":

JENNINGS RANDOLPH was called as a witness on behalf of the defendant, and, having been first duly sworn, testified as follows:
Q. Your full name?
A. JENNINGS RANDOLPH.
Q. You are a Member of Congress from the State of Virginia?
A. Yes, sir.
Q. Representing what district?
A. Second.
Q. Do you know the defendant in this case?
A. Yes; I do.
Q. How long have you known him?
A. Fifteen years.
Q. Do you know his reputation among those people?
A. Good.

Mr. Speaker, may I ask the lawyers of this House if that is the way to give character testimony? Why, the question could have been asked him if he is acquainted with his general reputation in the community in which he lives for truth and veracity, but that question was not asked. He could be asked if he is acquainted with his general reputation for honesty and integrity, but that question was not asked. He could have been asked if he was acquainted with his general reputation in that community for something else, but that was not asked. Listen to this question:

Q. Do you know his reputation among those people?
A. Good.

That helped, I presume, to cause a hung jury, because there was a hung jury in that case.

Mr. Speaker, we can interfere with justice if we allow some defendant and his lawyer to put us on the stand as character witnesses in a case that the district attorney is trying to prosecute for the United States and sometimes thereby prevent a conviction. You cannot be forced down here to testify as a character witness unless you want to testify. Did you know that? There is not a court in the United States that will force you to go to court to testify as a character witness unless you so desire. Whenever you go into court and testify as a character witness you go there because you are willing to do so.

Now, Mr. Speaker, that was last year on May 22, 1934.

Here is another instance which happened on February 19, 1935, this year, while the crime committee was investigating. On February 19, 1935, the gentleman from West Virginia [Mr. RANDOLPH] was called as a witness on behalf of the defendant, and gave the following testimony:

Q. Congressman, what is your full name?
A. JENNINGS RANDOLPH.
Q. You are now serving in Congress, are you not, as Representative of the district in West Virginia in which Morgantown is?
A. That is true.
Q. How long have you lived in that district?
A. I lived in that district some 10 years.
Q. Congressman, are you acquainted with the defendant?
A. I am, sir.
Q. Have you known him long?
A. Yes; I knew him first in my home county of Harrison. Then I knew him later in Monongalia County, of which Morgantown is the city and county seat.
Q. How long have you known him later where he lives now?
A. Perhaps 8 or 10 years.

This time they got the question right.

Q. Are you familiar with his general reputation for truth and veracity in the vicinity in which he resides?
A. As far as I personally know, it is good.

The answer is not correct under the law. Where is there a judge here who has sat on the bench who would allow a character witness to give that kind of answer? The proper answer is either "good", or "bad." You cannot say "according to my notion it is good."

Without any further comment I may just mention the fact that no subcommittee of Congress, by a divided vote, and no committee of Congress by a vote of 9 to 6, or even by a unanimous vote can destroy the standing of an efficient district attorney of the United States Government who has spent a lifetime building his good character upon a foundation of stone. This man was an honored commonwealth's attorney in the State of Virginia, with a splendid record, with the confidence of his people. He was an Assistant Attorney General of the United States, and has an enviable reputation as a great prosecutor. He has been a United States attorney for this district, appointed by President Roosevelt, and selected and approved by Attorney General Cummings of the United States Department of Justice, and I may say to these newspaper boys, "You cannot destroy him in this way. He is not going to be destroyed. He will be holding office when you shirt-tail reporters for Hearst and the Post up in that gallery are hunting jobs somewhere else. [Laughter.]

Why, this is nothing but a recommendation from a committee. It has no force or effect of any act of Congress. I have seen bills brought from that committee with a unanimous report, and I have seen the House kill them. It takes congressional action to give any stability to this kind of committee recommendation, and until approved by this House, it has no standing whatsoever.

I will say to my friends in Washington that they need not have any uneasiness or want of confidence in the courts of Washington. You have splendid courts here. You have fine judges on the bench. You have a splendid United States attorney, and you have a splendid corporation counsel here. They have splendid assistants. You have a splendid United States marshals' force, and, in the main, you have a splendid police force. There are some crooks on the force—there is no doubt about it—but in every force of 1,306 men you will find some crooks. In the main, they are men of high standing, honor, and integrity, the very backbone of Washington. You need not be uneasy. There need not be any lack of confidence here. The people of Washington have as good courts and as good police protection as any city of comparable size in the United States. Do any of you have any fear when you walk the streets at midnight? I do not. I go all over this city day and night. I never have been attacked. I have never been uneasy. Are you afraid of being attacked here? No. We have as good law enforcement here, comparably, as you will find in any big city. There are lots of law violations everywhere now during these times of trouble.

This is all I want to say, Mr. Speaker. I wanted to give you these words to encourage you. [Applause.]

Mr. CANNON of Missouri and Mr. SCHULTE rose.

The SPEAKER. For what purpose does the gentleman from Indiana rise?

Mr. SCHULTE. Mr. Speaker, I ask unanimous consent to address the House out of order for 5 minutes.

The SPEAKER. The gentleman from Missouri [Mr. CANNON] has the floor, the Chair will state to the gentleman.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana.

Mr. SCHULTE. Mr. Speaker, while this may be only my third session as a Member of this body, I have always been taught to uphold every Member who belongs to this body, and this is the first time in my life I have ever heard a Member of Congress try to assassinate the character of another Member of Congress while he was out of town. I

have never heard of this before. The message will be spread, no doubt, throughout his district.

Why this attack on JENNINGS RANDOLPH, the Chairman of the District Subcommittee, because he saw fit to do his duty and, evidently, trod upon the toes of some of the friends of the gentleman from Texas? [Applause.]

Now, Mr. Speaker, they can say whatever they want, but we were trying to do our best as members of the crime-investigating committee. We were doing our duty as we were told to do it, and as we intend to do it, irrespective of fear or favor, and I want to say right here that I tried to intercede with the gentleman from Texas to yield me time and to withhold his malicious attack upon JENNINGS RANDOLPH until he could be here and would be able to defend himself, but the gentleman from Texas refused me that right. However, I will say to the Members of the House that he will be here in a very short time and we will want you all on the floor, as well as my good friend from Texas, when we will give you the real truth on all of the conditions in the District of Columbia. [Applause.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, this little flurry was wholly uncalled for, as I did not make any attack on JENNINGS RANDOLPH, but merely defended United States Attorney Garnett from an unfair and unjust attack made on him. I did not know that he was out of the city. I presumed that he was here. I did not yield, because I did not want to yield, which was my right and privilege.

In answering the attack on Judge Garnett as to his not getting enough convictions, I read from the record of the court proceedings here testimony Mr. RANDOLPH gave as a character witness in behalf of a defendant charged by indictment with crime, whom Judge Garnett's assistants were prosecuting, and were trying their dead level best to convict.

Is there anything sacrosanct about the chairman of this subcommittee that he has a right to present a report that assassinates the character of an honored Democratic United States attorney upon an alleged charge that he is incompetent and cannot convict criminals, and that I am to be criticized by the last speaker for reading from official court records the evidence the chairman of the subcommittee twice gave as a character witness in behalf of a defendant charged with crime whom Mr. Garnett was trying to convict?

Let me tell you something. I will say to the gentleman from Indiana, let him bring his bunch in here, and we will see that the real low-down is given on this entire investigation. Whenever you attack honorable men here who have been giving their country honorable and efficient service for 40 years—men of highest honor and integrity—when you attack and attempt to assassinate their character you will find somebody on the floor who will get up and defend them in their absence. Is Mr. Garnett here? No. Has he been here? No.

Mr. PATMAN begged of the committee to let Mr. Garnett be heard on these charges. They would not let him be heard, and the gentleman from Indiana voted against his being heard.

I presumed that Mr. RANDOLPH was here on the floor. It was his colleague from Indiana who noted his absence. I presumed he was here doing his duty, and not somewhere else. Let me say that we friends of Judge Garnett will be heard when you bring that matter up on the floor, and we will see to it that he gets a fair, square deal.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment 16: Page 11, strike out the figures "$43,000" and insert "$63,000."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate numbered 16 and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert the following: "$43,000, and the last proviso of this paragraph shall not apply to work which can be performed in the central duplicating section of the District of Columbia or the printing plant at the reformatory at Lorton, Va."

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 33, line 1, strike out "$6,896,200" and insert "$6,957,100, of which not exceeding $5,000 may be expended for compensation to be fixed by the Board of Education, and traveling expenses of educational consultants employed on special educational projects."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate numbered 37 and agree to the same with an amendment as follows:

In lieu of the matter inserted by said amendment insert: "$6,953,100, of which not exceeding $5,000 may be expended for compensation to be fixed by the Board of Education, and traveling expenses of educational consultants employed on special educational projects."

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment numbered 48: Page 39 of the bill, beginning in line 10, strike out all of lines 10, 11, 12, 13, 14, and 15 and insert: "The children of officers and men of the United States Army, Navy, and Marine Corps, and children of other employees of the United States stationed outside the District of Columbia shall be admitted to the public schools without payment of tuition."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment, which I send to the desk.

The Clerk read as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: Before the period at the end of the matter inserted by said amendment insert the following: ": *Provided*, That hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism."

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

A motion to reconsider the votes by which the foregoing amendments were agreed to was laid on the table.

SUSPENSION OF ANNUAL ASSESSMENT WORK ON MINING CLAIMS HELD BY LOCATION

Mr. LEWIS of Colorado. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 231, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 231

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 1986, a bill to provide for the suspension of annual assessment work on mining claims held by location in the United States and Alaska. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Mines and Mining, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. LEWIS of Colorado. Mr. Speaker, I am advised that the gentleman from Pennsylvania [Mr. RANSLEY] does not require any time on the rule. This is a very important bill to the mining West. It provides for the suspension of annual assessments on mining claims held by location. The

bill will be fully explained. As I have no applications for time on the rule I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. SMITH of West Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 1986) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 1986, with Mr. NICHOLS in the chair.

The Clerk reported the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. SMITH of West Virginia. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. AYERS].

Mr. AYERS. Mr. Chairman, a similar bill suspending annual assessment work on unpatented mining claims existing on open Government land of the United States and Alaska has passed each annual session of the two previous Congresses. Some opposition developed last year with reference to suspending the annual assessment work on all existing claims, because by so doing the larger mining companies in that instance would be able to control unpatented areas by simply filing location notices and not doing the annual assessment work. On that complaint we amended the bill in the Seventy-third Congress and provided that any person, partnership, association, or corporation on the income-tax roll for the last and preceding calendar year could not take advantage of this work-suspension legislation. Also, we provided a limitation of 6 lode-mining claims held by any one person or 12 lode-mining claims held by any one company, association, copartnership, or organization, and provided further that such assessment work should not apply to more than 6 placer claims and not to exceed in all 120 acres to any one person, or 12 placer claims held by any one company, association, copartnership, or association, not to exceed 240 acres in all.

In that way the little fellow, the little prospector, is protected and will be protected. The only opposition that has arisen to this bill is by people who say that because of the rise in the price of gold and silver these claimants should do their assessment work. That is not a legitimate argument, because these prospectors have been unable to develop their claims. They have been mighty lucky to make a living through the depression, and have never received any of the benefits in the rise in the price of gold and silver. They are simply hanging on with the hope that this year may bring the price of money metals up to where they can finance development; and if this bill is not passed at this session they will lose all.

The time for having this year's work completed expires on the 1st day of July at 12 o'clock noon, and if this bill is not passed before that time I feel that the afternoon of that day will be the banner claim-jumping day of all time. All of the favorably located claims of the little fellow will be taken by those who are more favorably situated financially. It is the little fellow and the little company that are designed to be protected by this legislation.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. AYERS. I yield to the gentleman from Idaho.

Mr. WHITE. Is it not a fact that many of these claims are not producing any metal at all, but simply show signs of it.

Mr. AYERS. The gentleman is correct in that statement. Many of these claims are what we call "good prospects", and they are like many that have developed into prosperous mines. The W. A. Clark's mines were once only "prospects." This legislation is to protect the prospector, and I ask this House to pass this bill for his sake. [Applause.]

Mr. ENGLEBRIGHT. Mr. Chairman, I have no requests for time at present.

Mr. SMITH of Virginia. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, there are two sides to this question. It is not all in favor of the bill. However, I am ready to go along and vote for this bill at this time. The bill exempts certain mining claims from annual work required by law. I do not think this should be a policy to be continued from year to year. Many of these people whom the gentleman from Montana calls "sour dough" prospectors are out in the hills; they have their own mining claims; they make their living by doing the annual work required on mining claims held by people who often do not live in the county or State. It is that pay that keeps many mining camps alive. These miners are being cut off by the dozen. This law is valuable to those speculators in mining claims who want to control a certain ledge, a certain lode, or a certain creek. They proceed to stake out their claims from year to year, doing little or no assessment work. The Congress from year to year extends the time and there is nothing done to develop the mines.

Mr. WHITE. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. WHITE. Is not that situation taken care of by the provisions of the bill, which do not permit anyone to hold over 6 claims or any company to hold over 12 claims, and anybody who pays income tax does not get the benefit of the act?

Mr. PIERCE. Oh, the gentleman and I know very well that that is obviated by having dummies take up the claims and stake them out. The gentleman knows how that is handled. As the law is operating now, it is liable to work into a racket if it is continued very much further. I am serving notice now on my friends from the mining world—and I have very good mining counties in my congressional district—that I am going to oppose the continuation of this kind of a bill after this year. I think we should go along and pass this bill at this time, but we should not continue it as a policy. I know of claims in Oregon, entire creeks, that should be developed, that have been taken up by groups of people, and from year to year they do not do any work or any development. This bill allows these speculators to keep real miners from developing the mining property.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. FITZPATRICK. If this was discontinued, there is no doubt in the gentleman's mind but that there would be much more development work done?

Mr. PIERCE. More than is now being done; yes. With gold at $35, they can afford to follow up their prospect and see if it contains any mineral or they should quit the field and let somebody else come along who will develop it. This is the last year that I am going to follow my friends from Idaho and Montana. I am going to vigorously oppose it on this floor next winter.

Mr. WHITE. Will the gentleman yield further?

Mr. PIERCE. I yield.

Mr. WHITE. Are there not thousands of claims that do not contain gold, but which contain molybdenum, zinc, lead, and other basic metals, and those people are struggling to develop those claims and they are the ones who need the protection of this bill?

Mr. PIERCE. I presume that is true, but not in my district. Mine is a gold district.

Mr. LEWIS of Colorado. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. LEWIS of Colorado. Does not the gentleman think the limitations in this bill will meet most of the objections to which the gentleman has referred?

Mr. PIERCE. Part of it; yes. But I know of districts that it will not reach at all. I know of creeks that are staked

from one end to the other for 5 miles, where they will not do any work and have not done any work for 3 years.

Mr. AYERS. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. AYERS. If I understand the gentleman from Oregon, for whom we all have a high regard on these matters because of his years of experience and his knowledge of these things, he is for this bill, but he will not be for it next year?

Mr. PIERCE. That is correct. The continuation of this from year to year will work an injustice in the mining work. But I think it is all right to pass this bill this year.

Mr. CARTER. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. CARTER. I do not know whether the gentleman is a member of this committee or not.

Mr. PIERCE. I am not.

Mr. CARTER. I notice that Alaska is cut out of this bill. It was originally included in the bill but by committee amendment it was stricken out.

Mr. PIERCE. I am not a member of the committee. I do not know why that was done.

Mr. BEITER. The gentleman representing Alaska requested that it be stricken out.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. PIERCE] has expired.

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. CARTER].

Mr. CARTER. Mr. Chairman, I yield to a member of the committee for an explanation of why Alaska is stricken out of the bill.

Mr. BEITER. I understand it was done at the request of the Delegate from Alaska. I do not know why.

Mr. CARTER. I was wondering, if it was a good thing for the United States, whether it would be to the best interests of Alaska to be left out.

Mr. BEITER. The Delegate from Alaska is here, and he can answer for himself.

Mr. DIMOND. Will the gentleman yield?

Mr. CARTER. I yield.

Mr. DIMOND. Mr. Chairman, the Territorial Legislature of Alaska was in session in the months of January, February, and March of this year, and during the course of its session, the legislature unanimously adopted a resolution asking that further suspension of assessment work be not applied to the Territory of Alaska.

The resolution is a short one, and I ask unanimous consent, if it is in order, to extend my remarks in the RECORD to include at this point the resolution to which I have referred.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The resolution is as follows:

House Joint Resolution No. 3, in the Legislature of the Territory of Alaska, twelfth session

(In the House, by Committee on Mines and Mining)

Whereas for a number of years past the Congress of the United States has enacted legislation suspending the performance of annual assessment work upon unpatented mining claims with the intent that the owners of such unpatented mining claims be relieved of making the improvements or performing the labor upon their mining locations required under the mining laws of the United States; and

Whereas the rise in the price of gold has lifted the mining industry out of the depression, the economic conditions which caused the waiving of assessment work on mineral claims has now passed; and

Whereas the concession thus extended by Congress has, in our opinion, retarded the development of large areas of mineral lands in this Territory, and has resulted in no substantial benefit to the mining industry or to bona fide miners or prospectors; and

Whereas any postponement of assessment work abets the wholesale staking of claims and permits the retention of large holdings of mineral claims for the purpose of speculation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the Territory of Alaska in twelfth session assembled, That the Congress of the United States be respectfully requested to grant no further suspension of annual assessment work upon unpatented mining claims in the Territory of Alaska; and be it further

Resolved, That copies of this resolution be forwarded by mail to the President of the United States Senate, the Speaker of the House of Representatives of the United States, and the Delegate to Congress from Alaska.

Mr. CARTER. I also note there is no mention of the Hawaiian Islands. Does any member of the Committee on Mines and Mining know whether there is any considerable mining industry in the Hawaiian Islands?

Mr. ENGLEBRIGHT. My information and understanding is that there is very little mining of this class carried on in the Hawaiian Islands.

Mr. CARTER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the provision of section 2324 of the Revised Statutes of the United States, which requires on each mining claim located, and until a patent has been issued therefor, not less than $100 worth of labor to be performed or improvements aggregating such amount to be made each year, be, and the same is hereby, suspended as to all mining claims in the United States, including Alaska, during the year beginning at 12 o'clock m. July 1, 1934, and ending at 12 o'clock m. July 1, 1935: *Provided*, That the provisions of this act shall not apply in the case of any claimant not entitled to exemption from the payment of a Federal income tax for the taxable year 1934: *Provided further*, That every claimant of any such mining claim, in order to obtain the benefits of this act, shall file, or cause to be filed, in the office where the location notice or certificate is recorded, on or before 12 o'clock m. July 1, 1935, a notice of his desire to hold said mining claim under this act, which notice shall state that the claimant, or claimants, were entitled to exemption from the payment of a Federal income tax for the taxable year 1934: *And provided further*, That such suspension of assessment work shall not apply to more than 6 lode-mining claims held by the same person, nor to more than 12 lode-mining claims held by the same partnership, association, or corporation: *And provided further*, That such suspension of assessment work shall not apply to more than 6 placer-mining claims not to exceed 120 acres (in all) held by the same person, nor to more than 12 placer-mining claims not to exceed 240 acres (in all) held by the same partnership, association, or corporation.

With the following committee amendments.

Page 1, line 9, strike out the words "including Alaska."

The committee amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NICHOLS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 1986) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, pursuant to House Resolution 231, he reported the same back with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title of the bill was amended to read as follows: "A bill providing for the suspension of annual assessment work on mining claims held by location in the United States."

Mr. SMITH of West Virginia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2536) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provision of section 2324 of the Revised Statutes of the United States, which requires on each min-

ing claim located, and until a patent has been issued therefor, not less than $100 worth of labor to be performed or improvements aggregating such amount to be made each year, be, and the same is hereby, suspended as to all mining claims in the United States, including Alaska, during the year beginning at 12 o'clock meridian July 1, 1934, and ending at 12 o'clock meridian July 1, 1935: *Provided*, That the provisions of this act shall not apply in the case of any claimant not entitled to exemption from the payment of a Federal income tax for the taxable year 1934: *Provided further*, That every claimant of any such mining claim, in order to obtain the benefits of this act, shall file, or cause to be filed, in the office where the location notice or certificate is recorded, on or before 12 o'clock meridian July 1, 1935, a notice of his desire to hold said mining claim under this act, which notice shall state that the claimant, or claimants, were entitled to exemption from the payment of a Federal income tax for the taxable year 1934: *Provided further*, That such suspension of assessment work shall not apply to more than 6 lode-mining claims held by the same person, nor to more than 12 lode-mining claims held by the same partnership, association, or corporation: *And provided further*, That such suspension of assessment work shall not apply to more than 6 placer-mining claims not to exceed 120 acres (in all) held by the same person, nor to more than 12 placer-mining claims not to exceed 240 acres (in all) held by the same partnership, association, or corporation.

Mr. AYERS. Mr. Speaker, with the Chair's permission, I wish to ask the gentleman from West Virginia if the Senate bill is similar to the House bill?

Mr. SMITH of West Virginia. It is exactly similar, word for word.

Mr. AYERS. I thank the gentleman.

Mr. SMITH of West Virginia. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of West Virginia: Strike out all after the enacting clause and insert the following:

"That the provision of section 2324 of the Revised Statutes of the United States, which requires on each mining claim located, and until a patent has been issued therefor, not less than $100 worth of labor to be performed or improvements aggregating such amount to be made each year, be, and the same is hereby, suspended as to all mining claims in the United States during the year beginning at 12 o'clock meridian July 1, 1934, and ending at 12 o'clock meridian July 1, 1935: *Provided*, That the provisions of this act shall not apply in the case of any claimant not entitled to exemption from the payment of a Federal income tax for the taxable year 1934: *Provided further*, That every claimant of any such mining claim, in order to obtain the benefits of this act, shall file, or cause to be filed, in the office where the location notice or certificate is recorded, on or before 12 o'clock meridian, July 1, 1935, a notice of his desire to hold said mining claim under this act, which notice shall state that the claimant, or claimants, were entitled to exemption from the payment of a Federal income tax for the taxable year 1934: *And provided further*, That such suspension of assessment work shall not apply to more than 6 lode-mining claims held by the same person, nor to more than 12 lode-mining claims held by the same partnership, association, or corporation: *And provided further*, That such suspension of assessment work shall not apply to more than 6 placer-mining claims not to exceed 120 acres (in all) held by the same person, nor to more than 12 placer-mining claims not to exceed 240 acres (in all) held by the same partnership, association, or corporation."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title of the bill was amended to read as follows: "A bill providing for the suspension of annual assessment work on mining claims held by location in the United States."

The SPEAKER. Without objection the proceedings by which the bill (H. R. 1986) was passed will be vacated and the bill laid on the table.

There was no objection.

AMERICAN LEGION CONVENTION

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, for a number of years it has been the custom of the Congress to pass a bill authorizing the Secretary of War to lend certain property, tents, and equipment of that kind for use by the American Legion during their annual convention.

Mr. Speaker, I send to the desk the bill (H. R. 6768) to authorize the Secretary of War to lend War Department equipment for use at the Seventeenth National Convention of the American Legion at St. Louis, Mo., during the month of September 1935, and ask for its immediate consideration.

The Clerk read the title of the bill.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, and I do not expect to object, would the gentleman have any objection to amending the bill to include the Veterans of Foreign Wars at their convention in New Orleans this year?

Mr. HILL of Alabama. I may say to the gentleman from Texas that I am sure the Committee on Military Affairs, following its policy and following what has been the policy of the House and the Congress, would report out such a resolution for a national convention of the Veterans of Foreign Wars; but it has not been the custom in the past to have such a resolution provide for more than one convention. The pending bill provides for the annual convention of the American Legion.

Mr. SNELL. And it is in exactly the same form as the acts we have passed on several previous occasions.

Mr. HILL of Alabama. It is similar to acts which have been passed a number of years.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, what is the nature of the equipment furnished by the War Department to the American Legion for use at these conventions?

Mr. HILL of Alabama. Such equipment as tents, cots, blankets, and any equipment that ought to go with tents, such as poles, pegs, and things of that kind. The American Legion has to make a bond payable to the War Department against the loss of any of this property. It is the customary bill, in the usual form, I will say to the gentleman.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized to lend, at his discretion, to the American Legion 1935 Convention Corporation, for use at the Seventeenth National Convention of the American Legion to be held at St. Louis, Mo., in the month of September 1935, such tents, cots, and blankets, and other available stock out of the Army and National Guard supplies as such corporation may require to house properly legionnaires attending such convention: *Provided*, That no expense shall be caused the United States Government by the delivery and return of such property, the same to be delivered at such time prior to the holding of such convention as may be agreed upon by the Secretary of War and the American Legion 1935 Convention Corporation: *Provided further*, That the Secretary of War, before delivering such property, shall take from such corporation a good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

Mr. McFARLANE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McFARLANE: Insert also: "Veterans of Foreign Wars at New Orleans, La."

Mr. HILL of Alabama. Mr. Speaker, I reserve a point of order on the amendment.

Mr. FISH. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I am using rather snap judgment, for I have not had opportunity to give consideration to the matter, but, after all, what is the objection; if we do it for one, why should we not do it for both?

Mr. HILL of Alabama. There is no objection whatever, and I am quite sure if a resolution were introduced to cover the Veterans of Foreign Wars the committee would report it out unanimously just as the committee has reported this resolution. May I say also that the pending resolution is drafted for the American Legion all the way through. You will find therein the American Legion mentioned exclusively, the bond to be made by the American Legion, the date of the convention and everything set out for them. The amendment offered by the gentleman from Texas [Mr. McFARLANE] has been hastily and clumsily drawn.

Mr. McFARLANE. Will the gentleman yield?

Mr. HILL of Alabama. I yield to the gentleman from Texas.

Mr. McFARLANE. In a spirit of fairness and to expedite the matter in every way, I see no reason why the amendment I offered should not be adopted. I think it is fairly well conceded that we want to treat both organizations alike.

Mr. HILL of Alabama. I agree with the gentleman in that statement.

Mr. McFARLANE. If that be true, why not treat both of them identically alike. The Veterans of Foreign Wars will be required to make the same bond and meet the same requirements as the American Legion, and I see no reason why we should not accept the amendment at this time.

Mr. HILL of Alabama. I see no objection to what the gentleman is aiming at, but I do say the gentleman's amendment has been hastily and clumsily drawn.

Mr. McFARLANE. That can be corrected in conference without any trouble.

Mr. HILL of Alabama. We do not want to go to conference on the bill.

Mr. McFARLANE. The amendment as offered is very specific and provides that the Veterans' of Foreign Wars, at their convention this year to be held at New Orleans, shall have the same right.

Mr. HILL of Alabama. Has the gentleman the date of that convention?

Mr. McFARLANE. No; but I can get it in just a minute.

Mr. KENNEY. Will the gentleman yield?

Mr. HILL of Alabama. I yield to the gentleman from New Jersey.

Mr. KENNEY. Did the American Legion make this request?

Mr. HILL of Alabama. Yes.

Mr. KENNEY. Were any other requests made for similar bills?

Mr. HILL of Alabama. No.

Mr. McFARLANE. The Veterans of Foreign Wars have requested the same privilege.

Mr. HILL of Alabama. I may say to the gentleman that if the Veterans of Foreign Wars had any such resolution introduced, and had asked that they be included in this resolution, the committee would have been delighted to have included that organization in this resolution.

Mr. McSWAIN. Will the gentleman yield?

Mr. HILL of Alabama. I yield to the gentleman from South Carolina.

Mr. McSWAIN. And the committee will be delighted any day to consider a resolution covering the Veterans of Foreign Wars.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to withdraw the amendment which I offered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF RELIEF TO WATER USERS ON UNITED STATES RECLAMATION PROJECTS AND ON INDIAN IRRIGATION PROJECTS

Mr. LEWIS of Colorado. Mr. Speaker, at the request of the Committee on Rules I call up House Resolution 232.

The Clerk read the resolution, as follows:

House Resolution 232

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 1305, an act to further extend relief to water users on United States reclamation projects and on Indian irrigation projects. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Irrigation and Reclamation, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendments, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. LEWIS of Colorado. Mr. Speaker, this resolution provides for immediate consideration of another bill which also is very important to the West. I have no applications for time, therefore, I move the previous question on the resolution. The bill will be explained fully in connection with the consideration of same.

The previous question was ordered.

The resolution was agreed to.

Mr. WHITE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1305) to further extend relief to water users on United States reclamation projects and on Indian irrigation projects.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1305, with Mr. EAGLE in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. WHITE. Mr. Chairman, this bill (S. 1305) has passed the Senate and provides a moratorium on the construction charges for irrigation projects. The matter has been fully and thoroughly considered by the Irrigation and Reclamation Committee, and after numerous conferences with the Department of the Interior and the Bureau of Reclamation the bill has been reported favorably. It simply extends the time for paying the construction charges on irrigation projects another year and in no way takes funds from the United States Treasury. This money invested in reclamation projects has been accumulated from the sale of public lands, coal lands, and so forth, and this bill grants a moratorium in order to permit the people living on these irrigation projects to catch up with their interest payments and indebtedness. If it is not passed there will be a bad situation existing in the western irrigation districts. Therefore, I request the passage of this bill.

Mr. EKWALL. Mr. Chairman, I yield the gentleman from New York [Mr. CULKIN] 10 minutes.

Mr. CULKIN. Mr. Chairman, during the past few sessions, on several occasions I have taken definite and vigorous issue with some phases of the reclamation folly. As a result of that I have been vigorously, roundly, and generously abused by some Members of the House. But if the gentlemen who are interested in this phase of public development will study my activities and statements in connection with this matter, they will discover that at no time have I opposed any reclamation project upon which the normal community life of the West and Southwest depended. So I am able today to say to you gentlemen from the reclamation States—you empire builders—that I am definitely for this bill. [Applause.]

I am for the bill in part because it corroborates my former attitude on this question. That is patting myself on the back. But I recognize that the lot of the farmers who are upon these reclamation projects is difficult, that they have been through lean years, and that national conditions as to agricultural surplus actually prevents their getting a market for their products. Therefore they are in a bad way financially. So, in common with every other group that makes a path to the Treasury and makes out a case, they are entitled to relief.

May I stress today, briefly, and as preliminary to the consideration of a bill which is coming up shortly and to which I wish to call the attention of the House, that on the major phases of reclamation I have not changed my viewpoint. When I speak on that I think I may safely say I am speaking not only for the farmers of the East but for the farmers of the West, who are already on these reclamation projects and who are in dire straits as evidenced by the necessity for this bill. I assert that these groups will be absolutely destroyed, if they are not already economically unhorsed, by further reclamation in the United States.

Some weeks ago I made some remarks here in the House in regard to some phases of reclamation, notably Casper-Alcova and the Grand Coulee. My remarks, or parts of

them, were used by the Associated Press and went into the western country, and I received some 50 letters from western farmers commending my conduct and asking Congress, in the name of God, to stop further reclamation.

I want to read an extract from one of these letters. I am going to withhold the writer's name, but if anyone has any question about the authenticity of the letter, I shall gladly show him the original letter in my office. This letter comes from Kennewick, Wash., and discusses the general situation with respect to reclamation, and then goes on to say:

If we gain a bunch of suckers you lose them and they move out here, and the subsequent disillusionment puts them on the bum for good. You had a plain case of that in the ill-starred Brooklyn caravan when they trekked to Idaho. In our whole national set-up there is no one scandal as rotten as the reclamation delusion. I have been hoping that Grandma Mead would fall off some high place or that something would happen to this old maniac, but nothing ever does. The pitiful feature of this whole mess is that the western irrigation farmer is never allowed to "catch up." If the poor fool imagines that he sees daylight a long way ahead his hopes are dashed by a new political ditch (appropriation grab) starting up somewhere. Our "wrecklamation service" should be in the Agriculture Department, not the Interior Department.

I also have a letter here sent me by the Washington representative of the National Grange, in which he states that the fixed indebtedness, not including current indebtedness, on certain farm lands in the Wenatchee-Okanogan district in the State of Washington is $599.74 per acre, and in some other portions of the Yakima tract they are $238.69 per acre. This writer, who addressed Fred Brenckman, the representative of the National Grange here, then states:

This information should be of value to you in your efforts to prevent further irrigation development in the State of Washington. The placing of more lands under irrigation at this time is nothing short of confiscation of the homes and ranches of those people who have already invested their life savings in this State.

Now, under the Supreme Court decision in the Parker Dam case, with which most of the Members of the House are familiar, "Honest Harold" Ickes—and I am using the name advisedly, because it was self-inflicted—was restrained from interfering with Arizona in the construction of that dam. The Court found in that case that Ickes was without jurisdiction in starting this dam. This same proposition applies to that monstrous fraud upon the American people and the American farmer, the Grand Coulee reclamation project, and many other more or less meritorious projects. It becomes necessary now to bring in a bill to legalize the acts of "Honest Harold" Ickes, who proceeded, if you please, to invest and to commit the money of the United States in the sum of five or six hundred million dollars without sanction of law to these and other projects. The Supreme Court, as it has done several times lately, has recalled Congress to a sense of its duty by pointing out that Congress is the only body that can authorize the betterment of waterways and put in work land reclamation and flood control. Some phases of the bill that is coming up in the near future we have no quarrel with.

[Here the gavel fell.]

Mr. EKWALL. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. CULKIN. By some strange turn of the wheel of fate this bill, H. R. 8057, was sent to the Committee on Flood Control, although there is little flood control in the bill. It contains rivers and harbors and reclamation projects, illegally started, as I say, and calling for a Federal disbursement of $500,000,000. In other words, a committee which knows nothing about these projects is asked to O. K. a bill that comes up to validate and correct the illegal acts of this bureaucrat.

It is going to be an opportunity for those who represent the wheat farmer, for those who represent the grain farmer, for those who represent any phase of agricultural production, to give the death stroke to some of these monstrous economic and illegal propositions when this bill comes in. I call upon the House to reassert its legislative integrity in connection with these matters. Repeatedly within the last 2 months the Supreme Court has called the attention of the country to the fact that this Government consists of three branches; that under the constitutional set-up bureaucracy is out. Here is a place where bureaucracy is at its worst. If I had the time today I could establish that fact beyond any doubt in some phases of these matters sought to be legalized.

When this bill comes in the House will have an opportunity to reassert its integrity as an essential part of the Federal Government. The House should take the people out of the filthy hands of bureaucracy.

I want you gentlemen to read the article of Secretary Ickes in the Review of Reviews this month, in which he says that one-half of what Congress did in the past in reference to public works was "pork", and then under him came in pure and honest administration.

The fact is the most of what he has done is illegal, some of it is probably venal, and a great share of it is uneconomic. In view of "Honest Harold's" extralegal performances as self-confessed in this bill, H. R. 8057, this article, Holding Congress Up to Scorn, out-Herods Herod.

Congress, when it was in its own, when reclamation matters were in the hands of the distinguished leader on the Democratic side, functioned with true economy. This was true of rivers and harbors or flood control. This political marplot, Ickes, who has repeatedly maligned and written this Congress down for the past 2 years—this marplot who defies the law of the United States, and has put in work projects which will destroy the dairy farmer, the wheat farmer, and the corn farmer, now comes here via the Supreme Court, and asks you to legalize his illegal acts. In the olden days Presidents have been impeached for less. We have no desire to do violence to any community need, and we will not do violence to any community need. But we are opposed to this bureaucratic pork barrel, which to my mind involves a graver national scandal than has ever occurred before in the history of the United States. When the time comes those interested will demonstrate these facts to you gentlemen of the House with absolute certainty. We will then ask Congress to resume functioning in the manner intended by the Constitution. [Applause.]

[Here the gavel fell.]

Mr. WHITE. Mr. Chairman, I yield 5 minutes to the gentlewoman from Arizona [Mrs. GREENWAY].

Mrs. GREENWAY. Mr. Chairman, thanks for the time. I did not expect to speak, but I do not feel that I can let our good friend from New York [Mr. CULKIN] say all those things without saying something also. I hesitate to talk only of Arizona, but I believe that the few things that I can say would apply to every State where there is irrigation. The first problem that you must accept as our problem, and I know that you will want to make it yours when you understand, is that the good Lord does not send rain down in the West as He does in the East. It rains at irregular seasons that have no relation to the growing crops that do not depend on seasonal rains, and the reason we have our reclamation projects is that we must store our water and use it as we need it.

I do not think you could get a clearer picture of the justification of irrigation than to see the one State that I know. We have two industries—copper mining, which has in the past paid 67 percent of our cost of government, and agriculture on irrigation projects. Until Theodore Roosevelt was President, we had comparatively little farming in our State. He built a dam known as the "Roosevelt Dam." It irrigates and keeps under constant cultivation about 250,000 acres with practically no period of dormancy. The lowest amount that that has ever yielded to the farmers in any one year was $9,000,000, which I think was 2 or 3 years ago. The highest amount was $29,000,000 and last year our revenues from our only great agricultural picture amounted to $16,000,000.

The gentleman from New York [Mr. CULKIN] mentioned the impracticability of farming at a cost of $500 an acre, and he is perfectly right. We cannot do it, but I do not think you will find many instances in the United States where such a mistake has been made. I know of many

instances where we have made application in the hope that the costs could be brought down, but when they were not brought down by the reclamation engineers, the projects were denied us.

Another exceedingly interesting and very important and hopeful meaning of reclamation is that the people are beginning to realize that a man who can earn his living with certainty and regularity on 5 to 10 acres or a little more is a far more fortunate man than he who has a hundred or two hundred or three or four hundred acres, where the water is not dependable, undertaking dry farming, where the winds are devastating. The trend today is a perfectly practical and logical trend, to try to persuade people to accept a smaller dependable, fertile acreage at an economical value than to continue on in these hazardous pictures, where they find farming so precarious, where our forage crops should never have been plowed in, where grazing should have prevailed. I can think of no greater or more terrible calamity than for our friends in the East not to share with us the victory and economical trend of reclamation. [Applause.]

Mr. EKWALL. Mr. Chairman, I have no further calls for time.

Mr. WHITE. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. CUMMINGS].

Mr. CUMMINGS. Mr. Chairman, it is embarrassing to talk to so many empty seats, but I take it for granted that those people who are here are interested in irrigation. There is no Government reclamation project in the district which I represent. I represent, I believe, the most prosperous irrigation district in the United States. I am a farmer and have no other occupation except this little job in Congress. I have lived in the West for 55 years. There is no irrigation project in the United States that I have not traveled over, except the Belle Fourche project in South Dakota.

Mr. CULKIN. Mr. Chairman, will the gentleman yield? Has the gentleman gone over Casper Alcova?

Mr. CUMMINGS. I have. As I said, we have none of these Government projects in the country I live in. The projects there have been built and are owned by people who operate them, and the conception of the people of the East in regard to irrigation projects is entirely wrong. The land ordinarily brought under cultivation by Government projects was used largely for range purposes, and the product of those lands is used largely to feed the stock grazing on surrounding land. That is why I say I have traveled over all of those projects, not that I was there for the purpose of buying products, or that I was interested in the land, but I was interested in buying the livestock wintered on the hay and other products of those lands. Some people in the East seem to fear exceedingly that we are coming into competition with eastern farm lands and that we have too much land under cultivation now. As a matter of fact the irrigated lands in the United States produce less than one-half of 1 percent of all of the wheat produced in the United States. We are not injuring the people of the United States and when I say "we" I mean the people who farm those lands. There is no question in the world but that there have been a few of those projects where the water has cost entirely too much. They were ill-advised. There are hundreds of financial projects in the United States that have been put in operation in the last 25 years that have been ill-advised, but if you take the irrigation projects of the West by and large, you will find that there is no question but that they have been beneficial to the people who have settled on them.

There is no question but what they are beneficial to all of the people of the United States and to agriculture in the United States.

I had thought a short time ago that I would talk on reclamation projects and present the facts and figures in connection with it, and if some bill of importance comes up a little later I intend to do that; not that I am interested in it personally, because I do not have a penny invested in it, but I feel that the people of the East and people who are not acquainted with the irrigation districts ought to understand the facts. If they did understand it thoroughly, then their objections to it would cease. I am going to spend a little time trying to educate my friend from New York [Mr. CULKIN] before this session is concluded, because I am sure he wants to be fair, and I am sure that when he properly understands this he will be for it.

Mr. CULKIN. I just wanted to ask the gentleman if he had ever been over the Grand Coulee project?

Mr. CUMMINGS. I have. I bought sheep there.

Mr. CULKIN. That is all I wanted to ask the gentleman. I thank the gentleman. [Applause.]

The CHAIRMAN. The time of the gentleman from Colorado [Mr. CUMMINGS] has expired.

Mr. WHITE. Mr. Chairman, there is no further time desired on this bill. The Clerk may read.

The Clerk read as follows:

Be it enacted etc.,

SECTION 1. That all of the provisions of the act entitled "An act to further extend the operation of the act entitled 'An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law', approved April 1, 1932", approved March 27, 1934, be, and all of the provisions thereof are hereby, further extended for the period of 1 year: *Provided*, That the provisions of this act shall not take effect as to a reclamation district or project when the Secretary of the Interior finds from the evidence at hearings held within a district or project, at which hearings representatives of such district or project are given an opportunity to testify and be heard, that such district or project, or the homesteaders thereon, are financially able to meet the obligations due, or to become due, to the Government and without undue burden: *Provided further*, That the Secretary of the Interior shall immediately report to the Congress the districts or projects that he has by his findings excluded from the benefits of the provisions of this act, together with the evidence submitted at such hearings.

SEC. 2. The Secretary of the Interior is authorized and directed to extend to water users on Indian irrigation projects during the calendar years 1934 and 1935 like relief to that provided in the acts of January 26, 1933 (47 Stat. 776), and March 3, 1933 (47 Stat. 1427), applicable to the calendar years 1931, 1932, and 1933.

Mr. WHITE. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment: Page 1, line 9, after the word "year", strike out the remainder of section 1, beginning with the word "*Provided*" and ending with the word "hearings", on page 2, line 11, and insert a period after the word "year", on page 1, line 9.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. EAGLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (S. 1305) to further extend relief to water users on United States reclamation projects, and on Indian irrigation projects, and pursuant to House Resolution 232, he reported the same back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. WHITE. Mr. Speaker, I ask unanimous consent that all Members who spoke on this bill may have 5 legislative days within which to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

NATIONAL INDUSTRIAL RECOVERY ACT

Mr. WOOD. Mr. Speaker, I ask unanimous consent to proceed for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. SNELL. Reserving the right to object, is there any other regular business to come before the House today?

The SPEAKER. The Chair is not aware of any.

Mr. SNELL. Then, the probabilities are we will adjourn after this 15-minute address?

The SPEAKER. Of course, that is a matter for the House to determine.

Mr. WOOD. Mr. Speaker, I will withhold my request for a moment in order that the gentleman may propound a unanimous-consent request.

SHIPBUILDERS' STRIKE AT CAMDEN, N. J.

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein House Joint Resolution 308, introduced by me.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. KENNEY. Mr. Speaker, the Congress recently launched a naval program intended to bring up our Navy to treaty strength. Pursuant to the legislation passed by the Congress the construction of many vessels was let by contract. Among other companies building our ships is the New York Shipbuilding Co. having its shipyard at Camden, N. J.

Hardly had the work begun by this company under contract with the United States Government in the building of 3 cruisers and 4 destroyers, when there was a complete stoppage of work by a strike of some 3,700 men, who complain of injustices in wage, hours of employment, and working conditions.

The strike began May 13 last and still persists. The strike is delaying the completion of these vessels and has delayed plans for other war vessels.

Now, the Secretary of Labor has made robust efforts as have commissions appointed by her to mediate in the controversy. Nevertheless, the shipbuilding company has steadfastly refused to accept their mediation.

The company has taken the position that it will deal only with the Joint Industrial Relations Committee established under the code of fair competition for the shipbuilding industry. Inasmuch as the authority of that committee no longer exists, and the prolonged delay in the construction of our warships is interfering with our naval program, regarded as necessary for the national defense, it is the duty of Congress to inquire into the facts and circumstances surrounding this strike so that we may take steps to safeguard our plans for the national defense and to see to it in the future that our plans are not thwarted by any unfair practices on the part of those who contracted with the Government for the construction of our naval vessels.

Accordingly I have taken the only means, seemingly, at hand. I have introduced House Joint Resolution 308, which authorizes the Secretary of Labor to appoint a board of inquiry to unearth the facts concerning this strike of the men engaged in the building of a material part of the authorized ships.

Mr. Speaker, I here include the resolution, asking for an immediate hearing by the Naval Affairs Committee on the resolution.

House Joint Resolution 308

Joint resolution to authorize the Secretary of Labor to appoint a board of inquiry to ascertain the facts relating to the stoppage of work on United States Navy cruisers and destroyers in the yards of the New York Shipbuilding Co. at Camden, N. J.

Whereas some 3,700 men have been on strike at the New York Shipbuilding Co., Camden, N. J., since May 13, 1935; and

Whereas said New York Shipbuilding Co. is engaged, under contract with the United States Government, in the construction of 3 cruisers and 4 destroyers; and

Whereas the stoppage of work pursuant to the strike has delayed the completion of these vessels, and has also delayed plans for certain other cruisers; and

Whereas all efforts made by the Secretary of Labor and commissions of conciliation appointed by her to mediate in the dispute have been met by the refusal of the shipbuilding company to accept such good offices and by the insistence of said company that, in matters relating to said strike, it would have dealings only with the Joint Industrial Relations Committee established under the code of fair competition for the shipbuilding industry; and

Whereas the functions and authority of said Joint Industrial Relations Committee have been terminated as a result of judicial decision; and

Whereas the prompt completion of the aforementioned vessels is required by the necessity for national defense: Therefore be it

Resolved, etc., That (1) the Secretary of Labor shall immediately appoint, in accordance with her authority to assist in the settlement of labor disputes, a board of inquiry to make a prompt and thorough investigation of all facts relating to the strike;

(2) That the Navy Department shall make available to said board all facts, figures, and documents pertaining to the contracts for the construction of the aforementioned vessels, including the bidding for such contracts; and

(3) That said board of inquiry shall report to the Secretary of Labor its findings of fact and its recommendations, and the Secretary of Labor shall, with such summary or other report as she sees fit, transmit the same to the Congress.

MEETING OF COMMITTEE ON AGRICULTURE

Mr. JONES. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may be permitted to sit on tomorrow and Monday during the sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

NATIONAL INDUSTRIAL RECOVERY ACT

Mr. WOOD. Mr. Speaker, I renew my request.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WOOD. Mr. Speaker, I desire to address the House a few minutes with reference to the National Industrial Recovery Act, the recent Supreme Court decision, and subsequent happenings. I think no man will disagree with me when I say that the enactment of the national recovery law was for a noble purpose. Fundamentally it was for the purpose of stabilizing wages, increasing the ability of the Nation to consume, shortening the hours of labor, and for the purpose of creating a wider spread of employment.

A great deal has been said about the National Recovery Act since its enactment. I must say, Mr. Speaker, that in spite of all its imperfections, in spite of its maladministration, to my mind the National Recovery Act and the Agricultural Adjustment Act are the two basic measures that have been more responsible for the degree of national recovery that we have attained in the past 2 years than all the rest of the legislation that has been passed by the Seventy-third and the Seventy-fourth Congresses.

Opponents of the National Recovery Act on the Republican side of the House and a great many on the Democratic side have been attempting to leave the impression that the codes of fair competition and all the rest of the machinery, administrative and otherwise, of this great measure had long since collapsed. That drastic decision of the Supreme Court, which declared this law unconstitutional, has abridged the right of Congress to enact certain social legislation.

Prior to that decision, as I said before, they tried to leave the impression the codes had broken down, that there was no attention paid to the National Recovery Act, that we had no enforcement. I will agree that the enforcement of the National Recovery Act was very negligent because of the fact that out of nearly 600 codes of fair competition the employers of this Nation were almost the absolute dictators, for in only 51 codes did labor have any representation whatever. In spite of that, however, great progress had been made, and although we did not reach the goal to which we aspired when this law was passed, no one can deny that wonderful progress was made.

Now, let us see whether these codes had broken down prior to this decision of the Supreme Court. Throughout this Nation at this time wholesale reductions of wages are being instituted by various kinds and types of employers, hours of labor are being increased, and men's right to organize and bargain collectively are being very determinedly questioned by the employer.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield for a question.

Mr. PIERCE. And very materially since the decision?

Mr. WOOD. Since the decision of the Supreme Court of the United States; yes. Now, of course, these unfair employers who reaped the benefit of the National Recovery Act—and they admit that, because before the House Committee on Labor in the Seventy-third session, when we were considering the 6-hour bill, the representatives of 65 or 70

industries appeared before the committee. Without a single exception, these men, representing as they did large business enterprises, about all the large business enterprises of this Nation, admitted frankly that they were unable by and through their own organizations to stem the tide of cutthroat competition which they said existed; and they expressed great fear that if conditions existing at that time were allowed to continue very long they did not know what the future would hold. The representatives of the employers before the Committee on Labor painted the darkest picture I have ever gazed upon in my life. They were begging the President and the Congress to do something for them They had admitted that their methods of administration of industry had broken down completely. They were begging this Congress and this Government to do something to save the Nation from destruction and despair.

The National Recovery Act was enacted. By and through the operation of this law employers were able to organize and solidify their trade associations throughout the United States. That law was so couched that while it did not compel an employer to join a trade association, yet if he did not join he must agree to abide by the minimum prices and conditions of the code, so there was nothing to be gained by an employer remaining outside of his employer's union or his trade association.

So the National Recovery Act enabled the employers to organize, enabled them to compel the unfair employers to cease and desist their cutthroat competition which they told the committee had brought about such a condition that they could not even get the cost of production.

What has been the result? Here is a copy of a letter I desire to read. This is sent by Mr. M. W. Borders, Jr., a very able attorney of Kansas City:

DEAR MR. HARDGRAVE: It occurs to me that it would be advisable for you to suggest to the members of the council that any drastic reductions in wages or curtailment in the number of employees as a result of the decision of the Supreme Court yesterday holding the N. I. R. A. invalid would be highly inadvisable at this time.

In the first place, it is my belief that most industries which have signed codes in the last 2 years did so in perfect good faith and with every good intention of carrying out the wage and hour provisions of the respective codes. Failure to observe the spirit of the codes in these particulars might be politically misconstrued.

In the second place, and perhaps more important, is the unfavorable effect that any such action might and probably would have upon the fate of the Wagner bill, the 30-hour-week bill, and the bill to amend the A. A. A. It is very questionable whether the sponsors of these bills can defend the constitutionality of any of these bills in their present form in view of the decision of the Supreme Court. At the same time, it is a certainty that these same sponsors will redouble their efforts to enact these subversive and antisocial bills if employers now give them the excuse that such legislation is necessary in order to protect labor and the public from the greed of employers. Every effort should now be made to urge upon Congress that these bills be not passed, first, because they would be unconstitutional and, second, because they are unnecessary in view of industry's broad-minded attitude.

Furthermore, any ill-advised action on the part of employers at this time would give labor unions the excuse to urge employees to join the unions because they would then claim that the unions are the only protection which employees would have.

I do not mean to imply by the above that employers should not make such changes in the ranks of their employees as their seasonal demands require. I strongly counsel moderation at this time and that no drastic steps be taken.

Mr. Hardgrave, upon receiving this letter from his attorney, sent the following letter to members of the Kansas City Protective Council, which is an organization of employers:

I am attaching hereto copy of Mr. M. W. Border's letter with reference to yesterday's Supreme Court decision affecting the N. I. R. A.

Those of our associates with whom I have been able to discuss this matter today counsel moderation and care in changing hours and wages which have been in effect in recent months. It is our belief that the final chapter with reference to the labor section of the N. I. R. A. and other important features of the act will not be written until Congress adjourns.

We urge that business and industry so conduct themselves that their acts or policies will not incite Congress to enact new legislation or rewrite pending legislation which will be extremely burdensome to business and industry.

In the language of the street, let's carry along and not rock the boat for the time being. Certainly it is up to business to so shape its course that the radical element will have no excuse to condemn us.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. PIERCE. Does the gentleman see any solution except a constitutional amendment? Does the gentleman see constitutionality in the Wagner bill, the 30-hour bill, or even in the security bill that we passed?

Mr. WOOD. I have only the word and the opinion of the constitutional lawyers in Congress. The Wagner bill has been amended in 14 particulars and they say it will be constitutional.

I do not know what is going to be constitutional so long as we have the present set-up of the Supreme Court. These fine old gentlemen are very amiable men, but in their decision they reversed the opinion of the Supreme Court with respect to the Wright case.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. COX. Does the gentleman by the language just used mean to indict the Supreme Court for the opinion it rendered a week ago last Monday.

Mr. WOOD. I certainly do not, and I did not intend to indict the Supreme Court. I may say to the gentleman it is my opinion the members of the Supreme Court are very high type men, but they are only human beings and citizens. There is no reason why I, as a Member of Congress, or you or any other man or woman should hold them up as superhuman, and say that anyone has the right to blaspheme God by placing these gentleman on a pedestal. They are only human, and I reserve the right to criticize the members of the Supreme Court or anyone else, as a Member of Congress especially.

Mr. COX. Does the gentleman not accept the decision of the Supreme Court as the right interpretation of the law?

Mr. WOOD. No; I do not. I differ with the Supreme Court and I have the right to differ with them. The gentleman may agree with them if he wants to, but it is my prerogative to disagree with the Supreme Court. I do not think they are right and I have my own reason for so thinking.

Mr. COX. Has the gentleman a legal background for his opinion?

Mr. WOOD. No. I am not a lawyer, but I happen to have been affected by a number of previous decisions of the Supreme Court, and insofar as labor is concerned the Supreme Court decision of the other day does not coincide with their decision rendered in the Wright case in 1885.

[Here the gavel fell.]

Mr. WOOD. Mr. Speaker, I ask unanimous consent to proceed for 10 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WOOD. I yield to the gentleman from New York.

Mr. O'CONNOR. I may say to the gentleman that he can write back to these patriotic citizens of Kansas City and say to them that they are being deluded if they think Congress will adjourn without entirely taking care of the situation which confronts us today.

Mr. WOOD. I am glad to have the gentleman make that statement. I did not intend to inject the Supreme Court into this discussion, but the gentleman from Georgia by his interrogations compelled me to refer to them.

Mr. Speaker, certain insinuations have been made by the gentleman from Georgia [Mr. Cox] that I in some way maligned the character of the members of the Supreme Court and inferred that I did not have the proper regard for them. I just want to say that I am not a constitutional lawyer, in fact, not a lawyer at all, but in the Wright case in 1885 which involved a labor controversy, the coal company was not an interstate institution. The United States Supreme Court then decided in view of the fact that the coal produced by the coal company was intended for interstate commerce the coal company was engaged in interstate commerce and an injunction was issued against labor. Then there is the Long Island Railroad Co. case.

Mr. COX. Has the Supreme Court at any time in its history held that production of a commodity was interstate commerce?

Mr. WOOD. Yes; they held to that effect in the case just mentioned. They held to the same effect in the Long Island Railroad Co. case, which was an intrastate carrier. They held there that the road was transferring goods to carriers in interstate commerce, although it was an intrastate institution. There is a great deal to be said pro and con with reference to the decisions of the Supreme Court, and I think we as a free people have the right to express our own opinion when the Supreme Court hands down a decision. I hope we will never come to the day that existed in Russia prior to the revolution over there when men did not dare to even question the "Little Father", the Czar.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. WOOD. I yield to the gentleman from New York.

Mr. MARCANTONIO. Also in line with the decision which the gentleman has just cited, I also wish to remind him of the decision in the Danbury Hat Co. case.

Mr. WOOD. Yes. That is a very outstanding case, in which the president, secretary, and treasurer of the American Federation of Labor were held in contempt.

Mr. PIERCE. Will the gentleman yield?

Mr. WOOD. I yield to the gentleman from Oregon.

Mr. PIERCE. The gentleman might also cite Abraham Lincoln in speaking of the Supreme Court with reference to the celebrated Dred Scott decision.

Mr. WOOD. Yes.

Mr. BLANTON. Will the gentleman yield?

Mr. WOOD. I yield to the gentleman from Texas.

Mr. BLANTON. I agree with the gentleman from Missouri [Mr. WOOD] when he speaks about Russia of long ago, but I am sure that the gentleman also would not like to see this country come to a condition similar to that which exists in Russia today?

Mr. WOOD. Of course, the gentleman's question is entirely beside the point we are discussing. He knows I would not.

Mr. BLANTON. I think conditions there today are worse than they ever have been.

Mr. WOOD. That is a very leading question, and the gentleman ought not to ask a Member of Congress that kind of a question. We certainly do not want to revert to sovietism or to Mussolini or to Hitler.

Mr. Speaker, I want to read a telegram which just came from Muskogee, Okla., addressed to Mr. Duncan, who is an official of the Central Labor Union down there. He is at the present time in Washington.

This is addressed to Mr. Duncan and reads as follows:

> Iron workers locked out this morning by company. All men discharged then offered reemployment under open-shop conditions. Only few accepted. Pitts has not arrived yet; may come later tonight. Advised establishment of pickets tomorrow which will be done unless Pitts arrives and rescinds.

Now, what happened in connection with the Oklahoma Iron Works? On the day that the Supreme Court handed down the decision the managers of the Oklahoma Iron Works were in conference with a committee representing the employees of the iron works. They were trying to work out an agreement by collective bargaining. When word came over the wire about the Supreme Court decision the managers threw up their hands and said, "We are through." The next morning a notice was posted in the plant stating that all overtime work hereafter would be paid on the regular time basis. A few days later the members of the committee who were negotiating the contract with the company lost their jobs on account of their activity in the organization. The members were given that as the reason.

That is the result of the decision of the Supreme Court. My purpose in placing these communications in the RECORD is to not necessarily just warn you, because you know probably as well as I do what is going to happen when this Congress adjourns, but to furnish some information as to how the tendencies are running.

Mr. COX. May I ask the gentleman what is going to happen?

Mr. WOOD. I may say to the gentleman it is my opinion, and I think it is the opinion of every other Member of the Congress, that if we do not enact legislation that will in some way again give the employees and employers an opportunity to sit around the table and deal through collective bargaining or if we do not create some machinery that will enable them by their own activity to lower the hours of labor and keep pace with the cost of living, the unfair employers are certainly going to take advantage of the situation.

I may say further that if something is not done by this Congress to prevent unscrupulous employers from taking advantage of the bars being thrown down, the $4,000,000,000 that we have appropriated to be spent on Public Works projects will not create the spread of employment as intended, because the hours of labor will be constantly on the increase in private industry.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. O'CONNOR. Of course, the gentleman has read in the papers that one of the projected measures is to meet that situation?

Mr. WOOD. Yes.

Mr. O'CONNOR. So that on Government projects the wages and hours will be prescribed.

Mr. WOOD. Oh, yes; on Government projects, and I am pleased that the President has so ruled; but I think it is necessary also to have the Wagner bill enacted into law so that men may be free to join organizations of their own choosing.

Mr. SCHNEIDER. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. SCHNEIDER. It is true, however, that the reduction in wages and the increase in hours and the doing away with the employment of a certain number of employees will more than offset in purchasing power the $4,000,000,000 that we have just appropriated for the purpose of creating purchasing power by putting people to work.

Mr. WOOD. I am pleased the gentleman has mentioned that. There is no question in my mind about it whatever, and we may just as well realize the fact that we are living in a machine age and every day we live there is some device invented that increases the productivity of man, and we must handle the situation. If we do not regulate the machine the machine is going to destroy us. It is not a question of whether a man wants to work 6 or 7 or 8 or 9 hours a day; they cannot work 8 or 9 hours a day if we want the work to be spread. There is not enough work to go around, because now they can produce too much. They produce more now in a day than they did 20 years ago in a week, and in many lines of industry they produce more now in a day than they produced before in a month, and I see now that a cotton-picking machine has been perfected and they say this machine in a day will pick as much cotton as one picker can pick in 10 weeks. This is just an example of how fast we are progressing, and we must do something to meet this situation.

Therefore, I hope, and I believe this Congress is going to pass the Wagner bill and other similar legislation that will enable us to keep down to a minimum the hours of labor so that we may bring about a proper spread of employment and maintain balanced production and distribution.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. CRAWFORD. I would like to ask the gentleman what would be the practical effect, if he were operating a plant manufacturing steel machinery or heavy machinery of some kind and he desired to make a contract with the Government, with the thought of having the men who worked on that particular part of his manufacturing turn out work on code wages, while those who were working in the other part of his business, which amounted to 80 or 90 percent of the work, were working on different wages and hours. What would be the situation with reference to bidding on a con-

tract of that kind? Is it not a fact that the gentleman would refuse to bid on such a contract rather than disturb the entire operations of his plant?

Mr. WOOD. In the first place, if I were a manufacturer and I felt about it as I do now, I would pay all laborers who were performing a certain function the same wages, and whether it is in the steel industry or any other industry, if they are not paying them the same wages, they ought not to get a contract from the Government, and I do not think they will. [Applause.]

[Here the gavel fell.]

HOUR OF MEETING TOMORROW

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 240. An act for the relief of Capt. Alexander C. Doyle.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 41. An act for the relief of the Germania Catering Co., Inc.;

S. 42. An act for the relief of Emmett C. Noxon;

S. 416. An act for the relief of Las Vegas Hospital Association, Las Vegas, Nev.;

S. 557. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

S. 927. An act to amend the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States", approved June 21, 1930, so as to give class B officers of the Army benefits of such act;

S. 2029. An act to authorize naval and Marine Corps service of Army officers to be included in computing dates of retirement;

S. 2287. An act to authorize the crediting of service rendered by personnel (active or retired) subsequently to June 30, 1932, in the computation of their active or retired pay after June 30, 1935;

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 46 minutes p. m.) the House adjourned, in accordance with its previous order, until tomorrow, Friday, June 7, 1935, at 11 o'clock a. m.

COMMITTEE MEETING

SUBCOMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Will hold hearings on H. R. 3263 and other railroad legislation at 10 o'clock Friday morning, June 7, 1935, in the committee room of Coinage, Weights, and Measures, 115 old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

377. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Justice for the fiscal years 1935 and 1936, amounting to $25,000, for miscellaneous expenses of the Supreme Court (H. Doc. No. 218); to the Committee on Appropriations and ordered to be printed.

378. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, pertaining to the Architect of the Capitol, for the fiscal year 1935, in the sum of $5,000 (H. Doc. No. 219); to the Committee on Appropriations and ordered to be printed.

379. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1935, to remain available until June 30, 1936, amounting to $8,000, and two drafts of proposed provisions pertaining to existing appropriations, for the Department of State (H. Doc. No. 220); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 7893. A bill to authorize the conveyance of certain lands in Nome, Alaska; with amendment (Rept. No. 1113). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLE of Maryland: Committee on Interstate and Foreign Commerce. S. 2156. An act to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.; without amendment (Rept. No. 1114). Referred to the House Calendar.

Mr. DOUGHTON: Committee on Ways and Means. Senate Joint Resolution 113. Joint resolution to extend until April 1, 1936, the provisions of title I of the National Industrial Recovery Act, and for other purposes; with amendments (Rept. No. 1115). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 242. Resolution for the consideration of Senate Joint Resolution 113; without amendment (Rept. No. 1116). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCK: A bill (H. R. 8381) to amend the act known as the "Perishable Agricultural Commodities Act, 1930", approved June 10, 1930, as amended; to the Committee on Agriculture.

By Mr. LANHAM: A bill (H. R. 8382) to prevent fraud, deception, or other improper practice in connection with business before the United States Patent Office, and for other purposes; to the Committee on Patents.

By Mr. LEMKE: A bill (H. R. 8383) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. MARCANTONIO: A bill (H. R. 8384) to assure to certain aliens asylum within the United States; to the Committee on Immigration and Naturalization.

By Mr. MITCHELL of Tennessee: A bill (H. R. 8385) to promote increased employment and stimulate industry; to the Committee on Appropriations.

By Mr. SIROVICH: A bill (H. R. 8386) to amend subdivision (a) of section 4 of the Immigration Act of 1924 (43 Stat. 154), as amended; to the Committee on Immigration and Naturalization.

By Mr. FENERTY: A bill (H. R. 8387) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ronald A. Cox; to the Committee on the District of Columbia.

By Mr. KOPPLEMANN: A bill (H. R. 8388) to assure to all persons within the District of Columbia full and equal privilege in places of public accommodation, resort, and amusement, and for other purposes; to the Committee on the District of Columbia.

By Mr. JENKINS of Ohio: A bill (H. R. 8389) to amend the act creating the Federal Trade Commission, to define its

powers and duties, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. O'CONNOR: Resolution (H. Res. 242) for the consideration of Senate Joint Resolution 113; to the Committee on Rules.

By Mr. FENERTY: Joint resolution (H. J. Res. 311) directing the Secretary of State to request the Mexican Government to withdraw Consuls Hermolao E. Torres and Alejandro V. Martinez; to the Committee on Foreign Affairs.

By Mr. RUDD: Joint resolution (H. J. Res. 313) designating the last Sunday in September as "Gold Star Mother's Day", and for other purposes; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Hawaii, memorializing Congress to authorize the city and county of Honolulu to issue flood-control bonds; to the Committee on the Territories.

Also, memorial of the Legislature of the Territory of Hawaii, urging Congress to amend section 202 of the Hawaiian Homes Commission Act; to the Committee on the Territories.

Also, memorial of the Legislature of the Territory of Hawaii, regarding revenue-producing undertakings of municipal or other political subdivision of the Territory of Hawaii; to the Committee on the Territories.

Also, memorial of the Legislature of the Territory of Hawaii, regarding the authorization of the political subdivision of the Territory of Hawaii to cooperate with the Hawaii Housing Authority and the United States; to the Committee on the Territories.

Also, memorial of the Legislature of the Territory of Hawaii, requesting the authorization of the city and county of Honolulu in flood-control projects; to the Committee on the Territories.

Also, memorial of the Legislature of the Territory of Hawaii, regarding the authorization of eminent domain to acquire property for housing projects; to the Committee on the Territories.

Also, memorial of the Legislature of the Territory of Hawaii, regarding financial aid for the segregation of lepers in Hawaii; to the Committee on the Territories.

Also, memorial of the Legislature of the Territory of Hawaii, regarding the authorization of the Legislature of Hawaii to issue certain bonds; to the Committee on the Territories.

Also, memorial of the Legislature of the Territory of Hawaii, regarding the issuance of certificates of citizenship to certain citizens of Hawaii; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York: A bill (H. R. 8390) for the relief of the Eberhart Steel Products Co., Inc.; to the Committee on Claims.

By Mr. KOPPLEMANN: A bill (H. R. 8391) for the relief of Frederick Bumbard; to the Committee on Military Affairs.

By Mr. MASON: A bill (H. R. 8392) granting a pension to Izuma Shipley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8393) granting a pension to Carrie Isabel Shipley; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 8394) for the relief of Ernest E. Morris; to the Committee on Military Affairs.

By Mr. SANDLIN: A bill (H. R. 8395) for the relief of Charles P. Engelhardt; to the Committee on Military Affairs.

By Mr. STACK: A bill (H. R. 8396) for the relief of Harry E. Barry; to the Committee on Military Affairs.

By Mr. PARSONS: Joint resolution (H. J. Res. 312) authorizing the President of the United States to present the Distinguished Service Medal to Frederick H. Morlan; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8739. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, relative to termination of the National Industrial Recovery Act; to the Committee on Ways and Means.

8740. Also, resolution of the Philadelphia Board of Trade, urging amendments to Federal statutes to better protect the citizens of this country against subversive activities, etc.; to the Committee on the Judiciary.

8741. By Mr. DRISCOLL: Petition of business men and manufacturers of Elk County, Pa., giving definite objections to provisions of the labor-relations bill, introduced by Senator WAGNER; to the Committee on Labor.

8742. By Mr. JOHNSON of Texas: Petition of Sidney Marks, of Corsicana, and J. W. Martin, president Martin McDonald Co., Hillsboro, State of Texas, favoring Flannagan amendment to the Agricultural Act; to the Committee on Agriculture.

8743. By Mr. KEE: Petition of H. C. Lewis and other citizens of Bluefield, W. Va., urging the Congress of the United States of America to eliminate the taxation of gasoline by the Federal Government; to the Committee on Ways and Means.

8744. Also, petition of R. Bruce Cooke and other citizens of Iaeger, W. Va., urging the Congress of the United States of America to eliminate the taxation of gasoline by the Federal Government; to the Committee on Ways and Means.

8745. By Mrs. ROGERS of Massachusetts: Petition of the General Court of the State of Massachusetts, memorializing the President and Congress in behalf of the watch industry and the persons employed therein; to the Committee on Ways and Means.

8746. Also, petition of the General Court of Massachusetts, relative to the use of granite in the construction of public buildings; to the Committee on Public Buildings and Grounds.

8747. By Mr. TRUAX: Petition of the Thirty-second Ward Townsend Club, Cleveland, Ohio, by their secretary, Della C. West-Miller, and signed by numerous other members, requesting favorable action on the Townsend (McGroarty) plan; to the Committee on Ways and Means.

8748. Also, petition of Local Union 2190, Mine Workers of Amesville, Ohio, urging support of and favorable action on the Guffey bill, which will give miners better working conditions; to the Committee on Labor.

8749. Also, petition of the Taxi Drivers' Union, Local No. 494, Toledo, Ohio, by their secretary, L. J. Linehan, urging support of House bills 5450, 6124, 6368, and 6672, as they believe these bills should be passed for the benefits that the public and the tobacco workers will receive; to the Committee on Ways and Means.

8750. Also, petition of Local Union No. 7, Painters, Decorators, and Paperhangers of America, Toledo, Ohio, by their recording secretary, C. E. Thomas, urging support of House bills 5450, 6124, 6368, and 6672; to the Committee on Ways and Means.

8751. Also, petition of Tobacco Workers' International Union of Louisville, Ky., by their recording secretary, James S. Allen, urging that the 10-cent cigarette be taxed $2.70 per thousand and the 15-cent cigarette and other higher-priced ones be taxed $3 per thousand; to the Committee on Ways and Means.

8752. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, memorializing Congress relative to the use of granite in the construction of public buildings; to the Committee on Public Buildings and Grounds.

8753. Also, petition of the General Court of Massachusetts, memorializing the President and Congress of the United States in behalf of the watch industry and the persons employed therein; to the Committee on Ways and Means.

8754. By the SPEAKER: Petition of the Switchmen's Union of North America; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, JUNE 7, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, June 6, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Pittman
Ashurst	Coolidge	King	Pope
Austin	Costigan	La Follette	Radcliffe
Bachman	Couzens	Lewis	Reynolds
Bailey	Dickinson	Lonergan	Russell
Bankhead	Dieterich	McAdoo	Schall
Barbour	Donahey	McCarran	Schwellenbach
Barkley	Duffy	McGill	Sheppard
Black	Fletcher	McKellar	Shipstead
Bone	Frazier	McNary	Steiwer
Borah	George	Maloney	Thomas, Okla.
Brown	Gerry	Metcalf	Thomas, Utah
Bulkley	Gibson	Minton	Townsend
Bulow	Glass	Moore	Trammell
Burke	Gore	Murphy	Tydings
Byrd	Guffey	Murray	Vandenberg
Byrnes	Hale	Neely	Wagner
Capper	Harrison	Norbeck	Walsh
Caraway	Hastings	Norris	Wheeler
Carey	Hatch	Nye	White
Chavez	Hayden	O'Mahoney	
Clark	Johnson	Overton	

Mr. LEWIS. I wish to announce that the Senator from Mississippi [Mr. BILBO], the Senator from Louisiana [Mr. LONG], the Senator from Missouri [Mr. TRUMAN], the Senator from Indiana [Mr. VAN NUYS], the Senator from Arkansas [Mr. ROBINSON], the Senator from South Carolina [Mr. SMITH], the Senator from Kentucky [Mr. LOGAN], and the Senator from New York [Mr. COPELAND] are unavoidably detained from the Senate. I request that the announcement stand in the RECORD for the day.

Mr. AUSTIN. I wish to announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES—REPRINT OF SPEECH BY SENATOR NORRIS

Mr. BARKLEY. Mr. President, the Senate will recall that a few days ago, following the address of the Senator from Nebraska [Mr. NORRIS], he called attention to the fact that, for some reason, the charts referred to by him in the address were not printed in the RECORD with his speech. I ask unanimous consent that the address delivered by the Senator from Nebraska be printed at this point in the body of the RECORD to include the charts to which he referred.

The VICE PRESIDENT. Is there objection?

Mr. NORRIS. Mr. President, I think the Senator ought not to ask unanimous consent to print the speech "at this point", because I understand from the printing clerk that the charts are not as yet ready. If the Senator will modify his request so that the speech shall be reprinted as soon as the charts are ready, I think it would be better.

Mr. BARKLEY. I want the address printed at the beginning of the day's proceedings, whenever it is printed, and I modify my request to the extent as suggested by the Senator from Nebraska.

Mr. NORRIS. That will be better.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy, and for other purposes.

The message also announced that the House had passed the bill (S. 1305) to further extend relief to water users on United States reclamation projects and on Indian irrigation projects, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a bill (H. R. 6768) to authorize the Secretary of War to lend War Department equipment for use at the Seventeenth National Convention of the American Legion at St. Louis, Mo., during the month of September 1935, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 26) accepting the statue of Hannibal Hamlin, presented by the State of Maine, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 581. An act for the relief of Harold E. Seavey;

S. 1474. An act for the relief of Paul H. Creswell; and

S. J. Res. 92. Joint resolution making final disposition of records, files, and other property of the Federal Aviation Commission.

ADDITIONAL CADETS AT MILITARY ACADEMY—CONFERENCE REPORT

Mr. SHEPPARD. I submit the conference report on Senate bill 2105, providing for an increased number of cadets at the United States Military Academy at West Point, and ask unanimous consent for its immediate consideration. It will take only a minute.

The VICE PRESIDENT. The report will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 3.

That the Senate recede from its disagreement to the amendment of the House numbered 1; and agree to the same.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment, as follows: At the end of said amendment insert the following: ", and three of whom shall be selected from persons recommended by the Vice President,"; and the House agree to the same.

That the Senate recede from its disagreement to the House amendment to the title of the said bill, and agree to the same.

MORRIS SHEPPARD,
DUNCAN U. FLETCHER,
ROBERT D. CAREY,
Managers on the part of the Senate.

JOHN J. MCSWAIN,
LISTER HILL,
HARRY C. RANSLEY,
Managers on the part of the House.

The VICE PRESIDENT. Is there objection to the consideration of the report?

There being no objection, the report was considered and agreed to.

ACTS OF THE LEGISLATURE OF TERRITORY OF HAWAII

The VICE PRESIDENT laid before the Senate copies of certain acts of the Legislature of the Territory of Hawaii, which were referred to the Committee on Territories and Insular Affairs, as follows:

No. 118. An act to authorize the United States of America, corporate agencies of the United States, corporations authorized to expend Federal funds, and corporations receiving aid from the United States or any agency or instrumentality thereof, to exercise the power of eminent domain to acquire property for housing projects, and for other purposes;

No. 163. An act authorizing flood-control projects and undertakings by the city and county of Honolulu, and the

issuance of bonds or other obligations in connection therewith;

No. 173. An act to authorize the Territory of Hawaii, its political subdivisions and agencies to cooperate with the Hawaii Housing Authority and the United States of America and any agency or instrumentality thereof, by rendering services, conveying or leasing property, and providing for streets, roads, and other facilities, and for other purposes; and

No. 174. An act providing for the acquisition, purchase, construction, reconstruction, improvement, betterment, extension, operation, and maintenance of revenue-producing undertakings by any municipality or other political subdivision in the Territory of Hawaii, authorizing and regulating the issuance of revenue bonds for financing such undertakings; and providing for the payment of such bonds and the rights of holders thereof.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate five joint resolutions of the Legislature of the Territory of Hawaii, which were referred to the Committee on Territories and Insular Affairs, as follows:

Joint resolution requesting the Congress of the United States of America to pass legislation enabling the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes

Whereas it is the desire of the Territory of Hawaii and its political subdivisions to cooperate in every way possible with the Federal administration in restoring prosperity by providing work to transfer citizens from relief rolls to regular pay rolls; and

Whereas there are numerous public improvements throughout the Territory which await only the necessary means of financing; and

Whereas the city and county of Honolulu has a flood-control problem which has existed for years, which records reveal has caused damages amounting to millions of dollars, as well as danger to the health of the inhabitants of the community: Now, therefore,

Be it enacted by the Legislature of the Territory of Hawaii—

SECTION 1. That the Congress of the United States of America be, and it hereby is, requested, through the Delegate to Congress from the Territory of Hawaii to enact legislation which will allow the floating of bonds to meet the local share of the cost of permanent improvements to be constructed in cooperation with the recovery program of the Federal Government, and to that end the Congress of the United States of America is hereby requested and urged, through said Delegate to Congress, to adopt a bill in substantially the following words, to wit:

"A bill to empower the Legislature of the Territory of Hawaii to authorize the issuance of revenue bonds, to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes

"*Be it enacted, etc.,*

"SECTION 1. The Legislature of the Territory of Hawaii may cause to be issued on behalf of the Territory, and may authorize any political or municipal corporation or subdivision of the Territory to issue on its own behalf, bonds and other obligations payable solely from the revenues derived from a public improvement or public undertaking (which revenues may include transfers by agreement or otherwise from the regular funds of the issuer in respect of the use by it of the facilities afforded by such improvement or undertaking). The issuance of such revenue bonds shall not constitute the incurrence of an indebtedness within the meaning of section 55 of the act of April 30, 1900, entitled 'An act to provide a government for the Territory of Hawaii', as amended, and shall not require the approval of the President of the United States.

"SEC. 2. The Legislature of the Territory of Hawaii may authorize the city and county of Honolulu to issue its general obligation bonds for the purpose of financing projects for the prevention and control of floods, in a total amount of not to exceed $1,200,000, notwithstanding the existing limitation of indebtedness contained in section 55 of the act of April 30, 1900, entitled 'An act to provide a government for the Territory of Hawaii', as amended.

"SEC. 3. This act shall take effect immediately. All acts of the Legislature of Hawaii heretofore authorizing the issuance of revenue bonds on behalf of the Territory or by any political or municipal corporation or subdivision thereof, or authorizing the city and county of Honolulu to issue bonds for the control of any protection against floods, are hereby approved, ratified, and confirmed."

Joint resolution requesting Congress to amend section 202 of the Hawaiian Homes Commission Act relating to the membership of the Commission and the appointment of officers

Be it enacted by the Legislature of the Territory of Hawaii—

SECTION 1. The Congress of the United States is hereby requested to amend section 202 of the Hawaiian Homes Commission Act (being sec. 1661 of the Revised Laws of Hawaii, 1935), so that it will read as follows:

"Commission, members, officers, compensation: (a) There is hereby established a commission to be known as the 'Hawaiian Homes Commission' and to be composed of five members. The members shall be appointed by the Governor, and may be removed in the same manner provided by section 80 of the organic act. All of the members shall have been residents of the Territory of Hawaii at least 3 years prior to their appointment, and at least three of the members shall be a descendant of not less than one-fourth part of the blood of the races inhabiting the Hawaiian Islands previous to 1778.

"(b) Any vacancy in the office of an appointed member shall be filled in the same manner and under the limitations of this act.

"(c) One of the members shall be designated by the Governor as chairman. An executive officer and such clerical assistants as may be necessary shall be appointed by the Commission to serve at its pleasure. The executive officer shall receive an annual salary not to exceed $6,000 and shall reside habitually at the major Hawaiian homes settlement. Clerical assistants shall be paid in accordance with Territorial practices for such services. The members of the Commission shall serve without pay, but shall receive actual expenses incurred by them in the discharge of their duties as such members. Of the originally appointed members, 1 shall be appointed for a term of 1 year, 1 for a term of 2 years, 1 for a term of 3 years, 1 for a term of 4 years, and 1 for a term of 5 years. Their successors shall hold office for terms of 5 years, except that any member appointed to fill a vacancy shall be appointed only for the unexpired term of the member whom he succeeds. A member may also be removed by the Governor for cause after due notice and public hearing."

SEC. 2. The Congress of the United States is hereby requested to further amend the Hawaiian Homes Commission Act by adding a new section thereto to read as follows:

"The Secretary of the Interior shall designate from his Department some one experienced in sanitation, rehabilitation, and reclamation work to reside in the Territory of Hawaii and cooperate with the Commission in carrying out its duties. The salary of such official so designated by the Secretary of the Interior shall be paid by the Hawaiian Homes Commission while he is carrying on his duties in the Territory of Hawaii, which salary, however, shall not exceed the sum of $6,000 per annum."

SEC. 3. This joint resolution shall, upon its approval, be forwarded to the President of the United States, to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to the Delegate to Congress from the Territory of Hawaii.

Joint resolution memorializing the Congress of the United States of America to provide for the issuance, by the Bureau of Immigration of the Department of Labor, of certificates of citizenship to all persons residing in the Territory of Hawaii who are citizens of the United States and who apply for such certificates and present due proof of such citizenship, and to provide for the appointment of a commission to present this resolution before the Congress of the United States, and to make available to the said commission an appropriation to defray its expenses

Whereas through the cooperation of the Bureau of Immigration of the Department of Labor of the United States provision has been made by said Bureau for the issuance, to citizens of the United States in the Territory of Hawaii who are about to travel to continental United States and/or to other portions of the world, of certificates of citizenship for the purpose of facilitating travel by such persons; and

Whereas such action on the part of said Bureau has been and is greatly appreciated by the people of the Territory of Hawaii and has assisted and is assisting in alleviating the hardships heretofore imposed upon citizens of the Territory of Hawaii and of the United States, particularly those of oriental ancestry, in traveling to other portions of the United States and of the world; but

Whereas such certificates are not issued unless and until applicants therefor contemplate traveling to other portions of the United States or the world within the near future, and persons who do not so contemplate such travel are unable to secure such certificates, and there is danger, in the case of citizens not contemplating such travel, that the necessary proof of their birth in the Hawaiian Islands or other facts necessary to establish their citizenship in the United States will be lost by death or removal from the Territory of Hawaii of witnesses who can testify to such facts or otherwise; and

Whereas due to the large number of persons of oriental or polynesian ancestry in the Hawaiian Islands born therein or otherwise entitled to citizenship in the United States and to the historical background of said islands, the conditions in said islands relating to the necessity for the certification of the citizenship of such persons are unique and require special treatment due to their unusual character; and

Whereas the certification of the citizenship of such persons, upon due application and proof being made therefor, regardless of the presence or absence of intention on the part of such persons to travel in the immediate future, is a matter of vital importance to the young citizens, particularly those of oriental ancestry, in the Territory of Hawaii, and if provided for will tend to produce greater security and satisfaction in such citizenship and will tend to create better and more loyal citizens of the United States: Now therefore

Be it enacted by the Legislature of the Territory of Hawaii—

SECTION 1. That the Congress of the United States of America be, and it hereby is, urgently requested to provide, by appropriate and adequate legislation, for the certification of the citizenship of all persons residing in the Territory of Hawaii who are citizens of the United States and who apply for such certification to the Bureau of Immigration of the Department of Labor of the United States and furnish due proof of such citizenship, regardless of the presence or absence of any intention on the part of such applicants to travel in the immediate future; and providing that the possession by an applicant of certificates of Hawaiian birth, duly issued by the proper territorial officials pursuant to law, shall be prima facie evidence of such citizenship.

SEC. 2. That duly authenticated copies of this joint resolution be transmitted to the Delegate to Congress from Hawaii, the Secretary of the Interior and the Secretary of Labor of the United States, and each of the two Houses of the Congress of the United States of America.

SEC. 3. That the Governor be, and he is hereby, authorized to appoint a commission composed of three members to proceed to Washington, D. C., to present this resolution to, and to work toward its enactment into law by, the Congress of the United States of America, if deemed advisable.

SEC. 4. That the sum of $10,000 be, and is hereby, appropriated out of the general revenues of the Territory of Hawaii to defray the expenses of the said commission.

Joint resolution requesting the Congress of the United States to enact legislation to authorize the Legislature of the Territory of Hawaii to provide for the issuance of certain bonds

Be it enacted by the Legislature of the Territory of Hawaii—

SECTION 1. The Congress of the United States is hereby respectfully requested to authorize the issuance of bonds in the amounts, of the character, and for the general purposes set forth in the proposed form of the bill hereinafter set out, and to that end, Congress is respectfully requested to enact a bill in substantially the following words and figures, to wit:

"A bill to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for other purposes

"Be it enacted by the Senate and House of Representatives of the United States in Congress assembled—

"SECTION 1. The Legislature of the Territory of Hawaii may cause to be issued on behalf of the Territory and may authorize any political or municipal corporation or subdivision of the Territory (including the board of water supply of the city and county of Honolulu, and the board of harbor commissioners) to issue of its own behalf bonds and other obligations payable solely from the revenues derived from a public improvement or public undertaking (which revenues may include transfers by agreement or otherwise from the regular funds of the issuer in respect of the use by it of the facilities afforded by such improvement or undertaking). The issuance of such revenue bonds shall not constitute the incurrence of an indebtedness within the meaning of the Hawaiian Organic Act, and shall not require the approval of the President of the United States.

"All acts of the Legislature of Hawaii heretofore authorizing the issuance of revenue bonds on behalf of the Territory or by any political or municipal corporation or subdivision thereof are hereby confirmed and ratified.

"SEC. 2. That the Territory of Hawaii, any provision of the Hawaiian Organic Act or of any act of this Congress to the contrary notwithstanding, is authorized and empowered to issue bonds in the sum of not to exceed $4,803,000 of the character and in the manner provided in that certain act of the legislature of said Territory, enacted at its regular session of 1935, entitled: 'An act to provide for public improvements and for the securing of Federal funds for expenditure in connection with funds hereby appropriated for such improvements.'

"Such bonds may be either term or serial bonds, maturing, in the case of term bonds, not later than 30 years from the date of issue thereof, and, in the case of serial bonds, payable in substantially equal annual installments, the first installment to mature not later than 5 years, and the last installment to mature not later than 30 years, from the date of such issue. And said act of said legislature is hereby ratified and confirmed, subject to the provisions of this act: *Provided, however,* That nothing herein contained shall be deemed to prohibit the amendment of said act of said Territory by the legislature thereof from time to time to provide for changes in the improvements authorized by said act or for the disposition of unexpended moneys appropriated by said act, and that said bonds may be issued without the approval of the President of the United States.

"SEC. 3. This act shall take effect immediately."

SEC. 2. That certified copies of this joint resolution be forwarded to the Secretary of the Interior, the Delegate to Congress from Hawaii, and to both Houses of the Congress of the United States of America.

Joint resolution requesting the Congress of the United States of America to provide financial assistance to the Territory of Hawaii for the segregation, care, maintenance, and treatment therein of persons afflicted or suspected of being afflicted with leprosy

Whereas ever since its inception the Territory of Hawaii has expended yearly large sums of money in the segregation, care, maintenance, and treatment of persons afflicted or suspected of being afflicted with leprosy and in efforts to eradicate said disease; and

Whereas by the act of Congress of March 3, 1905 (33 Stat. L. 1009), an appropriation was made by the United States for the establishment of a hospital station and laboratory of the Public Health and Marine Hospital Service of the United States for the study of the methods of transmission, cause, and treatment of leprosy at Kalawao, island of Molokai, in said Territory, for the purpose of assisting said Territory in the segregation, care, and treatment of leprous persons and the eradication of said disease, such appropriation being upon condition that the Territory deed to the United States in perpetuity certain lands as a site for such hospital station and laboratory; and

Whereas by proclamation of the Governor of said Territory, dated June 28, 1905, the Territory, pursuant to the requirements of said act of Congress of March 3, 1905, transferred in perpetuity to the United States certain lands at said Kalawao containing an aggregate area of 640 acres, for use by the Public Health and Marine Hospital Service of the United States for the purposes stated in said act of Congress of March 3, 1905; and

Whereas said Public Health and Marine Hospital Service proceeded to erect buildings and improvements upon said lands for said purposes but soon found it impracticable to maintain a separate institution thereat for the care and treatment of leprous persons and in some years abandoned the same, and said lands theretofore conveyed to the United States and all improvements thereon were finally, by quitclaim deed of the Secretary of the Treasury of the United States, pursuant to an act of Congress approved September 21, 1922 (42 Stat. L. 995), reconveyed to said Territory to be administered at its own expense; and

Whereas said Territory has, therefore, borne the entire burden of segregating, treating, and caring for leprous persons in its jurisdiction up to the present time except for a station at Kalihi Receiving Hospital, at Honolulu, known as the "United States Leprosy Investigation Station", administered by the United States Public Health Service; and

Whereas by the act of Congress of February 3, 1917 (39 Stat. L. 872), the United States Public Health Service was authorized to establish a Federal home for the care and treatment of all leprous persons in the United States who should present themselves for treatment thereat and of any leprous persons who might be consigned thereto by the proper health authorities of any State, Territory, or the District of Columbia, to be treated and cared for at the expense of the United States; and

Whereas pursuant to said last-mentioned act, a home for the care and treatment of persons afflicted with leprosy was established at Carville in the State of Louisiana and has ever since been maintained thereat by the United States Public Health Service at the expense of the United States and said United States Public Health Service has received and maintained and treated thereat leprous persons from various States and Territories but has never been called upon by the Territory of Hawaii to receive, maintain, or treat thereat leprous patients from said Territory; and

Whereas the expense of segregating, treating, and caring for leprous persons has constituted and still constitutes a heavy burden upon the people and limited resources of the Territory of Hawaii so that said Territory has been and is unable to undertake the most effective and modern program possible for the treatment of such persons and the eradication of said disease; and

Whereas the Territory, by treating and caring for all leprous persons therein, has saved and is saving to the Government of the United States the expense of transporting to and treating and maintaining at said Carville all of said leprous persons, liability for which the Territory is authorized to transfer to said United States Government under the provisions of said act of Congress of February 3, 1917; and

Whereas since annexation Hawaii has expended in excess of $8,500,000 in caring for its leprous patients, and said Territory is still desirous, insofar as its resources permit, to continue to segregate, treat, and care for its own citizens or residents afflicted or suspected of being afflicted with said disease but is in need of financial assistance in order adequately to do so; and

Whereas following the adoption of Joint Resolution No. 8 of the regular session of 1931 of the legislature of the Territory, approved April 18, 1931, and the adoption of Joint Resolution No. 1 of the second special session of 1932 of said legislature, approved April 26, 1932, requesting the Congress of the United States to provide financial assistance to the Territory for the segregation, care, maintenance, and treatment of leprous persons, said Congress adopted Public Resolution No. 38, Seventy-second Congress, approved July 15, 1932, authorizing the Surgeon General of the United States Public Health Service to make a survey as to the existing facilities for the protection of the public health in the care and treatment of leprous persons in the Territory of Hawaii, and for other purposes; and

Whereas, pursuant to said last-mentioned resolution, the Surgeon General of the United States Public Health Service did cause such survey to be made, and reported his findings thereon to the Seventy-second Congress at its second session, said report having been printed as House Document No. 470, Seventy-second Congress, second session, and said report finding, among other things: (a) That the care and treatment of leprous persons in Hawaii has conformed for many years to an enlightened policy, and that the provisions made by the Territory for these unfortunates are commendable; (b) that the Surgeon General did not recommend a departure from the established policy of the Federal Government of requiring consignment to it by the local governments of leprous patients for

care and treatment, but that "there would not be sufficient facilities at the leper home at Carville, La., to accommodate all lepers whom the Territorial authorities might wish to consign for care and treatment; nor would it be advisable to transport lepers from Hawaii in any considerable numbers to the leper home in the continental United States"; and

Whereas it is the belief of the people of said Territory that, notwithstanding the recommendation made in said report as to continuation of the Federal policy hereinabove mentioned, it is for the best interests of leprous persons in said Territory that the present methods of treatment by Territorial authorities be continued, with, however, such financial assistance from the Federal Government as will enable the Territory to undertake and maintain the most effective and modern program possible for the treatment of such persons and the eradication of said disease: Now, therefore, be it

Enacted by the Legislature of the Territory of Hawaii, That the Congress of the United States of America be, and it hereby is, requested to provide for adequate financial assistance to the Territory of Hawaii by the United States Government to enable said Territory properly and adequately to continue to segregate, treat, and care for leprous persons therein, and to continue its efforts to stamp out said disease; and to that end the said Congress is hereby requested to provide for the payment yearly to said Territory of a per diem for each person afflicted or suspected of being afflicted with leprosy cared for by said Territory during such year equal to one-third of the per diem expended by the United States Public Health Service in the care and treatment of each patient at said home for the care and treatment of leprous persons at Carville aforesaid, and to enact into law a bill in substantially the following words and figures, to wit:

"A bill to provide Federal aid for the Territory of Hawaii in the segregation, care, maintenance, and treatment of persons afflicted or suspected of being afflicted with leprosy therein, and in the eradication of said disease

"*Be it enacted, etc.,*

"SECTION 1. That the Secretary of the Treasury shall, as soon as may be after the 1st day of July of each year, commencing with and following the year 1935, pay to the treasurer of the Territory of Hawaii, out of any money in the Treasury not otherwise appropriated, a sum of money equal to one-third of the average amount expended per patient per diem during the preceding fiscal year by the United States Public Health Service at Carville, in the State of Louisiana, in the care and treatment of leprous persons, multiplied by the product of (1) the average number per day of persons, excluding veterans for whom the United States makes contributions to the Territory, afflicted or suspected of being afflicted with leprosy cared for in leprosariums or hospitals maintained by said Territory for such purposes during such preceding fiscal year; and (2) the number of days in such preceding fiscal year. All amounts so paid shall be deposited by the Territorial Treasurer in a special fund and shall be expended in such manner as may be directed from time to time by the legislature of the Territory in the segregation, care, maintenance, and treatment of persons in said Territory afflicted or suspected of being afflicted with leprosy, and for the construction, repair, maintenance, improvement, furnishing, and equipping of leprosariums, hospitals, and other facilities for the care, maintenance, and treatment of such persons.

"SEC. 2. The Governor of said Territory shall, as soon as may be after the end of each fiscal year, submit to the Secretary of the Treasury a detailed statement showing the number of persons, excluding veterans for whom the United States makes contributions to the Territory, afflicted or suspected of being afflicted with leprosy cared for during each day of such year in any leprosariums or hospitals maintained for such purposes by said Territory and the average number of such persons so cared for per day during such year.

"The United States Public Health Service shall also submit to the Secretary of the Treasury, as soon as may be after the end of each fiscal year, a statement showing, in such detail as the Secretary of the Treasury may require, the average amount per patient per diem expended at Carville in the care and treatment of leprous persons as aforesaid.

"The Secretary of the Treasury may also require the Governor of said Territory and the United States Public Health Service to furnish such further pertinent information as he shall deem necessary for the purpose of determining the amounts payable to said Territory from time to time under this act.

"SEC. 3. This act shall take effect upon its approval."

REPORTS OF COMMITTEES

Mr. MURRAY, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 2073. A bill to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes (Rept. No. 828); and

S. 2074. A bill to create a National Park Trust Fund Board, and for other purposes (Rept. No. 829).

Mr. WHITE, from the Committee on Claims, to which was referred the bill (S. 2140) for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey, reported it with an amendment and submitted a report (No. 830) thereon.

Mr. BYRD, from the Committee on Naval Affairs, to which was referred the bill (S. 1730) for the relief of the Richmond, Fredericksburg & Potomac Railroad Co., reported it without amendment and submitted a report (No. 831) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 144. A bill for the relief of Austin L. Tierney (Rept. No. 832); and

S. 2845. A bill to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the Postgraduate School, United States Naval Academy (Rept. No. 833).

Mr. TRAMMELL also, from the Committee on Naval Affairs, to which was referred the bill (H. R. 4764) for the relief of the officers and men of the United States Naval and Marine Corps Reserves who performed flights in naval aircraft in connection with the search for victims and wreckage of the United States dirigible *Akron*, reported it without amendment and submitted a report (No. 834) thereon.

Mr. GERRY, from the Committee on Naval Affairs, to which was referred the bill (H. R. 5382) to provide for advancement by selection in the Staff Corps of the Navy to the ranks of lieutenant commander and lieutenant, to amend the act entitled "An act to provide for the equalization of promotion of officers of the staff corps of the Navy with officers of the line" (44 Stat. 717; U. S. C., Supp. VII, title 34, secs. 348 to 348t), and for other purposes, reported it without amendment and submitted a report (No. 838) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 1893) to restore to the public domain portions of the Jordan Narrows (Utah) Military Reservation, reported it with an amendment and submitted a report (No. 835) thereon.

Mr. KING, from the Committee on Immigration, to which was referred the bill (S. 379) to provide for the deportation of certain alien seamen, and for other purposes, reported it without amendment and submitted a report (No. 836) thereon.

Mr. NORBECK, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 142) providing for the continuance of the wildlife restoration program and other conservation projects, reported it with amendments and submitted a report (No. 837) thereon.

GOVERNMENT OF THE VIRGIN ISLANDS—LIMIT OF EXPENDITURES

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably Senate Resolution 148, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 148) reported by Mr. TYDINGS on June 4, 1935, from the Committee on Territories and Insular Affairs, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the committee appointed pursuant to Senate Resolution No. 98, Seventy-fourth Congress, first session, agreed to April 1, 1935, in addition to the authority conferred upon it by said resolution, shall have authority to make a full and complete investigation of the system of taxation in the Virgin Islands, and the limit of expenditures under said resolution is hereby increased by $10,000.

AIRPLANE ACCIDENTS IN INTERSTATE AIR COMMERCE

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably Senate Resolution 146, and ask for its consideration at this time.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 146), submitted by Mr. HATCH and Mr. JOHNSON jointly on May 31,

1935, and it was considered by unanimous consent and agreed to, as follows:

Whereas an airplane owned by Transcontinental Western Air, Inc., while engaged in interstate commerce, was wrecked near Macon, in the State of Missouri, on the 6th day of May 1935, resulting in the death of five persons, among whom was an honored Member of this body, Hon. Bronson M. Cutting; and

Whereas it is imperative that life and property transported through interstate air commerce should be accorded the greatest degree of safety obtainable through the use of every reasonable safeguard; and

Whereas it is essential, in order to protect life and property in transportation through the air, that a thorough and searching inquiry should be made into the causes of the wreck referred to and into the efforts, if any, for the prevention of accidents of like character, and the safeguards, if any, provided both by the companies engaged in interstate air commerce and the precautions and safeguards, if any, required by governmental agencies; and

Whereas such investigation and the knowledge to be derived therefrom are necessary to enable the Congress to adopt legislation for the protection of life and property by air transportation: Therefore be it

Resolved, That the Committee on Commerce, or a subcommittee thereof, be, and it is hereby, authorized and directed to investigate fully and thoroughly the said wreck of the airplane owned by Transcontinental Western Air, Inc., which occurred on the 6th day of May 1935 near Macon, in the State of Missouri, and any other accidents or wrecks of airplanes engaged in interstate air commerce in which lives have been lost; and to investigate fully and thoroughly interstate air commerce, the precautions and safeguards provided therein, both by those engaged in such interstate air transportation and by officials or departments of the United States Government; and to investigate fully and thoroughly the activities of those intrusted by the Government with the protection of property and life by air transportation, and the degree, adequacy, and efficiency of supervision by any agency of Government, including inspection and frequency thereof, and to take testimony in all aspects in relation to any of the matters herein indicated and in relation to any subject related thereto.

Resolved further, That the said Committee on Commerce, or the subcommittee appointed for the purpose, shall determine what legislation, if any, shall be adopted in the interest of safety of life and property transported in interstate air commerce, and what legislation, if any, shall be adopted to prevent accidents in the air and to provide appropriate safeguards for their prevention; be it further

Resolved, That for the purposes of this resolution such committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, sit, and act at such times and places during the sessions or recesses of the Senate during the Seventy-fourth and succeeding Congresses until a final report is submitted; to employ such counsel, experts, clerical, stenographic, and other assistance; and to require, by subpena or otherwise, the attendance of witnesses, the production of books, papers, and documents; to administer oaths, take testimony, and make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee, not to exceed the sum of ——, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

EXPENSES OF SPECIAL COMMITTEE ON INVESTIGATION OF THE MUNITIONS INDUSTRY

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably, with amendments, Senate Resolution 129, and ask for its present consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 129) reported from the Special Committee on Investigation of the Munitions Industry, by Mr. NYE, on the calendar day of May 3, 1935.

The amendments of the Committee to Audit and Control the Contingent Expenses of the Senate were, on page 1, line 5, after the word "Senate", to strike out "$45,000" and insert "$25,000", and on page 1, line 6, after the word "expended", to strike out "for the purposes set forth" and insert "to complete the investigation authorized", so as to make the resolution read:

Resolved, That the special commitee appointed by the Vice President, under authority of Senate Resolution 206, agreed to on April 12, 1934, to investigate the munitions industry, hereby is authorized to expend from the contingent fund of the Senate $25,000 in addition to the amount heretofore authorized to be expended to complete the investigation authorized in said resolution.

The amendments were agreed to.

The resolution, as amended, was agreed to.

RECEIVERSHIP AND BANKRUPTCY PROCEEDINGS

Mr. BYRNES. From the same committee, I report back favorably, with an amendment, Senate Resolution 97, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 97) submitted by Mr. MCADOO on the calendar day of March 7, 1935.

The amendment of the Committee to Audit and Control the Contingent Expenses of the Senate was, on page 1, line 8, after the words "sum of", to strike out "$25,000" and insert "$10,000", so as to make the resolution read:

Resolved, That the special committee authorized by Resolution No. 78, Seventy-third Congress, to make an investigation of the administration of receivership and bankruptcy proceedings in the courts of the United States, and other matters pertaining thereto, and continued in full force and effect by Resolution No. 72, Seventy-fourth Congress, hereby is authorized to expend from the contingent fund of the Senate the sum of $10,000 in addition to the amount heretofore authorized for said purpose.

The amendment was agreed to.

The resolution, as amended, was agreed to.

ASSISTANT CLERK TO COMMITTEE ON EDUCATION AND LABOR

Mr. BYRNES. From the same committee I report back favorably, with an amendment, Senate Resolution 46, and ask for its consideration at this time.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 46) submitted by Mr. WALSH on January 14, 1935.

The amendment of the Committee to Audit and Control the Contingent Expenses of the Senate was, on page 1, line 2, after the words "for the", to strike out "remainder of the session of the Senate" and insert "duration of the Seventy-fourth Congress", so as to make the resolution read:

Resolved, That the Committee on Education and Labor hereby is authorized to employ for the duration of the Seventy-fourth Congress an assistant clerk, to be paid from the contingent fund of the Senate at the rate of $2,000 per annum.

The amendment was agreed to.

The resolution, as amended, was agreed to.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MCNARY:

A bill (S. 3013) to add lands to the Rogue River National Forest, Oreg.; to the Committee on Agriculture and Forestry.

By Mr. DICKINSON:

A bill (S. 3014) for the relief of J. P. Harris; to the Committee on Claims.

HOUSE BILL REFERRED

The bill (H. R. 6768) to authorize the Secretary of War to lend War Department equipment for use at the Seventeenth National Convention of the American Legion at St. Louis, Mo., during the month of September 1935, was read twice by its title and referred to the Committee on Military Affairs.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES—AMENDMENTS

Mr. NORBECK and Mr. BONE each submitted an amendment, Mr. GORE submitted two amendments, and Mr. MCKELLAR submitted eight amendments intended to be proposed by them, respectively, to the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, which were severally ordered to lie on the table and to be printed.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

ACCEPTANCE OF STATUE OF HANNIBAL HAMLIN

The PRESIDING OFFICER (Mr. VANDENBERG in the chair) laid before the Senate House Concurrent Resolution 26, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the statue of Hannibal Hamlin, presented by the State of Maine, now in Statuary Hall, is accepted in the name of the United States, and that the thanks of Congress be tendered the State for the contribution of the statue of one of its most eminent citizens, illustrious for his distinguished service to the country; and be it further

Resolved, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of Maine.

Mr. HALE. I ask unanimous consent for the present consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

ADDRESS BY SENATOR LOGAN AT COMMENCEMENT EXERCISES OF GEORGETOWN (KY.) COLLEGE

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by my colleague [Mr. LOGAN] on June 5 at the commencement exercises of Georgetown College, Georgetown, Ky.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Whoever passes from behind the curtain onto the stage of life in this period of the world's history should be happy and prepared to take part in the most perplexing questions that have confronted any age. There are burdens to carry, problems to solve, foundations to build, and a civilization to be saved.

It is no meaningless platitude to say that there must be a renaissance. Life has become so complex that there must be solutions that will enable men to live with each other in happiness.

Those who have completed college should be, and I think are, prepared to assume leadership in this new day, and upon that leadership depends the peace, prosperity, and happiness of the world. You may conclude that what I shall say signifies a gloomy future, but it is important to know the truth. If your generation does not establish a new basis for society, we have reached the zenith of civilization and it will decline, as the civilizations which receded into oblivion in previous ages.

I have been a fair student of history and I may claim to be reasonably familiar with the history of all nations—those of antiquity, the Middle Ages, and of the present. I have given consideration to what made them great and what caused their fall. It is because of this that I believe I may visualize the vital problems of the present.

We often assume that we have achieved more for society, in the last few hundred years, than was ever achieved by any other civilization. An examination of historical facts will show that we have little to boast of. In the fine arts we have never equaled the old masters. We have had no painters the equal of da Vinci, Michelangelo, Raphael, Titian, naming only a few. They were the masters, and with all of our learning and wisdom we must admit the inferiority of our own. Where are our sculptors who approach Phidias, Praxiteles, Donatello, or Michelangelo? Where are our great cathedrals such as were constructed by Michelangelo, Brunelleschi, Bramante, and Ghiberti? In literature where is there another Homer, Virgil, Dante, Petrarch, or Shakespeare? The fine arts in their beauty and refinement are not found in our age. We may claim supremacy in invention and mechanical arts, but the explorations now going on throughout the world may show us that we have nothing unknown in an earlier age. I have seen progress, such as the world never saw before, in the telegraph, telephone, cable, radio, motor vehicles, airplanes, Diesel engines, to mention only a few of the modern developments, which have changed the face of the earth and made a new world for you.

Egypt was the leader of the earliest civilization we know from historic records, but she reached her zenith and passed into decay. So with Chaldea, Assyria, Persia, Greece, and Rome, mentioning only a few of the giants of the civilizations of the past that, like a tree, reached maturity and died. England has been upholding the banner of civilization for several hundred years, but she must surrender the torch to others who will build again or the torch will be extinguished. Our own Nation has flourished like a green bay tree planted by a river of waters, but we now find ourselves involved in difficulties which may be insurmountable.

Then what is the great problem that confronts those who are going out into the world as you are to battle against obstacles? It is the establishment of a new foundation on which civilization can rise again. The question is whether we may consolidate our gains and, without receding, build on the new foundation to more glorious heights than the world has ever seen. If it is done, the achievement must be yours. All that those who belong to my generation may be able to do is to hold what we have as it is until you find a way to build again. That is a challenge to every young man. No weakling may expect to succeed in this new age just approaching. No slacker will fight in that army. It is only the men and women of courage and with vision who will fit into this new era. Again you will go pioneering, seeking new fields and new methods of living. Governments must be established on principles which will protect the rights of all and which will restrain any class or individual in his activities if he attempts to claim more than is the just fruit of his own honest and intelligently directed efforts. The world must be made secure against war, plagues, disease, and poverty. Distance has been conquered, but that makes problems more difficult. Security must be provided for all against the misfortunes of life.

I said that we need a renaissance. It is my opinion that the Renaissance, which began in about 1400 and continued for 200 years, was brought about through the activities of students who had finished the university and who went out into the world as teachers, wandering over the face of the earth, disclosing what they had learned in books to everyone who would listen to them. The great teacher, Abelard, in Paris, aroused the imagination of his students to such an extent that they went out into France, Italy, and Spain bearing a message that caused men to think. We have traveled a great distance since the days of Abelard, Vittorino, and other great teachers of the past. It is not necessary, as it was in the University of Abelard, to require the graduating class to subscribe to an oath that he who failed would not stab the examiner with a dagger. No longer do the students have to pass out on the highways as beggars or goliards. The peasantry of Europe heard the message of the students and the songs of the troubadors and awakened from their lethargy.

Throughout the Middle Ages every avenue of knowledge was standaradized. Scholasticism and the church directed and controlled every vehicle of knowledge. Those who wrote books must follow a standard prescribed by those of the past. Those who chiseled figures in marble could not depart from the patterns that had been brought down to them. They were controlled by dead hands. Cathedrals must conform to designs long in existence and no painter dared to paint a picture but according to the rules that had come down to him.

When the human intellect had been so enthralled through the Middle Ages and when it appeared that the wells of knowledge had run dry there were great individuals who had the courage to break away from tradition and build again. Dante, of Florence, departing from the rules of the past, produced one of the greatest of all epics, his Divine Comedy. He dealt with heaven and hell in a way that had never been known in the world theretofore. He created a thirst for reading throughout all Italy and he stands at the threshold of the great sunburst of knowledge that we call the Renaissance. Along with him we find Petrarch, the poet who wrote of the inner matters of the soul and who was unwilling to be bound within the narrow limits prescribed by the rules prevailing in that period. He drew knowledge from the ancients, and he, like Dante, aroused in the minds of the people ideals of manhood. While Dante had dealt with the subjects most important, heaven and hell, Petrarch dealt with the human soul, the inner part of man, love, kindness, and friendship.

There was another who wrote of the everyday things of life. He garnered his stories from the fields and the city streets. He wrote in the language of his people and the great triumvirate of writers who did much to usher in the Renaissance was Dante, Petrarch, and Boccaccio. While Boccaccio may not be appreciated in this age he is one of the greatest writers of all time and he, perhaps more than any other, created in the bosom of every class the desire to read.

In another field we find the painters who expressed the emotions of the human soul, as well as the beautiful things of life, breaking away from iron-bound traditions. The first of these was Cimabue. He was followed by his greater pupil, Giotto, and among the others, leading up to the great ones, were Perugino, Fra Angelico, and others, and then like meteors bursting upon the vision of the world, Leonardo da Vinci, Michelangelo, and Raphael. In learning they touched upon every branch of human knowledge. Da Vinci was, perhaps, the greatest of all painters, but, likewise, he was a great architect, a great engineer, and a great inventor, a great philosopher, a great general, and an anatomist. We cannot comprehend how, in one lifetime, a man could touch the avenues and tap the depots of human knowledge as did da Vinci. The same may be said of Michelangelo, a master in architecture, engineering, painting, and sculpture, and, withal, a great poet and great warrior.

There was a rennaissance in science, Roger Bacon, the Franciscan monk, being the forerunner. Galileo was a philosopher of nature and a man who found and established the truth about many things.

Then there arose the humanists who broke away from the teachings of universities and instead of adhering to the established principles that a student should be taught the things only that might be found in the writings or sayings of those who had gone before, they, led by Erasmus, began a new school of thought, teaching that learning should have some application to living and that the universities should teach those things which would enable students when they had completed their courses to go out into the world equipped to live well and to so teach others. These were among the great men who broke the fetters of ignorance and tradition and brought into the world a vision which has enabled us to go forward with modern civilization down to the present day.

I have mentioned none of the statesmen of that age. I have not referred to marching armies or great battles but only to those who were the leaders in thought. We hear mention now of rugged individualism, and some point to those whom I have named as evidence of the importance of leaving the individual

unrestrained. They fail to differentiate between the individual who strives to do those things for the betterment of mankind and the individual who works for profit to himself. As long as the individual seeks only the common good of mankind he should be free from all restraint, but when, as at the present time, he commercializes his individualism, he will plunder the people and destroy any nation if he is not restrained.

You should draw inspiration from the past. You must break away from those things considered by many fundamental, or they must be so modified as to meet the present-day needs of humanity. Perhaps you cannot make applicable the golden rule to all of the problems of life, but he who does not strive to eradicate selfishness and greed from the human heart and serve humanity nobly is an enemy to his race for whom you will have no need in this new army of crusaders which will usher in the new and greater society of men. Each of you should bear a torch as you go out into the world to light the dark that are the breeding places of ignorance and crime. You can never achieve those things alone through governmental action or by the decrees of church or state. Man must be born within and must have the burning desire of the zealots to make the place where he is wholesome for those who live there. Ignorance is the greatest crime in the world and we have made little headway in the fight against it. Our colleges and universities cannot be expected to educate those who attend in the sense of providing them with the necessary knowledge to face all of the obstacles of life. All that the school can do is to take things which a man has been given by God himself and, treating them as tools which need be prepared, fashion the tools and give such instructions in their use as will enable him to go out into the world and make proper use of them. If he does not use them it is as well that they had never been fashioned for use.

At the commencement of your journey on the road through a wilderness beset by difficulties I think it is well that you should know that unless you are a soldier willing to fight continually every inch of the way you cannot expect that your life will count much for the things worth while. Accidents sometimes play a part in the life of the individual, but there is no easy road for him who would succeed. He will learn as his fathers before him learned, and he will make the same mistakes that they made, unless he is a student of the blazed trail which they left. Life for the man worth while is not easy. It is always hard but there is a joy in conquering felt by those who strive that the indolent will never understand.

I would say a few things more, as there are certain inherent matters that everyone must understand if he expects to be a blessing to mankind instead of a curse. Society must be governed by law and obedience to law, and the teaching of obedience to law is one of the important things that you must learn. He who obeys the law because it is the law will command the respect of his fellow man, even of those who live without the law. He who succeeds must have a proper sense of righteousness, that is of what is right, and, that he may know what is right, he must understand what is wrong. Sound morality is important to everyone and he who does not have a keen sense of morality, that is, of the things which are recognized as right in contradistinction to those which are recognized as wrong, he will not go far.

The most important thing for all of us, if we believe in the Christian religion, is that we must know about God and his relationship to man. It is more important that we understand about the hereafter rather than about the here. If our faith is justified and Christianity is true, then the here, in comparison with the endless ages in the beyond, is as important as a dewdrop compared to the towering mountain range. The Christian religion teaches us how to find eternal life and I believe that no man will succeed or be happy unless he has a firm hold on the Creator of the universe, the God, who is the great First Cause and who gives to us that aspiration that dwells in our bosoms for nobler things. There is a spirit abroad in the land that religion does not mean much and is something to be put off or on, as the conveniences of life may require. That is not true. We must believe in that Higher Being and that we are but individual units in His great plan.

With these suggestions I am content to leave their importance to your own consideration. Let me express the hope that you and others like you will keep in mind, at all times, that the ideal state is one where justice flows down as the water and righteousness as a mighty stream.

ATTITUDE OF BUSINESS TOWARD N. R. A.

Mr. VANDENBERG. Mr. President, I wish to present a request for publication in the RECORD.

Under the new N. R. A. prospectus, apparently American business is to be given some degree of chance to show what it is willing to do for itself through its own self-discipline in matters of equitable working hours and wages. The preliminary reports printed in the New York Times upon yesterday as the result of a national survey indicate a substantial and encouraging hope that business will, through self-discipline, accomplish most of the things which under recent dictatorial experiments have been unconstitutionally committed to the authority of political bureaucrats and petty tyrants.

I ask that the survey may be printed in the RECORD. It is an encouraging exhibit. I hope these trends may be sustained. They are the basis of my continuing belief that, in spite of occasional chiselers, American business is an honorable institution, and that the public interest does not require us to nationalize our commerce in the strait-jacket of oppressive law and in the grip of eager bureaucracy.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the New York Times of June 6, 1935]

N. R. A. PAY IN NATION KEPT, SURVEY SHOWS—INDUSTRIES IN EVERY SECTION REPORT WAGE AND HOUR STANDARDS UNCHANGED—TEXTILE AND OIL MEN ACT—PETROLEUM INSTITUTE TO REVISE 1931 MARKETING CODE AND SEEK NEW LEGISLATION

Pledges of voluntary action to maintain N. R. A. wage and hour schedules and to prevent the return of child labor and sweatshops grew in volume yesterday as industrial leaders, corporations, and trade associations throughout the country put themselves on record against a revival of cutthroat competition at the expense of labor.

The National Association of Manufacturers announced that a Nation-wide telegraphic survey of industry, made since the Supreme Court's decision invalidating the N. I. R. A., showed a determination upon the part of industrialists not to precipitate labor difficulties. Scores of industrialists in all parts of the country asserted that they had no intention of changing the present status with regard to wages and hours.

Executives representing 95 percent of the membership of the Association of Cotton Textile Merchants of New York decided unanimously to continue the 5-day, 40-hour week and the present wage scale. The Cotton Textile Institute announced that its reports indicated that 99.9 percent of that industry was adhering to code wage, hour, and machine operating schedules.

The Coat and Suit Code Authority approved plans to establish a National Coat and Suit Recovery Board, which will represent all markets in the country, to preserve fair-trade rules. It will include representatives of consumers, the Department of Commerce, and the Department of Labor.

Directors of the American Petroleum Institute at a special meeting adopted two resolutions designed to guide the oil industry in the post N. R. A. period.

The first resolution advised that oil companies observe rules of fair practice found by experience to make for stability and to be in the public interest, and all companies were asked to maintain present wage and hour schedules and also to refrain from employing child labor. The second resolution provided that the present members of the planning and coordination committee of the petroleum code be appointed a committee to revise the marketing code authorized by the Federal Trade Commission on June 12, 1931, and to bring it into agreement with marketing practices recognized by the industry as fair and equitable.

The industry was advised to unite in seeking prompt consent of Congress for an interstate oil compact, already approved by legislatures of five principal oil-producing States, and for directing the United States Bureau of Mines to estimate the quantity of crude oil that should be produced to meet current demands. Unity of action was advocated for the industry also in seeking authority for the President to limit imports of crude oil and for making permanent and enforcing the Connally Act, which expires June 16, 1937.

Forty-four out of the ninety directors of the institute attended the meeting. These included representatives of all the major companies.

C. L. Bardo, president of the National Association of Manufacturers, in making public the results of that organization's survey, asserted that certain labor leaders had been causing trouble by pessimistic statements since the death of the N. R. A.

"Labor leaders", he said, "are doing damage to the cause of recovery by repeatedly feeding out the threat of strikes and predicting the return of sweatshop conditions with the use of child labor. The facts show that for many years child labor has not been an important factor in manufacturing industries.

"On the contrary, the census of 1930 reveals that fewer than 70,000 (or less than 1 percent) of all employees engaged in manufacturing were under 16 years of age. Prior to the enactment of the N. I. R. A., the figure had fallen further."

In making public the survey, the association emphasized that it represented millions of employees and billions of dollars in invested capital in every important industrial State and in all the major industries of the country.

STATEMENTS IN SURVEY

Following are statements of some of the industrialists, corporations, and trade associations represented in the survey:

E. T. Weir, president National Steel Corporation: Do not expect any changes in wages or hours in steel industry.

E. P. Wilson, president Wilson & Co., Chicago: Wage rates in Wilson & Co. and in the packing industry generally greatly exceed minimum wages specified in the President's reemployment agreement as modified for the meat-packing industry. No change in wage rates or hours of work are contemplated in our company, and we do not believe that any changes will be made in our industry generally. Do not expect any general reduction in wages or lengthening of hours in communities where our plants are located.

George H. Houston, president Baldwin Locomotive Works: After consultation with Metal Manufacturers Association of Philadelphia and investigations on our own account, I am unable to learn of any companies in this vicinity who are planning to increase hours, cut wages, or dismiss personnel at this time as a result of the elimination of codes.

Frank Purnell, president Youngstown Sheet & Tube Co.: We believe in the present wage scale and hope that nothing will be done to disturb it.

O. E. Braitmayer, vice president International Business Machines Co.: We do not contemplate any reduction in wages or any increase in working hours in any of our plants.

H. H. Whiting, president Pillsbury Flour Mills Co.: The wheat and flour-milling industry throughout the country has declared a moratorium during which Milling Code provisions will be maintained. Attitude of commercial flour mills in this section is to maintain present wages.

Charles R. Hook, president American Rolling Mill Co.: By unanimous action, steel industry has shown determination to maintain present wage schedules and to indulge in no market practices harmful to recovery. My contacts with industrialists in paper and other industries in southern Ohio show the same definite constructive policy. I have taken the time to contact industrialists in various parts of the country, and I find a unanimous policy of constructive action. I do not know of a single case of wage cutting.

Henry M. Dawes, president the Pure Oil Co.: Have seen no evidences of an effort in the oil industry to break down the schedule of wages and hours that are adopted under the code. In fact, in some cases wages have been increased. Our own company is contemplating no change.

H. S. Wherrett, president Pittsburgh Plate Glass Co.: Do not expect wage cuts and longer hours. Leaders of industries with which we are affiliated definitely favor maintenance of existing wages, hours, and prices. Believe this to be the attitude of all major industries in this section.

Lee W. Maxwell, chairman of the board, Crowell Publishing Co.: We are determined to maintain wage rates, hours, and other advantages obtained under N. R. A. We also are urging every business man with whom we come in contact to take the same attitude.

PAPER INDUSTRY'S STAND

F. J. Sensenbrenner, president Kimberly Clark Co.: Members of the paper and pulp industry generally do not contemplate changes in wages and hours.

F. W. Lovejoy, president Eastman Kodak Co.: Cannot advise conditions photographic industry until after code meeting 13th. Hope for adherence present minimum wages, maximum hours. Rochester industries generally expressed intention adhering N. R. A. hours and wages. Have learned of no change in either locality.

O. H. Fischer, president California Manufacturers' Association: We know of no case among our membership where wages have been reduced or conditions changed.

W. C. Francis, secretary-manager Manufacturers' and Merchants' Association of Oregon: The paper and pulp industry, which is one of the heavy industries on the northwest coast, will maintain a 40-hour week and indicate that wages will go higher instead of lower and that they will not make any reduction in wages nor lengthening of hours.

K. P. Lewis, president Erwin Cotton Mills Co.: So far as the textile industry generally is concerned, those mills that I know anything about are sticking to the hours and wages.

William H. Taylor, president Philadelphia Electric Co.: Our company does not contemplate any changes in hours of labor or rates of pay. We are satisfied with conditions as at present. Due to removal of certain unfair restrictions under N. R. A. our employees will benefit.

G. F. Kull, secretary-manager Wisconsin Manufacturers' Association: No evidence in Wisconsin of industrial employers reducing wages or increasing hours because of invalidation of National Recovery Act. Many employers have given assurance that conditions of employment prevailing prior to Court decision will continue.

M. Lee Marshall, president Continental Baking Co.: Our industry has overwhelmingly expressed a determination to maintain present hours and wages and to continue as far as possible to comply with fair trade practices of the code.

Associated Industries of Vermont: No general movement to change code hours and wages has developed in Vermont.

E. C. Dawson, executive secretary Colorado Manufacturers and Merchants Association: Colorado industries and commerce against wage cuts and longer hours. Indications are that there will be no ill effects from the invalidation of the N. R. A.

DU PONT IS ENCOURAGED

Lammot du Pont, E. I. Du Pont de Nemours & Co.: We contemplate no change in employment or other policies as result of situation created by Supreme Court decision. Believe all industries should be encouraged by implications of decision. We are assured of less regimentation, less Government interference, and more freedom for constructive action. Uncertainties may cause temporary hesitation, but for long pull decision tends toward prosperity.

John L. Lovett, Michigan Manufacturers Association: No wage cuts and no change of hours in Michigan due to N. R. A. decision. Do not expect any.

Chester M. Culver, Detroit Employers Association: Leaders of chief industries Detroit area—namely, automobile and automobile parts and equipment manufacturers—have given assurance that no changes in hours or wages are contemplated as result of Supreme Court decisions. In fact, we have had no adverse report from any manufacturer.

Harry Sharp, secretary Associated Industries of Kansas: From press reports it appears to us out here that there is a propaganda of some sort being worked up to indicate that industry, now that it is freed from the codes, is going to cut wages, lengthen hours, and otherwise destroy whatever good may have resulted from our regimentation. No such action is contemplated in Kansas.

J. P. McGrath, secretary-treasurer Georgia Manufacturers Association: We feel assured there will be no concerted effort to profit from the removal of restrictions regarding hours and wages. Abandonment of the code feature of the N. R. A. will be a boon to some workers.

Don K. Martin, executive director Ohio Manufacturers Association: I do not believe there is any tendency toward general wage cuts or longer hours.

C. C. Gilbert, secretary Tennessee Manufacturers Association: The 1,900 going industrial concerns in Tennessee are being constantly urged to continue code provisions, especially with reference to hours, wages, and child labor. Only two deviations so far. It is all bosh that industries are breaking down wages and hours.

Frank G. Louthan, secretary Virginia Manufacturers Association: Practically all industrial and commercial organizations of Virginia have declared for the maintenance of wages, fair practices, and hours of work. There will undoubtedly be some increase in hours, especially among service employees.

RAYON TRADE STANDS FIRM

Camille Dreyfus, president Celanese Corporation of America has no intention of disrupting the wage and hour schedules now in effect and our employees have no reason to fear any drastic changes as result of the N. R. A. decision. So far as we know no producers of rayon or synthetic yarn are reducing wages or increasing hours.

Herbert Gutterson, president Institute of Carpet Manufacturers of America: Am able to advise that we find no inclination to proceed otherwise than with cooperation among workers and with no desire to break away from the general conditions that now prevail in the industry.

W. L. Finger, general manager Rubber Manufacturers Association: So far as we know there has been no general wage cutting nor lengthening of hours in our industry.

H. C. McElhone, Westinghouse Electric & Manufacturing Co., East Pittsburgh, Pa.: Careful check of our locality indicates no changes in industrial wages, hours, and prices contemplated as result of N. R. A. invalidation. Westinghouse does not contemplate any such changes. On the other hand, there is steadying influence in this locality to refrain from such moves.

C. L. Stone, general manager Associated Industries of Massachusetts: Contacts with our members and with numerous trade associations fail to indicate any break-down of wages or prices. Disposition of majority of manufacturers we have consulted is to retain salutary features of Recovery Act, discarding those of minor value.

G. F. Swift, Chicago: Swift & Co., is making no general changes in wages and hours of work and we know of no other packers who are changing. Have heard of no changes by other manufacturing companies in this district nor of any which are contemplated.

Associated Industries of Cleveland: No general change in wages and hours here and do not expect any. Electrical concerns contemplating weekly increase hours 36 to 40 promised by N. I. R. A. officials.

R. S. Damon, president: Curtiss Airplane & Motor Co., Inc., is making no change whatsoever at this time in wages, hours, prices, or other conditions as a result of N. R. A. court decision.

R. R. Deupree, president Procter & Gamble Soap Co.: I have heard of no case where any manufacturer has reduced wages or increased hours since Supreme Court decision. All those with whom I have talked have expressed themselves something like this: That the only possible thing to do is to continue operating on the present basis and let the future demonstrate best procedure to follow.

NO CUTS IN SHIPBUILDING

H. Gerrish Smith, president National Council of American Shipbuilders: Shipbuilding industry has urged its members not to make any changes in prevailing wages and hours and other conditions of employment pending further developments. No indication so far of any intention on part of industry to lower wages.

C. M. Chester, president General Foods Corporation: I believe that industry, true to its traditions, should live up to the responsibility created by the Supreme Court decision concerning the N. R. A. Industry should have first regard to the national welfare. General Foods Corporation does not now contemplate any change in hours or wage rates that will reduce the number of employees or wages received by workers.

H. M. Cochrane, secretary Indiana Manufacturers Association: I feel confident that with the exception of minor cases efforts will be made in various localities to maintain wage scales and working conditions as at present.

Elmer Donnell, Associated Industries of Missouri: No general wage cuts or longer hours anticipated in St. Louis area.

James L. Donnelly, Illinois Manufacturers Association: Our inquiries indicate that there is no reason to expect general wage cuts and longer hours in this State.

S. G. McAllister, president International Harvester Co.: The code committee of farm equipment industry has written all members of the industry urging their continued cooperation with Government. Replies to date from representative members of industry indicate their intention to follow this policy.

Arthur C. Dorrance, president Campbell Soup Co.: The management of our company has no present intention of altering either working hours or wage rates.

R. E. Wood, president Sears, Roebuck & Co.: We have made, and are making, no changes in wages or hours, and expect to observe the code requirements even though the codes are no longer in force. Our position as a buyer keeps us in touch with all classes of manufacturers. The overwhelming majority reported that they would make no changes in wages. A very few reported they proposed to lengthen the hours but maintain the same wage rate.

NEBRASKA'S UNICAMERAL PLAN

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Independent Woman for May 1935, entitled "Nebraska's Unicameral Plan", in which the writer pays tribute to the distinguished senior Senator from Nebraska [Mr. NORRIS].

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Independent Woman for May 1935]

NEBRASKA'S UNICAMERAL PLAN

By Anne Hard

People who call Senator NORRIS, of Nebraska, a "radical" are completely wrong. People who bandy that word about are frequently so themselves—and usually cannot define radicalism when you put the gun to their quasi-heads. Most of these people, too, I am quite sure, would call themselves "individualists" as opposed to "radicals." Well, Senator NORRIS—sponsor of the unicameral legislative system with which Nebraska is pioneering—is himself primarily an individualist.

Precisely because he is so highly individualized in approaching each legislative question, he decides it upon the way it appeals to his own sense of right and wrong. If it turns out that what he supports is called "radical", he does not care. If it turns out that what he supports is unpopular, he does not care, either. He was, for example, not disturbed to be among President Wilson's little band of "willful men" during the Great War, and he has had surprising success in making the thing he saw as "right" also become "popular."

The story of the fight by which the Senator put through the Nebraska legislative reform is one of almost incredible obstacles to overcome. Opposition means nothing to him. When he began, nearly everyone in the State seemed to be against him. Of course, the utilities—he had discounted them. He had an unfavorable press. Part of his plan is that the legislature is to be elected on a nonpartisan ballot. So the politicians of both parties opposed him. The lawyers opposed him. Ninety-five percent of all legislature members, past and present, opposed him. Now he is the recipient of many requests from other States to find out what it is all about. Why? Because he won.

But before examining this latest achievement in detail, let us consider what manner of a man is this NORRIS, who will leave upon the pages of our times more legible writings than those of many a more brilliant man—and leave them because he did not pretend to be clever but only honest and persistent in his duty as he saw it.

I think he has one great advantage, though, over most politicians, and that is in his self-reliance. Born during the Civil War, one of a large family of children and with a mother soon widowed, he worked for himself and for them, educated himself and helped to educate his sisters in various colleges, got himself his law degree, knew the fight for bread in several States from Ohio westward before he settled in Nebraska in the early eighties. He soon had the typical politico-legal success of being elected city attorney and district judge. He could not afford to go to the legislature. He has always been what we call "poor." He made a great local reputation on the bench, and in 1903 left it for the House of Representatives.

That happened at a psychological moment. It was the turmoil of an ancient fight now generally forgotten but front-page news at the time—the revolt against Speaker Cannon.

It was during his early days in the House that NORRIS took part in an incident which started him into becoming what—for all his label—he truly is today nonpartisan. He came to Washington (believe it or not) a thorough "hidebound Republican." A motion to adjourn in honor of Washington's Birthday was put. He rose in assent and to his surprise discovered that he was the only Republican standing, with the entire body of Democrats on their feet. He was taxed with it afterward by some of the leaders. Then he learned that in the Senate the vote had gone precisely the other way. The discovery that the observance of Washington's Birthday could actually be made into a party issue gave him violently to think.

And it is thus that NORRIS does think: Out of his experience, not out of books.

He was, you see, noticed in the House. He became notable in that better forum for the notable, the Senate, to which he came in 1913. There you notice the most interesting things with which his name is associated: The League fight, the constitutional amendment which he originated and put through changing the date for the convening of the Congress, the fight on power culminating in the erection of the Tennessee Valley Authority.

NORRIS was not actually primarily "anti-League." He went into that fight on the side of the "irreconcilables" on purely ethical grounds. He had observed what the Japanese had done to Korea, and he thought it was intolerable that they should be given a chance to repeat it in Shantung.

The same motivation lay behind the position he took just this winter in the matter of our joining the World Court.

His fight on the power interests does not derive from a general belief that "Government should own the means of production and distribution", as your true "radical" believes, but from an innate sense that wealth and wickedness are synonymous, and he is just naturally opposed to wickedness.

In the League fight he saw in the Shantung provisions a way of handing the earth to the powerful and in high electric rates he sees a way of handing American earth to the powerful. Yet possibly even true socialism would be easy for him for—though he cannot distinguish between his politics and his morals—electric power is, I think, for him, not a matter of economic philosophy but one of moral emotion. I also think it is easy for him (since he distrusts money and moneyed people) to go on to distrusting the institution of private property itself. He does not believe that its existence is a sign of liberty. If socialism is not his philosophy, at least his policies obviously result in our tending in that direction. Is he what Donald Richberg calls an "unconscious leftist"?

Consciously or unconsciously, he has been the scourge of the White House for the past decade and more. Republican Presidents looked sourly up the Avenue at this Republican who flayed Republican policies and even just now the man who had been into the high places of Tennessee to observe with tearful eyes the fruition of his dream stood in the forefront of that opposition to the World Court which gave President Roosevelt his first hint of a defeated wish.

It is thus out of his individualism that NORRIS has taken his nonpartisan position on a national scale. And he believes that nonpartisanship is in and of itself essential to good government in State and local affairs. Turning aside from his forays upon the national scene, he has just succeeded in completing within his own State a new set-up which he hopes and believes will become a copied model throughout the country. This unicameral legislature is composed not of a "lower" and an "upper house", but of a single chamber, whose membership is reduced in number and responsive directly to the people and to the people only.

"It is absurd to call our present system", Senator NORRIS said, "a 'bicameral legislature.' It is in fact 'tricameral.' What we have had is not two houses, but three, in actual practice. Just notice how the so-called 'two-house' legislature has to work:

"An important piece of legislation comes up in each House. The two Houses differ upon certain details. In order to get together, a 'conference committee'—usually three Members from each House—is appointed by the Presiding Officer of each House, to iron out the differences.

"I am not objecting to the existence of such committees. They are essential to the transaction of business so long as the bicameral legislature exists. I do object to the system which makes it necessary. For it is this conference committee which is really the 'third house.'

"What has often happened through the existence of this 'third house'? Let's take a look at it in practice:

"This conference committee does not vote on a measure the way that ordinary committees do. The three from the Senate control the Senate vote; the three from the House, that of the House. In order to agree, Senate and House conferees must vote for identically the same provisions. In consequence, two members of either group can prevent an agreement—or, what is more likely to happen—can force quite a different outcome agreeable to themselves.

"When the conference report thus arrived at is reported back to House or Senate, the bill so reported cannot be amended. It must be accepted or rejected in toto. If Members believe there is some good in the bill, they are also obliged to take whatever there is in it that they believe to be bad; while if they think there is some good in it, they will likewise be compelled to reject the good in order to get rid of the bad.

"Still worse, the proceedings of this conference committee are held in secret. It transacts its business in an un-American, undemocratic manner. There is no roll-call vote; no record of its proceedings. It enables the dishonest to cover up their tracks. And it makes it well-nigh impossible for the honest Member to make a record so clear and simple that it can be understood by the ordinary person.

"This system plays into the hands of the special interests. For you may notice that special interests are usually more interested in defeating legislation they think is dangerous to themselves than in constructive legislation of their own. And in order to defeat legislation, it is actually only necessary to control two Members from either Chamber. More, since these conferees are appointed by the Presiding Officers, it may happen to be necessary to control only one or the other of these two men to guarantee the interests in the matter of these appointments.

"In a one-house legislature, this sort of thing cannot occur, especially if one member has the right to demand and secure a roll call upon every vote. Nothing can be done in secret in a

one-house legislature. Instead of getting lost in a parliamentary maze when he tries to follow the record of the man he has sent to the Capitol to represent him, the ordinary citizen can find out all about him from his daily newspaper. And while the crooked can be readily discovered, the honest and well-intentioned will find his record understood by the people."

The Senator stresses the fact that the unicameral system seemed practically to eliminate lobbyists. With a fistful of practical experience and an enormous personal reputation throughout his State, he went into the fight from scratch—and won. True, he did not get the new type of legislature exactly as he wanted it. He wanted a fairly high salary, about $2,400—enough so that a man could support his family on it and devote his time to legislation, and he wanted a small and definite number to sit in this new single house.

But—as everyone ought to know by this time—Nebraskans have been fearfully hard hit financially. NORRIS agreed to a lesser appropriation than he wanted for salaries. And the new legislature itself is to decide how large its membership will be—"not less than 30 nor more than 50" were the terms upon which the enabling vote was cast. A total of $37,500 was voted for salaries and the State is to be redistricted, the individual income allotted, according to the final membership decided upon.

"Do you expect that this new system will stick?" I asked.

"Why not?" the Senator parried. "It is simple, direct, responsive to the democratic principle upon which our theory of government is founded. More, it is far less expensive—both in the taxpayer's actual expenditure of money and in those intangibles through which he has so often paid his money into the pockets of the interests without realizing that he was doing it."

NORRIS, at the age of 73, has the intellectual resilience of 30. His small, wiry, thin body seems no more taxed than it did 2 decades ago, his brown eyes are kindly keen. His face more fleshless, has the same reserved determination. Not many men have put through an amendment to the Constitution, not only of their own State but of the Nation as well, as he has done. But he does not propose to extend this idea of a unicameral legislature to the national scene. Nonpartisanship and the unicameral legislature are both of them, he thinks, predominantly useful for State rather than National Government. And his resilience he shows again in this, that he is going after Farleyism in all its forms. He even proposes to put the Postmaster General himself under the civil service. Were I Mr. Farley I'd be nervous.

His name is GEORGE W. NORRIS and "W" stands for "William" not Washington.

N. R. A.—U. S. SAVINGS BONDS—THE NEW DEAL 5-YEAR PLAN

Mr. SCHALL. Mr. President, I ask unanimous consent to have printed in the RECORD an article by me in Plain Talk magazine for May 1935 entitled "The New Deal's 5-Year Plan."

This administration has asked Congress for unconstitutional powers in its war on depression. It has declared an emergency to exist and has set up six Delaware corporations as part of its war machinery with charters which provide that the corporations shall be perpetual and capable of taking over private industry in the United States. Temporarily the 5-year plan has been halted by the Supreme Court, which has said that neither the President nor Congress can exercise power over farming, mining, and manufacturing all over the United States. This has been done surreptitiously, stealthily, and dishonestly. Now the question arises, Will this administration dare ask the country for the constitutional power to do that which it has already done on the pretext of an emergency and a war on depression, which depression it has itself deliberately created? Now they demand the perpetual liberty of this self-created Frankenstein bureaucracy.

I also ask unanimous consent to have printed in the RECORD an editorial by Paul Block entitled "Freedom from Regimentation Will Bring Faith and Recovery", reprinted from the Block newspapers of Thursday, June 6, 1935, and also a letter from the Secretary of the Treasury to be dated May 16, 1935, and my letter to him dated June 7, 1935.

There being no objection, the articles and letters were ordered to be printed in the RECORD, as follows:

THE NEW DEAL'S 5-YEAR PLAN

(By THOMAS D. SCHALL, United States Senator from Minnesota)

While Congress and the Department of Justice is diligently hunting "Reds" (which is short for Communists) they would do well to investigate some of the secret activities of the so-called "new dealers" during the past 2 years.

There isn't the slightest chance of imported communism getting a foothold in America unless the relief rolls continue to lengthen, and the administration continues its hollow roseate promises, which have been cluttering up the newspapers for the past 2 years. Domestic communism is a real threat—and how.

While General Johnson has been rending the air with picturesque phrases and profanity, to the amusement of some and disgust of others, the "new dealers" have been perfecting the American "5-year plan" for a complete communization of American industry whenever Congress provides the billions of dollars necessary for sovietizing the United States.

General Johnson's profanity and other spectacular new-deal activities have been the "red herring", which has skillfully guided newspaper investigators into other fields of research. The public has learned nothing of the five corporations, organized in the State of Delaware by President Roosevelt's Cabinet and new-deal executives.

These corporations are given absolute power, under the State charter, to take over and operate every business in the United States. All that is needed is a planned or artificial emergency, under which Congress can be scared or stampeded into making Franklin D. Roosevelt a dictator.

In just 24 hours the United States can be changed into as complete a communistic, fascist, or nazi-istic nation as Trotsky or Lenin, Mussolini or Hitler ever dreamed of.

Only one newspaperman in this country has had the insight to see behind the Johnsonian barrage of smoke-screen antics. Strangely enough, the man who brought this communistic set-up to light was a man whom the Nation's No. 1 Windbag barred from his press conferences because he told the truth about the N. R. A.—or, at least, a small portion of the truth.

This man was James True, who publishes a weekly digest of uncolored business reports for business men who do not accept the pay handed out to newspapers by the 300 press agents on the pay roll of the Government, and docilely printed by a rubber-stamp press.

I am convinced that the Nation, the press, and Congress are totally unaware of the Federal corporate activities which were brought into existence on and since March 4, 1933. I am convinced that if they did there would be a political explosion throughout the length and breadth of the land which would make it unhealthy for the communistic "new dealers" to remain longer in Washington.

I heartily recommend that McCormick-Dickstein committee, Congressman FISH, Attorney General Cummings, the D. A. R., the American Legion, and all other anticommunistic influences concentrate their energies on this domestic communistic menace.

The country has been misled by the slogan "emergency." With infinite cunning, beyond the conception of our smiling President but not beyond the capacity of an international group of schemers hiding behind him, the acts of the Seventy-third Congress have been perverted to conceal unwarranted corporate creations.

We are now clearly faced with the intention to weaken and remove a Republic that has existed for nearly 150 years, and during that time developed beyond all other nations. Certain additional acts have been proposed for enactment by the Seventy-fourth Congress.

Documentary evidence proves that Federal corporations, chartered at various points in the United States, have been created in readiness to take the place of all business activities of the country.

Three outstanding features characterize the Federal corporations I shall mention:

First. They affect the interests of every mortal in America.

Second. They are being financed in a most indirect way so that the public is not yet conscious of the burden.

When we realize that the financing of some of these corporations is through the Reconstruction Finance Corporation, and that the Reconstruction Finance Corporation, by giving debentures to the Treasury gets the needed credit, it must become evident that when a break-down of business and agriculture under the management of the alphabetical organizations shall occur, these Federal corporations will be in a position to take hold of and direct every detail of American life, selling their securities in small quantities wherever a Federal credit union exists.

Third. They have multiplied the contacts of the Federal Government with the fingertips of activity in all parts of the Nation.

Fiscal agents of the Treasury Department have been established through production commodity associations by hundreds and now, through Federal credit unions, by thousands. Furthermore, these corporations have the franking privilege, and therefore have promotive advantage over all other forms of business activity in the United States.

The Conciliation Commissioners of the Farm Bankruptcy Act also illustrate an extended grant of power by the Federal Government through the franking privilege, operative in the greater number of counties in each State.

I am giving below an analysis of authority granted each of these corporations by the State of Delaware to do business when they take over such private firms as the too obvious new deal's 5-year plan proposes to do.

Commodity Credit Corporation—to handle agricultural and other commodities.

Public Works Emergency Housing Corporation—to handle dwellings and real estate in general.

Federal Surplus Relief Corporation—to buy and handle surpluses.

Federal Subsistence Homesteads Corporation—to buy land, build homes, and to establish factories.

Electric Home and Farm Authority—to aid electric sales, to make appliances, and to lend on them as security.

During the autumn of 1934, America First, Inc., and the James True Associates, who publish Industrial Control Reports, sent an investigator into Delaware to read the charters of the above-named corporations.

He found all but one of them to be marked "Do not publish", and also found among the incorporation papers the charter of one whose existence had been continuously concealed prior to the time of his visit and still remained unmentioned in either the Congressional Directory or the announcements of the United States Information Service, or the United States Government Manual, up to January 2, 1935.

The corporation in question was the Public Works Emergency Leasing Corporation.

Commodity Credit Corporation was incorporated at Dover, Del., October 17, 1933, by Executive Order 6340. Its existence is perpetual. Its incorporators were: Henry A. Wallace, Secretary of Agriculture; Oscar Johnston, cotton-pool manager, Agricultural Adjustment Administration; Henry Morgenthau, Secretary of the Treasury.

Apparently an emergency at the outset is expected to be perpetual. The corporation was granted $3,000,000, but there has already been allocated to it more than $756,000,000.

Federal Subsistence Homesteads Corporation was chartered November 21, 1933, with perpetual existence. Incorporators were: Harold L. Ickes, Secretary of the Interior; Oscar L. Chapman, Assistant Secretary of the Interior; M. L. Wilson, Assistant Secretary of Agriculture.

This is the government activity into which Mrs. Franklin D. Roosevelt had to have a finger in the pie. The result was that the taxpayers paid around $10,000 apiece for $960 mail-order houses, and squandered something like a half million dollars.

Electric Home and Farm Authority was incorporated at Dover, Del., January 13, 1934, by Executive Order 6514, to exist for 7 years from date of incorporation. Incorporators were: Arthur E. Morgan, Director Tennessee Valley Authority; Harcourt A. Morgan, Executive Assistant to Arthur E.; David E. Lilienthal, the same.

Federal Surplus Relief Corporation was incorporated at Dover, Del., October 4, 1933, to have perpetual existence. Its incorporators were Henry A. Wallace, Secretary of Agriculture; Harold L. Ickes, Secretary of the Interior; and Harry L. Hopkins, Federal Emergency Relief Administrator.

Surplus relief is apparently expected to be perpetual.

Public Works Emergency Housing Corporation was incorporated at Dover, Del., October 27, 1933. Its existence is perpetual. The original incorporation papers were amended November 16, 1933, by Executive Order 6740 (although the Executive order was signed 13 days after the amendment certificate had been signed and filed). The incorporators were Harold L. Ickes, Secretary of the Interior; Frances Perkins, Secretary of Labor; and Robert D. Kohn, Housing Director, Federal Emergency Administration of Public Works.

Again we find an "emergency" which is expected to be perpetual.

Public Works Emergency Leasing Corporation was incorporated January 2, 1934, at Dover, Del., with perpetual existence. This Corporation was never listed in the Government directory, never listed in the information material of the United States Information Service, nor in the manual prepared by the National Emergency Council. Its incorporators were Harold L. Ickes, Secretary of the Interior; Oscar L. Chapman, Assistant Secretary of the Interior; and Theodore A. Walters, Assistant Secretary of the Interior.

An emergency was again announced as perpetual. However, apparently under fear of publicity, a certificate of surrender of corporate rights was filed in Dover January 2, 1935. I feel confident, however, that if Congress grants the President dictatorial or unlimited powers in spending $5,000,000,000 or so, it will be an easy matter to reincorporate this body, if it fits in with the plans for communizing industry.

The following points will be immediately understood by every man or woman of average intelligence:

First. It has been a principle of law for ages past that "that which is accomplished is assumed to have been intended."

Second. The United States cannot exercise a joint authority over a Delaware corporation. It is 100 percent a creature of the State and accountable to that State for compliance with its corporation statutes.

Third. A Delaware corporation is therefore answerable to no Federal law.

Fourth. Congress (without knowing it) and the President (without full knowledge) assumed to authorize and in words did authorize the creation of corporations which are removed as to assets and governance from the control of the United States.

Fifth. Incorporation under the laws of Delaware was not an accident but an intention, for under Federal law every Government official is answerable for every dollar of property intrusted to him. To avoid answerability, the schemers behind the A. A. A., the N. R. A., and other alphabetical groups elude opinion as to legality that might properly be expressed by the Attorney General, and have removed their projects from the jurisdiction of Federal courts.

Two questions will immediately occur to every thinker:

First. Why has the Federal Government any need to transact business under the laws of Delaware—or any other State—if such business is legal? The answer is, "It has no need."

Second. Does the Constitution of the United States, by its most liberal interpretation, authorize the Congress to authorize its agents to create private corporations to manage the affairs and properties of the Federal Government? The answer to this is that the Congress has been given no such wide authority.

The Public Works Emergency Leasing Corporation was chartered January 2, 1934, the day before the second session of the Seventy-third Congress convened, and was withdrawn the day before the first session of the Seventy-fourth Congress got together. "The Corporation is to have perpetual existence", says the charter.

It is most important to understand the scope of this charter, because it is necessary for the Nation to know how far these present frightened schemers dare go in attempting the subversion of private enterprise. The incorporation papers show the intent, from which we may rightfully draw conclusions as to their plans for centralization of power.

I can find no mention in the Democratic platform of 1932, or any other year, of any such purposes of concentration of power or communization of industry and government, nor of the submission to the people for their opinion of any such drastic change.

In this Soviet plan the administration assumes the power to—

Undertake * * * any project eligible to be included in a comprehensive program of public works;

Collect fees, tolls, and other charges in the construction and operation of highways, parkways, buildings, tunnels, canals, bridges, docks, drydocks, dams, markets, viaducts, aqueducts, waterworks, reservoirs, sewage systems, airports, gas-light-power plants, hospitals, refrigerating, and heating systems;

Acquire improved or unimproved real estate * * * by purchase, exchange—exercise the power of eminant domain, maintain and improve, sell, exchange, grant, donate, or otherwise dispose of real estate, and sell any personal property;

Maintain and operate edifices, structures, and buildings of every kind, nature, or description;

Manufacture building materials and supplies of every kind—

Develop natural resources * * * develop water power, generate and transmit electrical energy, reclaim, irrigate and improve land;

Lease (with or without privilege of purchase), sell, exchange, grant, donate, or otherwise dispose of all or any part of any project which it may undertake, construct, finance, or in any way aid;

Perform any and all acts and functions customarily done by architects, engineers, or general contractors;

Furnish, equip, operate, manage, and maintain projects and structures of every kind—including the supplying of heat, steam, water, gas, electricity, transportation, telephone, and other necessary and public utilites;

To carry on its functions in the State of Delaware, or in any other State, territory, or locality * * * without restriction or limitation as to amount;

Acquire personal property of every kind, nature, and description;

Acquire, hold, use, or dispose of any franchises, licenses, grants, concessions, patents, trade marks, trade names, copyrights, or inventions granted by or existing under the laws of any government or subdivision thereof;

Borrow money for its corporate purposes without limit as to amount, to draw, make, accept, endorse, and issue promissory notes, bills of exchange, bonds, debentures, and other instruments and evidences of indebtedness.

In the so-called "work-relief measure" the President is authorized to consolidate, redistribute, abolish, or transfer the functions and personnel of any Government agency, or to abolish such. The natural question arises as to why he had this provided, if indeed he wasn't planning a drastic change in our form of government.

In the aforegoing digest of the powers of these corporations I challenge anyone to show me just what business, large or small, the "bright boys" of the "brain trust" overlooked in granting power to the Government to take them over. They have even invaded the professional field and provided for the taking over of the architectural profession.

Any group which would take over one profession will take over any other profession. Lawyers, doctors, writers, publishers—everyone in the country will eventually be included if the first sortie into the liberties of the people is successful.

Soviet Russia will be ashamed of itself and feel that it indeed is a piker when it comes to inventing a form of government which will regiment business, communize all industry and take away the last rights of the people guaranteed by the Constitution of the United States.

If, therefore, we grant such powers to the President as he contemplates, there will be no longer any need of the Congress. The President can, first, establish and prescribe; second, utilize and prescribe; third, consolidate, abolish or transfer; fourth, postpone terminations; fifth, delegate powers.

It seems to me that we have reached the crossroads of national endurance. With the nations of Europe lined up against us in an economic struggle (because they owe us money that they will not repay) it is impossible to combat enemies both from within and without. It is time we had a show-down.

Many of our rights are no longer in jeopardy—they have already been usurped. Unless the Executive now sees fit to purge his administration of such communistic men and ideas as I have just described, we will be brought to a corporative state more far-reaching than that of Russia or Italy. These corporations unqualifiedly show the way to centralize all property in the hands of a few and beyond Federal control.

A measure is already before the Congress to have the Constitution nationally glorified in 1937—150 years after its adoption. It will be a hollow mockery unless the Congress demands complete public explanation of who evolved the sly corporate schemes which I have just described. They must not be permitted to hide behind the President, nor he behind them.

"I have not read the bill", smilingly said our President, of the $5,000,000,000 relief resolution.

Either he knows or he knows not. If he knows not, it seems passing strange that all of these things could happen in such sequence and perfect order, with such definite and purposeful ends, without a master brain and hand behind them.

Senator COUZENS has already called the turn in his declaration that whoever wrote this resolution should be hanged.

But whoever inspired it, whoever wrote it, or whoever condones it—it is stealthy, cunning circumvention of the Constitution. It is the culmination of a treasonous plot.

It explains those planned "emergencies" and that forced chaos which has tied hand and foot and gagged a docile, trusting, obedient, law-abiding, bewildered people.

I cannot conceive that any red-blooded American citizen would desire that the United States be converted into a Union of Soviet Socialist Republics—with Federal officials as boards directors of government-owned industries run by government commissars, as is done in Moscow.

Yet that very end is made possible, if not probable and likely. We cannot read otherwise in the Delaware charters of permanent industrial mergers filed in Dover by Cabinet officials and "emergency" bureau heads within the past 15 months.

On election day in November 1936; yes, on primary election days in the spring and summer of 1936, Members of this Congress will have their answers from their home manufacturers, their taxpayers, and from the great army of wage earners and their families.

Will that answer say, "We approve your great wisdom in voting the four billions lump sum to make possible and insure the conversion of the United States of America into an American U. S. R."?

Will their response read, "We thank you for sovietizing the America of Washington and Jefferson, of Lincoln and Wilson"?

Will they tell you, "You are the commissars of our soviet council—the one-time United States Senate—and we look forward with high anticipations of great joy to that near day when the women will be digging ditches, and the men drinking vodka, while our soviet council will fix our doles through corporations chartered in Delaware"?

I don't think they will.

[From the Block Newspapers of June 6, 1935]

FREEDOM FROM REGIMENTATION WILL BRING FAITH AND RECOVERY

If there was any confusion or hesitation in business circles over the Supreme Court decision on N. R. A., it was due, not to the decision itself, but to the manner in which it was received in official circles.

The Court's opinion should have surprised no one. Leading lawyers had predicted almost from the start that the Blue Eagle would be ruled out on constitutional grounds. The fact that the nine Justices were unanimous shows how clean-cut the issue was.

Nevertheless, the administration appears to have been wholly unprepared for the reverse. It had no alternative plans ready. It pleaded dismay and helplessness.

Gradually a saner view of the situation has developed—even in Washington. This was indicated by the President's public announcement of purposes and policies on Tuesday, following conferences with Cabinet members and leaders of Congress.

But even now the stand of some of the "new dealers" is dispirited and halting. It is almost as if certain of the President's advisers hoped that the next 6 or 9 months would provide an object lesson on the need of national regimentation. It was their pet project; they hate to relinquish it.

However, we are confident that their fears (or hopes) will not be realized. This country was built upon far sturdier foundations than N. R. A. or other alphabetical agencies.

The fact is that N. R. A. was largely discredited before the Supreme Court handed down its decision. Experienced and disinterested economists, including the extremely impartial Brookings Institute, declared months ago, after complete and painstaking studies, that it has retarded recovery, not hastened it.

The "brain trusters" who rather contemptuously thought the Constitution could be treated as an obsolete scrap of paper are acting as if a calamity had struck the country, but that point of view is confined to their own small circle.

No one, of course, objected to every part of the N. I. R. A. As in many laws there were clauses highly commendable as well as clauses that were very harmful. This was particularly true with respect to the small business man, and in some instances, to whole industries.

Surely the very great majority favored the child-labor clause and the minimum-wage and maximum-hour provisions. From statements made by industry's representatives since the Court decision it would appear that virtually all business of any size whatever will continue to abide by these worthy social gains.

The small business man may have more trouble trying to maintain some of the hour and wage standards, but agreements, possibly under State laws, will no doubt provide the way out.

The important thing is that regimentation and dictation are finished. The only thing definitely thrown in the discard by the Supreme Court is the attempt borrowed from European dictatorships to enforce a "planned economy" under the domination of political bureaucrats. That is the real "loss" lamented in Washington. To most of the country it will appear an invaluable gain.

Of course, the Court ruling concerned directly only the N. R. A. There are other laws sponsored by the new deal, such as the A. A. A. and the T. V. A., and still others now pending, such as the Wagner bill and the Rayburn-Wheeler bill, which, unless amended in important particulars, will meet the same fate as N. R. A. In that event they would be of no benefit to labor or industry but would only create new confusion and additional difficulties. It is to be hoped, therefore, that the administration will ask Congress to eliminate the unconstitutional sections which these measures now include.

What America needs today more than anything else is faith in itself and in its system of government. With regimentation banned, with no further fear that our independence or our individualism will be taken away, and with a positive check upon governmental tendencies that were bringing us closer and closer to fascism, national socialism, or communism, industry will carry on now with new courage and determination. With its greater efforts are bound to come bigger opportunities for the unemployed and the part-time workers.

This country is going forward. The stored-up demand after 6 years of depression should in itself assure better times. Despite mistakes, experiments, and obstacles, real recovery cannot be far away. If political leadership should falter, it could only delay—not stop—the logical course of events. Industry, labor, farmers, consumers—all the forces that make up the real strength of the Nation—will reassert their own faith and confidence in America's future.

PAUL BLOCK, *Publisher.*

THE SECRETARY OF THE TREASURY,
Washington, May 16, 1935.

Hon. THOMAS D. SCHALL,
United States Senate.

MY DEAR SENATOR: This will acknowledge receipt of your letter of May 14 in reply to my letter of May 9 on the subject of United States saving bonds. Your letter shows the same surprising unfamiliarity with United States savings bonds and conditions of their sale as was shown by your previous remarks on the floor of the Senate. I particularly note the paragraph in your letter in which you state:

"In time of urgent need, as in sickness and death in the family, unemployment and business failure, accidents, and other disaster, such as may occur in the 10-year period of the average small investor, he must go to what is known in most large cities as a 'shave shop' to part with his $18.75 of saved earnings at such discount as the 'shave shop' may exact."

The facts are, as you will notice from a reading of the enclosed circular relating to United States savings bonds, that at any time after 60 days from the date of issue of the bond the owner may obtain cash for it from the Treasury in an amount not less than the issue price of the bond. The value of the bond for redemption purposes increases at the end of the first year and regularly thereafter according to a scale of redemption values which you will find set forth in the circular.

Sincerely yours,

H. MORGENTHAU, *Secretary.*

JUNE 7, 1935.

Hon. HENRY MORGENTHAU, Jr.,
Secretary of the Treasury, Washington, D. C.

DEAR SIR: In the file of my unfinished business my attention has been called to a letter from you with an enclosure—Department Circular No. 529—for which I thank you. I note your statement, "That at any time after 60 days from the date of issue of the bond the owner may obtain cash for it from the Treasury in an amount not less than the issue price of the bond."

That is to say, if on June 30, 1935, a wage earner buys for $18.75 a bond that a maturity 10 years later carries the face value of $25, he can at any time between August 30, 1935, and June 30, 1936, in case of need, obtain $18.75 for it by returning it to the Treasury. If he pays $750 for a $1,000 bond, he can get back his $750 in the same manner.

I also note: "The value of the bond for redemption purposes increases at the end of the first year."

Your redemption table shows that 4½ to 5 years after issue the redemption value of a $25 bond is $20.75, while the redemption value of a $1,000 bond is $830.

But the owner must wait 10 years before he gets back the face value of the bond he buys, and I note:

"No interest will be paid on savings bonds."

Therefore may I inquire:

1. Is it the purpose of your "baby bond" issue, by offering it for sale at the 40,000 or more post offices of the United States, to attract for Government use the postal savings of the Postal Savings System, which in the fiscal year 1933 amounted to $1,187,186,200?

2. Is it the purpose of the Government to compete with the Mutual Savings Banks, which in 1933 aggregated 576 in number with 12,683,000 depositors and deposits approximating $10,000,000,000?

3. In short, is it the Government new-deal plan, in pursuance of the pending central bank bill and your "baby bond" issue, and the political control of the Federal Reserve System, to clean up the entire banking business of the United States and make it a Government affair, after the plan of Russia, and in pursuance of the Socialist Party platform—see plank 14 of the American Socialist Party in 1932?

4. What is your answer to the quoted indictment of Frank A. Vanderlip, the banker, that your "baby bond" plan is "unmoral"? I should be pleased to receive answers to above inquiries.

Best wishes.

Cordially yours,

THOS. D. SCHALL.

FOREIGN TRADE—ADDRESS BY ROBERT LINCOLN O'BRIEN

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered over the radio on Friday, May 24, by Hon. Robert Lincoln O'Brien, Chairman of the Tariff Commission, on the subject of our foreign trade.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

While at breakfast with some friends at a Washington hotel last Tuesday morning, the glasses of orange juice beside the plates suggested to me a picture of the whole discussion involved in the Foreign Trade Week and the Administration's tariff bargaining policy. Let me tell you why. In Riga, which I visited 4 years ago, a city about the size of Providence, R. I., in the newly created country of Latvia, carved out of Russia in the war settlement, stands an excellent hotel, as good as you would find in a city of corresponding size in this country. Its cooking is particularly excellent. But you cannot have orange juice for breakfast. Why? Because the Latvians "buy Latvian." They do not raise oranges. They do raise cranberries, and the fiscal administrators believe that anyone who has cranberry juice for breakfast has no right to complain at the lack of orange juice. Oranges are rotting under the trees in Spain and other Mediterranian countries, and could come to an ocean port like Riga at small cost. But such oranges cannot get in. The modern evil of nationalism, rearing its ugly head, keeps them out. An orange there costs 18 cents in our money; a banana, 30 cents. The duty on automobiles was 100 percent when I was there, but it has since been stiffened by quotas on importation so as to amount to more than that, with the result that horses which grow in that country, as do hay and oats, are busy all day long hauling the wood from the boats along the waterfront, in which it is brought, to the cellars of the houses where it becomes the nearly universal fuel. The Latvians grow wood and do not mine coal; so they "burn Latvian." Let none of us think that the "Buy American" idea is a new thing under the sun, or that the theory that you can make employment by remorselessly shutting out other people's commodities is a discovery of ours, or one on which we hold a copyright.

Do not blame the Latvians for their policy of exclusion. They were driven to it. Other countries will not buy their goods, and so they cannot buy our automobiles or Spain's oranges. One of their great articles of production is butter, the finest you ever saw, which sells there, translated into our units, at 12 cents a pound. But America would not buy it, except under highly unusual conditions, occasioned by an extreme drought or something of the kind. Then we should do so with great reluctance and over a high tariff barrier. Germany will not buy Latvian butter because she is in the same boat herself; she cannot sell things enough to get the necessary exchanges in the world, and so she has had to develop a line of artificial butter fats of the oleomargarine sort for her own use. Great Britain used to buy the Latvian butter, but the Ottawa agreement, giving preference to her own Dominions, and a special trade agreement with Denmark, now supply the British market. This experience is typical of Latvian products as a whole. Since they cannot sell, they cannot buy. And they are burning wood instead of coal, and using horses instead of motor trucks, and drinking cranberry juice instead of that of the orange. Thus the nationalistic ideal reveals its true self.

Now we have many people in this country who think we ought to do the same thing. It goes without saying that we could do it to much better advantage than do the Latvians because of the enormous range of our country's resources. Several books have recently been written, of which America Self-contained affords an example, showing how we can make a synthetic rubber out of certain desert weeds, and so save us from resort to the rubber of the Federated Malay States and other equatorial lands. To be sure, this synthetic rubber of ours would cost a good deal more than that which we are getting now. And we are paying for our rubber with commodities of our own making, in which our people find just as much employment and probably more than they would in making this synthetic rubber of the American self-contained advocates.

It is a great mistake to suppose that the only way to throw Americans out of work is to import from abroad some product that they might be making here. You can throw them out of work just as well by losing a foreign market. For example, 12 years ago we furnished 48 percent of Great Britain's importation of cured pork products. This means ham and bacon. Of these meats they use much in England. Bacon for breakfast is a well-established ration in all English-speaking countries of the world. We used to have about half of this British market. We have less than 10 percent of it now. Here is a difference that has thrown a great many industrious pigs out of work, to say nothing of its effect upon corn and the whole scheme of our agricultural industries. Our last tariff bill led to great retaliation on the part of Canada, for which no one can blame the Canadians, with the result that large markets in British Columbia and contiguous regions for prunes, raisins, and the products of southern California were lost to our producers. The automobile business affords another illustration. Due to our mass production and inventive skill, we would undersell the world in automobiles and possess all their markets were it not for this spirit of nationalism, or of living within one's self. That spirit has reared barriers against us as high in some cases as 180 percent, accompanied by quotas limiting the number of automobiles that can be brought in, sometimes by the requirement of an export certificate.

The same situation is true of countless other articles. We could employ literally millions of people in this country making the things that we could and should sell abroad if we were only willing to buy something from those countries, and so provide them with the means of paying for the articles that they get of us. They cannot pay permanently in gold. We ought not to want it. In the first 11 months of 1934 we brought over a billion dollars worth of gold into this country, or more than the output of all the world's mines. About half of it to offset what is commonly called our "favorable balance of trade." It is no wonder that the other nations of the world are "out on a strike" against us. They are seeking ways all the time to lessen their importations from the United States, and so their task of finding ways to establish exchange on this country with which to pay for them.

Probably the nation whose products are in most competitive disfavor with us is Japan. She is a severe competitor, has a very low production cost, is flooding our 5- and 10-cent stores with low-priced articles. It is rather dangerous for me to say even a word in defense of Japan's part in world trade. But I might, perhaps, be allowed to note that she is now buying almost twice as much from us as we buy from her; that she buys more raw cotton from us than Great Britain, France, and Germany combined, countries which in the past had been large consumers of American cotton. In fact, cotton has become more or less the hostage in this war of trade. We used to export 60 percent of our cotton. This year the percentage has dropped to below 40. Other countries have gone to raising cotton. They are often in a position to make better trades for its sale with other countries than we are willing to make. For example, British India will take cotton textiles in great quantity from Japan in exchange for cotton raised in India. We do not like to take the cotton textiles. Witness the strength of the protest which has gone up in recent weeks from the cotton textile industry against importations from Japan, even though these are not as yet, happily, a large competitive factor, measured in percentages, although undeniably an annoying one. Some sapient man from afar, seeing this cotton situation observes: "Why shouldn't the South go to raising something else besides cotton?"

Perhaps. But if you went to Gloucester, in my native State, and on hearing that tons of fish had in recent years been thrown overboard because of lack of market and you proposed as a remedy that they should produce less fish and more alfalfa, you would find an unresponsive audience.

The great issue before the American people, and to a considerable extent before all the other peoples of the world, is whether they shall live in individual compartments, so to speak, each country for itself. Some very excellent men advocate this policy. I do not. I think it would be turning back the hands of the clock on which civilization is ticked off. You will recall that the Thirteen Colonies, under the confederation and before the Constitution, had tariffs of their own and were in interminable wrangles over them. Nor was that very different from conditions of the world today. Austria is now only the size of the State of Maine, with fewer than 7,000,000 people, nearly one-third of whom live in its single preeminent city, and yet it is shut off from the other nations into which the old dual monarchy has been cut up by tariffs and innumerable trade barriers. This has meant something little short of the economic wreckage of that great area.

We ought not to overlook the debt of gratitude which we as Americans owe to the great preachment of Adam Smith, a Scotch metaphysician, who wrote four books, one of which, known as "The Wealth of Nations", came out in 1776—the very year of our Declaration of Independence. It was brought to this country in 1783 on the termination of hostilities with the mother country. It greatly influenced the thought of the men who were destined to draw up our Federal Constitution. A great book in those days spoke with an appealing voice. And this book proved truly epoch-making. Adam Smith was the forerunner of a liberal trade policy in the world. He was the morning star to that great body of economists who worked out the doctrine that trade between nations could be mutually advantageous to both buyer and seller, and not a form of piracy on the part of the one who did the selling, as the mercantile school of the Middle Ages had implied in all their theories.

Whatever any of us may think of international trade, of tariff bargaining plans, or of treaty compacts, we must all agree as to the wisdom of the desirability of unrestricted trade throughout our own vast Republic, which is larger than the world that Adam Smith knew. The very diversity of resources and standards of living and wages in our country raises its own questions, as the present controversy over the wage differential, in the N. R. A.

codes between northern and southern cotton mills bears evidence. Yet in spite of those differences, we profit by the enormous effectiveness of our mass production, which the trade of 48 States and 120,000,000 people make possible. There are gains and losses. Massachusetts, my own State, has seen industry after industry leave it. We have seen the number of our cows run to trifling proportions, while we buy our milk from Vermont, butter from Minnesota, and cheese from Wisconsin, even though we have thousands of acres of unused land which could be producing those things, but under less favorable conditions than the broader acres of the West. While these have taken our dairy industry away from us, and other States have invaded our textile field and our old-time iron industries, we have found new things to do. We remain one of the rapidly growing States of the American Union. We stand ninth in population of States today as against eighth a century ago, when the number of States was much smaller.

What would the automobile industry have been had the Detroit producers been limited to a Michigan market, and our Massachusetts producers, following the wake of the Amesbury buggy, had made the automobiles for Massachusetts, and the Concord coach of New Hampshire had been the precursor of the Granite State automobile for New Hampshire consumption? It is not too much to say that the automobile, as a transportation device, would be of small account in the world compared with what it has become today, but for the broad market and the opportunity for mass production which our unrestricted trade area has made possible.

In the liberal trade direction, it seems to me, we ought to be moving, rather than toward building up these interminable barriers, and restrictions which have been so much in evidence in the post-war period, as one of the worst products of the war and of the depression. To a large extent this spirit of obstruction has proved a contributor to the depression. This is why I believe in foreign trade, in buying of other countries as well as selling to them, and so in Secretary Hull's great tariff-bargaining program, which is the method and the agency now in operation for bringing these results to pass. I believe it one of the longest steps in economic progress which this country has taken in our generation, and one that deserves the commendation of all thinking Americans.

POLITICAL REACTION FROM SUPREME COURT DECISION IN N. R. A. CASE

Mr. LEWIS. Mr. President, I rise to address the Senate in pursuance of the notice I gave to this body. I then announced that I purposed addressing the Senate on "the political reaction addressed to the President from the decision of the United States Supreme Court in the N. R. A. case." Mr. President, I am conscious of what this very suggestion invokes—something of a partisan reflection. I realize the responsibility of some of the utterances to which it is my purpose to give complete vent. I hesitate much, for I recognize I am bringing forth both the President and the Supreme Court decision with a view of referring to both in a summoned political atmosphere. We recall, Mr. President, the apology of him who brought out the king in a historic undertaking, as given us by Shakespeare:

> But pardon, gentles all,
> The flat unraised spirits that have dar'ed,
> On this unworthy scaffold, to bring forth
> So great an object.

We contemplate the office of the President of the United States and we envisage at the same moment the Supreme Court.

At this point, Mr. President, it is interesting to note that Judge Wilson, of Pennsylvania, who was of the Constitutional Convention, in his lectures upon the Constitution invites attention to the record reciting that the Supreme Court of the United States, this esteemed body, was formed and shaped after tribunals that prevailed in Greece following Egypt, and, referring to the Grecian court, says:

> On the model of this high tribunal of Egypt was formed the celebrated court of the Aeroepagus at Athens. This court was instituted, 1,500 years before the Christian era, by Cecrops, who was originally of Sais, a city of the lower Egypt, and to whom Athens, the seat of literature and politeness, of eloquence and patriotism, owed its foundation and first establishments. * * *
>
> Aristides—well qualified to decide upon this subject, for he was distinguished by the appellation of the just—informs us that this court was the most sacred and venerable tribunal in all Greece. From its establishment it never pronounced a sentence which gave reasonable cause of complaint. Strangers, even sovereigns, solicited and submitted to its decisions, which contributed, more than anything else, to disseminate the principles of justice first among the Grecians.

On such foundation of purpose and object was based this organization which we speak of as the Supreme Court of the United States.

I pause for a moment, sir, to consider the President of the United States. Great is the office, but great is the penalty of its honor. May I be pardoned by my distinguished friends of the Senate for alluding to an observation of Emerson, who, in essay renowned, says:

> The farmer imagines power and place are fine things. But the President has paid dear for his White House. It has commonly cost him all his peace and the best of his manly attributes. To preserve for a short time as conspicuous an appearance before the world, he is content to eat dust before the real masters who stand erect behind the throne. Or do men desire the more substantial and permanent grandeur of genius? Neither has this an immunity. He who by force of will or of thought is great, and overlooks thousands, has the responsibility of overlooking. With every influx of light comes new danger. Has he light? He must bear witness to the light and always outrun that sympathy which gives him such keen satisfaction, by his fidelity to new revelations of the incessant soul. He must hate father and mother, wife and child. Has he all that the world loves and admires and covets? He must cast behind him their admiration and afflict them by faithfulness to his truth, and become a by-word and a hissing.

Regretful, sir, is the observation and painful is the truth. It is at this point I summon my brothers of the Senate to ask has our present President done anything to have visited on him the penalty and hisses the philosopher tearfully describes? I ask, What is all of this alarm which is being sounded in behalf of the Constitution by the eminent political leaders opposed to President Roosevelt? What is the object of summoning the people to the defense of the charter of their liberties and filling them with terror by proclaiming that the house of their guardianship is about to be torn from over their heads and the protection and the privileges granted by their fathers through the Constitution to be stricken from them by the sinister hand raised by Franklin D. Roosevelt, President of the United States?

We answer it is the lightning flashes of partisan assault and the thunder of the prejudice of privilege.

We ask, Where is any foundation for charges made of threatened conduct of treasonable form? Where is the justification for the accusation and what authority is there that gives license to discredit the President with maledictions and apostrophe of devastation that could only be addressed to a persecuting tyrant or to a murderous despot?

PRESIDENT FIRST TO OBEY COURT

Let it be now noted that, amidst this clamor of assault on character and purpose that had no foundation nor excuse for its rumor and scandal, the President of the United States—this same Franklin Roosevelt—upon decision of the Supreme Court of the United States that dismembered the immediate operation of a system devised by the President for what he felt was the welfare of his country and the relief from oppression of all his countrymen—this Roosevelt was the first official of the Government to demand compliance with the decree of the Court.

Let it be told that there never has been an instance in all America under its constitutional history where an adverse decision to a policy of an administration was so immediately accepted, adhered to, and obeyed by any President as has been the course of Franklin D. Roosevelt.

NO CORRECTION OF THE ERROR

Where is one voice of those who were denouncing the President, and prophesying approaching action of a usurper, charging him with inaugurating "unconstitutional conduct", "despotic device", and "tyrannical trespass to frustrate the Constitution", later to invite the people who have been alarmed by the vilification in the innuendos and accusation to the fact that President Roosevelt had promptly, upon the recording of the opinion, waived the usual procedure of petition for rehearing or of filing the usual exceptions seeking modification on the basic grounds of error in the conclusion? None.

Where is the voice of accusers now expressing the injustice of their former assertion and now telling the Nation how the President summoned his people to immediate obedience, requesting and ordering his fellow citizens, so far as in their power, to obey the Court; dismiss the codes; refrain from any further procedure under them? None, we sadly charge.

Where has there been a voice of his opponents to give him credit by statement of the real truth of this nobility of action; this example to his country of obedience to the law?

COULD HAVE CONTINUED THE CODES

It is known that the decision must have been a severe blow to his hopes and that the inclination of any disappointed Executive would have been to postpone the enforcement of the opinion as long as there was a reasonable possibility of obtaining qualification from the Court upon further hearing of the causes, known as "rehearing." I beseech you to recall that the President was not compelled at once to withdraw his codes or the codes of procedure that had been adopted by the business interests, the toiling laborers, and the finance agencies. True, the Supreme Court had obstructed the enforcement of the codes by Executive action or by that which could have visited penalty and punishment. But there was nothing in the opinion that would have prevented the codes from remaining as the adopted contracts between those who had formed the codes and agreed in compact to their prescriptions.

It will be remembered that when the Sherman Antitrust Act had the features of the enforcement by criminal process taken from it by the qualifying limitation and constructions of the Supreme Court of the United States, and, thus, an embargo was put upon criminal prosecutions for violations of the Sherman Antitrust Act, there still remained, as now exists under the law, the right to proceed under the civil-law clauses for damages in double the amount of the losses by those who had been entrenched upon by oppression through the monopoly created by secret conspiracies.

So, too, the codes of the N. R. A. could have remained in operation bereft only of the power of enforcement through punishment but leaving the parties to the code to treat them as contracts and to sue upon them in the civil courts for damages which resulted and would follow from the disobedience of the codes or the enforcement of them in a manner destructive of the just interests and legal rights of the parties.

THE DISGUISED PARTISANSHIP IN THE CRY OF "ENMITY TO THE CONSTITUTION"

Therefore I make bold again to ask, What is the purpose of this Paul Revere ride of the imagination and its proclamation in howls of the dramatic runners proclaiming that "the land is on fire"; "the Constitution is being shattered"; "ye who are in the house, behold the roof is to fall upon you, and you, like Samson, are to be caught in the ruins." "Hear, all ye of the Roosevelt following, abandon your friend and flee for your life!"

"DANGER TO CONSTITUTION"—THE OLD RUSE TO DECEIVE THE CONFIDENCE OF PATRIOTS

How often has this device been adopted wherever private interests and increasing privileges have sought to entrench themselves in further power or to restore themselves to the privileges that have been wrested from them by an indignant people! Senators, I am surrounded here, in your courtesy, by scholars of history and of the great profession of the law, which is but the profession of recorded precedents. Shall we forget that from the time that the Praetorian Guard rushed out to the ramparts of Rome with their hands red with the blood of virtuous Pertinax and sold the world to the highest bidder, crying out as justification, "the Constitution is in danger—who will pay the price of the country now destroyed by its governors in the wreck?"—from that date continuous processes of the same nature of deceit and falsehood ever advanced to achieve the guilty purpose of robbing the people and looting the Nation as ever practiced by them who would ruin or rule, as against the opposition of those public servants who sought to protect their country from pillage and rescue their people from destruction.

Peel and Gladstone, of the English Government, confronted this obstruction to reform of Parliaments in their fight to condemn rotten political boroughs, which, as a system, were purchased by gold from the feudal inheritors, who inherited the right to sell parliamentary privileges. Every effort of Sir Robert Peel and Premier Canning was abused with the cry—let us hear it—"He is destroying the ancient constitution!" He has "assailed the ancient liberties!"

Do we not recall that when Gladstone opened his war to rescue the poor in Ireland from the oppression of absentee landlordism and sought to invoke and enforce the doctrine of equity and justice, the cry came forth, "Gladstone should be destroyed!" one lordly proprietor crying out, "I would not soil my rifle by shooting him!" He is "destroying the constitution"; he is "robbing the country of its liberty" and "taking all there is of British honor and burying it in disgrace!"

PRESIDENT THEODORE ROOSEVELT A VICTIM OF THE CONSPIRACY

Mr. President, let us return home. Do we not remember how Theodore Roosevelt was a victim of this conspiracy? Brother Senators, hear me for yourselves. Does not our memory at once recall that when Theodore Roosevelt was President of the United States, and sought by legislation to eject from high places of devastating power those he characterized as "the malefactors of great wealth" who had abused honor and corrupted the great Nation with their bribes—this President was the victim of the same deluding device—"destroying the Constitution"?

In his effort to pass as relief of the people the railroad bills to prevent transportation combination from bankrupting the farmer and the merchant, in persecuting perfidy, and swindling the financier with false securities, when the Federal and State courts of the country, from the lesser to the highest, overthrew the will of the people as expressed by their representatives through legislation, and discredited as "unconstitutional" the acts of the Executive, while these court decrees dishonored the Republic, was it not then that the financial masters, defaming the President for his opposing their public crimes, held him up before the world as "insane in mind", "vicious in purpose", "criminally contaminating in body", "destroying the Constitution", "ruining the Republic"?

These dominating interests of malice and corruption would have destroyed their own Nation in the estimate of the world to achieve their purpose of enjoying the privilege that gave them the personal avenues of private plunder. It was these who continued their assaults upon the Nation and the President until they brought a panic upon all America in 1907. These plotters then robbed the poor of their only dollar in the banks, and forced the Nation to adopt as its currency the thing called "clearing-house certificates", of the worth of pictured wall paper, or of rotten autumn leaves [laughter]; then christened their bastard heir as "the Roosevelt panic."

Was it not after this, when these masters had administered their guilty power, through subservient courts, that this Theodore Roosevelt, representing Republican institutions and a constitutional democracy, went out to the people first assembled at his call in the State of Kansas, and there in public address heralded that it was better for the Nation to dismiss these courts which had projected this prostitution of justice upon the Nation, and introduce the recall of judges by popular vote, in this way to take from the bench the unworthy and supply their place with honest hearts that came from the country corners of the country station of the Nation's assemblage?

Mr. President, I pause for a moment to ask the attention of my honorable colleagues to what Theodore Roosevelt writes of his experience. He says, reading from page 175 of his personal treatise:

> The men who disbelieve in the rule of the people, and who think that the people should be ruled by a part of them (for to call such a part "a representative part" is entirely meaningless), treat the Constitution as a strait-jacket for restraining an unruly patient—the people. We, on the contrary, treat the Constitution as an instrument designed to secure justice through giving full expression to the deliberate and well-thought-out judgment of the people. They are false friends of the people and enemies of true constitutional government, who endeavor to twist the Constitution aside from this purpose.
>
> We are engaged at the present day in a great struggle for social and industrial justice in this country, and our chief opponents in this struggle are the powers of pillage, the powers that profit by privilege at the expense of the rights of the plain people as a whole.

Then, continuing, says ex-President Roosevelt:

My proposal is for the exercise of the referendum by the people themselves in a certain class of decisions of constitutional questions in which the courts decide against the power of the people to do elementary justice. When men of trained intelligence call this "putting the ax to the tree of well-ordered freedom", it is quite impossible to reconcile their statements both with good faith and with even reasonably full knowledge of the facts.

All that is necessary to do in order to prove the absolute correctness of the statement I have just made is to call your attention to the plain and obvious facts in the case. In the first place, consider the present practice in various countries in which there is substantially the same well-ordered freedom as in our own land. For instance, take the Republic of France and the great English-speaking Commonwealths of the British Empire, England, Canada, Australia, all of which are governed by the Parliaments in substantially the same manner that we are governed. In every country I have named the decision of the legislature on constitutional questions is absolute and not subject to action by the judiciary; and whenever the courts make a decision which the legislature regards as establishing a construction of the constitution which is unwarranted, the legislature, if it chooses, can by law override that construction and establish its own construction of the constitution.

Further declared the late President, sir, continuing:

I am seeking to introduce a system which will obviate the need of such a drastic measure as the recall. If in any case the legislature has passed a law under the police power for the purpose of promoting social and industrial justice and the courts declare it in conflict with the fundamental law of the State, the constitution as laid down by the people, then I propose that after due deliberation—for a period which could not be for less than 2 years after the passage of the original law—the people shall themselves have the right to declare whether or not the proposed law is to be treated as constitutional.

Was this the talk of the Democrat, Franklin Roosevelt, that is denounced by the swelling assumption of the bold buccaneers of public and private pillage? Then, if this came from a thought imagined and invented by political prating patrols, or of misinformed press, behold this from the Republican master, who is the pride of the Republican organizations as statesman of the noblest quality—and most sacred authority!

There he proceeds to define, sir, the privilege to recall and to change. I conclude Mr. Roosevelt's observation of himself. He speaks of these when he says:

There are sincere and well-meaning men of timid nature who are frightened by the talk of tyranny of the majority.

Ah, how familiar that sounds to our ears just now!

Those worthy gentlemen are nearly a century behind the times. It is true that De Tocqueville, writing about 80 years ago, said that in this country there was great tyranny by the majority. His statement may have been true then, although certainly not to the degree he insisted, but it is not true now. That profound and keen thinker, Mr. James Bryce, in the American Commonwealth, treats of this in his chapter on the "Tyranny of the Majority" by saying that it does not exist. His own words are that:

"It is no longer a blemish on the American system, and the charges against democracy from the supposed example of America are groundless."

Says Mr. Roosevelt:

I wish that our opponents—

Naming those denouncing him, as the same order now denounces Franklin Roosevelt—

and the rest of their companions, who so dread and distrust the American people, would in this matter copy the good faith of these declarations.

Here, Mr. President, I conclude with this eminent ex-President, as he says:

I shall protest against the tyranny of the majority whenever it arises, just as I shall protest against every other form of tyranny. But at present we are not suffering in any way from the tyranny of the majority. We suffer from the tyranny of the bosses and of the special interests; that is, from the tyranny of minorities.

These gentlemen—

Referring to those who slandered him and maligned him as "unconstitutional" and "violent and discreditable"—

These gentlemen and their allies are acting as the servants and spokesmen of the special interests and are standing cheek by jowl with the worst representatives of politics when they seek to keep the courts in the grasp of privilege and of the politicians. * * * These worthy gentlemen speak as if the judges were somehow imposed on us by heaven. * * * In the course they are taking, they and the respectable men associated with them, unconsciously are—in some cases certainly and in other cases, I fear, consciously—acting on behalf of the special interests, political and financial, and in favor of privilege, and against the interest of the plain people and against the cause of justice and of human right. In the long run this country will not be a good place for any of us to live in unless it is a reasonably good place for all of us to live in.

He, concluding, says:

These gentlemen—

Quoting them by name—

and their allies wish to make this Government a government by corporation attorneys on the bench and off the bench; and this without regard to whether particular individuals among these corporation attorneys mean well or mean ill, without regard to whether they are or are not conscious of the fact that they are really serving the cause of special privilege and not the cause of the people.

THE MASSES SAVED THE REPUBLIC THEN BY FAITH THEY HAD IN THEODORE ROOSEVELT

It was only through the knowledge by the great masses of our people that these tricks of dishonor, which were attempted, if successful, would mean dissolving of all confidence, destruction of all credit, and debasement of the name of America; that these humble many—patriots all—refused to join the cavalcade of black-horse marauders in their assault, but, as Americans, asserted their privileges within their rights and under the Constitution.

Then the toilers and producers restored their land to the people for the protection of the Nation and resanctified the maintenance of the Constitution in the full sense of its spirit. It was these, the true people, who under Theodore Roosevelt prevented this land from a civil revolution on the corners of the thoroughfares.

Senators, do you feel that this invasion reflected to your memory is wholly our affliction in the United States? See today the confession from France in the bemoaning indictment by the new Premier as he speaks of the conspirators at the gates:

The Cabinet knows the task requires all its courage and all its strength. It has a single thought—to act everywhere and act quickly. It took only a few days for speculators to make their assault, attack our gold vainly, and to try to alarm investors and demoralize workers. The Government's reply will be brutal and decisive.

SAME TRAGEDY NOW ATTEMPTED AGAINST FRANKLIN ROOSEVELT

Mr. President, I assert that in order that the public may be filched of their confidence in just government, this detestable tragedy is being repeated upon Franklin D. Roosevelt is the same as was assumed to be perpetrated upon his predecessor, Theodore Roosevelt—one Roosevelt a Democrat-Republican, the other a Republican-Democrat.

Senators, let us ask, In all this crying "unconstitutional" do these gentlemen, who lead this harangue in embittering denunciation of the measure they assert is "unconstitutional", propose any measure they claim constitutional that can retain the virtues and benefits of such parts of the system as they and the business interests of the country now confess and declare has produced the revival from depression to arising prosperity? None—not one measure.

Do these assailants, posing as Nature's guardian, offer that which will protect children from being smothered in the recesses of darkness and their lives melted in the clots of their own blood as they swelter in the choking miasma of the factory? Do these critics and condemnors offer anything that will preserve to the toiler some equality between the labor which he gives and the amount which he is to receive? Never once. Do they suggest a measure that will give to the farmer a return for his product in proportion to the sacrifice he endures under the burning summer sun and the chilling blasts of winter? Nothing but sneers. Is there anything brought forward by the prophets of evil to assure the education of those who have long been benighted and stupefied in ignorance for lack of the means whereby education may be obtained? Not one thing. Is there anything to be suggested by these who damn and calumnify every undertaking to restore to the general course of business a prosperity equal to that which is threatened with destruction? No. Is there anything presented to rescue the people and to save the Nation from the lot and fate that has now

befallen the countries around us, who, deceiving the faith of their fellow citizens and prophesying them with destruction to every hope of restoration, have brought upon them despair and, from this, multiplied revolutions? Only derision upon all relief.

It is enough from the point of view of these opponents that they discredit their President and disgrace their country. To them it is sufficient to cry to the deceived, "Oh, citizens, if you will have 'honor' restored, justice enjoyed, constitutional government guaranteed, restore us to the power which we once debased and to the places we dishonored and to the control of the Nation we disgraced."

Sir, I pause for a moment to call attention to how truly the Holy Scripture hath it that "There is nothing new under the sun." I read for a moment of the party conflicts between the Whigs and Tories in England and of those who remained in the minority, ever abusing and ever cursing, but never tendering. Says Hazlitt in his essay on the Jealousy and Spleen of Party:

> The chief dread of the minority was to be confounded with the populace, the canaille, etc. They would be neither with the government nor of the people. They make up for their want of strength by a proportionable want of spirit. Their cause is ticklish, and they support it by the least hazardous means. Any violent or desperate measures on their part might recoil upon themselves.

THE MASSES REMEMBER WHAT THEY HAVE ENDURED UNDER THESE NATIONAL BETRAYERS

Mr. President, let it be known that the great masses of our country are not deceived. They understand the purpose of this false shouting to the multitude. Sirs, all acknowledge that there have been the natural disappointments that come from new undertaking where the processes cannot all be understood or the program uniformly adopted. Our processes have been rapid and multiplied because of our constant progress. Says the commentator upon the course of Mr. Gladstone, as to the fate of progress in multiple legislation:

> At the general election in 1868 the Liberals were returned by a large majority. Disraeli then resigned, and on December 1 Gladstone took his government. * * *
> It was sound and homogeneous—

Speaking of his Cabinet—

> and for the next 6 years the output of legislation was remarkable. * * *

By March 1873 public opinion had begun to tire of too much progress, and the government was defeated then upon an Irish University bill from the Lords.

This has happened to us. The progress has been so rapid that the "Lords"—or the judiciary, we may call it—has found a sentiment in our country where there is impatience at the remedies because they have multiplied so rapidly the people have not been able to consume their merit and assume the responsibility of administering them.

Let me proceed, Mr. President, and state that the slow process continues moving upward, till the relief to the people from their oppression is now enjoyed. The people do not now hear the banks cracking and falling around them as walls before a hurricane. They do not see the suicides leaping from the heights to the depths below, casting themselves into the rivers and the sea, injecting poisons in their bodies, that they may not awake from sleep to confront the disasters that have been visited upon them by the hand they entrusted to preserve them.

Now, no longer are the people in fear that their country will go to the dissolution and destruction now fated to nations around them and about them. This because they know that the man whom the people have put in the White House—whatever may be the errors in the processes through which he serves—will not desert the people who trust him and will not abandon those who confide in him for preservation.

They cry forth, paraphrasing Browning: "God's in His heaven—Roosevelt is in the White House—all's well with America!"

Now, Mr. President, in concluding, I touch upon the observation by the President concerning which we have of late heard rumors all about us—something to make the Constitution stand in the spirit intended by its creators or to make amendments that enable all of the people to continue with unabated faith in the Constitution.

ROOSEVELT FOR A TRUE CONSTITUTION—AND TIMELY WARNING

Whatever the President said as to the Constitution or the decision of the Court, as quoted or assumed by innuendo, was to sound the warning as to what might be the result in the Nation upon publication of the opinion of the Supreme Court that struck down what to many were their hopes and what to others was their only salvation. Wise was the inner fear of the President of a form of uprising of the people against the courts and their authority, together with the possible threat of destroying obedience to their decrees, unless something was said and done that would indicate that all that was righteous would be preserved despite what could arise.

Sirs, do we not all now recall, and did not President Roosevelt reread in his reflections of history, that when the Supreme Court of the United States in an earlier day announced its unexpected ruling touching the matter of "greenbacks" and the quota of money for the people—deciding against what the people believed was just—that there sprang up in protest a political party in the United States which nominated General Weaver, of Iowa, for President on the issue of the opinion, that the result of the campaign was a controversy of such fears from finance and prolonged nature of dispute and doubt as postponed the recovery of the people for 20 years? Did not President Roosevelt recall that not long since—all in our memory—when Congress had taken action which seemed to defeat the will of the people respecting the metals of their Nation in what was known as the "silver clause" and this adverse action accompanied the opinion of the Supreme Court of the United States nullifying the income-tax law of America there arose the political party and political issues headed by William Jennings Bryan which stormed the Nation from every center and assaulted it from every corner until confidence and peace had been shattered from every hearthstone to every altar? "Lord God of hosts, be with us yet. Lest we forget."

Could he be indifferent to the truth that if something were not suddenly undertaken, either by action or by speech, to avoid a reawakening of such revolts this Nation would be again imperiled by just such an outbreak and fury to which there could be added, in this peculiar season of industrial distresses, the cooperation of those who have long waited for just such turmoil and confusion to bring to bear the hoped internal conflict and civil revolution in the dream that in the destruction of the house of their fathers that they could build on its ruins that which obeys the demand of madness or rewards the pursuit of riot and pillage?

Mr. President and Senators who have been courteous to abandon your committee work to sit to hear me, let me assure you that the millions that are the life of America confide in the honor of Franklin Roosevelt. These rest secure in the faith they have in his obedience to duty. They know that his guidance of the Nation is by the chart of the Constitution, directed by true democracy. And as the citizen builds for prosperity and prays the blessing of God, he exclaims his political text: "N. R. A.—No Retreat America!"

I thank the Senate.

Mr. ASHURST. Mr. President, I confess that the charm and erudition of the able Senator from Illinois [Mr. LEWIS] are such that I am moved to speak; and I shall, by being brought into juxtaposition with his speech, suffer because of the brilliancy of his address. The learned references he has made to historical events, particularly with regard to some decisions of the Supreme Court of the United States, are interesting. Indeed, the Senator from Illinois is an honor to the Senate. He elevates its tone.

I wish also to say that when we shall have left these seats forever, when the historian shall come to estimate the labors of Franklin D. Roosevelt as the Chief Magistrate of our country during one of its most perilous times, ample justice will be done to the noble efforts of President Franklin Roosevelt for the manner in which he strove to maintain peace, justice, and the other good and durable things of this life.

I do not always agree with President Roosevelt. It must be known to those who have deigned to pay any attention to what I say that I am much opposed to low tariffs. I am much in favor of a high-tariff policy for our country. Candor and frankness require me to say that I have seen six Presidents come, I have seen five of them go, and I never knew a Chief Magistrate more generous in heart and mind toward those who do not agree with his administration policies than is President Franklin Roosevelt. Indeed, it seems at times he is almost too generous, if such could be, toward those who hold views in opposition to his own.

When Franklin Roosevelt's violent critics are nothing more than a pressed flower flattened between the leaves of the book of time, possessing indeed none of their original form and certainly none of their erstwhile fragrance, the noble efforts of President Roosevelt for the common good will remain and bless our country.

I have often turned over in my mind a sentence in the speech by Roscoe Conkling, who for 14 years sat where my learned friend the Senator from Michigan [Mr. COUZENS] now sits. Conkling, in nominating General Grant for President in the Republican National Convention of 1880, used many striking phrases. One phrase has lived. Speaking of Grant, Conkling said:

> His greatness is not alone the greatness of things written or things said, but the arduous greatness of things done.

Conkling was a just man. He said that the Presidential campaign of 1876 was tainted with fraud, and that he did not want his party to accept a tainted Presidency. No matter to what place history has assigned Conkling, he had many of the elements of greatness. True, he was possessed of a vanity that was swollen almost to the point of bursting. After he had retired from the Senate a great tribute was paid to him by Joseph Choate, who said:

> Senator Conkling, we never agreed with you as a Senator; but as a man and as a public officer you walked through the furnace with no smell upon your garments during the most lush and corrupt period of your country's history.

That is also true of Franklin Roosevelt; and his greatness is the greatness of things done. And among the unjust criticisms which have been uttered or printed, rather, about President Roosevelt was that he intended at some time—nobody knows when or where—to increase, by some legerdemain—nobody knows when or where—the membership of the Supreme Court of the United States so that his policies might be sustained. A more ridiculous, absurd, and unjust criticism of a President was never made.

Mr. ASHURST. Mr. President, I read from an article in the Washington Post of May 29 last by Raymond Clapper:

> It is unfair for those who are disappointed with the decision to blame the Supreme Court. Although the Court went counter to the centralizing tendencies of John Marshall and sharpened State lines again, it has a written Constitution to deal with. The Constitution contains just so much rubber and no more. It is idle to quibble with the Court for not shutting its eyes to the English language. The Court cannot be expected to say the Constitution means yes when it says no.
>
> Talk of blackjacking the Court by enlarging its membership collapsed when all nine Justices joined the decision. That subterfuge of packing the Court, a weak and uncertain one at best, becomes ridiculous to think of now.

It is much to the credit of President Roosevelt that he has discountenanced such suggestions, when made by others, as increasing the membership of the Court so as to secure consideration of any particular case, and he has given such proposal no encouragement.

Indeed, no person whose opinion is respected has favored attempting such a reckless foray and folly.

For the purposes of these remarks, in the interest of conciseness, in referring to members of the Supreme Court of the United States I shall intentionally use the words "Chief Justice" to mean Chief Justice of the United States and the word "Judge" to mean Associate Justice.

The Supreme Court of the United States is and must be independent. Such is its history.

Judges appointed by President Jefferson and President Madison joined with Chief Justice Marshall in sustaining and developing the strongly nationalistic interpretation of the Constitution so obnoxious to President Jefferson.

It is one of the sharpest ironies of our national history that when John Marshall was nominated for Chief Justice by President John Adams, the feeling against Marshall in the Senate on the part of the Federalist Senators was strong, and he probably would have been rejected by the Federalist Senators except for the fact that President Adams definitely informed them—the Federalist Senators—that even if Marshall were not confirmed he, President Adams, would not nominate their choice, Judge Paterson. The Federalist Senators suspected Marshall of Republican tendencies.

President Jefferson was disgusted by the decision of John Marshall in the case of Aaron Burr at Richmond, Va., but President Jefferson was more than disgusted, he was enraged—if, indeed, a philosopher could be enraged—that the first act of judicial interference with Jefferson's embargo laws should have come from Judge William Johnson, of South Carolina, who granted a mandamus and announced a decision holding that Jefferson's instructions to the collector of the port of Charleston were illegal and void.

It will be remembered that under the Embargo Act of April 25, 1808, collectors of customs were required to detain any vessel ostensibly bound with cargo to United States ports whenever in their opinion the intention was to evade the embargo. In the enforcement of this law President Jefferson had assumed to direct the Secretary of the Treasury to instruct collectors to detain all vessels. Jefferson's resentment was fierce against Judge Johnson, a Democrat whom Jefferson had appointed to the Supreme Court from the Democratic State of South Carolina.

Judges appointed by President Jackson joined with Chief Justice Marshall and with Judge Story, who was appointed by President Madison, in supporting the Cherokee missionaries against Georgia in direct opposition to President Jackson. Judges appointed by President Jackson decided against his policy in relation to the Spanish land claims. Judges appointed by President Jackson and President Van Buren threw down the gauntlet to Jackson by issuing a mandamus against his favorite Postmaster General. In every case involving slavery antislavery judges joined with proslavery judges in rendering the decision. The constitutionality of the obnoxious fugitive slave law was upheld by antislavery Whig judges and by proslavery Democrats alike. A northern Democrat joined with a northern Whig judge in dissenting in the Dred Scott case. President Lincoln's legal-tender policy was held unconstitutional by his own appointees.

In the famous Milligan case in April 1866, within the short space of 3 weeks after the arguments the Supreme Court rendered its decision, holding that the Military Commission set up by President Lincoln was unlawful and void. The opinion of the Court holding Lincoln's tribunal illegal was delivered by Judge David Davis, Lincoln's personal appointee and close personal friend.

The reconstruction policies and acts of the Republican Party were held unconstitutional by a Republican bench. The constitutional views of the Democratic Party as to our insular possessions were opposed by a Democratic judge, who joined with his Republican associates in making up the majority in the Insular cases. Many other illustrations might be cited. Nothing is more obvious in the history of the Supreme Court of the United States than the manner in which the hopes of those who might have expected a judge to follow the political views of the President appointing him have been disappointed.

In conclusion, the Supreme Court of the United States is and ought to be independent of the Army, independent of the Navy, independent of the Treasury, independent of patronage, and independent of popularity.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to

regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

The PRESIDING OFFICER (Mr. HATCH in the chair). The question is on agreeing to the amendment offered by the Senator from Montana [Mr. WHEELER].

Mr. WHITE. Mr. President, I desire to state as briefly as I can some of the considerations which impel me to oppose the pending legislation in its present form.

The chairman of the committee, the distinguished Senator from Montana [Mr. WHEELER], has shown so much ability, so much industry, he has demonstrated such a capacity for leadership in his place as chairman, and has been at all times and on all occasions so considerate, so gracious, and so courteous, that I take any position in conflict with his views with great reluctance. I should find the greatest personal satisfaction in espousing any cause near to his heart.

Since the beginnings of the electric power and light industry in the early 80's there has come an amazing development in these fields. In the first stages there was keen competition between kerosene and gas, then came electric lighting; by 1902 the electrical industry had become as important in the lighting field as had been gas. From about 1910 or 1912 electricity has been dominant in this field. There went on at the same time the struggle of electrical power with competitive forms of power. Here also electricity has made extraordinary gains.

In 1907 there were 1,600,000 domestic consumers of electricity in this country. By 1934 this number had increased to 20,500,000. With the greatly increased number of consumers there has come a tremendous increase in household use of electrical energy. In 1907 the consumption was about 400,000,000 kilowatt-hours; in 1934 sales for household use exceeded 12,800,000,000 kilowatt-hours. The depression years from 1929 on had but little effect upon this industry. There was a period following 1929 in which the output of electrical energy fell, but since 1932 the output has been constantly rising.

This development, reflected in the number of consumers and in the consumption of power, has called for constantly increasing funds for construction and for plant maintenance. In 1902 there was invested in these plants about $483,000,000, and there has been added in investment during the previous 5-year period an annual average of $24,000,000. By 1932 this investment had grown to about $12,125,000,000, and during the 5 years preceding there had been poured into plants represented by this huge sum an annual average of $649,000,000. These figures as to the consumers, as to the use of electrical power, as to the total investment in the industry, and as to the annual additions thereto, give a clear picture as to the part this industry plays in the industrial life of America.

It seems to me few, if any, would question the propriety of Federal regulation of the interstate activities of an industry so vast and of such importance to all our people. It does not follow, however, that one should approve the destruction of a part of such business, or should approve the projection of the Federal Government over the line of authorized regulation and into the troubled and forbidden field of managerial and operating control of the gas and electric companies of America; nor that a Senator should sanction the attempted delegation of congressional power in undefined and unconfined manner and degree; nor, above all, that this body should approve assertions of congressional authority which disregard constitutional inhibitions. This proposed legislation, in my view, offends in each and all these respects.

An understanding of the pending bill requires a critical analysis of its language. In that, rather than in declarations of purpose made on this floor, will be found its effects and its legal justification, if there be any.

I address myself first to two questions: First, does the bill attempt improperly to delegate the congressional authority? Second, is the regulation proposed limited to those persons and companies engaged in interstate commerce? The conclusions to which I have come are: First, that Congress here seeks to pass over to the Commission almost plenary powers of regulation and control, with no adequate definition of those to be regulated, and no definite or definable rule to guide or control the Commission in its task; and, second, that the asserted authority is not limited to those engaged in interstate commerce or to interstate activity.

The definitions, beginning on page 6 of the bill, first require our attention. These definitions, Mr. President, are the very foundation stones upon which this whole structure is reared. The defects and weaknesses of the definitions project themselves throughout the entire framework and the entire body of the proposed legislation.

Now, inviting the attention of the Senate to the definitions, I call first to their notice that—

> "Electric utility company" means any company which owns or operates facilities for the generation, transmission, or distribution of electric energy for sale, or which transmits, sells, distributes, or furnishes electric energy for a charge.

In that definition there is no reference whatsoever to interstate commerce. Here is a definition which includes companies engaged wholly in intrastate activities as well as those of interstate character or which only incidentally sell the power they generate. There can be no doubt as to this. The definition is all-inclusive.

Next, we find that a "public-utility company" means an electric utility company; that is, a company which owns or operates facilities for the generation, transmission, or distribution of electric energy within a State as well as between the States. This statement is not open to challenge.

The third definition, and the one of supreme importance in this bill, is that of a holding company, which appears on page 7 of the bill. From this definition we learn that a holding company is—

> (A) Any company which, either alone or in conjunction and pursuant to an agreement or understanding with one or more persons, directly or indirectly owns—

And I emphasize the word "owns"—

> owns, holds, or controls 10 percent or more of the outstanding voting securities of a public-utility company or of a company which is a holding company by virtue of this clause or clause (B), unless the Commission * * * declares such company not to be a holding company.

In subparagraph (B) of this definition a holding company is defined to be:

> Any person or persons which the Commission determines * * * directly or indirectly to exercise such a controlling influence over the management or policies of any public utility as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that such person be subject to the obligations and liabilities imposed upon a holding company.

Mr. President, these definitions make it perfectly clear, first, that an electric utility company includes an intrastate company, and, second, that a public-utility company, and a holding company as well, include intrastate companies. The definition of a holding company rests upon the prior definitions. Although we know from the foregoing that a holding company includes an intrastate electric utility company, there is little else with respect to a holding company's nature and to the character and degree of control asserted over it of which we can be certain.

Over what companies is Congress asserting control and what guiding rule is laid down for the Commission?

Let me refer again to (A) of subparagraph (7) on page 7. There a holding company is defined as any company which "owns, holds, or controls 10 percent or more of the outstanding voting securities of a public-utility company."

This would seem to be sufficiently definite if it stood unqualified, but language appearing at the bottom of page 7 and on page 8 so affect this definition as to leave its meaning hopelessly confused. This language, appearing at the bottom of page 7 and on page 8, in mandatory terms requires the Commission to declare a company not a holding company if, among other things, it finds that the applicant company does not exercise such a controlling influence over the management and policies of a utility company as to make it appropriate in the public interest or for the protection of investors

or consumers that the company be subject to the terms of the act.

Then passing on to paragraph (B) a holding company is defined to be any person—

Which the Commission determines—

And I am still quoting the same language that I have just used because it is important—

to exercise such a controlling influence over the management or policies of any public utility as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that such person be subject to the obligations and liabilities of the title.

Again, in subparagraph (B) of paragraph (8) at the bottom of page 9 similar language is used to define a subsidiary of a holding company and in (F) of paragraph (11), at the bottom of page 12, appears a like definition of an affiliate.

In the light of these definitions I ask who can tell what company or person is a holding company, a subsidiary, or an affiliate? The certain language defining a holding company to be a company owning 10 percent or more of the securities of a public utility, appearing in (A) of paragraph (7), page 7, is made meaningless by the subsequent provision to which I have referred, to wit, that which requires the Commission to declare not to be a holding company one that does not exercise such controlling influence over a utility as to make it appropriate in the public interest or for the protection of investors or consumers that it be subject to this act.

I invite the attention of the Senate that there is no definition of a controlling influence and to the further fact that even if there were, either here or in court decisions, it would give us no reliable test, for a controlling influence over a utility is not what is referred to in the bill. Rather it is "such a controlling influence as the Commission determines to make it appropriate, either in the public interest or for the protection of investors or consumers, that a company or person should be subject to the act." This may be something quite different from a controlling influence.

How many or how few investors must be involved to make it appropriate, whatever this may mean, for the Commission to bring a person or company within the scope of this act no one can answer.

Here is no definite statutory rule. Here is no definite language to which persons and the business interests of the country may turn to determine their status before the law. The unguided and the uncontrolled discretion of the Commission is the arbiter of the rights, the duties, the obligations of men and of industry.

Paraphrasing the words of Justice Cardozo, I would describe the language of this act with respect to this vital matter as a vagrant stream of words, unconfined within any banks, sweeping on to the unknown.

This language lays down no statutory standard, it furnishes no rule, it offers no guide, but in the end leaves the decision as to whether a person or a company is a holding company, subject to title I, to the discretion of the delegate. Because of this infirmity of indefiniteness, it is an unlawful attempt to give authority by delegation.

Mr. President, does the bill assert authority over those engaged in intrastate activities? It is perfectly clear that the definitions of an electric utility company, of a public utility, and of a holding company, to which I have made reference, do include persons and companies engaged in intrastate activities. This alone raises a definite presumption as to the purpose of the bill to reach these intrastate activities. It would be a simple thing to so draw the definitions as to limit their application to interstate companies. That has not been done.

It is urged, however, that other language of the bill excludes the intrastate activity from the reach of the bill. In particular it is insisted that section 4, page 19, prohibits only interstate transactions by the unregistered holding company and that, therefore, if a company does not purpose to engage in interstate business it need not register, and if it does not register under section 5, that it does not subject itself to Commission domination and control.

I ask Senators to turn to section 4 and consider with me whether intrastate activities are in fact excluded and whether it is the real purpose of the bill that they shall be.

Let us analyze subparagraphs (1), (2), (3), (4), (5), and (6) of section 4, which enumerate the things that may not be done by an unregistered holding company, in order that we may determine whether intrastate companies and activities are or are not affected by the ban of this section.

By subparagraph (1) it is made unlawful for a holding company not registered to "sell, transport, transmit, or own"—and I emphasize the word "own"—"or operate any capital assets for the transportation, transmission, or distribution of electric energy in interstate commerce." Capital assets are "the facilities of an electric utility for the production"—and I emphasize the word "production"—"transmission, transportation, or distribution of electric energy."

That there is a distinction between the ownership of a plant and the operation of that plant for the distribution of energy in interstate commerce is obvious. That there is a difference between a capital asset used for the production of electric energy and a plant used for the transmission of such energy in interstate commerce will not be disputed.

Subparagraph (1) means, then, that if an unregistered company owns a plant for the production of electrical energy it is guilty of an unlawful act, whether it transmits that energy in interstate commerce or not. There is omitted from this subparagraph (1) the requirement that the holding company owning the capital asset and using the same in the production of electric energy must also transmit such energy in interstate commerce in order to be guilty of an offense against the Federal authority. It reaches the ownership of property and the production within a State of electrical energy, as well as the interstate transmission thereof. It applies, then, to the intrastate company and to the intrastate activity.

I next call attention to the fact that the mails of the United States may be used in intrastate as well as interstate commerce. The mail is a facility of interstate commerce when used for the purposes of interstate commerce, but it is not so otherwise.

With this thought in mind, let us consider subparagraphs (2), (3), (4), and (6), which undertake to enumerate the things which may not be done by an unregistered holding company, that we may determine whether intrastate companies are or are not within the reach of this section.

By subparagraph (2) it is made unlawful for an unregistered holding company to use the mails to negotiate or to take any steps in the performance of any service, sales, or construction contract undertaking to perform services or construction work for, or sell goods to, any public-utility or holding company. But a holding company may be, under its definition, engaged wholly in intrastate commerce and activities, and the mail is an agency of intrastate commerce as well as of interstate commerce; so that, as drafted, this subparagraph would make it unlawful for a holding company limited to intrastate activities to have the relations here stated with another intrastate company. The subparagraph does not require that there shall be an interstate use of the mails to constitute an offense.

By subparagraph (3) of section 4 it is made unlawful for a holding company, by use of the mails, to distribute or make any public offering for sale or exchange of any of its securities. As it stands, this subparagraph prohibits a holding company with activities limited to a single State from using the mails to distribute its securities within that State. Here, again, is not a requirement that there shall be an interstate use of the mails to make the act of the unregistered holding company unlawful.

By subparagraph (4) it is made unlawful, by use of the mails, for a holding company to acquire any security or capital assets of one of its subsidiaries or affiliates, or any public-utility or holding company. Here is another instance in which it is not required that there shall be an interstate use of the mails to constitute the asserted offense.

By subparagraph (5) it is made unlawful for any holding company to engage in any business in interstate commerce.

This is the first reference in these subparagraphs under section 4 to interstate activities. It gives emphasis and significance to the omission of reference to actual interstate use in the other paragraphs of the section. I cannot complain of subparagraph (5), therefore, for the same reason that I do of the others under this section. It is interesting, however, to note the scope of subparagraph (5) in the light of the definition of a holding company.

Under paragraph (B) on page 7, a holding company is any person which the Commission determines to exercise such a controlling influence over the management of policies of any public utility—and the public utility may be intrastate as well as interstate—as to make it appropriate—again I say, whatever that may mean—for the protection of investors or consumers that such person shall be subject to that title. This subparagraph as it stands means that any person who fails within the scope of this utterly indefinite discretion of the Commission can engage in no interstate business whatever, howsoever remote from the electric power business that business may be, without being guilty of an unlawful act. Who can justify such an arrogant assertion of congressional power, or such a delegation of power to a commission?

By subparagraph (6) it is made unlawful for any holding company to own any security of any subsidiary company thereof that does any of the acts enumerated in paragraphs (1) to (5), inclusive, to which I have just made reference.

Mr. President, these six subparagraphs, with the single exception of subparagraph (5), declare unlawful acts which may take place as well within a State as between States by one who is unregistered. Their plain purpose—and there can be no other purpose—is to force registration, and then to assert control under the terms of section 5, whether the company is engaged in interstate or intrastate activities.

By the foregoing definitions and means persons and companies, whether engaged in interstate or intrastate activities, are forced to register under section 5 of the bill, and thereupon to place themselves within the jurisdiction and authority of this Commission.

Mr. President, I purpose now to consider most briefly three other grounds for sound condemnation of this bill.

The bill proposes to prohibit the channels of commerce to holding companies.

It must be conceded that if a holding company is engaged in interstate commerce the regulation of such commerce is within the authority of the Congress. It does not follow, however, because a person or a corporation is engaged in interstate commerce that the Congress can control all the activities of that person, or can destroy a corporation so engaged by denying it access to the channels of commerce. The power of Congress is limited to the regulation of the interstate commerce activities of the company. It may not interfere with and regulate that corporation or that person in any way or to any extent not required in the regulation of the interstate commerce activities of that person or corporation.

In the Employers' Liability case, appearing in Two Hundred and Seventh United States Reports, alluded to the other day by the Senator from Delaware [Mr. HASTINGS], the Supreme Court stated that proposition in these words:

> It remains only to consider the contention which we have previously quoted, that the act is constitutional, although it embraces subjects not within the power of Congress to regulate commerce, because one who engages in interstate commerce thereby submits all his business concerns to the regulating power of Congress. * * * It is apparent that if the contention were well founded, it would extend the power of Congress to every conceivable subject, however inherently local, would obliterate all the limitations of power imposed by the Constitution and would destroy the authority of the States as to all conceivable matters which from the beginning have been, and must continue to be, under their control so long as the Constitution endures.

Mr. President, because shoes are sent from a factory in Maine to points without the State of Maine, and because the movement of these shoes while in this interstate commerce is subject to the jurisdiction of the Congress, it cannot be asserted with justification that the manufacturing of these shoes at the plant in Maine is within the control of the Congress. There is no justification for the contention that the Congress can prohibit the channels of commerce to one who desires to transmit through them a legitimate article of commerce. Fundamentally, this commerce clause, this power of regulation of commerce between the States, was written into our Constitution that interruptions or interferences with interstate commerce should be prohibited, rather than to give to the Congress a right to prohibit commerce. The clause was designed to assure freedom of movement, and not prohibition of movement; and the first great case, Gibbons against Ogden, defining interstate commerce and clarifying the Federal authority, struck a blow at the effort of the State of New York to restrict or prohibit this freedom of commerce.

The commerce clause in that early case was used to defeat that very character of discrimination in behalf of which the clause is now invoked. It is a perversion of the true and proper purpose of the commerce clause to make of it an instrument of exclusion and discrimination. Its primary purpose was to sweep away obstructions and to assure complete equality of commercial right.

Congress, by clause 3, section 8, article I, of the Constitution, is given the power to regulate commerce among the several States. This bill proceeds upon the theory that the right to regulate commerce gives the power to prohibit holding companies from engaging in such commerce. There are many decisions of the Supreme Court sustaining the power of closing the channels of interstate commerce to certain commodities. The shipment of liquor into States prohibiting the manufacture and sale thereof has been prohibited. The sending of lottery tickets in interstate commerce has been prohibited. The transportation of adulterated and misbranded foods has been prohibited. Legislation against the transportation of prize-fight films has been upheld. Similarly other prohibitions of this sort have been upheld by our Supreme Court. These cases, however, relate to instances where the transportation of the articles or things prohibited was regarded as against public morals or public health or public safety, and the action of the legislative body in its prohibitory efforts was sustained on such ground.

In the present instance, however, this legislation does not proceed on the theory that the transmission of electrical energy in interstate commerce is, in and of itself, an improper thing.

The prohibition is against public-utility holding companies. That which is denied such persons and corporations as are holding companies is permitted State and municipal agencies and other persons and corporations approved by the Commission.

The bill is aimed not at an improper use of the instrumentalities of commerce between the States, it proceeds not upon the theory that holding companies interfere with or prevent interstate commerce, but is a punitive measure, directed only against a certain class of persons and corporations. It legalizes for the one that which it makes unlawful for the other. It is perfectly clear, therefore, that what is proposed by this legislation is not fundamentally a regulation of interstate commerce, but it is an assertion of the right to regulate persons and corporations in their activities.

The bill also seeks to destroy the holding company by denying the use of the mails of the United States to such company. There can be found many cases in which the power of Congress to regulate the Postal Service has been upheld. So far as my knowledge goes, this power of regulation has been asserted for the purpose of excluding from the mails that which is deemed harmful to public morals and public health. Denying the use of the mails to literature concerning lotteries, to schemes to obtain money fraudulently, to obscene literature, are examples of the exercise of this excluding power. But here it is proposed to deny the use of the mails, not because the matter to be carried is of this offensive character, but the exclusion is to be based upon whether the use of the mails is by a class of persons or corporations. It is proposed to deny the use of the mails to one holding company and to sanction the use of the mails for precisely the same purpose by another person or company. The act of exclusion will rest, not upon the char-

acter of the communication but upon the class or person sending the same.

Mr. President, in the respects to which I have alluded I believe the bill rests on unsound foundations, and, so believing, I must cast my vote against it in the form in which it now appears before the Senate.

RELIEF OF CERTAIN WATER USERS

The PRESIDING OFFICER (Mr. BACHMAN in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1305) to further extend relief to water users on United States reclamation projects and on Indian irrigation projects, which was, on page 1, line 9, after the word "year", to strike out all down to and including the word "hearings", in lines 10 and 11, on page 2.

Mr. ADAMS. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

MEETING OF 4-H CLUBS IN WASHINGTON

Mr. BANKHEAD. Mr. President, a day or so ago the senior Senator from South Carolina [Mr. SMITH] called up a Senate joint resolution relating to the expenses of the 4-H clubs in coming to Washington for a meeting, and the Senate unanimously passed the joint resolution. At about the same time the House passed a similar joint resolution. I ask now unanimous consent that the Senate proceed to the consideration of House Joint Resolution 288, so that each House will have acted on the same measure.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 288) authorizing the Secretary of Agriculture to pay necessary expenses of assemblages of the 4-H clubs, and for other purposes, which was read the first time by its title and the second time at length, as follows:

Resolved, etc., That nothing contained in the act of February 2, 1935 (Public Resolution No. 2, 74th Cong.), shall be construed to prohibit the Secretary of Agriculture from paying the necessary expenses for assemblages of the 4-H boys' and girls' clubs, called by the Secretary of Agriculture in the District of Columbia or elsewhere, in the furtherance of the cooperative extension work of the Department.

The joint resolution was ordered to a third reading, read the third time, and passed.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. WHEELER].

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Pittman
Ashurst	Coolidge	King	Pope
Austin	Costigan	La Follette	Radcliffe
Bachman	Couzens	Lewis	Reynolds
Bailey	Dickinson	Lonergan	Russell
Bankhead	Dieterich	McAdoo	Schall
Barbour	Donahey	McCarran	Schwellenbach
Barkley	Duffy	McGill	Sheppard
Black	Fletcher	McKellar	Shipstead
Bone	Frazier	McNary	Steiwer
Borah	George	Maloney	Thomas, Okla.
Brown	Gerry	Metcalf	Thomas, Utah
Bulkley	Gibson	Minton	Townsend
Bulow	Glass	Moore	Trammell
Burke	Gore	Murphy	Tydings
Byrd	Guffey	Murray	Vandenberg
Byrnes	Hale	Neely	Wagner
Capper	Harrison	Norbeck	Walsh
Caraway	Hastings	Norris	Wheeler
Carey	Hatch	Nye	White
Chavez	Hayden	O'Mahoney	
Clark	Johnson	Overton	

Mr. LEWIS. Mr. President, I reannounce the absence of Senators for the reason given on a previous roll call.

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, I ask the attention of the Senator from Oregon [Mr. MCNARY] and the Senator from Montana [Mr. WHEELER].

It had been the hope of those in charge of the pending measure to make progress on it today and, if necessary, tomorrow in order that we might conclude its consideration this week. A number of Senators have absented themselves on the theory that there would be no session tomorrow. Under the circumstances we do not desire to press for a final vote on the measure in the absence of Senators. Therefore I am impelled, after conference with Members on both sides, to submit the following unanimous-consent request:

That upon the convening of the Senate on Monday no Senator shall speak more than once on the bill or any amendment thereto, and that there be imposed a limitation of debate of 15 minutes on the bill and 10 minutes on each amendment.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Idaho?

Mr. BARKLEY. I yield.

Mr. BORAH. I should prefer to have the time limitation reversed.

Mr. MCNARY. The result would be the same.

Mr. BARKLEY. It makes no difference to me. It will work out in the same way.

Mr. MCNARY. Mr. President, I think that proposal is satisfactory to the minority Members of the Senate.

Mr. VANDENBERG. Mr. President, reserving the right to object, I wish to say that I am getting very tired of this theory to which the Senator from Kentucky adverts, that the Senate is never going to do anything on week-ends. I think it is about time the Senate should proceed to clear up the work on its calendar and then go home and give the country a chance.

Mr. BARKLEY. I agree with the Senator about that; and both in public and in private I have expressed myself in agreement with what he has just said. However, the circumstances are such that I really think we will make progress if we enter into the suggested consent agreement, with the understanding that we shall not have a session tomorrow, and that it will be the last Saturday on which we shall adjourn over the week-end.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request made by the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. BARKLEY. Mr. President, I wish to say that this agreement does not presuppose that we are not to go on as long as we can today in the consideration of this bill and of amendments which may be offered to it, a number of which have been agreed to.

Mr. JOHNSON. Mr. President, may I inquire whether the agreement presupposes that we shall not vote on the bill today or upon any of the important amendments?

Mr. BARKLEY. I did not understand the Senator.

Mr. JOHNSON. Does the agreement presuppose that we shall not vote upon any of the important amendments to the bill today?

Mr. BARKLEY. No; it does not presuppose that. We shall make as much progress as we can today; remain in session as long as practicable and consider amendments as they come up; but in view of the impossibility of concluding the consideration of the bill this week, and the desire of Senators to be present during the discussion of certain amendments, we have entered into this agreement. However, we shall proceed this afternoon as long as we can.

Mr. JOHNSON. I am not objecting, but I was curious to know the procedure. Suppose we now proceed with amendments, adopt them or dispose of them in some fashion, and then suppose we finish with the amendments in

a couple of hours; will the bill go over for final determination until Monday?

Mr. BARKLEY. Yes; because there are one or two important amendments which Members are not ready to offer today, and will be ready to offer on Monday.

Mr. JOHNSON. Those important amendments, then, probably will not be disposed of this afternoon. Is that the idea?

Mr. BARKLEY. That is the idea; but we shall dispose of all the amendments which we can dispose of today, regardless of the agreement as to recessing to Monday.

Mr. President, in view of the agreement just entered into, I now ask unanimous consent that when the Senate concludes its business today it take a recess until 12 o'clock noon on Monday.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. WHEELER. Mr. President, there are a number of amendments which have been suggested to me by various Senators to which I am willing to agree, and which are in the nature of liberalizing some of the provisions of the bill. I likewise have some amendments which I propose to offer at the present time which likewise liberalize some of its provisions.

The first amendment I desire to offer—and I call this matter to the attention of the Members of the Senate particularly because it is a very important amendment—is on page 17. It is proposed to strike out in line 18 all after the comma following the word "title", and to strike out all of lines 19 and 20 and to substitute therefor the following language:

except insofar as the Commission finds the exemption from any provision affecting the sale or distribution of securities by any means or instrumentality of interstate commerce detrimental to the protection of investors, if—

The purpose of this language is to make mandatory the exemptions under section 3, so that it will read:

The Commission, by rules and regulations or orders, shall exempt any holding company, and every subsidiary company thereof as such, from any provision or provisions of this title, except insofar as the Commission finds the exemption from any provision affecting the sale or distribution of securities by any means or instrumentality of interstate commerce detrimental to the protection of investors, if—

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. NORRIS. As the Senator just read the amendment, he did not include the word "consumers." Is that intended?

Mr. WHEELER. No, Mr. President; it is not intended to include consumers, just investors, because this particular exception does not directly affect consumers.

The contention was made by the Senator from Delaware [Mr. HASTINGS] and some others that this bill applied equally to intrastate and interstate commerce by reason of the fact that it contained the language—

If and to the extent that it deems the exemption not detrimental to the public interest or the interest of investors or consumers.

This language absolutely makes it compulsory that the Commission shall exempt any company which is not engaged in interstate commerce, and then it shall be exempt from all the provisions of the title, excepting the provisions which give the Securities Commission power to regulate the particular transactions which are interstate commerce—namely, the sale of their stocks and their securities—and that power the Commission practically has at the present time.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Idaho?

Mr. WHEELER. I yield.

Mr. BORAH. As I understand, the effect of the Senator's amendment is to make it compulsory upon the Commission to exempt from the operation of the provisions of the bill all companies described in sections 1, 2, 3, and 4, except insofar as the sale of securities through the mail is concerned.

Mr. WHEELER. That is exactly correct. They shall be exempted from the provisions of the bill unless they sell their securities through the medium and channels of interstate commerce.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. WHEELER], on page 17, lines 18, 19, and 20.

The amendment was agreed to.

Mr. WHEELER. I now offer an amendment to paragraph (1) of subsection (a) of section 3.

Mr. NORRIS. Will the Senator give us the page and the line?

Mr. WHEELER. On page 17, line 22. It is proposed to insert, at the end of line 22, page 17, before the comma, this language:

From which it derives any material part of its income.

So that the paragraph will read:

(1) Such holding company, and every subsidiary company thereof which is a public-utility company from which it derives any material part of its income, are predominantly intrastate in character and carry on their business substantially in a single State in which such holding company and every such subsidiary company thereof are organized.

This amendment relates to a class of holding companies qualified for exemption by reason of their intrastate character. It is intended to make certain that the Commission shall not be required to deny an application for exemption by a company whose business is intrastate in character merely because the company happens to be interested in a utility outside of the State, from which it derives no material part of its income.

It is a clarifying amendment. In other words, take a company whose business is predominantly of an intrastate character, if it happens to own some small utility just across the line, under the amendment it will not be precluded from being exempt simply because of the ownership of such utility, provided it does not receive a material part of its income from such utility.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. COSTIGAN. Is there any test of what constitutes a "material part" of the income of an operating company?

Mr. WHEELER. No; I think that the Commission will have to prescribe what would be a "material part." The cases we had in mind were those where in some instances the utility company simply had a generating plant in another State, but did not receive any material part of its income from such plant.

Mr. BORAH. Mr. President, may I ask the Senator to state the amendment again? It has not been printed, as I understand.

Mr. WHEELER. The amendment proposes to insert, after the word "company" in line 22, page 17, the following words:

From which it derives any material part of its income.

Mr. BORAH. That is a restriction, is it not?

Mr. WHEELER. No.

Mr. BORAH. The provision as it now reads authorizes the Commission to exempt "such holding company and every subsidiary company thereof." The Senator would add there the words "from which it derives any material part of its income"?

Mr. WHEELER. So as to read:

Which is a public-utility company from which it derives any material part of its income.

Mr. BORAH. The insertion, then, is after the word "company", where it appears the second time in line 22, is it?

Mr. WHEELER. That is correct, and before the comma.

Mr. BORAH. Very well.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Montana.

The amendment was agreed to.

Mr. WHEELER. I now desire to offer an amendment to paragraph 5 of subsection (a) of section 3 by striking out line 24, page 18, and lines 1 and 2 on page 19, and substituting therefor a new paragraph as follows:

Mr. BORAH. On what page does the amendment come?

Mr. WHEELER. Page 18, subsection 5, at the bottom of page 18 and the top of page 19. The words proposed to be substituted are as follows:

(5) Such holding company is not, and no subsidiary company thereof from which it derives any material part of its income, is, a company the principal business of which within the United States is that of a public-utility company.

It was contended before the committee that there might be companies, for instance, which were organized in the United States but which held operating companies entirely outside the United States, and consequently that the United States would not be interested in such companies at all except insofar as it was desired to regulate the sale of their securities in the United States. Then one of the Senators called my attention to the fact that some company of that kind might possibly hold another company, just a small company, in the United States and that it did not derive any material part of its income from that company. So this amendment is proposed as a substitute for the original exemption for foreign systems, and it enlarges the powers of the Commission with reference to such companies in the manner I have explained.

Mr. HASTINGS. Mr. President, will the Senator read the amendment again, please?

Mr. WHEELER. I will. It is as follows: To strike out the lines I have indicated and insert in lieu thereof:

Such holding company is not, and no subsidiary company thereof from which it derives any material part of its income is, a company the principal business of which within the United States is that of a public-utility company.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

Mr. BORAH. Mr. President, I wish to ask the Senator from Montana the meaning of subdivision (b), on page 19, which reads as follows:

(b) The Commission may, by rules and regulations, conditionally or unconditionally exempt any specified class or classes of persons from the obligations, duties, or liabilities imposed upon such persons as subsidiary companies or affiliates under any provision or provisions of this title, and may provide within the extent of any such exemption that such specified class or classes of persons shall not be deemed subsidiary companies or affiliates within the meaning of any such provision or provisions, if and to the extent that it deems the exemption necessary or appropriate in the public interest or for the protection of investors or consumers.

Mr. WHEELER. I will state the principal reason for that provision. In section 2 we have provided the definition of an affiliate and the definition of a subsidary company. Under those definitions certain classes of persons are "affiliates" and certain classes of companies are "subsidiary companies." These definitions are fairly inclusive—for instance, with "affiliate" to include all classes of relationships where there is likely to be an absence of arms-length bargaining. We did this for the purpose of making it impossible for a holding company to evade the purposes of the proposed law, or for the old evils and abuses of holding companies to crop up anew in subtler and even more dangerous form. We found it desirable, however, to make provision in this subsection (b) of section 3, to permit certain classes of persons and companies to be taken out of the definitions of "affiliate" and "subsidiary company" in respect of certain transactions or provisions of the bill when the Commission found that the exemption would not give rise to any abusive practices, or would not result in an evasion of the purposes of this legislation. This manner of dealing with the problem, the committee felt, would give the bill the necessary flexibility and administrative workability to meet special circumstances and conditions that will arise from time to time.

Mr. BORAH. I understand the purpose of the provision, but it seems to me if the bill provides "if and to the extent that it deems it necessary and appropriate in the public interest", the Commission is given such latitude of power that it could almost emasculate the entire bill.

Mr. WHEELER. Let me say to the Senator that I have been reminded that the Senator from Kentucky [Mr. BARKLEY] has submitted an amendment, which I have agreed to accept, proposing, on page 19, line 19, after the word "consumers", to insert the words "and not contrary to the purposes of this title." That would confine the language so that, the purpose of the title being set forth, the Commission could give general broad exemptions to anybody and everybody they saw fit. I think that with such clarifying language there will be adequate protection against unwise action by the Commission. The Senator from Kentucky has taken that up with me, and I have agreed to accept such an amendment.

Mr. BORAH. At any rate, this section will be open to further consideration?

Mr. WHEELER. Oh, yes.

The PRESIDENT pro tempore. Has the Senator from Montana any further amendments to offer?

Mr. WHEELER. I have. I offer an amendment to paragraph 3 of subsection (a) of section 3 by striking out, in line 7, page 18, the words "a holding company" and substituting therefor the words "interested in a public-utility company."

This is an amendment to the description of a class of holding companies which are qualified for exemption by reason of the fact that they are only incidentally in the public-utility field, being essentially industrial, or some other sort of enterprise. The amendment is to make clear the intention of the paragraph that the holding company is only incidentally interested in the public-utility field and is primarily engaged in a business or businesses outside the public-utility field. It is designed to reach, for instance, a company—cases were called to my attention, I think by the Senator from Maine and by some other Senators—where, for example, a manufacturing concern, generating power for its own use, has a little surplus power and sells it to the local community. We wanted to exempt that particular kind of manufacturing concern from the provisions affecting holding companies. The amendment is designed to make the exemption definite and certain in that respect—it serves merely to clarify the original language.

Mr. HASTINGS. Mr. President, will the Senator please read the amendment again?

Mr. WHEELER. I shall be glad to do so. The amendment is on page 18, line 7, to strike out the words "a holding company" and substitute therefor the words "interested in a public-utility company", so that the provision would read:

(3) Such holding company is only incidentally interested in a public-utility company, being primarily engaged or interested in one or more businesses other than the business of a public-utility company. * * *"

I move the adoption of the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

Mr. WHEELER. Now, Mr. President, I am going to ask the Senate to amend paragraph (8) of subsection (a) of section 2 on page 10, line 9, by striking out the words "the applicant" and substituting therefor the words "such company"; also by striking out in line 14, on page 10, the words "the applicant" and substituting the words "such company"; by striking out in line 17, page 10, the words "the applicant" and substituting therefor the words "such company"; by striking out in line 24, page 10, the words "the applicant" and substituting the words "such company"; the same amendment in line 25, page 10, and line 1, page 11; line 7, page 11; and in line 9, page 11; and also by striking out in lines 12 and 13 on page 11 the words "by the company determined not to be a subsidiary company." By striking out in lines 4 and 5, page 11, the words "the applicant to apply" and substituting therefor "application to be made." By striking out in line 5, page 11, the words "to file" and substituting therefor "may require the filing of."

This amendment relates to that part of the definition of a subsidiary company whereby the Commission is empowered to determine, upon a proper showing, that a company is not a subsidiary company of a holding company. Its purpose is to enable the Commission's determination to be made upon the application of the holding company involved, as well as

of the subsidiary company involved. In other words, if a holding company is registered and it is claimed the subsidiary company comes under and is controlled by that holding company, the change in the language means that the holding company itself can come in and make application and say the subsidiary company is not controlled by it and consequently should be relieved from the provisions of the act, or the subsidiary company itself can come in and ask to be relieved and say, "We are not in fact controlled by the holding company." It simply gives both companies, instead of only one of them, the right to make the application.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy, and for other purposes, and it was signed by the President pro tempore.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. WHEELER. Referring now to page 49, I move to amend by striking out lines 8 to 25, inclusive, and substituting therefor the following.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 49 it is proposed to strike out lines 8 to 25, both inclusive, and down to and including the word "appointed" in line 2, page 50, and to insert in lieu thereof the following:

(f) In any proceeding in a court of the United States, whether under this section or otherwise, in which a receiver or trustee is appointed for any registered holding company or any subsidiary company thereof, the court shall have power, and, at the request of the Commission, it shall be the duty of the court to constitute and appoint the Commission as sole trustee or receiver subject to the direction and orders of the court, whether or not a trustee or receiver shall theretofore have been appointed.

Mr. WHEELER. In other words, we greatly liberalize that section, because as it read before it provided that if, in the judgment of the Commission, any registered holding company or any subsidiary company thereof was insolvent or unable to pay its debts, the Commission should have the power to institute proceedings for reorganization of such company under section 77B of the Bankruptcy Act. This amendment takes from the Commission the power to go into court and ask that a company be placed in the hands of a receiver because it is insolvent or because it cannot pay its debts. We simply say to the court now, "In the event you appoint a receiver, then upon the request of the Commission you shall appoint the Commission such receiver, but the Commission shall be subject to the rules and orders of the court."

The reason for these provisions is that it has been a notorious fact, as we all know, and as the Chairman of the Judiciary Committee [Mr. ASHURST] especially knows from his investigations, that a racket has existed in the matter of these receiverships. The section as amended, we believe, provides for the protection of investors in companies in the event they go into the hands of receivers—registered holding companies or their subsidiaries, companies which are engaged in interstate commerce—and only those companies—and that the Commission shall act as receiver and shall be subject to the direction and orders of the court.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Idaho?

Mr. WHEELER. I yield.

Mr. BORAH. I understand the sole effect of the amendment is to make it obligatory upon the court to appoint the Commission as trustee or receiver in case the court adjudges the parties bankrupt.

Mr. WHEELER. The purpose of the amendment is to make it clear that when the court appoints the Commission trustee or receiver, the Commisison is to be subject always to the direction and orders of the court; and it is further designed to take away the power of the Commission to investigate bankruptcy proceedings under section 77B. The provision as it stands at the present time has been greatly criticized in some of the advertisements of some of the holding companies. They have held it out that what we were seeking to do was to take them over and have them condemned, thrown into receivership, and that the intention was to have the Government take them over. Of course, no such intention was in mind at all. All that was intended was exactly what we are doing here now for the protection of the investors. We have even taken from the Commission the right to go into court and ask that the company be placed in the hands of receivers. So that with this amendment, only if the court orders the company into receivership can the Commission ask that it shall be appointed as receiver or trustee.

Mr. HASTINGS. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. I yield.

Mr. HASTINGS. My recollection of the section, without having read it for a day or two, is that under the bill as reported by the committee the Commission itself could make application to the court if, in its judgment, any registered holding company or any subsidiary company thereof was insolvent or unable to pay its debts?

Mr. WHEELER. That is correct.

Mr. HASTINGS. Then the bill provided that, having made the application to the court, the court was compelled to appoint the Commission trustee, and then that there could be no reorganization except the kind of reorganization suggested by the Commission itself. In other words, under the bill we have the Commission itself, which has no monetary interest in the matter, and which makes application for the bankruptcy proceeding, given power to have itself appointed trustee and then itself propose the plan of reorganization. I should like to know what changes the amendment makes in those three respects?

Mr. WHEELER. The amendment completely changes the first of those three things, because, in the first place, it takes away from the Commission the right to go into court and ask the court to appoint a receiver.

Mr. HASTINGS. That is the important matter.

Mr. WHEELER. Yes. As I say, the provision was not intended as it has been interpreted; but I can readily understand how, in view of the language, it might raise a fear in the minds of some people, and they might say, "The Commission may throw us into receivership and be appointed receiver, and then have a reorganization plan", and so forth. They might say, "It is an inducement for the Commission to throw us into the hands of a receiver"; but the Senator from Delaware will agree with me that this language changes the whole situation.

Mr. HASTINGS. Of course it is a little difficult to follow the language and remember it when one has not the amendment before him; but let me make an inquiry. The Senator says the amendment removes the first objection, which I think was the most serious one.

Mr. WHEELER. Absolutely.

Mr. HASTINGS. Does the amendment leave the other two provisions? As I remember, the Senator said it does provide that the Commission shall be named trustee or receiver by the court.

Mr. WHEELER. That is correct.

Mr. HASTINGS. Does it in any way affect the persons who may suggest the plan of reorganization?

Mr. WHEELER. No. I will say to the Senator from Delaware that another Senator is talking to me about that

subject, and we are trying to work out an amendment. On that last point of who may suggest the plan of reorganization, section 11 is quite clear that the suggestion may come from any interested person. It is not limited to the Commission's own plan, so long as the plan is eventually approved by the Commission. All we are seeking to do in this whole section is to protect persons who have invested their money from a racketeering receivership, such as the Senator well knows has taken place in many cases throughout the country, and particularly as was investigated by the Judiciary Committee of this body, under the leadership of the Senator from Arizona [Mr. ASHURST].

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

Mr. BORAH. Mr. President, I desire to ask the Senator from Montana a question.

On page 50, beginning with line 2, the bill provides as follows:

> In any such proceeding a reorganization plan for a registered holding company or any subsidiary company thereof shall not become effective unless such plan shall have been approved by the Commission after opportunity for hearing prior to its submission to the court.

I do not exactly understand that language. Does it mean that the court's jurisdiction with reference to the reorganization, or what shall be permitted by decree of the court, is limited; or is it simply recommendatory to the court?

Mr. WHEELER. We do exactly the same thing at the present time, as I understand, with reference to the Interstate Commerce Commission. A plan for the reorganization of a railroad is supposed to be submitted to the Interstate Commerce Commission for its approval before it is approved by the court. We put this provision in here in practically the same manner, as I recall, as the existing provision with reference to the Interstate Commerce Commission in the case of railroad reorganizations.

Mr. HASTINGS. Mr. President, in that connection, if it be true that no reorganization plan can be considered except that which is suggested by the Commission, why is it necessary to put in the language "Shall not become effective unless such plan shall have been approved by the Commission after opportunity for hearing prior to its submission to the court"? My understanding is that the Commission is the only body which can submit a reorganization plan.

Mr. WHEELER. Oh, no; the Senator is wrong about that.

Mr. HASTINGS. A plan may be submitted by somebody else?

Mr. WHEELER. Absolutely. The Commission may submit a plan if it sees fit to do so, or some private individual may submit a plan; but the idea is that if some private individual submits a plan, exactly as in the case of railroad receiverships at the present time, it shall first be approved by the Commission.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. STEIWER. In respect to the language which is now under discussion, at the top of page 50, has there been urged upon the committee, or brought to the attention of the chairman, the contention that that language would oust the court of its jurisdiction, and, therefore, be objectionable?

Mr. WHEELER. To what language does the Senator refer?

Mr. STEIWER. The language to which the Senator from Idaho [Mr. BORAH] has just called attention, near the top of page 50.

Mr. WHEELER. No; I do not think it would oust the jurisdiction of the court. I think there is no question that Congress would have the power to say that the court shall, when it appoints a receiver, appoint the Commission receiver, because, after all, the court is a statutory court, and we have the right to say that before this plan is approved by the court it shall be approved by the Commission. Furthermore, this is a mere matter of Congress providing the administrative machinery surrounding receiverships, and in no way usurping any judicial powers. The judicial functions remain, as always, in the court.

If I am not mistaken about the matter, we employ exactly that procedure in railroad reorganizations at the present time; and the only complaint we have had has been that the Interstate Commerce Commission has been too lenient, and has approved a number of plans which should not have been approved.

Mr. STEIWER. I make no contention about the matter at this time, but it occurs to me that provision might be subject to the objection that it would oust the jurisdiction of the court.

Mr. WHEELER. The Senator from Indiana [Mr. MINTON] has called my attention to the fact that the provision does not oust the jurisdiction of the court at all, because the court has to approve the plan even though the Commission approves it. In other words there is really a double check upon the plan, and final determination rests as in the past in the courts.

Mr. President, I have here another amendment. I may say to the Senate that last evening the Senator from North Carolina [Mr. BAILEY] and I went over many of his amendments, and I was about to offer one of them which I think is satisfactory, but I shall wait until I can again submit the amendment to the Senator from North Carolina, as he is not on the floor at the moment.

Mr. BARKLEY. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 19, line 13, after the word "affiliates", it is proposed to insert "or public-utility companies."

Mr. BARKLEY. I am offering three amendments on this page. I think it might be well, in order that they may be understood, to have them considered together.

The PRESIDENT pro tempore. The remaining amendments will be stated.

The CHIEF CLERK. On page 19, line 16, after the word "affiliates", it is proposed to insert "or public-utility companies."

On page 19, line 19, after the word "consumers", it is proposed to insert "and not contrary to the purposes of this title."

Mr. BORAH. Mr. President, what is the effect of the amendment?

Mr. BARKLEY. I will say to the Senator that this amendment relates to the Commission's discretionary power to exempt subsidiary companies and affiliates. Its purpose is to enable the Commission to exempt public-utility companies in order to take care of special situations where such a company is only incidentally a public-utility company and not regularly a public-utility company. The amendment simply clarifies the intention carried in this language that the Commission, in granting any exemption under subsection (b), must not act contrary to the provisions or purposes of title I; and the amendment at the end of line 19 emphasizes that by saying that these exemptions shall not be contrary to the purposes of the title.

Mr. BORAH. Mr. President, it seems to me the Senator's amendment is more than a clarification. It includes a class of companies which are not included at the present time.

Mr. BARKLEY. That is not exactly correct. The section as it stands would include public-utility companies that are subsidiaries of holding companies by reason of the phrase "subsidiary companies." The title, of course, does not affect public utilities except insofar as they are subsidiaries of holding companies. So the addition of this new language adds nothing new to the section, but merely clarifies what was originally extended. Exemption of the utility company is to be granted where these special circumstances exist, in such a way as not to be contrary to the purposes of the title as a whole.

Mr. BORAH. I must say that I do not feel at all friendly to this subdivision. I think it gives a discretionary power which can be utilized to emasculate the measure. I hope

the Senator will have his amendments printed and let them lie over until Monday.

Mr. BARKLEY. The amendments have been printed. They have been on the desk for a week; but I do not care to press the amendments now if the Senator wishes to study them further.

Mr. BORAH. I shall be glad if the Senator will pass over the amendments for a few minutes.

Mr. BARKLEY. I shall be glad to do so.

The PRESIDENT pro tempore. The amendments will be temporarily passed over.

Mr. BARKLEY. I offer another amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER (Mr. POPE in the chair). The amendment will be stated.

The CHIEF CLERK. On page 54, line 1, it is proposed to strike out the words "competitive bidding" and to insert in lieu thereof "maintenance of competitive conditions."

Mr. BARKLEY. I will say to the Senate that I desire to offer the same amendment on page 55, lines 1 and 2. I send it to the desk, so that the amendments may be considered together. They both pertain to the same subject.

The PRESIDING OFFICER. The second amendment will be stated.

The CHIEF CLERK. On page 55, lines 1 and 2, it is proposed to strike out the words "competitive bidding" and to insert in lieu thereof "maintenance of competitive conditions."

Mr. BARKLEY. The use of the words "competitive bidding" is rather restrictive, and would apply only in cases where there was a process of bidding which was intended or supposed to be competitive. The amendments broaden the language so as to substitute "maintenance of competitive conditions." That may go beyond the mere bidding for contracts and one thing and another of that sort.

Mr. WHEELER. I may say that I have not any objection to the amendments. I have taken up the matter with the Senator and have gone over it myself, and I see no particular objection to the change.

Mr. BARKLEY. The same amendment ought to be made on page 55, line 19. In substitution for "competitive bidding" insert the same words there, "maintenance of competitive conditions."

The PRESIDING OFFICER. The third amendment will be stated.

The CHIEF CLERK. On page 55, line 19, it is proposed to strike out "competitive bidding" and to insert in lieu thereof "maintenance of competitive conditions."

The PRESIDING OFFICER. The question is on the three amendments submitted by the Senator from Kentucky.

The amendments were agreed to.

Mr. BORAH. Mr. President, I am now prepared to go back to the first amendment which the Senator from Kentucky offered. If the amendment of the Senator from Kentucky should be adopted, subsection (b) would read as follows:

> The Commission may by rules and regulations conditionally or unconditionally exempt any specified class or classes of persons from the obligations, duties, or liabilities imposed upon such persons as subsidiary companies or affiliates or public utilities.

The Commission would be given power to exempt public-utility companies from the operation of the law, if the Commission deemed it in the public interest.

Mr. BARKLEY. Mr. President, the language of the bill originally gave this discretionary power to the Commission to deal with subsidiary companies or affiliates, which might be public-utility companies or not, as the case might be. There may be circumstances, which probably are rare, however, but there possibly are circumstances in which the actual operating company itself, a utility company, might be entitled to exemption in order to meet special cases. The amendment is merely to clarify the original language.

It is merely in order to make clear the Commission's power to exempt an actual operating company from certain provisions to such an extent as it may see fit in the public interest, if it is really not a regular public-utility company, but is incidentally engaged in that business because of circumstances over which it might not have had any control. I think that this provision will be of considerable benefit in making for the necessary administrative flexibility; and the addition of the language "and not contrary to the purposes of this title" will prevent the provision from being open to the danger of abuse of the Commission's discretion.

Mr. BORAH. Mr. President, I can only state my objection, and if the amendment is satisfactory to the authors of the bill, I shall not do more than that. But there will be left here a wide discretion with the Commission to exempt subsidiary companies, affiliates, or public-utility companies. They might exempt a public-utility company from the operation of the law where the Commission might deem it in the public interest to have it exempted, where, at the same time, the exemption would really destroy the effect of the law.

Mr. BARKLEY. It seems to me that the language at the end of the section cures to some extent, if not entirely, the force of the argument of the Senator from Idaho, because none of the exemptions included in the language of the bill can be contrary to the purposes of the title. So that in granting any such exemption the Commission must keep in mind constantly the purpose of the title; that is, to exercise this control over holding companies, their subsidiaries, and their affiliates.

Mr. WHEELER. Mr. President, let me say to the Senator from Idaho that when the amendment was first suggested we insisted that the latter part be inserted, so that the exemption could not be made unless it was in accordance with the purposes of the bill. It has been difficult to lay down a hard and fast rule with reference to some of these matters and carry out our purpose of covering those who in some devious way might seek to evade the law, through affiliates or so-called "subsidiaries", and not affect the people who were not intended to be covered, without giving the Commission some discretion.

I do not like the idea of giving the Commission discretion, but I have gone over this very carefully in an effort to frame the bill so that there could be no way to evade it, and the first effort was to make the rule stringent and give the Commission under certain circumstances the power to grant exemptions or relax provisions, to let out situations not necessary to be covered, provided that there would be no danger of evasion.

Mr. BARKLEY. I may say further that a public-utility company essentially is not a holding company, anyway. It is not for the purpose primarily of dealing with operating companies that the bill is offered, except insofar as the holding company uses a subsidiary company through which to carry on its holding-company activities, and except insofar as we may regulate, in title II, the transmission of power across State lines.

Mr. BORAH. I call the Senator's attention to the fact that this discretion rests upon nothing more definite than what the Commission deems to be in the public interest, which is no limitation to discretion whatever.

Mr. BLACK. Mr. President, it seems to me this discussion has proceeded on the theory that the provision gives the right to exempt particular companies. I do not so construe it. It gives the right to exempt classes, and it is my own belief that it would be impossible to exempt some affiliates without exempting all affiliates, to exempt some public utilities without exempting all public utilities. I agree with the Senator from Idaho that it does give the Commission the power, therefore, to exempt completely all those who appear as belonging to different classes.

Mr. WHEELER. Mr. President, I ask the Senator from Kentucky to let this amendment go over.

Mr. BARKLEY. I am willing to let it go over.

Mr. NORRIS. Mr. President, before it goes over, let me say that we have already agreed to an amendment changing the language on this page, have we not?

Mr. BARKLEY. Not on page 19. The amendments offered by the Senator from Montana were on other pages.

Mr. NORRIS. The amendment adopted a while ago offered by the Senator from Montana applied to page 19.

Mr. WHEELER. I believe not. I think the amendment the Senator has reference to was on page 17.

Mr. NORRIS. The amendment of the Senator from Kentucky is on what page?

Mr. BARKLEY. Page 19, subsection (b).

Mr. NORRIS. The other amendment was on that page. I asked a question about it, and if this amendment is to go over I should like to make a suggestion.

The word "consumers" does not appear in the amendment we have agreed to, but line 19 will read:

Public interest or for the protection of investors.

The word "consumers" is omitted.

Mr. BARKLEY. That language has not been eliminated. What I am proposing is the insertion of certain language after the word "consumers."

Mr. NORRIS. I was under the impression that we had already modified that language, and omitted the word "consumers."

Mr. BARKLEY. No.

Mr. NORRIS. I do not think consumers should be omitted.

Mr. BARKLEY. The word "consumers" ought not to be omitted, but the Senator from Montana offered an amendment as a substitute for certain language at another place on page 17 which left out the word "consumers", and in a colloquy between him and the Senator from Idaho he explained that in that particular provision there was no need for the word "consumers", because the language was not dealing with consumers.

Mr. NORRIS. After all, we are dealing with consumers in the whole bill. I think they are more important than any other class with which we are dealing.

Mr. BARKLEY. The word "consumers" would not appear at that place. I ask unanimous consent that the amendment I have just offered go over temporarily.

The PRESIDENT pro tempore. Without objection, it is so ordered, and that applies to the three amendments.

Mr. GEORGE. Mr. President, I should like to make an inquiry of the chairman of the committee, in charge of the bill. Will it be the purpose of the Senator to ask for a reprint of the bill showing the amendments adopted today, so that we may have the advantage of it on Monday?

Mr. WHEELER. I ask unanimous consent that after the conclusion of the session today there may be a reprint of the bill with the amendments set out in italics.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BARKLEY. May I inquire what action was taken on the amendments I offered on pages 54 and 55?

The PRESIDENT pro tempore. The amendments were agreed to, the Chair is informed.

Mr. BARKLEY. I offer an amendment to come in on page 58.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 58, lines 1 and 2, it is proposed to strike out the words "engaged in a business of performing" and insert in lieu thereof the words "the principal business of which is the performance of", and on page 58, line 22, before the first word in the line, to insert the word "such".

Mr. BARKLEY. Mr. President, there are three amendments which deal with this language, and they relate to the provision covering the Federal Power Commission's regulation regarding the performance of service, sales, or construction contracts for public utility and holding companies, and the accounts kept during the performance of such contracts.

The purpose of the amendment is to make clear that as to persons engaged in the business of performing such contracts such persons are subject to the Federal Power Commission's regulation only if their principal business is that of the performance of service, sales, or construction contracts for public-utility holding companies.

This amendment is a limitation and a clarification of the extent of the Federal Power Commission's jurisdiction in this field, and has been offered at the request of the companies concerned.

It is not desired or desirable to include within this regulation service contract companies whose principal business is not what we specify. What we are trying in the rest of section 13 to get at is the service companies controlled by the holding companies, so that really competition in the past has been destroyed. The present part of section 13, to which this amendment relates, covers the performance of these contracts by outside persons, and is designed to establish safeguards that will prevent evasion, through apparently independent companies of the other provisions of section 13. But the provision need not apply, and is not intended to apply, to companies which are only incidentally engaged in purchase or sale or in engineering contracts or similar services, and therefore it is provided that the principal business of these companies shall be the performance of servicing contracts before they will come within the regulation in question.

Mr. WHEELER. Mr. President, my understanding is that when this language was reported, a great many people, urged on by the utility people, stated, "If this language remains in the bill, any man who has a package of potatoes or anything else to sell will have to come in and be subject to the Commission's rules." This language was put in for the purpose of clarifying and to show that what we are actually seeking to do is to have only those companies affected which actually do a general business with public utilities.

Mr. BARKLEY. That is correct.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BLACK. I do not wish to oppose an amendment which is agreed to by the chairman of the committee, but I have had a great deal of experience in contracts of this kind in connection with shipping and aviation. I may say that there are a great many companies whose chief business is not the performance of the particular service under discussion, but which do perform services of a very material nature, in the case of which the only possible way the Government can ascertain the fairness of the charges and whether excessive profits are received for the services rendered is by an investigation of the books. I was very glad indeed, when I read this bill, to find that a method had at last been devised whereby it would be possible to go into the books of the companies which performed services of like nature for the public-utility companies; and I personally very much regret to see a restrictive amendment of this type adopted at this time.

Mr. BARKLEY. I will state to the Senator that, of course, the situation to which he has referred is not exactly analogous to the situation covered here. What we are attempting to do in this bill is to get at the service organizations which are set up and dominated by holding companies so that there really is no competition.

That language as we wrote it originally might be construed to mean that any company which had these services, regardless of whether it had no connection whatever with any holding company, might be subject to some regulation. The object of this amendment is to make it plain that the companies intended to be covered are those whose principal business is the performance of these services, but while this language does not say so, in other provisions of the bill it does. There are companies which are dominated by the holding companies in order that they may render these so-called "services", and make excessive charges for them which go into the rate structure, as we have already seen, for which the public pays.

Mr. BLACK. I may state that, insofar as the objective is to regulate only associates and affiliates as such, I agree with the logic of the Senator's argument. I also gather, however, that there is a second objective, unless I misconstrue the bill; that is, the right to examine the accounts and the cost of commodities and the cost of service rendered to a public utility through a holding company or otherwise. Insofar as that objective is concerned, it would be just as important to examine the books of the company where its

chief business was not to supply a particular public utility as where its chief business was to supply the public utility.

Mr. BARKLEY. Under such a construction, and under such language, if it be broad enough, if any concern engaged in any business sold a very small proportion of its product to a public utility which had no connection at all with the purchaser by reason of its corporate organization or its financial set-up, it might come under this provision for the examination of books and for the other regulatory powers conferred on the Commission. The committee does not believe that the insertion of this language, inasmuch as it is all within the discretion of the Commission anyway, will open up any dangerous avenues for the escape of any of these agencies.

Mr. BLACK. I think this language would take it out of their discretion. If it left the matter in the discretion of the Commission, I should be better satisfied. I think I get the idea exactly which the Senator has in mind. Instead of wording the amendment as I heard it, would it not be better to exclude companies not engaged in performing a substantial part of the business or business of a substantial nature? What I think we both want to do is to provide that where the service is of importance in the cost of the utility, or its subsidiary or affiliates, where it is of such an amount that its consideration is important in reaching a just conclusion on operating cost, the books should be examined, and the Commission should have access to them.

As I heard the amendment read, I am afraid it goes further than the Senator intended.

Mr. BARKLEY. I will ask that the amendment be again read.

The PRESIDENT pro tempore. The amendment will be restated.

The CHIEF CLERK. On page 58, lines 1 and 2, it is proposed to strike out the words "engaged in a business of performing" and insert in lieu thereof "the principal business of which is the performance of."

Mr. BLACK. I will state to the Senator what I have in mind. Under that language, the principal business of the company performing the service must be that of supplying service to public utilities. The service may be of a very substantial nature to the utility—so substantial that the cost of the service or commodity would really create a burden upon the company. It might be of a very unfair nature. I should like to have the amendment worded in such a way that the nature of the service, the volume of the service to the company—not its relationship merely to the other business performed by the servicing company or selling company, but its importance to the subsidiary or affiliate—would be the criterion, instead of the relationship to the business of the company.

Mr. BARKLEY. It is difficult to work out hastily here language carrying out the Senator's idea. I will ask that the amendment go over, and I will confer with the Senator about it. Perhaps we can arrive at language which will be satisfactory.

The PRESIDENT pro tempore. The amendment will be temporarily passed over.

Mr. BARKLEY. On page 58, line 15, I also move to strike out the words "competitive bidding" and insert the words heretofore adopted, "maintenance of competitive conditions."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Are there any further amendments to be offered by the Senator from Kentucky?

Mr. BARKLEY. Mr. President, on page 62 I offer the same amendment in lines 16 and 17, to strike out the words "competitive bidding" and to insert in lieu thereof the words "maintenance of competitive conditions."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. BARKLEY. On page 66 I offer an amendment, which I will ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 66, in lines 23 and 24, it is proposed to strike out the words "engaged in the business of performing" and to insert in lieu thereof "the principal business of which is the performance of."

Mr. BARKLEY. That is a similar amendment to the one to which the Senator from Alabama addressed himself awhile ago.

The provision as printed in the bill is as follows:

Every person engaged in the business of performing service, sales, or construction contracts for public utility or holding companies shall make, keep, and preserve for such periods, such accounts, cost-accounting procedures, correspondence, memoranda, papers, books, and other records relating to any transaction by such person which is subject to any provision of this title or any rule, regulation, or order thereunder, as the Federal Power Commission deems necessary or appropriate in the public interest—

And so forth.

Of course, the language is broad enough to make it possible for the Federal Power Commission to regulate all these things in the case of any company which sells anything to a public-utility holding company. It is impossible to imagine that the Commission would abuse that discretion. Nevertheless, it seems to me that in order to carry out the real purposes of the bill, all we need do is to give the Commission the power to examine the books of such concerns and set up cost-accounting systems, and look into all the minutiæ of their business, if they are organized for the purpose of or if their principal business is supplying these contracts, service, sales, and so forth, to public utilities or holding companies.

Mr. BLACK. I did not hear the wording of the amendment.

Mr. BARKLEY. It is the same language that is included in the other amendment.

Mr. BLACK. If it suits the Senator, I prefer that it go over, so that we can see if we cannot arrive at language which is mutually satisfactory.

Mr. BARKLEY. I shall be glad to let it go over.

Mr. FLETCHER. Mr. President, I should like to have the amendment read again.

Mr. BARKLEY. I have asked that it go over until Monday.

On page 69, line 22, the same amendment should be made. I will offer it and let it go over until Monday, with the other two. There are three of the amendments. They appear in different places, but the object is the same.

The PRESIDENT pro tempore. Without objection, the consideration of the three amendments referred to will be temporarily postponed.

Mr. BARKLEY. Those are all the amendments I have to offer.

Mr. RADCLIFFE. Mr. President, I offer an amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 17, line 15, after the word "regulations", it is proposed to insert "upon its own motion."

On page 17, line 16, after the word "or", it is proposed to insert "by."

On page 17, line 16, after the word "order", it is proposed to insert "upon application."

On page 19, line 3, before the first word, it is proposed to insert two new sentences as follows:

Within a reasonable time after the receipt of any application for exemption under this subsection, the Commission shall enter an order granting, or, after notice and opportunity for hearing, denying or otherwise disposing of, such application. The filing of any such application in good faith by a person other than a registered holding company shall exempt the applicant from any obligation, duty, or liability imposed in this title upon the applicant as a holding company, until the Commission has acted upon such application.

Mr. WHEELER. Mr. President, I may say that I have examined this amendment, and I have no objection to it.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Maryland.

The amendment was agreed to.

Mr. WHITE. Mr. President, I offer an amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 6, at the end of line 16, it is proposed to insert the following:

Provided, however, That the term "electric utility company" shall not be held to include any company operating within a single State and which sells or otherwise furnishes 75 percent or more of the electric energy which it generates to another company directly or indirectly controlling the generating company, if such controlling company uses and does not resell such electric energy, and if, also, such controlling company is engaged primarily in manufacturing, other than the manufacturing of gas or electric energy, and is not controlled by any other company.

Mr. WHITE. Mr. President, the amendment is offered at the instance of interests in my State which, I take it, are both generating companies and holding companies within the meaning of the definition appearing on page 6 of the bill. I understand it is the purpose of this proposed legislation, whatever may be the effect of its language, not to reach intrastate companies. There are many instances in Maine where the holding company generates power and sells it to companies controlled by it. The activities of the operating company are intrastate; the activities of the holding company are intrastate. I think the definition of an electric utility company as it stands is amply broad to reach that wholly intrastate company and that wholly intrastate activity. I thought the Senator from Montana might find it possible to accept the amendment.

Mr. WHEELER. Mr. President, I may say to the Senator that the only reason I would not accept it is that we feel that it is already taken care of in section 3, on page 18. Former Representative Beedy talked to me about it. I might say to the Senator that we entirely agree with the position he states, but we feel that the matter is taken care of, and, if it is wholly an intrastate activity, it is entirely eliminated from the provisions of the bill, anyway.

Mr. WHITE. I hope very much the Senator will accept the amendment. I take it that ultimately this bill is going to conference, and if there are conflicts or if there are duplications they can well be worked out there with the full section before the committee.

Mr. WHEELER. I will accept the amendment and take it to conference.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. MOORE. Mr. President, I offer the amendments, which I send to the desk.

The PRESIDENT pro tempore. The amendments will be stated.

The CHIEF CLERK. On page 30 it is proposed to strike out line 13 and insert in lieu thereof "(2) such security is to be issued or sold", and on page 37, line 23, to strike out the word "customers'" and insert in lieu thereof the word "commercial."

Mr. WHEELER. I may say that we have gone over the amendments and I have no objection to them.

The PRESIDENT pro tempore. Without objection, the amendments are agreed to. The next amendment proposed by the Senator from New Jersey will be stated.

The CHIEF CLERK. On page 30, line 14, after the word "refunding", it is proposed to insert the word "extending", and on the same page, line 16, after the word "thereof", to insert "or for the purpose of effecting a merger, consolidation, or other reorganization."

The PRESIDING OFFICER. Without objection, the amendments offered by the Senator from New Jersey is agreed to.

Mr. MINTON. I offer the amendment, which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 44, at the end of line 10, it is proposed to amend paragraph (1) of subsection (b) of section 11 by adding after the semicolon the following: "the Commission may permit, as being reasonably incidental or economically necessary or appropriate to the operations of such system, the retention of an interest in any business (other than the business of a public-utility company as such) in which such registered holding company or such subsidiary company thereof is engaged or has an interest if the Commission finds that such business is affected with a public interest and its rates or charges are regulated by law, and that the retention of such interest in such business is not detrimental to the proper functioning of a single geographically and economically integrated public-utility system."

Mr. MINTON. Mr. President, the purpose of this amendment is to enable the holding company that has gas and electric properties and also water properties, we will say, by way of illustration, to come within the purview of the proposed act without giving up its water properties. Water properties, of course, are utility properties; they are affected with a public interest; and their rates and process, of course, are regulated entirely by the State commissions, and they are intrastate in their activities. Therefore this amendment would simply permit a holding company that comes within the purview of the bill as to its electric and gas properties, we will say, to retain such water properties as it may hold.

Mr. WHEELER. Mr. President, let me say to the Senator that I have examined this amendment and I have not any particular objection in a geographically integrated district to a holding company having a water company or some other company which is regulated by a public commission and which it has at the present time, but we do, under the bill, propose to prevent them from going out and acquiring other such properties in the future; we propose to prevent them, even in this instance, from keeping those that they have if the Commission finds that their retention is detrimental to the public interest.

Mr. NORRIS. Mr. President, I should like to ask the Senator from Indiana a question. It is difficult to get the full meaning of the amendment from merely hearing it read. As I understand, it would exempt part of the business of a holding company if that part were business not in the electric field?

Mr. MINTON. If it is not a public-utility company within the meaning of this act, which, of course, includes a company engaged in the transmission of electricity and the distribution of gas.

Mr. NORRIS. Yes; but if it were engaged in the distribution of gas and electricity, let us say, and also water, would it exempt it from the operations of the bill as it applies to their electric and their gas operations?

Mr. MINTON. No, sir; it would not.

Mr. NORRIS. It would merely provide an exemption for them so far as the water part is concerned?

Mr. MINTON. That is correct.

Mr. JOHNSON. Mr. President, the particular amendment of the Senator from Indiana [Mr. MINTON] relates to a specific corporation, does it not? I ask the question because I have an instance here which I think relates to the same corporation.

Mr. MINTON. I will say to the Senator it does. I had in mind in presenting this amendment the particular problem of the American Water Works Corporation, which owns several plants in my State in different towns. The amendment is designed to enable that company to retain its water properties and to bring its other properties within the purview of the proposed act.

Mr. JOHNSON. That is what I thought. I wish to see if it is not possible in some way to make this amendment applicable to a particular situation which has been presented to me by my alma mater, the University of the State of California. Here is what has happened there, and I think it commends itself to us if, without endangering this bill, without affecting in any degree its rapidity of passage, we can afford the appropriate remedy. I have received the following telegram, which I desire to read:

BERKELEY, CALIF., *June 5, 1935.*

University of California has for many years had splendid cooperation from the James Mills Orchard Corporation, of Hamilton City, Calif., in several important agricultural research problems, including studies of control of pear blight, mottled leaf of citrus,

prune dieback, septicaemia and cholera of swine, and has furnished facilities and finance for much of this work. This is a large property, well and scientifically managed, and affords splendid facilities for many of our studies under actual ranch conditions. It also offers an unusually good opportunity for many of our students to gain actual farm experience through work during the summer. The corporation still stands ready to continue its cooperation with the university in similar studies involving deciduous fruits, citrus, nuts, grains, sheep, hogs, and cattle. Senate bill 2796 as at present drawn would result in dissolution of Mills Orchard Corporation holdings, thus terminating abruptly cooperative relationships with the university with great loss to the university's educational and research work and to the agricultural and horticultural interests of the Sacramento Valley. To preserve the splendid cooperation and assistance the university has long received from this corporation, may I suggest the following amendment to Senate bill 2796: Insert on page 17, between lines 11 and 12, a new subsection, as follows: "(d) No provision of this act shall apply to or be deemed to include any holding company to the extent that such holding company owns the securities of a subsidiary company (1) now owning and operating farm lands and engaged solely in agricultural and/or horticultural undertakings; and which (2) in connection with any State, any subdivision or educational institution thereof is carrying on experimental and/or development work for the improvement of the agriculture and/or horticulture of such State and disseminating information relative thereto, provided always that no funds of the holding company shall be paid, loaned, or advanced to such subsidiary other than funds available for dividends on the common stock of such holding company; and any such agricultural or horticultural subsidiary company is hereby exempted from the obligations, duties, and/or liabilities imposed upon persons as such subsidiary companies under any provision or provisions of this title." The above proposed amendment is sent in response to your suggestion to Mr. Mills this morning. May I ask you give it your sympathetic consideration and support?

C. B. HUTCHISON,
Dean, College of Agriculture, University of California.

The design of the amendment suggested is to preserve the cooperation which is existing between our agricultural college and this particular great farm, the farm being a subsidiary corporation of the corporation which is mentioned by the Senator from Indiana. I should like to have it adopted if it can be done without doing harm to the bill.

Mr. WHEELER. Mr. President, let me say to the Senator that if he will present the matter to me I shall take it up over the week-end, and if we can work it out I shall be glad to do so.

Mr. JOHNSON. I am sure of that. I have submitted it to one of the gentlemen assisting the Senator from Montana, and he has been more than courteous and more than kind to me in respect to it. However, just learning of the amendment of the Senator from Indiana, and learning, too, that he was dealing with the same particular corporation that affects the particular matter to which I advert, I have brought it now to the attention of the Senator.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Indiana.

The amendment was agreed to.

Mr. JOHNSON. Mr. President, may I ask that the amendment of the Senator from Indiana be left open over the week-end that we may see if the two cannot be combined in some fashion?

Mr. WHEELER. The amendment of the Senator from Indiana has just been adopted, but it will not preclude the Senator from California from offering his amendment. I shall agree that by unanimous consent, if necessary, that the Senator from California may offer his amendment to the amendment of the Senator from Indiana, asking first, of course, that the vote by which the amendment of the Senator from Indiana was adopted shall be reconsidered.

Mr. JOHNSON. It struck me the addition of a few words might accomplish the result I seek, and I should like to have his amendment left open over the week-end.

Mr. NORRIS. Mr. President, I suggest the Senator from California ask unanimous consent to reconsider the vote by which the amendment of the Senator from Indiana was adopted.

Mr. JOHNSON. I ask unanimous consent that the vote by which the amendment of the Senator from Indiana was adopted may be reconsidered, and that it be left open over the week-end for the purpose I have indicated.

The PRESIDENT pro tempore. Is there objection to the reconsideration of the vote by which the amendment of the Senator from Indiana was adopted? The Chair hears none, and the vote is reconsidered.

Mr. GORE. Mr. President, I have two amendments which I desire to offer. I present the first one and ask that it may be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. It is proposed on page 73, after the period in line 24, to insert a new paragraph, as follows:

(c) No registered holding company or any subsidiary company thereof shall have, as an officer or director thereof, any executive officer, director, partner, appointee, or representative of any bank, trust company, investment banker, or banking association or firm, or any executive officer, director, partner, appointee, or representative of any corporation a majority of whose stock, having the unrestricted right to vote for the election of directors, is owned by any bank, trust company, investment banker, or banking association or firm.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was agreed to.

Mr. GORE. I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be read.

The CHIEF CLERK. It is proposed, on page 45, after line 24, to insert the following:

Any registered holding company or any subsidiary company thereof desiring to simplify its corporate structure, or to dissolve, reorganise, or to eliminate interlocking directorates, or to distribute voting power, pursuant to this act, shall, pending such operations or proceedings and in furtherance thereof, be eligible for loans from the Reconstruction Finance Corporation, provided adequate security is furnished for such loans.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was agreed to.

Mr. BONE. Mr. President, may I have again stated the amendment which was just adopted? My attention was diverted.

The PRESIDENT pro tempore. The amendment will be read for the information of the Senator from Washington.

The Chief Clerk read the amendment.

Mr. BONE. My purpose in making the inquiry arises from the fact that earlier in the session I offered an amendment upon the floor, which had previously been offered by the Senator from California [Mr. JOHNSON], authorizing the R. F. C. to make loans to cities which were intending to take over local electric distribution plants in those cases where the city intended to buy its power from a Federal power agency being created by the Government, such as Muscle Shoals, Boulder Dam, Grand Coulee, Bonneville on the Columbia River, and so forth. That amendment was voted down on the floor of the Senate.

I did not know the amendment of the Senator from Oklahoma was being presented and voted on. I desire at this time to tender an amendment which will authorize the R. F. C. to make loans to cities which desire to acquire electric distribution companies, in those cases where the city intends to buy its power from a Federal agency being created by the Government to generate and distribute power, such as the Bonneville in the State of Oregon.

I wonder if the Senator from Oklahoma [Mr. GORE] would consent to have reconsidered the vote by which his amendment was adopted and to have the amendment to which I have referred placed in the bill. Manifestly, if we are going to lend money to private power companies, it seems to me we wipe out the last logical objection to lending it to a city which intends to use that money primarily to buy power from the Federal Government.

Mr. GORE. Mr. President, I should prefer that the Senator would offer his amendment as a separate amendment.

Mr. BONE. Very well; I shall prepare the amendment and offer it.

Mr. BARKLEY. Mr. President, may I ask the Senator from Oklahoma a question? The amendment makes hold-

ing companies eligible for loans pending the process of reorganization or dissolution, does it not?

Mr. GORE. Yes.

Mr. BARKLEY. Would it make possible the lending of money by the R. F. C. to holding companies which might ultimately be eliminated under the terms of the bill, so the loans would extend beyond the 5 or 7 years, as provided in the bill for such elimination; and, if so, ought we to authorize such loans?

Mr. GORE. We certainly ought not to authorize such loans as are indicated by the Senator, and I feel certain the R. F. C. would not grant such a loan.

Mr. BARKLEY. Of course the R. F. C. will have no knowledge as to which companies may be eliminated.

Mr. NORRIS. Mr. President, will not the Senator from Oklahoma consent to have the vote by which his amendment was agreed to reconsidered in order that the Senator from Washington may prepare and offer an amendment to it?

Mr. GORE. Very well.

Mr. BARKLEY. That will give us an opportunity further to consider the amendment. I feel that we should look into its language a little further.

Mr. GORE. Very well; I have no objection.

The PRESIDENT pro tempore. Without objection the vote by which the amendment of the Senator from Oklahoma was adopted is reconsidered.

REGULATION OF TRANSPORTATION (H. DOC. NO. 221)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read, referred to the Committee on Interstate Commerce and ordered to be printed, as follows:

To the Congress of the United States:

It is high time to deal with the Nation's transportation as a single, unified problem. For many years in the past transportation meant mainly railroads. But the rise of new forms of transportation, great expenditures of Government funds for the development of waterways, and for the building of great highways, and the development of invention within the railroad system itself have enlarged the problem far beyond that conception which dominated most of our past legislation on the subject. In some instances the Government has helped a little. In others it retarded. In still others it has given special assistance from time to time—in many instances without rhyme nor reason—in all instances without considering each aspect of the problem in the light of all the others. It is small wonder that in a transportation picture so confused the public has been inadequately served.

I have from time to time, in this session, addressed the Congress as to the necessity of various forms of Government aid and regulation of transportation. I now wish to draw together and supplement these various suggestions for the consideration of the Congress in this session.

In the railroad field there has been a growing recognition of the necessity for reorganization and coordination. To that end there was created the office of Federal Coordinator of Transportation. The Coordinator has considered various ways of effecting economies through the physical coordination of railway facilities and services, and, in addition, has studied and made suggestions for legislative measures covering both the railroads and other forms of transportation.

Another type of reorganization necessary for the sound and healthy recovery of our railroad system is financial. Many of our railroads are in a sound financial condition. Others are in need of reorganization. To enable necessary financial reorganizations to be effected inexpensively and promptly the Congress passed, 2 years ago, certain amendments to the Federal Bankruptcy Act. Shortcomings in this legislation have appeared which have prevented an efficient and extensive use of it. In order to correct these shortcomings the Coordinator has recommended certain amendments which are now before the Congress for action. Various differences of opinion as to these amendments are rapidly being adjusted and it is my hope that this legislation may be promptly enacted.

I have already recommended to the Congress my views with regard to the relations that should exist between the Federal Government and air carriers. Legislation has been introduced for the purpose of carrying out these recommendations. I am in general accord with the substance of this legislation although I still maintain, as I indicated in my message on that subject, that a separate commission need not be established to effectuate the purposes of such legislation. Air transportation should be brought into a proper relation to other forms of transportation by subjecting it to regulation by the same agency.

A bill for the regulation of highway motor carriers has passed the Senate and is now before the House of Representatives. The practical unanimity with which the Senate passed this bill convinces me of the extent to which all of the difficult adjustments among the interests concerned were made and I recommend its early passage by the House.

Another bill for the regulation of intercoastal and coastwise trade and of some of the inland-waterway carriers prepared by the Coordinator has been introduced and is before the Congress for action. I recommend that this bill be considered by the appropriate committees and pressed to early passage. I can see no reason why the responsibility for the regulation of intercoastal, coastwise, and inland waterways should not be vested in the Interstate Commerce Commission, with proper provision for the departmentalizing of the work of the Commission.

It is my hope that the Interstate Commerce Commission may, with the addition of the new duties that I have indicated, ultimately become a Federal Transportation Commission with comprehensive powers. It had been my intention to recommend this strongly to this session of the Congress, but the time remaining seems to preclude the discussions necessary for such changes. Such a reorganization should not be delayed, however, beyond the second session of the Seventy-fourth Congress.

The efforts toward the coordination of the railroads and the general improvement of transportation conditions which were begun by the Emergency Railroad Transportation Act of 1933, should proceed, and I recommend that the act and the office of Coordinator be extended for at least another year.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 7, 1935.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed the bill (S. 2536) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, with amendments, in which it requested the concurrence of the Senate.

CARMINE SFORZA

The PRESIDENT pro tempore laid before the Senate the amendment of the House to the bill (S. 209) for the relief of Carmine Sforza, which was, on page 1, line 5, after the word "appropriated", to insert "and in full settlement of all claims against the United States,".

Mr. LONERGAN. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

SUSPENSION OF ANNUAL ASSESSMENT WORK ON CERTAIN MINING CLAIMS

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2536) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, which were to strike out all after the enacting clause and insert:

That the provision of section 2324 of the Revised Statutes of the United States, which requires on each mining claim located, and until a patent has been issued therefor, not less than $100 worth of labor to be performed or improvements aggregating such amount to be made each year, be, and the same is hereby, suspended as to all mining claims in the United States during the year beginning at 12 o'clock m. July 1, 1934, and ending at 12 o'clock m. July 1, 1935: *Provided*, That the provisions of this act shall not apply in

the case of any claimant not entitled to exemption from the payment of a Federal income tax for the taxable year 1934: *Provided further*, That every claimant of any such mining claim, in order to obtain the benefits of this act, shall file, or cause to be filed, in the office where the location notice or certificate is recorded, on or before 12 o'clock m. July 1, 1935, a notice of his desire to hold said mining claim under this act, which notice shall state that the claimant, or claimants, were entitled to exemption from the payment of a Federal income tax for the taxable year 1934: *And provided further*, That such suspension of assessment work shall not apply to more than 6 lode-mining claims held by the same person, nor to more than 12 lode-mining claims held by the same partnership, association, or corporation: *And provided further*, That such suspension of assessment work shall not apply to more than 6 placer-mining claims not to exceed 120 acres (in all) held by the same person, nor to more than 12 placer-mining claims not to exceed 240 acres (in all) held by the same partnership, association, or corporation.

And to amend the title so as to read: "A bill providing for the suspension of annual assessment work on mining claims held by location in the United States."

Mr. HATCH. Mr. President, I move that the Senate concur in the House amendments. I will explain the principal amendment. The change in the bill is to exclude Alaska. The Territory of Alaska, through its legislature, instructed its Delegate to ask that Alaska be excluded. The Senate bill included Alaska. The House has acted to exclude Alaska.

Mr. BORAH. Mr. President, the only change is to exclude Alaska?

Mr. HATCH. Yes.

Mr. BORAH. I received protests from Alaska on account of Alaska being excluded. Why was Alaska excluded?

Mr. HATCH. It was excluded upon the request of the Delegate from Alaska, who was acting pursuant to a resolution of the Legislature of Alaska.

Mr. BORAH. The letters I received recounted that fact. They recounted the reason.

The PRESIDENT pro tempore. The question is on the motion of the Senator from New Mexico to concur in the amendments of the House.

The motion was agreed to.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. COSTIGAN. Mr. President, before the Senate recesses over the week-end I desire to make some references to the subject under discussion.

Some years ago American liberals, regardless of party, when discussing the unfair practices of antisocial corporations and individuals, were accustomed to describe the semipublic activities of such special interests in the vivid phrase "invisible government." Discussion of the pending bill recalls the force and accuracy of that old indictment. Within recent weeks much concealed pressure has been brought to bear on Members of this Congress to defeat or emasculate the pending measure, which is today a vital part of the "must" program of President Roosevelt. The under-cover vigor and persistent resourcefulness of that drive justify the conclusion that bold propaganda agencies are bringing the trained forces of misrepresentation into action to preserve and increase the political and economic power of the privately owned utilities of this country.

When all is said and done, there is nothing new about such adroitly maneuvered publicity. The methods employed for influencing public opinion in and out of Congress have been familiar for years through exposures made in the notable and still continuing investigation of utility activities by the Federal Trade Commission, an agency of the Government, which by its disinterested hewing to the line of public duty is keeping alive our faith in the best traditions of self-governing America. Indeed, no stronger argument for the pending measure can be made than the fact that it is in large part the logical and necessary response to revelations which for years have affronted the thinking men and women of America, as disclosed in the Federal Trade Commission's prolonged investigation of utilities.

There is little, if anything, new which any Member of the Senate may now add to the searching discussions listened to in recent days from the lips of the Senator from Montana [Mr. WHEELER], the Senator from Nebraska [Mr. NORRIS], the Senator from Washington [Mr. BONE], and the Senator from New Hampshire [Mr. BROWN]. However, I do not wish the discussion to close without directing attention to some facts revealed by the Federal Trade Commission, illuminating utility practices that have proven wastefully costly in dollars and cents to consumers, and shockingly disturbing in their implications and consequences. The Senator from Washington [Mr. BONE] analyzed with force the contests in his State between public and private ownership, and clearly pointed out that public ownership of power is tending there, as elsewhere, toward the ownership of valuable public light and power plants free from financial obligations, while private utilities have been increasing their debt structures, with added utility charges imposed from year to year on consumers of the privately run service. In addition, he emphasized that corrupt practices of such privately owned utilities have perpetuated excessive earnings, and in some measure have deplorably threatened the vitality of popular government.

MUNICIPAL OWNERSHIP AT LAMAR, COLO.

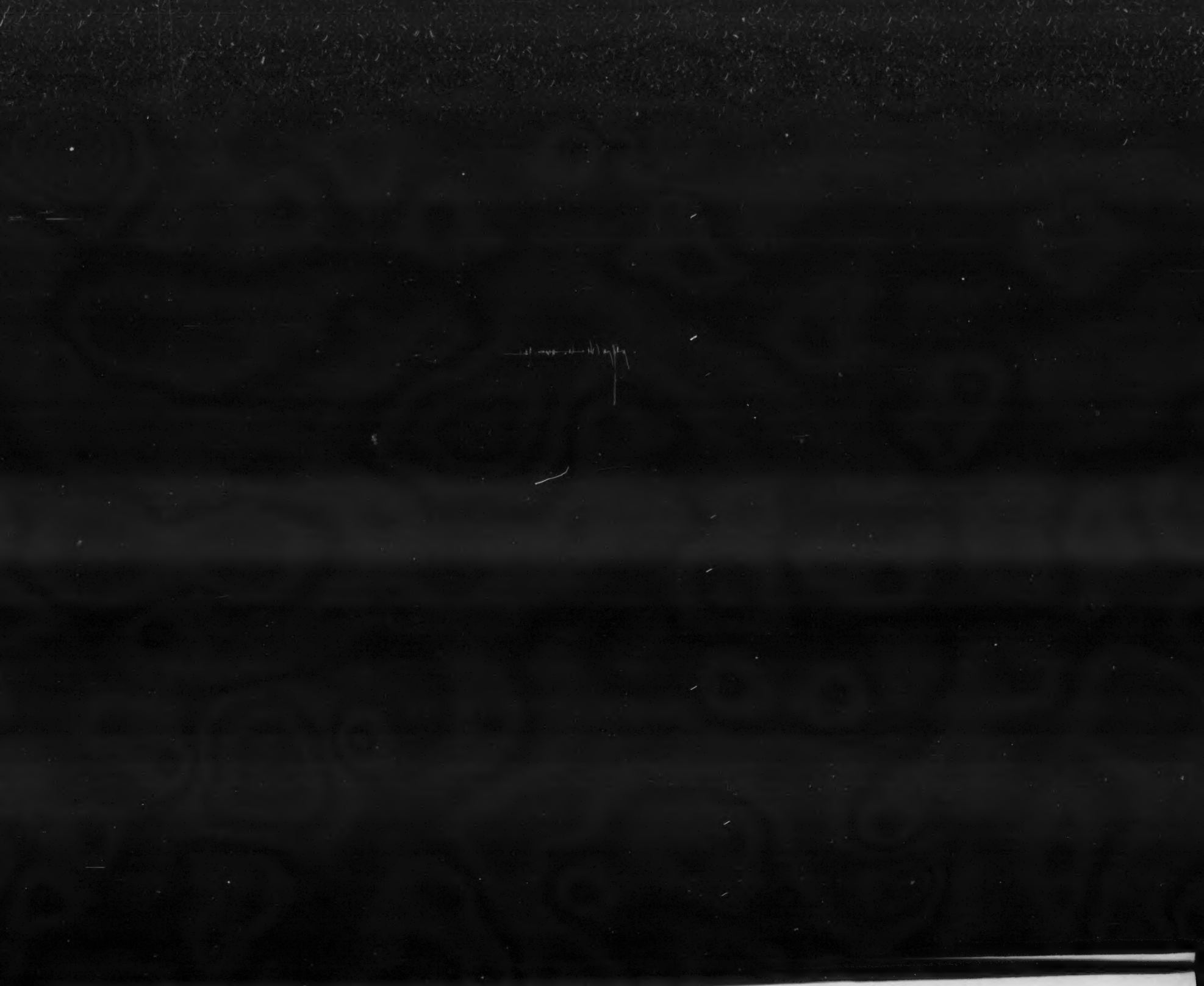
What the Senator from Washington said of his State has been more or less true in Colorado. To confirm this observation, I wish to direct the attention of the Senate for a moment to a brief hearing, held little more than 2 weeks ago in Kansas City, Mo., by representatives of the Federal Trade Commission. That hearing disclosed for the first time a somewhat typical, yet impressive illustration of the manner in which privately owned utility corporations attempt to impose their political control by the use of hidden agencies, and seek to enlarge their incomes by deceiving an unsuspecting public.

In eastern Colorado on the banks of the Arkansas River, about 30 miles west of the Kansas line, one of Colorado's most attractive and progressive municipalities is located. I refer to the city of Lamar with a population approaching 5,000 citizens, in the center of a rich agricultural area. That community has long been referred to with pride by Coloradoans in part, because of its ownership and operation of a municipal light and power plant constructed about 15 years ago.

Testimony given at the hearing at Kansas City on May 21 of this year disclosed that Lamar built its plant and started operations about the same time that another Colorado city, Fort Morgan, undertook a like experiment, but that under a different managerial policy, after some years of operation, Fort Morgan had paid off the general and special indebtedness of half a million dollars it incurred in undertaking the enterprise, whereas the plant indebtedness of Lamar had doubled.

Among citizens of Lamar during the past 15 years has been Frederick M. Betz, a pronounced believer in municipal ownership of electric light and power plants. Mr. Betz is publisher of the Lamar News, a daily paper established in that community about 1907. At one time he was a member of the City Council of Lamar. He is also present chairman of the board of directors of the Federal land bank at Wichita, Kans. At other times and in other ways he has proven his deep interest in public affairs.

Beginning his editorship of the Lamar Daily News without any particular examination of the problems involved in the operation of Lamar's municipal plant, Mr. Betz finally, after comparison with Fort Morgan of Lamar's operating program, became an active advocate of the policy adopted at Fort Morgan of using the proceeds of the plant to pay off the municipal indebtedness, instead of diverting the earnings of the plant, as had been done at Lamar, to the general expenses of the city, and thereby, in part, temporarily lightening the tax burdens, particularly of the larger real-estate owners of that city.



Mr. Betz's convictions, as a result of his investigation of the problem, were naturally frequently expressed through the columns of his daily paper, and, as his advocacy progressed, he discovered a growing desire on the part of certain individuals in and out of Colorado to secure the ownership of the Lamar Daily News. Beginning in or about 1928, various offers were made to Mr. Betz for the purchase of his paper. Among others, private discussion of such offers was carried on by representatives of the Colorado Gas & Utilities Co., a subsidiary of a Delaware holding company, and by the United Companies of Kansas, representing a number of allied utility companies, including the Union Electric Co.—subsidiaries of one of America's powerful holding companies—and by one Lee Meadows, formerly of Oberlin, Kans., who enjoyed close personal and business relations with former Mayor Maxwell, of Lamar, the principal owner of the Lamar Sparks, which, in or about 1928, was a weekly newspaper, also published in Lamar. Both Mr. Meadows and Mr. Maxwell, from time to time, were, in fact, known to be financially interested in the Lamar Sparks.

In the course of different discussions of the future ownership of the Lamar Daily News, certain visitors from Kansas suggested to Mr. Betz that it had been a mistake on the part of Lee Meadows and others to operate the Lamar Sparks as a competitor of the Lamar Daily News. Representatives of the Colorado Gas & Utilities Co. talked with Mr. Betz at a time when that corporation was preparing to close arrangements with Lamar for substituting natural gas for coal as fuel for the operation of the Lamar light and power plant. About then the Lamar Daily News was criticizing, and seeking to have reduced, the rates being offered the city by the Colorado Gas & Utilities Co. for gas, in place of coal, for the municipal plant.

Shortly after the reduced rate, which apparently was lowered in part by reason of the activities of the Lamar Daily News, was contracted for by the municipal authorities of Lamar, the Colorado Gas & Utilities Co. began to show partiality in favor of the Lamar Sparks in the amount of advertising given the two competing newspapers. This continued, and in or about September 1931 the Lamar Sparks was suddenly converted into a daily, thus competing daily and much more vigorously with the Lamar Daily News, although there are few municipalities in America of the moderate size of Lamar in which will any longer be found, side by side, two opposed daily papers.

The testimony given at the Kansas City hearing of the Federal Trade Commission makes clear that the establishment of the Sparks as a daily newspaper was the hostile response of the privately owned utility interests of Colorado and Kansas to the independent course adopted and maintained by Editor Betz and the Lamar Daily News in support of the adoption of rational business policies for the municipally owned and operated light and power plant at Lamar. When it developed that Mr. Betz would not sell his paper to the privately owned utility interests, competitive war, without any announcement of the true reasons, was begun and continuously waged against him and his paper.

Most citizens would suppose that privately owned utility plants would have enough to do attending to their own business concerns and imposing no larger service burdens on the general public than reasonably and economically run utility business makes necessary. If fair play and reasonable profits are the objectives of such utilities, as they often piously declare, it follows, as the night the day, that they are under obligations to use their franchise rights without fraudulent imposition, open or concealed, upon the public.

What, however, are the facts disclosed by the Kansas City hearing? The Lamar Sparks operated by the Sparks Publishing Co., a corporation under the Colorado laws, with Charles Maxwell, as president, and J. S. Maxwell, as secretary, now or formerly carrying the name of Lee Meadows conspicuously on its letterhead, has been for an indefinite time assuming to express disinterested public views on the ownership and management of utilities. In giving expression to these views, the Lamar Sparks has repeatedly, and with unprovoked extreme, and at times libelous violence, assailed citizens without other warrant for such attacks than the belief that municipal ownership of such plants is in the public interest. Probably few papers in Colorado have surpassed the Lamar Sparks in making such attacks on unoffending citizens.

Were these verbal assaults the disinterested utterances of public citizens who have only the general welfare in mind?

Were these expressions given in good faith to the people of Lamar and the Arkansas Valley, with a frank statement of affiliations which, if known, would have explained the advocacy by the Lamar Sparks of privately owned and operated utilities? Let us examine the record. The attention of the Federal Trade Commission, in its investigation of ownership or control of newspapers by utilities, was drawn to the activities of the Lamar Sparks in thus assailing and seeking to undermine public ownership of Lamar's light and power plant. On April 14, 1933, Judge Robert E. Healy, then chief counsel of the Federal Trade Commission, now a member of the Federal Securities and Exchange Commission, wrote the following letter to Mr. Lee Meadows, of Lamar:

APRIL 14, 1933.

MR. LEE MEADOWS,
Lamar, Colo.

DEAR SIR: In connection with the Federal Trade Commission's investigation of public utilities under direction of the United States Senate, one of the subjects inquired into has been that of alleged ownership or control of newspapers by such utilities.

Will you please state for the information of the Commission whether or not in the course of your connection with the Lamar Sparks, of Lamar, Colo., any financial interest, direct or indirect, was held in that publication by any public utility or by any one affiliated with such a utility; whether any funds were furnished by any utility company or utility official to maintain the paper in operation while you were associated with it, and whether you negotiated or received any loan from such parties either with or without pledging your stock in the paper.

An official envelope, requiring no postage, is enclosed for your convenience in replying and the courtesy of a prompt response will be appreciated.

Very truly yours,

ROBT. E. HEALY,
Chief Counsel.

No answer having been received to that letter, on September 25, 1933, Judge Healy wrote the following letter of inquiry to Mr. Meadows:

S. R. 83

MR. LEE MEADOWS,
1255 Tyler Street, Topeka, Kans.

DEAR SIR: Under date of April 14, 1933, I wrote you at Lamar, Colo., as shown by the enclosed duplicate original, and since my letter was not returned assume that it was forwarded and delivered to you in due course of mail. So far, however, I have not had a reply from you. I am registering the present letter and hope you will accept this opportunity of making a full and frank response to the questions asked informally in my letter of April 14.

An official envelope requiring no postage is enclosed for your convenience in replying.

Very truly yours,

ROBERT E. HEALY,
Chief Counsel.

Not until October 1933 was the reply of Mr. Meadows finally received. It was as follows:

TOPEKA, KANS., *October 18, 1933.*

MR. ROBERT E. HEALY,
Washington, D. C.

DEAR SIR: Your registered letter of several days ago came during my absence from the city which will explain my delay in answering. If I ever received your first letter—the one of last April—it has been laid aside.

For your information and for the information of the Commission I wish to state that no utility company ever put any money into the Lamar Daily Sparks for me or for anyone else associated with me to my knowledge. Neither did anyone attempt at any time to influence the opinion of the paper. Neither did any utility official advance to me any moneys to be so invested.

During the time that I was managing editor of the Lamar Sparks I alone was responsible for the editorial opinions and policies of the paper.

For your further information there has been a rather "hot" newspaper scrap on in Lamar for several years and it is very probable that any such information you received came from the camp of the enemy, who were never neglectful to cast any insinuations.

In the event that I can be of any service to you in the matter, I trust that you will feel perfectly free to command me.

During my tenure of service with the paper the stockholders in the Sparks Publishing Co. were Charles Maxwell, Lee Meadows, and Myrth Swain Meadows, none of us affiliated in any way with any public-utility organization.

Very truly yours,

LEE MEADOWS.

Keeping clearly in mind the definite inquiry of Judge Healy and the unequivocal response of Meadows to the effect that at no time had anyone attempted to influence the opinion of the Lamar Sparks; that no utility official had ever advanced any money to him to be invested; and that no utility company had ever put any money into the Lamar Daily Sparks, let us now turn to disclosures at the May 21, 1935, Kansas City hearing of the Federal Trade Commission. At that hearing exhibits were put in evidence showing that on June 29, 1931, Lee Meadows, whose letter of detailed denial has just been read, received from the Union Electric Co., at Abilene, Kans.—and gave it his corresponding promissory note—$10,000. On that date the Farmers National Bank, of Abilene, Kans., gave to Lee Meadows a cashier's check, endorsed by Meadows, for the sum of $10,000. I hand the Official Reporter photostatic copies of the cashier's check and promissory note, with the request that they be placed in the RECORD.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

The Farmers National Bank, 83–146. Abilene, Kans., June 29, 1931. No. 5494. Pay to the order of Lee Meadows $10,000. To Fidelity National Bank & Trust Co., Kansas City, Mo. D. W. Gugler, cashier.

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$10,000. Abilene, Kans., June 29, 1931. One year after date I promise to pay to the order of the Union Electric Co. $10,000. Payable at ——— ———. Value received, with interest at the rate of 6 percent per annum, from date until paid. Due June 29, 1932. Lee Meadows.

Mr. COSTIGAN. Mr. President, at the Kansas City hearing of the Federal Trade Commission there was also produced a certificate, no. 11, for 100 shares of the Sparks Publishing Co., dated August 31, 1934, certifying that the Charles Maxwell Investment Co. was the owner of 100 shares of a par value of $100 each of the Lamar Sparks Co. This certificate, signed by Charles Maxwell, president, who also endorsed it in blank, and J. S. Maxwell, secretary, is also offered for the RECORD.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the certificates were ordered to be printed in the RECORD, as follows:

Incorporated under the laws of State of Colorado. No. 11 Shares, 100. Sparks Publishing Co. Capital stock, $25,000. Shares par value, $100 each. This certifies that The Charles Maxwell Investment Co. is the owner of 100 shares of $100 each of the capital stock of Sparks Publishing Co. fully paid and nonassessable, transferable only on the books of the corporation by the holder hereof in person or by attorney, upon surrender of this certificate properly endorsed. In witness whereof, the said corporation has caused this certificate to be signed by its duly authorized officers and to be sealed with the seal of the corporation this 31st day of August, A. D. 1934. Chas. Maxwell, president. J. S. Maxwell, secretary. Shares, $100 each.

Certificate for ——— shares of the capital stock Sparks Publishing Co., capital stock $25,000. Issued to ———, dated ———.

For value received, ——— hereby sell, assign, and transfer unto ——— ——— shares of the capital stock represented by the within certificate, and do hereby irrevocably constitute and appoint ——— to transfer the said stock on the books of the within named corporation with full power of substitution in the premises. Dated ———, 19———. The Charles Maxwell Investment Co., by Chas. Maxwell, president-secretary. In presence of ———. Notice: The signature of this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement or any change whatever.

Mr. COSTIGAN. In connection with these exhibits filed at the Kansas City hearing, testimony disclosed that Mr. W. S. Morrison, operating vice president of the Colorado Gas & Utility Co. and of other companies of the United Kansas companies, twice informed represenatives of the Federal Trade Commission that no funds had been advanced for the financing of the Lamar Daily Sparks.

After an intensive search for dependable information, the Federal Trade Commission finally located the cashier's check and promissory note, already mentioned, and discovered that the cashier's check had been made payable to Lee Meadows, not far from the time when the Lamar Sparks was changed from a weekly to a daily paper. It developed that a stock certificate of the Sparks Publishing Co.—not the one already drawn to the attention of the Senate, but preceding security for which that certificate was seemingly substituted some 3 years later—was issued to Lee Meadows, and pledged to the Union Electric Co. as security for the $10,000 note of 1931; that no payment of interest or principal has since been made upon that note, and that the Lamar Sparks, after it became a daily, entered on a campaign of cutting advertising and subscription rates to a losing basis with the apparent object of eliminating its competitor, the Daily News, with the result that Meadows admitted to a representative of the Federal Trade Commission, as testified at the Kansas City hearing, that the Lamar Sparks, as a daily, had operated at a loss of $1,000 a month. Meadows left Lamar late in 1932, but the stock issued in consideration of the $10,000 continued to stand in his name until 1934, when it appeared in the name of the Charles Maxwell Investment Co. It should be added that Charles Maxwell was formerly mayor of Lamar and, as indicated, part owner of the Lamar Daily Sparks in conjunction with Meadows. The stock now standing in the name of the Charles Meadows Investment Co., endorsed in blank, remains in the possession of the Union Electric Co. of Abilene, Kans.

The recited facts have thus been reviewed in detail as a striking, recently revealed illustration of utility influence imposed through indirect and secret investments in, or financial aid to, a newspaper on a public without knowledge of the forces behind the scenes, even while vilification was being directed against citizens who had the temerity to express their belief in the superiority of publicly owned and operated utility plants over such privately owned agencies.

II. HEAT CONTENT AND SERVICE CHARGES

Mr. President, before concluding this discussion of activities of privately owned and operated utilities, to which the pending holding-company measure relates, perhaps I should turn to another subject, directing attention to a different business policy than that revealed at Lamar; yet, as in the Lamar case, having no other excuse than self-seeking pursuit of profits regardless of contract, responsibilities, and the fundamental property rights of an unwary public.

As in the Lamar case, what I am about to state is unassailably established in the historic utility investigation, already mentioned, conducted by the Federal Trade Commission. Unlike the Lamar instance, although it similarly had origin in Colorado, this other example represents a practice which must have gladdened utility executives everywhere, because of surplus receipts it inescapably assured. To the so-called "Public Service Co. of Colorado", a subsidiary of the Cities Service Co., goes the discredit of the initiation of the plan, but its rapid adoption elsewhere makes it significant to those parts of America where privately owned utilities have exhibited unabashed cupidity.

It is well known that the heating value of gas, particularly manufactured gas, may vary 100 percent or more. Rates, however, are generally based on volume of gas consumed in terms of thousands of cubic feet. With such a variation in quality, a comparison of rates by mere volume means nothing. It should be obvious that when the consumer buys gas he is purchasing heating value. The only accurate basis of comparison between gas of different heat values is in terms of a common denominator expressive of such value. For the purposes of such comparison gas engineers and scientists use British thermal units, one B. t. u. being the amount of heat necessary to raise the temperature of 1 pound of water by 1 degree. In some sections of the country State regulatory commissions specify the minimum heating value of gas in terms of B. t. u., but there is considerable divergence between the minima allowed by the various commissions. Manufactured gas ranges from 400 to 600 B. t. u., while natural gas ranges as high as 1,100 B. t. u. A mixture of the two may average about 800 B. t. u.

For a number of years the gas industry took the position that the heating value of gas is of little or no importance

to the domestic consumer; that heating value can be reduced without requiring an increase in the amount consumed in order to obtain the same heating results and without reducing the serviceability of gas for household purposes. This position was the foundation for a policy which was carried out in a number of States of reducing the heating value of gas without a corresponding reduction in rates. Time, effort, and propaganda, the cost of which was borne by helpless consumers, were devoted by the industry to educate the public to an acceptance of the industry's position and in inducing various State regulating commissions to adopt it.

The initial step in this activity of the Gas Utilities appears to have been taken in the city of Denver about 1920 or 1921 by the Public Service Co. of Colorado, a subsidiary of the Cities Service Co., one of the most important holding company groups in the country. This group, as is everywhere recognized, is highly influential in both the electric and gas utility fields. Between 1920 and 1923 the Public Service Co. of Colorado lowered the British thermal unit content of gas supplied to Denver consumers from 600 to 400 British thermal units and without a corresponding reduction in rates. In 1923 the Public Utilities Commission of Colorado issued an order which permitted all gas utilities in the State to adopt whatever heating value it found "most practical, economical, and efficient to manufacture, and to supply to its consumers to their satisfaction." The commission based this order upon information obtained from the Public Service Co. of Colorado in Denver, without any formal presentation of data. This unhappy precedent was promptly followed elsewhere. In June 1924 the executive board of the American Gas Association adopted a resolution requesting the various State public-service commissions to support a program of allowing each local utility to adopt whatever heat content would enable it to give satisfactory service to its consumers and which content "would probably be an economical and efficient product of not less than 300 British thermal units per cubic foot." This resolution was declared to be in the interest of conserving coal and oil as two of the greatest natural resources. In 1925 the Washington State Commission gave permission to the Spokane Gas & Fuel Co. to reduce the heating value of its gas to 450 B. t. u. This company was likewise a subsidiary of the Cities Service Co. The Washington State commission based its ruling in part upon the testimony of the superintendent of the Public Service Co. of Colorado to the effect that there had been no complaints in Denver as a result of the reduced heating standard; that the Alabama commission had followed the Denver precedent; and a similar step was being contemplated in Illinois.

The Alabama Public Service Commission and the Illinois Commerce Commission also adopted the policy of allowing the heating value of gas to be lowered without reduction in rates, and in both cases the information supplied by the Public Service Co. of Colorado was influential. In August 1924 the chief engineer of the Alabama commission wrote H. C. Abell, president of the American Gas Association with regard to proposed gas heating rules and stating that he had "accepted your suggestions in practically all cases and the rule has been modified accordingly."

Aside from the patently illogical position that the heating value of gas can be lowered without increasing the consumption, the United States Bureau of Standards has made a scientific study of the question and reached the conclusion that the consumption of gas is in inverse proportion to its heating value and that the lowering of the B. t. u. content without a corresponding reduction in rates is equivalent to an increase in rates. It had also collected a large amount of experimental data from other scientific investigators, all pointing in the same direction. The Bureau published a pamphlet covering the results of its investigation in 1925, but the efforts of the industry to establish a contrary view continued.

In February 1927 the Public Service Co. of Colorado was voted a franchise by the people of Denver after its application for a franchise had been defeated in a city election during 1925. While this earlier franchise application was pending in September 1926 the Bureau of Standards was negotiating with the Public Service Co. of Colorado for permission to analyze and publish the results of the data which the Public Service Co. claimed supported its position that the reduction in heating value did not increase consumption. The Public Service Co. declined to allow its data to be thus analyzed and the results published although the data had been used before the Public Service Commissions of Washington and Alabama. A paper prepared by E. R. Weaver, expert gas engineer of the Bureau of Standards, was submitted to the company for its criticism. Objections were made to the conclusions drawn by Mr. Weaver and to any publication of the Bureau of Standards' opinion on the Denver situation.

On September 15, 1926, R. G. Griswold of the Cities Service group wrote W. A. Jones, one of the leading officials of the H. L. Doherty companies, referring to Mr. Weaver's paper and stating he would "rather not have Mr. Weaver's paper made public at the present time. We might eventually justify our action but on account of the complicated nature of the problem the franchise election might well be over before we succeeded in persuading the tax-paying electors of Denver that we were doing otherwise than 'crawfishing.'" The reference to "crawfishing" is explained by the fact that the Public Service Co. was contemplating bringing natural gas into Denver; that natural gas has a very much higher heating value than manufactured gas and it later was in the company's interest to stress that higher heating value of natural gas as the basis for higher rates.

On September 27, 1926, W. A. Jones wrote M. H. Aylesworth, managing director of the National Electric Light Association, enclosing the Griswold letter, stating that he had spoken to Mr. Aylesworth about it before, adding: "I would also like to know what the chances are of the matter being held in abeyance for some time yet." On September 29, 1926, Mr. Aylesworth wrote a personal letter to Paul S. Clapp, assistant to Secretary Herbert Hoover, then of the Department of Commerce, of which the Bureau of Standards was part, enclosing the letter of Mr. Jones and referring to Mr. Weaver's article, stating also, "It seems our people are very much afraid this article will create a disturbance in Denver at a very critical time. I hope it can be held up, whether the purpose be an article or a bulletin." The original Jones, Aylesworth, and Griswold letters quoted in some manner became a part of the files of the Bureau of Standards, where they remained until the Bureau made them available to the Federal Trade Commission. The paper which had been prepared by Mr. Weaver, analyzing gas-heating standards in Denver, was not published.

A copy of the proposed publication, however, was made a part of the public record of the Federal Trade Commission's utility investigation, and may be found there as exhibit 6229. It is entitled "The Results of Changing from a High to a Low Heating Value Standard in Denver." In this paper, which was withheld from publication, Mr. Weaver made statements to the following effect:

First. That permission had been refused to the Bureau to discuss the data on which the Public Service Co. of Colorado claimed that the reduction of heating value in Denver did not necessitate an increased consumption of gas.

Second. That this permission was refused even though the company continued both in published articles and on the witness stand to insist on the correctness of its position.

Third. That the data of the Public Service Co. of Colorado was an important factor in the practical abolition of heating standard values by three State commissions.

Fourth. That if the same reduction in heating standard values adopted in Denver were made effective throughout the country "such a reduction of standard"—and I know these figures will have special significance for the Senator from Nebraska [Mr. NORRIS] and the Senator from Washington [Mr. BONE], who are doing me the honor of paying close attention to my remarks—"would result in a loss to the public of $490,000,000 annually" (p. 7).

Fifth. That the consumers of Denver had to pay 19 percent more for their gas heat because of the reduction in

B. t. u. content without a corresponding reduction in rates (p. 35).

After the Public Service Co. of Colorado received its franchise by vote of the people in February 1927, the Bureau of Standards attempted to have Mr. Weaver's paper given publicity in the trade press and submitted it for that purpose to the Gas Age Record and the American Gas Journal. The Bureau, in submitting it to the Gas Age Record, pointed out that it had published an article by the company and that such publication "was misleading as to what actually occurred in Denver." In declining to publish the Bureau's article the publishers of the Gas Age Record stated, "Aside from the Denver people themselves and their own organization there is little agreement in the gas industry with their viewpoint." Later, in conflict with its earlier position, when the Public Service Co. of Colorado began supplying Denver with natural gas in September 1927 it published an advertisement in Denver stressing the fact that natural gas had more than two and one-half times the heating value of manufactured gas and stating, "When you buy gas you buy heat." The company, in this advertisement, also took the position that rates were being reduced but this was not true if rates were figured upon the thousand cubic foot basis which was the basis on which rates were calculated. The company thereby reversed the position it had previously taken to the effect that the heating value of gas had little or no relation to its serviceability to the consumer.

Notwithstanding the industry's knowledge that the Bureau of Standards disagreed with the position of the Public Service Co. of Colorado and the statement of the Gas Age Record above quoted that there was little agreement in the industry with the position of the company, we find that in a pamphlet put out for circulation in the public schools of Iowa, the Iowa Committee on Public Utilities Information made the following statement:

> Government research has shown that the lower B. t. u. standard produces the same results in practical operations and can be much more economically manufactured.

This pamphlet also suggested for debate by school children the following:

> *Resolved*, That heat standards for gas should be abolished.

During the spring of 1927, when the Bureau of Standards was endeavoring to get the Weaver article on Denver published in the Trade Press, the board of directors of the American Gas Association directed its president and managing director to see the Director of the Bureau of Standards and—

> Advise him that the association under all the circumstances does not approve of a reinvestigation at this time. Should Dr. Burgess quite naturally ask what we mean by "at this time or under the circumstances" we could tell him frankly that so long as Mr. Weaver handles the matter from his present standpoint.

About 2 weeks later the managing director of the association stated that he and the association president had called on the Director of the Bureau and stated the situation as they had been instructed to do by the board.

In a letter to the American Gas Journal, dated May 13, 1927, the Bureau of Standards stated that the claim of the Public Service Co. of Colorado to the effect that the lowered heating standard had been highly successful in Denver and had not adversely affected the consumer had been a deciding factor with a number of regulatory bodies which were considering reduction of heating-value standards. So far as we know, however, the essential facts in the case have never been presented to the public in any form; only the company's surprising opinion, which we cannot believe to have been based upon a careful consideration of the facts, has been made public.

While the Bureau of Standards in 1925 published a pamphlet which presented a mass of scientific data to the effect that the heating value of gas was in inverse ratio to the volume consumed, the industry had endeavored either to prevent or to modify the conclusions reached.

In a letter dated August 29, 1924, referring to this proposed publication, Mr. Abell wrote Managing Director Forward, of the American Gas Association, describing a conference with the Bureau of Standards, and stating that he knew "that many members of the gas association would not want to send out a report that would indicate that the charges for gas should be inversely proportional to the calorific value of gas."

He further expressed the belief that if the industry "watches its step with the Bureau the Bureau will play the game our way as near as they know how." A. Gordon King, service manager for the American Gas Association in referring to the proposed publication of the Bureau of Standards, said:

> The more I study this document the less value or good to anyone I see in it, and if it were possible I believe it should be suppressed.

Mr. NORRIS. Mr. President, I did not get the name of the man who wanted this article suppressed.

Mr. COSTIGAN. A. Gordon King, listed as service manager for the American Gas Association.

A letter was prepared for dispatch to the Bureau of Standards by the president of the American Gas Association stating the industry's position, and the minutes of a conference among the leaders of the industry stated that—

> The purpose of this letter is to stop further publication and distribution of the Bureau's report and to lead up to a conference with the Bureau at which an effort should be made to induce them to withdraw the copies of this publication already distributed.

That report, however, was published by the Bureau of Standards in 1925. It is distinct from the one discussing the Denver situation to which, as before stated, publicity was not given.

It thus appears that the position of the Public Service Co. of Colorado, with regard to gas-heating values, and its effect upon consumption and rates, was made the foundation for similar reductions in heating value in a number of other States; that the company later reversed its position when it found it advantageous to do so because of a higher heating value of natural gas; and that meanwhile it endeavored, with the assistance of the National Electric Light Association, to prevent the publication of the Bureau of Standards findings with regard to the Denver situation, and the Bureau's report on the Denver situation was never published.

Both before and after the Bureau's Denver report was prepared for publication, the gas industry endeavored to induce the Bureau not to publish findings which showed that the consumption of gas was in inverse ratio to its heating value. The industry endeavored to influence the Bureau of Standards' findings both before and after the Public Service Co. of Colorado obtained its franchise in 1927. The industry endeavored to influence the findings of the Bureau as late as 1934. Because of the trend toward substitution of natural gas for manufactured gas, or toward a mixture of the two, the industry has tended toward a reversal of its former position, although those producing artificial gas still favor adherence to their former position.

Mr. President, I have reviewed these two remarkable illustrations of corporate daring, unfair acquisition, and public deception because they are intimately related to good government and the welfare not only of my own home State but also of Americans generally. I believe they provide convincing reasons for the legislative attempt in the pending measure to control and, where the public interest requires, eliminate public-utility holding companies operating, or marketing securities, in interstate commerce, and for regulating the transmission and sale of electricity in such commerce.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from Colorado yield to the Senator from Nebraska?

Mr. COSTIGAN. I yield to the Senator, with pleasure.

Mr. NORRIS. Remarkable and interesting, and I think, also convincing, as are the two illustrations which the Senator has given, nevertheless those two incidents are only illustrations of a Nation-wide propaganda which reached clear across the United States, in which similar and sometimes almost identical courses were pursued, and which the

story, running over 5 or 6 years of investigation, shows to have been brought out by the undisputed testimony, chiefly from the robbers themselves and their letters and communications, just as has been shown in those two illustrations.

Mr. COSTIGAN. Mr. President, the able Senator from Nebraska speaks as an almost unrivaled authority in this field, and I thank him for his contribution.

Mr. McKELLAR. Mr. President, I call the especial attention of the Senator from Montana [Mr. WHEELER] to what I am about to say.

On page 48 of the bill now before the Senate, I read as follows from lines 20 to 24:

> And the court shall have jurisdiction to appoint a trustee, and the court shall have power, and it shall be the duty of the court, to constitute and appoint the Commission as sole trustee, to administer, under the direction of the court—

And so forth. I have offered an amendment to correct that. As I recall, the Senator from Montana cited as a precedent for the provision requiring the court to appoint the Commission sole receiver the fact that receivers were similarly appointed in national-bank cases.

National banks are formed under Federal law under chapter 2 of title 12 of the United States Code, Annotated. Sections 26 and 27 of chapter 2 of title 12 provide that the Comptroller of the Currency shall determine whether an association filing proposed articles of association may commence business and the Comptroller of the Currency in such case issues a certificate of authority to commence banking. Section 191 of said chapter 2 provides as follows:

> SEC. 191. General grounds for appointment of receiver. Whenever any national banking association shall be dissolved and its rights, privileges, and franchises declared forfeited, as prescribed in section 93, or whenever any creditor of any national banking association shall have obtained a judgment against it in any court of record, and made application, accompanied by a certificate from the clerk of the court stating that such judgment has been rendered and has remained unpaid for the space of 30 days, or whenever the Comptroller shall become satisfied of the insolvency of a national banking association, he may, after due examination of its affairs, in either case, appoint a receiver, who shall proceed to close up such association and enforce the personal liability of the shareholders, as provided in section 192.

From the foregoing it will be observed that the Federal statute provided for national banks vests in the Comptroller of the Currency the power to give a national bank authority to open and the power to determine that a national bank shall be closed and to appoint a receiver to proceed with the closing of its affairs. In other words, the above statute does not vest in the Federal courts the power to appoint a receiver and then attempt to control the discretion of the court in the appointment of any such receiver.

I call the Senator's attention to the fact that the statute relating to the appointment of receivers for national banks is a wholly different thing from the proposal made in this bill. In the bill before us it is provided that a Federal court, a part of a coordinate branch of the Government, shall appoint the Commission, not the chairman of the Commission, not a member of the Commission, but the Commission itself, as receiver, and, of course, the Commission could not perform the duties of a receivership unless and except by an agent, and that agent could be anybody the Commissioners chose to appoint.

The Comptroller of the Currency is authorized by statute to appoint himself or someone else as receiver in national-bank cases, but it does not extend to forcing a Federal court to appoint a Commission as sole receiver, as provided in the bill before us. In my judgment, that does not afford the slightest precedent for the proposal in the bill, and I have an amendment which I hope the Senator will accept, because it would never do under any circumstances for the legislative department to invade the jurisdiction of a coordinate branch of the Government. I hope the Senator will accept the amendment.

Mr. WHEELER. Let me say to the Senator that we have today amended this particular section of which the Senator speaks. I moved today to strike out, on page 49, beginning with the word "if" on line 8, down to and including the word "receiver" on line 25.

Mr. McKELLAR. Mr. President, is that the same amendment as the one submitted by the Senator from North Carolina?

Mr. WHEELER. It is.

Mr. McKELLAR. It will not be printed until tomorrow, and I shall be very glad to look into it. I think the Senate should change the provision which would require the court to appoint the Commission receiver. I do not think Congress can require a court to appoint any commission as receiver.

Mr. WHEELER. The district courts of the United States are statutory courts, created by the Congress, and Congress provides what jurisdiction they shall have in all matters.

Mr. McKELLAR. Yes; but they are constitutional courts.

Mr. WHEELER. I beg the Senator's pardon.

Mr. McKELLAR. The Federal system is authorized by the Constitution. There is no question about a district court being a constitutional court in the real sense.

Mr. WHEELER. We have what we call "constitutional courts", and then there are courts created by act of Congress.

Mr. McKELLAR. I understand the distinction.

Mr. WHEELER. The Supreme Court of the United States is a constitutional court.

Mr. McKELLAR. Yes, because it is provided for specifically; but the Congress in the same section of the Constitution is authorized to create the other courts.

Mr. BARKLEY. But we limit their jurisdiction.

Mr. McKELLAR. Yes; but I do not believe that the Senator as a lawyer will argue that the Congress has a right to limit a Federal court of this country to appointing only members of the Commission as receivers in these cases when they shall arise.

Mr. WHEELER. The Congress has limited the power of the district courts of the United States in the appointment of the receivers of railroads in this manner. We have provided that the Interstate Commerce Commission shall create a panel of three or four men, and the district courts have to select one member of that panel as receiver.

Mr. McKELLAR. Has that ever been passed upon by the courts?

Mr. WHEELER. It has been passed upon many times.

Mr. McKELLAR. As I remember, the National Banking Act was the only precedent cited by the Senator when we discussed this matter a day or two ago. In my judgment, if we undertake to limit the power of the district courts in the matter of the appointment of receivers we will get into serious trouble with this bill, and I do not feel like voting for a bill about which we are going to have trouble. I want to vote for the Senator's bill. I want to vote to regulate holding companies, but I am not going that far.

Mr. WHEELER. The only thing we are trying to do, in the bill, with reference to this matter, is to put an end to an evil. I do not know whether the Senator from Utah [Mr. KING], who sits before me, has been a member of the subcommittee of the Judiciary Committee which has been investigating receiverships and the scandals which have developed.

Mr. KING. I am a member of the Committee on the Judiciary, but I am not a member of the subcommittee conducting the investigation.

Mr. WHEELER. The Congress of the United States recognized the scandals which have been going on in the appointment of receivers all over the country. It is a notorious fact that there have been scandals in receiverships and trusteeships, and in connection with the Milwaukee Railroad particularly.

Mr. McKELLAR. I agree with the Senator that there have been scandals in connection with receiverships time and again; but that does not justify the Congress in adopting an unconstitutional provision to deal with the condition.

Mr. WHEELER. But it is not unconstitutional.

Mr. McKELLAR. I think the Senator is mistaken about it. I think it is.

Mr. WHEELER. In the Interstate Commerce Act we limit the power of the Federal courts to appoint receivers. We say to the Federal courts that in appointing receivers they have to draw from a panel selected by the Interstate Commerce Commission, and in my judgment that is a wise provision.

Mr. McKELLAR. I have not read that provision of the law, but I hope it is more accurately quoted than the National Banking Act was, because I find upon examination that the National Banking Act is entirely different from the way it was quoted.

As I understand, the Senator is going to insist upon the Commission being appointed as receiver.

Mr. WHEELER. I do not want to be arbitrary about the matter.

Mr. McKELLAR. I hope the Senator will not be.

Mr. WHEELER. The Senator and I are working for the same common purpose.

Mr. McKELLAR. I am sure of it.

Mr. WHEELER. The Senator is just as anxious as I am to remedy the evil.

Mr. McKELLAR. We do not want to have a law declared unconstitutional, so it seems to me that we ought to be able to construct a bill which will do just what the Senator wants done, what I want done, what every good legislator really wants.

Mr. WHEELER. I know that the Senator is just as anxious about the matter as I am.

Mr. McKELLAR. We will let the matter go over until Monday, and I hope the Senator will think about it.

Mr. WHEELER. I will do so.

Mr. KING. Mr. President, I may say to the Senator that I shall feel constrained to vote against the provision which requires the appointment of the Commission to discharge the duties of receivers. I think it is bad practice. I think it would be very unfair that men who are in charge of enforcing the law should be named as receivers in a case of bankruptcy. I think the court ought to have some discretion in the matter, and I think to appoint men who are enforcing the law to act as receivers would be a very bad precedent, and the results would be most unsatisfactory.

Mr. WHEELER. I will say to the Senator that I shall try to work out something over the week-end. I say again, to the Senator from Utah, who is just as interested as I am in stopping these scandalous practices of robbing the people in the course of receiverships, that I shall try to work out something which will be satisfactory to the Senator from Utah and the Senator from Tennessee.

Mr. BAILEY. Mr. President, I have discussed with the Chairman of the Committee on Interstate Commerce, the Senator from Montana [Mr. WHEELER], certain amendments which are agreeable to him. I send forward the first amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 22, beginning with the word "Such", in line 2, it is proposed to strike out all down to and including the word "thereunder", in line 10.

Mr. WHEELER. Let me say to the Senate that the Senator from North Carolina and I last evening agreed upon this amendment. He submitted his arguments to me, and I think he is correct about the matter.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Carolina.

The amendment was agreed to.

Mr. BAILEY. I send to the desk another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 35 it is proposed to add a new subsection, between lines 20 and 21, reading as follows:

(e) Subject to such limitations as the Commission by rules and regulations or order finds necessary or appropriate in the public interest or for the protection of investors or consumers or to prevent acquisitions detrimental to the carrying out of any provision of section 11, subsections (b), (c), and (d) of this section shall not apply to the acquisition by a registered holding company or a subsidiary company thereof of securities of a company in which such registered holding company or subsidiary company thereof already has an interest.

Mr. WHEELER. Mr. President, again I say to the Senate that the Senator from North Carolina and I worked upon this amendment until about 12:30 in the morning, and it is entirely satisfactory to me.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Carolina.

The amendment was agreed to.

Mr. WHEELER. Mr. President, I wish to make a further statement publicly concerning the Senator from North Carolina. I agree with him in reference to the amendments which he has offered, and, so far as I am concerned, I shall do the best I can to maintain them in conference, if the bill shall be passed.

Mr. BAILEY. Mr. President, I send to the desk another amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 34, in line 24, after the word "States", it is proposed to insert the following:

Except securities in a corporation in which such registered holding company already has an interest.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina.

The amendment was agreed to.

Mr. BAILEY subsequently said: Mr. President, I desire to move a reconsideration of the vote by which the amendment on page 34, line 24, was agreed to.

The VICE PRESIDENT. Without objection, the vote by which the amendment was agreed to is reconsidered. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. BAILEY. Mr. President, I send to the desk another amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 118, after line 22, it is proposed to insert the following:

(f) Electric energy shall be held to be sold at wholesale in interstate commerce within the meaning of this part only when it is sold for resale after its transmission in interstate commerce or before such transmission if the same is thereafter so transmitted.

(g) The provisions of this part shall apply only to the regulation of the transmission or sale in interstate commerce of electric energy.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina.

The amendment was agreed to.

Mr. BAILEY. Mr. President, I send to the desk another amendment. I think there was an agreement between the chairman of the committee, the Senator from Montana, and myself, that we were to discuss it further; but I wish to have his special attention given to the amendment while it is read.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 129, beginning with line 22, it is proposed to strike out all down to and including line 2, page 130, and to insert in lieu thereof the following:

ASCERTAINMENT OF RATE BASE, ETC.

SEC. 208. The Commission shall have power to determine the fair value of the properties used and useful in interstate commerce of any public utility, including for the purpose of such determination the original cost thereof, if ascertainable, and any other facts material and relevant in the determination of such fair value.

Mr. WHEELER. Mr. President, my recollection is that we were to look into this question further.

Mr. BAILEY. That is true, Mr. President. We did not reach a final agreement about the amendment. We agreed to discuss it further, and that is the reason why I asked the Senator's especial attention to the reading of the amendment.

Mr. WHEELER. If the Senator will let the amendment go over until Monday, we will discuss it further.

Mr. BAILEY. Yes; let it go over.

The VICE PRESIDENT. The consideration of the amendment will be temporarily postponed.

Mr. BAILEY. Mr. President, I send to the desk another amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 118, beginning with line 3, it is proposed to strike out all down to and including line 9, and to insert in lieu thereof the following:

(c) Electric energy shall be held to be transmitted in interstate commerce within the meaning of this part if transmitted from a State to any point outside thereof, or from or to any place in the United States to and from a foreign country, but only so far as such transmission takes place within the United States; but electric energy shall not be held to be transmitted in interstate commerce within the meaning of this part if transmitted between points within the same State but through any point outside thereof.

Mr. WHEELER. I have no objection to that amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina.

The amendment was agreed to.

Mr. BAILEY. Mr. President, I offer another amendment which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 150, in line 2, after the figures "316", it is proposed to insert "(a)."

Also, on page 150, after line 17, it is proposed to insert the following:

(b) If, with respect to the issue, sale, or guaranty of a security, the method of keeping accounts, the making and filing of reports, the acquisition or disposition of any security, capital asset, or facilities, the rates for any service, the extension or interconnection of facilities, any person subject to a requirement of this act is also subject to a requirement of a statute of any State, or of a rule, regulation, or order of a State commission of any such State, nothing in this act shall exempt such person from such State statute, rule, regulation, or order, or impair the power or rights of such State or commission in the premises.

Mr. WHEELER. I have no objection.

Mr. KING. Mr. President, I should like to ask the Senator from North Carolina the purpose of the amendment. Is it to go beyond subjecting certain individuals to State control as well as Federal control?

Mr. BAILEY. The State commissions which now have control of intrastate business are permitted by the amendment to continue to have that control, and it is provided that no power and no right now enjoyed by a State commission shall be affected by the bill. That is the purpose of the amendment. It is solely to reserve the rights of intrastate commerce.

Mr. WHEELER. Mr. President, that was our intention, but the language in the bill was such that the Senator from North Carolina questioned it. Last evening he and I worked it out in connection with Mr. DeVane, of the Federal Power Commission. The language is satisfactory to me, and is what I intended it should be.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from North Carolina.

The amendment was agreed to.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

Mr. McNARY. Mr. President, I think there are other amendments to be offered Monday. I know there are several amendments which have been passed over for consideration Monday. I suggest to the Senator from Kentucky that at this time he should move a recess.

Mr. BARKLEY. We desire, first, to have a short executive session.

Mr. BONE. Mr. President, I desire to offer an amendment to the pending bill, and ask that it may be printed and lie on the table.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers for appointment, by transfer, in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

THE CALENDAR

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations of postmasters are confirmed en bloc. That completes the calendar.

RECESS TO MONDAY

Mr. BARKLEY. I move that the Senate, under the order previously entered, take a recess until 12 o'clock noon Monday next.

The motion was agreed to; and (at 4 o'clock and 43 minutes p. m.), under the order previously entered, the Senate took a recess until Monday, June 10, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 7 (legislative day of May 13), 1935

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

Nelson Trusler Johnson, of Oklahoma, now Envoy Extraordinary and Minister Plenipotentiary to China, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to China.

COLLECTOR OF INTERNAL REVENUE

William M. Welch, of Northampton, Mass., to be collector of internal revenue for the district of Massachusetts, to fill an existing vacancy.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

First Lt. William Frederick Kellotat, Infantry, with rank from February 1, 1930.

Second Lt. Terrence Robert Joseph Hickey, Field Artillery (detailed in Quartermaster Corps), with rank from June 11, 1931.

TO ORDNANCE DEPARTMENT

First Lt. Waldo Eugene Laidlaw, Infantry (detailed in Ordnance Department), with rank from November 11, 1931.

TO FIELD ARTILLERY

First Lt. Paul William Steinbeck, Jr., Coast Artillery Corps, with rank from November 1, 1934.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Lt. Col. Donald Cowan McDonald, Field Artillery, from June 1, 1935.

Lt. Col. Fulton Quintus Cincinnatus Gardner, Coast Artillery Corps, from June 1, 1935.

To be lieutenant colonels

Maj. James Allan Stevens, Infantry, from June 1, 1935.

Maj. Emmert Wohlleben Savage, Infantry, from June 1, 1935.

Maj. Frederick Ramon Garcin, Chemical Warfare Service, from June 1, 1935.

Maj. Douglas Campbell Cordiner, Quartermaster Corps, from June 1, 1935.

To be majors

Capt. Lewis Bradley Douglas, Quartermaster Corps, from June 1, 1935.

Capt. Carl William Connell, Air Corps, from June 1, 1935.

Capt. Robert Canada Vickers, Signal Corps, from June 1, 1935.

Capt. Thomas Lawrence Clark, Signal Corps, from June 1, 1935.

To be captains

First Lt. Harlan Nelson Hartness, Infantry, from June 1, 1935.

First Lt. Louis Brainard Ely, Field Artillery, from June 1, 1935.

First Lt. Julius Easton Slack, Field Artillery, from June 1, 1935.

First Lt. Bertram Francis Hayford, Field Artillery, from June 1, 1935.

First Lt. Ernest Aaron Bixby, Field Artillery, from June 1, 1935.

First Lt. Robert Rossiter Raymond, Jr., Field Artillery, from June 1, 1935.

To be first lieutenants

Second Lt. William Basil Offutt, Air Corps, from June 1, 1935.

Second Lt. John Hugh Fite, Air Corps, from June 1, 1935.

Second Lt. Dudley Earl Whitten, Air Corps, from June 1, 1935.

Second Lt. James Arthur Ronin, Air Corps, from June 1, 1935.

Second Lt. Earle Thomas MacArthur, Jr., Air Corps, from June 1, 1935.

Second Lt. Norman Bert Olsen, Air Corps, from June 1, 1935.

Second Lt. Curtis Emerson LeMay, Air Corps, from June 1, 1935.

Second Lt. Kenneth Ross Crosher, Air Corps, from June 1, 1935.

MEDICAL CORPS

To be colonels

Lt. Col. Morrison Clay Stayer, Medical Corps, from May 31, 1935.

Lt. Col. Lee Roy Dunbar, Medical Corps, from June 2, 1935.

Lt. Col. Addison Dimmitt Davis, Medical Corps, from June 2, 1935.

Lt. Col. William Hope Smith, Medical Corps, from June 3, 1935.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 7 (legislative day of May 13), 1935

POSTMASTERS

ARIZONA

John Campbell, Bisbee.
Velasco C. Murphy, Globe.

ILLINOIS

Herman G. Wangelin, Belleville.
Howard M. Feaster, Hillsdale.
Robert J. White, New Berlin.
William M. Jones, Villa Grove.
John R. King, Winchester.

KENTUCKY

Thomas L. Gorby, Cave City.
William T. Miller, Hawesville.
H. Porter Meredith, Leitchfield.
Byron P. Boyd, Sedalia.
Virginia L. Daniel, Van Lear.

MASSACHUSETTS

Robert P. Sheehan, Harvard.
Katharine E. Rafferty, Rowley.

MICHIGAN

William E. Oakes, Drayton Plains.
Milo E. Potter, Dundee.
Marie L. Yaroch, Kinde.
John H. Holmes, Mio.
Fred E. Van Atta, Northville.
Frank C. Miller, Stevensville.
Edward N. Moroney, Trenton.

OHIO

John Jacoby, Sr., Carey.
Caleb Peter Motz, Fairlawn.
John Z. Lytle, Fredericksburg.
Joseph H. Church, Jr., Glendale.
Charles L. Collett, Ironton.
Orville C. Ryan, Peebles.
George W. Johnson, Worthington.

TENNESSEE

John F. Dunbar, Grand Junction.
John W. Simmons, Moscow.
Moda M. Marcum, Oneida.
Hugh V. Somerville, Paris.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 7, 1935

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We praise Thee, our Father in Heaven, that we belong to the commonwealth of an infinite God. All Thy mercies are flower-clad, full of bounties which are more than meat. By coveting the best gifts, help us to lay the lines of our lives according to the higher realm of our being. In this innermost temple of the soul the tempest is not heard nor is the thundershock felt, for there is rest in the Lord. We pray Thee to give a sabbath to those who have no respite from labor, a gospel to those who care not for the truth, and happiness to those who are slenderly equipped with the comforts of life. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3973) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate to the foregoing bill nos. 16, 37, and 48.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 581. An act for the relief of Harold Seavey; and

S. 1474. An act for the relief of Paul H. Creswell.

EXPLANATION OF TEMPORARY ABSENCE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to address the House for half a minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. BOLAND. Mr. Speaker, I do this to announce that the entire California delegation is at present in conference with the President on matters of very vital importance to the State of California. Therefore, for an hour or two they will be absent from the Chamber.

ADDITIONAL NUMBER OF CADETS, UNITED STATES MILITARY ACADEMY

Mr. McSWAIN. Mr. Speaker, I submit a conference report on the bill S. 2105, to provide for an additional number of cadets at the United States Military Academy, for print-

ing under the rules, and I ask unanimous consent for its present consideration. Also, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. The gentleman from South Carolina submits a conference report for printing under the rule. Ordered printed. The gentleman also asks unanimous consent for its present consideration. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I ask that the statement on the part of the managers of the House be read in lieu of the report. Is there objection?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 3.

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same.

Amendment numbered (2): That the Senate recede from its disagreement to the amendment of the House numbered (2), and agree to the same with an amendment, as follows: At the end of said amendment insert the following: ", and three of whom shall be selected from persons recommended by the Vice President,"; and the House agree to the same.

That the Senate recede from its disagreement to the House amendment to the title of the said bill and agree to the same.

JOHN J. McSWAIN,
LISTER HILL,
HARRY C. RANSLEY,
Managers on the part of the House.

MORRIS SHEPPARD,
DUNCAN U. FLETCHER,
ROBERT D. CAREY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House report that after full and free conference with the managers on the part of the Senate in the committee of conference on the disagreeing votes of the two Houses on amendments of the House to the bill (S. 2105), beg to report as follows.

As to the first amendment of the House, the Senate recedes from its disagreement, so that one cadet at the Military Academy of the United States will be appointed by the Governor of the Panama Canal Zone from among the sons of civilians of the Panama Canal Zone and the Panama Railroad residing in the Zone.

The Senate recedes from its disagreement to the amendment of the House no. 2 and agrees to the same with an amendment, so that said amendment of the House, as amended by the Senate amendment thereto, will provide that 40 of the 132 cadets from the United States at large will be appointed by the President on the recommendation of the academic authorities of the "honor schools" as designated by the War Department, and 3 of the 132 cadets at large will be selected from persons recommended by the Vice President. That will leave 89 cadets to be appointed by the uncontrolled discretion of the President of the United States from the United States at large. Under existing law 82 cadets are appointed from the United States at large, 20 of whom are selected from the honor graduates of the honor schools as determined by the War Department after each annual inspection, and 2 of them are appointed upon the recommendation of the Vice President. Under existing law, therefore, the President has 60 cadets for his uncontrolled and unlimited appointing authority, whereas under the amendment of the House as agreed to by the Senate and as modified, the President will have 89 cadets subject to his absolute and uncontrolled appointment from the United States at large.

As to the third amendment of the House, it is recommended that the House recede from said third amendment. It will be remembered that the third amendment provided for the calling annually into active service of not exceeding 1,200 Reserve officers for not exceeding 1 year's active duty, and that 75 such Reserve officers might be commissioned annually in the Regular Army in the grade of second lieutenant. The managers on the part of the House strongly believe in the wisdom of this amendment, but have been persuaded to recommend to the House that this policy should be considered in a separate bill, so that the fate of the bill proposing to increase the number of cadets at the United States Military Academy should not be involved with the question relating to the policy of training Reserve officers annually with the Regular Army, and of appointing a limited number of such Reserve officers to regular commissions.

JOHN J. McSWAIN,
LISTER HILL,
HARRY C. RANSLEY,
Managers on the part of the House.

The SPEAKER. The question is on the adoption of the conference report.

Mr. SNELL. Mr. Speaker, will the gentleman from South Carolina, in a few words, explain what has been accomplished; what this does?

Mr. McSWAIN. Mr. Speaker, the House adopted three amendments to the Senate bill. The Senate bill simply provided to increase the number of cadets at the Military Academy by providing an additional cadet for each Member of Congress, and to increase the number to the President from 82 to 132. As I say, the House then adopted three amendments. The first amendment provided there should be one cadet appointed from the sons of civilian employees at the Canal Zone. The Senate agreed to that amendment. The second amendment on the part of the House provided that of the 132 to be appointed by the President, 40 shall be appointed from students recommended by academic authorities of the so-called "honor schools"; that is, essentially military schools, as annually determined by the War Department. The Senate agrees to that. The third amendment of the House provided that 1,200 Reserve officers might be annually called to active service for not exceeding 12 months in any one year, and 75 of them might be commissioned in the Regular Army each year. The House has agreed to recede from that amendment. It will be recalled that the House passed the Thomason bill on Wednesday last, which, in effect, makes the same provision. That bill is now before the Senate and that issue will be fought out on its separate merits.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. Yes; I yield to my colleague, a member of the committee.

Mr. MAY. Does the conference agreement with relation to House amendment numbered 2, which the gentleman says allows 40 cadets to the "honor schools", change the number from what the House provided in its amendment?

Mr. McSWAIN. Not at all. There has been no change in that respect.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. LANHAM. This legislation is being enacted close to the time when cadets will be admitted to the Military Academy. Many Members of Congress, in making their appointments, determine their selections by competitive examinations given by the Civil Service Commission, so that all eligible boys in their districts may have a fair opportunity to compete. In view of the nearness of the date for entrance into the Military Academy for this next scholastic year, if the Civil Service Commission cannot hold such examinations, then the appointment for each Member of Congress so determining the selection will have to go over for a year. Is there to be any interference with the right of a Member of Congress in his opportunity to defer that appointment for a year until he can determine by competitive examination who will be appointed?

Mr. McSWAIN. Mr. Speaker, of course, I could not speak authoritatively, but it is my information that the vacancy, if not filled by the Member now, will be reserved until he does fill it next year.

Mr. BLANTON. Will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. BLANTON. I have assurance from both the War Department and the Navy Department that the appointment of a Member remains his appointment and they will not be filled as was the custom formerly.

I wish to ask the gentleman one question. If the Members send in qualified appointees right away, they will be admitted on July 1?

Mr. McSWAIN. Exactly. Examinations are to be held on June 12 at different posts and forts all over the United States, to determine their qualification for entrance, so that it will not be necessary to go all the way to West Point to ascertain their scholastic qualifications for admission.

Mr. BLANTON. And where they are qualified to be admitted on a certificate, they will be admitted?

Mr. McSWAIN. Yes; if certified by the designated Army surgeon that they are physically qualified.

Mr. ROBERTSON. Will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. ROBERTSON. Will the gentleman explain to the House some of the reasons that influenced the conferees on the part of the House to recede from the House amendment authorizing introduction into the Army of certain Reserve officers?

Mr. McSWAIN. I regret that I do not feel justified now in going into all the intricate and involved reasons, but being a Democrat and believing that the majority should rule, and because a great many Members have already made their appointments, I thought the House ought to recede, because we are going on with what is known as the "Thomason bill", which presents the same issue to the Senate and the President.

Mr. ROBERTSON. And that can be taken up in another way?

Mr. McSWAIN. That can and should be taken up in another way.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

THE NATION'S FIRST LADY

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, the magnificent part played in the political life of my State by its women impels me to say a word regarding them.

Years ago, when the proposal to allow woman the use of the ballot met with bitter opposition, sneers, and wisecracks, I championed their cause. To me it seemed that the mothers of the race had equal right to participate in the affairs of government as the men. The ancient answer that "a woman's place is in the home" struck me as unfair and hypocritical. It seemed to me that, while her principal place is in the home, no doubt, she ought to have as much to say about legislation as any man, since she is equally subject to the laws of the land. As time went on this viewpoint gained strength, and the constitutional amendment permitting women to vote and hold office resulted.

Those who advocated woman suffrage thoughtfully did not expect that the millennium would follow the innovation. They were sufficiently realistic to know that there would still be plenty of problems to solve after we widened the use of the ballot to include members of both sexes. But they also felt that women were as much entitled to the elective franchise as men and that it was mere fair play and good sportsmanship to admit them to political equality with their husbands, fathers, brothers. Today it would be an impossibility to find a thinking public man who would dispute this.

Statutes that affect all of us ought to be made by all of us—or by the representatives of all of us. This is so plainly reasonable that no elucidation ought to be needed.

One of the finest achievements of recent years has been the appointment of women to office and their election to public positions. The sincerity, sentiment, and unselfishness of women is needed in government equally as much as the sterner qualities of men. A well-balanced citizenship requires both the feminine and the masculine qualities; masculine wisdom and feminine love should go hand in hand.

In this connection it is no more than fitting that I pay a merited tribute to our First Lady of the Land, Mrs. Roosevelt. I have no patience with those who complain because she is active in public affairs. It is a blessing that at last we have a President's wife who goes into the homes of the people, learns their problems, burdens, and troubles and finds how to cope with them. In an age of democracy let us rejoice that we have a democrat in the position of first lady—a "democrat" with a small "d" as well as a Democrat with a big "D."

Industrial democracy necessitates broad, human, cosmopolitan spirit. Law-making is not learned altogether from books, much less from parlor receptions and exclusive social affairs. People who mingle with the average run of creatures have the best realization of the needs, wants, and perplexities of their fellow beings. Mrs. Roosevelt by being woman among women and a citizen among citizens, has made herself far more valuable than she ever could have been otherwise.

I pay this conscientious tribute to our fellow citizen, comrade, and friend, the Nation's First Lady, and I also pay my tribute to women wherever they vote, hold office, and do their part in the task of developing a republic of free, happy, and povertyless people.

SUSPENSION OF NONQUOTA IMMIGRATION VISAS

Mr. SCHULTE. Mr. Speaker, I ask unanimous consent that the resolution (H. J. Res. 236) to suspend issuance of nonquota immigration visas to persons born in the Republic of Mexico, to suspend issuance of all nonpreference quota immigration visas, and for other purposes, be recommitted to the Committee on Immigration and Naturalization.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. SNELL. Reserving the right to object, let us see what this is.

Mr. JENKINS of Ohio. Reserving the right to object, I would like to know why this request is made to have the bill recommitted?

Mr. SCHULTE. There has been a clerical error in the report relative to the number of the bill.

Mr. JENKINS of Ohio. Has the gentleman made known his request to the ranking member of the minority?

Mr. SCHULTE. No; I have not, but I shall be glad to do that.

Mr. JENKINS of Ohio. Has the gentleman made known his request to the chairman of the committee?

Mr. SCHULTE. No; I have not. I could not find the chairman.

Mr. JENKINS of Ohio. Is the gentleman the author of the bill?

Mr. SCHULTE. Yes; I am the author of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. JENKINS of Ohio. I withdraw my reservation of objection.

There was no objection.

THE SUPREME COURT DECISION AND THE FUTURE OF THE NEW DEAL

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD——

Mr. ANDREWS of New York. Mr. Speaker, a point of order. I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting:] Two hundred and twenty-six Members are present, a quorum.

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting a radio address which I made.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. YOUNG. Mr. Speaker, under the leave granted me to extend my remarks in the RECORD, I include the following radio address which I delivered over radio station WHK June 3, 1935:

My friends and constituents, I am grateful to station WHK for contributing time for me to speak on the subject of the Supreme Court Decision and the Future of the New Deal.

Why the necessity of the N. R. A. in the first place? Let us recall that on the morning of March 4, 1933, just before Franklin D. Roosevelt was inaugurated, the entire financial structure of the United States had collapsed. A depression, originally avoidable, then terminable, had, because of a do-nothing policy, become a great national calamity. Banks in 48 States were closed. Our international trade had been destroyed. Transportation was paralyzed. Factories were shut down. Farmers were bankrupt. Thirteen million worthy and industrious men walked city streets

jobless. A crimson wave of suicide was sweeping from one end of the country to the other. Helpless little children were underfed. In fact, at no time since the Federal troops fled, panic stricken, into Washington in 1861 had our institutions been so menaced and shaken.

In any country of the old world the unparalleled condition of suffering and distress which afflicted our people in February and early March 1933 would have resulted in bloodshed and revolution. Here in the United States the new President acted promptly and the Congress moved rapidly. We did not postpone the hope nor continue the hunger of unemployed men and women and underfed children. Recovery measures of tremendous importance were enacted by a patriotic American Congress. American faith in American institutions has found justification in the record made.

The National Recovery Act was really more than an act of Congress. It was a test of our wisdom, an appeal to our reason. It succeeded as well as could have been expected. It was the supreme effort to save capitalism by abating its abuses. The Socialist ridiculed it. The Communist scorned it. The rugged individualist rebelled against it. Nevertheless during its 2 years of full life and health many unemployed were provided jobs and child labor was abolished. I assert that the American people will no longer tolerate, in any section of the country, the grinding of bones of little children into dollars for greedy employers. Sweatshops were abolished and the right of workers to organize and bargain collectively in organizations of their own choosing was given for the first time official recognition.

The Supreme Court, in a decision that in importance will rank with the Dred Scott case, decreed that the authority given the Executive to establish codes for the enforcement of the N. R. A. was not sufficiently definite, and was therefore a delegation of legislative authority. The Court nullified the N. R. A., and all codes created thereunder are inoperative. Sections of the N. R. A. regulating business transactions of an intrastate character were declared unconstitutional. Congress, according to the ruling, has no power to establish maximum hours or fix minimum wages of workers engaged in purely local or intrastate business. Various State legislatures must provide such regulations. Congress has power only to regulate interstate commerce. This decision creates new problems for the administration in many new-deal activities.

The N. R. A., however, can be revised to conform to the decision. Congress will probably define interstate commerce and broaden that term to apply to all except local and strictly intrastate industry. The courts will accept that definition. You may depend upon it we shall profit by the experience of 2 years. We shall retain for industry all beneficial features of the National Industrial Recovery Act, which did much during the last 2 years to promote the general welfare of the American people. Future generations will be guided toward contentment and prosperity because of the N. R. A. We will not return to a do-nothing policy and permit chiselers, racketeers, and greedy profiteers to revert to their practices and tooth-and-claw methods.

The N. R. A. accomplished great good. Congress will renew features of it within clearly defined constitutional limitations. A few basic codes may be written by Congress and enacted into law. Such codes will be definite enough to meet the test laid down by the Supreme Court and be applied only to interstate commerce. This is all the Supreme Court has said.

Those few who accused the Congress and the President of conspiring to destroy the Constitution and to establish a dictatorship have been proven wrong. There has not been one voice of dissent from the President or a Cabinet member as to the right of the Supreme Court to declare the N. R. A. unconstitutional. Nor has there been any intimation of refusal to abide by the ruling of the Court. President Roosevelt ordered immediate obedience.

Now, as never before, President Roosevelt needs your cooperation. Business conditions have materially improved. Steady improvement is now taking place. The backbone of the depression is broken. Business reactions have set in following this decision. This is proof that the N. R. A. increased employment and helped promote the general welfare of our country. We must not go back. Business was prostrate in February and early March of 1933; business men did not know whether checks in their pockets would be honored or whether life-insurance policies would be worth anything for their dependents. Business leaders floundered around not knowing what to do. Let us hope, now that big business has been lifted out of the morass and has begun to recover some of its strength, selfishness, price cutting, and chiseling will not be resorted to under the pretext of "liberty under the law" and that "there should be no interference of Government in business."

The recovery program of President Roosevelt, commonly called the "new deal", will be carried forward. Congress will revise important pending measures, such as the A. A. A. amendments and the Social Security Act, to conform to the Supreme Court decision. The Wheeler-Rayburn bill to regulate holding companies will be amended and features likely to be declared unconstitutional will be ironed out. New-deal legislation will be enacted, applying the principles of a minimum wage, collective bargaining, and the ban on child labor to all interstate commerce. It may be found advisable by Governors of many States to call legislatures into special session to pass laws applying many of the principles of N. R. A. Industry, particularly big business, will be called upon to agree to observe certain fair trade practices. It will not be necessary for the Congress to declare an emergency, nor to grant any temporary authority to President Roosevelt to govern industry and labor relations even for a short period. The President does not want this. Nor do the times demand it.

Many thoughtful people question the right of the Supreme Court to declare acts of Congress unconstitutional. Back in the time of John Marshall, Congress silently acquiesced in the case of Madison versus Marbury, wherein the Supreme Court for the first time held an act of Congress unconstitutional. The Constitution nowhere specifically gives the Supreme Court the power to declare an act of Congress void. In fact, the power of the Supreme Court is limited by specific language, and article III of the Constitution provides that the Judges of the Supreme Court "shall hold their offices during good behavior." There is no judicial construction of the expression "during good behavior." If the makers of the Constitution had intended this expression to mean life tenure, they would have so written. Congress certainly has the power to define "good behavior" as it relates to the Federal judiciary. Federal judges, including Supreme Court Judges, could be removed for conduct that does not constitute "good behavior."

The Temple of Delphi was scarcely more sacred to the ancient Greeks than is the Federal Constitution to many of our fellow citizens. Yet when our Constitution was first framed there was an uproar from every liberty-loving citizen in the country—then the first 10 amendments, commonly referred to as "the Bill of Rights", were reluctantly swallowed by the reactionaries of that day, upon the demand of men who won the Revolutionary War.

Seldom in the lifetime of this country has our system of Government seemed less responsive to the needs of the people than now. Perhaps this is because we are living on the edge of a changed world. The problems of Government are, to a large extent, new. The things people expect from Washington are as different from the expectations of 30 years ago as the latter were from what our ancestors expected from Philadelphia after the American Revolution.

Our forefathers, nearly 150 years ago, met the conditions of their time by framing the Constitution. They did not legislate for all time. They did the work the times cut out for them, and they did it well. When the Constitution was framed we were a Nation of frontier farmers and hunters, with a few merchant men at the seaports. There was no machinery, no manufacturing to speak of, no railroads, no telegraph, no automobiles, no radio, no aircraft. If George Washington and Thomas Jefferson could arise from their graves, they would not know the Nation they helped found. We live in a different world. Yet we are wearing the same political cloak, model 1789, which has been very much patched by decisions of the Supreme Court. As a boy in Norwalk High School I was taught that the Constitution was a divinely inspired instrument. If the makers of our Constitution had any divine inspiration in their work, it was not of their own choosing. Benjamin Franklin's motion that each day's session be opened with prayer did not receive even one supporting vote. Amendments should be adopted to provide a Constitution to fit 1935 and this great industrial period. Consideration will be given to a proposal to convene a constitutional convention. The Constitution itself provides for a constitutional convention and that changes adopted are binding when ratified by three-fourths of the States. The makers of the Constitution recognized that changes might be necessary. No thoughtful individual now desires nor proposes to strike at the underlying principles and fundamentals of our form of government. Our greatness is builded upon those principles. Ours is, however, a sovereign Nation, not a helpless confederation of 48 independent States. Congress, composed of representatives of the people, should have power to legislate for the public welfare and common good in connection with national, social, and economic problems. I personally favor a constitutional convention.

Under the auspices of the N. R. A. more than 3,000,000 jobless Americans were given employment. It is our duty to provide additional employment in this country. Under no circumstances can an increase in the army of unemployed be tolerated. The man who wants work and cannot get it is worse off than a slave. Men who cannot work because there is no work for them to do, children who are underfed because their parents cannot obtain employment, have some rights. They have a right not to starve. There must be no return to a do-nothing policy. Rugged individualism was ruthless. It meant everybody for himself, devil take the hindmost. Rugged individualism meant ragged individuals. The father of children has the right to return to his home after a day's work with something for his family to eat. This is a right mightier than the Constitution, deeper than the Declaration of Independence.

It is improbable that President Roosevelt will appear before the Congress with a special message dealing with the N. R. A. Congress has the power to take affirmative action and will do so. At present I would be less than frank were I to fail to admit there is some confusion evident in the Congress as to proper procedure. It was a part of the President's recovery program to boost wages in industry and prices of commodities.

Now that industry has been affected by the Supreme Court decision, we must not permit a lopsided economic situation by increasing prices of products through the A. A. A. unless wages in industry are maintained or increased. It is well understood now that mining, manufacturing, and growing crops are local activities within the control of State legislatures. Minimum wages and maximum hours in such industries which are not construed to be interstate, cannot be regulated by the Congress. This, despite the fact that a cut of wages in a factory in Connecticut affects similar factories in Ohio and other States. Wheat and cotton are produced in such quantities as to transcend State lines. Farmers of Ohio are affected by what farmers in Illinois do. Each part of our country is dependent upon the rest. It is one for all, all for one.

One by one old ties have been severed. Stage coaches, flintlock muskets, tallow dips, mustache cups, and bustles have been discarded. The demand of the hour is for further amendment of the Constitution to modernize this great instrument. Pending the adoption of constitutional amendments Members of Congress will thoughtfully study the decision of the Supreme Court and will, before adjournment of this Congress, enact remedial legislation in conformity thereto. The recovery program of your President will go forward. The goal we seek is to provide steady employment, economic security, and contentment for all of our people.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. SNELL. Reserving the right to object, Mr. Speaker, we met this morning at an early hour to take up the bill reported from the Ways and Means Committee. I think it is up to the majority to protect us at this time.

Mr. TAYLOR of Colorado. Mr. Speaker, I may say that the gentleman from West Virginia [Mr. RANDOLPH] feels that he was unduly attacked yesterday while he was absent, and that it is really a matter of personal privilege. If he rose to a question of personal privilege, he would be entitled to an hour.

Mr. SNELL. Well, if the gentleman has a matter of personal privilege, I cannot stop him, nor can anybody else.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. TABER. Mr. Speaker, I object.

Mr. STACK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes on how to put some people to work without using P. W. A. funds.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. TABER. Mr. Speaker, I am going to object to anybody speaking before this matter is taken up from the Ways and Means Committee. I object.

Mr. RANDOLPH. Mr. Speaker, I rise to a question of personal privilege, but I will not take the hour to which I am entitled; I will take only 10 minutes.

The SPEAKER. The gentleman will state his question of personal privilege.

Mr. RANDOLPH. I wish to answer certain remarks made yesterday by the gentleman from Texas referring to testimony I gave in the district court on two occasions, and also his comment upon my service in the Congress.

The SPEAKER. In the opinion of the Chair it is not in order to rise to a question of personal privilege based on matters uttered in debate on the floor of the House. The proper course to be pursued under such circumstances is to demand that the objectionable words be taken down.

The Chair does not think the gentleman can rise to a question of personal privilege under the circumstances.

Mr. BLANTON. Mr. Speaker, I make the point of order that the gentleman has not stated a question of personal privilege, but I have no objection to his proceeding for 10 minutes.

The SPEAKER. The Chair has already ruled.

THE CHALLENGE OF THE HOUR

Mr. KOPPLEMANN. Mr. Speaker, last evening I listened to a very able address delivered by the gentleman from West Virginia [Mr. RANDOLPH].

Mr. Speaker, I ask unanimous consent that that address be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. KOPPLEMANN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered last evening by the gentleman from West Virginia [Mr. RANDOLPH]:

It is an honor for me to be here tonight and deliver this commencement address to these splendid Americans as well as to those who gather tonight in their honor. Let me say truthfully that I feel a deep sense of responsibility as I speak here.

I shall desire earnestly to set forth the stirring challenge of this hour—an hour in which America sees itself as a Nation confronted with ever-increasing problems which are developing and will continue to develop because of the restless and progressive spirit of our people.

To those in the audience who have borne the heat and burden of life's battles over a long period of years, may I express the sincere hope that to these graduates tonight you give your handclasp of real cooperation and affection. If there was ever a time in the history of the United States when youth and age, when enthusiasm and experience, when the untried and the tried should work together in a spirit of harmony, it is now.

Very frankly, my message shall be to those members of this class who rather feel that this is an age unfavorable to them. It is often said that there are no new frontiers to lure us on. This may be true in the sense that there are no new physical frontiers in connection with the settlement of a section of land, but there are increasingly apparent real frontiers in the physical, moral, and spiritual world which ever beckon to those who are ready to meet life's challenge.

There was a philosophy among the ancient Greeks which is expressed in the words "know thyself." There was also a philosophy of the Romans expressed also in two words, "control thyself." But tonight I am thinking of that new and yet ever-old philosophy—the philosophy which embraces the men and women of all nations, expressed in the challenge of "give thyself."

I feel that the years you have spent in this university have caused you to realize the worth of the old Greek and Roman philosophies, but now is your first real opportunity to live the philosophy of giving of your talents, of your ambitions, of your training, and of your understanding.

Frankly, there is a wide-spread feeling among young people today that the business depression has had the effect of depriving them of normal opportunities which awaited graduates from high school and college prior to the break-down in the business and financial world. The truth is that the depression, far from having destroyed opportunity for young men and young women, has had the effect of creating opportunities of such responsibility and magnitude as did not exist before.

The youth of America should not lose sight of the fact that during the depression there was practically a complete breakdown of leadership in industry, banking, transportation, and in business generally, both large and small. That leadership consisted in the main of men and women of mature age. Surely it is not weak logic to assume that inasmuch as maturity in age proved to be no guaranty of able leadership during the depression, youth may now have a chance to prove what it can do.

It has been interesting and encouraging to observe the attitude of the older Members of Congress toward the younger Members. We younger Members have been shown every possible courtesy by the older men. At no time has age claimed undue privilege over youth in the matter of committee assignments or in any other way. We younger men naturally are gratified, and we have, I hope, demonstrated by our conduct that we can assume responsibility without causing anxiety to those who grant it.

There are many reasons why I say this is an age favorable to the young men and women of America. I will name some of the more important ones. To begin with, let us keep in mind the fact that the depression has made huge and rapid changes in the habits of human beings all over the world. The age which is rapidly being supplanted by the effects of the depression was, without question, one that was dominated in almost every walk of life by men and women of rather mature age. This was particularly true in transportation and in banking. The changes wrought by the depression have had or soon will have the effect of retiring some of the older leaders who will be supplanted by younger people. This will happen partly because of the fact that the results of the depression have been so strenuous that the older men and women are willing for younger people to step into the harness and assume the responsibility while they, the older leaders, take life more quietly.

It is encouraging to young people to observe what is happening in other countries such as Italy, Germany, and Russia. Even a superficial analysis of what is happening in these countries indicates very clearly that despite the arbitrary power which the three dictators have assumed, they are catering to and centering most of their attention upon the youth of those countries. Whether the young people of Russia, Germany, and Italy are aware of that fact or not, they hold within their hands the balance of power which will determine the political, and to some extent the economic trend of their respective Governments in the future.

The youth of America are in just as favorable a position to control the future of this country as are the youth of the three countries mentioned, but the control may be exercised in a different manner. We have no dictator in this country, but we do have a populace of voting men and women who are beginning to think for themselves.

Nor is the field of politics the only one in which opportunity is available to young men and young women today as it never was before. There is a marvelous opportunity for young leadership in the public schools, colleges, and churches of America. It is no longer a secret that rapid evolutionary changes are taking place in both education and religion. The new age which was ushered in by the depression is already beginning to call for methods that will take up the slack in both the churches and the schools, and while there will be no occasion for youth to supplant maturity in either of these callings, there is a strong feeling in the minds of the present leaders in these fields that youth is perfectly welcome to dispense some of its enthusiasm by assuming a part of the responsibility of leadership. This is

no mere personal opinion of mine. I have borrowed it from older people who are engaged in both educational and religious service. This is obviously an age of organized, orderly reform.

In business, in education, in religion, in industry, in banking, in transportation, and, one might say, in practically every line of human endeavor there is an unmistakable sign of self-reform. I do not refer to moral reform as much as I refer to economic reform. The business depression taught us that our economic system was not perfect, and the effects of that depression have forced us to begin the needed reforms which will give us stability in the future.

Economic reform calls for strenuous effort, and who, may I ask, is better prepared to engage strenuously in any undertaking than the young men and young women of the country?

When it comes to the subject of reforms, no matter what may be their nature, it is a well known fact that if they are to be rapid reforms they must take place in the minds of the youth. Men and women of mature, set minds do not change quickly. Hitler, in Germany; Stalin in Russia, and Mussolini, in Italy, have plainly shown by their attitudes toward the youth of their countries that they are counting on the young people as the media of reform.

I do not wish to convey the impression that I believe mere youthfulness in years of itself will be sufficient to place the young men and young women of America in the lap of opportunity. With youth, as with those of mature age, there are qualities of imagination, enthusiasm, self-reliance, initiative, and a pleasing personality, which will insure advantages to those who possess these qualities now the same as they always have.

Nothing, of course, can ever take the place of loyalty and sound character, a statement of fact which may seem trite, but one which is particularly important at this time in view of the epidemic of racketeering which has swept the country. While there are greater opportunities for the youth of the land today than ever before, those who aspire to attain places of responsibility will have to present willing hands and sympathetic hearts.

While I am holding out hope and encouragement to the youth of the country because of the greater opportunities which I believe to be available to them, I must be perfectly frank and call their attention to the fact that there still is the feeling in the minds of many of the older people that the jazz age which was so conspicuous at the beginning of the depression was fueled and fed very largely by the youth of the country.

I must call attention, also, to the feeling which still is prevalent in many mature minds that young men and young women just out of college expect to be paid for that which they know and not for the service they are capable of rendering. In the past there has been, I fear, considerable ground for this attitude.

These two clouds which hang over the heads of the youth of America, namely, the suspicion that they are more interested in leisure than they are in work and that those lately out of college are unwilling to dig in at the bottom, can be dispelled by the young people themselves. I have faith in the youth of America, and I believe that they will adapt themselves to the needs of this emergency through which the whole world is passing, no matter what may have been their shortcomings in the years that have passed.

The President of the United States has begun one of the most stupendous programs of cooperative effort ever undertaken in the history of the country. His business recovery plans call for action and plenty of it. Moreover, the President has clearly indicated by his choice of men and women for appointments to high places in the Government that he has faith in young men and women. The President knows, of course, that youth and enthusiasm are almost synonomous terms. He knows, too, that youth means physical endurance. The President's example will be emulated in business and industry, but, let me repeat with emphasis, the youth who aspire to stations of responsibility must be prepared to show their fitness, because they will be looked over very carefully.

Because of the changed conditions existing in America as a result of the depression, there is a demand for new leaders and a new brand of leadership in almost every walk of like. As a suggestion to those who aspire to leadership in the future I am here outlining what I conceive to be the requirements of the future leaders, as follows:

(a) Faith: The successful leader of the future must have great capacity for faith.

(b) Self-control: The person who cannot control himself cannot control others. Self-control is a necessary attribute of leadership because it sets a worthy example for others to follow.

(c) Keen sense of justice: Selfishness and greed and self-aggrandizement will have no place in the program of the leader of the future. Self-appointed leadership is a thing of the past.

(d) Definiteness of decision: No person who wavers in making decisions or hesitates in moving when carrying out plans may hope to become a successful leader in the future.

(e) Definiteness of plans: The successful leader of the future must plan his work and work his plan. He must know where he is going and how he expects to get there.

(f) The habit of doing more than paid for: The successful leader of the future must be willing to deliver and must actually put into practice the principle of delivering more service than he is actually paid for.

(g) A pleasing personality: No sloven, careless, self-styled dignitary can gain and hold a position of leadership in the future. The marvelous example of a pleasing personality which may be seen in President Franklin D. Roosevelt has established a standard to which other leaders would do well to try to attain.

(h) Sympathy and understanding: The successful leader must be in sympathy with his followers, and he must inspire them to be in sympathy with him.

(i) Willingness to assume full responsibility: The successful future leader must have the courage to assume full responsibility, not alone for his own acts and plans but for those of his followers as well.

(j) Cooperation: Leadership calls for power, and power is attained through cooperative effort. The President has demonstrated his understanding of this principle by having gained the friendly cooperation of the people of America.

There is one fact which I especially wish to emphasize and that is this: The future will demand leaders who attain to leadership by persuasion and not by force. This country is not ready for a dictator whose motto will be "Might makes right." The motto of the successful future leader, no matter in what calling he may be engaged must be "I serve."

We all admire, and rightly so, the persons who make their dreams dynamic. We like the one who vitalizes his vision. We admire the dreamers who back their dreams with action. These persons, in my opinion, shall be America's future leaders. The country is ready and waiting for a new group of leaders who will be in reality pioneers with the ambition and the capacity to conserve new ideals and to carry into action new plans. These new leaders will be required in politics, in religion, in banking, in transportation, in business and industry, in journalism, on the stage, and the screen, and in the field of education. It is plainly to be seen that the Government of this country is going back into the hands of the people, and this means, of course, that the people are going to control industry, business, and finance, because these activities constitute the major part of Government responsibility.

This changed world which faces America will require leaders of courage. Leaders who can dream and who can make their dreams come true.

The dream doers have always been the pattern makers of civilization!

Through faith, courage, and imagination they harness the intangible and the unseen forces of unborn opportunity, and rear great skyscrapers, convert forests and deserts into cities, and turn frontiers into marts of trade. They master the air above us and the waters of the ocean beneath us. They harness the ether and make it pour forth beautiful music. They remove the thorn from the cactus and cause a dozen blades of grass to grow where but one grew before. They shorten the hours of labor and provide man with more time for meditation and thought.

Any person, young or old, who in the future cherishes a lofty dream and holds fast to it is sure to find himself or herself in the midst of opportunities favorable to its realization. This is the dream-doer's age. I challenge the youth of America to make the most of it.

One of the blessed advantages of the depression is that it forced men and women to build new plans and resort to new principles out of sheer necessity. We had become so standardized that our sense of the artistic and the idealistic had atrophied. We had ceased to dream.

Columbus dreamed of an unknown world and discovered it.

Copernicus dreamed of a multiplicity of unknown worlds and revealed them.

Henry Ford, poor and uneducated, dreamed of a horseless carriage, steadfastly held to that dream, and now evidence that he dreamed soundly belts the entire world.

Edison dreamed of a machine that would record and reproduce the sound of the human voice and stood by that dream, backing it with action through more than 10,000 unsuccessful efforts until he was finally rewarded with success.

Lincoln dreamed of freedom for the black slaves and stood by his dream until a united North and South translated his dream into reality. Other dreamers of the Lincoln type are going to do some modern day dreaming about freedom for the "white slaves" of America and live to see their dreams become a splendid reality.

Marconi and Lee De Forest dreamed of a system for harnessing the intangible force of the ether. Evidence that their dreams were not in vain may be heard through every radio set. Their dreams literally converted what seemed to be a great boundless void into the most sensitive force known to mankind.

The greatest achievement was at first and for a time a dream. "The oak sleeps in the acorn; the bird waits in the egg; and in the highest vision of the soul a waking angel stirs. Dreams are the seedlings of reality."

The air is filled with an abundance of opportunity such as the dreamers of the past never knew. In the ages which have passed the dreamers were considered to be impractical. Now the rule has been reversed, and the dreamer is running the Government and business and industry and everything else, but he is backing his dreams with intelligent action.

The world is yours, members of this graduating class, not in the sense that if you touch doors, they will swing open without your pushing them back. It is yours, however, because no one can stop you if you choose to find your place, and the proper time to find your place is to put first things first and to begin now.

Tonight, as you receive your coveted honors, you are happy in the realization of dreams come true, but you are also restless and filled with the desire and enthusiasm for further action. This is your opportunity to go forward once again. Do not stop. The important thing is to know in your heart what you desire to be

and to accomplish in the years that are ahead, and then you and all of us shall say with the poet:

One ship sails east, another west,
By the self-same winds that blow;
It is the set of the sail,
And not the gale,
That determines the way ships go.

As the tides of the sea, so the ways of fate,
As we journey along through life;
It is the set of the soul,
And not the goal,
That determines the calm and the strife.

COMMENCEMENT AT LA SALLE COLLEGE

Mr. ECKERT. Mr. Speaker, I ask unanimous consent to extend my own remarks, and to include therein an address made by a worthy colleague, Hon. J. BURRWOOD DALY, at the commencement exercises of La Salle College, Philadelphia, on the 6th of this month.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ECKERT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. J. BURRWOOD DALY, of Pennsylvania, at the seventy-second annual commencement of La Salle College, Philadelphia, June 6, 1935:

I have often wondered which is the most important stage in this journey we call "life." The phenomena of birth; the mystery termed "death", or the intermitting part which can be subdivided into the preparatory stage and the actual commencement of our life's work. It is at that later point, you young gentlemen now stand.

Until now, you have been cared for, tenderly reared, accorded opportunities ofttimes given with great sacrifice, and in your hands have been placed the instruments and the tools to carve your place in history, a good education. Thus today, you really commence your career. And it might be well, at this point, to seriously reflect upon the great advantages we have had, for looking back it seems a very short time, the years have swiftly passed, since I stood in the ranks of the graduating class of not only the oldest Catholic education institution in this diocese but also a temple of learning that marches today, the equal of any college or university in this land of ours, La Salle College. In common with many, perhaps most of you, loving parents gave me an opportunity for education they could ill afford to give, made many sacrifices that I might have opportunities that were denied them, and yours have done as much for you. Today they are gathered here, happy and proud, perhaps with a little lump of joy in their throats, a tear of happiness dimming their eye and a heart full of thanksgiving that their "boy" is graduating from La Salle and is now armed with a passport in the form of a diploma that has prepared him for the honors and triumphs that are ahead, if he devotes himself to seeking them. Not only have loving parents guided you but, to my mind, the most remarkable and able body of men on earth have trained you. Not only along educational lines but also along religious lines, by implanting in your hearts and minds a love and fear of God that will not only guard and protect you through the vicissitudes of life but finally bring you to the accomplishment of the very object of your creation, the saving of your immortal soul.

I think that even your tender, and, might I be pardoned for saying your immature minds, realize that the greatest danger in this country today is the neglect of religion. I sometime think the whole world has forgotten the very existence of God. Among many so-called "educated and cultured peoples" He and His teachings are scoffed at today, as the living Christ was scorned and reviled when He gave His precious blood that you and I might live with Him in that eternal rest and peace and happiness that only those He has gathered to His bosom can know. So-called "temples of knowledge", colleges and universities, are teaching paganism, infidelism, communism, and atheism—that "there is no God." The world is but fooling itself if it thinks it can last, and that men and women can be prosperous and happy and live in peace, safe from the ravages of war and rebellion and insurrection, if it pursues this course. Not only in foreign climes but at our very borders, the worship of God is prohibited by law and the masses of the world are standing complaisantly by, apparently indifferent, and any appeal to their common decency in an effort to check the wild rush to the fleshpots is met with the Cainlike reply, "I am not my brother's keeper."

Oh, where is the glory that once was Greece, and the grandeur that once was Rome? Rome that extended from the Clyde to the Euphrates, from Brittany's grassy shores to the golden domes of the Holy Land. Rome that sat upon her seven hills, and from her throne of beauty, ruled the world. Today the tourists visit the ruins of the amphitheaters and the wrecks of the arenas. The Appian Way is but a dust streak reviving bitter memories. And all because they forgot their God and turned a deaf ear to His pleadings.

On the threshold of this new life that you of the class of '35 are now entering, I beseech you to pause. Give thought to the spiritual as well as the material side of the career upon which you are entering, and before you leave the hallowed walls that house this institution, resolve that so far as it may be in your power you will live such a life as will make you a worthy son of the fond parents who brought you into the world, remember your faith and your God, and reflect credit upon the teachings of that noble band of men, the self-effacing, self-sacrificing, God-fearing, God-loving, and God-teaching Brothers of the Christian schools.

If I were starting my career today I would endeavor to pattern my life after the two leading patriots, humanitarians, and Christian gentlemen in the United States—President Franklin D. Roosevelt and the distinguished gentleman this college has honored today, Gov. George H. Earle. I believe I can see the hand of the Creator in the election of both. Each striving against almost overwhelming odds to give succor and aid and help and comfort to the distressed, the poor, and the helpless. Unmindful of their future political fortunes, indifferent to harsh, cruel, and undeserved criticism, with a full realization of the sanctity of the oaths they took and a firm determination to right the wrongs of the people and alleviate their sufferings, these two are blazing a trail that must and will lead to the correction of all public evils and the establishment of a government in Nation and State that will safeguard the welfare of all the people and guarantee to all the right to life, liberty, and the pursuit of happiness.

Both seem to be handicapped and hampered by what we are pleased to call the "Constitution." Constitutions after all may be properly called "laws" or "statutes", and a law or a statute is nothing, under our form of government, but the expression of the will of the people. The people made the Constitution and they can unmake it. The people can and have changed the Constitution to meet the conditions of the times. There is nothing sacrosanct about a constitution. The constitution of the State of Pennsylvania has been written anew several times. The Constitution of the United States has been amended 21 times. The only constitution that I know of that is really sacrosanct is the Decalogue, and many of those who assume to be constitutional experts never heard of it.

Governor Earle, as a citizen of this State, I congratulate you; no, on second thought, I congratulate the people of Pennsylvania on having a Governor who has the courage to say to partisan political spoilers that their masquerading under the cloak of the authority of the constitution must cease and a Governor who has the ability and the determination to himself write a new constitution that will conserve the rights of all the people of the State and not the favored few.

And in Washington a man, who, with equal courage and determination, has said to the people of the Nation, neither the interpretation of the Constitution by the Supreme Court nor any other agency shall sway him in his determination to right the wrongs of the people and give relief to suffering humanity, and if it is necessary for him to appeal to the people of the Nation to accomplish a change in the Constitution to remedy the conditions now existing, he will make that appeal. With such leaders as Roosevelt and Earle the future of this country is indeed safe.

Now to the graduates let me say a final word. Four happy years have we spent together. I say "we", because I have renewed my youth in associating with you. I have been on your parties. I have attended your dances. I have played football games with you, for, take my word for it, I struggled as hard mentally as you did physically to achieve the success that crowned your efforts to have victory perch upon the banner of Gold and Blue. But you have reached the parting of the ways. It may be that all of you may never meet together again. In spirit you will ofttimes mingle, for I do not believe that the ties of comradeship, of friendship, and affection that bound you together can ever be totally severed. The ties you have made in the last 4 years will be lasting. Each of you will take pride and happiness in the success of the other. And remember this always, it isn't so much what a college gives you that counts, it's what you take away from college. Upon the way you apply the teachings you have received will depend your future. In your course through life live up to the traditions of old La Salle. Resolve that in the years to come you will return to such gatherings as these bearing laurels proudly worn and honestly won. Remember that no matter what fortune has in store for you, if you can say in your heart and mean it, "I have kept the faith. I have tried", success will be yours.

In parting, no, in temporarily saying good-bye, may I quote to you the words of the immortal bard, "Let all the ends thou aimst at be thy country's, thy God's, and truth."

God speed you.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 242.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. J. Res. 113, a joint resolution to extend until April 1, 1936, the provisions of title I of the National Industrial Recovery Act, and for other purposes, as amended, and all points of order against said joint resolution are hereby waived. That after general debate, which shall be confined to the joint resolution, and continue not to exceed 1 hour, to be evenly divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the joint resolution shall be read for amendment under the 5-minute rule. At

the conclusion of the consideration of the joint resolution for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, the subject matter covered by this rule, which is an open rule providing for 1 hour of general debate and permitting the offering of amendments, is so well known to the Membership of this House that at this moment I do not care to discuss the rule or the subject matter involved, but may later on before the discussion on the rule is concluded. I reserve, therefore, the balance of my time and ask the gentleman from Pennsylvania to use some of his time.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, to anyone who abhors waste this resolution will come as a distinct shock. It proposes a useless waste of time; it proposes to spend one whole hour in debate on the National Industrial Recovery Act, its constitutional phases, its price-fixing provisions, its effect upon labor, the wages to be paid and the number of hours to be worked, its effect upon industry, its effect upon the consuming public, and, in short, its effect upon national recovery and our entire national welfare. It is absurd to spend so much time debating such a minor piece of legislation.

If every one of the 435 Members of the House were given an opportunity to express himself on some phase of this legislation, and the time were equally divided, he could hold the floor, if he saw fit to do so, almost 14 seconds. If, on the other hand, the debate should be confined to the 25 members of the Committee on Ways and Means only, each Member would be entitled to 2 minutes and 24 seconds. I say again, Mr. Speaker, it is absurd to waste so much time on such a trifling matter.

While it is one of the principal functions of a legislative body thoroughly to debate national policies, there is no sense in overdoing the matter; and I am afraid this resolution is an indication that Congress takes itself and its legislative duties too seriously. [Laughter.]

What does the bill before us mean? The statement of the distinguished Chairman of the Committee on Rules to the House just now is typical of every statement that has been made so far as this legislation is concerned. "At some other time and in some other forum we will make an explanation of its provisions, but not now", seems to be the attitude of the majority. This certainly was the attitude of the Committee on Ways and Means when it appeared before the Rules Committee asking for this rule; and I understand from Republican members of the Committee on Ways and Means that that was the attitude of the majority members of that committee in the framing of the legislation. I am told that, as a matter of fact, the Republican members were excluded from the Ways and Means Committee room until the majority members had framed the legislation and were prepared to vote it out.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. MAPES. There were no printed hearings on this legislation of such consequence to the people of this country, and none of us has been able to find out what it proposes to do. The report on the bill was filed last night at midnight, or at least permission was given that it might be filed at any time up to 12 o'clock last night. No one had an opportunity to read the report until a few minutes ago.

The first paragraph of the bill states that the bill proposes to continue the National Industrial Recovery Act until April 1, 1936. Anyone can tell what that means. But section 2 states that—

> All the provisions of title I of such act delegating power to the President to approve or prescribe codes of fair competition and providing for the enforcement of such codes are hereby repealed.

Personally, I supposed that the main provisions of the National Recovery Act related to the codes. Take them away and what is there left?

There is left one distinct provision of the act, one which clearly is not repealed, and which it is not proposed to interfere with. That is the provision which reads as follows. I quote from the act: "To effectuate the policy of this title the President is hereby authorized * * * to appoint without regard to the provisions of the civil-service law such officers and employees * * * as he may find necessary to prescribe their duties, responsibilities, and tenure, and without regard to the Classification Act of 1923 as amended to fix the compensation of any officers and employees so appointed."

Now that we have access to the report, if the Members will turn to it, they will see that the main purpose of this legislation, as far as the report is concerned, is to keep these multitudes of employees at work that the President has appointed and is authorized to appoint without regard to the civil service, and to fix their salaries without regard to the Classification Act. The principal purpose of the legislation, according to the report of the committee, is to continue them upon the pay roll of the United States Government. The majority in writing this report is frank enough to say that is the main object of the legislation. That is pointed out in the report very frankly. In that connection the report states:

> The sudden and complete termination of the National Recovery Administration would mean the immediate loss from Government service of those employees who, if retained in a skeleton organization, can aid most effectively in the collection and utilization of all the information and experience derived out of 2 years of the N. R. A., which it is important to conserve.

Again reading from the report:

> The passage of the joint resolution in amended form will authorize the maintenance by the President of a skeleton organization of the National Recovery Administration for the reasons and purposes heretofore stated.

Mr. Speaker, I submit that there is no explanation in the report in reference to the provisions of this legislation or the effect of it except that one item, namely, that it will keep on the pay roll this mass of employees the President has appointed without regard to the civil service and has fixed their pay without regard to the Classification Act. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, there is probably no Member of this body who resisted more strenuously than myself the passage of the National Industrial Recovery Act. I never thought it possible nor within the exercise of our constitutional powers to establish and support either as a temporary expediency or a permanent policy of the Government the principle laid down in the original act. However, as a good citizen of the country I recognized it as being for the time being the law of the land, and as far as possible I upheld it, but I never wavered in my conviction that it was unconstitutional and was an experiment that should never have been undertaken. I do not believe that the principle enunciated therein can be established under our dual system of government.

It would, however, probably be unfortunate should the law come suddenly to an end without some extension making possible the consolidation of such benefits as the act in its operation has shown to exist. So far as this resolution is concerned, the only important provision is that which extends the life of the act until April 1936, because the President can, under the act, do all at this time that would be possible after the adoption of this resolution. Section 2 of the resolution simply declares that the provision of the act which empowered the President to set up and enforce codes shall be eliminated. No new power is given the President, but with extension of life of the act, the President can exercise all powers embodied in the original law not stricken down by the decision of the Supreme Court.

[Here the gavel fell.]

COMMITTEE ON INDIAN AFFAIRS

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent that the Committee on Indian Affairs may have the privilege of filing a supplementary report on H. R. 6963 so that the report will conform to the Ramseyer rule.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. RANSLEY. Mr. Speaker, I yield 15 minutes to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Speaker, I am very glad the gentleman from Georgia made the statement which he just made, because I believe it raises before us very definitely the question of what is left of title I of the National Industrial Recovery Act in the event this joint resolution is passed. Apparently, by this measure there is only eliminated from the Recovery Act the delegation of power to the President to approve or prescribe codes of fair competition and those provisions which prescribe penalties if any of the codes are violated. The impression seems to be abroad that this bill leaves to the President the right to approve agreements voluntarily entered into by industry. From what I have been able to gather from the remarks of various Members with whom I have discussed this matter in the all-too-short time which has been given us to consider it, there is a feeling that there will be left for industry what industry greatly desires—the right to get together and enter into agreements covering certain trade practices; and when those agreements have been approved by the President the parties to the agreements will be relieved from the operation of the antitrust laws as far as operation under these agreements is concerned.

Mr. Speaker, I shall not enter into a discussion of whether or not it is wise to release industry, even under those circumstances, from the operation of the antitrust laws. There is considerable doubt as to whether we should go that far and give such power. What I wish to point out, however, is that there is no such power now left in the President as the result of the Supreme Court decision of a week ago Monday in the Schechter case. It is true that in the decision referred to the Court was considering solely the question of the adoption of a code of fair competition under section 3 of the N. R. A., and the Court discussed delegation of authority only with respect to codes.

In trying to find the purposes which were defined by Congress for the President in approving codes the Court reached the conclusion that the only real definition is that a code should—

> Tend to effectuate the policy of this title.

The Court then proceeded to go in detail into the policy of the title, studying as a whole the stump speech of which section 1 of the N. R. A. consists. They found that—

> Congress cannot delegate legislative power to the President to exercise an unfettered discretion to make whatever laws he thinks may be needed or advisable for the rehabilitation or expansion of trade or industry—

And reached the conclusion that—

> Such a delegation of legislative power is unknown to our law and is utterly inconsistent with the constitutional prerogatives and duties of Congress.

The Court thus reached the conclusion that the delegation of authority in section 3 was unconstitutional.

It is true that the resolution before us today merely repeals those provisions which affect codes; that is, section 3; and therefore it will be argued that it impliedly leaves in existence those provisions of section 4 of the act which authorize the President to approve agreements voluntarily entered into by the members of an industry, but, Mr. Speaker, wherein is there defined in the act any limitations different or in any way more distinct in guiding the President in his approval of voluntary agreements entered into by industry than there was in guiding the President in his approval of codes of fair competition?

It may, perhaps, be argued that the approval of a code was a positive act because by such approval by the President members of an industry who did not voluntarily wish to come into the code could be compelled to do so, and that there should be a different standard set up when the approval is solely a kind of negative approval of acts or of agreements which may be entered into by the members of an industry without compulsion.

Let us trace this argument down to its logical conclusion. Is there anyone on the floor today who will be so sanguine as to say that the Supreme Court would approve a statute which would read somewhat as follows:

> The President of the United States may, in his discretion, release any particular corporation or any particular group of corporations from the operation of the antitrust laws.

This would be manifestly an absolute improper delegation of authority to give the President.

Now, what more, Mr. Speaker, are we doing today than saying that within certain limitations, which have been laid down in the preamble of the N. R. A., and which the Supreme Court has said are not definite enough to provide a proper guide when industry enters into an agreement of some kind.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield?

Mr. HOLLISTER. I will yield in a moment when I have finished this thought.

If the President approves that agreement, then the industry affected will be released from the operations of the antitrust law. To effect such release there must be Presidential approval, but if the boundaries within which such approval may be given are not definite enough, to all intents and purposes we must say that the President may in his sole discretion relieve from the operation of certain laws.

I now yield to the gentleman from Washington.

Mr. SAMUEL B. HILL. It is specifically provided in section 4 (a) of the National Industrial Recovery Act, which is the section providing for agreements, about which the gentlemen is speaking——

Mr. HOLLISTER. That is right.

Mr. SAMUEL B. HILL. That such agreements shall be consistent with the requirements of clause 2 of subsection (a) of section 3.

Mr. HOLLISTER. That is correct.

Mr. SAMUEL B. HILL. And clause 2 of section 3 (a) reads as follows:

> And that such code or codes are not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them and will tend to effectuate the policy of this title: *Provided*, That such code or codes shall not permit monopolies or monopolistic practices.

Does not the gentleman think that limits the scope of the President's power and discretion herein sought to be granted?

Mr. HOLLISTER. The gentleman has misunderstood the point of my argument entirely. All that that section provides is that there shall not be in any of these codes specific provisions which permit monopolistic practices. That does not say that a great many other things may not be included in these codes which, when finally approved by the President, will permit these concerns to operate in violation of the antitrust laws except insofar as monopolistic practices are concerned.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman again yield?

Mr. HOLLISTER. I yield.

Mr. SAMUEL B. HILL. The purpose of the antitrust law, as I understand it, is to prevent agreements among industrial interests in restraint of trade. That is true, is it not?

Mr. HOLLISTER. That is true, yes; but there are a great many other provisions in the antitrust laws.

Mr. SAMUEL B. HILL. Now, if monopolistic practices are not permitted, if oppression of the small industries is not permitted, and if the other safeguards in clause 2 are required to be complied with, does not the gentleman think that that preserves the purpose of the antitrust law?

Mr. HOLLISTER. Let me answer the gentleman in this way. If all we are doing here is holding out a bait to industry by saying, "If you voluntarily enter into certain agreements, you will be released from the operations of the antitrust laws", when, as a matter of fact, there is no such provision or intention to release them, then I say we are not doing anything at all. I would like to have the gentleman explain to me if that is true whether there is anything left

that we are granting industry under this bill. We are selling it a gold brick. We are inviting them to violate the antitrust laws without giving them the immunity they think they are getting.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. HOLLISTER. I must decline to yield further now. I will yield to the gentleman later if I have the time.

I ask the gentlemen on the majority side, when they have time—and the time is all too short on either side to handle this question adequately—to explain what they think is now left of the National Industrial Recovery Act as the result of the decision of the Supreme Court a week ago Monday, and as a result of the resolution that we are passing today. Manifestly, there is something in the minds of the people who prepared this resolution and who are now asking the House to pass it; otherwise it would not be presented. It does seem to me there should be a clear presentation of what we are asked to do, of what is left of this act, so that when the time comes to vote we shall know what we are talking about. I have studied it as carefully as I could in the few minutes granted me—because very few of us knew exactly what this resolution was going to contain until a short time ago—to determine what is left of the National Industrial Recovery Act. Clearly, the question of codes and of their approval is entirely out of the picture. In my opinion, the question of voluntary trade agreements is equally out of the picture. It is impossible for me to see how, when the delegation of authority to the President to approve a trade agreement is limited in the act by the same rules which limit the delegation of authority to approve codes, the Supreme Court could reach any different conclusion when it comes to the constitutionality of such delegation with respect to trade agreements from that which it reached when discussing delegation of authority with respect to codes.

If all that is true, if everything is gone with respect to codes, if everything is gone with respect to agreements, what have we left? We have a large organization of several thousand employees, and the President has a right to employ any number more that he may wish. He has the right to prescribe their authority, duties, responsibility, and tenure of office and he has the right to fix their compensation. That large body of employees apparently will be kept in existence solely for the purpose of accumulating statistics, solely for the purpose, perhaps, of acting as a kind of snooping agency on industry generally, and perhaps as a publicity agency that will be swung back and forth as may be desired by whomever may be conducting it.

We have a Federal Trade Commission which has been for many years accumulating statistics, and has much more experience in the work which naturally would fall to its lot if these functions were transferred to it than can be attributed to the employees of the National Recovery Administration. Mr. Speaker, if it is true that all rights granted to the President, with respect to a delegation of authority are now gone, why do we try to keep this corpse alive at all? Why do we try to keep in existence an organization which has no functions, no powers, and which will merely be a source of employment for four or five thousand employees and a great expense.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from New York.

Mr. CELLER. Has the gentleman read in the public prints that the Attorney General made an announcement that he intends to prosecute in the District Federal courts any violation of the antitrust law, including price fixing? Does not that indicate a disposition on the part of the administration to prosecute violations of the antitrust law?

Mr. HOLLISTER. I think the administration should. Will the gentleman tell me what is left in the act, then?

Mr. CELLER. There is a considerable amount left in the act.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. COX. The weakness of the gentleman's argument, if he will pardon me for using that expression, is that he puts agreements on the same basis as codes. Agreements, of course, are binding only on the parties at interest. Agreements between parties are not binding upon the industry.

Mr. HOLLISTER. That is correct.

Mr. COX. A code is in effect law.

Mr. SNELL. Was law.

Mr. COX. Or was, and was binding on industry. All parties engaged in a particular industry might be bound as a result of the initiation of a movement by a single concern representative of the industry. As I understand the effect of the resolution, it is to permit agreements as between parties, and, of course, that is permissible either within or without the resolution.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. COX. Mr. Speaker, will the gentleman from New York yield me 1 minute?

Mr. O'CONNOR. I yield the gentleman from Georgia 1 minute.

Mr. COX. The vital part is that it is made permissible for the President to approve agreements, and the importance of that is that it may or may not operate to suspend the operation of the antitrust law.

Mr. HOLLISTER. Exactly.

Mr. COX. Now, as I say, the gentleman makes the further error in contending that Congress, not having the power to delegate to the President the right to set up and enforce codes, has not the power to delegate to the President the right to approve agreements which may operate to suspend antitrust laws. I think the gentleman is entirely in error. The antitrust law is an act of Congress. This resolution would be an act of Congress.

Mr. HOLLISTER. I wish to yield to the gentleman reasonably fully, but I wish to answer the gentleman's question.

Mr. COX. I beg the gentleman's pardon. I thought I had been yielded time.

Mr. HOLLISTER. In answer to the gentleman, I want to say that of course agreements entered into by industry itself and by members of industry can be entered into at any time, whether the President agrees or not. To say that the President shall have the right to approve does not mean anything unless the approval of the President also grants to the members of that industry some additional privilege that they did not have before. What additional right or what additional privilege is granted by the approval of the President? The gentleman meets the issue very fairly and says it grants to those members of industry who enter into those agreements release from the operation of the antitrust laws with respect to certain modifications. But such a release is a legislative act.

I say that if the gentleman can prove to me the general statement that the President may be given authority to release anybody from the operation of the Antitrust Act, without any further limitation whatsoever in such power; if the gentleman once states that, then, of course, I follow the gentleman. If the gentleman says we could pass an act giving the President full power merely on his own whim to release any individual or corporation from the operation of the antitrust laws, then I say this resolution would also keep that power alive. But if that is not so, then I say that the Supreme Court once having stated that delegation with the limitations which Congress has laid down with respect to the approval of codes is an unconstitutional delegation, such delegation with the same limitations with respect to the approval of agreements is just as unconstitutional and it is just as much a nullity, notwithstanding the act we are considering today.

The SPEAKER. The time of the gentleman from Ohio [Mr. HOLLISTER] has again expired.

Mr. COX. Is the gentleman interested in my opinion?

The SPEAKER. The time of the gentleman has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, the only thing that our colleague from Michigan [Mr. MAPES] complains of is that we have not granted the House more time, a great deal more time to debate. We are trying to act and pass legislation. I think that most of the speeches that have been made on the gentleman's side of the House are not conducive to helpful legislation in the interest of the people. The gentleman from Michigan [Mr. MAPES], being a member of the Committee on Rules, should know and obviously he does know that, although we have restricted debate, there is no restriction for consideration of the bill. Full and ample opportunity is to be given to every Member to offer amendments and to speak on the amendments, but that he has conveniently failed to state.

I wish the gentleman had seen the minority report before he took the floor. Had the gentleman studied the minority report he would have come to the conclusion that the original legislation of which he complained, and which the Republican Party had attacked for months, is now being approved as helpful and beneficial. This is the first time since June 1933, when the National Industrial Recovery Act was passed, that the Republicans have conceded the value and the desirability of that important piece of legislation. I assure the gentleman of the minority that the Democratic Party will continue to try to enact legislation which they, in their minority report, have thought should be adopted, notwithstanding the fact that day in and day out, week in and week out, they have been assailing and attacking every provision of the act.

Most of you were here during the trying days in 1933. You are familiar with the then condition of the Nation, when the entire country demanded relief, aid, and assistance from the President and from the Congress. We then enacted legislation that was helpful, which saved the Nation from wreck, ruin, and despair. That legislation has reopened our plants and factories, has reopened our banks. That legislation has placed to work more than 8,000,000 of worthy and willing workers. That legislation has been a real blessing to the distressed Nation. Therefore, notwithstanding the willful and malicious attacks that have been made against the President and the great Democratic Party, I welcome the approval today of the minority members of the Committee on Ways and Means, in which approval they praiseworthily acknowledge the benefits of such much-needed legislation.

Mr. Speaker, it is to be deplored that the reactionaries within our party as well as within the Republican Party, through their institutes, organizations, and publishers, and through misleading statements, have for months been working and are at work minimizing the good and the benefits accomplished under the leadership of President Roosevelt. In every conceivable way they are trying to mislead the American people as to the actual aims of the honest and constructive efforts of the President.

As I have stated before, the very industrial and financial leaders and their representatives who are responsible for the crash and destruction to America and who have since been saved only by legislation advocated by President Roosevelt and passed by a forward-looking Democratic Congress, are the men, who, for selfish reasons, are now showing the greatest ingratitude and disparagement for the benefits that have accrued to them through this legislation. The same financiers who clamored most loudly for the President to call a special session of Congress, immediately after he was inaugurated, to save them and the Nation from complete demoralization and bankruptcy, after being saved by remedial legislation speedily enacted, are now stopping at nothing, not only to hamper but actually to destroy the President's notable and praiseworthy accomplishments and harass him in his efforts to bring about full and complete recovery to America.

It is to be regretted that so large a number of persons permit themselves to be improperly used and allow their judgment to be warped by unscrupulous, selfish Republican leaders, whose record, beyond a doubt, discloses that at all times they have sacrificed, and are now ready to continue to sacrifice, the interests of this Nation, humanity's hope, for a little ephemeral political advantage.

Upon examination of interviews and speeches made in financial or commercial circles, or on the floor of Congress, you will find that they are inspired by stand-pat Republican financiers, who have for years supplied the Republicans with millions of ill-gotten gain for the Republican organizations to use in the Republican campaigns. For over a year the same tactics have been pursued as were pursued in 1896, to again divide the Democratic Party, when at that time they succeeded, putting into the field the so-called "gold ticket", with no intention to elect but with a deliberate attempt to divide and weaken Democracy. I remember the man then behind the movement and I now can detect the same underlying reasons for which the so-called "American Liberty League" was organized. After its organization I immediately stated that its intention was to follow these selfsame tactics for the purpose of saving and enthroning the special interests, who fear that they will not again be in complete and full sway of the destiny of the Nation, as they were from 1920 to March 1933, when there was no interference on the part of the Government with their activities, when they brought about, due to their selfish and avaricious activities, the greatest crash in the history of our Nation; caused destruction to our commerce and threw 16,000,000 worthy, willing citizens out of employment. They fear that under the leadership of President Roosevelt, the rights and interests of the masses will be safeguarded and that they no longer will have the country at their cruel mercy. These are the underlying reasons for the position taken by certain financiers and industrial agencies, and those who permit themselves to be hired by them to disseminate distorted facts and propaganda, to unjustifiably and shamefully harass President Roosevelt and the Democratic Party, in their efforts to reconstruct and rebuild our Nation. Just now they are devoting all of their energy to hide behind the Constitution in order to achieve their unholy, yes, dastardly aims.

Since President Roosevelt's laudable interview, they are trying to utilize the State-rights issue. As one who for 29 long years always advocated, stood by, and fought for State rights, and who knows the record of these gentlemen who during the last few days became the great "State-rights advocates", I am satisfied that they are willing and ready to utilize and make capital out of any issue which they believe might mislead the American people. However, I am certain that regardless of their ingenuity and determination they will fail in their conspiracy to prevent the adoption of legislation which tends to safeguard the best interests of the masses.

If the American people could be informed of the real truth, and if the underlying reasons could be brought home to them, I am satisfied that the country would rise in indignation and drive all of these men who represent these sinister agencies and interests not only from public life but from the control of many of these banking institutions and great industrial enterprises which they have debauched, bled, and dishonestly represented.

For years I have observed that whenever there is any legislation pending which tends to eliminate the fraudulent practices upon the American people by the vested interests and which would deprive them of the special privileges which they have been enjoying, these dishonest malefactors have succeeded in exerting themselves in legislative bodies by most vicious, yes, corrupt, methods, invariably emanating from Wall Street, their motive being, of course, to weaken, if possible, every act proposed in the interest of the Nation.

The outstanding examples are the centralizing of efforts against the Federal Reserve System, which they were unable to defeat but have succeeded in weakening. Also, they strenuously opposed the creation of the Federal Trade Commission. Of late, the adoption of the Securities Act and in 1934 the stock-exchange control. They have also devoted their attacks against the pending banking act and the public-utility holding bill also, and have spent millions directly and indirectly and have even misled thousands of unfortunate stockholders by unloading worthless securities upon them, in the

first place to aid them in bringing about the defeat of these measures.

When in October 1929 I appealed to President Hoover, Secretary and Assistant Secretary Mellon and Mills, to Mr. Young of the Federal Reserve, and to Mr. Whitney, president of the New York Stock Exchange, that if not for the country's sake, for their own sake they should put an end to the destruction of the values of securities and properties. They refused to act and their program and policies to let liquidation take its course resulted in the destruction of 50 percent of the values of properties, farms, stocks and bonds, threw out of employment, as stated before, 16,000,000 worthy and willing wage earners, closed 80 percent of our factories and plants and more than 3,000 banks, pauperizing over 10,000,000 bank depositors and more than 4,000,000 so-called "real-estate bondholders", the loss of homes of thousands upon thousands of our worthy citizens and the insolvency of not only of 98 percent of the banks but of insurance and surety companies throughout the United States.

Since the inauguration of President Roosevelt under a Democratic Congress on March 4, 1933, thousands of these banks have been reopened and the rights of the depositors protected and safeguarded. Thousands of banks and insurance companies have been aided by the Government, which means the saving of more than 30,000,000 policyholders from losing their life savings in most instances. Preventing more than 5,000,000 farmers and home owners from losing their homes and saving some of our largest municipalities and States from complete bankruptcy; the feeding of millions of starving unemployed and providing and effecting the employment of more than 8,000,000 persons are other monumental constructive achievements of this worthy administration.

Not only the Federal Commerce Statistic Bureaus but Dun & Bradstreet and other statistical bureaus show that since the enactment of the N. I. R. A. thousands of manufacturing and business institutions who were losing money in 1930, 1931, 1932, and up to March 1933, have turned their losses into profits—from red into black—and revenues have increased tremendously, hours of labor have been reduced, and wages increased; conditions in general have improved, and this in the short space of 2 years. And notwithstanding the continuous opposition and unfriendly attitude of part of these gentlemen, especially since 1934, and who now, with still greater force and energy, are trying to destroy the benefits that have been achieved through the extraordinary and courageous efforts of President Roosevelt, aided by a Democratic Congress.

Oh, what ingratitude! The old proverb, "Do the Devil good and he will repay you with evil" again has been unmistakably proven; and notwithstanding the dastardly, contemptible attack upon the President's program and his policies, there is no one so bold as to charge the President with insincerity in his aims to accomplish the most good for the masses.

I know that I am bespeaking the sentiments of the vast majority of American people when I say that no one before our President has ever enjoyed a greater confidence of the masses than Franklin Delano Roosevelt. Oh, he may be attacked by certain selfish publicity-seeking gentlemen on one hand, to the same extent as he is by these avaricious, greedy, vested-interest conspirators, but I feel confident that they cannot shake, regardless of what methods they will pursue or employ, the confidence of the American people in him. It was indeed fortunate for the Nation that a man like him, with such determination, zeal, courage, and ability was elected in these trying days, as no one can foretell what the results might have been if his election had not occurred.

Since the Supreme Court decision we have observed a great deal of glee and satisfaction on the part of the Republican leaders, but somehow or other their joy is fast disappearing because they are hearing from home that the people to a still greater degree trust the President and recognize the necessity of some legislation of this kind. These same leaders are obliged to admit that though the N. I. R. A. was declared unconstitutional, it was truly an epochal advancement whereby for the first time the interests of labor were protected, child labor abolished, shorter hours provided, and a minimum wage, as I have stated, effected.

I am satisfied that from now on the hue and cry against dictatorship will continue to abate and the fear of destroying the Constitution will subside. Of course, Mr. Speaker, ladies, and gentlemen of the House, these gentlemen who are trying to instill in the minds of the American people the fear of a dictatorship are not sincere, as a dictator is what they desire. It is the desire of this small group of vested interests that they themselves be made and continued as dictators. It is they who are opposed to the President's policies and who fear that their dictatorial control will be taken away from them. [Applause.]

The SPEAKER. The time of the gentleman from Illinois [Mr. SABATH] has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Speaker, I have heard various Members speak today. I think we are faced with the most important economic issue in our national history. The ramifications of the question are great; from a legal viewpoint, there are wide questions of the delegation of powers, the powers of the Supreme Court and of Congress. From the viewpoint of economics, it involves the rights of labor, child labor, the Sherman antitrust law, big business and little business, and many other questions.

But we hear talks of the Republicans on the other side, one of which was facetious and one of which, made by the gentleman from Ohio [Mr. HOLLISTER], was extremely good. We have this extremely important economic issue before the people, and it is met with facetiousness on one side and partisanship on the other. I do not see how we can come to any conclusion on a matter of such serious nature in 1 hour. I admit this is not a gag rule; it is a perfectly fair rule; but there is not sufficient time provided to discuss this matter, and for that reason I think I shall vote against it. I will be in the minority, but will vote from an entirely different reason than the Republicans. I am at least on record as being opposed to undue haste in passing on so serious an economic issue or issues. Personally, it seems to me the Republicans ought to be for this act, because this is really more or less a Republican measure, as it gives them a chance to violate the antitrust law. The Democrats ought to vote against it. That is really what should be done. [Applause.]

I want to say this much to the Democrats—of course, I ought not give much advice, because every now and then I am reminded that I am a freshman in Congress and that when I get more wisdom I will know better—but I think this is more or less a political mistake to try to force through Congress in 1 hour so serious a measure. [Applause.]

I want the RECORD to show that that was Republican applause, and that I do not appreciate it. [Laughter.]

I think it is a mistake to do this. We found it out with the Economy Act and others. When we jam things through Congress like that we make political mistakes, and that is the reason I am opposed to this rule. We go back home and we say: "We voted for this; we protected big business", but we did not protect small-business men, the consumer, or the laborer. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 4 minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, the gentleman from Ohio took the position that because by the continuation of this act assisting business to formulate codes of fair competition, therefore, some immunity would be granted to business from prosecution under the Sherman Antitrust Act. I think that is a false premise. The fact that the Federal Government will still supervise and have an understanding of the details of these code agreements, puts the Federal Government in a position where it will have knowledge and be in a better position to prosecute if these code agreements violate the Sherman antitrust law.

That argument proceeds on the theory that there is some political intrigue behind this extension. We all appreciate

the chaotic condition in which industry found itself in the midst of the depression, that we needed some national planning to help out industry along these lines of fair competition, to help settle the disputes between capital and labor, and to proceed along safer and more stable lines. That was the purpose of this act. It grew out of the emergency. Many of our friends of the opposition voted for it on that theory.

It is true there was considerable doubt and division of opinion as to how far Congress should go in regulating industry of a national character. Even the Supreme Court itself has been rather vague at different times in its decisions. The first school of thought was that the commerce clause covered goods in transit across State lines. Then we went into the field of State police power under the lottery-ticket decision, under the Mann white-slave law, and under the more recent law with reference to kidnaping. We went into the field of State police power for national good and many of us assumed that we might expand the powers of Congress under the commerce clause to take in national economic welfare, and the line of demarcation is not yet defined but will have to be defined in the future. The Supreme Court went back to the old theory that the commerce clause represented goods in transit across State lines.

So we are attempting to retrieve and to save the advantages that have been gained in these last few months under the National Recovery Act. Most businesses that engage in industry from a national standpoint have seen its advantages and want these preserved, and the American people can very well want them preserved. We have driven out sweatshops, eliminated child labor, improved purchasing power, and increased employment. So, conforming to the decision of the Supreme Court, as all good Americans ought to do, we want to proceed along constitutional lines to preserve the good that has been gained through these months of operation and to help cooperate with industry to produce better stability and a better understanding. Ten months hence we shall better decide the future policy of Government in the field of national economic planning. I shall vote to continue the Recovery Act for this period of study and transition. [Applause.]

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the balance of my time, 5 minutes, to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I might have been willing to vote for this bill had there been some limitation on the number of employees, on the amount of compensation, a safeguarding of civil-service regulations, and if it had done something for labor or anything for social and industrial justice, but as it is it merely continues an unnecessary bureaucracy and a propaganda machine.

I have just been informed by my colleague, the gentleman from New York [Mr. MARCANTONIO], that the American Federation of Labor has issued a definite statement against this bill.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. FISH. For a brief statement.

Mr. CONNERY. I wish the gentleman would yield at this point, for I have just talked to Mr. Green, president of the American Federation of Labor on the telephone. I asked him the attitude of the federation on this resolution. He said that it was immaterial to the federation as to how Members voted as the federation felt that the resolution was a continuance of the N. R. A. as a mere skeleton, and therefore was neither good nor bad. [Applause.]

Mr. FISH. Mr. Speaker, I had assumed that when the Blue Eagle was put out of business by the Supreme Court that the President would come down here and deliver before a joint session of Congress a funeral oration. Instead of that, however, the members of the "brain trust" have been gotten together, and the Richbergs, the Frankfurters, the Johnsons, and Tugwells, and, "presto chango" and a few waves of the wand and the old Blue Eagle is turned into a plucked chicken, one of Schecnter's old plucked chickens that cannot stand on its own feet, that is tottering and wobbling around and is already groggy. We now behold the substitute for the soaring Blue Eagle—a plucked chicken that cannot even flutter. The original sacred and holy Blue Eagle which turned into a Soviet vulture, backed by force and coercion, spies, enforcement agents, and jail sentences, has now become a dead cock in the pit.

We are asked to put this bill through in an hour's debate. What for? Why, to continue the bureaucratic organization, to preserve the jobs of deserving Democrats, to keep them on the pay roll, and to promote a propaganda machine. Have we not had enough of government by propaganda and ballyhoo? That has been one of the main objectives of the "new dealers" from the beginning, to tell the people back home what the N. R. A. has done—that it put all these millions back to work. If it had, it would have succeeded and had public opinion back of it; if it had put millions of people back to work, we would not stand here opposed to it, except on constitutional grounds. The fact is, according to a statement of the American Federation of Labor which appeared on my desk today, but which somehow or other was dated May 1—this nonpartisan labor organization—states that there are 11,500,000 unemployed; that there are 2,000,000 more unemployed than there were in 1931; and I believe that there are over 1,000,000 more unemployed today than there were a year ago in spite of all of the propaganda of the N. R. A. and other new-deal agencies. For 2 years the American people have hoped against hope that these alien new-deal policies of regimentation, collectivism, and State socialism would succeed and put people back to work. That is the big issue, and if these imported foreign forms of socialism had restored confidence and jobs even at the cost of $15,000,000,000, no Republican could afford to criticize or condemn them. The deplorable facts are beginning to trickle through the mass barrage of propaganda to the people back home that the new-deal measures have broken down and are tragic failures, destroying confidence, retarding recovery, prolonging the depression, impoverishing the people, increasing unemployment, and bringing distress and devastating debts upon the people and the country.

That is the test of the N. R. A., but you propose to continue the Blue Eagle as a skeletonized chicken and use all the propaganda you can set in motion to befog the American people by telling them that if the Supreme Court of the United States had not intervened you would have put 10,000,000 people back to work. That is the object of this bill. It is nothing but an attempt to save the face of the Democratic Party for propaganda purposes. It is opposed by labor. It is costly and extravagant, and the aim is to keep deserving Democrats on the job. The gentleman from Texas asks us Republicans to vote and to keep these deserving Democrats on the job. Why not give the Blue Eagle a decent burial, or at least preserve the benefits for labor—such as abolition of child labor, sweatshop hours and wages—instead of reviving the Blue Eagle in the form of a plucked chicken, without any benefits for labor or advancing the cause of social and industrial justice? [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, the utterances of the last Representative of the minority party, Mr. FISH, of New York, in the nature of an alibi concerning the destruction of the N. R. A. is typical of the attitude of the minority here today. May I just read one of the most colossal alibis prepared for the next election to which any party has ever given utterance? In the minority report this is what the minority of seven Republicans had to say:

> The minority feel that in spite of its many faults the N. I. R. A. has a number of beneficent and commendable features, which might well be preserved by permanent legislation within constitutional limitations. We deplore the fact that the majority are unwilling to cooperate with us in instituting a study for that purpose.

Why, that is the very reason for the resolution.

> We would in particular favor an investigation of the possibility of extending the powers of the Federal Trade Commission with a view to authorizing it to approve trade agreements formulated under its supervision by trades and industries. We believe that such approval should be contingent upon the inclusion in such agreements of provisions against unfair methods of competition,

unfair and destructive trade practices, monopolies and monopolistic tendencies, and the employment of child labor, and provisions for maximum hours of employment, minimum rates of pay, and the guaranty to employees of the right to bargain collectively through representatives of their own choosing.

The latest alibi of the gentleman from New York [Mr. FISH] is that organized labor is opposed to the N. R. A. or its continuance. Since when did that distinguished gentleman become the friend of organized labor? [Applause.] Is it because he was ambitious to be the Republican candidate for President that he is now all of a sudden pretending to favor this deserving group of millions of our workers who have been desperately injured by reason of the recent Supreme Court decision?

My good friend the distinguished gentleman from Texas is mistaken in his opposition to the rule because of the limitation of debate. That time was agreed to by everybody; and the rule, being an open rule, permits of unlimited debate. Without a rule, of course, the resolution could never be considered.

Mr. Speaker, the National Industrial Recovery Act is not dead, and we are not going to let it die. [Applause.] It is only the provisions for compulsory codes that have died by reason of the Supreme Court decision.

This amended resolution is offered now so that before June 16 the organization may be continued and be in existence when later further legislation is enacted within the limits of the decision.

We hope that within a very short time a proposal will be before us meeting the objections of delegation of legislative power and conforming the operations within interstate commerce. [Applause.]

Various suggestions have been made to meet the situation. Some suggest that the power to regulate interstate commerce includes the power to prohibit it to the chiselers.

Others suggest the taxing power and the tariff as means of taking care of those who will not cooperate in this emergency.

Another suggestion is under our postal laws whereby the use of the mails might be denied to the selfish, unpatriotic employers.

Out of these and other suggestions there will undoubtedly be worked out a means of meeting this situation so serious to our people.

In the past 2 years during which N. R. A. has been operating, there has been more advance in working conditions and business conditions than in the entire previous generation. [Applause.]

To say that the decision of the Supreme Court is welcomed by our people is to confess that one does not know the sentiment throughout our land. It is safe to say that the passing of the codes is regretted by 95 percent of our people. Every worker, every business man, except a few big ones, profited by the N. R. A.

It abolished child labor. It had put the sweat shop out of business. It assured a living wage to the worker, and fixed his hours within reasonable limits, thus spreading employment. It controlled the chiseler, the price-cutter, the "leader" cheater, and prevented cutthroat competition.

The ink was hardly dry on the decision when those old conditions returned. Throughout the land countless employers returned to the old days of child labor, the sweat shop, starvation wages, and long hours. Does any one here applaud that? Even before the Chief Justice had finished reading the decision the chiselers and price cutters started their old racket to put the little fellow out of business. Is that what this country wants?

O Mr. Speaker, there seemed to be rejoicing on the Republican side on the day the decision came down. Rejoicing about what? Were they gloating over the fact that millions of our workers would be again underpaid and thrown out of work—that countless strikes might again harass our people?

Were they gloating over the fact that millions of our small business men again faced destruction through cutthroat competition? If they were so gloating, let them go on and gloat, but I challenge them here and now to stand on the corners of their Main Streets and applaud the result of the decision. Instead of their company of 100 sitting here today, there will not be a corporal's guard after the next election. Go ahead, stand on the hustings in any one of your small cities or towns and tell the folks how much better off they are now that "the Constitution has been saved." Then duck the brickbats! Oh, you know in your hearts there is too much human misery involved in this situation to play politics with it.

I can hear now how you are going to handle this delicate situation when you take to the stump. Mr. Republican candidate for reelection to Congress is going to say, about this:

"I know, my friends, how deeply you feel about the passing of the N. R. A. by reason of the decision of our great Supreme Court. But that is the law of the land, and we must obey it. Our forefathers framed our Constitution. When I took office I swore to obey it and upheld it. You, too, my neighbors, take the same oath. What the Democrats sought to accomplish by N. R. A. was laudable. It enured to the benefit of you workers and you business men, but what we Republicans objected to was the high-handed manner and the dictator method the Democrats employed. Why, they flew in the very face of our beloved Constitution. We cannot stand for that. We must resist any such attempt to tear that sacred document to shreds. If you will restore the Republicans to power, we will find a way to accomplish the result you so enjoyed for 2 years, but without destroying our very form of government."

Voice from the audience, a mill worker, now getting $10 a week for 54 hours. "Howy're goin' to do it?" Congressman Bluff [laughter], "My friend, all I ask of you is to put your faith in the Grand Old Party." Same voice, "———!" [Laughter.]

O Mr. Speaker, the people are not going to be fooled so easily. They are not interested in politics when their livelihood is at stake. Political parties mean nothing to the father of a family out of work.

So do not delude yourselves. This situation must be met in a nonpartisan spirit. If the so-called "brain trusters" steered us wrong, there are still scores of the ablest lawyers in the country right in this House of Representatives. Many of them have presided over the highest courts in their States. Many of them have been the leaders of the bar in their communities. Many of them have as much familiarity with constitutional questions as any lawyer in Washington or anywhere else. They are competent to, and I trust will, guide us in this important situation.

Mr. Speaker, the American people have met every crisis that ever confronted them from the day the Pilgrims set foot on our shores. That capacity is what has made our Nation what it is today. The ingenuity of our people is proportionately reflected in this House of Representatives, which is a true cross-section of the people we represent. We likewise have met every situation that has arisen up to this good hour, and I am so confident in the ability of my colleagues that I entertain no fear that we, as the independent legislative branch of the Government, cannot meet the situation.

Of course, the selfish employers and the chiselers will go slow for the time being and propagate that old bromide, "Let Congress adjourn." We know what they have up their sleeves. They deliberately plan to go back to the old days as soon as we adjourn. I realize how anxious most of the Members here are to finish our work and go back to our districts and our private affairs. Many of you are worn out after this trying session of 6 months. Many of our best men have fallen ill because of the strain.

But we do have a duty to perform, however unpopular it may be to suggest we stay in session. We must, however, beat these chiselers at their own game. We can only do that by staying here on the job to which we were elected and enact every piece of legislation necessary to meet the situation and relieve the distress of our people.

Come what may, in spite of any half sneer or pretended gloating by the Republicans, child labor must not return; starvation wages must not be reestablished; our workers must not be driven for inhuman hours; the sweatshop must

stay closed, and cutthroat competition and monopolies must stay stopped. That is our job. That is the spirit of our people. Let us go to it. Let us fling down the gauntlet to the enemy. Let us meet him at Philippi. [Applause.]

The SPEAKER. All time has expired, and the question is on agreeing to the resolution.

Mr. SHORT. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 280, nays 100, answered "present" 1, not voting 49, as follows:

[Roll No. 90]

YEAS—280

Adair	Duncan	Kniffin	Reilly
Arnold	Dunn, Miss.	Kocialkowski	Richards
Ashbrook	Eagle	Kopplemann	Richardson
Ayers	Eckert	Kramer	Robertson
Barden	Edmiston	Kvale	Robinson, Utah
Beiter	Eicher	Lambeth	Rogers, N. H.
Bell	Ellenbogen	Lanham	Rogers, Okla.
Berlin	Evans	Larrabee	Romjue
Binderup	Faddis	Lea, Calif.	Rudd
Bland	Farley	Lee, Okla.	Ryan
Blanton	Ferguson	Lesinski	Sabath
Bloom	Fitzpatrick	Lewis, Colo.	Sadowski
Boehne	Flannagan	Lewis, Md.	Sanders, La.
Boileau	Fletcher	Lloyd	Sanders, Tex.
Boland	Ford, Calif.	Lucas	Sandlin
Boylan	Ford, Miss.	Luckey	Schaefer
Brooks	Frey	Ludlow	Schneider
Brown, Ga.	Fuller	McAndrews	Schuetz
Brunner	Fulmer	McCormack	Schulte
Buchanan	Gambrill	McFarlane	Scott
Buck	Gasque	McGehee	Scrugham
Buckler, Minn.	Gassaway	McGrath	Sears
Buckley, N. Y.	Gavagan	McGroarty	Secrest
Burch	Gehrmann	McKeough	Shanley
Caldwell	Gildea	McLaughlin	Sirovich
Cannon, Mo.	Gillette	McMillan	Sisson
Cannon, Wis.	Gingery	McReynolds	Smith, Conn.
Carpenter	Goldsborough	Mahon	Smith, Va.
Cartwright	Granfield	Mansfield	Smith, Wash.
Casey	Gray, Ind.	Martin, Colo.	Smith, W. Va.
Castellow	Gray, Pa.	Mason	Snyder
Celler	Green	Massingale	Somers, N. Y.
Chandler	Greenway	May	South
Chapman	Greenwood	Mead	Stack
Citron	Greever	Meeks	Starnes
Clark, Idaho	Gregory	Merritt, N. Y.	Stubbs
Clark, N. C.	Griswold	Mitchell, Ill.	Sullivan
Coffee	Haines	Mitchell, Tenn.	Sumners, Tex.
Colden	Hamlin	Monaghan	Sutphin
Cole, Md.	Hancock, N. C.	Montet	Sweeney
Colmer	Harlan	Moritz	Tarver
Connery	Hart	Murdock	Taylor, Colo.
Cooley	Harter	Nelson	Taylor, S. C.
Cooper, Tenn.	Healey	Nichols	Terry
Costello	Higgins, Mass.	Norton	Thom
Cox	Hildebrandt	O'Brien	Thomason
Cravens	Hill, Ala.	O'Connell	Thompson
Crosby	Hill, Knute	O'Connor	Tolan
Cross, Tex.	Hill, Samuel B.	O'Day	Tonry
Crosser, Ohio	Hobbs	O'Leary	Truax
Crowe	Hoeppel	O'Neal	Turner
Cullen	Holmes	Owen	Umstead
Cummings	Hook	Palmisano	Utterback
Daly	Houston	Parks	Vinson, Ga.
Darden	Huddleston	Parsons	Vinson, Ky.
Delaney	Imhoff	Patman	Wallgren
Dempsey	Jacobsen	Patterson	Warren
Dickstein	Jenckes, Ind.	Patton	Weaver
Dies	Johnson, Okla.	Pearson	Welch
Dietrich	Johnson, Tex.	Peterson, Fla.	Werner
Disney	Johnson, W. Va.	Pettengill	Whelchel
Dobbins	Jones	Pfeifer	Whittington
Dockweiler	Kee	Pierce	Wilcox
Dorsey	Keller	Quinn	Williams
Doughton	Kelly	Rabaut	Wilson, La.
Doxey	Kennedy, N. Y.	Ramsay	Wood
Drewry	Kenney	Ramspeck	Woodrum
Driscoll	Kerr	Randolph	Young
Driver	Kleberg	Rankin	Zimmerman
Duffy, N. Y.	Kloeb	Rayburn	Zioncheck

NAYS—100

Allen	Cavicchia	Fish	Kinzer
Amlie	Church	Focht	Knutson
Andresen	Cole, N. Y.	Gearhart	Lambertson
Andrew, Mass.	Collins	Gilchrist	Lemke
Andrews, N. Y.	Cooper, Ohio	Guyer	Lundeen
Arends	Crawford	Gwynne	McLean
Bacharach	Crowther	Halleck	McLeod
Bacon	Culkin	Hancock, N. Y.	Maas
Blackney	Deen	Hartley	Maloney
Bolton	Dunn, Pa.	Hess	Mapes
Brewster	Eaton	Hollister	Marcantonio
Buckbee	Ekwall	Hope	Marshall
Burdick	Engel	Hull	Martin, Mass.
Burnham	Englebright	Jenkins, Ohio	Maverick
Carlson	Fenerty	Kahn	Michener
Carter	Fernandez	Kimball	Millard
Moran	Reece	Stefan	Turpin
Mott	Reed, Ill.	Stewart	Wadsworth
O'Malley	Rich	Taber	Wearin
Peterson, Ga.	Robsion, Ky.	Taylor, Tenn.	Wigglesworth
Pittenger	Rogers, Mass.	Thomas	Withrow
Plumley	Sauthoff	Thurston	Wolcott
Polk	Seger	Tinkham	Wolfenden
Powers	Short	Tobey	Wolverton
Ransley	Snell	Treadway	Woodruff

ANSWERED "PRESENT"—1

Ditter

NOT VOTING—49

Bankhead	Darrow	Hoffman	Reed, N. Y.
Beam	Dear	Kennedy, Md.	Russell
Biermann	DeRouen	Lamneck	Shannon
Brennan	Dingell	Lehlbach	Spence
Brown, Mich.	Dirksen	Lord	Steagall
Bulwinkle	Dondero	McClellan	Underwood
Carden	Doutrich	McSwain	Walter
Carmichael	Duffey, Ohio	Merritt, Conn.	West
Cary	Fiesinger	Miller	White
Christianson	Gifford	Montague	Wilson, Pa.
Claiborne	Goodwin	Oliver	
Cochran	Hennings	Perkins	
Corning	Higgins, Conn.	Peyser	

So the resolution was agreed to.

The following pairs were announced:

On the vote:

Mr. Corning (for) with Mr. Merritt of Connecticut (against).
Mr. Kennedy of Maryland (for) with Mr. Hoffman (against).
Mr. Fiesinger (for) with Mr. Dirksen (against).
Mr. Carmichael (for) with Mr. Darrow (against).
Mr. Lamneck (for) with Mr. Wilson of Pennsylvania (against).
Mr. Beam (for) with Mr. Christianson (against).
Mr. DeRouen (for) with Mr. Higgins of Connecticut (against).
Mr. Steagall (for) with Mr. Goodwin (against).
Mr. Oliver (for) with Mr. Gifford (against).
Mr. Cary (for) with Mr. Ditter (against).
Mr. McSwain (for) with Mr. Dondero (against).
Mr. Bulwinkle (for) with Mr. Lehlbach (against).
Mr. Dear (for) with Mr. Reed of New York (against).
Mr. Brennan (for) with Mr. Perkins (against).
Mr. Spence (for) with Mr. Doutrich (against).

Until further notice:

Mr. Cochran with Mr. Lord.
Mr. Duffy of Ohio with Mr. Claiborne.
Mr. Montague with Mr. Russell.
Mr. Miller with Mr. Walter.
Mr. Underwood with Mr. Bierman.
Mr. Dingell with Mr. McClellan.
Mr. West with Mr. Bankhead.
Mr. White with Mr. Carden.
Mr. Hennings with Mr. Brown of Michigan.

Mr. DITTER. Mr. Speaker, the gentleman from Kentucky, Mr. CARY, is unavoidably absent today. If he were present, he would vote "aye" on the rule. I have a pair with him, and I withdraw my vote of "no" and vote "present." He has asked me to say that he would vote "aye" on the passage of the resolution. I therefore will refrain from voting on the passage of the resolution.

The result of the vote was announced as above recorded.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had agreed without amendment to a concurrent resolution of the House of the following title:

H. Con. Res. 26. Concurrent resolution accepting the statue of Hannibal Hamlin, presented by the State of Maine.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2105) entitled "An act to provide for an additional number of cadets at the United States Military Academy", and for other purposes.

The message also announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 288. Joint resolution authorizing the Secretary of Agriculture to pay necessary expenses of assemblages of the 4-H clubs, and for other purposes.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on

the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On June 5, 1935:

H. R. 2689. An act for the relief of Mary Ford Conrad;

H. R. 4708. An act for the relief of E. F. Droop & Sons Co.;

H. R. 6204. An act to authorize the assignment of officers of the line of the Navy for aeronautical engineering duty only, and for other purposes;

H. R. 6372. An act to authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail;

H. R. 7873. An act to give the consent and approval of Congress to the extension of the terms and provisions of the present Rio Grande compact, signed at Santa Fe, N. Mex., on February 12, 1929, and heretofore approved by act of Congress dated June 17, 1930 (Public, No. 370, 71st Cong., 46 Stat. 767); and

H. R. 7874. An act to change the name of the German Orphan Asylum Association of the District of Columbia to the German Orphan Home of the District of Columbia.

On June 6, 1935:

H. R. 285. An act for the relief of Elizabeth M. Halpin;

H. R. 1291. An act for the relief of the Muncy Valley Private Hospital;

H. R. 3285. An act authorizing a preliminary examination of the Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Onondaga, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates, and Ontario Counties, N. Y., with a view to the controlling of floods;

H. R. 4630. An act for the relief of William A. Ray; and

H. J. Res. 107. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1935, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

On June 7, 1935:

H. R. 3073. An act for the relief of William E. Smith.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of Senate Joint Resolution 113, to extend until April 1, 1936, the provisions of title I of the National Industrial Recovery Act, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. SIROVICH in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of Senate Joint Resolution 113, which the Clerk will report.

The Clerk read as follows:

Resolved, etc., That section 2 (c) of Title I of the National Industrial Recovery Act is amended by striking out "at the expiration of 2 years after the date of enactment of this act" and inserting in lieu thereof "on April 1, 1936."

SEC. 2. In the application of title I of such act after the date of enactment of this joint resolution and until April 1, 1936, the following amendatory provisions shall apply:

(1) No price fixing shall be permitted or sanctioned under the provisions of any code; except that provisions for the regulation of prices under governmental control may be included in codes for those mineral natural-resource industries in which prices are now fixed pursuant to the provisions of any code and which the President finds to be so affected with a public interest that such regulation is necessary and proper in the public interest.

(2) No code of fair competition shall be applicable to any person whose business is wholly intrastate.

SEC. 3. The President shall review or cause to be reviewed for compliance with the requirements of this joint resolution every code in effect on the date this joint resolution takes effect. In order to afford reasonable opportunity for such review, such codes are hereby continued in effect (subject to cancelation or modification pursuant to the provisions of this joint resolution) for a period of 30 days after June 15, 1935, unless previously reviewed and superseded; but no such code shall continue in effect after the expiration of such 30-day period unless the President has reviewed such code and has approved it and finds that the code in the form so approved conforms to the requirements of this joint resolution.

With the following committee amendment:

On page 1, strike out sections 2 and 3 and insert:

"SEC. 2. All the provisions of title I of such act delegating power to the President to approve or prescribe codes of fair competition and providing for the enforcement of such codes are hereby repealed."

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. SAMUEL B. HILL].

Mr. SAMUEL B. HILL. Mr. Chairman and members of the Committee, the National Industrial Recovery Act had for its purpose the establishement by law of machinery for fair competitive trade practices. The means provided for the enforcement of fair competitive practices were: First, voluntary codes which must be approved by the President; second, prescribed codes which the President might impose without the basis of voluntary agreement as to codes; and, third, agreements between industry and labor and between the branches of industry.

The means for the enforcement of these codes was penal provisions in the act and by means of licenses also prescribed in the act.

No one is in a position to say today that he is opposed to the purposes and objectives of the National Industrial Recovery Act, unless he is opposed to fair competitive trade practices.

The Supreme Court, in the Schechter case, held that so far as the codes, both voluntary and prescribed codes, were concerned, the Congress had exceeded its constitutional powers in delegating authority to the President to prescribe or to approve the codes.

We have offered an amendment to Senate Joint Resolution 113 which meets the constitutional objections as prescribed by the Supreme Court by providing for repeal in the act all of those powers which the Court said Congress had no power to delegate to the President.

We have offered an amendment to Senate Joint Resolution 113, which strikes sections 2 and 3 out of that resolution and substitutes a new section, section 2, and the new section 2 which the amendment of the Ways and Means Committee proposes is the repealing section to which I have just referred.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

Mr. SNELL. In section 7 (b), in the last part of the paragraph, is the following language:

And the standards established in such agreements, when approved by the President, shall have the same effect as a code of fair competition, approved by the President under subsection (a) of section 3.

How does the gentleman interpret that language?

Mr. SAMUEL B. HILL. That is out, insofar as compulsory enforcement is concerned.

Mr. SNELL. How did it go out?

Mr. SAMUEL B. HILL. By the Supreme Court decision in the first place, and by section 2, as we proposed in the amendment.

Mr. SNELL. And these things that were not approved by the Supreme Court decision, that come along in the body of the bill, the gentleman thinks are out by reference to the repeal of the President's power?

Mr. SAMUEL B. HILL. Yes. If the gentleman will allow me to proceed, I think I can explain what, in my opinion, is out.

Mr. McCORMACK. The gentleman refers to the oil section, as I understand it?

Mr. SNELL. No. I want to ask another question about oil.

Mr. MICHENER. Then, as a matter of fact, it is necessary, in order to know what the law is, to take the Supreme Court decision and superimpose it on the N. R. A. statute as originally drawn, and if you are a good lawyer and make no mistakes, you will then know what the law is. Is that true?

Mr. VINSON of Kentucky. And might I inquire whether or not the gentleman is going to vote for the bill or against it, or if he is going to vote "present"?

Mr. MICHENER. I never voted "present" in my life. I intended to vote for the bill, if it had certain language in it. There are some things that I should like to continue, but certainly I would not vote for a bill of this kind. The only possible reason for doing so would be that when it goes to the Senate it might be corrected and be made intelligible.

Mr. VINSON of Kentucky. The gentleman has stated his position very clearly.

Mr. SAMUEL B. HILL. I decline to yield further. By a limitation in the National Industrial Recovery Act itself the provision as to licenses has expired. There is nothing in this act now or in this joint resolution which has to do with licenses. That is out of the picture. The codes are out by reason of the Supreme Court decision and by reason of the amendment which the committee is now offering to Senate Joint Resolution 113.

Mr. VINSON of Kentucky. I think the gentleman will agree with me that subsection (b) of section 7 is valid insofar as it is contained in an agreement.

Mr. SAMUEL B. HILL. Insofar as the President may have power—insofar as it proposes to vest in the President power to enforce it, it is out, whether it be agreement or code.

Mr. SNELL. But that is not along the line of what the gentleman from Kentucky said.

Mr. VINSON of Kentucky. I was not speaking of enforcement.

Mr. SNELL. I ask of the gentleman from Washington about subsection (b) of section 7, whether that is in or out.

Mr. SAMUEL B. HILL. I decline to yield further.

Mr. VINSON of Kentucky. I think the gentleman ought to answer the question of the gentleman from New York. It is a vital question.

Mr. SAMUEL B. HILL. I am going to answer the question. The only thing left in this act, if you adopt section 2, which is presented here as a committee amendment, will be section 4 (a) as to agreements, and they are voluntary agreements. There is no compulsion left in the act or in the statute for their enforcement. Their enforcement will depend entirely upon the contractual agreements between the people who agree. There is no power in the President or in the court or in the statute to enforce those obligations. They are simply voluntary agreements, and their enforcement depends solely upon the contractual obligations between the agreeing parties.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. Not now. Section 3 (a) is a nullity; it is annulled by the Supreme Court decision and is repealed by the amendment which will be section 2 of Senate Joint Resolution 113. I mean section 3 (a), 3 (c), 3 (d) are out. Section (d) is out insofar as it applies to codes, and insofar as it applies to any compulsory power on the part of the President or the courts to enforce it, but it is not out insofar as it applies to voluntary agreements approved by the President, the enforcement of which is dependent upon contractual obligations. Section 4 (a) is in and is not repealed. It is not nullified by the Supreme Court decision and is not repealed by section 2, the amendment which the Ways and Means Committee now proposes. I shall read section 4 (a):

SEC. 4. (a) The President is authorized to enter into agreements with, and to approve voluntary agreements between and among, persons engaged in a trade or industry, labor organizations, and trade or industrial organizations, associations, or groups, relating to any trade or industry, if in his judgment such agreements will aid in effectuating the policy of this title with respect to transactions in or affecting interstate or foreign commerce, and will be consistent with the requirements of clause (2) of subsection (a) of section 3 for a code of fair competition.

The CHAIRMAN. The time of the gentleman from Washington [Mr. SAMUEL B. HILL] has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HANCOCK of New York. Will the gentleman yield?

Mr. SAMUEL B. HILL. I must decline to yield further at this time.

In connection with section 4 (a), let me call attention to the limitation which is contained in the second clause of section 3 (a), reading as follows:

And that such code or codes are not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them and will tend to effectuate the policy of this title, provided that such code or codes shall not permit monopolies or monopolistic practices.

With that limitation the President may approve a voluntary agreement, and that agreement may be enforced only on the basis of the contractual obligations existing between the parties to the agreement. When such agreement is approved by the President it suspends so much of the antitrust laws as are not in contradiction of the limitation of clause 2 in subsection (a) of section 3, which I have just read.

Mr. TARVER. Will the gentleman yield at that point?

Mr. SAMUEL B. HILL. I will yield later.

I think that pretty well covers what is in and what is out. I will refer now to the last section, to section 9 (a), (b), and (c), as to oil regulations. As you know, the Supreme Court in a recent decision nullified that section. So that is out.

Mr. MAPES. Will the gentleman yield right there?

Mr. SAMUEL B. HILL. I should like to finish.

Mr. MAPES. I just wanted the gentleman to yield as a matter of information.

Mr. SAMUEL B. HILL. I yield.

Mr. MAPES. Was not the Supreme Court decision confined to section 9, paragraph (c), and not the other two paragraphs?

Mr. SAMUEL B. HILL. Well, I say the whole section is out, because it is in contravention of the Supreme Court decisions.

Mr. O'MALLEY. Will the gentleman yield for another question?

Mr. SAMUEL B. HILL. I yield.

Mr. O'MALLEY. What about section 5? Is section 5 still continued?

Mr. SAMUEL B. HILL. I just explained that section. The gentleman probably was not listening. It is in force, except insofar as it is limited by the provisions of clause 2 of subsection (a) of section 3.

Mr. O'MALLEY. Then the whole crux of this thing is section 5, is it not?

Mr. SAMUEL B. HILL. No; the whole crux is not section 5. The gentleman refers to the antitrust law?

Mr. O'MALLEY. Yes.

Mr. SAMUEL B. HILL. The whole purpose of this agreement is to establish fair competitive practices. That involves, of course, the payment of wages to labor, the hours that labor shall be required to work, and their working conditions. Of course, it involves cutthroat prices, in short it demands fair competitive practices, and certainly no one can object to that.

Mr. O'MALLEY. May we assume from the gentleman's statement that if wages are kept up by agreement, it is all right and O. K.'d by this title, to violate the antitrust law?

Mr. SAMUEL B. HILL. So long as they are not in violation of the limitations, which are that they shall not contribute to monopolistic practices or be oppressive to small enterprises or discriminate against them. Now, does the gentleman object to that?

Mrs. GREENWAY. Will the gentleman yield further?

Mr. SAMUEL B. HILL. I yield.

Mrs. GREENWAY. Will the Sherman antitrust law be applicable to members of an industry who are operating under and living up to a voluntary agreement approved by the President?

Mr. SAMUEL B. HILL. It will not if the agreement does not transgress the limitations in clause 2 of subsection (a) of section 3. Now, the whole purpose of the antitrust law is to prevent such restraint of trade as is injurious to industry and commerce in general. This is carrying out the very purpose of the antitrust law.

I now yield to the gentleman from Georgia.

Mr. TARVER. The provision of section 3 (a) to which the gentleman has referred, by its express terms, applies only

to codes. I cannot understand how the gentleman thinks it might have application to voluntary agreements.

Mr. SAMUEL B. HILL. If the gentleman will refer to section 4 (a) he will see that it specifically refers to the requirements of that clause and makes them a part of section 4 (a).

Mr. TARVER. Does the gentleman think that any portion of section 3 (a) is left, under the decision of the Supreme Court? Does not that decision invalidate the entire section?

Mr. SAMUEL B. HILL. The gentleman is entirely too good a lawyer to make that kind of a statement.

Mr. TARVER. I think I am a good enough lawyer to know that that section is out of the law entirely, under the decision.

Mr. SAMUEL B. HILL. I say that the provision applying to codes and the enforcement of codes is out, but we do not say that any particular language is stricken out or any particular section is stricken out, but, as far as the conditions in clause 2 are applicable to agreements, they are in, and the gentleman from Georgia certainly knows that to be true.

Mr. TARVER. There is not anything in that section relating to agreements.

Mr. HOLLISTER. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. HOLLISTER. Does not the gentleman's own argument point out the fact that the wording of this statute is so indefinite that nobody can tell exactly what it does mean? There is no specific repeal of any specific language or any particular section.

Mr. SAMUEL B. HILL. Everything pertaining to codes is out.

Mr. HOLLISTER. Oh, the general statement.

Mr. SAMUEL B. HILL. It is out by the Supreme Court decision, and it is out by this amendment.

Mr. HOLLISTER. Then it does not mean anything.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, the joint resolution (S. J. Res. 113) illustrates the fatal influence of that body of advisers who, according to the Supreme Court's opinion in the Schechter case, left title I, in its declaration of policy, and section 3 so vague and indefinite in the standards of conduct to be prescribed, and so limitless in the authority given to the Executive, as to be described by Mr. Justice Cardozo as "delegation running riot."

What does this joint resolution continue? Is it the declaration of policy in section 1? Counsel for the Government referred the Supreme Court to this section, together with section 3, to find an intelligible policy or rule of conduct, and they could find none. "Could an effort of that sort be made valid", said the Court, "by such a preface of generalities as to permissible aims as we find in section 1 of title I? The answer is obvious. Such a delegation of legislative power is unknown to our law and is utterly inconsistent with the constitutional prerogatives and duties of Congress." In the face of that language, do the gentlemen pretend that they are undertaking to continue a declaration of policy which the court has declared to be utterly meaningless? If they do, which is unbelievable, the date to which they have given extension assumes its appropriate meaning. April 1, 1936, is All Fools' Day. The gentleman cannot fool the country any longer. They cannot fool this House. Is it possible that they are again engaged in the task of fooling themselves?

Are they undertaking to continue section 2 (a) and (b)? Section 2 (a) authorizes the establishment of agencies and the appointment of officers and the delegation of authority to effectuate the policy of the title I have just discussed; but the title has been kicked into limbo. For what purpose, then, is the invalidated delegation of authority continued? Is it to delegate power that does not exist? To appoint officers who have no function? To operate a structure which no longer exists? If a man was authorized to build a house and the authorization was withdrawn, upon what theory would he or anyone else conclude that he was empowered to continue the employment of persons to build or operate a structure which not only did not exist but could not be erected? If section 2 is continued by this resolution, it must be for the purpose of wastefully continuing officers and employees without authority, without function, and for no other purpose than to draw salaries and maintain a political organization. Surely no intelligent man will insist that the President may delegate, as section (b) provides, functions and powers which he does not have. For if he does not have them, to whom can he give them? Is it to maintain the "industrial planning" referred to in section 2 (b)? But that industrial planning was to carry out "his functions under this title." But he has no more functions under this title.

Is this resolution, then, to continue section 3? But—

Section 3 of the Recovery Act—

Said the Court—

is without precedent. It supplies no standards for any trade, industry, or activity. * * * We think that the code-making authority thus conferred is an unconstitutional delegation of legislative power.

Is that to be continued? Of course, the gentlemen have not the effrontery to suggest that; so that is out.

What about section 4? Why, that authorizes the President to enter into voluntary agreements consistent with clause 2, of subsection (a) of section 3. But section 3 no longer exists. It is as dead as General Johnson's dodo. Are the gentlemen galvanizing a corpse or merely deferring the date of burial? In the interest of sanitation, let us hope the last is not true.

Surely they are not continuing the next paragraph (b) of section 4, for that was assassinated at the President's request. That is the licensing clause. It died without mourners or flowers a year ago. Surely the gentlemen are not resurrecting this Lazarus for autopsy purposes. Surely they do not think they can give life to what they themselves killed.

Are they extending section 6? But all of that merely deals with the qualifications of the persons upon whom the President may exercise his powers. The powers have departed. Upon whom are they to be exercised and who is to exercise them?

Section 7 is admittedly defunct.

Section 8 merely deals with the relation of the Recovery Act to the Agricultural Adjustment Act. Surely the gentlemen are not maintaining a relation between the quick and the dead!

Section 9 was disposed of in the case of the Panama Refining Co.

Section 10 authorized the President to prescribe rules and regulations for the codes of fair competition, and to cancel, modify, approve, or license the codes of fair competition, and to put provisions to that effect into such codes. You specifically repealed the power to approve or prescribe these codes or enforce them. Therefore that section is at an end.

What, then, have the gentlemen extended? It can be but one thing. It must be the date of burial for nothing appears surviving that can be continued. As a policy, the act was moribund when the Government carried its stretcher into the presence of the Court. That dignified body merely uttered its obituary. The Democratic Party may cover it with flowers, although we gather from many public statements that the request, "no flowers", has been widely distributed. Let the gentlemen wear their crepe. They may speak well, if they wish, of the dead. They cannot bring him back. This gesture of resurrection is as impotent as the good wishes of any other hired undertaker. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 2½ minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I fully realize that in two minutes and a half I cannot say very much on this

subject. A question has been raised, however, as to labor's attitude toward this resolution, and I am now going to read you labor's attitude as reported in the New York Times:

WASHINGTON, June 6.—Deeply disappointed at President Roosevelt's decision to be satisfied for the present with a mere skeleton N. R. A., the executive council of the American Federation of Labor today declared "that adoption of the emasculated N. I. R. A. Senate resolution was a surrender to the opponents of national recovery."

Each Member is entitled to vote according to his own conscience, but if anyone feels he should follow labor he cannot do it by voting for this resolution, as is shown by the strong terms contained in this statement issued by the executive council of the American Federation of Labor.

The resolution before us does nothing for labor. It is a big-business resolution. Under the provisions of this resolution the antitrust laws are suspended. This means that the big monopolies may violate the antitrust laws, hence boost prices at the expense of the American masses and at the same time there is not a single thing in this resolution for the benefit of the wage earners of this Nation.

I thought we were going to meet today and be taxidermists. That is bad in itself when the Nation is crying for action. Instead of that we are going to do something worse: we are going to give more power to the big industrialists of America without doing a single thing for labor. I am willing to suspend the antitrust laws if you suspend them to do something for the wage earners of America. You are not doing a single thing for the wage earners, but you are suspending the antitrust laws for the monopolies of America; you are not legislating for labor here today, but for the benefit of the exploiters of labor; and for this reason I want to go on record against this bill.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. KVALE. I take it the gentleman is aware of the fact that plans are in prospect to do something constructive within the next few weeks before Congress adjourns, following the action taken here today.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield an additional one-half minute to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. As far as plans are concerned, if you have any plans this is the time to bring out the plans. America is looking for leadership. The American workers want action and not vagaries. The wage earners do not want skeletons, the wage earners do not want a mounted bird, the wage earners do not want suspension of the antitrust laws. The wage earners of America want leadership. Real leadership, which will protect them against wage cuts and long hours; and if we cannot get this protection now, I, for one, refuse to grant a suspension of the antitrust laws to big business unless it be also in the interests of American labor.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 6½ minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, just a few moments ago we listened to a long political tirade from the Chairman of the Rules Committee, the chief apologist for the administration, on this bill. He attempted to make you believe that the N. R. A. bill did certain things, but he did not attempt in any way to explain the bill that is now before the House. I do not believe he can explain it. I do not believe anyone can explain it. He did not explain the National Industrial Recovery Act or its results fully.

I do not propose to make a political speech, but I do propose to discuss that bill and its results. Let me call as my first witness in the indictment against this act the administration itself, its current survey of business put out by the Department of Commerce. Let me call your attention to the fact that business—and I have here the chart of business activity—that business under fear of radical legislation and destructive legislation that might come from the Roosevelt administration declined very rapidly in the period before March 1933. In March 1933, as a result of the emergency banking act, some sort of confidence was restored and business began to go up. Then the administration produced a swelled head and it passed amongst other things the N. R. A. and the A. A. A. Processing taxes under the A. A. A. were decreed on the 7th of July. The N. R. A. was decreed on the 15th of July. That was the high point of industrial activity. From that point in 1933 the brakes were put on and business went down as a result of the operations of these two destructive measures.

Someone said that sweatshops and child labor were abolished. Those of you who represent States in which such conditions existed know that that was done long before this bill was dreamed of.

They say they provided maximum hours and minimum wages. What good are maximum hours and minimum wages with no job? And that is what this thing did, it stopped the employment of people and turned business on a continuous down curve. I do not ask you to take my word for it, I produce here the indictment of the administration itself against its own operations. Let me say to you that business went down from the time those bills went into effect until at this date, according to this chart, business is below the 1934 level. Let me say to you even that at this very date it has crossed the 1933 level and is below both years.

Why, when the Supreme Court has given the country an opportunity to recover, cannot we stop passing destructive legislation which will destroy and prevent business from coming back? Oh, that you folks would vote your consciences! Oh, that you would stand up here as American Representatives to Congress and vote against further muddying of the waters, vote against a bill the language of which is so uncertain and so indefinite that no one can explain it!

Never in the history of the Congress have you been asked to vote for such a bill. No one knows what it means. It can accomplish nothing except to muddy the waters and destroy and prevent business recovery. Labor wants work. Give business a chance and it will put labor to work. Stop all these measures which might tend to promote dictatorship, the destruction of business, and the establishment of socialism. There can never be recovery unless the Congress meets its responsibility and votes its own conscience.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, I have a great deal of respect for my friend, the gentleman from New York [Mr. TABER], who has just spoken, but I have never heard him make anything other than a partisan speech. I always like to listen to him because I admire his partisan intensity and the strong feeling that he entertains along partisan lines. I admire the quality, although it has its proper limitations.

Underlying the feeling of partisanship, we are all animated by the desire to try and do what is the right thing. In doing that we may make mistakes. We are bound to make mistakes. It is the mistakes we make in life that, if properly capitalized, are the foundation for future success. When the gentleman from New York [Mr. TABER] says he can see no good coming from the present administration, I think the gentleman makes a statement which does not represent his true state of mind, and, at any rate, it is completely inconsistent with the facts and the truth. I challenge the gentleman's statement that business has not improved since March 1933. I challenge the gentleman's statement that employment has not increased. I challenge the gentleman's statement that wages, volume and otherwise, have not increased. I challenge the gentleman's statement that bankruptcies have not decreased. I challenge the gentleman's statement that foreclosure of homes in the rural and urban districts have not decreased. The gentleman inferentially makes such charges. I challenge the gentleman's statement that conditions in general have not improved when the facts indisputably show that there has been an improvement all along the line. The evidence and common knowledge clearly show that the statements of my

friend are incorrect. All we have to do is to pick up the newspapers and see the increased dividends and the increased profits made, which is a good sign.

The N. R. A., according to the undisputed evidence, brought about the increased employment of from 2,500,000 to 4,000,000 persons. Mr. Green, the president of the American Federation of Labor, said 4,000,000, and Mr. Richberg said 2,500,000.

The N. R. A. represents a great effort. The N. R. A. represents the inarticulate soul of America. The fundamentals of the N. R. A. are bound to continue until the objective is attained, without regard to the opinion of the Supreme Court and without regard to actions of the Congress. There is an irresistible force compelling these changes. Economic law has moved and moved and moved. The rapidity of communication and intercommunication brushes aside State lines. A piece of merchandise may be put in an airplane in Massachusetts this morning and through the air reaches California within 24 hours. To say it is intrastate before it starts and intrastate when it finishes, and not substantially affecting interstate commerce, is inconsistent with economic law. The movement to control that situation exists by the very force of economic law. It has to be determined for the best interest of the general public.

Mr. Chairman, underlying the whole theory of the present administration is that for which Theodore Roosevelt fought, namely, social justice. Underlying it is what Washington, Jefferson, Lincoln, McKinley, and others fought for. Men in both parties have fought for such principles, not alone those of the Democratic Party, but of the Republican Party as well. Great leaders in their day fought for the rights of the average person. They endeavored to keep vested interests in their proper sphere through legislative action and to create conditions which would inure to the benefit of the general welfare of all of our people without regard to economic or social groups.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. McCORMACK. Mr. Chairman, these men in their day led this fight for the common cause. In their day they represented the very soul of America. Today, whether he does things which are right or wrong with respect to some details, President Roosevelt stands for and represents the soul of America. [Applause.]

Coming back to the bill briefly, I am going to state my understanding of the bill. It extends the N. R. A. provisions with reference to the making of voluntary agreements. Whether or not any will be made I do not know. Whether or not any will be approved I do not know. But it keeps the nucleus of the N. R. A. intact. It keeps the organization together. It keeps the law. This will enable the Congress to come in later with additional legislation. We have to move slowly and we should move slowly. We all respect the Supreme Court. Its great history during the lifetime of our Nation we respect. We might personally disagree with this or that opinion, but that does not necessarily mean a diminution of our respect for the judiciary and its members. The Supreme Court's interpretation of interstate commerce, however, presents a serious problem, and in order to more speedily determine it for the general welfare of the people of our country, without regard to party, Democratic or Republican, it is advisable to keep the N. R. A. organization in existence. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I just want to call attention to the fact that the gentleman from Massachusetts [Mr. McCORMACK] stated that business is better than it was when the administration came into power on the 4th of March 1933. This is true. It had reached its low ebb because of the effect of that administration's coming into power; but it is now below, by 30 points, the figures it had attained when the N. R. A. was put into effect and when the A. A. A. was put into effect. [Applause.]

If this is not proof that these measures were destructive and bad and that we ought to abolish them, what more could you ask? [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. TREADWAY. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, the business before us today might well be confined within a very narrow scope. It is hardly necessary to call upon the spirit of Thomas Jefferson or Abraham Lincoln or anyone else to approve or disapprove silently what we are about to do today. The first question is whether we are going to extend the N. R. A. for 9 months. This is the first question, and the Democratic Congress probably will extend it because the President has so dictated.

The next question to consider is why are we going to extend N. R. A. at all, and why adopt section 2, which provides as follows:

SEC. 2. All the provisions of title I of such act delegating power to the President to approve or prescribe codes of fair competition and providing for the enforcement of such codes are hereby repealed.

Is there anybody here who would care to say that, in effect, the Supreme Court has not killed N. R. A.? Is not N. R. A. dead to all intents and purposes? Why, certainly, it is dead. It is as dead as General Johnson's dodo. And what is the use of continuing it if not for some sinister purpose? Its continuance is not for any purpose connected with the purposes of N. R. A., and let me prove this to you.

We have had considerable discussion here this afternoon as to what certain persons have said and not said about this bill, but I think there is one man who knows more about N. R. A. than anybody in the world. He knows more about it than does the President, because he wrote the N. I. R. A., and this person is Mr. Richberg. Richberg appeared before our committee yesterday, and what did he say? Here is what he said, in substance, and I will leave this to anybody who was there and heard him:

We want this continued for one purpose only, and that is that we may collect the data and the information that has been gathered by the various agencies of the N. R. A. during the past 2 years.

Mr. VINSON of Kentucky. Will the gentleman yield? That is one of the things he said.

Mr. JENKINS of Ohio. I cannot yield. Does the gentleman say my statement is not correct?

Mr. VINSON of Kentucky. The gentleman's statement is correct, but there are one or two other things he mentioned.

Mr. JENKINS of Ohio. The two other things he mentioned must have been very inconsequential, because they made no impression upon me. I am pleased that the gentleman admits that my statement is true. The burden of his testimony was that the reason they had for asking for this extension was to collect and preserve data and records.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield? The gentleman signed the minority report and in that report the gentleman said he thought we ought to study the question.

Mr. JENKINS of Ohio. I can explain that easily.

Mr. SAMUEL B. HILL. That is what we are going to do.

Mr. JENKINS of Ohio. Let me take the gentleman up on that proposition. The gentleman tries to raise that question from our statement of minority views. I think the statement by the minority members of the Ways and Means Committee, of which I am the most humble, is a splendid statement. It is sensible, it is statesmanlike, it provides a plan while this bill pushed through by the tyrannical force of dictatorship is but a lame excuse. Here is what we say:

MINORITY VIEWS

The National Industrial Recovery Act, by its own terms, indicates that it was never intended as anything but a temporary, emergency measure. From the beginning, its constitutionality has been seriously questioned, and the methods employed in its administration have aroused much opposition. At the same time, the failure to enforce the codes set up under the act merely served to encourage their violation.

The recent decision of the Supreme Court has now nullified the basic provisions of the National Industrial Recovery Act. Although the administration should have been prepared for this contingency, it has failed to offer any program, constructive or otherwise, as a substitute for the code system.

The minority feel that in spite of its many faults, the N. I. R. A. has a number of beneficent and commendable features which might well be preserved by permanent legislation within constitutional limitations. We deplore the fact that the majority are unwilling to cooperate with us in instituting a study for that purpose. We would in particular favor an investigation of the possibility of extending the powers of the Federal Trade Commission with a view to authorizing it to approve trade agreements formulated under its supervision by trades and industries. We believe that such approval should be contingent upon the inclusion in such agreements of provisions against unfair methods of competition, unfair and destructive trade practices, monopolies and monopolistic tendencies, and the employment of child labor, and provisions for maximum hours of employment, minimum rates of pay, and the guaranty to employees of the right to bargain collectively through representatives of their own choosing.

The extension of the expiration date of the National Industrial Recovery Act for a few months, as provided in section 1 of the Senate joint resolution, and the repeal of all the important provisions of the act, as recommended by the majority of the committee, is not only utterly inconsistent but absolutely devoid of any constructive thought or suggestion. It shows an uncertainty of purpose on the part of the present administration which is bound to have a detrimental and retarding effect upon industrial recovery, and encourage a lack of confidence on the part of the people in their Government.

ALLEN T. TREADWAY.
ISAAC BACHARACH.
FRANK CROWTHER.
HAROLD KNUTSON.
DANIEL A. REED.
ROY O. WOODRUFF.
THOMAS A. JENKINS.

We say in our program that there may have been some good things in the N. R. A. The millions upon millions of dollars spent by this Government to maintain N. R. A., and the millions upon millions spent by industry in preparing and enforcing codes, and the thousands upon thousands of persons employed to carry on this experiment surely have left something worth while.

We are in favor now of taking the best things out of the N. R. A. and coming forward with them as a program. What program have you? You have no program. You offer a skeleton of which the Supreme Court has taken the vitals and the chiselers have taken the flesh. The gentleman from New York [Mr. MARCANTONIO] told you that you were offering a skeleton. It has been killed by judicial edict and will never be revived in America. The unanimous decision of the Supreme Court has brought the people to the realization of how far beyond the law the President and his "brain trusters" had taken us.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. No; I must refuse to yield now. What do you want to do with it? There can be but one thing, and the Chairman of the Rules Committee has indicated it. He said, "We will come forward, we will meet it, we will do it", as Mr. MARCANTONIO said, and I say, and the world says, "Now is the accepted time, now is the day. Why not do it now?"

Everybody knew the N. R. A. was a temporary proposition, and by its terms it was set up for 2 years. Nearly everybody else in the United States knew it was going to be declared unconstitutional; why did not the men who prepared and sponsored the N. R. A. anticipate such action? Why did they not have a plan to conserve the best portions of N. R. A.? Why did they not come forward with a constructive program? Did they do this? Did they say anything?

No; the gentlemen on the committee know that on last Monday, the day the Supreme Court announced its decision, that that same force, that that same invisible force of socialism, or whatever you might call it, came before our committee and rammed down your throats a bill that went many steps farther than the bill the Supreme Court said was unconstitutional. Had the Supreme Court not spoken we would today be considering a bill which would go much further than the original N. I. R. A. The people responsible for this mad rush were heading us rapidly toward dictatorship.

Now, what do you propose to do? Are you Democrats in favor of allowing Richberg to dictate to you from now on? Did he not put you in the hole by saying 2 years ago that the N. I. R. A. was constitutional? Did he not reiterate it all over the United States by letter and by word of mouth and by arguments to the effect that it was constitutional? He is now going to come forward with another program and you are going to have to take it.

Mr. Chairman, there are many members on the Democratic side of the Ways and Means Committee who can sit down and in 24 hours write us a bill that will be far more satisfactory and that will take care of the good things in N. R. A. and will take care of the laboring people. Likewise, on the Republican side the same is true. What is organized labor doing today? Its leaders are sitting down here working and sweating and trying to get a bill ready, and they have got it about ready. Why? Because they have lost confidence in the President of the United States and in Richberg and in all the others, and they are going to come forward with a bill of their own. Why? It does not take a smart man to draw a bill. I have a bill drawn and introduced and it is a good one. [Laughter and applause.] It has the sponsorship and the favor of some of the most distinguished lawyers on this side of the House, as well as in the Senate. Why do I bring this up? Not that I expect you to pass my bill, but I say to you that this is not an insurmountable proposition. I say to you that you have missed your opportunity.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. JENKINS of Ohio. I wish to state that my bill seeks to give to the Federal Trade Commission authority to do many of the things which industry and labor both want done. It recognizes that unfair competition and cutthroat methods are not to the best advantage of our people. It provides for agreements, if they are fair and constitutional and not monopolistic. I shall not take the time to read my bill, but shall here insert in the RECORD some portions of it.

(a) On its own motion or whenever requested so to do by parties engaged in commerce as heretofore defined in this act and who are fairly representative of any trade or industry, the Commission is empowered and directed to invite the members of such trade or industry, or any group or geographical division thereof, to assemble at a time and place designated by the Commission for the consideration, adoption, and submission to the Commission of agreements entered into by members of such trade or industry. The assembling of the members of a trade or industry by the Commission for the purposes hereinafter enumerated shall be known as the "trade-practice conference" of such trade or industry.

The agreements which may be entered into through such trade-practice conferences shall be limited to such as establish rules of business conduct providing for either or both of the following courses of action:

(1) Abandonment or prevention of any unfair method of competition and any unfair or deceptive act or practice in or directly affecting commerce.

(2) Establishment of any business practice which will tend to keep the channels of commerce free from unfair methods of competition, unlawful restraints of trade, unlawful price fixing, unlawful price cutting, unlawful price discrimination, unlawful loss leaders, or other unlawful monopolistic practices in the particular trade or industry.

Following the holding of a trade-practice conference, the Commission shall consider the agreements there submitted to it and within a reasonable time thereafter shall approve all such agreements which, if observed, would not constitute unfair methods of competition or unfair or deceptive acts or practices in or directly affecting commerce. No agreements shall be approved by the Commission which effectuate or are calculated to bring about (1) the working of employees for excessive hours; (2) the payment to employees of inadequate wages; (3) the employment of child labor; (4) the denial to employees of the right to organize and bargain collectively through representatives of their own choosing, or of the right to be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; (5) the requirement as a condition of employment that an employee or a person seeking employment join a company union or refrain from joining, organizing, or assisting a labor organization of his own choosing; (6) the stifling or suppression of fair competition; (7) unreasonable restraint of trade by combination, conspiracy, agreement, coercion, or concerted action; (8) unfair methods of competition; or (9) any trade or business practice which is contrary to good morals because characterized by deception, bad faith, fraud, or oppression, or because of its dangerous

tendency unduly to restrict free and fair competition or to create and maintain a monopoly or monopolistic control in any line of trade or commerce. When approved and while in effect as provided herein, such agreements and any actions complying with the provisions thereof shall be prima facie evidence that said agreements and said actions thereunder are not in violation of the antitrust laws of the United States.

When the violation of any rule or rules of a trade-practice conference approved by the Commission involves an unfair method of competition or an unfair or deceptive act or practice in or directly affecting commerce, or any other violation of law, the Commission shall proceed against such violator or violators as provided in section 5 of this act, subject to review by the circuit court of appeals, in the same manner as heretofore provided in said section. At any time, upon reasonable public notice and opportunity for hearing, the Commission may abrogate such agreements as it may deem contrary to the public interest in the maintenance of fair competitive conditions.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. I cannot yield now and the gentleman ought not to interrupt me. I have been fair with the gentleman.

I was about to say that it is very manifest there is a difference of opinion among the members of the Ways and Means Committee on the Democratic side as to just what this does mean. There is also a hopeless difference of opinion among the Members generally. This is due to the railroading of this measure through without giving anybody a chance to study it or think it through.

I will tell you what it means—they expect to hang upon this skeleton new clothes at least. They will never get vitals into it nor flesh upon it, but they expect to make something out of the word "agreements." If they will take out of this resolution any question as to what that means and put in the words "voluntary agreements" along with the word "codes" so that the President cannot enforce them you have got what you want. The gentleman from Washington [Mr. SAMUEL B. HILL] has one program and the gentleman from Kentucky [Mr. VINSON] another.

Now what is going to happen? All they want is to keep the organization going and operate it for 6 or 10 months to set people spying upon business and making business more despondent than ever. Nobody will feel under any compulsion and business will be in confusion because of this uncertainty.

I will tell you what you ought to do. You ought to vote this down today and come in tomorrow or in a few days with a bill that will be a credit to the individuality of Democrats, a credit to their intelligence and a credit to their patriotism. If you dare not do it let us do it. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield to myself the balance of the time. Mr. Chairman, during the time the gentleman from Ohio [Mr. JENKINS] was making his excellent speech, effort was made to interrupt him as to what Mr. Richberg stated to the committee. I recollect that Mr. Richberg said that he wanted this organization to carry on, to get the files together, to collect the information, for what purpose? He used the words "carry on", I think; and that is what the gentleman from Ohio probably was referring to. He appealed to us for sympathy not to throw these people out as a result of the action of the Supreme Court.

Every employee of the N. R. A., when he accepted employment, knew that he was taking a temporary position, because the act itself reads that way. The first section of title I reads:

A national emergency productive of wide-spread unemployment and disorganization of industry which burdens interstate and foreign commerce, affects the public welfare, and undermines the standards of living of the American people, is hereby declared to exist.

And then section 2 (c) goes on and says that the law is to apply for 2 years. So there is no inhumanity by removing these employees from the pay roll. They took the job on a temporary basis.

Mr. Chairman, in my experience in the House of Representatives there never has been so partisan an exhibition as we have had here in connection with this bill. I had always supposed that we had in this country a two-party system of government, but in the consideration of important legislation we are continuously shown that the present administration believes only in the motto that "Might makes right."

It has always been recognized that a tariff measure is a partisan one, and whichever party is in power prepares in its own councils, after due consideration of all evidence, a tariff bill representing the majority's policies and views. Aside from that in important legislation very little partisanship has been shown here. Today we have a most flagrant illustration of it. Two press interviews have been given out by the President following the upset of the N. R. A. by the Supreme Court. Congress has waited upon the President to be told what to do. He evidently has not realized the bad advice he has received from those close to him and the need of change of methods and legislative procedure.

For some days it has been reported in the press and rumored about the corridors that a revised N. R. A. measure was in the works.

Yesterday morning when the committee meeting was called at 11 o'clock, the Republicans applied for admission to the committee room and were refused because the Democratic members were having a conference with Mr. Richberg, and that conference had not closed. We cooled our heels in the corridor until they saw fit to permit us to enter their sanctum. Instead of considering any N. R. A. legislation, further reading of a liquor-enforcement bill was carried on. We returned to the committee at 1 o'clock and were then given the measure before us at this time, which, after more or less discussion and an interview with Mr. Richberg, was promptly adopted by the majority. If that is not partisanship, I do not know what partisanship is. And then my friend comes in here and wants this bill taken up in a nonpartisan way. The Democrats are the ones that are pursuing a partisan course.

The fact that only 10 days remain before expiration of the N. R. A. law is no excuse for this method of procedure, nor is there any excuse for more than 2 years of delay in securing any action by the Supreme Court. There were plenty of opportunities long ago so that this present-day emergency need not have occurred. The fact is that even after Democratic minds were convinced that the law was unconstitutional, they wanted to accomplish all they could and wanted to employ all the people they could before actually having a show-down with the Supreme Court.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. DOUGHTON. I challenge the statement that the gentleman was denied admittance after 11 o'clock. The meeting was over before 11 o'clock.

Mr. TREADWAY. Oh, I beg the gentleman's pardon. It was 15 minutes after 11 when five Republicans were outside, standing in the hall, and the colored messenger refused us entry.

Mr. DOUGHTON. Then he did it without authority.

Mr. TREADWAY. Oh, he did it on the gentleman's authority and Mr. Richberg was still in there, and I am not going to back down on that proposition, even to my good friend from North Carolina.

A cartoon appeared in the press the other day showing the poor Blue Eagle down here and the President of the United States sitting beside it with pieces of a jigsaw before him. That is the skeleton that they want us to adopt today. They cannot put their pieces together. There is not anything left of the Blue Eagle, so why try to write anything into law today unless you are doing it from an ulterior motive in order that later on you can set up a still further authority, to secure positions for deserving Democrats. That is what I call partisanship of the worst type.

What is this measure? It is a "shot in the dark." We tried to find out from Mr. Richberg yesterday what the purpose of the new set-up was and he flatly said that he did not know. They do not know how many employees they are going to need. The skeleton structure will grow tremen-

dously, I have no doubt, under this movement to keep the experts working.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. WADSWORTH. Are these employees to be paid out of the Federal Treasury or by an attempted assessment on industry?

Mr. TREADWAY. I do not see how they can assess industry directly, in view of the nullification of the code system, but they can pay them out of some of these P. W. A., C. W. A., or other alphabetical funds and then bring in a deficiency bill to make up the difference. That is probably the course to be pursued. There is not a word in this legislation about where any money is to be available with which to pay anybody after the 16th day of June. Why not tell the American people from what source they are going to draw their pay?

Mr. Chairman, we have heard a good deal about the "horse and wagon" days, and I think the remark of the Ambassador to Mexico the other day was an insult to the Supreme Court, when he characterized its decision in the Schechter case as being related to the period of oxcarts. Why was he not down in Mexico attending to his ambassadorial duties instead of making speeches here? So far as the "horse and buggy" proposition is concerned, I say to you that when the "horse and wagon" period of this country was in existence the people of the country could at least earn an honest livelihood and they did not have to feed at the public trough of the Federal Treasury. Give me the old days of the oxcart followed by the horse and buggy in New England, when the manhood of the country had its individualism and exhibited it in the way the people worked. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. DOUGHTON. Mr. Chairman, I regret exceedingly that this discussion has assumed such a partisan aspect. I am astounded also at my good friends of the minority of the Committee on Ways and Means, men whom I respect and love and in whose patriotism, when they are not excited, I have absolute confidence; but I think they know something about the rules which obtain insofar as an executive session of a committee is concerned. Yet, in spite of their knowledge of that fact, they have in their partisan zeal, in what I consider a state of political paroxysm, revealed in half truths, things which were testified to yesterday by men whom they requested to be called themselves, and who courteously came and testified in executive session and answered questions which they propounded. I understood from them, at least, their silence testified to the fact that they were satisfied with the statements made by Mr Richberg. He came and stated what would be the policy of the N. R. A. administration so far as he knew, candidly, frankly, and intelligently, instead of saying as my good friend from Ohio, Mr. JENKINS, has said, and I want him to listen to me, because with the air of authority he assumes a role of righteousness that we are guided by sinister motives. I never have imputed and never will impute to my good friend from Ohio that his actions are inspired by sinister motives.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. If I have misquoted the gentleman I yield.

Mr. JENKINS of Ohio. Yes.

Mr. DOUGHTON. In what respect? The gentleman said that we could be moved only by sinister motives, and the RECORD will show it.

Mr. Chairman, so far as the virtue and value of the N. R. A. are concerned, I am willing to put on the witness stand men who are disinterested, men who are qualified to testify, because the only issue raised here is whether or not there is sufficient value, sufficient virtue, sufficient good in the N. R. A. to justify its being continued.

The committee held open hearings, which were published, and no one was denied a hearing. We heard witnesses for days and days, and 52 witnesses appeared and testified as to the value and benefits they as well as the country had received from the N. R. A. Of the 52 witnesses, not one of whom was called by our committee, but who came at their own accord, as far as I know—of these, 48 represented every type of business in this country; representing large and small industry, capital, labor, and people in all walks of life. Forty-eight of the fifty-two solemnly testified that great benefits had accrued as a result of the N. R. A., and insisted and urged especially that it be continued especially for the benefit of the small business man. If that is not true, I will yield to someone on the Republican side to deny it.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. DOUGHTON. Does the gentleman deny it?

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. DOUGHTON. If the gentleman denies it, I yield.

Mr. JENKINS of Ohio. I deny it emphatically.

Mr. DOUGHTON. The gentleman is evidently laboring under a misunderstanding, because the record shows it.

For what purpose do we propose to continue N. R. A.? Mr. Richberg testified when called there yesterday by the minority that they not only wanted to retain the N. R. A. to collect and tabulate and have in useful form information which they had secured as a result of the administration of the N. R. A., not only available for the use of Congress for a further study, as the minority say in their report should be made, but when they make a study in the light of the experience of N. R. A., and the opinion and interpretation of the Supreme Court of N. R. A., in order that we may have reliable and definite information upon which to proceed with additional legislation on the subject. He also testified, directly contrary to what the gentlemen on the minority have stated, that it was the purpose of the N. R. A. administration, just as rapidly as possible, to curtail the organization, and that immediately 1,500 would go off the rolls, and in a few days, possibly within 30 or 60 days, 2,000 more would go off the rolls if Congress should not take any further action, after which it would be reduced to a mere skeleton. That is what he testified. The minority members of the committee seemed to be perfectly satisfied with what he stated on yesterday. Today you come in and state only half the facts as to his testimony. I know it is only in your partisan zeal and your outbursts of partisan enthusiasm that you do this. [Applause.]

Now, Mr. Chairman, what have been the benefits of the National Recovery Act?

The record of recovery progress generally, as compiled by Business Week, embracing the most reliable and conservative estimate of business gains in all lines, offers convincing evidence that we are definitely on our way out of the depression. Comparison of the record of progress at the present time with the last months of the previous administration shows a stupendous improvement of business. Construction has increased 136 percent, steel production 132 percent, automobile production 100 percent, anthracite-coal consumption 53 percent, carloadings 21 percent, department-store sales 27 percent, employment 30 percent, pay rolls 56 percent, prices of 90 selected stocks 67 percent, prices of 40 selected bonds 71 percent. But most significant of all, there have been fewer business failures during this period than there have been since 1918–20. The liabilities of business failures during Roosevelt's administration have been smaller than at any time in 20 years. [Applause.] Failures have decreased 52 percent and liabilities have decreased 59 percent as a result of the recovery program. The contention that has been advanced by opponents of the new deal that the recovery program is hurting business is a complete and unwarranted misrepresentation of the facts. The increased revenues of the Federal Government and internal-revenue collections from income taxes established beyond dispute that business is better and that business men are making profits. The small business enterprise, which most quickly becomes the victim of a system of ruthless competitive action on the part of industry, has for the first time in many years achieved a position of economic security. The figures of business failures further show that from February to June 1935 there was a drop of 40 percent as compared even with the last year of prosperity under the

Hoover administration. From this it is clearly evident that the charges of the critics that business has been ruined by the recovery program is totally unsustained by the facts.

But genuine business improvement rests ultimately upon fair and just treatment to human labor. No civilization can permanently succeed that enslaves its industrial workers. More than 16,000,000 working men had been regimented into an army of unemployed through the enforced idleness resulting from the economic paralysis of the depression. The activities of the Roosevelt administration to promote economic recovery were directed in the first place toward the relief of industrial unemployment. Upon the basis of reliable reports furnished by the industrial establishments themselves and verified by responsible governmental agencies there are now 40,180,000 persons employed in private business enterprises in the United States. This is an increase of 4,120,000 over the low figure of March 1933. This tabulation of reemployment is substantiated by the report of Donald Richberg, secretary of the Federal Executive Council, who reported to the President that over 4,000,000 workers have been reemployed in private enterprise while 4,000,000 others have been given temporary public employment and 675,000 have been employed during part of the year on permanent public works. As a result of this improvement labor's share in the national income has increased from 58.3 percent in June 1933 to 62.5 percent in June 1934. There has been an increase in the total volume of wages by 37.5 percent in the last year. Although there has been an increase in the cost of living of 9.6 percent in the same period there is a net gain to labor in wages of 25 percent. Moreover, under the codes of fair competition, labor standards have been improved in many ways. Working hours have been reduced and wage rates have been increased, while child labor has been eliminated and sweatshop employment reduced. Health and safety standards have been improved, the right of labor organization far advanced, and more than 1,000 unfair trade practices abolished. The work week has been reduced by 6 hours on the average generally for all industry and average hourly earnings have increased 26 percent.

Challenge that if you will.

Under the administration of the National Recovery Administration we have created a trained personnel that is equipped to study and investigate business problems connected with interstate commerce. This organization has been brought up during the past 2 years while this act has been enforced so that they are ready at this time, if this act is continued, to make a survey of the business conditions in the country. They have the facilities for securing the facts.

The Department of Commerce has merely a statistical organization. It might be said by some, "What is the duty of this organization?" The fact of the matter is that this Department is only prepared to compile mere statistics regarding commerce. In this organization of the N. R. A., if continued, we have a practical working relationship with business itself. All over the country are these trade organizations made up of business men. The personnel of the N. R. A. is in close affiliation with these trade organizations, and is in a position during the next 6 or 8 months, to secure accurate and first-hand information from the leaders of American business and industry, as to exactly what should be done as to the future.

Very frankly we are extending this N. R. A. organization, not as a permanent policy or not as something designed to accomplish any future program in the way of making codes, but simply to preserve the good that has been accomplished and to find out through this splendidly trained organization what more can be done within constitutional limits to help bring about the prosperity in business we all want.

Furthermore, the effect of the Supreme Court decision has been to produce confusion in the minds of industrial leaders, as to the future of governmental policies regarding industry. One thing that the extension of the N. R. A. organization can do is to determine the effect upon business by the Supreme Court decision, that with such an organization it can be determined accurately just what effect upon business and industry the invalidation of the codes has had. With this organization we can find out what can be done within the limits of the Constitution for the Government to help American business. Through this organization it can be determined what should be done to improve American business and whether the Government can be helpful. With this organization, moreover, you can determine whether American business is taking advantage of the opportunity to regulate its own affairs and whether there are selfish groups in business who have returned to the old cutthroat competition that existed before the N. R. A. It can also be learned whether unfair trade practices are used again by some business enterprises.

It will be possible for the Government to find out if the standards of fair trade and child-labor practices are retained by American business.

If this N. R. A. organization is kept, it will be possible in the next 6 months to find from the facts just what American business can and will do voluntarily with its own organization to continue the good work that has been started by the N. R. A., and this information that is assembled will be of invaluable benefit to the Congress in adopting a policy necessary to meet conditions that may arise as a result of this decision.

That there have been substantial advantages to the business people of our country and the people generally as a result of this act cannot be denied. At the time of its adoption 2 years ago our country was facing a most desperate crisis in its economic affairs. An emergency of unparalleled proportions in our industrial system had brought our Nation dangerously close to the point of complete economic collapse. The banks of the country had been closed, credit had been destroyed, thousands of farmers were in bankruptcy, and industry was paralyzed. Through the adoption of a number of challenging acts by the Congress in cooperation with the President the crisis was safely met and the danger avoided. Outstanding among the recovery measures was the National Industrial Recovery Act which was designed to bring order out of chaos in the business world, relieve the burden of unemployment, and give to labor and agriculture the opportunity to secure their fair share of the national income. Confidence in the stability of our Government has been revived and faith in the integrity of our institutions restored. [Applause.]

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. DOUGHTON] has expired.

All time has expired.

The Clerk read as follows:

Resolved, etc., That section 2 (c) of title I of the National Industrial Recovery Act is amended by striking out "at the expiration of 2 years after the date of enactment of this act" and inserting in lieu thereof "on April 1, 1936."

Mr. JENKINS of Ohio. Mr. Chairman, I move to strike out the last word. I do this, Mr. Chairman, to express my deep sympathy for the chairman of our committee, Mr. DOUGHTON. I appreciate he is a mountaineer, like myself. I appreciate that he dislikes to feel the lash of oppression or tyranny, even if it comes from the White House. I appreciate that he has been a very faithful adherent to the edicts that come down. I forgive him for anything that he may say about me, because I respect him as a man who is profoundly honest and sincere; but he misinterpreted my allusion to the word "sinister." I had no idea of imputing to him or to any member of the committee anything sinister in this matter, but this is what I said and this is what I stand by: I say that this bill has in it some sinister motive that he knows nothing about and that is within the breast of no one except those men down at the White House who prepared it and sent it up. I will leave it with that.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. No; I do not want to yield; the gentleman refused to yield to me.

There is one other thing to which I wish to address myself for one moment—something else I wish to say. The gentleman made his statement vigorously, but his mind and my

mind did not meet, and I do not want to leave the RECORD with any question of veracity between him and me at all. When he said that he had 52 witnesses who appeared before the committee in its consideration of the bill we are now considering, I denied it. I deny it now.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. I decline to yield.

Mr. DOUGHTON. The gentleman has misquoted me.

Mr. JENKINS of Ohio. Just a minute.

Mr. DOUGHTON. I never said I called them.

Mr. JENKINS of Ohio. Mr. Chairman, I decline to yield; I want to make my record. That is what I had in mind. The gentleman probably had in mind the witnesses who were called before the committee when we were considering those bills 2 or 3 weeks ago; but yesterday was the fateful day—yesterday was the day when guards stood at the door. This is a different bill, and yesterday was the fateful day when they considered this bill; that was the day when section 2 of this bill was first written. That was the fateful day when they accepted the edict from the White House once more.

Mr. Chairman, I call them back now as calling sinners to repentance; to come back, use their own minds, their own skill, their own ability, their own patriotism, their own loyalty, their own democracy, and give us a bill that is a democratic bill—give us a bill for which I can vote. Give us a bill that is the product of the mind and heart of representatives of the people, not a bill prepared by those who have never submitted themselves to the choice of a constituency. Give us an American-made bill, made in an American way. [Applause.]

Mr. VINSON of Kentucky. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, if the gentlemen who have been so vicious in their denunciation of this legislation on the floor today, had that feeling yesterday—and I am referring particularly to minority members of the Ways and Means Committee, my friends, Mr. JENKINS and Mr. TREADWAY—I wonder why they did not have the intestinal fortitude to do something more than to vote "present" when the question came on reporting this bill to the House? [Applause.]

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield to me?

Mr. VINSON of Kentucky. I yield.

Mr. JENKINS of Ohio. The gentleman knows very well that I offered amendments; that I offered to substitute my own bill for this, and mine was a far better bill; and you voted it down. I did the best I could do.

Mr. VINSON of Kentucky. That was voted down and then the question recurred upon reporting this bill, Senate Joint Resolution 113, and these brave defenders of American liberty, these patriots viciously voted "present." [Laughter and applause.]

The gentlemen of the minority today in their statements upon the floor are in an entirely different frame of mind from that expressed in the vote taken to report favorably this identical measure from the committee. It is carried in the current press that there were 19 votes in favor of reporting it, with 5 voting present, and no member of the committee voting against reporting it; 17 Democrats, 2 Republicans, Messrs. CROWTHER and KNUTSON voted to report the bill favorably. The other five gentlemen on the minority voted "present." I respectfully submit that if this measure is a bad one today, it was a bad one yesterday. The facts are that the gentlemen who are so violent in their denunciation today are moved by political purposes.

It is hard to understand the expressions of hostility today when just yesterday every gentleman representing the minority on the Ways and Means Committee signed the minority views which are incorporated with the majority report. There is much in the minority views which could have well been incorporated in the majority report. I think so well of it that I, at this time, Mr. Chairman, ask unanimous consent to include it in full in my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

MINORITY VIEWS

The National Industrial Recovery Act, by its own terms, indicates that it was never intended as anything but a temporary emergency measure. From the beginning its constitutionality has been seriously questioned, and the methods employed in its administration have aroused much opposition. At the same time, the failure to enforce the codes set up under the act merely served to encourage their violation.

The recent decision of the Supreme Court has now nullified the basic provisions of the National Industrial Recovery Act. Although the administration should have been prepared for this contingency, it has failed to offer any program, constructive or otherwise, as a substitute for the code system.

The minority feel that in spite of its many faults the N. I. R. A. has a number of beneficent and commendable features which might well be preserved by permanent legislation within constitutional limitations. We deplore the fact that the majority are unwilling to cooperate with us in instituting a study for that purpose. We would in particular favor an investigation of the possibility of extending the powers of the Federal Trade Commission with a view to authorizing it to approve trade agreements formulated under its supervision by trades and industries. We believe that such approval should be contingent upon the inclusion in such agreements of provisions against unfair methods of competition, unfair and destructive trade practices, monopolies and monopolistic tendencies, and the employment of child labor, and provisions for maximum hours of employment, minimum rates of pay, and the guarantee to employees of the right to bargain collectively through representatives of their own choosing.

The extension of the expiration date of the National Industrial Recovery Act for a few months, as provided in section 1 of the Senate joint resolution, and the repeal of all the important provisions of the act, as recommended by the majority of the committee, is not only utterly inconsistent but absolutely devoid of any constructive thought or suggestion. It shows an uncertainty of purpose on the part of the present administration which is bound to have a detrimental and retarding effect upon industrial recovery, and encourage a lack of confidence on the part of the people in their Government.

ALLEN T. TREADWAY.
ISAAC BACHARACH.
FRANK CROWTHER.
HAROLD KNUTSON.
DANIEL A. REED.
ROY O. WOODRUFF.
THOMAS A. JENKINS.

Mr. VINSON of Kentucky. The minority views criticize the administration for failure to offer a substitute for the code system, and further state that Democrats in the House are unwilling to cooperate with the minority in instituting a study for that purpose. It is suggested by the minority that there should be an investigation of the possibility that the powers of the Federal Trade Commission be extended with a view to "authorizing it to approve trade agreements formulated under its supervision by trades and industries."

It is for the very purpose of continuing a comprehensive study of proposed legislation that may be offered for the consideration of Congress that this extension is sought. Everyone recognizes that such proposals should receive the most thoughtful consideration. The passage of this act will permit the people who have had the most experience in the administration of this law to study the problems. It is the primary function of the Congress of the United States to enact legislation. It should have all the information, both as to benefits and harm sustained by those affected under N. I. R. A.

Note that our Republican friends do not commit themselves upon extending the powers of the Federal Trade Commission to approve trade agreements formulated under its supervision by trades and industries, but merely confine their position to an "investigation of the possibility of extending the powers of the Federal Trade Commission", and so forth.

There is no doubt in my mind that this particular phase of the matter will be given very serious thought by those charged with the responsibility for the new legislation if such can be worked out within constitutional limits.

I sincerely believe that despite the partisan political utterances on the floor today that the minority views which I have incorporated herein is as strong an endorsement of the N. R. A. as it is possible for it to receive. When active, able leaders of the Republican minority write above their signature their express O. K. of the main features of title I in

N. I. R. A., it removes any issue between the two major parties as to the benefits to the American people from N. I. R. A. In order to set forth again the views of these distinguished Republicans, I quote from the minority views:

We believe that such approval should be contingent upon the inclusion in such agreements of provisions against unfair methods of competition, unfair and destructive trade practices, monopolies, and monopolistic tendencies, and the employment of child labor, and provisions for maximum hours of employment, minimum rates of pay, and the guarantee to employees of the right to bargain collectively through representatives of their own choosing.

The foregoing quotation includes practically everything that was in N. I. R. A., and we are happy to recognize that our Republican friends are appreciative of their legislative worth.

My friend from Ohio, Mr. JENKINS, referred to one purpose for the extension of N. R. A. as expressed by Mr. Richberg. It is true that he stated in executive session that a portion of the personnel would be used for the purpose of compiling and preserving the statistical data that had been accumulated in the past 2 years. But Mr. Richberg certainly gave expression to other reasons for the passage of this legislation. I feel certain that all will bear witness with me that he referred to the nature of information and data as to the effect on business of the abolition of the voluntary codes under the N. R. A. My friend will also agree with me that Mr. Richberg stated that the personnel would be quite helpful in assisting in the development of the future policy. Did not Mr. Richberg say that? A further reason was given for the temporary extension under this resolution by Mr. Richberg that if Congress, before it adjourned its present session, were to pass other legislation placing further duties upon this institution its personnel should not be disintegrated.

Everyone present could have heard the statement that there was no purpose to continue a single person on the pay roll unless there was work for them to do. It was stated some 1,500 would immediately be divorced from the service; that the further reduction would depend in a large measure upon the action of Congress in the present session; that if no further duties were placed upon it, reduction of personnel would be of considerable degree.

I would say again that the minority views speak in most forceful language commendation of the N. R. A. We are glad that they recognize that there are certain unfair methods of competition; that there are unfair and destructive trade practices; that there are monopolies and monopolistic tendencies that should cease; that employment of child labor must cease. Further we are happy to have them agree with us that there are certain rights that must be maintained for the working men and women—maximum hours of employment, minimum rates of pay, and a guaranty of collective bargaining.

With all the partisan feeling here evidenced I say to you that the spirit of N. R. A. lives in America. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

Mr. KNUTSON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I am sure the Chairman of the Ways and Means Committee does not wish to leave with this House the impression that we held hearings upon Senate Joint Resolution 113 and that representatives of 48 industries appeared before our committee and asked for this legislation.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield, gladly, to my good friend.

Mr. DOUGHTON. The gentleman does not dispute the fact that hearings were conducted on Senate Joint Resolution 113, the very resolution we are considering here, and on the merits of N. R. A.?

Mr. KNUTSON. The point I am trying to make is that 48 representatives appeared before our committee and testified to the beneficent effect of the codes. Since that time, however, the Supreme Court of the United States has held that the law permitting the codes to be set up was unconstitutional.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. DINGELL. Because the United States Supreme Court handed down an adverse decision, does that mean that the sentiment of the people in this country has changed as regards the beneficent effects of N. R. A.?

Mr. KNUTSON. We are not discussing an academic question. What we have before us today is Senate Joint Resolution 113 which provides for extending the life of N. R. A. until April 1, 1936.

I voted to report out the resolution and I expect to vote for the passage of the same. [Applause.] I thank the gentlemen for the applause. I am not taking this position with a great deal of pride, however, because to me it is like setting up a corpse and worshiping it.

Reference has been made by my good friend the gentleman from Kentucky [Mr. VINSON] to the minority report. There is nothing in the minority views that any Member of this House can take honest exception to.

Mr. VINSON of Kentucky. I did not. I commended it.

Mr. KNUTSON. The gentleman did commend it?

Mr. VINSON of Kentucky. Yes.

Mr. KNUTSON. The gentleman is so devious in his expressions that he should furnish the House with a blueprint when he commends the work of Republicans hereafter. In view of the fact the gentleman has commended the minority report, I have nothing further to say, and I apologize to the House for having taken up this much time.

Mr. CONNERY. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I intend to vote for this resolution for the reason that my understanding is, under this resolution, the President may approve voluntary agreements, and under this approval the parties may be exempted from the antitrust law. It seems that is all the President has left here as a whip to force into line corporations and employers to keep up their wages and shorten hours. For the reasons indicated I intend to vote for the resolution.

I want to say, however, that I am not at all satisfied that the decision of the Supreme Court took away from the Congress of the United States the opportunity or right to legislate so that we can get the same benefit that we got under the N. R. A. I have drafted a bill, which I hope to have referred to the Committee on Labor. The Speaker has under consideration at this time the reference of the bill. It provides for the licensing of everyone who ships in interstate commerce, and as a condition precedent to getting this license the shipper and receiver must agree not to use child labor, no "yellow dog" contracts, he must recognize the right of labor to organize and the right of labor to bargain collectively through representatives of their own choosing and must promise not to work his employees more than 30 hours a week, with certain exceptions. There is provided in this bill a licensing commission consisting of three members, one member being the Secretary of Labor. I believe the bill would be held constitutional by the Supreme Court of the United States. You can do everything under it that you could under the N. R. A. as far as the good things of the N. R. A. are concerned. You will not have any of the bad features of the N. R. A., such as all the big employers writing codes for the workers of the United States in order to oppress them still further.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from New York.

Mr. MARCANTONIO. Coming back to the resolution, may I say that after the voluntary agreements are approved and the operation of the antitrust laws are suspended, certainly no member of the committee, nor the gentleman from Massachusetts, can advance the theory that those agreements may be enforced, especially when it comes to the protection of labor under the agreement.

Mr. CONNERY. Yes; they can.

Mr. MARCANTONIO. Who is going to enforce them and how?

Mr. CONNERY. They can be enforced. The voluntary agreement is entirely a matter of good faith between the people and the President of the United States. I am not going to say that men who make an agreement with the President of the United States will not act in good faith under such an agreement.

Mr. MARCANTONIO. The gentleman has had enough experience as a labor man not to have faith in the so-called "good faith" of those who have exploited labor in the past.

Mr. CONNERY. I do not agree with the gentleman.

Mr. MAY. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Kentucky.

Mr. MAY. The Democratic administration that is responsible for the good things that have come from the N. R. A., knows that under the decision of the Supreme Court of the United States codes of fair competition have been eliminated.

Mr. CONNERY. Yes.

Mr. MAY. They know that the act by its own terms will expire 9 days hence.

Mr. CONNERY. Yes.

Mr. MAY. In order to salvage and save for the workers the benefits and virtues that are in this act, they want to have time to gather statistics and consider the matter further.

Mr. CONNERY. Yes; and with the skeleton organization there is something to work on, so that when Congress does pass legislation it will have something that approximates the N. R. A.

Mr. VINSON of Kentucky. May I say to the gentleman from New York [Mr. MARCANTONIO] that when he votes to kill the N. R. A. on June 16 he votes to take off of the statute books section 7 (a), which at the time it was written was a foreword in granting rights to the workingmen of the United States.

Mr. CONNERY. I may say to the gentleman that in addition to that we are going to take care of the 7 (a) situation by the passage of the Wagner-Connery bill in the near future.

Mr. O'MALLEY. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. Can the gentleman tell us why it is necessary for this Congress to give a blessing to violations under the antitrust law in order to get decent wages for labor?

Mr. CONNERY. I do not think we are doing that.

Mr. O'MALLEY. We certainly are.

Mr. CONNERY. No. We are suspending the operation of the antitrust laws in order to get decent wages and shorter hours of labor.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. GREENWAY. Will the gentleman yield?

Mr. CONNERY. I yield to the gentlewoman from Arizona.

Mrs. GREENWAY. I want to ask what provisions there are, if this resolution is passed, by which the President may withdraw his agreement if those participating in it do not live up to what they agreed to live up to?

Mr. CONNERY. I think under law the President could abrogate the agreement if the parties do not live up to the same.

Mr. McCORMACK. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. As a part of the agreement, it would be made a condition precedent that the terms be complied with. With reference to the inquiry of the gentleman from New York, which is a very pertinent one, may I say I think the gentleman has a misunderstanding. This is a limited suspension of the antitrust laws, and the purpose, as I always considered—true it has been somewhat extended beyond what I intended—was to enable a modification so that we could establish as an unfair-trade practice selling below the cost of production, which is the quickest way to create monopolies and drive out the small business man.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield so that I may answer the questions that have been addressed to me?

Mr. CONNERY. I want to conclude my statement, but I yield to the gentleman from New York.

Mr. MARCANTONIO. In answer to the statement made by the gentleman from Kentucky [Mr. VINSON] with reference to 7 (a), let me say to him that this bill does not revive 7 (a), which the Supreme Court did not kill, so far as labor is concerned; 7 (a) was killed by Mr. Donald Richberg through his interpretation of 7 (a) in the automobile case, and every laboring man in the United States knows it and the Committee on Labor knows it.

Mr. CONNERY. But my friend from New York knows that the Wagner-Connery bill will take care of that situation.

Mr. MARCANTONIO. Right; bring it out and I will support it.

Mr. CONNERY. We are going to bring it out and pass it.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. BOILEAU. The gentleman from New York stated a little while ago that there would be no enforcement of the voluntary agreements. Is it not possible that such a voluntary agreement would contain an agreement for liquidated damages signed by all the signatories, and in that way the agreement could be enforced?

Mr. CONNERY. Yes; and the President can lay down his own specifications.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Ohio.

Mr. TRUAX. As between the Supreme Court decision, which is being applauded by all the exploiters of labor, does not the gentleman prefer this emasculated N. R. A. and President Roosevelt?

We remember the old truism that "politics make strange bedfellows." And, by the same process of reasoning, economic distress and disaster create new alinements. As between the Court and Roosevelt, I am for Roosevelt 100 percent. As between the $20,000-a-year ruler for life, I shall support the man who must every 4 years be responsible to the will and votes of the people.

The question is upon which side will we be found? Shall we stand with the President and the scrapped N. R. A. or with the Supreme Court? Every plutocrat, every millionaire, every corporation lawyer will be with the Court decision. Every bond grabber will be with the Court. Every income-tax dodger and every public-utility holding company parrot will be with the Court decision. Every oppressor and exploiter of labor will applaud the decision. I propose to stand with wageworkers and farmers.

Legislation beneficial to both wageworkers and farmers will without question be passed by the House of Representatives within the next few days. That legislation includes the Wagner bill to create a National Labor Relations Board. The bill passed the Senate by a vote of 63 to 12 and will be adopted in the House of Representatives by a large majority. Clarifying and strengthening amendments to the Agricultural Adjustment Act with particular stress on those features which are not now in conformity with the Supreme Court ruling will be considered and acted upon favorably at an early date.

The most encouraging, the most heartening, news that has emanated from the White House in many months is the announcement of a wealth-redistribution program of heavier taxes on inheritances and gifts. It is true that no direct announcements to this effect have been made. While the administration is not denying this tax statement the report may have been put out on Capitol Hill as a "feeler." If so, let me reply that the majority of this House are for such a program. The vast majority of the common people of this country favor such a program. It is not so much the poverty of the many that is causing discontent but the enormous wealth of the

few that fosters revolution. Treasury statistics indicate that if this plan is adopted taxes would be restored to war-time levels. The Secretary of the Treasury, Morgenthau, has drawn up a tax program, we are told. His recommendations are:

First. A survey of the total tax structure of the country to determine how the burden of governmental expenses is distributed.

Second. Determination of changes in the United States tax structure to produce an equitable distribution of the total burden.

Third. Concentration upon a few workable means of eliminating conflicts in a manner consistent with desirable tax structure.

The total income from taxes to the Government in the present fiscal year ending June 30 will exceed by a small margin the Budget estimate of $3,197,466,507. If present levies are reenacted, including nuisance taxes, luxury taxes, and all other obnoxious and undesirable taxes, it is estimated that $3,443,900,000 will be raised during the coming fiscal year by these methods.

The inheritance- and gift-tax plan is expected to raise from $300,000,000 to $600,000,000 annually above these present levies and collections. The present collections would amount to approximately $4,000,000,000 annually, the highest since 1921. This increase will be borne by the rich. We only create a certain amount of fixed wealth each year. As long as 3 percent of the people own nearly 97 percent of our national wealth and income that means 3 percent for the rest. It is said that in this new tax program that inheritances and gifts of less than $100,000 will not be touched. That means that these additional levies will be taken solely from the millionaire class. I heartily approve, commend, and applaud this plan and will support it with my voice and my vote. Personally, I favor the plan which I have advocated for several years, namely, a capital tax levy on all swollen fortunes by scaling them down to $1,000,000 and a limitation on all individual incomes to $50,000 per year. This would bring an estimated total revenue of $20,000,000,000 per year to the Government to be redistributed among wageworkers, farmers, soldiers, the 22,000,000 on relief rolls, and others without jobs, property, or income. Then, and only then, will this country experience and enjoy an honest sustained recovery and rehabilitation.

Mr. CONNERY. I prefer to save something out of the wreckage of N. R. A. at the present time, with the expectation that legislation will be passed by the House that will give us another N. R. A.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. FITZPATRICK. The only time the antitrust law would be suspended would be when an agreement could be made under which a majority of the people of the country would benefit.

Mr. CONNERY. Yes.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Texas.

Mr. BLANTON. After all that Donald Richberg has done for labor, is it not a little ungrateful for the gentleman from New York to criticize him as he did a while ago?

Mr. CONNERY. No; I do not think so, because labor leaders have repeatedly stated that Mr. Richberg double-crossed labor.

Mr. BLANTON. The gentleman means he double-crossed labor when he would not obey labor 100 percent.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 15 minutes.

Mr. TARVER. Mr. Chairman, reserving the right to object, no one has had an opportunity to be heard here except the members of the committee. Will not the Chairman give the rest of us a chance?

Mr. MAVERICK and Mr. O'MALLEY objected.

Mr. DOUGHTON. Then, Mr. Chairman, I move that all debate on this section and all amendments thereto close in 15 minutes.

Mr. JENKINS of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENKINS of Ohio. Mr. Chairman, I should like to know whether the motion of the gentleman from North Carolina means that we cannot offer any amendment to the committee amendment. As I understand, it does not mean that.

The CHAIRMAN. The motion does not apply to offering amendments.

The question was taken; and on a division (demanded by Mr. O'MALLEY) there were—ayes 181, noes 64.

So the motion was agreed to.

Mr. MAVERICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAVERICK: Page 1, after line 6, insert the following:

"SEC. 2. That the first paragraph of section 5, title I, of the National Industrial Recovery Act, approved June 16, 1933, is hereby specifically repealed."

Mr. MAVERICK. Mr. Chairman, I desire to address this body without any partisanship, and I hope the Committee will listen to what I say.

Section 5 of the National Industrial Recovery Act is the part of that legislation which suspends the Sherman Antitrust Act. I see no reason why we should continue its suspension, because that is all we really accomplish when we continue this provision. The amendment which I have offered specifically eliminates the first paragraph of section 5, N. I. R. A., which suspends the Sherman Antitrust Act and leaves the rest of the section in the bill. In effect, of course, it puts the antitrust laws "back on the books" and in full force.

One of the gravest weaknesses of the N. R. A. was the fact that combines were allowed and because the rights of labor were not protected. In effect, trusts were protected and prices fixed.

Now, what do we do? We suspend the Sherman Antitrust Act and then they say that the President will make these agreements, which will then indirectly and without force of law give the other protections desired. Well, suppose the President makes an agreement for a 30-hour week and for a wage of $1.50 an hour. How is he going to enforce it? We specifically give up the enforcement of the Sherman Antitrust Act, and then we have no way to enforce the rights of labor whatsoever. Neither, it seems to me, do we protect the small merchant or the consumer.

Again, I repeat, we surrender any right to prosecute under the Sherman Antitrust Act and when we give up that right we go ahead and we let the trusts organize these combines. Let us say 80 percent of a given industry joins a voluntary combine and the other 20 percent may be chiselers or honest men, and the 80 percent may agree that they will have a 30-hour week and provide for high wages, but how are we going to enforce that? The gentleman from Massachusetts [Mr. CONNERY] says they are going to bring in another good law that "will fix it." It seems to me the good laws always come last.

Now, let us analyze the suspension of the Sherman Antitrust Act, according to certain voluntary organizations. It means that those who do not become a part of the voluntary organization will be prosecuted under the Sherman Antitrust Act. Then we have the anomalous condition of prosecutions suspended because of an agreement, and prosecutions against certain groups, who have no obligation to enter into any agreement, and which, in my opinion, is the rankest kind of discrimination under the doctrine of equal protection of the laws.

Let the Sherman antitrust law be enforced from now on. This involves an economic principle, and if these Republicans over here are as sincere as they say they are, they will vote for it. I doubt somewhat if they are going to vote for it, however, because they represent big business and they want things to be that way. I do not mean to cast any reflection on them, but I would like to see them get up here and vote for this amendment.

We have done a lot of talking about State rights. What do we really mean? Now, consider this: We give the protection of all the combines to set prices in New York or Chicago—those who own stores all over the United States or who engage in interstate commerce—and then our local merchants can enjoy the "State right" of having a monopoly fix prices all over the Nation and push them out of business. The truth of the matter is this is the opposite of State rights, and what we should do is break up monopolies and illegal combines, if we are proceeding on that principle, in order that legal businesses, intrastate business, can flourish. So I hope that we not only will vote for this amendment of mine, which reinstates the Sherman antitrust law on the statute books but will see to it that it is enforced.

The N. R. A. was defeated by the big organizations, and it looks like we may do everything for these same big organizations.

At this point I desire to insert in the RECORD House Resolution 237, which I introduced on June 3, concerning the antitrust laws. It is as follows:

House Resolution 237

Whereas the recent decisions of the Supreme Court have met the warm approbation and satisfied the desires of those heads of industries who have joined in protestations against what they called "regimentation of industry"; and

Whereas the effect of these decisions is to make unlawful the National Industrial Recovery Administration, including those provisions authorizing the grant of exemptions from the antitrust laws: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Attorney General forthwith proceed to prosecute diligently all violations of the antitrust laws, and to submit to Congress such recommendations for legislation as he may deem necessary to strengthen such laws.

Mr. SAMUEL B. HILL. What protection for labor is there in the antitrust law?

Mr. MAVERICK. It seems to me there is not any.

Mr. SAMUEL B. HILL. Then would they not be better off with this provision?

Mr. MAVERICK. They would not be better off at all. It would be like the European cartel system, whereby the munition manufacturers and big industrialists are actually governing the people of Europe. What we do is to allow big business to combine, and small business, intrastate business, the consumer, and labor have no way of protecting themselves. This is going to put labor in a worse condition than they have ever been in, because what we are doing is to perpetuate all the evil features of the N. R. A.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. BUCK. I wonder if the gentleman has looked at section 10 (b) of the N. R. A., which is not repealed, and which provides:

(a) The President may from time to time cancel or modify any order, approval, license, rule, or regulation issued under this title; and each agreement, code of fair competition, or license approved, prescribed, or issued under this title shall contain an express provision to that effect.

Mr. MAVERICK. This may be another unconstitutional delegation of power. The way it looks to me, we are trying to perpetuate certain unconstitutional delegations of power, although I do not know. But the fact remains, when we suspend the antitrust laws, we have no way of enforcing the other rights.

Mr. BUCK. The Court did not hold such voluntary agreements unconstitutional.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. I yield to the distinguished gentleman from New York.

Mr. MARCANTONIO. What will happen is that the delegation of power will be declared unconstitutional, leaving labor without even a vestige of protection, but the suspension of the antitrust law will be declared constitutional, and so far as labor is concerned it will have to pay the price when it buys, because by suspending the antitrust laws you are going to boost the cost of living. Labor receives nothing in return from this big-business resolution.

Mr. MAVERICK. As a matter of fact, they may not be suspended according to some interpretations, but if combines come into court and plead that they had an agreement with the President or the Government, then the Government is not going to prosecute them criminally, and why should we have legal practices which are really illegal? I do not see why we should do this.

Mr. VINSON of Kentucky. Does the gentleman believe that if the agreement should be held to be unconstitutional that everything in the agreement would be void?

Mr. MAVERICK. No. I do not know, but I think each provision would probably stand on its own feet.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. DUNN of Pennsylvania. Does the gentleman maintain that if his amendment is adopted it will be a benefit to labor?

Mr. MAVERICK. Certainly it will be a benefit to labor, because under the present act we are going to perpetuate the suspension of the Sherman Antitrust Act as to industry. The labor people have no court to go to, and we Democrats are adopting the Republican doctrine of big business.

The trouble is we are rushing legislation through without any great consideration. The N. R. A. has been in effect for 2 years; it has issued millions of pages of interpretations, statements, codes, propaganda, and what not. Now, within a few minutes we are asked to rush a bill through in one short afternoon. We are not meeting the real economic problems. The N. R. A. limited production, which many economists say is the opposite of the proper principle, is the economy of scarcity and not the economy of abundance. It is said that the N. R. A. did not protect the small business man, labor, or the consumer, and that it was poorly administered and never really enforced. Therefore I am wondering whether we should extend N. R. A. at once without the consideration of these problems. If we have some routine appropriation bill, involving no economic principles at all, we take a week of debate; but now, with the gravest problem we have yet faced, we rush it through in one afternoon.

The time has come to thoroughly analyze the Constitution and see its implications; to read the decisions of the Supreme Court and to find out what we really ought to do. We are making certain delegations of power—it would appear to me similar to those declared unconstitutional—but principally we are suspending the antitrust laws in order that certain combines can be made. It appears to me that we are forgetting the main economic principles of recovery and are principally helping the people and big organizations that killed the N. R. A.

Under unanimous consent I offer a text of a statement from the American Federation of Labor concerning the operation of the N. R. A. It is as follows:

STATEMENT OF AMERICAN FEDERATION OF LABOR, AS IT APPEARS IN THE NEW YORK TIMES OF TODAY

Special telegraphic survey conducted by the American Federation of Labor, supplemented by reports from other organizations, reveals that at least a million wage earners throughout the Nation have been affected by the lengthening of hours of work and wage cutting in a short span of 6 business days following the Supreme Court decision.

Tens of thousands of workers have been discharged as a result of longer hours, once again deprived of normal employment, once again thrown on the rolls of public relief. Others have suffered from reduced wages or were forced to give 10, 12, 18 additional hours every week for the same weekly pay.

In many instances children are reported to have replaced adults. Stretch-out, doubling up, and all other forms of speed-up so laboriously displaced during the 2 years of code administration reappeared and became firmly entrenched in many plants in less than a week.

That the decision came as a shock even to the most violent opponents of the N. R. A. is evident from the fact that only a few concerns responded immediately to the new situation. Several firms are reported, however, to have revised their hour and wage schedules as early as Tuesday morning, May 28, the day following the decision.

RETAILERS HELD FIRST AFFECTED

Most immediate was the response of employers in retail trade, where lengthening of hours and wages closely paralleled the rapid spread in price competition. Department stores, drug, meat, and grocery outlets not only led in restoring longer hours, reducing wages, and laying off workers, but were also responsible for the largest share of destruction of labor standards throughout the country.

Hotels, restaurants, and other service trades proved to be almost equally responsive in returning to pre-N. R. A. standards. In this group the development almost universally meant restoration of the 7-day week; in many instances also a 12-hour day.

Of manufacturing industries, clothing trades proved to be most severely affected. In cotton-garment, men's clothing, and dress-manufacturing industries drastic changes in wage and hourly schedules threatened the return of sweatshops in many sections of the country, especially in the least organized sections of the West and South.

In a number of plants the workers resorted to strikes to protect themselves against long hours, slashed wages, and reduced piece rates. Removal of the minimum guarantee on piece-work scales appeared to be a characteristic development in this group.

Some 60 percent of workers in the fur-manufacturing industry were affected by increases in hours from 35 to 40, 42, and 45 per week. Wage schedules were revised downward in many instances and overtime pay was eliminated in a large number of shops.

ASSERT STRETCH-OUT IS BACK

In the textile industry lengthening of hours occurred in many sections of the country, predominantly in the South. Wage cutting, on the other hand, appeared more widespread in the textile mils of New England, New York, and Pennsylvania. Twenty-five percent reductions in pay were reported quite generally; stretch-out, involving a change from four to six looms, was reported from several plants. Scattered reports of wage cuts in the southern mills indicated that lowest paid groups were those most severely affected. Strikes were precipitated in a number of plants.

Changes in hours and wages were numerous in the hosiery industry. Destruction of existing labor standards was reported from Michigan, Tennessee, North Carolina, and Pennsylvania. Lengthening of hour schedules, elimination of extra shifts, reduction of piece-work rates, and lowering of the minimum rate were characteristic of the changes. In several instances changes were forestalled by strike threats. A strike occurred in the Philadelphia Grauer Hosiery Co.

It is significant that in several instances textile manufacturers in the South have reduced their wages so drastically that skilled workers were forced to operate on a weekly wage as low as $7 on a 50-hour weekly schedule.

In the lumber industry elimination of N. R. A. standards began as early as December 1934, and was initiated by abandonment of price regulation in this highly competitive industry. The withdrawal of the Belcher case from the Supreme Court brought on a wave of drastic wage cutting.

The announcement made by the National Industrial Recovery Board on April 8 that no enforcement of the Lumber Code provisions was to be attempted, except on a voluntary basis, gave further impetus to wage cutting and lengthening of hours in the industry.

LUMBER WAGES DECLARED CUT

Minimum wage rates in the southern mills were gradually lowered from the 24-cent minimum to 8 cents, and in some instances 6 cents, per hour. Competing lumber mills through the South were forced to follow suit and meet competition by similar reductions in wages.

As a result of this development lumber mills throughout the Northwest found that their business was threatened by unfair competition of southern mills. High wage standards of the Northwestern area were jeopardized and wage reductions in that region appeared imminent. This situation was largely responsible for the precipitation of the lumber strike in the Northwest early in May, which involved more than 40,000 workers.

Despite the terrific pressure of competition, a large number of mills in the South struggled to maintain their hour and wage schedules. The Supreme Court decision effectively destroyed whatever remained of the N. R. A. standards in lumber manufacturing.

Increases in hours to 60 per week were reported in a large number of instances since the date of the decision. Wage cuts amounted to as much as 40 percent of the average pay and to 80 percent of the minimum rate.

Strikes were threatened in many southern mills, including that of the Belcher Lumber Co. in Bessemer, Ala., where hours were increased from 8 to 10 per day and wages reduced from 24 cents to 15 cents per hour. Several mills in Alabama and Georgia reported strikes to be in effect.

Major concerns in large-scale manufacturing have adopted the policy of watchful waiting and thus far refrained from changing the existing conditions.

CHARGES HOUR CHANGE IN STEEL

In the iron and steel industry several independent plants have lengthened their hourly schedules in the Chicago district and in the Calumet, Mich., district. Of the major concerns, only Wheeling Steel Corporation has been reported to have gradually changed its hourly schedule from 8 to 10 per day in the Portsmouth, Ohio plant.

In the petroleum industry similar conditions prevail. In this industry, however, while all of the major oil companies have maintained the standards, changes have been wide-spread among the independents. This has been especially marked in the marketing division of the industry, where many large independent firms have changed the existing conditions, causing unemployment among a large number of workers.

In the construction industry a number of violations have been reported of area agreements promulgated under section 7b. Reports of such violations in the painting and paperhanging division have been most numerous and indicated cuts in hourly wage rates to as low as 20 cents per hour for unskilled and 45 cents per hour for skilled. There are scattered reports showing similar developments in other branches of the construction industry.

Wage cutting has been most marked in smaller communities, spreading rapidly from small rural towns to larger centers. Many cities of less than 100,000 population have reported violations of established labor standards to be wide-spread.

In several States there has been a tendency to decrease wages and change other standards to conform to the State laws, which are generally less stringent than N. R. A. requirements.

The case of North Dakota is typical, where 90 percent of retail business and a large number of other firms are reported to have increased hours to 48 per week for women and beyond that for men. Wages for women in North Dakota are being reduced to the State minimum. Equally important is the reduction of age limit in replacing workers to the State minimum requirements.

The majority of reports received from union organizations were accompanied with pleas for passage of the Wagner labor-disputes bill as the best safeguard of labor standards through union organization.

ACCUSED INDUSTRIES NAMED

A list of industries where important violations of labor standards have taken place is as follows:

Asphalt shingle and roofing.
Automobile industry.
Automotive parts and equipment.
Baking.
Beer.
Boot and shoe.
Broom and brush manufacturing.
Buttons.
Candy.
Canning.
Chemical.
Construction.
Cotton garment.
Cottonseed-oil crushing.
Dairy products.
Dress manufacturing.
Electrical manufacturing.
Fabricated metal products.
Farm equipment.
Furniture manufacturing.
Heating appliance.
Hosiery.
Hotel.
Ice-cream manufacturing.
Infants' wear.
Iron and steel.
Leather.
Licorice.
Lumber.
Machinery and allied products.
Men's clothing.
Paper and pulp.
Paper box.
Petroleum.
Railroad equipment.
Printing.
Restaurant.
Retail trade.
Rubber manufacturing.
Textile.
Tobacco, cigarettes, etc.
Underwear manufacturing.
Wholesale trade.

Mr. MEAD. Mr. Chairman and members of the Committee, I shall not address myself to the difficulties we may encounter in connection with the benefits that will result to labor by the grant given industry in relaxing the antitrust laws.

I am for this particular legislation because I want to see this agency continued until such time as a permanent policy can be adopted by Congress.

I have in mind a concrete example of its helpfulness which I think may also be helpful to Members of the House. In the city of Buffalo immediately after the Supreme Court decision was rendered a number of large stores intimated that they were going to reduce the wages of their clerical force, the sales girls, from $15 a week to $9 a week.

It was only due to the fact that we have an N. R. A. regional office in our city that these workers were protected and that the minimum wage of the N. R. A. was continued.

I presume that if this resolution is adopted today, if we continue this organization until such time as permanent legislation is approved, the illustration I have just given to you will be repeated thousands of times over throughout the United States. The minimum wage rates set by the N. R. A. will be protected and continued in many instances by this resolution.

Why this violent opposition here today? Why is it impossible for men and women to get together when we are trying to help solve the serious economic problems of the day? Why can we not realize that we must insure our workers a minimum wage, that we must bring about a shorter work day, and a shorter work week; why is it not possible for us to get together and control the machine rather than allow the machine to control us?

I will tell you why. The answer can be found in the philosophy enunciated here by the gentleman from Massachusetts [Mr. McCORMACK], and the economic philosophy enunciated by his distinguished colleague from the same State [Mr. TREADWAY]. Mr. McCORMACK told us that it is the rapidity of communication today, it is the machine age with its marvelous inventions, it is this new day, this new age, that compels us to do new things and adopt new policies, that made the N. R. A. necessary, and he is right. The inventions of our day, the speed of communications of our age make us pitiful objects when we, as individuals, gaze on the immensity of the giant organizations we find all about us. Then on the other hand, we have the philosophy of the gentleman from Massachusetts [Mr. TREADWAY], who said, "Give me back the oxcart days, the rugged individualism of the 'horse and buggy' days." There is the clash of conflicting opinion. One is the philosophy that would take us back to rugged individualism at a time when commerce and industry have advanced beyond the wildest dream of those who designed our Constitution. It is a philosophy that was a really sound philosophy when we lived in the days of economy of scarcity, when with the crude tools we had then we could not produce an abundance, but it is not sound philosophy today when we live in the days of agricultural surpluses, when machines are able to turn out millions of products to swamp our every market. The day of rugged individualism is gone through no fault of ours, and the day of Government control and supervision of industry is here. [Applause.]

State rights must be maintained within their proper sphere, but Federal regulation of interstate business must be strengthened to meet the changing conditions of our day.

Mr. TARVER. Mr. Chairman, I move to strike out the last word of the amendment. The remarks of the gentleman from New York [Mr. MEAD] at least have the virtue of frankly presenting the issue involved here, and that is whether or not this country is at this time prepared for an abandonment of the principle of State rights, and in order to comply with what some people call the economic necessities of the day undertake a legislative procedure in violation of the Constitution of the United States without amending that Constitution. The issue here should be presented to the people in the way provided by the Constitution, in the way by which the Constitution may be amended. The gentleman from New York [Mr. MEAD] speaks of the abandonment of State rights in certain particulars. We have been warned by the decision of the Supreme Court in the Schechter case that that cannot be accomplished by legislative action, and can only be done through the process of amending the Constitution.

What is the purpose of the continuance of this skeleton organization of the N. R. A.? There are surely few within the sound of my voice who do not know what the principal question is. It has been bruited about in the cloakrooms and published in the newspapers of the country. Is it possible that we here, in the argument of these questions on the floor of the House, will close our eyes and ears to the real issue involved and go off on a discussion of other things rather than get down to the actual issue to be determined by our votes? Most of you know what the issue is. It has been announced that this organization shall be a fact-finding organization, that it shall determine the benefits that have accrued under the National Recovery Act, that it shall determine the disadvantages to labor and consumers and industry which have been brought about by the decision of the Supreme Court, and all to what purpose?

Why, the purpose is, and you know it, to submit or undertake to have the Congress submit to the legislatures of the various States the question of amending the Constitution so as to give the Congress of the United States the power to do the things that the Supreme Court says it cannot do under the Constitution as at present written—to give it power, if you please, to regulate not only in the manner in which N. R. A. has regulated but in any other manner that may suit the fancy of this or any other subsequent Congress, all social and economic questions within the States, and to set up in Washington a centralized government by bureaucracy to control all of those things which we have always felt, particularly those of us who are members of the Democratic Party, are the especial concerns of our States. So far as I am concerned, I did not vote for the National Recovery Act in its original enactment. I voted against it, and everything that has transpired from that time up to now sustains me in my conclusion that my action was wise. And certainly, under the conditions which exist now, and with the understanding as to the purpose for which the continuance of this N. R. A. is to be had, I shall not participate in an effort to cooperate with whomever he may be who undertakes to undermine the Constitution of the United States by destroying the theory of State rights, and the rights of our people to local self-government. [Applause.]

Mr. CARPENTER. Mr. Chairman, will the gentleman yield?

Mr. TARVER. Not at this time. I prefer to conclude without interruption. Let me say also that this resolution is directly in the teeth of the recent decision of the Supreme Court in the Schechter case. If Congress does not have the authority to vest the President of the United States with the power to approve codes having the effect of law, without limitation or restriction as to what those codes shall contain, it has certainly just as little power to authorize him to approve voluntary agreements in industry which under the language of this resolution might even be strictly intrastate in character, and give that approval the effect of law as to the operations of that particular industry. We have no constitutional authority to monkey with intrastate matters, and we cannot delegate any such right to the President. If we did have authority to legislate on such matters, we do not, under the Supreme Court's decision, have the power to delegate our legislative authority to the Chief Executive, and you are attempting to do that by this resolution. There is no limitation in the resolution or in the National Recovery Act which it continues upon the type of agreements to which the President may give his approval. It is left entirely to his discretion as to what sort of agreement shall be approved by him, and thereby effect a suspension of the antitrust laws as to that particular industry. Thus, Congress abdicates its legislative functions in regard to the approval of these voluntary agreements and the determination thereby as to when the antitrust laws are to be suspended just as clearly as in the case of its attempting delegation of power to approve codes having the effect of law, and that the Supreme Court has said we cannot do. I do not feel that I can vote for this bill without violating my oath to uphold the Constitution of the United States.

Were the constitutional question not involved, I should not vote to allow industry, at its pleasure, to make an agreement satisfactory to anybody by which the antitrust laws should be suspended. I can conceive of great abuses which could be perpetrated in that way. The consuming public in the United States have a tremendous interest in the upholding of the antitrust laws. Particularly is that true of the American farmer. Mulcted by fertilizer companies for

years by their price fixing in violation of the antitrust laws, he is now to be delivered to their tender mercies under a law which says to the Fertilizer Trust, "If you can agree as to what your trade practices shall be, including the prices which you desire to get for your fertilizers, and can get the President to approve your agreement, you are relieved of the penalties provided by the laws which have always made such agreements crimes." I know that my colleagues feel that the President can be trusted not to approve an unfair agreement. I yield to no man in my high regard for the President, my belief in his fairness, my confidence in his sincerity, but I know, and you know, that the President does not handle all of these matters personally, and could not do so. It would be humanly impossible. This law that you are continuing authorizes him to act through agents. Who will these agents be? I am not willing to trust any man, whoever he might be, who might be fortunate enough to get the confidence of the President, with the authority to permit the Fertilizer Trust, or any other organization controlling either the prices of farm products, of farm supplies, or of the necessities of life, to violate the antitrust laws enacted by Congress for the protection of the people.

An opportunity has not been had to discuss this resolution fully. I have merely touched a few high spots. Along the lines I have just been discussing, I commend to your consideration the great argument made by my colleague, Mr. Cox, of Georgia, at the time the National Recovery Act passed this House in 1933. At the same time I offered an argument questioning the constitutionality of the original legislation both as unauthorized under the interstate commerce clause of the Constitution and as an unconstitutional abdication of legislative responsibility. The decision the Supreme Court recently rendered in the Schechter case sustains those contentions, and the pending resolution does not eliminate all the provisions of the original act which I then thought and now think are in violation of the Constitution. I cannot, under such circumstances, do otherwise than to register my conscientious objection to this proposed legislation.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. TARVER] has expired.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

Mr. MAVERICK. Mr. Chairman, I ask unanimous consent that the amendment may be again read.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk again reported the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. MAVERICK) there were ayes 90 and noes 124.

Mr. VINSON of Georgia and Mr. O'MALLEY demanded tellers.

Tellers were ordered, and the Chair appointed Mr. DOUGHTON and Mr. MAVERICK to act as tellers.

The Committee again divided; and the tellers reported there were ayes 134 and noes 153.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. In the application of title I of such act after the date of enactment of this joint resolution and until April 1, 1936, the following amendatory provisions shall apply:

(1) No price fixing shall be permitted or sanctioned under the provisions of any code; except that provisions for the regulation of prices under governmental control may be included in codes for those mineral natural resource industries in which prices are now fixed pursuant to the provisions of any code and which the President finds to be so affected with a public interest that such regulation is necessary and proper in the public interest.

(2) No code of fair competition shall be applicable to any person whose business is wholly intrastate.

With the following committee amendment:

Beginning in line 7, on page 1, and ending in line 10, on page 2, strike out all of section 2.

The CHAIRMAN. The question is on the committee amendment.

Mr. JENKINS of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENKINS of Ohio. I was not able to follow the reading by the Clerk. As I understand now, section 2 is offered and it is now time to offer amendments to section 2?

The CHAIRMAN. Section 2 is open to amendment.

Mr. COOPER of Tennessee. Mr. Chairman, is not the question on the pending amendment?

The CHAIRMAN. The gentleman from Ohio desires to offer an amendment to the committee amendment.

The Clerk will report the amendment.

The Clerk read as follows:

On page 3, line 1, after the word "competition", insert the words "or voluntary agreements"; and after the word "codes", in line 2, on page 3, insert the words "and voluntary agreements."

The CHAIRMAN. That amendment is not in order at this time.

The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 3. The President shall review or cause to be reviewed for compliance with the requirements of this joint resolution every code in effect on the date this joint resolution takes effect. In order to afford reasonable opportunity for such review, such codes are hereby continued in effect (subject to cancelation or modification pursuant to the provisions of this joint resolution) for a period of 30 days after June 15, 1935, unless previously reviewed and superseded; but no such code shall continue in effect after the expiration of such 30-day period unless the President has reviewed such code and has approved it and finds that the code in the form so approved conforms to the requirements of this joint resolution.

With the following committee amendment:

Beginning on page 2, line 11, and ending in line 23, strike out section 3.

Mr. MICHENER. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. JENKINS of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENKINS of Ohio. There seems to be some confusion here or else I am very obtuse. As I understand it, the Clerk read down to line 23.

The CHAIRMAN. The gentleman is correct.

Mr. JENKINS of Ohio. And a committee amendment is offered?

The CHAIRMAN. Yes.

Mr. JENKINS of Ohio. Is the committee amendment what is printed here?

The CHAIRMAN. The amendment is to strike out section 2.

Mr. JENKINS of Ohio. The gentleman from Michigan rises in opposition to an amendment which has not yet been read.

The CHAIRMAN. The Clerk has reported the amendment.

Mr. JENKINS of Ohio. What was the amendment?

The CHAIRMAN. To strike out section 3.

Mr. MICHENER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have heard much discussion today about the National Recovery Act. We have heard practically no discussion about the resolution which is before Congress for consideration at this time. We had but 1 hour general debate. No attempt was made, with the exception of the slight effort made by the gentleman from Washington [Mr. SAMUEL B. HILL], to in any way tell us what this resolution provides. Surely we should give consideration to just what the bill does. The National Industrial Recovery Act is the law today except where declared unconstitutional by the Supreme Court. If we are going to amend the original law, every member of the committee and every lawyer in the House knows that we should enact a definite law.

It is conceded by all that the Supreme Court decisions wiped out the National Recovery Act for all practical purposes. The President in his press conference admits this. The heads of all departments affected have been quoted in the press as concurring in this view. The legislative wheels

since the enactment of the decision have been at a standstill, awaiting an attempted solution on the part of the President's advisers and legal authorities. Those qualified to speak tell us that the National Recovery Act is dead.

It, therefore, seems an anamoly that we should be here today passing a resolution which in effect is a law, and which in substance states that the original National Recovery Act is reaffirmed, except where it is unconstitutional. The unconstitutional provisions of the law are not pointed out in this resolution. The Supreme Court, in technical language, has determined certain parts of the National Recovery Act unconstitutional, and there is a great difference of opinion among lawyers and among Members of the House as to just how far the opinion goes and just what, if anything, is left of the National Recovery Act under the Constitution. This is all nebulous and subject to argument and difference of opinion, and to me it is preposterous that we should go through the form of passing legislation stating that the original National Recovery Act, as interpreted by the Supreme Court, shall continue until April 1, 1936. The statute should contain the law and place in words what the Congress intends. Nothing should be left to conjecture.

Industry wants something definite, not more uncertainty. If this resolution should become a law, I challenge anyone to state definitely what the law with which we are dealing is. I cannot conceive of the President of the United States signing this resolution if he has any interest whatever in readable, definite enactment.

Something was said by the gentleman from Ohio [Mr. JENKINS] about some sinister motives back of the enactment of this resolution. I am sure that the gentleman was unfortunate in the use of words, because, as he has stated, he would not impute any wrong motives to the Committee on Ways and Means. My judgment is that the purpose back of this resolution is to confuse and befuddle and to give the administrators of the law opportunity to keep together this huge organization to experiment in such manner as the President may direct—and all of this beyond the control of the Congress, the courts, or anyone else until another decision may be reached in the Supreme Court. It is unreasonable to grant such unlimited authority to the President or anyone else with a full knowledge that nothing can be done to see that the ruling of the Supreme Court is lived up to for at least a year or a year and a half.

I have too much respect for the Solicitor General of the United States, who, I understand, has given consideration to this resolution, to feel that he would intentionally advise the enactment of such a makeshift of a statute unless in extremeness.

This resolution will pass this body today because the powers that be have so decreed. I came to Congress on the platform that I would not vote for something which I knew nothing about. Much criticism has been rife in the country during the last 2 years because of the manner in which important legislation is rammed through Congress. Nothing has equaled the present experience. This most important legislation, which affects the business, the industry, the labor, the material rights, and the human rights of all of our people, came to the Ways and Means Committee on yesterday. We are told from the floor today that the Democratic members of that committee caucused and determined upon what action will be taken; that the Republican members waited in the hall outside, but finally were admitted, and the legislation which is now before us was reported by the committee.

Gentlemen, we should not forget that this legislation was not available to the Members of the House until today. No one knew what the report of the committee was going to be, and no one knew the language of what we were going to vote upon. Then the matter came up on the floor under a rule providing for but 1 hour of general debate, and the bill will be forced through the House today.

I protest against this procedure, and I believe that I represent the sentiment of a vast majority of our people in so protesting. The hurry-up time is past. We should now be legislating permanently.

Of course some good things have resulted from the expenditure of the millions of dollars in behalf of the National Recovery Act. It seems to me that fairness would suggest a properly drawn bill saving these benefits without trying to force upon the people theories and practices that the Supreme Court has declared not in keeping with American institutions.

Mr. COX. Will the gentleman yield?

Mr. MICHENER. Not just now. I know, and you know, perfectly well that the resolution we are now passing will never be written on the statute books in the manner in which it is drafted, because it will be changed in the Senate. Why should the House continue to pass important legislation without consideration, especially when we know better? This resolution should specifically point out the part of the law to be repealed or, better, restate the law in the light of the Supreme Court decision. If this were done, the administration would have its course charted and its activities limited. Codes are outlawed by the decision, and, in my opinion, any worth-while agreements are also outlawed.

Why write a law which merely suggests that if we take the Supreme Court decision and superimpose it upon the original National Recovery Act that we should be able then to work out what the law really is? Is that fair to those who are expected to observe the law? Such procedure can only mean litigation. If the Members of this body were free to exercise their own judgment, this resolution in the present form could not possibly pass.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. COX. The gentleman asked, What does this resolution mean? In my judgment, it means nothing except that it continues the original life of N. R. A. until April 1, 1936.

Mr. MICHENER. There are those who think that the Constitution has outlived its usefulness, and under that Constitution these people have a perfect right to bring their views before the people. The President quite evidently is preparing to advocate a constitutional change. With this view I have no quarrel, so long as the people have an opportunity to express their desires.

Let us do it in a constitutional way, but let us pass legislation that is understandable, which carries within its four corners the law which it assumes to announce. That is not the case in this bill, and the bill should be recommitted to the Committee on Ways and Means for clarification.

Remember that by this method the law will not be found in the statutes but in the Supreme Court Reports of the United States.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, after line 23, insert the following:

"SEC. 2. All the provisions of title I of such act delegating power to the President to approve or prescribe codes of fair competition and providing for the enforcement of such codes are hereby repealed."

Mr. JENKINS of Ohio. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. JENKINS of Ohio: On page 3, line 1, after the word "competition", insert the words "or voluntary agreements", and after the word "codes", in line 2, on page 3, insert the words "and voluntary agreements."

Mr. JENKINS of Ohio. Mr. Chairman, I hope the Members will agree with me that this amendment has much virtue. There is absolutely no partisanship in this, this is an honest effort on my part so to amend the committee amendment that it will do what so many have spoken about this afternoon. This will clear up a situation about which many intelligent and learned men who have spoken this afternoon and who are interested in this bill say there is a misunderstanding.

Up to this time we have already in effect passed the extension of N. R. A.; there is no further question about that. The question now is, What are you going to do with it after you get it?

Mr. Chairman, the committee amendment that the provisions of title I delegating power to the President to approve codes of fair competition and providing for the enforcement of such codes are hereby repealed. That is what you want to do, that is what your committee wants to do, that is what the President wants to do. Now, you who are interested in codes, especially you people who are interested in labor; you are interested in codes, this amendment provides that all codes must go out. Why not take out the voluntary agreements also? The President cannot enforce any code at all if this amendment passes. Then why not just kill the bill and be done with it? As I said before, there is something left. It hinges on the words "voluntary agreements." That is what the gentleman from Texas [Mr. MAVERICK] tried to correct and pretty nearly succeeded. I voted with him on it because he wanted to restrict it. I want to restrict it, too, and take out all voluntary codes. Take them all out. If you are going to take out the compulsory codes, take out all codes. If you take out the codes that help the workingman, do not put in codes that help the rich man. Take out all these voluntary codes. That is all this amendment does.

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. Not now.

Mr. Chairman, it is my judgment that Mr. Richberg will accept it if he wants to be fair; it is my judgment that the President himself will accept it if he wants to be fair. This afternoon one lawyer stood up here, a member of the Ways and Means Committee, and said that we have already done all we hoped to do; and another lawyer says we have not. So there is confusion. Why not clarify it? If any lawyer on the Ways and Means Committee can show there is anything at all wrong with my amendment, I will withdraw it. I say to you it does what you want done, it does what I want done, it does what every fair-minded man wants done, and there is absolutely no room for doubt left under it; it will relieve every possible conjecture, every possible dispute. Mr. Richberg said he wanted the N. R. A. continued to assemble data. It will leave the N. R. A. in such shape that they can collect the data and turn it over to the Federal Trade Commission or some other governmental body just the same, if my amendment is adopted, as if it is not adopted. Let that be done. That is what we, apparently, want done, and there is no question about it.

I want to leave with you this thought, that I offer this amendment in all sincerity; it will aid and will not injure.

Mr. MARTIN of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, when a member of the minority proposes to take something away from the rich man, I am from Missouri [laughter] and I am from way down where they have to be shown.

THE ANTITRUST LAWS

A few minutes ago we took a vote on the proposition of taking the application of the Sherman antitrust law away from these trade agreements, to free these agreements from that act. The setting aside of the Sherman antitrust law has been the chief complaint of the opponents of N. R. A. ever since it was adopted. I was old enough to read the newspapers when the Sherman antitrust law was placed on the statute books and I have been reading them ever since. If the Sherman antitrust law ever protected or benefited the wage earners, the farmers, or the little business men of this country, I am not able to recall it. The fact of the matter is that when the Sherman antitrust law was adopted, monopolies in this country were in only an embryonic stage.

They were only in the "horse and buggy" and "oxcart" state of development. Under the Sherman antitrust law we have built up in this country the greatest and most powerful system of monopolies in the world and no one can deny the statement.

Mr. Chairman, I had the privilege of sitting in the Supreme Court room 25 years ago when that tribunal handed down its famous decision dissolving the Standard Oil Trust. I sat there 2 or 3 weeks later when they handed down the decision dissolving the Tobacco Trust. I heard Justice Harlan's famous dissenting opinion in which he so caustically referred to the excuses made by the majority for "reasonable violations" of the law. The "reasonable violations" became the law. The Standard Oil Trust was cut up into 33 separate corporations, some of which later became greater and more powerful than the original corporation. The Tobacco Trust was cut up in the same way. Who can rise here today and say that there is any competition in the tobacco business today or any competition in the oil business or any other great business of this country or ever has been, except for business and trade territory? So far as competition in prices is concerned and so far as protecting the masses is concerned, there has not been any such thing.

Take the chain stores, for instance. The newspapers yesterday morning announced that the "loss leader returns", one of the evil brood killed by the N. R. A., which filled the chain stores to standing room while the little independent merchant dusted his idle counters. The Washington papers carried headings that the "loss leader" had returned. When the Sherman antitrust law was passed there was no such thing in existence as the chain store and not for nearly 25 years afterward. Where is there in the world a worse monopolistic, price-fixing, little-business-killing institution than the chain-store system that has grown up under the Sherman antitrust law? If somebody will get up and propose something worth while in exchange for the Sherman antitrust law, I shall be glad to make a trade with them.

Mr. FORD of California. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield to the gentleman from California.

Mr. FORD of California. The gentleman asked, "Where is there a system that is worse than the chain-store system"? I say, "Two chain-store systems."

Mr. MARTIN of Colorado. The gentleman is right.

The independent is passing from the picture. He sells out, goes bankrupt, or becomes a hired man. And yet learned statesmen will stand on the floors of Congress and inveigh against N. R. A. because it has deprived the little fellow of the protection of the Sherman antitrust law. It was and is as Donald Richberg said, in the Senate hearings, "a deceitful failure and continuing public injury." As pointed out in the Senate hearings, price fixing prevailed before the codes, and no agreement was necessary. Some gentleman arose at a Gary dinner and in the course of his talk casually remarked that steel would be so much a ton and steel was so much a ton. It has been so in every major line.

Just a few days ago the papers announced the end of the long and bitter struggle, in court and out of court, of the Republic Steel Co. of Ohio to maintain its independence. It was swallowed up by the Bethlehem Co. N. R. A. is certainly not responsible for this. When you are talking about things that are as dead as the dodo, do not overlook the antitrust laws.

Even if they could be enforced, it is a question whether the result would be constructive or obstructive. It is a question whether they would not be barriers to the inherent trend of modern economic development. It is a question if they would not do to industrial regulation just what the N. R. A. decision has done.

Mr. Chairman, my idea of the N. R. A. was that it established a new and better system of relationships between industry, labor, and the consuming public, and that there must be some such system brought about in this country if we are to avert a permanent economic breakdown and perhaps anarchy, revolution, and a dictatorship. This view has not been weakened by what I have seen in the reactionary newspapers of the East since the decision of the Supreme Court was rendered.

Mr. Chairman, on the day of the decision and the day after they came out and thanked God for the Supreme Court

and the restoration of the Constitution. The next day they began to exhort industry to hang on to the benefits of the N. R. A. and incidentally to preserve the benefits to the workers. There is not any doubt what they will hang on to for themselves, but when it comes to the workers and the benefits of N. R. A. to labor the only thing that will be hung on to is what is held by the strong arm of labor itself.

It does not take a long memory to surmise what may happen. When the full force and effect of the depression dawned upon President Hoover he called to Washington the captains of industry, and they promised him not to curtail their activities or reduce employment and wages, and everyone went back to his place of business with a knife cut for every head and every dollar in sight, and the process continued until unemployment reached between 12 and 14 million and the wage income fell by more than half. History will repeat itself. The process has already begun, reduction in employment, lengthening of hours, cutting of wages and prices. We may look for the return of the whole brood of unfair trade practices. Promises to the contrary are not worth the breath that utters them. It would be living in a fool's paradise to assume that American industry is going to or can voluntarily and without the sustaining hand of the law maintain the standards that were struck down with N. R. A. This is recognized even by newspapers that thanked God in capitals for the Supreme Court.

PURPOSES AND BENEFITS OF N. R. A.

My original view of the N. R. A. has not been changed by the minority report in this case, in which they enumerate the benefits from the National Industrial Recovery Act, and which they say ought to be perpetuated and retained. In other words, "To hell with the N. R. A., but save its benefits." How are we going to save the benefits?

THE MINORITY REPORT

In view of the universal chorus of praise that went up the first few days over the Supreme Court decision from the Republican press and leaders, I would not feel justified in enumerating the benefits of N. R. A. or even in claiming that there were any benefits. The minority report on the pending resolution relieves me of any such responsibility. Indeed, I may quote the exact language of the minority report:

> The minority feel that, in spite of its many faults, the N. R. A. has a number of beneficent and commendable features which might well be preserved by permanent legislation within constitutional limitations.

What these beneficent and commendable features are, is specifically set forth in the minority report as follows:

> Provisions against unfair methods of competition,
> Unfair and destructive trade practices,
> And the employment of child labor;
> And provision for maximum hours of employment,
> For minimum rates of pay,
> And the guarantee to employees of the right to bargain collectively by representatives of their own choosing.

These beneficent and commendable features, mind you, were achievements of N. R. A. They were in very truth a new deal. They substituted stability and equity for the law of the jungle, for tooth and claw. As I ponder these things, I wonder what there was in N. R. A., the destruction of which compensates for their loss—the destruction of which justifies such a chorus of thanksgiving.

"In spite of its many faults", say the minority, the National Industrial Recovery Act carried these "beneficent and commendable features." It is characteristic of the report, indeed, it is characteristic of the whole anvil chorus, that there is no bill of particulars of the "many faults." They should be many and great to compensate for such great and grievous losses. All the minority have to offer is to be found in the following sentence in the report:

> We deplore the fact that the majority are unwilling to cooperate with us in instituting a study for that purpose—

The purpose of finding constitutional ways to do unconstitutional things. No doubt this suggestion is an inheritance from the previous administration, which was always setting up commissions to make studies which never resulted in action. Thomas Hardy wrote a book called "Life's Little Ironies." I could add a postscript.

THE PRESIDENT

Mr. Chairman, I want to digress a moment to the reactions of the chief figure in his national drama, as revealed in his press conference. All I know about the President's press conference on the N. R. A. decision is what I read in the papers, but from what I read, I saw no occasion for introducing a resolution, as I did with regard to his press conference on the resolutions of the United States Chamber of Commerce. I should very much like to have a verbatim transcript of the press conference on the N. R. A. decision, but I feel assured that press reports carry the fair substance of this historic offhand discussion of the President.

First, I want to add my thanks for the Supreme Court decision. I am thankful for the acid test and the manner in which the President rose to it, which has answered in my mind the only question I have ever had concerning him. I said of him 2 years ago that I believed his smile did not mean a thing and that it masked a will of steel. I likened him to the dentist who said, this won't hurt a bit, and then yanked the side of your head off. Nevertheless, I realized that he had never met the supreme test. As I stated on this floor on June 13, 1933, at the close of the special session of the last Congress, "the big bridge is yet to be crossed." I began to glimpse the big bridge in the distance when a few months ago the enemies of the new deal began coming into the open. I felt it was near when the United States Chamber of Commerce, speaking for big business, assailed the whole recovery program. The President's talk to the farmers here in Washington showed a hopeful flash of the fighting spirit which must imbue to its very depths the soul of the man who is capable of leading this great Nation in this unprecedented crisis, the spirit of an Andrew Jackson, which could crush the Bank of the United States and throw an entire cabinet out the window.

But my spirit received a new baptism of faith when I read his statements on the N. R. A. decision to the press representatives of the Nation. Confronted with a situation which the enemies of his program thought would overwhelm him, he rose completely to the occasion. He spoke with a knowledge which encompassed the national picture, past and present, and with a vision of the future which must be followed if the hands are to turn forward on the clock of national progress. It was a trumpet call to the Nation. It was a challenge to reactionaries of whatever party.

A reactionary newspaper characterized his philosophy with the heading, "A President leaves his party." Here is a guess that he takes with him the greater part of his own party and the party label and the progressive part of the other party. Roosevelt now, more than by any utterances since his inaugural address, proclaims himself the leader and prophet of a new deal. As his analysis of America's social progress, past and present, surpasses in scope and insight any other statement which has been made on this great subject, so his discourse encompasses and swallows up all piecemeal suggestions as to the course to be charted for the future. His statement dwarfs all other statements as if nothing else had been said. This, indeed, was a historic hour. Thank God for faith in a great leader, the most urgent need in a nation's hour of travail. "An institution", said Emerson, "is the lengthened shadow of one man, and all history readily resolves itself into the biographies of a few stout individuals." May he rise to the utmost heights of courage and determination. His place in history will be higher should he go down fighting with every weapon at his command. But he will not go down. He will take his place with the great leaders of America in its great crisis. The heart of America is sound and is with him. He has but to be true to his own ideals and to keep the faith.

POWERS OF THE FEDERAL COURTS

Mr. Chairman, the Supreme Court decision on N. R. A. has evoked a flood of suggestions as to what may be done to modify the powers of the judiciary over the legislation of Congress.

The aspect of the decision which has impressed me most deeply is the secrecy which must surround decisions of the

Supreme Tribunal which may vitally affect the Nation. The Tribunal is put in the position of not merely a separate but an antagonistic branch of the Government. The modus operandi is in the nature of an ambuscade. The decision on N. R. A., destroying a national economic structure which had been in process for 2 years, came as a thunderbolt. It was like throwing a bombshell into a sleeping house. The Executive and the world learned of it at the same moment. Not an instant of preparation could be allowed to meet a situation which might replunge the country into an industrial chaos from which, whatever its defects, N. R. A. had rescued it. Such governmental procedure hardly qualifies as either cooperative, coordinative, or constructive.

During my former service in Congress it was my good fortune to make one speech which attracted considerable attention. The title of the speech was the Veto and the Recall. The occasion of the speech was the veto by President Taft of the resolution to admit the Territory of Arizona to statehood because of its radical constitution, while he favored the resolution to admit the Territory of New Mexico because of what might be mildly termed its ultraconservative character.

In that speech I called attention to the fact that the ruler of England had not vetoed an act of Parliament in 200 years. My recollection now may be somewhat dim and I have not taken the trouble to look it up, but, as I recall it, the last King of England who vetoed an act of Parliament lost his head.

I also called attention to the fact that the courts of England could not invalidate an act of Parliament, when the prohibition is expressed in the act.

I get some small satisfaction from the reflection that I received a very fine letter on that speech from a man who was then the progressive Republican governor of a great State and who has been for many years a leader in the United States Senate. I received many such responses. Perhaps if some Member were to make a speech along the same lines upon the N. R. A. decision, he would get many times more responsea, the occasion being so many times larger. Since that speech was delivered, the unwritten or common-law Constitution of England has been amended so that an act thrice passed by the House of Commons becomes the law of the land, the House of Lords to the contrary notwithstanding.

I am not, however, here suggesting that the Supreme Court of the United States be shorn of the power to invalidate the acts of Congress, an arrogated and extra-constitutional power, but so long established as to have achieved acceptance as a part of the Constitution. I would, though, take such power from the circuit and district courts of the United States and limit the determination of such actions to the Supreme Court. It has become intolerable that the judges of more than 150 separate Federal districts, created by the Congress, invalidate the most solemn acts of the legislative branch of the Government, concurred in by the Executive, and wrung out of the direst necessities of the Nation.

AMENDING THE CONSTITUTION

These controversies over individual cases die out quickly. Modern life is a succession of sensations and they are quickly crowded out on the heels of each other. Talk of curbing judicial power soon subsides. There is, however, constantly pressing to the front the question whether the national Constitution, the product of a primitive and simple state of society, and with no precedents for guidance, except the statutes and common law of eighteenth century England, is sufficiently flexible or contains the necessary provisions to meet the almost inconceivably vast and complex conditions of modern society.

The conditions under which the Federal Constitution was produced have disappeared almost without trace. That great instrument must have necessarily evolved out of those conditions. Even the railroad had not made its appearance. This Capital was undreamed of. Its site was farther then from New York than it is now from San Francisco. The commerce clause upon which now so much Federal legislation rests, slept unknown in the Constitution for a hundred years. The Interstate Commerce Act of 1887, passed just 100 years after the adoption of the Constitution, was the first important exercise of such legislative powers under it.

THE COMMERCE CLAUSE

Mr. Chairman, I am not a constitutional lawyer, but I lean to the view that as a supporting basis of nearly all the legislation enacted under the commerce clause, including the Interstate Commerce Act itself, it is a fiction, a necessary fiction, I grant you, but none the less a fiction. Its nonuse for such purposes for a century supports this view. The chief purpose which the framers of the Constitution must have had in mind in adopting the commerce clause was to prevent assertions of State sovereignty against each other. They must not be allowed to set up embargoes or prohibitions or other discriminatory practices against the commerce of their sister States. The commerce clause is now made the vehicle, not merely of negation of such powers in the States, but of the affirmative regulation of nearly all of the most important national activities. The purpose of the commerce clause has been completely reversed, but this reversal has been necessary.

Even if this view, so broadly stated, may be shown by an examination of the reasons for the adoption of the commerce clause to be extreme, I think no one will question the statement that the broad interpretations placed upon it, and in growing degree, during the last 50 years, could not have been within the mental purview of a single member of the Constitutional Convention. The framers could not have dreamed of the multiplied invasions of State rights, even of their police powers, now sanctioned under the commerce clause. And, by the way, there is nothing to prevent a future Supreme Court from building up a similar fiction on the welfare clause, article 1, section 8, which will support all the Federal legislation now being held not to fall under the commerce clause. Necessity is the mother of invention, and necessity has had to invent the excuse for the exercise of so many national legislative powers that even John Marshall could not now find the Constitution in the decisions of the Supreme Court upholding the exercise of these powers.

Now, the Supreme Court has stopped the clock and set the calendar back 50 years. A man is reported to have rushed from the court room shouting, "The revolution is over!" Another opinion is that it had just taken a fresh start.

AMENDING THE CONSTITUTION

Mr. Chairman, this brings me to the consideration of an amendment to the Constitution. The first question to be decided is whether a constitutional amendment is needed. If nothing else were involved than N. R. A., the answer must be yes. Regulation of hours, wages, working conditions, and trade practices is essential if there is to be any stability in the industrial structure. Industry and commerce are national, not State. Nearly every such activity ramifies and has its repercussions everywhere. But it is estimated that 80 percent of industry operating under codes only indirectly affects interstate commerce. That fact, in itself, dashes any hope that revision of the law, with specification of policies, standards, and limitations meeting the objections of the Court, can stabilize industry. The tail cannot wag the dog.

Policies, standards, and limitations can be set up in the statute to cure the legislative delegation of power, but nothing can be set up in the statute to cure the lack of Federal jurisdiction over the subject matter. Yet that lack of jurisdiction frustrates the beneficial and needed exercise of power by the Congress and renders it inoperative.

As the Chief Justice puts it: "It is not the province of the Court to consider the economic advantages or disadvantages of such a centralized system." The President is not so happily situated. He was elected, and an overwhelmingly democratic Congress with him, as the result of a Nation-wide revolt against the disadvantages of an economic system which had broken down, and the whole extraordinary burden of his administration has been to salvage and reorganize the wreckage. He has had to consider the disadvantages of the old broken-down order and to replace it, and he

had replaced it with a system that was working economically, if not legally.

MORE THAN INDUSTRY INVOLVED

The Supreme Court decision goes far beyond industry. It strikes with equal force the whole program of agriculture. Marketing agreements are nothing but codes of fair competition in agriculture and dependent upon law, Federal law, for sanction and enforcement. Talk of sustaining voluntary industrial or agricultural agreements is a sheer waste of breath. The case of the Louisiana Rice Marketing Agreement is in point. Two percent of the growers and 7 percent of the dealers refused to sign and the agreement failed. Now, the rice growers of Louisiana are knocking at the doors of Congress to have rice made a basic commodity so that it can be put under quotas and taxes. The potato growers are here. But there is no more authority in the Constitution for the regulation of agriculture than for the regulation of commerce and industry scrapped by the Supreme Court in its decision on N. R. A., in fact, not as much. Agriculture will be stabilized through Federal regulation or not at all.

SOCIAL SECURITY INVOLVED

The decision ramifies beyond industry and agriculture. It knocks the props from beneath the principal features of social-security legislation. The contributory old-age and unemployment titles may as well be eliminated from the social-security bill. Under the decision on N. R. A. there is no constitutional warrant for any social legislation. The decision in the railroad pension case really settled that. There is nothing in the Constitution to cover child labor. So far as Federal action is concerned the babies may again be taken from the cradle and put to the wheel, and they will be.

We must not be lulled into a sense of false security by any assurances which are not reinforced by the sanctions of the law. The whole trend of the social and humane aspects of progress, not only of this Administration but throughout the history of the movement, has now run up against the bar of the Constitution so far as Federal action is concerned. The decision places a question mark after the whole recovery program. Makeshift legislation, bolstered by the pretense that it fits into the procrustean bed of the decisions of the Supreme Court, may act as temporary stopgaps, but only an amendment to the Constitution will furnish a firm and lasting foundation for further social progress in the United States. Even in the countries of Europe which have long since developed a social consciousness, which America has not, voluntary movements for social justice and betterment have failed. Attempting such movements would be a palpable waste of time in the United States. It is constitutional change or chaos.

SCOPE OF AMENDMENT

The phraseology of such an amendment is not for me to essay. An amendment to the Federal Constitution is to be approached with the utmost care, with the gravest consideration. A few words in that fundamental instrument are fraught with great import. The fifth amendment forbids the Federal Government to deprive any person of life, liberty, or property without due process of law. The fourteenth amendment forbids any State to deprive any person of life, liberty, or property without due process of law. A great newspaper has aptly said:

> Business uses the fourteenth amendment against State regulation and the fifth amendment against Federal regulation.

Ever since regulation by either the State or Federal Governments began, these two powers have been played against each other to the nullification of both. It has been a game of hide and seek. Bryan aptly called it the "twilight zone." In his last candidacy for President, Bryan proposed Federal licensing to regulate monopoly. The present Chief Justice went to Lincoln and ridiculed the proposal. Ideas persist. I have seen suggestions that would limit the amendment to wages and hours and the right to organize for collective bargaining. These are valuable rights, the orderly and equitable adjustment of which are essential to the national welfare, but they by no means include all such rights.

Mr. Chairman, the people cannot eat the Constitution. You cannot feed the Constitution to 10,000,000 idle men. You cannot feed it to farmers whose crops do not produce enough to pay interest and taxes. You cannot feed it to the little business man who has not a chance in the world against the chain stores. You cannot excite these people for the Constitution, but you may excite them against it.

The first Congress proposed 10 separate amendments to the Constitution, which were adopted. The framers had overlooked the whole Bill of Rights. There was nothing guaranteeing freedom of religion, of speech, of the press, or of the rights of assemblage and petition. May not the Seventy-fourth Congress with propriety consider the submission of an amendment to empower itself to enact legislation which is not only beneficent and commendable, but which has become vital to the national welfare?

Mr. HOLLISTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment offered by the gentleman from Ohio [Mr. JENKINS] merely provides that the delegation of authority to approve agreements shall be repealed as well as the delegation of authority to approve codes.

I want to point out the wording of the National Industrial Recovery Act with respect to the delegation of authority on codes and the delegation of authority on agreements. About 10 lines down in section 3 it says that if the President finds the codes "will tend to effectuate the policy of this title", then he may approve them. About five lines down in section 4 it is stated that if in his judgment—that is, the judgment of the President—"such agreements will aid and effectuate the policy of this title", he may approve them. In other words, Mr. Chairman, Congress used exactly the same words in defining the authority of the President to approve a code as in defining the authority of the President to approve an agreement. Apparently a great many of the Members of this House expect to vote for this bill and against an amendment of this nature because they think the President still has the authority to approve agreements and that when those agreements are approved the people operating under them will be relieved from the operation of the antitrust laws.

How many of you know that under the antitrust laws an offender is not only subject to Federal prosecution by the Department of Justice but may be subjected to a damage suit in which he will have to pay three times the amount which a jury may find the person against whom he offends has suffered in damages? Let us not sell industry a gold brick. If we say that the President, by delegated authority, may approve an agreement and the industry operating under the agreement shall be relieved from the operation of the antitrust laws, we may find an innocent party being sued in court with the threat of damages in the amount of three times what the jury may find. When he defends on the ground that his agreement was approved by the President, the Court will say that the delegated authority was improper and the President could not approve such an agreement. I wish I had time to read what the Chief Justice said along this line in the Schechter case.

He took exactly those words "in effectuating the policy of this title" and pointed out that that was not such a well-defined authority as would give the President the right to act properly under the doctrine of congressional power to delegate authority. If this is so with respect to the codes, the same thing is equally so with respect to voluntary agreements, and if you do not adopt this amendment, and if you pass the resolution in the form it is now, you are deceiving industry. You are fooling yourselves into thinking there is still a possibility that agreements may be approved by the President, and that those operating under such agreements may be relieved from the operations of the antitrust laws.

I ask you to please read the wording of section 3 and section 4 of the Industrial Recovery Act and the words of the Chief Justice when he passed on the pertinent wording of section 3 in the Schechter case, because if he had been passing on the pertinent wording in section 4 he could not possibly have reached any other conclusion.

Let us not have a lot of innocent people dragged into court for the next year or two until this matter can again get to the Supreme Court. Let us forget politics, face the facts logically, and realize that if this wording was not an adequate delegation of authority under section 3, it is not adequate under section 4. We should therefore support the proposed amendment. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 8 minutes.

The motion was agreed to.

Mr. DUNN of Pennsylvania. Mr. Chairman, when the Supreme Court of the United States handed down its decision that the National Industrial Recovery Act is unconstitutional, in my opinion, it was one of the worst blows ever given to the laboring people of the United States. It convinced me, and I have no doubt it convinced many thousands of others who are interested in labor, that this Supreme Court decision made property rights superior to human rights.

Everybody who is fair-minded knows that when the N. I. R. A. became a law, it was one of the most progressive and humanitarian measures ever passed by any Congress. It was stated on the floor of this House today that the N. I. R. A. did not wipe out sweatshops and that it did not increase the wages of the laboring class. I want to say that the N. I. R. A. did, to a great extent, wipe out sweatshops and increased the salaries of the laboring people; and I do not hesitate to say that if President Roosevelt did nothing else during the 8 years he will be President of the United States [applause] but make it possible for the N. I. R. A. to become law, he will go down in history as one of the most progressive Presidents that our country has ever had.

If the bill which is now before us will benefit the laboring class, it should be supported. It has been said that all it is going to do is to retain about 5,000 Government employees. Five thousand people employed is better than 5,000 people unemployed.

Mr. Chairman, we Members of Congress can pass legislation to make it possible to have the Constitution amended if we desire to do so. I hope that every Member of Congress, whether he be a Democrat, Republican, Farmer-Laborite, Progressive, Socialist, or Communist—and I am often called a Communist—will in the near future do his utmost to have the Constitution amended so that Congress will have the right to pass laws which will forever put an end to child labor, sweatshops, slum districts, and other social evils which are now prevailing throughout our land. [Applause.]

Mr. TREADWAY. Mr. Chairman, a few moments ago the distinguished Chairman of the Ways and Means Committee made an appeal to the House to act in a nonpartisan way. I want to make a similar appeal now to nonpartisan action, namely, to adopt the amendment offered by the gentleman from Ohio, in that it is a perfecting amendment to clarify the absolute haze that covers the question of what may or may not be included in the language with respect to agreements.

It seems to me that no better opportunity for the Democratic side to show its nonpartisanship can be offered than the present moment when the vote is to come on the amendment offered by the gentleman from Ohio [Mr. JENKINS].

I want to make two further observations. First, the gentleman from New York [Mr. MEAD] referred to me as advocating the "horse and buggy" age. I was not advocating the "horse and buggy" age. I believe in progress such as the country has seen in the last few years in the matter of inventions, machinery, and progress.

I do say that the manner in which we conducted affairs 20 or 25 years ago—you can call it the "horse and buggy" days if you wish—was honest, straightforward, and upright. There was none of the artificial things which are so prevalent in our method of doing business today. That is what I referred to as preferable in the "horse and buggy" days.

I want to thank our friend from Kentucky [Mr. VINSON] for including the minority views in his remarks. He paid us unintentionally a great compliment when he referred to the fact that we wished to retain those things that were good.

I want to call his attention to the fact that this recommendation of ours differs evidently from what he thought it did. We do not advocate the continuance of the N. R. A. under the present set-up, but we do advocate turning the details over to a semijudicial board known as the "Federal Trade Commission." That is a permanent board, and it should have charge of these matters in the future. The N. R. A. was a temporary set-up. It has accomplished its purpose, and why not turn the permanent work over to some organization of the Government that is permanent? Therefore we advocate taking the five desirable features and giving them to the Federal Trade Commission to work out suitable legislation. [Applause.]

The CHAIRMAN. All time has expired, and the question is on the amendment offered by the gentleman from Ohio [Mr. JENKINS] to the committee amendment.

The question was taken; and on a division (demanded by Mr. JENKINS of Ohio and Mr. TREADWAY) there were 72 ayes and 177 noes.

So the amendment to the committee amendment was rejected.

The CHAIRMAN. The question now is on the committee amendment.

The committee amendment was agreed to.

Mr. RAMSPECK. Mr. Chairman, I offer the following amendment.

Mr. TREADWAY. Mr. Chairman, I understood the motion of the gentleman from North Carolina was to close all debate on this section. How can more debate be had now?

The CHAIRMAN. This amendment is offered as a new section. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. RAMSPECK: Page 3, line 3, after the word "repealed", insert a new section, as follows:

"SEC. 3. Section 2 (a) of title 1 of such act is amended by adding thereto the following: 'Such officers and employees, when their employment is terminated, shall be paid for any accrued annual leave which is unused at the time of their discharge'; and such employees and officers as are retained after this amendment becomes effective shall be entitled to any unused accrued leave earned prior to such date."

Mr. BLANTON. Mr. Chairman, I make the point of order that the amendment is not germane to the bill or to any section of the bill.

Mr. TABER. Mr. Chairman, I make the point of order that the amendment calls for an appropriation, and it does not come from the Appropriations Committee.

The CHAIRMAN. This does not make an appropriation, it is merely an authorization. The point of order is overruled. Also, the Chair overrules the point of order of the gentleman from Texas [Mr. BLANTON].

Mr. RAMSPECK. Mr. Chairman, if the gentlemen of the Committee will give me their attention for a moment or two, that is all I want. The facts about the matter are simply these. The 5,000 and over employees of the National Recovery Administration hold appointments which terminate on June 16. Many of them have worked for a year and a half or more without any vacation. Under the law, I am informed by the General Accounting Office, those who hold appointments terminating on June 16 cannot be given annual leave or vacation even though they are retained after June 16.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. CRAWFORD. Do I understand the gentleman to say that the N. I. R. A. has imposed working conditions on all of its employees which no industrial concern in the United States dare impose?

Mr. RAMSPECK. I did not say that, and the gentleman knows I did not.

Mr. CRAWFORD. It is said that they worked day and night, some of them, up until 10 o'clock at night.

Mr. RAMSPECK. I am not yielding to the gentleman. This is merely a question of dealing fairly with these em-

ployees. They are entitled to their vacation just as other Federal employees are. Unless this amendment be adopted the chances are that those who are discharged, and thousands of them, of course, will eventually be discharged under this limited renewal, will not be given any vacation at all and will not get any pay in lieu of their vacation.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. CONNERY. I find among Members of the House that some seem to have an idea that because Mr. Richberg told the Committee this could be taken care of and it would be taken care of, it would not be necessary to enact any legislation in respect to it. The gentleman from Georgia has made it plain from Mr. McCarl that it cannot be taken care of unless this amendment is agreed to.

Mr. RAMSPECK. I want to be perfectly frank about the matter. Mr. McCarl's office told me that it was very doubtful, but they had not passed on the question, but they thought it would be better to write the language into the act.

Mr. TREADWAY. Mr. Chairman, I was about to bring out the same suggestion that my colleague from Massachusetts [Mr. CONNERY] has, that Mr. Richberg referred to this question and was in entire sympathy with all that the gentleman has said.

Mr. RAMSPECK. It can hurt nothing to let the language go into the act.

Mr. DUNN of Pennsylvania. I just want to say that this is a real good amendment and it should be adopted.

Mr. DOUGHTON. Mr. Chairman, if Senate Joint Resolution 113 is adopted, the N. R. A. will not expire on the 16th of June, but the law goes right on, and those in charge of the administration of the law can take this matter into consideration when employees are discharged. That was discussed yesterday and it was understood that it will be taken care of and I have no doubt it will.

The CHAIRMAN. The question is on the amendment of the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. RAMSPECK) there were—ayes 102, noes 118.

Mr. RAMSPECK. Mr. Chairman, I demand tellers.

The CHAIRMAN. The gentleman from Georgia demands tellers. All in favor of taking the vote by tellers will rise and stand until counted. [After counting.] Twelve Members have risen; not a sufficient number and tellers are refused.

Mr. ANDREWS of New York. Mr. Chairman, I offer an amendment as a new section, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. ANDREWS of New York to the committee amendment: Page 3, line 2, after the word "repealed", insert a new section to read as follows:

"SEC. 3. No compensation shall be paid to any officer or employee appointed under the authority of section 2 of the National Industrial Recovery Act in excess of $6,000 per annum."

Mr. ANDREWS of New York. Mr. Chairman, according to the statement made by the Chairman of the Committee on Rules, the officials of the N. R. A., for the next 9 months, will be employed only in statistical work. They will have very little to do between now and April 1 next, except the collection of statistical data. It seems to me that we should not pay large salaries to have this done. I understand that some salaries paid are as high as $15,000 and $17,000 a year, and we may well conserve by fixing the maximum at $6,000 for that type of work.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. O'MALLEY) there were—ayes 71, noes 192.

So the amendment was rejected.

The CHAIRMAN. Under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SIROVICH, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration Senate Joint Resolution 113, and, pursuant to House Resolution 242, he reported the joint resolution back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. O'MALLEY. Mr. Speaker, I ask for a separate vote on the committee amendment to section 2.

The SPEAKER. Is a separate vote demanded upon any other amendment? If not, the Chair will put them en gross.

The other amendments were agreed to.

The SPEAKER. The question is upon the amendment on which a separate vote is demanded. The Clerk will again report the amendment.

The Clerk read as follows:

Page 1, line 7, strike out section 2, ending in line 10 on page 2.

The SPEAKER. The question is on agreeing to the amendment.

Mr. O'MALLEY. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

The question was taken; and the amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, and was read the third time.

Mr. TREADWAY. Mr. Speaker, I offer a motion to recommit, which I have sent to the Clerk's desk.

The Clerk read as follows:

Mr. TREADWAY moves to recommit the joint resolution (S. J. Res. 113) to the Committee on Ways and Means with instructions to strike out all after the enacting clause and to prepare and report to the House as soon as practicable an amendment transferring, under proper constitutional limitations, the powers and authority conferred on the President under the National Industrial Recovery Act to the Federal Trade Commission, with a view to permitting it to approve voluntary trade agreements set up by trades or industries, which shall include provisions for (a) the elimination of unfair methods of competition; (b) the prevention of monopolies; (c) the abolition of child labor; (d) the prohibition of unreasonable hours of work and of inadequate rates of pay; and (e) the guarantee to employees of the right to bargain collectively through representatives of their own choosing.

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. TREADWAY. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 107, nays 282, not voting 41, as follows:

[Roll No. 91]

YEAS—107

Allen	Dunn, Pa.	Kimball	Robsion, Ky.
Andresen	Eaton	Kinzer	Rogers, Mass.
Andrew, Mass.	Ekwall	Knutson	Sauthoff
Andrews, N. Y.	Engel	Lambertson	Schneider
Arends	Englebright	Lehlbach	Seger
Bacharach	Fenerty	Lemke	Short
Bacon	Fernandes	Lundeen	Snell
Binderup	Fish	McLean	Stefan
Blackney	Focht	McLeod	Stewart
Boileau	Gearhart	Maas	Sweeney
Bolton	Gehrmann	Maloney	Taber
Brewster	Gilchrist	Mapes	Taylor, Tenn.
Buckbee	Goodwin	Marcantonio	Thomas
Burdick	Guyer	Marshall	Thurston
Burnham	Gwynne	Martin, Mass.	Tinkham
Carlson	Halleck	Maverick	Tobey
Carter	Hancock, N. Y.	Michener	Treadway
Cavicchia	Hartley	Millard	Turpin
Church	Hess	Monaghan	Wadsworth
Cole, N. Y	Higgins, Mass.	Mott	Welch
Collins	Hildebrandt	Pittenger	Wigglesworth
Cooper, Ohio	Hollister	Plumley	Withrow
Crawford	Holmes	Powers	Wolcott
Crowther	Hope	Ransley	Wolfenden
Culkin	Hull	Reece	Wolverton
Darrow	Jenkins, Ohio	Reed, Ill.	Woodruff
Duffey, Ohio	Kahn	Rich	

NAYS—282

Adair	Barden	Blanton	Brown, Ga.
Amlie	Beiter	Bloom	Brown, Mich.
Arnold	Bell	Boehne	Brunner
Ashbrook	Berlin	Boland	Buchanan
Ayers	Bland	Boylan	Buck

Buckler, Minn.	Ford, Calif.	Lucas	Romjue
Buckley, N. Y.	Ford, Miss.	Luckey	Rudd
Burch	Frey	Ludlow	Ryan
Caldwell	Fuller	McAndrews	Sabath
Cannon, Mo.	Fulmer	McCormack	Sadowski
Cannon, Wis.	Gambrill	McFarlane	Sanders, La.
Carpenter	Gasque	McGehee	Sanders, Tex.
Cartwright	Gassaway	McGrath	Sandlin
Casey	Gavagan	McGroarty	Schaefer
Castellow	Gildea	McKeough	Schuetz
Celler	Gillette	McLaughlin	Schulte
Chandler	Gingery	McMillan	Scott
Chapman	Goldsborough	McReynolds	Scrugham
Citron	Granfield	McSwain	Sears
Clark, Idaho	Gray, Ind.	Mahon	Secrest
Clark, N. C.	Gray, Pa.	Mansfield	Shanley
Coffee	Greenway	Martin, Colo.	Sirovich
Colden	Greenwood	Mason	Sisson
Cole, Md.	Greever	Massingale	Smith, Conn.
Colmer	Gregory	May	Smith, Va.
Connery	Griswold	Mead	Smith, Wash.
Cooley	Haines	Meeks	Smith, W. Va.
Cooper, Tenn.	Hamlin	Merritt, N. Y.	Snyder
Corning	Hancock, N. C.	Mitchell, Ill.	Somers, N. Y.
Costello	Harlan	Mitchell, Tenn.	South
Cox	Hart	Montet	Stack
Cravens	Harter	Moran	Starnes
Crosby	Healey	Moritz	Stubbs
Cross, Tex.	Hennings	Murdock	Sullivan
Crosser, Ohio	Hill, Ala.	Nelson	Sumners, Tex.
Crowe	Hill, Knute	Nichols	Sutphin
Cullen	Hill, Samuel B.	Norton	Tarver
Cummings	Hobbs	O'Brien	Taylor, Colo.
Daly	Hoeppel	O'Connell	Taylor, S. C.
Darden	Hook	O'Connor	Terry
Deen	Houston	O'Day	Thom
Delaney	Huddleston	O'Leary	Thomason
Dempsey	Imhoff	O'Malley	Thompson
Dickstein	Jacobsen	O'Neal	Tolan
Dies	Jenckes, Ind.	Owen	Tonry
Dietrich	Johnson, Okla.	Palmisano	Truax
Dingell	Johnson, Tex.	Parks	Turner
Disney	Johnson, W. Va.	Parsons	Umstead
Dobbins	Jones	Patman	Utterback
Dockweiler	Kee	Patterson	Vinson, Ga.
Dorsey	Keller	Patton	Vinson, Ky.
Doughton	Kelly	Pearson	Wallgren
Doxey	Kennedy, N. Y.	Peterson, Fla.	Walter
Drewry	Kenney	Peterson, Ga.	Warren
Driscoll	Kerr	Pettengill	Wearin
Driver	Kleberg	Pfeifer	Weaver
Duffy, N. Y.	Kloeb	Pierce	Werner
Duncan	Kniffin	Polk	West
Dunn, Miss.	Kocialkowski	Rabaut	Whelchel
Eagle	Kopplemann	Ramsay	White
Eckert	Kramer	Ramspeck	Whittington
Edmiston	Kvale	Randolph	Wilcox
Eicher	Lambeth	Rankin	Williams
Ellenbogen	Lanham	Rayburn	Wilson, La.
Evans	Larrabee	Reilly	Wood
Faddis	Lea, Calif.	Richards	Woodrum
Farley	Lee, Okla.	Richardson	Young
Ferguson	Lesinski	Robertson	Zimmerman
Fitzpatrick	Lewis, Colo.	Robinson, Utah	Zioncheck
Flannagan	Lewis, Md.	Rogers, N. H.	
Fletcher	Lloyd	Rogers, Okla.	

NOT VOTING—41

Bankhead	Cochran	Hoffman	Quinn
Beam	Dear	Kennedy, Md.	Reed, N. Y.
Biermann	DeRouen	Lamneck	Russell
Brennan	Dirksen	Lord	Shannon
Brooks	Ditter	McClellan	Spence
Bulwinkle	Dondero	Merritt, Conn.	Steagall
Carden	Doutrich	Miller	Underwood
Carmichael	Fiesinger	Montague	Wilson, Pa.
Cary	Gifford	Oliver	
Christianson	Green	Perkins	
Claiborne	Higgins, Conn.	Peyser	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Merritt of Connecticut (for) with Mr. Carmichael (against).
Mr. Dondero (for) with Mr. Steagall (against).
Mr. Hoffman (for) with Mr. Kennedy of Maryland (against).
Mr. Dirksen (for) with Mr. Fiesinger (against).
Mr. Wilson of Pennsylvania (for) with Mr. Brooks (against).
Mr. Christianson (for) with Mr. Beam (against).
Mr. Higgins of Connecticut (for) with Mr. DeRouen (against).
Mr. Gifford (for) with Mr. Oliver (against).
Mr. Reed of New York (for) with Mr. Dear (against).
Mr. Perkins (for) with Mr. Brennan (against).
Mr. Ditter (for) with Mr. Cary (against).
Mr. Doutrich (for) with Mr. Spence (against).

General pairs:

Mr. Cochran with Mr. Lord.
Mr. Montague with Mr. Russell.
Mr. Underwood with Mr. Biermann.
Mr. Bankhead with Mr. Quinn.
Mr. Bulwinkle with Mr. Lamneck.
Mr. Miller with Mr. Claiborne.
Mr. Green with Mr. McClellan.
Mr. Carden with Mr. Peyser.

Mr. McCORMACK. Mr. Speaker, the gentleman from Massachusetts, Mr. RUSSELL, is unavoidably absent. If present, he would have voted "no."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. DOUGHTON. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 266, nays 121, not voting 44, as follows:

[Roll No. 92]

YEAS—266

Adair	Duncan	Kocialkowski	Romjue
Andrews, N. Y.	Dunn, Miss.	Kopplemann	Rudd
Arnold	Dunn, Pa.	Kramer	Ryan
Ashbrook	Eagle	Kvale	Sabath
Ayers	Eckert	Lambeth	Sadowski
Barden	Edmiston	Larrabee	Sanders, La.
Beiter	Eicher	Lea, Calif.	Sanders, Tex.
Bell	Ellenbogen	Lee, Okla.	Sandlin
Berlin	Evans	Lesinski	Sauthoff
Biermann	Faddis	Lewis, Colo.	Schaefer
Bland	Farley	Lewis, Md.	Schuetz
Blanton	Fitzpatrick	Lloyd	Schulte
Bloom	Flannagan	Lucas	Scott
Boehne	Fletcher	McAndrews	Scrugham
Boileau	Ford, Calif.	McCormack	Sears
Boland	Ford, Miss.	McGehee	Secrest
Boylan	Frey	McGrath	Shanley
Brown, Ga.	Fuller	McGroarty	Sirovich
Brown, Mich.	Gambrill	McKeough	Sisson
Brunner	Gasque	McLaughlin	Smith, Conn.
Buchanan	Gassaway	McReynolds	Smith, Va.
Buck	Gavagan	McSwain	Smith, Wash.
Buckler, Minn.	Gearhart	Mansfield	Smith, W. Va.
Buckley, N. Y.	Gehrmann	Martin, Colo.	Snyder
Burch	Gildea	Martin, Mass.	Somers, N. Y.
Caldwell	Gillette	Mason	South
Cannon, Mo.	Gingery	Massingale	Stack
Casey	Goldsborough	May	Starnes
Celler	Granfield	Mead	Sullivan
Chandler	Gray, Pa.	Meeks	Sumners, Tex.
Chapman	Greenway	Merritt, N. Y.	Sutphin
Citron	Greenwood	Mitchell, Ill.	Sweeney
Clark, Idaho	Greever	Montet	Taylor, Colo.
Clark, N. C.	Gregory	Moran	Taylor, S. C.
Coffee	Haines	Moritz	Terry
Colden	Hamlin	Murdock	Thom
Cole, Md.	Hancock, N. C.	Nelson	Thompson
Colmer	Harlan	Nichols	Tolan
Connery	Hart	Norton	Tonry
Cooley	Harter	O'Brien	Truax
Cooper, Tenn.	Healey	O'Connell	Turner
Corning	Hennings	O'Connor	Umstead
Costello	Higgins, Mass.	O'Day	Utterback
Cravens	Hildebrandt	O'Leary	Vinson, Ga.
Crosby	Hill, Ala.	O'Neal	Vinson, Ky.
Cross, Tex.	Hill, Knute	Owen	Wallgren
Crosser, Ohio	Hill, Samuel B.	Palmisano	Walter
Crowe	Hobbs	Parks	Warren
Crowther	Hoeppel	Parsons	Wearin
Cullen	Holmes	Patterson	Weaver
Cummings	Hook	Patton	Welch
Daly	Houston	Pearson	Werner
Darden	Huddleston	Peterson, Fla.	West
Delaney	Hull	Pettengill	Whelchel
Dempsey	Imhoff	Pfeifer	White
Dickstein	Jacobsen	Pierce	Whittington
Dietrich	Jenckes, Ind.	Rabaut	Wilcox
Dingell	Johnson, Okla.	Ramsay	Williams
Disney	Johnson, W. Va.	Ramspeck	Wilson, La.
Dobbins	Kee	Randolph	Withrow
Dorsey	Keller	Rayburn	Wood
Doughton	Kelly	Reilly	Woodrum
Doxey	Kennedy, N. Y.	Richards	Young
Drewry	Kenney	Richardson	Zimmerman
Driscoll	Kerr	Robertson	The Speaker
Driver	Kloeb	Robinson, Utah	
Duffy, N. Y.	Knutson	Rogers, N. H.	

NAYS—121

Allen	Castellow	Ferguson	Kahn
Amlie	Cavicchia	Fernandez	Kimball
Andresen	Church	Focht	Kinzer
Andrew, Mass.	Cole, N. Y.	Fulmer	Kleberg
Arends	Collins	Gilchrist	Kniffin
Bacharach	Cooper, Ohio	Goodwin	Lambertson
Bacon	Cox	Gray, Ind.	Lanham
Binderup	Crawford	Griswold	Lehlbach
Blackney	Culkin	Guyer	Lemke
Bolton	Darrow	Gwynne	Luckey
Brewster	Deen	Halleck	Ludlow
Buckbee	Dies	Hancock, N. Y.	Lundeen
Burdick	Dockweiler	Hartley	McFarlane
Burnham	Duffey, Ohio	Hess	McLean
Cannon, Wis.	Eaton	Hollister	McLeod
Carlson	Ekwall	Hope	McMillan
Carpenter	Engel	Jenkins, Ohio	Maas
Carter	Englebright	Johnson, Tex.	Maloney
Cartwright	Fenerty	Jones	Mapes

Marcantonio	Plumley	Seger	Treadway
Marshall	Polk	Short	Turpin
Maverick	Powers	Snell	Wadsworth
Michener	Rankin	Stefan	Wigglesworth
Millard	Ransley	Stewart	Wolcott
Mitchell, Tenn.	Reece	Stubbs	Wolfenden
Monaghan	Reed, Ill.	Taber	Wolverton
Mott	Rich	Tarver	Woodruff
O'Malley	Robsion, Ky.	Taylor, Tenn.	Zioncheck
Patman	Rogers, Mass.	Thomas	
Peterson, Ga.	Rogers, Okla.	Thurston	
Pittenger	Schneider	Tinkham	

NOT VOTING—44

Bankhead	Dear	Huffman	Peyser
Beam	DeRouen	Kennedy, Md.	Quinn
Brennan	Dirksen	Lamneck	Reed, N. Y.
Brooks	Ditter	Lord	Russell
Bulwinkle	Dondero	McClellan	Shannon
Carden	Doutrich	Mahon	Spence
Carmichael	Fiesinger	Merritt, Conn.	Steagall
Cary	Fish	Miller	Thomason
Christianson	Gifford	Montague	Tobey
Claiborne	Green	Oliver	Underwood
Cochran	Higgins, Conn.	Perkins	Wilson, Pa.

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BYRNS, and he voted "yea."

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Carmichael (for) with Mr. Merritt of Connecticut (against).
Mr. Steagall (for) with Mr. Dondero (against).
Mr. Kennedy of Maryland (for) with Mr. Hoffman (against).
Mr. Fiesinger (for) with Mr. Dirksen (against).
Mr. Brooks (for) with Mr. Wilson of Pennsylvania (against).
Mr. Beam (for) with Mr. Christianson (against).
Mr. DeRouen (for) with Mr. Higgins of Connecticut (against).
Mr. Gifford (for) with Mr. Fish (against).
Mr. Dear (for) with Mr. Reed of New York (against).
Mr. Thomason (for) with Mr. Mahon (against).
Mr. Brennan (for) with Mr. Perkins (against).
Mr. Cary (for) with Mr. Ditter (against).
Mr. Spence (for) with Mr. Doutrich (against).

Until further notice:

Mr. Oliver with Mr. Tobey.
Mr. Cochran with Mr. Lord.
Mr. Montague with Mr. Russell.
Mr. Underwood with Mr. Walter.
Mr. Bankhead with Mr. Quinn.
Mr. Bulwinkle with Mr. Lamneck.
Mr. Miller with Mr. Claiborne.
Mr. Green with Mr. McClellan.
Mr. Carden with Mr. Peyser.

Mr. McCORMACK. Mr. Speaker, my colleague the gentleman from Massachusetts [Mr. RUSSELL], is unavoidably absent. If present, he would vote "yea."

Mr. FISH. Mr. Speaker, how am I recorded?

The SPEAKER. The gentleman is not recorded.

Mr. FISH. I should like to be paired against the bill.

Mr. GREGORY. Mr. Speaker, my colleagues the gentlemen from Kentucky, Mr. CARY and Mr. SPENCE, are unavoidably absent. They have requested me to state that had they been present they would have voted "yea."

The result of the vote was announced as above recorded.

The title of the bill was amended.

On motion of Mr. DOUGHTON, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS—EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their own remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. EDMISTON. Mr. Speaker, my State of West Virginia is the leading bituminous-coal producing State of the Nation. Coal is the basic industry. Upon the welfare of this industry 100,000 miners and their families are wholly dependent. It provides directly food, raiment, and shelter for nearly one-half million people. It provides about 80 percent of the freight revenues of three great coal-carrying railroads. It provides for the employment of thousands of railroad workers in train and shop service. It supports large mill and mine supply houses, large wholesale houses, flourishing retail trade in many centers of population, is a heavy buyer from the steel mills and is a large purchaser of electric power from electric coal-burning plants. It is a large taxpayer, contributing heavily to the State and local governments and the public-school system. To be brief, it is not an exaggeration for me to remind the House that two of every three persons living within the boundaries of my State are directly and indirectly dependent upon the welfare of this single industry.

Coal from the hills and mountains of West Virginia is sold in commercial quantities from Maine to the Dakotas. Tons of this fuel accompanied Admiral Byrd to the frigid zones of Antarctica. Transported by rail to the ports of Baltimore, Philadelphia, and Hampton Roads, it is carried by vessels to the States fringing on the Atlantic seaboard, and from Lake Erie ports to the great Northwest. In turn, we buy the farm and manufactured products of these States where our coal is sold for industrial and domestic purposes. There is a mutuality of interests between these producing and consuming States that is reflected in the uninterrupted exchange of commodities between these States when our basic industry is prosperous.

During the last 6 months of 1932 and the first 6 months of 1933 the coal industry in West Virginia reached its lowest ebb. The State's production had fallen from 152,000,000 tons in 1927 to 85,000,000 tons in 1933. While the tonnage mined dropped 44 percent, wages in the industry in the same period fell from $186,000,000 to $55,000,000, a drop of 70 percent. These comparative figures are based on fiscal years, ending June 30, rather than on calendar years.

In 1932 and in the early portion of 1933 ruthless competition had resulted in decreased wages for miners and economic bankruptcy for the mine owners. The law of the jungle had dethroned economic reason. Chaos prevailed in all the mining districts when competing producers waged relentless pursuit of vanishing markets, submerged and lost in the maelstrom of the current industrial depression.

This was the condition of the coal industry in my State early in 1933 when Congress, at the request of the President, passed the National Recovery Act. Conditions in competitive coal-producing States were equally bad, and, in some instances, worse than in my State.

Under the terms of the N. R. A. the national leaders of the bituminous-coal industry and the administrative officials of N. R. A. framed the coal code. It became effective on October 2, 1933, and the industry has been working under that contract with the Government from that date down to the present hour.

N. R. A. has now been tried for 20 months. If it has proven effective in dispelling the clouds of depression in the coal industry, if it has restored to the miners living wages, if it has enabled the mine owners to reap a fair return on their investments, if it has given substantial aid to the miners and operators engaged in the production of coal without imposing undue hardships on the consumers, then I say it should not be discarded, but it is the duty of Congress to extend this statute which has given relief to a great labor-employing industry, in spite of the recent Supreme Court decision.

Unhesitatingly, I assert that N. R. A. has been the instrument employed by this administration to effect recovery of the coal industry in my State and elsewhere. It ended price wars and unrelenting competition. It has restored the wage standard of the mine employees. Admittedly, there have been some violations of the code agreements. Twenty months of experience, however, have manifested the frailties and imperfections of the act which Congress we hope has power to cure and eliminate by appropriate legislation. Congress will be remiss in its duty to a great industry if it fails to strengthen the law, rather than discard it. Which would most certainly plunge the industry into another and deeper abyss of economic distress that would retard if not prevent full recovery.

As it affects the bituminous-coal mining industry of my State and other States of the Appalachian coal field, N. R. A. has proved its worth. It has been responsible for increasing

the wages paid by the coal industry from $55,000,000 in the fiscal year 1933 to $94,000,000 in the fiscal year 1934, an increase of 71 percent, and the code agreement was effective for only 9 months of the latter year.

For the year ending June 30, 1935, wages in the coal industry in West Virginia will exceed $100,000,000. For the first 9 months of the current fiscal year ending March 31, 1935, the coal industry reported $84,000,000 paid in wages, and during the same period produced 75,000,000 tons of coal. For each ton of coal mined in West Virginia by the industry in this 9-month period, the industry paid $1.12 in wages, compared with 65 cents per ton for the fiscal year 1932–33, an increase of 72 percent. In these 9 months, operating under N. R. A. codes, the industry paid a higher wage per ton than it has paid since 1927, the peak year of West Virginia production, and during these same 9 months the working day was reduced from 8 to 7 hours.

The following tabulation shows comparative statistics of coal production and wages paid and wage cost per ton for the fiscal years ending June 30, 1927 to June 30, 1934, inclusive, and for the 9 months of the current fiscal year ending March 31, 1935:

Year ending June 30	Production	Wages	Wage cost per ton
1927	152,000,000	$186,000,000	$1.22
1928	135,000,000	151,000,000	1.05
1929	136,000,000	140,000,000	1.03
1930	132,000,000	133,000,000	1.00
1931	111,000,000	104,000,000	.93
1932	90,000,000	75,000,000	.83
1933	85,000,000	55,000,000	.65
1934	105,000,000	94,000,000	.91
1935 (9 months)	75,000,000	84,000,000	1.12

These figures show conclusively the effect of N. R. A. in rehabilitating the industry in the largest bituminous-coal producing State of the Union. To scrap it now is to invite disaster and distress. To extend the act, strengthened to require rigid observance, is the natural conclusion I have reached based upon the progress that has already been made in lifting this industry from the quagmire of depression. To do otherwise is to invite chaos and confusion.

On September 30, 1934, after the N. R. A. coal code had been effective for 1 year, a mass meeting of West Virginia labor unions, meeting in Charleston, our State capital, declared that "the National Recovery Act is the greatest piece of legislation that has ever been enacted in the history of this or any other Nation." You may not wholly agree with this conclusion, but you must recognize that it is the sincere expression of confidence that labor has in the Recovery act that practically doubled their wages, reduced their hours of labor, increased employment, and protected their right of collective bargaining, abolished child labor and guaranteed decent working conditions.

Mr. ROBSION of Kentucky. Mr. Speaker and Members of the House, the Senate Joint Resolution No. 113, now before us, contains four lines:

All the provisions of title I of such act—

Meaning the N. R. A.—

delegating power to the President to approve or prescribe codes of fair competition and providing for the enforcement of such codes are hereby repealed.

Title I of the N. R. A. referred to gave to President Roosevelt the power to prescribe and approve codes of fair competition and to provide for the enforcement of such codes. This title I of the N. R. A. was the part of the N. R. A. in which labor and many of the small business concerns of the country were deeply interested; therefore whatever benefits there were in N. R. A. for labor, including the collective-bargaining provision of section 7 (a), this resolution repeals and wipes out entirely, and this is done at the request of the President and of the Democratic administration.

LABOR AND LITTLE MAN OUT—MONOPOLIES AND TRUSTS IN

This resolution repeals all that was of benefit in N. R. A. to labor and to the little man. It extends the balance of the N. R. A. Act of 1933 and keeps on the pay roll perhaps all or at least a large part of the nearly 6,000 office holders until April 1, 1936.

The original N. R. A. Act suspended the antitrust laws of this country. This resolution does not cut out that part of the N. R. A. Act, but extends it to April 1, 1936. In other words, the big trusts and monopolies can grow bigger and larger and more oppressive. There is no law to restrict them.

The Republicans of the House and some Democrats tried to amend this resolution by restoring the antitrust laws of this country, but the President and the Democratic majority were against repeal of this section of N. R. A., and labor and the small and ordinary business man will be subject to the oppression of the Tobacco Trust, Steel Trust, chain stores, and other great monopolies of this country unless the Senate amends this resolution and restores the antitrust laws of this country.

No doubt for these reasons the National Council of the American Federation of Labor met and denounced the resolution now before us and declared that those who favored it had joined the opposition. In other words, they declared that President Roosevelt and those who had promoted that part of N. R. A. that was helpful to labor and the little man, by pushing this resolution had turned against them and had thrown the force of the administration behind this proposition to exempt monopolies and trusts from the operation of the antitrust laws until April 1, 1936.

Because this resolution is against the welfare of the working people, against the common man and the small business man and at the same time suspends the antitrust laws of this country until April 1, 1936, and in that way gives great combinations of capitalism the power to oppress the people of this country, putting out of business the little man, and raising the cost of living, and because the President and his leaders refuse to permit this resolution to be amended so that it will benefit the people, I am casting my vote against it. This resolution puts labor and the little man "out" and keeps big business and monopolies "in."

THE GOOD SHOULD HAVE BEEN SAVED

The President and other administration leaders talk long and loud that the N. R. A. cut out child labor, sweatshops, poor working conditions, low wages, and long hours. We shall point out later on that it was the Republican Party and not the Democrat Party that has been and is the real friend of labor, but if they favor these desirable things for labor, why was not this resolution framed so as to preserve these excellent features for the benefit of labor? That thing can be accomplished and in keeping with the Constitution and the recent decision of the Supreme Court.

THESE AMENDMENTS SHOULD HAVE BEEN ACCEPTED

The Supreme Court has time and again sustained legislation providing for the Federal Trade Commission and its activities in investigating unfair trade agreements and practices. The Republicans offered the following amendments to this resolution, which amendments would:

First. Guarantee employees the right to bargain collectively through representatives of their own choosing.

Second. Abolish child labor.

Third. Prohibit inadequate rates of pay and unreasonable hours of work.

Fourth. Prevent monopolies and trusts.

Fifth. Prevent unfair methods of competition.

Backed by the President, the administration leaders in the House and the Democrats generally with their big majority ran over us Republicans and defeated all these splendid amendments. These amendments would have taken care of section 7 (a) of the N. R. A., providing for collective bargaining; prevented child labor, low wages, and unreasonable hours; and at the same time would have put an effective check upon monopolies and trusts and prevented unfair methods of competition.

The Republicans offered these amendments. The Republicans and a few Democrats and Progressives supported these amendments. However, the administration leaders in

the House, following the demands of President Roosevelt, defeated these amendments.

We contend that it would have been constitutional and well within the decision of the Supreme Court to have given the Federal Trade Commission the power to take over these activities and to declare any corporation or other concern violating any of the things set out in these amendments to be guilty of unfair trade practices. Many of us are of the opinion that this protection to labor under the Constitution could not be attained except in this way.

SAVE FACE AND NEARLY SIX THOUSAND OFFICEHOLDERS

The Democratic leaders in discussing this resolution claim that this merely preserves the "shell" of the N. R. A. They did not claim that this resolution would help labor or the common people. The President and his "brain trusters" were unwilling to admit that with all their ballyhoo they had set up a proposition here that could not and would not meet the test of the Constitution or the scrutiny of the Supreme Court of the United States.

This resolution certainly is a mere "shell" as to any benefits to the workers and the common people of this country. It is, however, much more than a "shell" when it continues the exemptions of monopolies and trusts from the operation of the Sherman antitrust law. It turns these big fellows loose to devour whomsoever they may desire.

Except for helping the big fellows, this resolution could serve no purpose except to save the face of the President and the promoters of title I of N. R. A. and to keep all or a large part at least of the nearly 6,000 Democratic officeholders on the pay roll and on the backs of the taxpayers of this country. No one can sincerely contend that these N. R. A. officeholders have any important or useful services to perform until April 1, 1936. The big things about the N. R. A. were the making of the codes, collective bargaining, and the enforcement of the codes. This resolution wipes out all of those.

Boiled down, it is a resolution that gives protection to trusts and monopolies and continues the jobs of thousands of Democratic officeholders.

REPUBLICAN PARTY FRIEND OF WORKERS AND COMMON PEOPLE

To hear the President and other Democratic spellbinders speak you would be led to believe that the Democratic Party was the original and great champion of measures against child labor, for collective bargaining, and for social-security legislation.

We must not forget it was the Republican Party which established, over the objection of a lot of the Democratic leaders at the time, the Department of Labor of this Government. It was a Republican Congress that submitted the child-labor amendment for ratification to the States. It was the Republican Party in the Nation and Republican States that has always favored and secured the enactment of laws providing for collective bargaining, high wages, and reasonable hours, and for old-age pensions. Practically every act of Congress for the protection of workers on the railroads and other interstate-commerce activities was placed there by Republican Congresses and signed by Republican Presidents.

Yes, a Republican Congress submitted the child-labor amendment to the Constitution. I was a Member of that Congress and voted for it. What has been done toward the ratification of that amendment in the various States of the Union? What States have approved that amendment and what States have rejected it?

The following States have, during the years 1933, 1934, and 1935 defeated the child-labor amendment—every one of them has a Democratic State administration—Alabama, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, New York, New Mexico, Nevada, Nebraska, South Carolina, Texas, Tennessee, Virginia, Missouri, Connecticut, Delaware.

All of these States have had Democratic governors since the beginning of 1933 and have defeated in one way or another this child-labor amendment.

President Roosevelt, Secretary of Labor Perkins, and Secretary of the Treasury Morgenthau come from the State of New York. That State is in the hands of the President's friends. This child-labor amendment was killed in New York in 1935. Arkansas and Oklahoma are the only so-called "Democratic States" of the Union that have ratified the child-labor amendment, and Arkansas did this in 1924 when a Republican Congress and a Republican President were pushing its ratification.

Now let us look at some of the States that have ratified it: California, Michigan, Pennsylvania, Illinois, Colorado, Indiana, Ohio, Maine, Minnesota, Oregon, Montana, New Hampshire, New Jersey, North Dakota, Utah, Washington, West Virginia, Wisconsin, Wyoming.

A labor organization has never been able to live or function successfully in the rock-ribbed Democratic States, and there are no real old-age-pension laws in either one of the so-called "strong" Democratic States. Safety devices and appliances and other protection to railroad workers were afforded in laws passed by Republican Congresses. Protection for labor, collective bargaining, and adequate old-age-pension measures have been given the sanction of law in the so-called "Republican States."

HAS THE N. R. A. AMENDMENT SUCCEEDED?

As we have heretofore insisted, there were some good features about N. R. A. that should have been preserved in this resolution. It has cost the taxpayers of this country in the neighborhood of $100,000,000. Whatever of good there was should have been salvaged.

It did not accomplish, though, what the President and the other promoters of this scheme predicted. They named it National Industrial Recovery Act. They claimed that it would restore industry and give jobs to the unemployed.

The record as published by this administration discloses that it did not restore prosperity, it did not restore industry, and it did not give jobs to the unemployed. Many men representing industry pointed out that it had failed. William Green, president of the American Federation of Labor, and John L. Lewis, president of the United Mine Workers, and other labor leaders have declared over and over that it had failed so far as labor was concerned. They have complained all along that the administration made no serious attempt to enforce the provisions that were helpful to labor. The chiselers were permitted to chisel throughout the whole time of this law's existence.

The N. R. A. went into effect August 1, 1933. The records of the Government put out by the present administration show that there has been a general decline in business from August 1, 1933, to the present time—in other words, industry shows 30 points decline in that period of time. Our exports and imports have declined. Unemployment has increased. Carloadings have decreased. The textile business has fallen greatly, and this is true of practically every line of business and industry of this country.

The National Industrial Council (and this gives the administration's figures) reports that on April 1, 1935, there were 9,623,000 unemployed persons in this country. This is an increase of 305,000 over April 1, 1934. This report also shows there were 25,000 fewer miners employed on April 1, 1935, than there were on April 1, 1934—in other words, this report shows, and I am satisfied that it does not show all of the unemployed, that there were 305,000 more people out of jobs on April 1, 1935, than there were on April 1, 1934, and there were 25,000 more unemployed miners on April 1, 1935, than there were on April 1, 1934.

The record shows that for the week ending April 6, 1935, there were 545,627 cars loaded and shipped, and this was 71,858 cars less than the corresponding week for April 1934; and this report also shows there were 20,503 less cars of coal shipped in that week for April 1935 than there were in the corresponding week for April 1934.

For the week ending May 11, 1935, the record shows there were 27,613 loaded cars less than there were for the corresponding week in May 1934 and there were 7,872 cars of coal less for this week in May 1935 than there were for the corresponding week in May 1934. There were 13,329 less carloads of grain shipped for that week than there were for the corresponding week in 1934.

The tonnage of steel was greatly reduced in 1935 over 1934. Textiles showed a tremendous falling off. In April 1934 there were more than 26,000,000 cotton spindles in operation. For April 1935 there were something over 23,000,000 in operation. This shows a decrease of spindles in operation for the month of April 1935 of nearly 3,000,000 spindles over April 1934—a decrease of about 12½ percent.

There are less railroad workers employed. So it is all along the line.

Those on direct relief number substantially 20,000,000 people. This has perhaps more than doubled since August 1, 1933, when N. R. A. went into effect. The cost of relief in the United States to the Government was higher in April 1935 than it has been at any time. This administration has collected in taxes and borrowed and spent more than $25,000,000,000. They have increased the national debt approximately $15,000,000,000, and this does not include the various bonds running into the billions of dollars behind which the credit of the Government has been placed.

In summing up the whole situation, we find that there are more people unemployed now than ever before; direct relief is costing more than ever before, 20,000,000 or more people are on relief—Secretary of the Interior Ickes declared a short time ago there were between twenty and thirty million people in this country that need relief—our foreign commerce has decreased; since August 1, 1933, business generally has declined 30 points; this administration has increased taxes; it has a deficit running into the billions and billions; it has increased our national debt approximately $15,000,000,000 and is going in debt deeper and deeper every day.

Of all of the acts of Congress of all the administrations since 1789 up to the present only about 50 measures, many of them of no very great importance, have been declared unconstitutional. This administration has had seven major propositions, the acts of Congress pushed through by President Roosevelt, declared unconstitutional and many more will be declared unconstitutional if they reach the Supreme Court.

While I regret to say it, it seems to us that we are going into the hole instead of coming out, and Congress should reassert its high prerogatives given to it under the Constitution and work out sensible, sane, and reasonable legislation helpful to the workers of this country, protect the common man and the little business, and encourage industry, mining, and agriculture, and quit spending the people's money for burning pigs, plowing up cotton, maintaining hobo hotels, and some of the other improvident policies of this administration.

HIGH COST OF LIVING

Taking the country on an average all over, the wages of workers have been increased about $70 per person per year in the last 2 years. Of course, all of us appreciate this increase in wages.

No country can be prosperous under low wages. Prosperity must depend almost wholly upon the purchasing power of the workers. The great consumers of this country are the workers. The number of rich people is comparatively few. They can and do consume very little as a group. The wage earners as a matter of necessity spend the greater part of their earnings. If their earnings are small, it must necessarily limit their consumption.

For instance, the wages of the workers of this country in 1929 amounted to more than $52,000,000,000. It has now dropped to approximately $30,000,000,000 in 1934. This is a difference of $20,000,000,000 in purchasing power of the workers. We can see at a glance what a tremendous influence this has upon cutting down consumption. To cut down consumption means to cut down production.

I have always favored good wages and reasonable hours as necessary to the prosperity of this country. While the wages of our workers on the average have been increased $70 per person per year, the cost of living has far outstripped this increase. The cost of the necessities of life have increased all the way from 20 percent to 100 percent. Pork chops are 40 to 45 cents a pound, lamb chops as high as 50 cents per pound, the prices of flour and meal have doubled and this is also true of other articles of food and as to all articles of clothing.

Of course, this was brought about by the destruction of more than 6,000,000 pigs and hogs, the destruction of millions of acres of cotton, and the cutting out of millions of acres of cotton, wheat, and corn. I have always contended it was unfair to make the miners and railroad men, factory and mill workers, pay a processing tax on their meats, bread, clothing, and so forth, to pay people to destroy food or to pay them not to produce food and other prducts, until and unless processing taxes should be collected to take out surplus mines, railroads, factories, and mills, and to pay idle miners not to dig coal, idle railroad men not to run the trains, and idle mill and factory workers not to produce in the mills and factories. If this is a good policy for one, it should be applied to all.

So far as I am concerned, I have always doubted the wisdom of this policy as to any industry. I think we ought to encourage people to produce and not to destroy.

The policies of President Roosevelt in my honest opinion, are responsible for there being more unemployment, a decline in business, and more millions on the relief rolls.

ADJOURNMENT OVER

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

THE LATE HON. HENRY T. RAINEY

Mr. SABATH. Mr. Speaker, I ask unanimous consent that on Wednesday next it shall be in order for the Speaker to recognize Members for the purpose of commemorating the memory and services of the late Henry T. Rainey, Speaker of the House of Representatives of the Seventy-third Congress. It is indeed fitting and proper that this time be set aside from our deliberations to be devoted to a eulogy of this great, good, and patriotic man.

The SPEAKER. The gentleman from Illinois asks unanimous consent that on Wednesday next it shall be in order for the Speaker to recognize Members for the purpose of commemorating the memory and services of the late Henry T. Rainey, Speaker of the House of Representatives of the Seventy-third Congress.

Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein certain excerpts from a report of the American Federation of Labor.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT TO THE CONSTITUTION

Mr. KELLER. Mr. Speaker, today I introduced a resolution providing for a constitutional amendment. I ask unanimous consent to have it printed in the RECORD, along with the statement I gave out to the newspapers on the subject.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint resolution and news release:

House joint resolution, by Mr. KELLER, proposing an amendment to the Constitution of the United States

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of said Constitution when ratified by the legislatures of the several States as provided in the Constitution:

Article —

That Congress shall have power to make all laws which in its judgment shall be necessary to provide for the general welfare of the people.

Representative KENT E. KELLER, of Illinois, introduced the following amendment to the Constitution of the United States: "That the Congress shall have power to make all laws which, in its judgment, shall be necessary to provide for the general welfare of the people."

Immediately upon introducing this amendment to the Constitution, Congressman KELLER made the following statement:

"The object of the resolution is to put the Constitution back into form in which it was originally drafted, and in the form in which it will meet the needs of the people at the present time. The preamble of the Constitution states that this Union was formed 'To establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.' But the courts have held that the preamble has no force or effect as to the ability of Congress to pass laws. The time has come when we must do our duty by the people. We cannot longer waste our efforts in trying to find an excuse or resort to subterfuge in order that we may perform the most important function of Government, namely, 'to promote the general welfare of the people of the United States.'

"The Constitution, itself, provided governmental machinery and powers to carry into effect all of these objects; but a question arose whether or not there was any provision to enable the Congress to legislate for the general welfare of the people. It is unthinkable that this object which, as Justice Roberts said in *Nebbia* v. *New York* (291 U. S. 502, 525), 'is inherent in government', should not have been provided for by some means in the Constitution itself.

"As a matter of fact, as the Constitution was originally framed, article 1, section 8, clause 1, reads as follows: 'The Congress shall have power to lay and collect taxes, duties, imposts, and excises; to pay the debts, and provide for the common defense and general welfare of the United States.'

"In this manner, the Congress was vested with the power to provide for the general welfare of the United States. Through a mistake in copying the provision as originally framed was changed, the semicolon after the word 'excise' was changed to a comma. That caused a long series of discussions and arguments, and at last judicial decisions which resulted in interpreting the general welfare clause as being only an adjunct to, or limitation on, the power of taxation. Even now there is a great deal of dispute whether or not the general welfare clause in the Constitution is a source of governmental power. Be that as it may, it would be a sad commentary on our constitutional government to make the great powers of legislation depend on a comma or a semicolon. At any rate, it is now established by judicial decisions that there is no general welfare clause as a source of power in the Federal Government as if the Congress had no interest in the general welfare of the people in matters of national concern.

"Yet Congress was always confronted with the necessity of legislating for the general welfare of the people. So long as, by a stretch of the imagination, Congress could append the purposes of legislation to some specific grant of power in the Constitution, such laws were held valid. If the courts were not inclined to stretch their imagination to invoke some other provision of the Constitution in support of laws necessary for the benefit of the people, those laws were declared unconstitutional.

"With the changing economic and other conditions in the United States, Congress has been constantly hampered in its efforts to legislate for the general welfare of the people, by the lack of a specific provision in the Constitution that Congress might do what is its most important function, namely, to legislate for the general welfare of the people of the United States.

"The Congress has been compelled for many years to 'whip the devil around the stump'—in writing laws—to do by indirection what the Constitution did not empower it to do directly. This has been specially true in those laws written in the interest of humanity. A notable case is the child-labor law which the Supreme Court declared to be unconstitutional. In short, under our Constitution the American Congress has no power to protect American childhood. Many thoughtful and hopeful men have desired intensely that the Supreme Court might constantly interpret the Constitution so liberally as to permit the passage and enforcement of those laws which our tremendous economic and social developments made necessary. But that the time would come when enlargements of national powers would be absolutely necessary no student of our times could doubt. It becomes a question as to whether we should make wholesale changes in our Constitution or whether we should, through simple amendments, meet conditions as they arise as we had so far done. I believe the old method of piece-meal amendments can be made to meet our requirements. I have, therefore, proposed an amendment to permit Congress to enact laws for the general welfare of the people, as was the intention of the men who wrote the Constitution in its original form.

"We ought to awaken to the meaning of these facts that at the time the Constitution was written labor-saving machinery practically did not exist. Our Constitution was written for an agricultural people. Since that time we have become an industrial and commercial Nation. The opportunity for the ordinary man to provide his own job has passed with the ending of the free public land on our western frontier. In industry men are interdependent, and must depend upon cooperation with other men for their economic existence. At present men working in the same industry as other men just across a State line may be compelled to compete with child labor, with old men and women who have served their full share in industry and who are entitled to retire but who are still struggling for existence; men and women may be compelled to work 10 hours a day under eighteenth-century conditions; may through pauper wages be denied participation in recovery from present conditions, and the Congress of the United States under the present Constitution has no power to help those unfortunates.

"If our Constitution is to remain the palladium of American liberty it must be made to conform in letter as well as in spirit to the absolute requirements of our already vastly changed and constantly changing economic conditions.

"The Constitution has already been amended 21 times, as the fathers intended should be done when required. If we are to retain our reverence and respect for it we must change, amend, or add to it every time changed conditions require it. Wherefore, I can see no reason why anyone should not be glad to give Congress the power to legislate for the general welfare of the American people."

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—THOMAS M. BARDIN (H. DOC. NO. 222)

The SPEAKER laid before the House the following communication from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 231, entitled "An act for the relief of Thomas M. Bardin."

In view of the statements contained in the accompanying report of the Acting Secretary of War, dated June 6, 1935, I do not feel that I would be justified in giving my approval to this legislation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 7, 1935.*

The SPEAKER. The objections of the President will be spread at large on the Journal.

Mr. ROGERS of New Hampshire. Mr. Speaker, I move that the bill and the President's message be referred to the Committee on Military Affairs.

The motion was agreed to.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—COORDINATION OF TRANSPORTATION FACILITIES (H. DOC. NO. 221)

The SPEAKER laid before the House the following communication from the President of the United States, which, together with the accompanying papers, was referred to the Committee on Military Affairs and ordered to be printed:

To the Congress of the United States:

It is high time to deal with the Nation's transportation as a single, unified problem. For many years in the past transportation meant mainly railroads. But the rise of new forms of transportation, great expenditures of Government funds for the development of waterways and for the building of great highways, and the development of invention within the railroad system itself, have enlarged the problem far beyond that conception which dominated most of our past legislation on the subject. In some instances the Government has helped a little. In others it retarded. In still others it has given special assistance from time to time—in many instances without rime nor reason—in all instances without considering each aspect of the problem in the light of all the others. It is small wonder that in a transportation picture so confused, the public has been inadequately served.

I have from time to time, in this session, addressed the Congress as to the necessity of various forms of Government aid and regulation of transportation. I now wish to draw together and supplement these various suggestions for the consideration of the Congress in this session.

In the railroad field there has been a growing recognition of the necessity for reorganization and coordination. To that end there was created the office of Federal Coordinator of Transportation. The Coordinator has considered various ways of effecting economies through the physical coordination of railway facilities and services, and, in addition, has studied and made suggestions for legislative meas-

ures covering both the railroads and other forms of transportation.

Another type of reorganization necessary for the sound and healthy recovery of our railroad system is financial. Many of our railroads are in a sound financial condition. Others are in need of reorganization. To enable necessary financial reorganizations to be effected inexpensively and promptly the Congress passed, 2 years ago, certain amendments to the Federal Bankruptcy Act. Shortcomings in this legislation have appeared which have prevented an efficient and extensive use of it. In order to correct these shortcomings the Coordinator has recommended certain amendments which are now before the Congress for action. Various differences of opinion as to these amendments are rapidly being adjusted and it is my hope that this legislation may be promptly enacted.

I have already recommended to the Congress my views with regard to the relations that should exist between the Federal Government and air carriers. Legislation has been introduced for the purpose of carrying out these recommendations. I am in general accord with the substance of this legislation although I still maintain, as I indicated in my message on that subject, that a separate commission need not be established to effectuate the purposes of such legislation. Air transportation should be brought into a proper relation to other forms of transportation by subjecting it to regulation by the same agency.

A bill for the regulation of highway motor carriers has passed the Senate and is now before the House of Representatives. The practical unanimity with which the Senate passed this bill convinces me of the extent to which all of the difficult adjustments among the interests concerned were made and I recommend its early passage by the House.

Another bill for the regulation of intercoastal and coastwise trade and of some of the inland waterway carriers prepared by the Coordinator has been introduced and is before the Congress for action. I recommend that this bill be considered by the appropriate committees and pressed to early passage. I can see no reason why the responsibility for the regulation of intercoastal, coastwise, and inland waterways should not be vested in the Interstate Commerce Commission, with proper provision for the departmentalizing of the work of the Commission.

It is my hope that the Interstate Commerce Commission may, with the addition of the new duties that I have indicated, ultimately become a Federal Transportation Commission with comprehensive powers. It had been my intention to recommend this strongly to this session of the Congress, but the time remaining seems to preclude the discussions necessary for such changes. Such a reorganization should not be delayed, however, beyond the second session of the Seventy-fourth Congress.

The efforts toward the coordination of the railroads and the general improvement of transportation conditions which were begun by the Emergency Railroad Transportation Act of 1933, should proceed, and I recommend that the act and the office of Coordinator be extended for at least another year.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 7, 1935.*

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not object if I can have 3 minutes for reply.

Mr. SNELL. Mr. Speaker, I demand the regular order.

Mr. BLANTON. Then, I shall have to object.

Mr. SNELL. We do not want any preliminary speeches.

Mr. BLANTON. I do not want to object, but I have the right to answer him.

Mr. SNELL. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded. Is there objection to the request of the gentleman from West Virginia?

Mr. BLANTON. I object, then.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, a few weeks ago this Congress passed what is known as "the Jones-Dempsey soil conservation bill." That measure was passed by the House with practically no opposition in an effort to coordinate all soil conservation activities under one department of Government.

A little later this Congress passed the $4,800,000,000 relief bill and ear-marked $350,000,000 for soil erosion and six other items, including sea erosion, reforestation, and so forth. Some of us who have been working on a soil-conservation program for several years were jubilant over the passage of this measure. Even though it carried no appropriation, we had every reason to believe it marked a new era in the program of soil conservation for the country and that a goodly portion of the $350,000,000 earmarked in part for soil-erosion work would be released for that important work immediately.

Dr. H. H. Bennett, Director of the Soil Conservation Service in Washington, has spent more than a quarter of a century in this work. His record shows he not only knows how to conserve the soil but he has actually been doing it to a marked degree of success with the limited funds at his command. He recently has set up a technical staff that can do the job in a satisfactory manner if given an opportunity to do so.

In Oklahoma, Dr. N. E. Winters, regional director of the Soil Conservation Service, is another expert on the subject, second to none in the entire country. He has his set-up ready to go on a $12,000,000 program for Oklahoma. Other States also have their plans worked out and ready to begin work. Just what is holding up this important program no one seems to know. Up to this time not a dime has been allocated by the Allotment Board for soil conservation. I have personally talked with several of the members of that Board and have taken the liberty of furnishing them maps and data to show the extreme necessity that this work, of such vital importance to the people of Oklahoma and other States, should be started at the earliest possible date. But members of the Allotment Board apparently are indifferent to this program.

Several times the Allotment Board has met, but up to this hour soil conservation has been absolutely ignored so far as an allocation is concerned. Sometime ago I introduced a resolution to earmark $75,000,000 of the relief fund for soil conservation. I asked for an immediate hearing on the resolution but received a letter from the distinguished chairman of the Appropriations Committee [Mr. BUCHANAN] in which it was stated that it was expected that the Allotment Board would take care of the needs of the Soil Conservation Service. It is my understanding that this letter was written by the Chairman of the Appropriations Committee after a conference with the White House.

As time drags on and this Congress extends into the dog days of summer, it is evident that unless something is done immediately we are not going to be able to start our soil-conservation program by July 1, as has been planned.

It is my judgment that Members of Congress interested in this vital program of soil conservation had better get together and demand action. It may become necessary for Congress to make an appropriation of $50,000,000 to $75,000,000 for the Soil Conservation Service for the first year. My bill is still slumbering peacefully in the committee. This Congress should take appropriate action on that or some other bill for soil conservation. If nothing is done, we are likely to wake up one day to find that all of the relief money has been allocated and the Soil Conservation Service

has been left high and dry. I do not want the Allotment Board to make a joke out of this program, which means so much to the people of Oklahoma and other States, and I have reasons to believe that is what the Board is going to do unless Congress takes the matter in hand and earmarks a definite sum for soil conservation or else makes a separate appropriation for this much-needed work, that means so much to the future welfare of the country.

It is my suggestion that Members of this House representing States interested in soil conservation, Members who desire to see the intent of Congress carried out as expressed in the Soil Conservation Act passed by this Congress several weeks ago, call a meeting at once and demand immediate action on the part of the Allotment Board.

Mr. McSWAIN. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the distinguished gentleman from South Carolina.

Mr. McSWAIN. I would suggest to the gentleman that I understand there will be a meeting of those Members interested at 11 o'clock tomorrow morning in the caucus room of the old House Office Building, and I would suggest that the gentleman take the responsibility of making such announcement.

Mr. JOHNSON of Oklahoma. I thank the gentleman. But I would prefer not to take such responsibility. May I say, however, that, in my judgment, such a meeting will have to be called if we are successful in securing proper consideration.

[Here the gavel fell.]

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MAHON. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Texas.

Mr. MAHON. Is it not true that $25,000,000 for the soil-erosion program has been promised and that the Director of the Budget, Mr. Bell, has agreed to present it to the President, and the money will probably be allotted next Monday? I was present at such a meeting yesterday with Hon. Marvin Jones, Mr. Bell, and others. I think the $25,000,000 will be forthcoming.

If the gentleman will permit, I want to congratulate my colleague, Mr. JOHNSON of Oklahoma, on his diligence and hard work in the interest of soil conservation. I believe it will bear fruit. Many of our colleagues have been vitally interested in this problem, and I am very hopeful that we will be able to get at least the $25,000,000 to take care of the program until Congress meets again in about 6 months. Since no final action has been made, you are to be complimented on your continued and persistent efforts in this matter. [Applause.]

Mr. JOHNSON of Oklahoma. I thank my colleague from Texas for his statement. I am familiar with the meeting mentioned, also with the promises made. May I remind my good friend that many such meetings have been held, and many similar promises have been given. The Director of the Budget, I understand, has finally agreed to make such a recommendation, but $25,000,000 will not be a drop in the bucket so far as soil erosion is concerned, for the entire United States. For instance, in Oklahoma alone the regional director has stated he needs $12,000,000 for soil-conservation work within the next 12 months.

Not only will the soil-erosion service be seriously handicapped for lack of sufficient funds to carry on the work successfully but under the rules and regulations proposed to be promulgated by the Federal Relief Administrator, if strictly adhered to, will necessitate that money spent for soil conservation be spent in the vicinity of congested cities. Can you imagine such a thing? This, of course, if carried out makes a farce out of the whole program and will be everything but satisfactory to all concerned. [Applause.]

For example: A ruling has been made by the Relief Administrator, so I am advised today, that the soil erosion and other C. C. C. camps soon to be set up in the respective States are to have education directors selected only from the relief rolls. If in the selection of education directors only unemployed teachers should be considered, that might be excusable, but when the Relief Administrator confines the list to those teachers actually on relief rolls he seriously handicaps this great E. C. W. program. It is more than that: it is a serious blunder that cannot be defended from any viewpoint.

Let us hope that the allotment board will not further ignore the pressing need for soil conservation in the United States. [Applause.]

N. R. A.

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to include in my extension of remarks on the bill just passed a short editorial by John Borg, editor and publisher of the Bergen Evening Record, of Hackensack, N. J.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KENNEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial, furnishing food for thought, written by John Borg, editor and publisher of the Bergen Evening Record of Hackensack, N. J.:

[From the Bergen Evening Record of June 4, 1935]

THE VICTORY OVER N. R. A.

In scrapping N. R. A. the nine cloistered members of the Supreme Court may have interpreted meticulously the Nation's fundamental law, but the public result of its action may be more far-reaching than either the friends or the foes of the new deal can immediately visualize.

Because the American people were collectively insolvent it was created in 1933 to raise commodity prices and thus increase the capital values dependent on them to restore solvency and permit private as well as public debtors to meet their obligations; to abolish child labor and give jobs to adults and family heads; to reduce working hours and spread private employment; to set minimum wage standards and enable millions of wage earners to live rather than exist in a democracy; to eliminate trade practices that were ruinous to smaller employers and to the employees in stores, mills, and factories alike; to permit our farmers to live instead of starve from their labors; to increase mass purchasing power, without which neither industry nor agriculture can prosper. These are merely the highlights of a meritorious effort to solve a grave economic and governmental problem in a Nation faced 2 years ago with at least passive revolution.

Whether Congress exceeded its constitutional limitations when it passed the N. I. R. A. is no longer debatable. This is a Government of laws, and the highest court in the land has unanimously ruled adversely. But it must also be conceded that this fundamental document was framed to serve and insure the welfare of a free people. It also seems specious to argue that individual State rights in this rapid-communications machine age are paramount to the welfare of the 125,000,000 citizens that comprise the entire 48 States and the Nation. Economically and otherwise interdependent under twentieth century conditions, any minority group of these Commonwealths should of necessity subordinate its provincial rights to the majority, especially in a time of grave national travail.

The current economic-readjustment problems extend beyond the boundaries of any State. They are Nation-wide and, contrary to the expressions of professional optimists, far from permanent solution. Business improvement since the chaos of early 1933 has been largely synthetic. It has resulted primarily from vast expenditures of borrowed money distributed by a widely criticized and beneficient Federal Government that has tried courageously to steer a safe course on an uncharted economic sea. Without such financial help the States which most loudly assert their constitutional rights could not have met their unemployment-relief problems, with all the implications that such local collapses would have entailed.

Far from settling a grave national problem, the Supreme Court's epochal decision has therefore only accentuated it. The Constitution still lives, but so do our 10,000,000 unemployed and their dependents. Many of them will have to be fed, clothed, and housed in the years ahead of us. The Government will have to do that if serious trouble is to be averted. For that purpose it will require huge funds.

Its credit, as yet unimpaired, is not inexhaustible. It will have to levy vastly increased taxes to finance the burden, and these taxes will have to be paid directly or indirectly by business men and their employees. Business, left to the mercy of cutthroat competition and chiseling trade practices, faces reduced profits and curtailed ability to pay taxes. Employees face the same competition and lower standards of living. That means the preponderant majority of the Nation's citizenry.

Business leaders of vision must therefore realize that the decision which settled a widely discussed legal problem has created

a human and governmental one of far greater import to the country. Adversaries of the principles of N. R. A. may in their maturer judgment ultimately agree with Wellington that "one more victory like Waterloo and we'll all be ruined", also with the Biblical admonition "for what is a man profited, if he shall gain the world and lose his own soul." That minority of business men who think pocketbook and soul are synonymous should have no difficulty in understanding that time-honored warning.

UNIFIED AIR SERVICE

Mr. LUNDEEN. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. LUNDEEN. Mr. Speaker, more than 16 years ago, on February 28, 1919, I introduced a bill providing for a department of the air service. I find that this bill was never printed in the CONGRESSIONAL RECORD. I ask unanimous consent at this time to have this bill printed in the RECORD, with certain supporting Government statistics and other facts and data in support of unifying the Air Service.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

GENERAL MITCHELL COMMENDS LUNDEEN BILL

Mr. LUNDEEN. Gen. William Mitchell, of Middleburg, Va., two-fisted fighting champion of the Air Service, wrote me a letter in 1919 concerning H. R. 16195, Sixty-fifth Congress, third session. General Mitchell thanked me for pioneering in the Air Service, more than 8 years before Col. Charles A. Lindbergh flew the mighty Atlantic. I caught a vision of the future of Air Service in America, and I offered a constructive, practical, unanswerable bill for a united American Air Service—peace time and war time.

1919 AMERICAN AVIATION MISSION RECOMMENDED SEPARATE AIR SERVICE

There have been many official reports expressing opposition to a united Air Service. Few people are acquainted with an exhaustive survey of the whole matter made shortly after the Lundeen department of the air service bill was introduced. This survey was made by the American Aviation Mission, consisting of representatives of civil life, the Army, the Navy, the Council of National Defense, and leaders in the aeronautical industry. The mission was headed by The Assistant Secretary of War, Benedict Crowell, and visited France, Italy, and England to compare the systems of these countries with our own.

The American Aviation Mission recommended to the Secretary of War on July 19, 1919, that immediate action was necessary to safeguard the air interests of the United States. It recommended "the concentration of air activities of the United States—military, naval, and civilian—within the direction of a single Government agency created for the purpose, coequal in importance with the Departments of War, Navy, and of Commerce, to be called in this report, for the purposes of identification, the 'national air service'", exactly the name I proposed 5 months before, on February 28, 1919.

ATTEMPTS TO COORDINATE AIR SERVICE

That was 16 years ago. Since that time approximately 20 boards and commissions have been appointed by the Federal Government to investigate the progress of aviation and recommend a course for the future. No effective consolidation has been made. At least a dozen Government bureaus are directly concerned with aviation. Many of these agencies have been carrying on their individual projects in research and recommendation. Energies are scattered and dissipated. At the same time the leading air forces of Europe forge ahead under unified ministries of the air service or departments of defense. Huge air fleets are being built, and armies of commercial planes are so constructed that they can be turned overnight into a fighting force. Had we for the past 16 years developed our aviation under a unified department of the air service proposed in the Lundeen department of air service bill, introduced February 28, 1919, there would have resulted greater efficiency, more economy, and further advancement in the field of aviation.

ENERGIES MUST NO LONGER BE SCATTERED AND DISSIPATED

What a fine thing it would be now to concentrate the air navigation energies dissipated over a dozen Government services. Why should one agency have an invention that will enable the plane to travel with greater speed, another an invention to protect the plane from storms, another division methods to remove ice from propellers and wings, and still another a system of landing in fogs?

I do not wish to criticize these various agencies. They have been of great help in the development of aviation. When an invention is in its infancy, each agency and individual interested contributes to its development. Finally these efforts are gathered together and concentrated in order to facilitate future progress. Those who oppose this concentration of energies are enemies of aviation whether they know it or not. Aviation must not be stunted in its growth. Already the stifling results of such a policy are evident. Greater progress would have followed if our efforts had been coordinated.

ARMY AND NAVY BUDGETS HAMPER AVIATION

Aviation is severely handicapped when its annual budget is prepared by officials whose major interest is not aviation. The budget of the Army Air Corps is determined by officials primarily interested in the Army. The Bureau of Aeronautics of the Navy Department must suffer from a budget heavy with battleships. The importance of air service in itself is ignored. It is treated as an auxiliary to the older forms of defense. Yet the superior power of a properly developed air force cannot be denied.

BATTLESHIPS HELPLESS IN WORLD WAR

A few weeks ago this House appropriated $457,800,000 for a Navy second to none. More, $50,000,000 battleships, to protect us from an imaginary invader! If this unknown foe attempts to fly across our boundaries, how can our fine fleet of battleships protect us? The World War was not settled on the sea. War on the sea was expensive and wasteful. It cost the taxpayers of Allies and Central Powers alike, billions of dollars, and brought death and destruction to both. The only real victors of war on the sea were munition makers who reaped enormous profits.

Even before the World War, progress in the invention of projectiles and high-power explosives caused the strongest ship of steel to be of doubtful value. These great monsters of the sea clung to safety in European harbors until they were forced out in the open. There they staged a spectacular show costing billions of dollars and thousands of lives—the score was a tie, nothing to nothing. The whole affair played no part in winning the war. That is why the battle off Jutland is called a tragic farce. In that battle the German loss was only one-third of the allied losses; yet the sea remained as before in the hands of the Allied Powers. Nevertheless, the Allies were unable to strike the German coast because of mines, submarines, and aircraft.

SUBMARINES AND AIRPLANES MAKE BATTLESHIPS HELPLESS

Gen. William Mitchell tells us that submarines sank the battleship *Audacious*, the cruiser *Hampshire*, and the cruisers *Cressy*, *Aboukir*, and *Hogue*. Submarines forced the British ships to stay within their ports. Submarines illustrated the helplessness of huge battleships on the sea in the last war, notably at the Dardanelles. The air force was then in its infancy. Now the battleship is at the mercy of submarines beneath and airplanes above. It has no escape.

FOUR THOUSAND PLANES FOR THE COST OF ONE BATTLESHIP

An average of 4,000 fighting planes can be built for the cost of a great battleship and accessories necessary to protect it.

General Mitchell estimates the cost of a battleship between $50,000,000 and $70,000,000. The battleship may require, he says, 1 cruiser costing between $20,000,000 and $30,000,000, 4 destroyers costing $3,000,000 and $4,000,000 each, 4 submarines, a certain amount of air power to protect it, a personnel of a thousand men, and dock yards and supply facilities—a total of $100,000,000. And a battleship must be replaced about every 4 years so that it will not become obsolete.

Great fighting planes can be produced for about $25,000 each, and at present not more than three or four thousand planes would be needed at any decisive point. Yet we continue the endless, expensive game of building huge battleships. I say, my policy is to stop building useless dreadnaughts, vulnerable and sinkable when attacked by a swarm of great fighting planes.

PHENOMENAL GROWTH OF AVIATION

Man has always felt that mastery of the air means mastery of the earth. The poet Tennyson in his Locksley Hall visioned the future in prophetic verse:

Heard the heavens fill with shouting, and there rain'd a ghastly dew
From the nations' airy navies grappling in the central blue.

Faith and the will to fly have helped the science of aviation forge ahead without adequate official Government encouragement. Even under unfavorable conditions from the standpoint of Government assistance, aviation has had a phenomenal growth.

THE LILIENTHAL GLIDER AND LANGLEY PLANE

Otto Lilienthal, German inventor and scientist, glided from German hilltops in the nineteenth century. Langley wrote scientific treatises explaining how man might fly. His plane dropped into the Potomac River on its experimental flight just about 8 days before the Wright brothers completed the first successful flight on the sandy slopes of Kill Devil Hill at Kitty Hawk, N. C., on December 17, 1903.

THE FIRST FLIGHT, 1903—WRIGHT BROTHERS

To Wilbur and Orville Wright, bicycle mechanics, of Dayton, Ohio, goes the honor of constructing a plane and a motor that would fly, and completing the first successful flight. There were other air pioneers throughout the world, but the Wright brothers discovered the secret of flying. There were others who saw the shores of America before 1492, but Christopher Columbus made possible the settlement of America. The date of the Wright brothers' successful flight marks the birth of modern aviation.

On July 30, 1909, Orville Wright piloted the first plane ever bought by any government, when he flew a distance of 10 miles, from Fort Myer to Alexandria, Va., and back, turning around a balloon floating above Shuters Hill, at Alexandria, on which now stands the Masonic Monument to George Washington. The passenger on that flight was Maj. Gen. Benjamin D. Foulois, now Chief of the Army Air Corps. The average speed made on that flight was 42.583 miles per hour. The Government had agreed to pay the Wright brothers a bonus for any speed made in excess of the guaranteed 40 miles per hour.

WILBUR WRIGHT AND ORVILLE WRIGHT CONQUER THE AIR

Wilbur Wright died in 1912; his brother, Orville, still lives at Dayton, Ohio. The small house where their epoch-making discovery was made at Dayton still stands. Their original plane rests in the British National Museum at Kensington, England. Orville Wright gives as his reason for sending the machine there "the hostile and unfair attitude shown toward us by the officials of the Smithsonian Institution." Mr. Wright claims that he and Professor Langley were the best of friends while Langley was secretary of the Smithsonian Institution, but that since Langley's death "the Institution began a subtle campaign to take from us (the Wright brothers) much of the credit then universally accorded us, and to bring this credit to its former secretary, Professor Langley" (U. S. Air Services, March 1928). A $275,000 Government monument at Kitty Hawk, N. C., marks the spot where the first successful flight was made.

FIRST 10 YEARS OF FLIGHT

For information on the number of airplanes at the outbreak of the World War, I will quote a table which I had placed in the CONGRESSIONAL RECORD on April 5, 1917, the night the Sixty-fifth Congress declared war on Germany.

Country	August 1914		April 1913[1]	
	Military dirigibles[2]	Military airplanes[3]	Military dirigibles	Military airplanes
France	31	1,400	13	400
Germany	35	1,000	17	152
Russia	16	800	9	250
Great Britain	15	400	3	141
Austria-Hungary	10	[3] 350	6	46
United States		23	(4)	25

[1] U. S. Navy Department, October 1915.
[2] Estimate of Henry Woodhouse, editor Flying.
[3] From U. S. Advisory Board for Aeronautics, Feb. 2, 1915.
[4] 1 dirigible, practically useless, on hand.

The United States had 125 airplanes and 3 war balloons on hand January 1, 1917, according to the World Almanac. One dirigible was under construction.

STRENGTH OF AMERICAN AIR SERVICE TODAY

Today there are at least 40 airplane manufacturers in the United States and as many more manufacturers of parts and accessories. There are about 15 air transport lines. There are 16 aeronautical magazines in the United States. I submit a list of these publications. Air transport lines scheduled a total of 45,941,494 miles of operation in 1934. The United States Army Air Corps, including the National Guard, flew 51,506,888 miles in 1934; the United States Navy, including Marine Corps and Naval Reserve, flew 28,001,250 miles; the United States Coast Guard, 219,572 miles; the United States Department of Commerce, 932,420 miles. A total of 437 military planes were produced in 1934 at a cost of $8,836,509; a total of 772 commercial planes were produced in the same year with a value of $9,957,602.

This information comes from the Aeronautical Chamber of Commerce; I recommend the reading of their Aircraft Year Book for 1935. It clearly shows the tremendous growth of aviation since its birth 21½ years ago. I ask permission to insert at the conclusion of my remarks certain tables from this publication which illustrate more clearly the growth of aviation.

"WEST POINT OF THE AIR", RANDOLPH FIELD, SAN ANTONIO, TEX.

At Randolph Field, San Antonio, Tex., is the famous Army Air Corps primary flying school, where the Army's flying cadets receive their first 8 months of training. Kelly Field is located 18 miles from Randolph Field. At Kelly Field the cadets are given 4 more months of advanced training after they graduate from the primary school.

The Navy also has its air school, naval air station at Pensacola, Fla. A school for training enlisted men has recently been established at the Coast Guard air station at Cape May, N. J.

10,570 ISSUED STUDENT-PILOT PERMITS IN 1934

Thousands of men and women are studying aviation in America. The Bureau of Air Commerce reports 10,570 persons were issued student-pilot permits during 1934. The amateur pilot license cannot be secured without 25 hours of solo piloting; after 50 hours of solo flight a private license can be obtained. To obtain a limited commercial-pilot license the pilot must have had 50 hours and passed rigid tests. The transport-pilot license cannot be secured without 200 hours' experience and a more thorough training. Courses in aeronautics are taught in 40 or more colleges. There are 20 flying schools granted approved certificates by the Department of Commerce, and hundreds of aerial service flying organizations at more than 1,000 airports.

2,297 AIRPORTS AND LANDING FIELDS

The Bureau of Air Commerce reported 2,297 airports and landing fields in the United States and Alaska on January 1, 1935. This number included 702 municipal, 570 commercial, 269 intermediate, 580 auxiliary, 58 Army, 24 Navy, and 104 miscellaneous. Of the total, 664 were fully or partially lighted. Public-works funds were used for more than 1,000

airport and landing-field projects; 60 percent of these projects were on new airports and fields.

Officials of the Bureau of Air Commerce informed me today that there are 101 airports and landing fields in Canada, 37 in Mexico, and between 25 and 30 in the West Indies.

160 UNITED STATES SEAPLANE ANCHORAGES

Within and without the borders of the United States there are about 160 seaplane anchorages. These anchorages are located on the Atlantic, Pacific, and Gulf coasts, the Great Lakes, and in Alaska, Canada, Central America, South America, and the West Indies. They are listed in the RECORD at the conclusion of my remarks.

AIR MAIL FROM UNITED STATES TO 35 FOREIGN COUNTRIES

United States air mail can be sent to 35 foreign countries at rates from 10 cents to 55 cents per half ounce. This includes dispatch by the United States domestic and foreign air mail routes to each of these countries; and, in the case of Canada, Colombia, Cuba, and Mexico, dispatch by the domestic air mail routes of these countries where available. The countries and rates of postage will be shown in a table in the RECORD at the conclusion of my remarks.

8,322 PLANES IN 1935

On January 1, 1935, there were 6,339 licensed and 1,983 unlicensed planes in the United States. There were 13,949 licensed pilots, including 7,144 transport pilots, of whom 67 were women. (Bureau of Air Commerce, U. S. Department of Commerce, reprinted in Aircraft Year Book 1935, p. 475.)

ITALY HOLDS SPEED RECORD—440 MILES PER HOUR

The speed of flight through the air has increased from 30 miles per hour in 1903 to 440 miles, the record reached by the Italian flyer Agello with a Macchi plane in 1934. The record nonstop flight made by Wilbur Wright in 1908 was 77.5 miles—the 1933 record of 5,653, made by pilots Codos and Rossi from New York to Rayak, Syria, was not broken in 1934. Here are the interesting speed records and non-stop-flight records for the past several years:

Speed records by airplane

(Aircraft Year Book 1935, p. 430)

Place	Date	Airplane	Pilot	Speed
				M. p. h.
United States (first flight).	1903	Wright (United States)	O. Wright	30
France	1909	Curtiss (United States)	Curtiss	47
United States	1910	Bleriot (French)	LeBlanc	66
France	1912	Deperdussin (French)	Vedrines	106
Do	1913	do	Prevost	126
United States	1919	Curtiss (United States)	Rohlfs	162
France	1920	Nieuport (French)	Lecointe	194
Do	1921	do	do	205
United States	1922	Curtiss (United States)	Mitchell	222
Do	1923	do	Williams	266
France	1924	Ferbois (French)	Bonnett	278
Italy	1927	Macchi (Italian)	de Bernardi	297
Do	1928	do	do	318
England	1929	Supermarine (British)	Orlebar	357
Do	1931	do	Stainforth	406
Italy	1933	Macchi (Italian)	Agello	423
Do	1934	do	do	440

Record nonstop flights by airplane[1]

(Aircraft Year Book 1935, p. 431)

Place	Date	Airplane	Pilot	Distance
				Miles
France	1908	Wright (United States)	W. Wright	77.5
Do	1909	Farman (French)	Farman	145
Do	1910	do	Tabuteau	363
Do	1911	Nieuport (French)	Gobe	460
Do	1912	Farman (French)	Fourny	628
St. Johns, Newfoundland to Ireland.	1919	Vickers (British)	Alcock and Brown	1,936
San Diego, Calif., to Indianapolis, Ind.	1922	Fokker (United States)	Kelley and Macready.	2,060
New York to San Diego, Calif.	1923	do	do	2,516

[1]The record was not broken in 1934.

Record nonstop flights by airplane—Continued

Place	Date	Airplane	Pilot	Distance
				Miles
Paris to Djask, Persia.	1926	Breguet (French)	Coste and Rignot	3,313
New York to Paris, France.	1927	Ryan (United States)	Lindbergh	3,610
New York to Germany.	1927	Bellanca (United States)	Chamberlin	3,911
Rome to Brazil	1928	Savoia (Italian)	Ferrarin and del Prete.	4,466
Paris to Coulart, China.	1929	Breguet (French)	Coste and Bellonte.	4,912
New York to Istanbul, Turkey.	1931	Bellanca (United States)	Boardman and Polando.	5,011
Cranwell, England, to Walvis Bay, South Africa.	1933	Fairey (British)	Gayford and Nicholetts.	5,308
New York to Rayak, Syria.	1933	Bleriot (French)	Codos and Rossi	5,653

ALTITUDE RECORD 47,352 FEET

From 361 feet in 1908, attained by Wilbur Wright, the altitude record climbed year after year, until in 1934 it reached 47,352 feet, nearly 9 miles, the height attained by Italian Flyer Donati in a Caproni airplane.

Altitude records by airplane

(Aircraft Year Book 1935, p. 432)

Place	Date	Airplane	Pilot	Altitude
				Feet
France	1908	Wright (United States)	W. Wright	361
Do	1909	Antoinette (French)	Latham	1,486
Do	1911	Bleriot (French)	Garros	12,959
Algeria	1912	Morane (French)	do	18,405
France	1913	Nieuport (French)	Legagneux	20,078
United States	1919	Curtiss (United States)	Rohlfs	32,450
Do	1920	Lepere (United States)	Schroeder	33,113
Do	1921	do	Macready	34,507
France	1923	Nieuport (French)	Lecointe	36,564
United States	1927	Wright (United States)	Champion	38,474
Germany	1929	Junkers (German)	Neuenhofen	41,794
United States	1930	Wright (United States)	Soucek	43,166
England	1932	Vickers (British)	Uwins	43,976
France	1933	Potez (French)	Lemoine	44,819
Italy	1934	Caproni (Italian)	Donati	47,352

AIR ACCIDENTS

The passenger-traffic report of the Federal Coordinator of Transportation, published in 1935 (p. 23), shows that there was one passenger fatality per 24,700,000 airway-carrier-miles flown in 1933 compared with one fatality per 11,300,000 private-automobile-miles. This does not include stunt flying, student flying, or private flying. It does indicate, however, that travel on established transport airlines is well over twice as safe as travel by private automobile. I am placing in the RECORD at the end of my remarks tables giving interesting detailed information on the number and causes of air accidents.

Air power, once the inventor's wild dream, has burst forth into splendid reality and now encircles the earth. Still it has not left its period of infancy. We are just beginning to fly. There is no limit to the progress we can make if we will coordinate our efforts.

TWO WAYS TO COORDINATE AIR SERVICE

There are two ways of unifying the Air Service. One way is to create a department of the air service to handle all aviation, including commercial, military, and naval. The other is to create a Department of defense, with its branches—Air, Army, and Navy—holding equal rank. Many of my good friends, including the able and distinguished Chairman of the Military Affairs Committee, advocate a department of denfese. Either a department of defense or a department of the air service would be a step forward in the progress of aviation.

A DEPARTMENT OF DEFENSE WITH AIR, ARMY, AND NAVY BRANCHES OF EQUAL RANK

The recommendations of the American Aviation Mission of 1919 were not adopted, and about 20 commissions have

since been appointed for similar study and recommendation. Still, neither a department of defense nor a department of the air service has been created. I have not time to mention all these various commissions and the results of their surveys. The last two—the Baker Board and the Howell Board—did not advise a department of air service or a department of defense, although some individual members of the Boards have publicly declared for a unified Air Service through one of these two means. Notably the air-minded members of these Boards dissented.

The Baker Board report and the Howell Board report are both of wide interest. The policies advocated by these Boards are to some extent being carried out today. For that reason I wish to state briefly what these Boards accomplished.

THE BAKER BOARD

The Baker Board was composed of 12 members: Newton D. Baker, chairman, Secretary of War during the war; H. A. Drum, major general, United States Army, member of the General Staff; Karl T. Compton, technical expert; George W. Lewis, director of research of the National Advisory Committee for Aeronautics; C. E. Kilbourne, brigadier general, United States Army, member of the General Staff; George S. Simonds, major general, United States Army, member of the General Staff; James H. Doolittle, by many thought to be the country's greatest flier; Edgar S. Gorrell, Chief of Staff during the war for General Patrick, who was Chief of the Air Corps, A. E. F.; J. W. Gulick, brigadier general, United States Army, member of the General Staff; Benjamin D. Foulois, Chief of the Army Air Corps, taught to fly by Orville Wright; Clarence D. Chamberlin, who flew across the Atlantic in 1927; Albert E. Brown, recorder, major, G. S. (Inf.), United States Army.

The Baker Board report was made to the Secretary of War on July 18, 1934. It advised against an independent air service. Jimmie Doolittle signed a minority report favoring an air force "completely separated from the Army and developed as an entirely separate arm." The Board recommended, with reference to the Chief of the Air Corps, that "the ability to pilot an airplane should not be considered as a major prerequisite for this office."

The committee definitely expressed its lack of confidence in air forces by stating that air invasion and air defense of the United States "are conceptions of those who fail adequately to consider the effect of ocean barriers and other limitations."

GENERAL BULLARD DEFENDS A UNITED AIR SERVICE

Contrast with this general attitude the statement of Lt. Gen. Robert Lee Bullard, formerly commander of the American Second Army in France, who is convinced that the airplane has become the predominant weapon of war.

General Bullard states:

> Few Army commanders, apparently, can even conceive of a new type of offensive from the air, so deadly in its effectiveness as to make land operations difficult and old-fashioned "battle line" meaningless. * * * The directors of the older services have been jealously intent upon keeping this new air arm subordinate, as an auxiliary, lest they lose power and prestige. Air defense * * * should be unified, centrally controlled, commanded by men who can visualize its necessities and needs—by men capable of looking forward toward tomorrow, and not backward toward yesterday (U. S. Air Services, August 1934).

BAKER BOARD RECOMMENDS UNITY WITHIN ARMY

The Baker Board did take a step, however small, in the direction of unity. Acting upon its recommendation, the Army, beginning March 1, 1935, unified various air combat units in the continental United States under the General Headquarters Air Force. Formerly these units were serving under seven different corps area commanders. Headquarters are at Langley Field, Va.

THE HOWELL BOARD

The report of the Howell Board was sent to Congress with a message by the President on January 31, 1935. All recommendations were made unanimously by the members of the Board. One of our air-magazine editors has observed that a unanimous report means a compromise report, and we have no way of knowing what individual members of the Board really thought. Members of the Howell Board were: Clark Howell, chairman, publisher of the Atlanta Constitution, large newspaper of the South; Edward P. Warner, vice chairman, former Assistant Secretary of the Navy for Aeronautics, former professor of aeronautics at the Massachusetts Institute of Technology; Albert J. Berres, expert on labor conditions; Jerome C. Hunsaker, formerly commander of the United States Navy, vice president of Goodyear Zeppelin Co.; Franklin K. Lane, Jr., a pilot in the Army and also the Navy, son of former Secretary of the Interior; J. Carroll Cone, executive secretary, member of the Air Corps during the war, candidate for Governor of Arkansas, connected with Bureau of Air Commerce in the Department of Commerce.

Several recommendations are made, including Federal assistance to commercial aviation, lower air postage rates, and appointment of additional officials to administer the various air services. The Commission recommended the creation of a temporary air commerce commission for assistance to commercial aviation, this commission to be later merged by Executive order with some other agency that may be created to take over regulation of transportation. The President expressed his disapproval of this recommendation, stating that the multiplication of separate regulatory agencies should be avoided.

WHAT ABOUT UNIFIED AIR SERVICE?

The important thing in the Howell report with reference to a department of the air service or defense is that the entire dispute is practically ignored, as if of no importance. Yet anyone who knows anything of the history of the Air Service does not have to be told that air-minded people are greatly interested in this phase of legislation concerning the Air Service. The subject is really "a sizzling pepperpot of disputation."

Some air-minded individuals hope that the Howell Board's silence means a reversal of the Baker Board's attitude, although unexpressed. Statements scattered throughout the report indicate some appreciation of the power and the future of aviation. There are hints in the Howell report that the Baker Board's policy of reorganizing the Army air force is not to be considered a permanent policy, but only a temporary expedient. There are indications that some members of the Board were favorable to unifying the Air Service, at least in the future if not now.

WE WILL HAVE UNIFIED AIR FORCE

Actual flyers vision the future of aviation from past experience. They think of aviation not only in terms of what Air Service does for the Army or for the Navy, but, more important, what it can do for America. They think of the future instead of the past. They know that we must develop an united Air Service, as European nations have already done.

FOREIGN NATIONS UNIFY AIR SERVICES

All branches of aeronautics are generally closely associated abroad. Control of all aeronautic activities is exercised by a single department of the government in several countries, including France, Germany, Great Britain, Greece, Italy, and Russia. In some countries control is lodged with the war department. In Peru the Ministry of Navy and Aviation controls civil and other aeronautics; in Spain control was recently unified under the general "Direction of Aeronautics", which operates under the council of ministers.

AIR FARES REDUCED ABROAD

Air passenger fares in Europe have gradually been reduced, until today they are somewhat lower than first-class rail fares. This information comes to me from the United States Bureau of Foreign and Domestic Commerce.

COMBAT PLANES IN 1935

The 1935 Aircraft Year Book of the Aeronautical Chamber of Commerce (p. 32) publishes a table showing the relative positions of the seven air powers in approximate numbers of combat airplanes since 1932:

	January 1932	January 1934	January 1935
France	4,000	4,000	3,600
Russia	1,500	2,200	3,000
British Empire	2,000	2,500	2,800
Italy	1,800	2,300	2,300
United States	1,800	1,700	2,000
Japan	1,300	1,500	1,850
Germany		200	600

Recent international developments bring to the fore latest information that Germany really has a strong, formidable air service far in excess of published figures.

All countries which surpass us in air force have unified air services. In the United States we have our air force divided between the Army, the Navy, the marines, the Coast Guard, and we have the administration of air services not concerned with war divided between about a dozen Government agencies. Full information concerning the work of these Government agencies can be obtained from the departments concerned and from the Aircraft Year Book of the Aeronautical Chamber of Commerce. I am going to mention certain of the more important Government agencies interested in aviation. I do not mean to convey that all these air activities must necessarily be merged into a department of the air service. In some instances the type of air activity conducted may be incidental to the major functions of the bureau involved. But even in these instances a department of the air service should cooperate with the bureaus involved in securing planes, air-mapping facilities, and so forth.

COAST GUARD AVIATION

Heroic flights in storm and fog are made by the Coast Guard force every year. At the end of 1934 the Coast Guard was operating 30 airplanes, and Rear Admiral H. G. Hamlet, commandant of the Coast Guard, reports that Coast Guard planes and crews flew a total of 219,572 miles and had patrolled or searched an area of 1,975,014 square miles. They thwarted rum-runners, stopped the illegal importation of liquor and narcotics. The United States Customs Bureau had previously conducted a Customs Border Patrol to combat smuggling. The Secretary of the Treasury last year merged the Customs Border Patrol with the Coast Guard Air Force. Public-works funds were allocated by the P. W. A. for construction of about 27 Coast Guard planes and 7 new cutters equipped to carry planes.

BUREAU OF AIR COMMERCE

Planes are being used by many bureaus of the Government for specialized work that in some cases cannot be accomplished by other means. The Bureau of Air Commerce of the United States Department of Commerce, created on July 1, 1934, is the successor to the Aeronautics Branch of the Department of Commerce, originally established in 1926. The Bureau licenses pilots and aircraft, engines, and propellers. It draws up air-traffic rules for all interstate flying. It maintains the Federal airways system equipped with beacon lights, intermediate landing fields, radio range beacons, and radio communications stations.

The Bureau of Air Commerce carries on a research or development section. It is attempting to develop light planes for private flying.

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

Airplanes are used by the Bureau of Entomology and Plant Quarantine of the United States Department of Agriculture to obtain more definite information in different fields; the dissemination by air currents of fungi and bacteria which cause diseases of important agricultural crop plants; the distribution of pollens of types known to cause hay fever and other respiratory troubles; the possible application of detailed knowledge of atmospheric content of micro-organisms to air mass analysis methods; factors affecting cross pollination of crop plants.

BUREAU OF FISHERIES

The Bureau of Fisheries of the United States Department of Commerce uses airplanes to supervise and patrol the fisheries of Alaska.

BUREAU OF RECLAMATION

The Bureau of Reclamation uses planes for photographic survey work on its projects. Planes are supplied on contract from private airway companies.

FEDERAL COMMUNICATIONS COMMISSION

The Federal Communications Commission handles the drafting of regulations for aircraft radio operations.

HYDROGRAPHIC OFFICE

The Hydrographic Office of the United States Navy publishes aviation charts covering areas outside the United States.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The National Advisory Committee for Aeronautics is charged with fundamental scientific research and experiment in aeronautics. It has developed at Langley Field, Va., what is claimed to be the largest and best equipped aeronautical research laboratory in the world, known as the "Langley Memorial Aeronautical Laboratory." Much of the work is secret, involving national defense. Public Works Administration funds have been used to construct some of the equipment used for testing purposes.

THE BUREAU OF STANDARDS

The National Bureau of Standards of the Department of Commerce also conducts investigations of materials, fabricated parts, apparatus, and instruments for aeronautic use. It is interested in the standardization of materials, apparatus, and instruments.

NATIONAL RECOVERY ADMINISTRATION

The N. R. A. by the end of 1934 had charge of an air transport code, a code covering miscellaneous aircraft operators, and a proposed code for the aircraft-manufacturing industry.

PUBLIC HEALTH SERVICE

The Public Health Service inspects airplanes and their passengers from foreign countries. An International Sanitary Convention for Aerial Navigation has been adopted to reconcile the interests of international air traffic with requirements for the protection of public health.

SOIL EROSION SERVICE

The Soil Erosion Service of the United States Department of the Interior employed private air services to map about 48,000 square miles of lands in Arizona, Utah, New Mexico, and Colorado.

SUBSISTENCE HOMESTEADS

The Subsistence Homesteads Division of the United States Department of the Interior also employed private air services to map areas in which projects were laid down.

TENNESSEE VALLEY AUTHORITY

The T. V. A. uses its own planes extensively for transportation, and also contracts with private aerial agencies for aerial photographic work.

UNITED STATES COAST AND GEODETIC SURVEY

The United States Coast and Geodetic Survey of the Department of Commerce in 1934 let private contracts for about 2,000 square miles of aerial mapping of shore areas.

UNITED STATES FOREST SERVICE

The United States Forest Service of the Department of Agriculture flew 1,400 men to fire lines in 1934. Planes were employed to fight fires and make maps.

UNITED STATES GEOLOGICAL SURVEY

Aerial mapping is used by the United States Geological Survey of the Department of the Interior in classifying public lands for mineral and other resources.

UNITED STATES WEATHER BUREAU

The United States Weather Bureau of the Department of Agriculture provides meteorological service along the Federal airways system. Weather reports were charted every 4 hours during 1934.

COORDINATION THROUGH A DEPARTMENT OF THE AIR SERVICE

Many of these functions, perhaps all, should be consolidated into one department of the air service. Others need not be consolidated, but economy and efficiency can result from the central purchasing or borrowing of planes and aerial mapping facilities with the cooperation of a department of the air service.

1935 LUNDEEN DEPARTMENT OF THE AIR SERVICE BILL

I have thoroughly reviewed the department of the air service bill that I introduced in 1919, and find that it requires no fundamental change. The important provisions for coordinating air activities and providing the means for unified research are there. I am, therefore, reintroducing the same measure, with minor changes, the Lundeen department of the air service bill.

BREAKFAST IN NEW YORK—DINNER IN SEATTLE, SAN FRANCISCO, AND LOS ANGELES

The onward march of aviation cannot be stopped. We have conquered Atlantic and Pacific; we have flown around the world and crossed the poles many times. The highest mountain has been surpassed. The air around our planet 10 miles deep has been explored and conquered. The air rocket makes its own gas; it may be used as an engine. We are moving into higher altitudes where air resistance becomes a minimum. We are pushing on to new wonders. Space on this earth is shrinking fast.

STEPS ACROSS THE SEA

We spend one day in New York, the next day in Paris, Berlin, and London. That has been accomplished, and will become more frequent with airdromes—steps across the sea. German flyers for years have been making regular scheduled trips from Berlin to points in South America, refueling at airdromes along the way. Steps will be built across every ocean and every sea. The ice fields of the North and South polar regions will have landing fields. These regions will permit great economy of distance.

There is no argument that will hold water for 1 minute against the consolidation of our aeronautical activities under one head in the establishment of a department of the air. Other countries are coming to this conclusion after dire experience. Both in war and in peace in this country we have had disastrous experience with our present organization and the necessity for such consolidation is greater now than ever before.

The future of aviation brightens. Coordination is our need. We must have a department of the air service. There is no time to be lost. "Where there is no vision the people perish." America led the way in practical aviation. We must keep that lead. I call upon all good air-minded citizens to aid us in our fight for a united department of air service.

LUNDEEN AIR SERVICE DEPARTMENT BILL

[H. R. 16195. 65th Cong., 3d sess. In the House of Representatives. Feb. 28, 1919. Mr. LUNDEEN introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce and ordered to be printed]

A bill to create a Department of Air Service

Be it enacted, etc., That there is hereby created an executive department in the Government to be called the Department of Air Service and a Secretary of Air Service who shall be the head thereof, and who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive a salary of $12,000 per annum, and whose tenure of office shall be like that of the heads of the other executive departments; and section 158 of the Revised Statutes is hereby amended to include such department, and the provisions of title 4 of the Revised Statutes, including all amendments thereto, are hereby made applicable to said department. The purpose of the Department of Air Service shall be to promote, develop, and regulate the navigation of the air for the benefit of the people and the Government of the United States. The said Secretary shall cause a seal of office to be made for the said department of such device as the President shall approve, and judicial notice shall be taken of the said seal.

SEC. 2. That there shall be in said department an Assistant Secretary of Air Service, to be appointed by the President, who shall receive a salary of $7,500 a year. He shall perform such duties as shall be prescribed by the Secretary or required by law. There shall also be one chief clerk and a disbursing clerk, and such other clerical assistants, inventors, inspectors, experts, scientists, and special agents as may from time to time be provided for by Congress. The Auditor for the State and other departments shall receive and examine all accounts of salaries and incidental expenses of the office of the Secretary of Air Service and of all bureaus and offices under his direction, and all accounts relating to all other business within the jurisdiction of the Department of Air Service, and certify the balances arising thereon to the division of bookkeeping and warrants and send forthwith a copy of each certificate to the Secretary of Air Service.

SEC. 3. That the following-named offices, bureaus, divisions, and branches of the public service now and heretofore under the War Department and all that pertains to the same, known as the Chief of the Aircraft Production Bureau, and the Aircraft Production Bureau, and the military air stations, the Chief of the Bureau of Aviation, and the Bureau of Aviation of the Navy Department and the naval air stations, be, and the same hereby are, transferred from the War Department and Navy Department to the Department of Air Service, and the same shall hereafter remain under the jurisdiction and supervision of the last-named department.

SEC. 4. That the official records and papers now on file in and pertaining exclusively to the business of any bureau, office, department, or branch of the public service in this act transferred to the Department of Air Service, together with the furniture and apparatus now in use in such bureau, office, department, or branch of the public service shall be, and hereby are, transferred to the Department of Air Service.

SEC. 5. That the Secretary of Air Service shall have charge in the buildings or premises occupied by or appropriated to the Department of Air Service, of the library, furniture, fixtures, records, and other property pertaining to it or hereafter required for use in its business. He shall be allowed to expend for the purchase of buildings, materials, machinery, vehicles, vessels, and apparatus required for the operations of the air service in promoting, developing, and regulating the navigation of the air, and for periodicals and for the purposes of the library and for rental of appropriate quarters for the accommodation of the Department of Air Service within the District of Columbia, and for all other incidental expenses, such sums as Congress may provide from time to time: *Provided, however,* That where any office, bureau, or branch of the public service transferred to the Department of Air Service by this act is occupying rented buildings or premises it may still continue to do so until other suitable quarters are provided for its use: *And provided further,* That all officers, clerks, and employees now employed in any of the bureaus, offices, departments, or branches of the public service in this act transferred to the Department of Air Service are each and all hereby transferred to said department at their present grades and salaries, except where otherwise provided in this act: *And provided further,* That all laws prescribing the work and defining the duties of the several bureaus, offices, departments, or branches of the public service by this act transferred to and made a part of the Department of Air Service shall, so far as the same are not in conflict with the provisions of this act, remain in full force and effect, to be executed under the direction of the Secretary of Air Service.

SEC. 6. That there shall be a solicitor of the Department of Justice for the Department of Air Service, whose salary shall be $5,000 per annum.

SEC. 7. That all duties performed and all power and authority now possessed or exercised by the head of any executive department in and over any bureau, office, officer, board, branch, or division of the public service by this act transferred to the Department of Air Service, or any business arising therefrom or pertaining thereto, or in relation to the duties performed by and authority conferred by law upon such bureau, officer, office, board, branch, or division of the public service, whether of an appellate or revisory character or otherwise, shall hereafter be vested in and exercised by the head of the said Department of Air Service.

SEC. 8. That the Secretary of Air Service shall annually, at the close of each fiscal year, make a report in writing to Congress, giving an account of all moneys received and disbursed by him and his department and describing the work done by the department. He shall also, from time to time, make such special investigations and reports as he may be required to do by the President, or by Congress, or which he himself may deem necessary.

SEC. 9. That the Secretary of Air Service shall investigate and report to Congress a plan of coordination of the activities, duties, and powers of the office of the Secretary of Air Service with the activities, duties, and powers of the present bureaus, commissions, and departments, so far as they relate to the Air Service and the navigation of the air, in order to harmonize and unify such activities, duties, and powers with a view to further legislation, to further define the duties and powers of such Department of Air Service.

SEC. 10. That this act shall take effect from and after the date of its passage, and all acts or parts of acts inconsistent with this act are hereby repealed.

I am here inserting tables taken from the Aircraft Year Book of the Aeronautical Chamber of Commerce for 1935. These tables illustrate the growth of aviation in the past few years:

Summary of air transport operations, air lines of the United States
(P. 453)

Year	Operators	Planes in service	Miles scheduled	Miles flown	Passengers	Passenger-miles	Express	Mail
							Pounds	*Pounds*
1926	19	95	----------	[1] 4,608,830	5,782	----------	[2] 6,467	433,649
1927	24	144	----------	[2] 5,242,839	12,594	----------	[2] 12,495	[4] 1,222,843
1928	32	294	----------	10,472,024	52,934	----------	[2] 35,376	[5] 3,632,055
1929	27	619	----------	20,242,891	165,263	----------	[3] 197,538	[6] 7,772,019
1930	35	685	30,703,119	28,833,967	385,910	94,545,784	[3] 286,798	[7] 8,513,674
1931	41	720	47,463,673	43,395,478	457,753	116,232,153	[3] 885,164	[8] 9,351,195
1932	33	655	51,932,809	48,344,358	504,575	143,169,682	[3] 1,324,428	[9] 7,658,332
1933	28	615	54,072,467	50,800,705	548,235	183,695,784	[3] 1,884,545	[10] 7,644,646
1934	25	550	45,914,494	42,622,619	537,637	217,006,507	[3] 2,946,460	[11] 7,155,281

[1] Includes 2,583,056 miles flown on Government-operated mail routes.
[2] Includes 1,320,535 miles flown on Government-operated mail routes.
[3] Includes only express poundage carried on regular schedules and not freight flown by special order.
[4] Includes 121,439 pounds mail flown on Government-operated routes.
[5] Includes 631,541 pounds mail flown on foreign air mail routes.
[6] Includes 675,084 pounds mail flown on foreign air mail routes.
[7] Includes 508,474 pounds mail flown on foreign air mail routes.
[8] Includes 346,116 pounds mail flown on foreign air mail routes.
[9] Includes 286,162 pounds mail flown on foreign air mail routes.
[10] Includes 277,293 pounds mail flown on foreign air mail routes.
[11] Includes 343,404 pounds mail flown on foreign air mail routes. See note above.

NOTE.—The total of 7,155,281 pounds listed for 1934 includes only mail flown by air transport lines of the United States on domestic and foreign routes. To determine the total mail flown there should be added the operations of the U. S. Army Air Corps which from Feb. 19 to June 1, 1934, flew 1,707,559 miles with mail and carried 768,215 pounds of mail, according to War Department reports.

Government flying operations (miles flown)
(P. 453)

Fiscal year	U. S. Army	U. S. Navy	U. S. Coast Guard	U. S. Department of Commerce
1926	16,764,540	8,352,800	16,300	----------
1927	14,871,870	10,452,720	28,960	----------
1928	[1] 19,546,450	[2] 14,135,490	83,083	900,000
1929	[1] 27,405,790	[2] 19,513,095	48,254	1,000,000
1930	32,500,000	[2] 26,478,700	67,655	1,427,000
1931	44,000,000	[2] 28,889,835	53,440	999,000
1932	[1] 42,914,655	[2] 26,508,715	93,750	975,500
1933	[1] 56,077,344	[2] 22,989,300	184,965	1,364,200
1934	[1] 51,505,888	[2] 28,001,250	219,572	932,420

[1] Includes National Guard.
[2] Includes Marine Corps and Naval Reserve.

Review of annual military and commercial production in the United States—Airplane production
(P. 454)

Year	Annual totals			
	Military		Commercial	
	Units	Value	Units	Value
1925	[1] 447	[1] $5,174,025	[1] 268	[1] $1,499,634
1926	[1] 532	[1] 6,154,708	[1] 604	[2] 2,716,319
1927	[1] 621	[1] 7,523,383	1,565	6,976,616
1928	[1] 1,219	[1] 19,096,379	3,542	17,194,298
1929	677	10,832,544	5,357	33,624,756
1930	747	10,723,720	1,937	10,746,042
1931	812	12,971,028	1,582	6,655,738
1932	593	10,389,316	549	2,337,899
1933	466	9,784,643	801	6,180,900
1934	437	8,836,509	772	9,957,602

[1] Source: Derived from U. S. Census reports.

Annual totals of airplane engine production
(P. 455)

Year	Military		Commercial	
	Units	Value	Units	Value
1926	[1] 842	[2] $4,080,571	(3)	(3)
1927	[1] 1,397	[4] 6,550,533	(3)	(3)
1928	[2] 2,620	[2] 12,407,920	[2] 632	[2] $979,600
1929	1,861	8,600,530	5,517	17,895,300
1930	1,841	10,823,423	1,925	6,255,493
1931	1,800	10,417,718	1,976	4,148,131
1932	1,085	6,370,578	813	2,898,371
1933	860	4,986,181	1,120	4,724,441
1934	688	5,162,710	2,048	10,270,500

[1] This total does not include an indeterminate number of Liberty and OX engines that were reconditioned and put into service.
[2] Department of Commerce.
[3] Liberty and OX war surplus used.
[4] Derived from U. S. Census Reports.

United States aeronautic exports, total value for calendar years
[Source: U. S. Bureau of Foreign and Domestic Commerce]
(P. 459)

Country of destination	1934 value	1933 value	1932 value
China	$3,778,262	$1,762,247	$157,515
Russia	3,276,490	880,222	406,677
Germany	1,761,607	349,030	192,501
Colombia	1,615,773	535,081	290,388
Peru	1,018,426	384,141	337,664
Mexico	598,133	297,058	233,809
Brazil	528,668	1,459,745	2,680,418
Siam	522,745	108,714	2,135
Argentina	519,961	677,437	271,087
Netherlands	410,431	319,803	179,628
Turkey	327,143	11,498	672,378
Japan	320,562	338,908	366,950
Bolivia	303,609	259,840	362,046
Sweden	262,085	45,617	113,954
Switzerland	259,063	2,069	1,629
France	196,935	16,952	54,305
Canada	188,928	64,088	178,108
Poland and Danzig	172,904	147,711	2,227
Panama	145,967	292,616	42,866
United Kingdom	137,361	84,913	57,972
Italy	107,245	21,003	3,696
Australia	105,447	43,625	24,237
Rumania	101,092	24,726	5,735
Netherland West Indies	76,497	20,654	5,039
Austria	74,844	83	30
Hong Kong	64,243	484,115	210,410
Union of South Africa	58,238	30,707	15,092
Portugal	56,797	25,304	2,037
Czechoslovakia	55,735	10,876	16,458
Philippine Islands	47,135	95,176	208,115
Chile	45,214	59,284	21,065
Belgium	37,517	37,588	466,962
Guatemala	37,140	21,164	9,902
Honduras	36,694	80,189	33,252
Trinidad and Tobago	27,104	34,046	56,709
Finland	25,888	4,482	2,218
Uruguay	23,094	70	5,645
Norway	22,797	4,620	159
Arabia	21,106	1,800	----------
Netherland East Indies	19,028	51,113	29,152
Yugoslavia	16,468	15,171	2,550
Irish Free State	15,195	----------	----------
Spain	14,382	7,438	39,572
Costa Rica	14,091	11,692	74
Dominican Republic	13,926	22,145	7,632
Cuba	13,898	25,404	37,854
Venezuela	13,559	6,748	56,673
Salvador	11,624	65,079	1,647
Nicaragua	7,660	14,781	854
Morocco	6,330	----------	15
British East Africa	6,173	510	62
Egypt	5,384	5,636	4,402
Lithuania	5,205	421	868
Haiti	4,528	1,392	3,811
New Zealand	4,449	6,876	6,032
Kwantung	2,143	3,965	----------
British Malaya	1,167	----------	450
Iraq	1,054	63	----------
Other Asia	1,035	826	----------
Other British West Indies	873	1,932	5,848
Jamaica	330	429	590
Denmark	238	100	431
Bulgaria	200	1,140	----------
British Guiana	100	71	1,343
Mozambique	64	1,697	749
Greece	50	65	53
Bermuda	40	----------	----------
French Guiana	36	164	217
British India	25	75	496
Palestine	22	----------	5,082
Hungary	14	----------	----------
Virgin Islands	8	560	110
Newfoundland and Labrador	3	----------	60
Greenland	----------	30,000	----------
Ecuador	----------	18,971	32,008
Paraguay	----------	2,111	----------
Surinam	----------	198	986
French Oceania	----------	149	----------
Syria	----------	50	4,000
Latvia	----------	----------	10,400
British Oceania	----------	----------	358
French West Indies	----------	----------	263
Barbados	----------	----------	105
Canary Islands	----------	----------	56
Algeria and Tunisia	----------	----------	34
Belgian Congo	----------	----------	30
British Honduras	----------	----------	11
Albania	----------	----------	7
Total	17,548,181	9,155,882	7,946,533

AMERICAN LABOR LOSES RUSSIAN BUSINESS

An article in the Minneapolis Star for June 7, 1935, explains why the Soviet Union is buying its planes from Europe instead of the United States.

SOVIET BUYS UNITED STATES PLANES—ELSEWHERE

Only a handful of people know it, but the State Department recently was responsible for letting valuable military contracts slip through American fingers.

Soviet Russian attachés in the United States had approached the manufacturers of tanks and bombing planes. The orders ran into several millions, the American firms were enthusiastic.

A few days later, however, the Russian agents came back to find them suddenly lukewarm. No concrete reason was given for this coolness. Vague excuses were offered to the effect that Russian credit would have to be looked up, that the factories were already busy.

"You understand", emphasized the Russians, "that this is to be an entirely cash business?"

Nevertheless, the American firms remained aloof. There was good reason for this. The State Department had stepped in with the stipulation that American tanks and planes could not be sold to Russia.

In the end, however, Russia got both tanks and planes. She bought them in England and Germany, and they were almost identical with the ones which were to have been ordered in the United States.

What happened was that the American firms, seeing the contracts slipping through their fingers, sold their patents to British Vickers and German Junkers. In return they got a 10-percent commission. American labor was the only loser.

Strength of United States naval aviation, fiscal years 1924–34

(P. 470)

OFFICERS ATTACHED TO AVIATION

	June 30, 1924	June 30, 1925	June 30, 1926	June 30, 1927	June 30, 1928	June 30, 1929	June 30, 1930	June 30, 1931	June 30, 1932	June 30, 1933	June 30, 1934
Naval aviators	328	382	426	472	466	520	614	737	803	826	834
Student naval aviators	47	35	71	28	73	116	184	149	84	45	107
Line, ground	42	17	14	12	24	[1] 54	69	254	220	444	489
Staff, ground	101	99	129	138	128	[1] 101	98	120	111		
Naval observers	5	5	11	12	11	11	9	5	7	6	5
Student naval observers					2						
Officers having flight orders	13	16	19	15	33	41	45	48	48	2	2
Total	536	554	670	677	737	843	1,019	1,313	1,283	1,323	1,437

ENLISTED MEN ON DUTY

Aviation ratings	1,788	1,711	1,722	2,092	2,785	3,067	2,895	3,136	3,313	1,633	1,878
General service ratings	1,814	1,597	2,155	2,333	8,636	8,575	7,874	9,503	9,045	10,653	10,095
Total	3,602	3,308	3,877	4,425	11,421	11,642	10,769	12,639	12,358	12,286	11,973

U. S. MARINE CORPS AVIATION

Fiscal year	1932			1933			1934		
	Officers	Enlisted men	Total	Officers	Enlisted men	Total	Officers	Enlisted men	Total
Pilots	101	32	133	103	30	133	104	34	133
Student pilots	12	0	12	0	7	7	8	0	8
Flight orders	7	157	164	5	155	160	5	157	162
Nonflyers	10	760	770	10	758	768	11	781	792
Total	130	949	1,079	118	950	1,068	128	972	1,100

[1] Approximate figures.

STRENGTH OF UNITED STATES ARMY AVIATION

The War Department has published no table for the Army Air Corps similar to the table showing Navy aviation strength for the past 10 years. However, the Department informs me that there are 1,368 Army aviation officers. Of that number 1,228 are airplane pilots, 54 are nonrated students, 61 are airship pilots, and the remaining number are balloon obsevers, air observers, and miscellaneous aviators. The total number has remained about the same for the last 10 years.

Postage rates—United States air mail to foreign countries

(P. 480)

(Including dispatch by the United States domestic and foreign air-mail routes to the country named and, in the case of Canada, Colombia, Cuba, and Mexico, dispatch by the domestic air-mail routes of those countries where available)

	Cents per half ounce
Argentina	55
Bahamas	10
Barbados	20
Bolivia (by ordinary means from Arequipa, Peru)	40
Brazil	50
Canada	3
Canal Zone	20
Chile	50
Colombia	35
Costa Rica	20
Cuba	10
Dominican Republic	10
Dutch West Indies:	
Curacao, Bonaire, Aruba	30
St. Martins, St. Eustatius, Saba	20
Ecuador	30
Guadeloupe (including Desirade, Les Saintes, Marie Galante, Petite Terre, St. Bartholomew (Barthelemy) and the French part of St. Martins)	20
Guatemala	15
Guianas (British, Dutch, French)	30
Haiti	10
Honduras (British)	15
Honduras (Republic)	15
Jamaica	10
Leeward Islands:	
Anguilla, Antigua, Barbuda, Dominica, Montserrat, Nevis, Redonda, St. Christopher (St. Kitts)	20
British Virgin Islands	10
Martinique	20
Mexico	10
Nicaragua	15
Panama Republic	20
Paraguay (by ordinary means from Buenos Aires, Argentina)	55
Peru	40
Puerto Rico	10
Salvador (El)	15
Trinidad	20
Uruguay	55
Venezuela (by air to Maracaibo, Cumarebo, La Guaira, Caripito)	30
Venezuela (including dispatch by Venezuelan air mail service from Maracaibo or La Guaira)	45
Virgin Islands (United States)	10
Windward Islands (Grenada, Grenadines, St. Lucia, St. Vincent)	20

The rate (including postage and fee for air dispatch) for the dispatch of articles for delivery in foreign countries, except Canada (above stated air mail rate for Canada applies whether air dispatch is only in this country or in this country and to Canada), by the United States domestic air mail routes (only) to the exchange office from which they are to be sent abroad by the ordinary means, is 8 cents per ounce or fraction.

SEAPLANE ANCHORAGES WITHIN THE UNITED STATES JANUARY 1, 1935

(PREPARED BY THE HYDROGRAPHIC OFFICE, UNITED STATES NAVY)

CLASS I. ANCHORAGES WITH RAMPS, ETC.

(P. 510)

Atlantic coast

Maine:

Bar Harbor (Hadley Point).

Rockland.

Massachusetts:
Gloucester (Coast Guard air station).
Boston (municipal airport).
Squantum (Naval Reserve air station).
South Dartmouth (Round Hill Airport).
Rhode Island:
Newport (Gould Island Naval Torpedo Station).
Connecticut:
Bridgeport.
Groton.
New Haven.
New York:
Brooklyn (Floyd Bennett Field).
College Point, Long Island.
Port Washington, Long Island.
North Beach, Long Island.
New Dorp, Staten Island.
New York City, East River (2), Hudson River (1).
New Jersey:
Atlantic City.
Cape May (Coast Guard air station).
Pennsylvania:
Philadelphia (Naval Aircraft Factory).
Essington.
Virginia:
Hampton (Langley Field).
Hampton Roads (naval air station).
Hopewell.
Quantico (marine barracks).
Dahlgren (naval proving ground).
Maryland: Baltimore (2) (Middle River: Martin Airport) (municipal airport).
District of Columbia: Washington (naval air station, Anacostia).
Florida:
West Palm Beach.
Miami (5).
Key West (naval station).

Gulf coast

Florida:
St. Petersburg.
Pensacola (naval air station).
Tampa.
Louisiana: New Orleans.

Pacific coast

California:
San Diego (naval air station).
Catalina Island.
Oakland (Oakland municipal airport).
Oregon: Portland.
Washington:
Seattle (5) (Sand Point Naval Reserve Air Station); (Renton Airport); (Elliott Bay); Lake Union (2).
Port Townsend (floating hangar).

Great Lakes

Illinois:
Chicago.
Great Lakes (naval training station).
Minnesota: Duluth.
Michigan:
Detroit (2).
Grosse Ile (Naval Reserve aviation base).
Mount Clemens (Selfridge Field).
Wisconsin:
Delafield.
Milwaukee.
Racine.

Alaska

Anchorage (floating ramp).
Cordova.
Juneau (floating hangar).

CLASS II. ANCHORAGES WITH ORDINARY HARBOR FACILITIES

Atlantic coast

Maine:
Calais.
Eastport.
Boothbay.
Bath.
Portland.
New Hampshire: Portsmouth.
Massachusetts:
Salem.
Provincetown.
West Barnstable.
New Bedford.
Fall River.
Nantucket.
Edgartown.
Rhode Island: Providence.
Connecticut: New London.
New York:
Port Jefferson, L. I.
Amityville, L. I.
Great Pond (Lake Montauk), L. I.
New Jersey: Keyport.
Maryland:
Aberdeen.
Annapolis.
Baltimore.
North Carolina:
Elizabeth City.
Edenton.
Morehead City.
New Bern.
Wilmington.
South Carolina:
Georgetown.
Charleston.
Beaufort.
Georgia:
Savannah.
Brunswick.
Florida:
Fernandina.
Jacksonville.
St. Augustine.
Daytona Beach.
Titusville.
Fort Pierce.

Gulf coast

Florida:
Fort Myers.
Sarasota
Cedar Keys.
Panama City.
Alabama: Mobile.
Mississippi:
Pascagoula.
Biloxi.
Gulfport.
Bay St. Louis.
Louisiana: Weeks.
Texas:
Port Arthur.
Houston.
Corpus Christi.
Rockport.
Point Isabel.

Pacific coast

California:
Los Angeles.
Port San Luis.
Monterey.
Santa Cruz.
San Francisco.
Sausalito.
Alameda.
Eureka.
Crescent City.
Oregon:
Astoria.
Port Orford.
Marshfield.
Reedsport.
Washington:
Grays Harbor.
Port Angeles.
Blaine.
Bellingham.
Anacortes.
New Dungeness.
Everett.
Bremerton (navy yard).

SEAPLANE ANCHORAGES OUTSIDE THE UNITED STATES

CLASS I. ANCHORAGES WITH RAMPS, ETC.

(P. 512)

Canada

British Columbia:
Nanaimo.
Swanson Bay.
Vancouver (2).
Victoria.
New Brunswick:
Fredericton.
St. John.
Nova Scotia: Halifax.
Ontario: Sault Ste. Marie.

Central America

Canal Zone:
Coco Solo (United States Naval Air Station).
France Field (United States Army Air Corps).
British Honduras: Belize.
Guatemala: Puerto Barrios.

South America

Argentina: Puerto Belgrano.
Brazil:
Fortaleza (Ceara).
Ilheios.
Natal.
Para.

Brazil—Continued.
Porto Alegre.
Rio de Janeiro.
British Guiana: Georgetown.
Chile: Quintero.
Colombia:
Barranquilla.
Buenaventura.
Dutch Guiana: Paramaribo.
Ecuador:
Guayaquil.
Santa Elena.
Peru: Ancon.
Venezuela: Maracaibo.

West Indies

Bahama Islands: New Providence Island (Nassau).
Cuba: Guantanamo (Hicacal Beach).
Curacao: Willemstad.
Haiti: Port au Prince (2) (U. S. Marine Corps) (floating ramp).
Jamaica: Kingston.
Puerto Rico: San Juan (Isla Grande Airport).
St. Lucia: Port Castries.
Trinidad: Port of Spain.

AERONAUTICAL MAGAZINES OF THE UNITED STATES

(P. 513)

Aero Digest, 515 Madison Avenue, New York, N. Y.
Air Law Review, Washington Square East, New York, N. Y.
Air Line Pilot, 3145 West Sixty-third Street, Chicago, Ill.
Air World, 30 Rockefeller Plaza, New York, N. Y.
Aviation, 330 West Forty-second Street, New York N. Y.
Journal of Air Law, 357 East Chicago Avenue, Chicago, Ill.
Journal of the Aeronautical Sciences, 30 Rockefeller Plaza, New York, N. Y.
National Aeronautic Magazine, Dupont Circle, Washington, D. C.
Official Aviation Guide of the Airways, 608 South Dearborn Street, Chicago, Ill.
Pilot, Grand Central Air Terminal, Glendale, Calif.
Popular Aviation, 608 South Dearborn Street, Chicago, Ill.
Southwestern Aviation, Ledger Building, Fort Worth, Tex.
Sportsman Pilot, 515 Madison Avenue, New York, N. Y.
United States Air Services, Transportation Building, Washington, D. C.
Universal Model Airplane News, 551 Fifth Avenue, New York, N. Y.
Western Flying, 420 South San Pedro Street, Los Angeles, Calif.

Comparative tabulations of accidents—Civil aeronautics for the years 1931, 1932, 1933, and the first 6 months of 1934

[Compiled by Bureau of Air Commerce, U. S. Department of Commerce, p. 471]

MILEAGE FLOWN PER ACCIDENT

	January-June 1931 [1]	July-December 1931	January-June 1932 [1]	July-December 1932	January-June 1933 [1]	July-December 1933	January-June 1934 [1]
Miles flown in scheduled transport operations	20,190,925	27,195,062	24,668,414	26,264,553	25,862,120	28,780,425	21,517,668
Miles flown in miscellaneous operations including student instruction and experimental flying	43,282,595	51,060,520	33,722,685	44,456,015	32,748,485	38,474,360	36,780,157
Total	63,473,520	78,255,582	58,391,099	70,720,568	58,610,605	67,254,785	58,297,815
Accidents, all services	1,054	1,277	914	1,152	813	891	676
Miles flown per accident, all services	60,222	61,281	63,885	61,389	72,091	75,482	86,239
Accidents, scheduled transport operations	61	65	67	48	48	53	27
Miles flown per accident, scheduled transport operations	330,999	418,386	368,185	547,178	538,794	543,027	796,950
Accidents, miscellaneous operations	993	1,212	847	1,104	765	838	649
Miles flown per accident, miscellaneous operations	43,676	42,129	39,814	40,268	42,808	45,912	56,672
Fatal accidents, all services [2]	114	153	105	119	85	106	93
Miles flown per fatal accident in all services	556,785	511,474	556,106	594,200	689,536	634,478	626,853
Fatal accidents, scheduled transport operations [2]	5	9	11	6	5	4	6
Miles flown per fatal accident, scheduled operations	4,038,185	3,021,674	2,242,583	4,377,425	5,172,424	7,159,106	3,586,276
Fatal accidents, miscellaneous operations [2]	109	144	94	113	80	102	87
Miles flown per fatal accident, miscellaneous operations	397,088	354,587	358,752	393,416	409,356	377,200	422,760
Pilot fatalities, all services	95	125	82	99	72	90	74
Miles flown per pilot fatality, all services	668,142	626,045	712,086	714,349	814,036	747,275	787,808
Pilot fatalities, scheduled transport operations	5	6	10	5	4	4	6
Miles flown per pilot fatality, scheduled transport operations	4,038,185	4,532,510	2,466,841	5,252,911	6,465,530	7,159,106	3,586,276
Pilot fatalities, miscellaneous operations	90	119	72	94	68	86	68
Miles flown per pilot fatality, miscellaneous operations	480,918	429,080	468,371	472,936	481,595	447,376	540,885

[1] It should be borne in mind that weather conditions during the last 6 months of the calendar year are more favorable for flying than during the first 6 months, hence, in making comparisons, figures for corresponding periods should be used in each case.

[2] A fatal aircraft accident is one in which one or more persons (passenger, pilot, or crew) were killed or fatally injured.

Causes of accidents

SCHEDULED AIR TRANSPORT OPERATIONS

(P. 472)

Causes	Percentages						
	January-June 1931	July-December 1931	January-June 1932	July-December 1932	January-June 1933	July-December 1933	January-June 1934
Number of accidents involved	61	65	67	48	48	53	27
Personnel:							
Pilot:							
Error of judgment	8.85	6.15	3.73	5.85	1.04	5.26	14.45
Poor technique	3.44	4.92	3.88	1.06	3.12	1.89	15.74
Disobedience of orders	2.29	0	.37	0	0	.47	0
Carelessness or negligence	6.15	6.15	2.98	6.38	7.29	13.21	11.67
Miscellaneous	0	0	0	0	2.08	0	0
Total pilot errors	20.73	17.22	10.96	13.29	13.53	20.85	41.86
Other personnel:							
Supervisory	1.14	1.15	0	2.66	0	0	6.48
Miscellaneous	3.28	0	0	0	2.08	0	3.70
Total personnel errors	25.15	18.37	10.96	15.95	15.61	20.85	52.04
Material:							
Power plant:							
Fuel system	3.85	3.85	6.71	6.39	7.30	3.49	3.70
Cooling system	0	0	0	0	0	0	0
Ignition system	1.64	.77	1.49	0	0	0	0
Lubrication system	0	1.54	0	0	0	0	0
Engine structure	3.28	1.54	7.47	6.38	2.08	7.55	0
Propellers and accessories	4.92	3.08	2.99	6.38	4.17	5.66	7.41
Engine-control system	0	0	1.49	0	2.08	0	0

Causes of accidents—Continued

SCHEDULED AIR TRANSPORT OPERATIONS—continued

Causes	Percentages						
	January-June 1931	July-December 1931	January-June 1932	July-December 1932	January-June 1933	July-December 1933	January-June 1934
Materials—Continued.							
Power plant—Continued.							
Miscellaneous	1.64	5.39	.75	2.13	0	0	0
Undetermined	1.64	3.08	1.49	2.13	6.25	3.77	.74
Total power-plant failures	16.97	19.25	22.39	23.41	21.88	25.47	11.85
Structural:							
Flight-control system	0	1.54	0	1.06	0	0	0
Movable surfaces	0	0	0	0	0	0	0
Stabilizing surfaces	0	1.54	0	0	0	0	0
Wings, struts, and bracings	.57	1.54	0	0	0	0	0
Undercarriage	8.20	12.30	7.47	10.64	4.17	10.94	11.11
Wheels, tires, and brakes	3.69	1.54	5.82	4.26	4.17	9.34	3.70
Pontoons or boats	0	0	0	0	0	0	0
Fuselage, engine mountings, and fittings	0	1.54	0	0	0	0	0
Tail-skid assembly	0	0	0	3.19	2.08	0	3.70
Miscellaneous	0	0	0	0	0	0	0
Undetermined	0	0	0	4.26	0	0	0
Total structural failures	12.46	20.00	13.29	23.41	10.42	20.28	18.51
Handling qualities	10.65	0	5.97	1.06	2.08	3.78	0
Instruments	0	0	0	0	0	0	0
Total airplane failures	23.11	20.00	19.26	24.47	12.50	24.06	18.51

Causes of accidents—Continued

SCHEDULED AIR TRANSPORT OPERATIONS—continued

Causes	Percentages						
	January–June 1931	July–December 1931	January–June 1932	July–December 1932	January–June 1933	July–December 1933	January–June 1934
Miscellaneous:							
Weather	21.73	26.00	31.72	25.53	27.09	18.30	14.82
Darkness	0	0	2.24	0	0	0	0
Airport and terrain	10.33	14.84	13.43	6.39	14.89	7.52	.93
Other	.25	0	0	2.13	8.33	0	1.85
Total miscellaneous causes	32.31	40.84	47.39	34.04	50.01	25.85	17.60
Undetermined and doubtful	2.46	1.54	0	2.13	0	3.77	0
Total percentages	100	100	100	100	100	100	100

NONSCHEDULE FLYING

(P. 473)

Number of accidents involved	991	1,212	847	1,104	765	838	649
Personnel:							
Pilot:							
Error of judgment	9.23	8.04	7.19	6.85	7.00	9.18	8.07
Poor technique	32.98	37.95	35.85	34.25	36.62	33.09	34.72
Disobedience of orders	3.53	2.15	1.64	1.82	1.01	1.40	1.29
Carelessness or negligence	6.26	7.24	7.08	8.75	6.01	7.25	8.28
Miscellaneous	.55	.27	.12	.18	.36	.42	.36
Total pilot errors	52.55	55.65	51.88	51.85	51.00	51.34	52.72
Other personnel:							
Supervisory	.05	.04	0	0	0	.12	0
Miscellaneous	.86	.06	.74	.32	.39	.24	0
Total personnel errors	53.46	55.75	52.62	52.17	51.39	51.70	52.72
Material:							
Power plant:							
Fuel system	4.20	2.87	6.27	6.69	7.90	7.06	5.68
Cooling system	.84	.17	.55	.14	.59	.71	.31
Ignition system	1.79	2.11	2.08	1.83	1.37	1.75	2.62
Lubrication system	.62	.64	.32	.34	.23	.30	0
Engine structure	3.15	2.80	3.89	2.83	4.09	1.86	3.41
Propellers and accessories	.60	.25	.12	.59	.52	.60	.46
Engine-control system	.18	.58	.12	.41	.52	.24	.28
Miscellaneous	3.18	4.94	.79	.61	0	.29	.55
Undetermined	4.81	4.31	2.25	3.77	4.67	2.78	2.94
Total power-plant failures	19.37	18.67	16.39	17.21	19.89	15.59	16.25
Structural:							
Flight-control system	1.01	.58	.46	.20	.66	.71	.46
Movable surfaces	.25	.12	.03	.36	.13	.12	.28
Stabilizing surfaces	.25	.17	.25	0	0	.36	0
Wings, struts, and bracings	1.65	1.07	1.26	.63	1.11	1.91	1.19
Undercarriage	4.06	5.22	4.69	4.96	4.74	6.36	4.82
Wheels, tires, and brakes	1.38	1.90	2.27	1.63	.92	2.00	1.54
Pontoons or boats	0	.17	0	0	0	0	0
Fuselage, engine mountings, and fittings	.50	.04	.24	.45	.26	.24	.15
Tail-skid assembly	.10	.17	.27	.27	0	.12	0
Miscellaneous	.30	.25	.53	1.65	.26	.12	.15
Undetermined	.23	.33	0	.18	0	0	.15
Total structural failures	9.73	10.02	10.00	10.32	8.08	11.94	8.74
Handling qualities	2.02	2.05	2.73	2.17	2.35	2.05	1.76
Instruments	0	0	0	.09	0	0	0
Total airplane failures	11.75	12.07	12.73	12.58	10.43	13.99	10.50
Miscellaneous:							
Weather	3.81	3.29	7.64	5.85	7.69	7.46	7.67
Darkness	.25	.21	.53	.41	.02	0	0
Airport and terrain	9.96	8.21	8.64	8.56	7.54	8.37	10.24
Other	.75	1.28	.62	1.63	2.39	1.94	2.00
Total miscellaneous causes	14.77	12.99	17.43	16.45	17.64	17.77	19.91
Undetermined and doubtful	.65	.52	.83	1.59	.65	.95	.62
Total percentages	100	100	100	100	100	100	100

Injuries classified

JULY TO DECEMBER 1933, INCLUSIVE

(P. 474)

Kind of flying	Total persons involved	Pilots					Copilots or students				
		Fatal	Severe	Minor	No injury	Total	Fatal	Severe	Minor	No injury	Total
Schedule	234	4	1	5	43	53	1	1	2	14	18
Student instruction	277	18	14	11	170	213	8	4	3	43	58
Experimental	31	3	3	3	12	21	2	0	0	0	2
Commercial	432	25	11	13	130	179	2	0	0	2	4
Pleasure	749	40	29	50	312	431	1	2	0	2	5
Total	1,723	90	58	82	667	897	14	7	5	61	87

Injuries classified—Continued

JULY TO DECEMBER 1933, INCLUSIVE—continued

Kind of flying	Total persons involved	Passengers					Aircraft crew				
		Fatal	Severe	Minor	No injury	Total	Fatal	Severe	Minor	No injury	Total
Schedule	234	0	1	16	130	153	0	0	0	19	19
Student instruction	277	3	1	0	2	6	0	0	0	0	0
Experimental	31	1	3	1	3	8	0	0	0	0	0
Commercial	432	36	24	25	160	245	3	0	0	1	4
Pleasure	749	37	18	29	229	313	0	0	0	0	0
Total	1,723	83	47	71	524	725	3	0	0	11	14

JANUARY TO JUNE 1934, INCLUSIVE

Kind of flying	Total persons involved	Pilots					Copilots or students				
		Fatal	Severe	Minor	No injury	Total	Fatal	Severe	Minor	No injury	Total
Schedule	179	6	1	3	17	27	3	2	0	4	9
Student instruction	273	25	10	22	139	196	10	6	7	30	53
Experimental	20	0	0	6	8	14	0	0	0	0	0
Commercial	298	9	3	16	97	125	1	0	1	2	4
Pleasure	550	34	22	32	229	317	1	0	1	0	2
Total	1,320	74	36	79	490	679	15	8	9	36	68

Kind of flying	Total persons involved	Passengers					Aircraft crew				
		Fatal	Severe	Minor	No injury	Total	Fatal	Severe	Minor	No injury	Total
Schedule	179	16	6	29	80	131	4	1	2	5	12
Student instruction	273	13	3	3	4	23	0	0	0	1	1
Experimental	20	0	0	1	2	3	1	0	0	2	3
Commercial	298	9	6	28	124	167	1	0	0	1	2
Pleasure	550	53	11	13	154	231	0	0	0	0	0
Total	1,320	91	26	74	364	555	6	1	2	9	18

BABY BONDS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by myself over the National-Columbia Broadcasting systems.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech on the Government savings bonds, commonly known as "baby bonds", which I delivered over the radio today:

Did you ever wake up in the middle of the night afraid—and lie there staring at the ceiling worrying about tomorrow? Did you ever stop in the middle of something you were doing unable to go further in your task because icy fear gripped your heart? Fear that tomorrow would fulfill its promise of being the last day you could hold out against your creditors? Did you ever feel that hope, that God-given gift, had deserted you entirely and that it was no longer worth struggling to keep going day after day? If you have you must listen to me. I am bringing to you a message from your President, your friend. He has a plan for you which with your cooperation will insure you against insecurity and instability. He knows the terror that lurks in every man's heart when he realizes that his hard-earned savings are gone, that they have been wiped out by one stroke of a master crook and that he stands now without the peace and security that is his birthright. He knows that fear and that alone has retarded the recovery of our fertile, productive country. It is the fear bred into us in the last 5 years that our savings, our security, will be taken away from us tomorrow. We must make certain that the money we are able to put aside will still be ours tomorrow, next week, next year. There should not be this feeling that tomorrow is a day to be feared. You and I worked hard for our money and what we are able to put aside against possible trouble and misfortune or to use to make our old age happy is rightfully ours.

There are few of us who during the past years of suffering have not felt a great regret for "what might have been." It is because this is true that I am here now to present to you a plan by which

this may not happen again. No person in the last analysis can count upon anything positive in the future. The future is in the hands of God. But we can with good judgment and the desire that lies in the heart of everyone guard our financial future to some extent. That we failed to do this during the past several years we ourselves know is true. Those of us who are privileged to serve the public have heard cries of distress during the past 5 years that have torn our hearts. We have tried to help, but the waves of distress have been overwhelming. We know there must be a way to prevent such suffering ever coming to us again. Your Government has spent much time on trying to find a plan that may prevent a repetition of such a calamity. Get-rich-quick purveyors of worthless stocks and bonds have been exposed, and it is hoped they shall never again rob the innocent of their hard-earned money.

It is because of all of this that your Government has asked me to speak to you about the new United States savings bonds—the so-called "baby bonds." I have been asked by the Secretary of the Treasury, Mr. Morgenthau, to acquaint those of you who have not considered the possibilities of this new form of Government investment with the character of these bonds and with the benefits that will accrue from investments therein.

I shall first discuss the lowest priced bond, the one within the means of the greatest number. Naturally you will ask, "what does the Government give me for the use of that sum of money?", "What will I be paid for the assistance rendered in financing my Government?" For, after all, that is the purpose of all Government bond issues, the raising of revenue to operate the machinery of the Government. The sum of $18.75 will purchase, at any Government post office of the first, second, third, and in some cases, fourth class, one baby bond to the value of $25.00. In other words you loan to your Government the sum of $18.75 and in return your Government gives you a bond with a guaranty that 10 years after the date of purchase it will pay you $25.00. All of these new bonds are redeemable 60 days after the purchase date. That means that should you purchase one and later become hard-pressed for cash, the Government will take back the bond and return you the full purchase price thereof. A bond, however, that is redeemed within 1 year of the date of its issue will earn no interest. Thereafter, that is, after the 1-year period has elapsed, gradually increased earnings will be paid on redemption. The exact amounts are set forth in a schedule that is printed on the bond. So that if you redeem the bond, say in 13 months, 15 months, 2 years, and so forth, after its date of issue you will be paid not only the full amount of the purchase price but also accumulated interest.

The new United States Government bonds were devised by the Treasury Department because of their simplicity, because of their convenience for those who desire to put aside funds for the proverbial "rainy day" or other future use. They are ideal for that purpose because, as I have said, of their extreme simplicity. The person owning one or more of them knows exactly what they will earn for him. They involve no such process as clipping coupons or worrying about reinvesting interest because there are no coupons and because the interest already is invested at compound interest. Nor need an owner be apprehensive regarding the possibility of theft, of loss, or of destruction by fire. Each bond is registered, has the owner's name upon it, and a record of the same is kept with the Treasury Department. Further, a thief who stole one of these bonds would be wasting his time because they are nontransferable. The fact also that the amount payable at maturity is definitely fixed protects a bond purchaser against price fluctuation. In other words, regardless of market conditions, regardless of the price on other bonds at maturity date, that to be paid on "baby bonds" cannot be altered. It is a definite, a specific promise by your Government and as such will be observed to the penny.

Baby bonds are issued in denominations of $25, $50, $100, $500, and $1,000. Those, of course, are their maturity values, the price they will bring to a holder 10 years after their purchase date. They can be purchased, however, at the following rates: $18.75 for the $25 bond; $37.50 for the $50 bond; $75 for the $100 bond; $375 for the $500 bond; and $750 for the $1,000 bond.

The difference between what you pay for the bonds today and what you receive 10 years from now represents the accumulation of interest, compounded semiannually. Instead of paying you the interest semiannually, the Government adds all of it to the principal and pays the entire sum at the end of 10 years. By this arrangement the amount invested increases exactly one-third, or 33⅓ percent. The same ratio of increases applies to all bonds, the smallest and largest alike. The new bonds are exempt, both as to principal and interest, from all normal taxation now or hereafter imposed by the United States, any State, or any possession of the United States, or any local taxing authority, and no person may purchase more than $10,000 worth of them in any one calendar year.

All of us like to feel that we have something set aside for the future, something that will provide comfort and ease during old age, something certain that will provide a definite income. Many of you good people listening in today have young children, bright, alert youngsters, who should be accorded the advantage of a college education. You have children who, if endowed with that advantage, will make a useful place for themselves in life, will become useful citizens, and enjoy many of the blessings and luxuries of life that perhaps we have not enjoyed. A bond investment of this type, a purchase of baby bonds today, will provide the old-age income of tomorrow. The best possible use of these bonds will be obtained by purchasers who have in mind a definite, future purpose and measure their purchases to meet requirements. To illustrate: The family, ambitious to send a boy or girl to college, will improve the chances of realizing that ambition by providing what would amount to an insured income of $25 per month. That assurance can be provided by the purchase of one bond each month, the smallest bond, selling at $18.75.

Aside from the personal element, aren't we all interested in the economic security of our Government? Don't we all desire that our Government be provided with all the sinews necessary to work out the various ramifications of a program that is designed to lift forever the pall of economic depression? Of course, we are. You know as well as I know that any nation, any State, any subdivision of a State, and community of individuals prospers or fails depending upon the cooperative or noncooperative spirit that prevails therein. A nation whose citizens are purely individualistic, purely selfish, and have no welfare at heart but their own, is a nation that is headed for international oblivion. Our Government is one that has prospered in the past, because of cooperative zeal manifested by its citizens, a spirit that has never failed to assert itself in an emergency and, please God, never will.

In buying these new Government bonds you are demonstrating to your Government that you are behind it. Further, you are actually participating in government just as a stockholder in a large corporation.

And so, my friends, I urge you, if your incomes will permit, to buy baby bonds, to buy them for two reasons: First, they are good, sound, safe investments; second, they will manifest a material contribution from you as a citizen toward the great work in which your Government is now engaged.

I thank you.

NATIONAL MEMORIAL MILITARY PARK AT KENNESAW MOUNTAIN, GA.

Mr. McSWAIN submitted a conference report and statement on the bill (H. R. 59) to create a national memorial military park at and in the vicinity of Kennesaw Mountain, in the State of Georgia, and for other purposes.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I renew my request to address the House for 10 minutes.

The SPEAKER. The gentleman from West Virginia asks unanimous consent to address the House for 10 minutes. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I shall not object provided I am granted permission to proceed for 3 minutes to reply.

Mr. MICHENER. Regular order, Mr. Speaker.

The SPEAKER. The regular order is demanded. Is there objection to the request of the gentleman from West Virginia?

Mr. BLANTON. I object unless I am granted 3 minutes to answer the gentleman.

The SPEAKER. Is there objection?

Mr. BLANTON. I object to the request and ask unanimous consent that the gentleman may proceed for 10 minutes, and that I may have 3 minutes for reply.

The SPEAKER. The Chair can only put one request at a time.

Mr. MICHENER. Regular order, Mr. Speaker.

The SPEAKER. The regular order is, Is there objection to the request of the gentleman from West Virginia?

Mr. BLANTON. I object unless the gentleman can be answered. Whenever a United States district attorney is attacked here the gentleman is going to be answered.

The SPEAKER. Objection is heard.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CARMICHAEL (at the request of Mr. HILL of Alabama) on account of illness in family.

To Mr. STEAGALL (at the request of Mr. HILL of Alabama) on account of illness.

To Mr. OLIVER (at the request of Mr. HILL of Alabama) on account of illness.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I renew my request for 10 minutes and I am personally willing to give the gentleman from Texas as much time as he may desire.

The SPEAKER. The gentleman from West Virginia asks unanimous consent to address the House for 10 minutes. Is there objection?

Mr. BLANTON. Reserving the right to object, that is all right if I am given 3 minutes to reply.

Mr. MICHENER. Regular order, Mr. Speaker.

Mr. BLANTON. I object unless I can answer the gentleman for 3 minutes.

Mr. RANDOLPH. The gentleman can have an hour so far as I am personally concerned.

Mr. BLANTON. I am going to take an hour whenever you attack a United States district attorney appointed by your President.

The SPEAKER. Objection is heard.

Mr. KELLER. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KELLER. Mr. Speaker, I simply wish to state in relation to the constitutional amendment which I have offered here today, in the latter part of next week I shall ask for time to discuss the matter before this body, and I know that a number of gentlemen are tremendously interested in the question and will also ask to be heard on the subject.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3973. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes.

The SPEAKER announced his signature to enrolled bills and an enrolled joint resolution of the Senate of the following titles:

S. 581. An act for the relief of Harold E. Seavey;

S. 1474. An act for the relief of Paul H. Creswell;

S. 2105. An act to provide for an additional number of cadets at the United States Military Academy, and for other purposes; and

S. J. Res. 92. Joint resolution making final disposition of records, files, and other property of the Federal Aviation Commission.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 240. An act for the relief of Capt. Alexander C. Doyle.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 10 minutes p. m.) the House adjourned to meet, in accordance with its previous order, on Monday, June 10, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WHITE: Committee on Irrigation and Reclamation. H. R. 5449. A bill to provide for the development of hydroelectric power at Cabinet Gorge on the Clark Fork of the Columbia River in the proximity of the Montana-Idaho State line, and for the rehabilitation of irrigation districts, and for other purposes; without amendment (Rept. No. 1118). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLENBOGEN: Committee on the District of Columbia. S. 410. An act to provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes; without amendment (Rept. No. 1119). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. S. 2100. An act to amend an act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, by adding three new sections to be numbered 802 (a), 802 (b), and 802 (c), respectively; without amendment (Rept. No. 1120). Referred to the House Calendar.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 7505. A bill to amend an act of Congress entitled "An act to regulate the employment of minors within the District of Columbia", approved May 29, 1928; with amendment (Rept. No. 1122). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 7526. A bill to amend the act approved February 20, 1931 (Public, No. 703, 71st Cong.), entitled "An act to provide for special assessments for the paving of roadways and the laying of curbs and gutters"; without amendment (Rept. No. 1123). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 7765. A bill to amend (1) an act entitled "An act providing a permanent form of government for the District of Columbia"; (2) an act entitled "An act to establish a code of law for the District of Columbia"; to regulate the giving of official bonds by officers and employees of the District of Columbia; and for other purposes; with amendment (Rept. No. 1124). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLENBOGEN: Committee on the District of Columbia. H. R. 3809. A bill declaring an emergency in the housing condition in the District of Columbia; creating a Rent Commission for the District of Columbia; prescribing powers and duties of the Commission; and for other purposes; with amendment (Rept. No. 1125). Referred to the Committee of the Whole House on the state of the Union.

Mr. SCHULTE: Committee on Immigration and Naturalization. H. R. 5380. A bill to provide for the deportation of certain alien seamen, and for other purposes; without amendment (Rept. No. 1126). Referred to the Committee of the Whole House on the state of the Union.

Mr. EDMISTON: Committee on Military Affairs. S. 92. An act to prohibit the making of photographs, sketches, or maps of vital military and naval defensive installations and equipment, and for other purposes; without amendment (Rept. No. 1129). Referred to the House Calendar.

Mr. LAMBETH: Committee on Printing. H. R. 8297. A bill to amend so much of the First Deficiency Appropriation Act, fiscal year 1921, approved March 1, 1921, as relates to the printing and distribution of a revised edition of Hinds' Parliamentary Precedents of the House of Representatives; without amendment (Rept. No. 1130). Referred to the Committee of the Whole House on the state of the Union.

Mr. STARNES: Committee on Immigration and Naturalization. H. R. 3473. A bill to clarify the application of the contract-labor provisions of the immigration laws to actors; without amendment (Rept. No. 1131). Referred to the House Calendar.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 7443. A bill to provide funds for acquisition of the property of the Haskell Students Activities Association on behalf of the Indian school known as "Haskell Institute", Lawrence, Kans.; without amendment (Rept. No. 1132). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 6019. A bill authorizing an appropriation for payment to the Uintah, White River, and Uncompahgre Bands of the Ute Indians in the State of Utah for certain coal lands, and for other purposes; with amendment (Rept. No. 1133). Referred to the Committee of the Whole House on the state of the Union.

Mr. KNUTE HILL: Committee on Indian Affairs. S. 2097. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon; without

amendment (Rept. No. 1134). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK: Committee on Indian Affairs. S. 2193. An act to provide for the construction, extension, and improvement of public-school buildings in Duchesne County, Utah; without amendment (Rept. No. 1135). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. J. Res. 305. Joint resolution accepting the invitation of the Government of France to the United States to participate in the International Exposition of Paris—Art and Technique in Modern Life, to be held at Paris, France, in 1937; with amendment (Rept. No. 1136). Referred to the Committee of the Whole House on the state of the Union.

Mr. GAVAGAN: Committee on War Claims. H. R. 7245. A bill for the relief of the city of New York; without amendment (Rept. No. 1137). Referred to the Committee of the Whole House on the state of the Union.

Mr. SCHULTE: Committee on Immigration and Naturalization. House Joint Resolution 236. Joint resolution to suspend issuance of nonquota immigration visas to persons born in the Republic of Mexico, to suspend issuance of all nonpreference quota immigration visas, and for other purposes; without amendment (Rept. No. 1138). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. PALMISANO: Committee on the District of Columbia. S. 2591. An act for the relief of Lyman C. Drake; with amendment (Rept. No. 1121). Referred to the Committee of the Whole House.

Mr. EDMISTON: Committee on Military Affairs. H. R. 5838. A bill to place David J. Fitzgerald on the retired list of the United States Army as a first lieutenant; without amendment (Rept. No. 1127). Referred to the Committee of the Whole House.

Mr. EDMISTON: Committee on Military Affairs. H. R. 4777. A bill to provide for the advancement on the retired list of the Army of Vincent P. Rousseau; without amendment (Rept. No. 1128). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SNYDER: A bill (H. R. 8397) to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a draw-back under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous coal resources of the United States and to establish a national bituminous coal reserve; to provide for the general welfare; and for other purposes; to the Committee on Ways and Means.

By Mr. TERRY: A bill (H. R. 8398) to provide for the relief of public-school districts and other public-school authorities, and for other purposes; to the Committee on Banking and Currency.

By Mr. COLMER: A bill (H. R. 8399) incorporating the Shrimpers, Oystermen, and Trappers' Association of the United States of America; to the Committee on the Judiciary.

By Mr. FERNANDEZ: A bill (H. R. 8400) providing for the loan by the War Department of certain material and equipment to the Veterans of Foreign Wars (1935) Encampment Corporation, and for other purposes; to the Committee on Military Affairs.

By Mr. McFARLANE: A bill (H. R. 8401) amending section 12 (b) of the Revenue Act of 1934 relating to rates of surtax; to the Committee on Ways and Means.

Also, a bill (H. R. 8402) amending section 405 (b) of the Revenue Act of 1934 relating to rates of tax on estates; to the Committee on Ways and Means.

Also, a bill (H. R. 8403) amending section 520 of the Revenue Act of 1934 relating to rates of tax on gifts; to the Committee on Ways and Means.

By Mr. CULKIN: A bill (H. R. 8404) to prohibit the transportation in interstate commerce of advertisements of intoxicating liquors, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McGEHEE: A bill (H. R. 8405) authorizing reimbursement for damages to certain lands by reason of flood-control works on the lower Mississippi River; to the Committee on Flood Control.

By Mr. MARTIN of Massachusetts: A bill (H. R. 8406) to release veterans from the liability to pay interest on loans secured by adjusted-service certificates, and for other purposes; to the Committee on Ways and Means.

By Mr. PETERSON of Florida: A bill (H. R. 8407) to increase the efficiency of the Veterinary Corps of the Regular Army; to the Committee on Military Affairs.

By Mr. SIROVICH: A bill (H. R. 8408) to amend subdivision (a) of section 4 of the Immigration Act of 1924 (43 Stat. 154), as amended; to the Committee on Immigration and Naturalization.

By Mr. McSWAIN (by request): A bill (H. R. 8409) to authorize the design, construction, and procurement of one detachable combination aircraft suitable for uses for the Army Air Corps; to the Committee on Military Affairs.

By Mr. PALMISANO (by request): A bill (H. R. 8410) to amend the act entitled "An act to provide compensation for disability or death resulting from injury to employees in certain employments in the District of Columbia, and for other purposes", approved May 17, 1928, and for other purposes; to the Committee on the District of Columbia.

By Mr. TINKHAM: Resolution (H. Res. 243) extending the felicitations and congratulations of the House of Representatives to Brig. Gen. Aaron Simon Daggett, United States Army, retired, upon the occasion of his ninety-eighth birthday on June 14, 1935; to the Committee on Military Affairs.

By Mr. RAYBURN: Joint resolution (H. J. Res. 314) to provide for a commission to investigate the desirability of further retirement and annuity legislation applicable to interstate carriers by railroad; to the Committee on Interstate and Foreign Commerce.

By Mr. TOLAN: Joint resolution (H. J. Res. 315) directing the Secretary of the Treasury to maintain a unit of seaplanes as part of the equipment of the Coast Guard station at Government Island, Alameda County, Calif.; to the Committee on Merchant Marine and Fisheries.

By Mr. KELLER: Joint resolution (H. J. Res. 316) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. TOLAN: Joint resolution (H. J. Res. 317) proposing an amendment to the Constitution of the United States requiring the Supreme Court to render an opinion upon the constitutionality of acts of Congress; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYERS: A bill (H. R. 8411) for the relief of Walter F. Britten; to the Committee on Claims.

By Mr. CLARK of Idaho: A bill (H. R. 8412) granting a pension to Dean Larson; to the Committee on Pensions.

By Mr. DARDEN: A bill (H. R. 8413) for the relief of Linda Wright Ward; to the Committee on Claims.

By Mr. KNUTE HILL: A bill (H. R. 8414) to provide a preliminary examination of the Yakima River and its tributaries and of the Walla Walla River and its tributaries in the State of Washington, with a view to the control of their floods; to the Committee on Flood Control.

By Mr. HULL: A bill (H. R. 8415) granting a pension to Mrs. Gunhild Anderson; to the Committee on Pensions.

By Mr. KINZER: A bill (H. R. 8416) for the relief of Charles Mace; to the Committee on Naval Affairs.

By Mr. LAMNECK: A bill (H. R. 8417) granting an increase of pension to Rose K. Cox; to the Committee on Invalid Pensions.

By Mr. McCORMACK: A bill (H. R. 8418) for the relief of the estate of Catherine Harkins, deceased; to the Committee on Claims.

By Mr. MERRITT of New York: A bill (H. R. 8419) for the relief of Robert H. Leys; to the Committee on Claims.

By Mr. SEGER: A bill (H. R. 8420) for the relief of Botany Worsted Mills, a corporation, of Passaic, N. J.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8755. By Mr. BLOOM: Petition of the United Rumanian Jews of America, endorsing House bill 6795 and urging its enactment; to the Committee on Immigration and Naturalization.

8756. By Mr. CASEY: Petition signed by 325 citizens and taxpayers of the city of Leominster, Mass., requesting that the Nye-Sweeney banking bill be acted upon favorably by the Congress of the United States; to the Committee on Banking and Currency.

8757. By Mr. COLE of New York: Resolution of the board of directors of the Chamber of Commerce of Ithaca, N. Y., registering opposition to the Public Utility Act of 1935; to the Committee on Interstate and Foreign Commerce.

8758. Also, resolution of the board of directors of the Utilities Employees Securities Co., of Ithaca, N. Y., registering opposition to House bill 5423 and Senate bill 2769; to the Committee on Interstate and Foreign Commerce.

8759. By Mr. CULKIN: Petition of 27 employees of the Michael J. Leo Department Store, requesting that the Constitution be amended so as to legally permit the setting up of codes of fair competition for industry; to the Committee on Ways and Means.

8760. By Mr. FENERTY: Resolutions from the Philadelphia Maritime Exchange, the Philadelphia Bourse, Commercial Exchange of Philadelphia, and the Port of Philadelphia Ocean Traffic Bureau, endorsing the so-called "Copeland-Bland merchant marine bill" (S. 2582, H. R. 7521); to the Committee on Merchant Marine and Fisheries.

8761. Also, resolution adopted by the Commodore John Barry Division of the Ancient Order of Hibernians, of Washington, D. C., favoring passage of House Joint Resolution 193, directing the President to proclaim July 9 of this year 1935 Commodore John Barry Memorial Day and authorizing the Postmaster General to issue a special series of postage stamps; to the Committee on the Judiciary.

8762. By Mr. KRAMER: Memorial of the California Joint Assembly, requesting the repeal of the act to amend the Tariff Act of 1930, approved June 12, 1934; to the Committee on Ways and Means.

8763. Also, joint resolution of the California Senate, relative to memorializing the President and the Congress of the United States to enact House bill 4688, which proposes to aid in the rehabilitation of employable blind persons in the United States, and urging the Committee on Labor of the House of Representatives to expedite consideration favorable to said bill; to the Committee on Labor.

8764. Also, Joint Resolution No. 50 of the California Assembly, relative to memorializing the President and the Congress to enact House bill 5359, which provides for the creation of a national civil academy; to the Committee on Education.

8765. Also, memorial of the Department of California, United Spanish War Veterans, commending and showing appreciation to the members of the California State Legislature and Gov. Frank F. Merriam for memorializing the Congress of the United States to pass the bill H. R. 6995; to the Committee on Education.

8766. Also, memorial of the California Assembly, memorializing the President and Congress to enact Senate bill 1952, which proposes to protect the unclassified postal employees, extending to them a civil-service status; to the Committee on the Post Office and Post Roads.

8767. By Mr. MAPES: Petition of 37 residents of Wayne County, Mich., recommending the passage of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

8768. By Mr. MORAN: Resolution of the Maine petroleum industries; to the Committee on Ways and Means.

8769. By Mr. PFEIFER: Petition of the Kings County Bankers' Association, George A. Barnewall, president, Brooklyn, N. Y., concerning the Banking Act of 1935; to the Committee on Banking and Currency.

8770. By Mr. RUDD: Petition of the thirty-sixth rally district of the Holy Name Society of the Diocese of Brooklyn, embracing the parishes of St. Thomas the Apostle and St. Elizabeth, Woodhaven; Holy Child of Jesus, Richmond Hill; St. Benedict Joseph, Morris Park; and Our Lady of the Nativity, Ozone Park; Edward J. McCarthy, chairman, Woodhaven, all of the State of New York, favoring the Borah and Higgins resolutions regarding the Mexican situation; to the Committee on Foreign Affairs.

8771. By Mr. TRUAX: Petition of the United Rubber Workers' Federal Labor Union, Akron, Ohio, by Clyde C. Conley and numerous others, urging support of the Wagner labor-disputes bill; to the Committee on Labor.

8772. Also, petition of the Brotherhood of Railway and Steamship Clerks, Harmony Lodge, No. 36, Cleveland, Ohio, by their recording secretary, D. D. Bolton, urging support of the Wagner labor-disputes bill; to the Committee on Labor.

8773. Also, petition of Local Union No. 501, United Brick and Clay Workers, New Philadelphia, Ohio, by Adrian Rausch, urging support of the Wagner labor-disputes bill, Black 30-hour-week bill, Guffey coal-regulation bill, and extension of the National Recovery Act for 2 years; to the Committee on Labor.

8774. Also, petition of Stove Mounters' Local 16, Newark, Ohio, by W. H. Frankenberry and numerous others, urging support of the Wagner labor-disputes bill; to the Committee on Labor.

8775. Also, petition of Cement Workers' Union, No. 18457, White Cottage, Ohio, by their corresponding secretary, Louis E. Moyer, urging support of the Wagner labor-disputes bill; to the Committee on Labor.

8776. Also, petition of the employees' representatives of the Campbell works of the Youngstown Sheet & Tube Co., Youngstown, Ohio, headed by Jack McGowan, urging favorable consideration of the application made to the Division of Application and Information, Works Allotment Division, Public Works Administration, by the New Castle, Pa., Youngstown, and Warren, Ohio, Chambers of Commerce, for an allotment of $10,000,000 for the improvement of the Beaver and Mahoning Rivers, Pa., and Ohio, for navigation, sanitation, and flood control; to the Committee on Rivers and Harbors.

8777. Also, petition of the International Union of Operating Engineers, Local Union No. 10, Toledo, Ohio, by their corresponding secretary, S. A. Bloom, urging support of the Wagner labor-disputes bill; to the Committee on Labor.

8778. Also, petition of Tile Layers' Local No. 36, Cleveland, Ohio, by their secretary, Bert Hodgson, urging support of the Wagner disputes bill and the Connery 30-hour-week bill; to the Committee on Labor.

8779. Also, petition of Lake Shore Lodge, No. 55, Switchmen's Union of North America, Cleveland, Ohio, by their secretary, H. M. Washer, and numerously signed, urging support of House Joint Resolution 219, which will extend the Emergency Railroad Transportation Act, which expires June 16, 1935; to the Committee on Interstate and Foreign Commerce.

8780. Also, petition of Welders' Local 1357, Dayton, Ohio, by their secretary, Robert N. Elsner, urging support of the Wagner labor-relations bill; to the Committee on Labor.

SENATE

MONDAY, JUNE 10, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, June 7, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lonergan	Radcliffe
Ashurst	Costigan	Long	Reynolds
Austin	Couzens	McAdoo	Schall
Bachman	Dieterich	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barkley	Duffy	McKellar	Shipstead
Black	Fletcher	McNary	Smith
Bone	Frazier	Maloney	Steiwer
Borah	Gerry	Metcalf	Thomas, Okla.
Brown	Gibson	Minton	Thomas, Utah
Bulkley	Gore	Moore	Townsend
Bulow	Guffey	Murphy	Trammell
Burke	Hale	Murray	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Van Nuys
Caraway	Hatch	Norris	Wagner
Carey	Hayden	Nye	Wheeler
Chavez	Johnson	O'Mahoney	White
Clark	Keyes	Overton	
Connally	King	Pittman	
Coolidge	La Follette	Pope	

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Mississippi [Mr. BILBO], the Senator from Virginia [Mr. BYRD], the Senator from Georgia [Mr. GEORGE], the Senator from Virginia [Mr. GLASS], the Senator from Kentucky [Mr. LOGAN], the Senator from Arkansas [Mr. ROBINSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Missouri [Mr. TRUMAN], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained from the Senate.

Mr. DIETERICH. I desire to announce that my colleague [Mr. LEWIS] is necessarily detained from the Senate on official business.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that the Senator from New Jersey [Mr. BARBOUR] and the Senator from Iowa [Mr. DICKINSON] are necessarily detained from the Senate.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Eighty-one Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed the joint resolution (S. J. Res. 113) to extend until April 1, 1936, the provisions of title I of the National Industrial Recovery Act, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 3973. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes; and

H. J. Res. 288. Joint resolution authorizing the Secretary of Agriculture to pay necessary expenses of assemblages of the 4-H clubs, and for other purposes.

MEMORIAL PARK AT KENNESAW MOUNTAIN, GA.

Mr. SHEPPARD. I submit a conference report for publication in the RECORD, and shall call it up at a later date.

The report was ordered to lie on the table, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 59) to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

MORRIS SHEPPARD,
DUNCAN U. FLETCHER,
ROBERT D. CAREY,
Managers on the part of the Senate.

JOHN J. MCSWAIN,
LISTER HILL,
HARRY C. RANSLEY,
Managers on the part of the House.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from Thomas Pisarick, of Vandergrift, Pa., praying for the enactment of House bill 8163, the so-called "Kerr bill", pertaining to the deportation of aliens, which was referred to the Committee on Immigration.

He also laid before the Senate a letter in the nature of a petition from Fernando Calpofro, Manila, P. I., praying for the enactment of pending legislation for the benefit of veterans of the Spanish War, which was ordered to lie on the table.

He also laid before the Senate a letter in the nature of a petition from Local Union No. 511, United Brick and Clay Workers of America, Aden, Ky., praying for the enactment of the so-called "Wagner labor-disputes bill", and the extension of the National Industrial Recovery Act, which was ordered to lie on the table.

He also laid before the Senate the petition of Joseph Favanese, a member of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express, and Station Employees (no address given), praying for the enactment of pending legislation extending the Emergency Railroad Transportation Act for 1 year, which was ordered to lie on the table.

He also laid before the Senate a letter in the nature of a memorial from a citizen of the State of Connecticut, remonstrating against the enactment of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, which was ordered to lie on the table.

THE GERMAN DOLLAR-BOND SITUATION

Mr. FLETCHER presented a letter from J. R. McIntosh, of the American Council of Foreign Bondholders, New York City, N. Y., enclosing a bulletin entitled "The German Dollar-Bond Situation to Date", which, with the accompanying paper, was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

AMERICAN COUNCIL OF FOREIGN BONDHOLDERS, INC.,
New York City, June 6, 1935.

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

MY DEAR SENATOR FLETCHER: I am enclosing a copy of the latest bulletin of the American Council of Foreign Bondholders. I realize that with your multitudinous duties it is not possible for you to read all of these studies, but I wanted to especially call your attention to the attached, which I believe will be of interest.

Assuring you of our cooperation, I remain,

Very truly yours,

J. R. MCINTOSH.

THE GERMAN DOLLAR-BOND SITUATION TO DATE

The experience of American investors, institutions as well as individuals, with Germany in German securities is unique in the history of finance. Immediately after the war the campaign began with the sale in this country of German Government, state, mu-

nicipal, and corporate loans payable in marks. The metallic cover for Germany's currency disappeared, with the result that the mark steadily declined until it ultimately reached an infinitesimal fraction of its original value. Whereas prior to the war it was possible to buy $1 with 4.2 marks, at the height of Germany's inflation it required four trillion two hundred billion to purchase one American dollar.

As the mark declined in value, issues payable in marks deteriorated—in theory, at least—correspondingly. This, however, did not discourage a new flock of so-called "dealers" and German "bond specialists" from foistering literally tons of German paper upon the American public. The argument was advanced that Germany, the land of art and science, etc., was bound to come back and that, even if the currency would not regain its original value of about 24 cents, only a very small advance would yield spectacular profits. You probably recall the feverish haste with which Germany turned out bonds and currency in those days, largely for sale in foreign countries, particularly the United States. Those obligations are said to have cost American investors (the euphemism is used advisedly) at least $2,500,000,000.

The virtual disappearance of the mark and the complete collapse of prices of German mark obligations meant that the above sum was irretrievably lost; but here is where German ingenuity came into play. When bonds had reached purely nominal prices (a million marks par value could be purchased for about a dollar), it was intimated from semiofficial sources in Germany that outstanding mark obligations would under no circumstances be revalued. In fact, the Reichsbank issued a special historic document which purported to prove that historically there was no basis for revaluation of bonds which depreciated in value as a result of the deterioration of the currency in which such bonds were payable. Soon after that bonds available at purely nominal prices began to be repurchased by Germany. After all, or virtually all, of the bonds placed here had found their way back, the German Government passed what is known as the "Revaluation Law of 1925" revaluing outstanding mark issues at from 3½ to 25 percent of the gold mark value. In this way the Germans benefited twice; the first time from the sale of bonds at fairly good prices; and, secondly, from the revaluation of bonds acquired for practically nothing.

Americans who felt the loss in their German investments (sic) rather keenly were, of course, unwilling to stake any more funds in Germany regardless of whatever safeguards such new investments might be given. At this time the great offensive began. The Dawes Commission started to function; journalists the world over began to discuss the remarkable recuperative powers of the reich. The Dawes loan was launched under the most unusual circumstances and under the most favorable auspices. The attitude of the American public was changed, thanks to the aid given by the underwriters of German issues. Before long Germany became a preferred risk. American bankers flocked to Germany and pleaded with various corporations and municipalities there to borrow our money. The influx of foreign capital was so great that a good deal of the money obtained was diverted into distinctly nonproductive channels. The service on existing debts was met promptly and faithfully, largely because of the ease with which new loans were forthcoming.

When the debt had reached fairly sizeable proportions, the Germans reverted to their old ideas about meeting payment. Rumors, purporting to come from well-informed quarters in Germany, began to speak seriously about the imminent default on all German bonds. This happened early in 1932. Frightened American holders readily parted with their investments, for which they had paid approximately 100 cents on the dollar and for which they now obtained anywhere from 10 to 20 cents on the dollar. A few examples will illustrate this point.

The United Steel Works of Germany 6½-percent bonds offered in the American market to the extent of $30,000,000 at 98½, declined to a low of 10½ percent. At this figure it is safe to assume that Americans were not interested in the bonds. Heavy German buying took place between this figure and 25. When the bonds once again reached the 60's, Americans became enthusiastic about them and repurchased them.

The Goodhope Steel Co., another important German industrial corporation, sold an issue of bonds in the American market in 1925 to the extent of $10,000,000 at 91. In 1932 the bonds sold as low as 16½.

The Free State of Prussia 6s of 1952 were sold in 1927 to the extent of $30,000,000 at 96½. In 1932 the bonds declined as low as 16½.

The North German Lloyd 6s were sold in 1927 to the extent of $20,000,000 and declined in 1932 to less than 20, compared with an offering price of 94.

What is true of the above bonds is true of virtually all other German obligations. In this way, out of a total of approximately $1,100,000,000 of German bonds, $450,000,000 par value are conservatively estimated to have been repurchased for or on behalf of German interests.

Almost immediately after the advent to power of the present German Government a decree was passed under date of June 9, 1933, providing for the suspension of payments on dollar obligations. Debtors were asked instead to deposit native currency to the credit of bondholders for transfer to them when conditions would allow—that is to say, when Dr. Schacht would permit. Incidentally it was the same Dr. Schacht who was identified with the deterioration of the German currency which cost American investors $2,500,000,000. Following the enactment of the June decree, Dr. Schacht modified the provision somewhat and allowed the payment of interest in cash at the rate of 50 percent, giving for the balance so-called "blocked marks" which he made the Government repurchase at 52 percent of the face value. In this way the American holders of German bonds obtained for their interest due the second half of 1933 somewhere between 75 and 85 percent of the face amount; in other words, a figure not very much below the sum stipulated in the coupon.

Here one may question Germany's sincerity in connection with her plea of a scarcity of foreign exchange. The amount of money involved in connection with the arrangement of payment for 1933, the issuance of blocked marks, the employment of lawyers, accountants, etc., trips by experts on both sides of the Atlantic back and forth, the time element, and numerous other factors suggest that if these could have been eliminated Germany could have paid a very much larger sum in foreign exchange.

The question then arose with respect to payments due in the first half of 1934. A prominent organization formed to protect bondholders, and supported largely by contributions made by the houses which sold foreign bonds, suddenly showed interest in American holders of German obligations. A delegation was sent to Germany to discuss the nature of payment. An agreement was reported to have been reached, and upon the return of the delegation from Germany, the then president of the organization announced enthusiastically that the arrangements reached by his body would mean that American holders of German bonds would receive $3,000,000 more than would have been received if the old arrangement—that is, the one covering the second half of 1933—had remained in force.

The new arrangement, which was to become effective as from January 1, 1934, provided for the payment of interest at the rate of 30 percent in cash and 70 percent in blocked marks, which the Government would repurchase at 67 percent of the face amount. More than a year has elapsed since the above agreement was said to have been put through, and it is only now that American holders can obtain the 30 percent cash, but the German Government has in the meantime canceled its promise to redeem the blocked marks at 67 percent or any other figure.

The curious thing, however, is this: At the time the interests of the American bondholders were being discussed the German Government negotiated with holders of so-called "short-term credits"; that is, in some cases the very financial interests which sold bonds to the public. The bankers made a far better deal. They continued to receive the interest on their credits and even amortization. One of the institutions, a well-known bank, has succeeded in cutting its credits to Germany more than 50 percent.

Another very curious thing is the case of the North German Lloyd Co. Here is a bond issue sold to the American people to the amount of $20,000,000 for the purpose of enabling the company to build the *Europa* and the *Bremen*. In the prospectus descriptive of the bond issue it was stated emphatically that the bulk of the income of the company was in dollars and in sterling, "thus automatically providing the necessary foreign exchange to meet the company's foreign commitments." This clause was undoubtedly put in in order to destroy the feeling in the minds of people relative to possible exchange problems which Germany might face.

Some time in 1933 the company, together with the bankers and presumably the attorneys, submitted a plan of reorganization asking the bondholders, in view of exchange difficulties which Germany faced and bad earnings of the steamship companies, to accept 4 percent instead of 6 percent. An American bondholder brought suit against the company for the interest due November 1933. The suit was tried in the municipal court, ninth district, and as attorney for the company in the suit was the same law firm which was accompanying the American delegation to Germany to discuss the rights and act on behalf of American holders of German bonds. The bondholder won the suit and the company was asked to pay interest in full, plus court expenses. Other bondholders attempted to collect the interest in full, and it is known on excellent authority that, with respect to very many bonds, not only was the interest paid in full but a settlement was also made for the principal, in spite of the fact that it is not coming due until about 1947.

A prominent firm of New York attorneys has instituted a suit against the United Steel Works Corporation of Germany in connection with the failure of the latter to meet interest on dollar obligations. The corporation is doing a considerable export business with the United States and with other countries via the United States of America. For this purpose it always has fair-sized balances in this market, not only with the fiscal agents and/or the trustee for the loans but also with other financial institutions. These funds should, on careful analysis, be made available to holders of the corporations bonds, but, unfortunately, bondholders are not in a position to ascertain where balances are held and are, therefore, completely at the mercy of the institutions or other organizations affiliated directly or indirectly with the corporation.

The suit brought by the firm of attorneys referred to above is prompted by a desire to discover where the corporation's balances are held and to attach such balances for the benefit of creditors. Settlements of a somewhat similar nature are understood to have been effected in a number of cases. It will be recalled that an issue of the Saxon Public Works sold in the American market was not paid off at maturity, the company instead asking bondholders to agree to an extension of the maturity for a period of 5 years. A bondholder instituted suit against the assets of the company held in this country by its present fiscal agent and a settlement is believed to have been made, whereby the bondholder obtained

payment in full, plus interest, at a time when the bonds were selling at a discount of approximately 60 percent.

Similar settlements have been made with respect to the unassented bonds of the North German Lloyd Co. It is known on good authority that the settlement reached in connection with the North German Lloyd issue was in the neighborhood of 90 percent for the bonds, plus interest at the full rate of 6 percent per annum since November 1933, when the bonds went into default. This figure compares with a price of about 45 percent for bonds which were deposited by holders under a so-called "deposit agreement" arranged by the corporation, presumably with the aid of the institutions identified with the origination and distribution of the loan in the American market.

The 6-percent bonds of the Gelsenkirchen Mining Co. are another case in point. What is difficult to explain is the indifference with which houses of issue, American financial institutions identified with German corporations, trustees and fiscal agents for German dollar debts, regard the status of American bondholders. Since the former are in touch with German debtors and are fully informed as to their financial standing in this country, they could, if they were desirous of aiding the bondholders, see to it that payment is made in full, at least on bonds of those corporations which have balances here. In this category probably could be placed inter alia the following: German General Electric, United Steel Works, North German Lloyd, Siemens-Halske, Leipzig Trade Fair, Goodhope Iron & Steel, Mansfeld Mining & Smelting, and United Industrial Corporation.

Another interesting case is that of the German Central Bank for Agriculture. The institution has outstanding in the American market four issues aggregating $54,240,000 of an original amount of $131,000,000. In other words, 58.60 percent of the original amount has already been retired or repatriated. In an advertisement in the New York press the corporation calls attention to its impressive earnings for 1934, with net profits aggregating reichsmarks 16,037,644, equivalent at prevailing officially quoted rates on Berlin to about $6,500,000, or about 12 percent on the dollar obligations of the institution. Inasmuch as the latter has been in default with respect to its commitments in the hands of American investors, the advertisement referred to is merely adding insult to injury.

AMERICAN COUNCIL OF FOREIGN BONDHOLDERS, INC.,
MAX WINKLER, *President*.

REPORTS OF COMMITTEES

Mr. BURKE, from the Committee on Claims, to which was referred the bill (S. 2464) for the relief of the Bell Oil & Gas Co., reported it with amendments and submitted a report (No. 839) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendments and submitted reports thereon:

H. R. 1119. A bill for the relief of Joseph W. Harley (Rept. No. 840); and

H. R. 1438. A bill for the relief of Carrie McIntyre (Rept. No. 841).

Mr. SHEPPARD also, from the Committee on Military Affairs, to which was referred the bill (H. R. 617) to correct the military record of Lake B. Morrison, reported it with an amendment and submitted a report (No. 842) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 4827. A bill for the relief of Don C. Fees (Rept. No. 843); and

H. R. 4828. A bill for the relief of John L. Summers, disbursing clerk, Treasury Department, and for other purposes (Rept. No. 844).

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 2351) to amend section 66 of the Judicial Code to provide for the enforcement of the lien of State and local taxes against property in the possession of receivers and other officers of the United States courts without leave of such courts, reported it with an amendment and submitted a report (No. 845) thereon.

He also, from the same committee, to which was referred the bill (S. 2524) amending section 112 of the United States Code, annotated (title 28; subtitle "Civil suits; where to be brought"), reported it without amendment.

Mr. AUSTIN, from the Committee on Immigration, to which was referred the bill (H. R. 2739) to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes, reported it with an amendment and submitted a report (No. 846) thereon.

Mr. COPELAND, from the Committee on Immigration, to which was referred the bill (S. 2912) to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes, reported it with an amendment and submitted a report (No. 847) thereon.

Mr. SCHALL, from the Committee on Indian Affairs, to which was referred the bill (H. R. 4123) providing for the payment of $15 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States, reported it without amendment and submitted a report (No. 848) thereon.

HEARINGS BEFORE THE COMMITTEE ON PATENTS

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, without amendment, Senate Resolution 127, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. 127) submitted by Mr. McADOO on May 3, 1935, was read, considered, and agreed to, as follows:

Resolved, That the Committee on Patents, or any subcommittee thereof, hereby is authorized during the Seventy-fourth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. BYRNES. From the Committee to Audit and Control I report back favorably, without amendment, Senate Resolution 135 and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 135) submitted by Mr. LEWIS on May 13, 1935, was read, considered, and agreed to, as follows:

Resolved, That the Committee on Expenditures in the Executive Departments, or any subcommittee thereof, is authorized, during the Seventy-fourth Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 7th instant that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 41. An act for the relief of the Germania Catering Co., Inc.;

S. 42. An act for the relief of Emmett C. Noxon;

S. 416. An act for the relief of Las Vegas Hospital Association, Las Vegas, Nev.;

S. 557. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

S. 581. An act for the relief of Harold E. Seavey;

S. 927. An act to amend the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States", approved June 21, 1930, so as to give class B officers of the Army benefits of such act;

S. 1474. An act for the relief of Paul H. Creswell;

S. 2029. An act to authorize the naval and Marine Corps service of Army officers to be included in computing dates of retirement;

S. 2105. An act to provide for an additional number of cadets at the United States Military Academy, and for other purposes;

S. 2287. An act to authorize the crediting of service rendered by personnel (active or retired) subsequently to June

30, 1932, in the computation of their active or retired pay after June 30, 1935; and

S. J. Res. 92. Joint resolution making final disposition of records, files, and other property of the Federal Aviation Commission.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

A bill (S. 3015) granting a pension to Carrie Taylor Shockley (with accompanying papers); to the Committee on Pensions.

By Mr. SCHWELLENBACH:

A bill (S. 3016) for the relief of E. Sullivan; and

A bill (S. 3017) for the relief of Sgt. Ceasar LaForge, United States Army, retired; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 3018) to authorize the Secretary of War to acquire, by donation, land at Valparaiso, in Okaloosa County, Fla., for aviation field, military, or other public purposes; to the Committee on Military Affairs.

A bill (S. 3019) for the relief of Max Dole Gilfillan (with accompanying papers); to the Committee on Naval Affairs.

By Mr. NORBECK:

A bill (S. 3020) for the relief of A. E. Taplin (with accompanying papers); to the Committee on Indian Affairs.

By Mr. STEIWER:

A bill (S. 3021) granting a pension to Nellie M. Redington (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 3022) to provide a right-of-way; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 3023) for the relief of Jane B. Smith and Dora D. Smith; and

A bill (S. 3024) for the relief of Booth & Co. Inc., a Delaware corporation; to the Committee on Claims.

A bill (S. 3025) to amend the act entitled "An act to provide compensation for disability or death resulting from injury to employees in certain employments in the District of Columbia, and for other purposes", approved May 17, 1928, and for other purposes; to the Committee on the District of Columbia.

A bill (S. 3026) granting double pension by reason of injury or disease to officers and enlisted men, and to their widows and dependents, whose death was due to service in line of duty; to the Committee on Pensions.

By Mr. BARKLEY:

A bill (S. 3028) granting a pension to Anna Krebs; to the Committee on Pensions.

By Mr. FLETCHER:

A joint resolution (S. J. Res. 146) to extend from June 16, 1935, to June 16, 1938, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended; to the Committee on Banking and Currency.

REGULATION OF AIR TRANSPORTATION

Mr. McCARRAN. Mr. President, I desire to introduce a bill to be entitled "An act to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce, and for other purposes."

In keeping with the message of the President of the United States sent to Congress some few days ago, it will be necessary to have legislation bearing on this subject. There is today pending before the Committee on Interstate Commerce of the Senate a bill introduced by me which is not in keeping with the message of the President. The bill I now offer is a new measure designed to carry out some of the policies of the President with reference to aircraft and air transportation.

The VICE PRESIDENT. Without objection, the bill will be received and appropriately referred.

The bill (S. 3027) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce, and for other purposes, was read twice by its title and referred to the Committee on Interstate Commerce.

CHANGES OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the following bills, and they were referred to the Committee on Public Lands and Surveys:

H. R. 3272. An act providing for the establishment of the General John J. Pershing National Military Park near Laclede, in Linn County, Mo.; and

H. R. 4507. An act to amend sections 1, 2, and 3 of the act entitled "An act to provide for the commemoration of the termination of the War between the States at Appomattox Court House, Va.", approved June 18, 1930, and to establish the Appomattox Court House National Historical Park, and for other purposes.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES—AMENDMENTS

Mr. JOHNSON and Mr. GORE each submitted an amendment, and Mr. CONNALLY submitted two amendments, intended to be proposed by them, respectively, to Senate bill 2796, the so-called "Public Utility Act of 1935", which were severally ordered to lie on the table and to be printed.

INCREASE OF INSURANCE SALES

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Washington Sunday Star of yesterday concerning the increase in the sale of insurance policies.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star of June 9, 1935]

INSURANCE SALES STAGE SHARP RISE WITH SAVINGS—LIFE POLICIES IN CAPITAL UP 31 PERCENT OVER 1934 PERIOD—DEPOSITS ALSO REFLECT BUSINESS RECOVERY

Two of the best barometers picturing business swings and other economic conditions—life insurance and savings deposits—continue to reveal steady and impressive progress indicative of national recovery. Substantial advances in both new insurance and savings accounts, reported unofficially, back up the latest official compilations along these lines.

In the first 4 months of the present year new life insurance was 5.2 percent ahead of the similar period in 1934. During this same period Washington piled up a gain of 31 percent in insurance sales. In April alone new insurance written in the Capital was 35 percent ahead of the total for April, 1934.

The Life Insurance Sales Research Bureau, of Hartford, Conn., reports that there were approximately 115,000,000 life-insurance policies in force at the beginning of this year, the amount of insurance represented by these policies being approximately $98,000,000,000.

There was a 10-percent gain in the total amount of new insurance bought in the United States in 1934. People seeking better protection or investment for their funds put $14,000,000,000 into new policies during the 12 months. In the same period the insurance companies disbursed an aggregate sum of $2,700,000,000.

Insurance leaders, banking on constantly improving business conditions, predict that the present year will see last year's total well exceeded. This claim is partly based on the national aggregate gain of more than 5 percent in the first 4 months of the year. Figures for the Capital are almost certain to surpass last year by a sweeping margin.

During the special insurance week drive concluded a few days ago, Washington agents obtained 1,701 applications for $5,155,000 in new business, all previous records for a 6-day campaign being smashed. No such success in insurance sales had been attained in this city even before the Wall Street crash.

The same recovery trend is revealed in savings deposit increases. So far this year marked increases in bank deposits, including savings accounts, have been reported in most parts of the country. Official reports compiled by the American Bankers Association show that savings deposited in banks through savings accounts and time certificates gained 3.5 percent last year over the previous year, an increase of $742,132,000, when translated into figures, the first upturn since 1930.

Total savings depositors in the United States also gained in number, going from 39,262,442 in the previous year, to 39,562,174 last year, a gain of 299,732. Four years ago there was one depositor for each 2.3 persons in the United States. Now there is one account for each 3.2 persons.

The vitality of savings has proved truly remarkable. When it was disclosed that the savings of 9 years had been wiped out in 3,

there were those who said that in this era of plenty, savings were no longer an important factor, that they were unnecessary. Yet 12 months of stable banking and a slight turn in industry with expanding employment was reflected in increased savings and greater success in a return to thrift.

Total savings in the United States last year amounted to $21,867,666,000 divided among 39,562,174 savings depositors, or $173 per person as the national average and a gain of $5 per capita, or 3 percent over the previous year. Thus the tendency and the actual improvement are both significant, adding their value to other recovery indicators.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES—ADDRESS BY SENATOR WHEELER

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a radio address delivered by the Senator from Montana [Mr. WHEELER] on Sunday, June 9, 1935, on the subject of the Wheeler-Rayburn public-utility holding companies bill.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The battle lines on the public-utility holding company bill are drawn. Tomorrow the Senate will vote upon this most important measure. I shall not detail the abuses at which this bill is directed. Utility witnesses admit their existence. They render lip service to the principle of regulation for control of such abuses. There is, therefore, no need to debate the need of complete Federal regulation. The question is, Shall we have real regulation or shall we enact a string of meaningless regulatory phrases? I speak for real regulation—not the kind which the past experience of local and State regulatory bodies has proved to be impotent.

The very heart of real regulation—a regulation which will work—is the so-called "elimination section", section 11 of the bill. Effective public regulation is a matter of human abilities—not of phrases in a statute. The man power of Federal commissions is no more superhuman than the man power of State commissions. No regulatory commission, Federal, State, or local, can successfully regulate corporations with resources of hundreds of millions or even billions of dollars. No commission can successfully stand up for any period of time against the pounding of batteries of the highest paid experts and lawyers in the country, the distrusts created by skillful propagandists, the frightened pressures of deluded, regimented investors, the subtle attempts to employ away the ablest personnel, the brazen corruption of political influence.

Nor can any commission even begin to formulate an intelligent scheme of regulation for utility-holding companies until holding-company systems and holding-company securities have been simplified so that men of ordinary intelligence and ordinary means of investigation can understand them. That's why one subsection of section 11 aims directly at the elimination of unnecessary intermediate companies and unnecessary securities complications. If you looked at a chart of the Associated Gas & Electric Co. system you would see nine layers of companies in that system. Associated Gas & Electric Co. itself has outstanding, or certainly has had until very recently, 35 different kinds of securities.

One of these securities issues was a bond convertible into stock not at the option of the holder of the bonds but at the option of the company. And the company had the nerve to exercise their option in 1932. The poor suckers who thought they had bought bonds then woke up to find they owned stock instead. Another one of those issues was a bond maturing, believe it or not, in 2875.

The very essence of a common-sense scheme of public regulation is, therefore, that the corporations to be regulated should not be permitted to reach a size and power and a complication where a Federal regulatory body can't be a match for them. These cold-blooded factors of man power and money power have made State regulation of utilities an admitted failure—and to speak bluntly, have in many cases already made comparable Federal regulation of other great corporations merely a shield behind which the supposedly regulated corporations can hide from public criticism rather than a sword with which Government can keep them from plundering the public.

Now, all that section 11 really does is attempt to whittle down the size and power and complication of these giant corporations until the Federal and State commission can be a match for them. It does not destroy holding companies. But it does say to them: "You've made so much trouble that if you're going to go on doing business in this country controlling legal monopolies which the public must be able to regulate, you've got to trim down to a size and power and structure where the public can cope with you."

I don't know whether you think that ought to be called "elimination." But I do know it is the very essence of a realistic approach to regulation. And the utilities know it, too. Naturally, they fight every word of every provision in this bill. But notice that their real fire has been concentrated not on the specific regulatory provisions but on this section 11. For they are realistic about themselves—and they know perfectly well that if they can remove from this bill any provisions to reduce them to a size and a power and simplicity which will make it humanly possible for a regulatory commission to handle them, the bill can contain all the words about regulation we choose to put into it and yet be nothing but a glorified scrap of paper. Let's not stick our head in a sand of regulatory words and miss the big realities.

With the help of this section 11 to press and to help the progressive elements in the industry into voluntary rearrangements of the holding-company systems until they are amenable to regulation, the more specific regulatory features of the bill have some chance to be effectively operative. Without section 11 they have no chance at all. The vote tomorrow on section 11 of the bill is the real vote on the whole bill.

I know that the propaganda of the utility crowd has worked, and that it has frightened investors in every phase of the utility business into thinking that this bill destroys their investments. It is hard to talk against the whirlwind, but tonight I'd like to do some common-sense talking to the investors in the public-utility business as to the relationship of this bill to their holdings.

Let's remember there are different classes of investors in the utility business. One important class is investors in operating-company securities. Holding companies have no assets except securities in operating companies. All security holdings of holding companies in operating companies constitute only from one-fifth to one-fourth of the independent investment of the public in operating securities. Why should these operating-company securities held by the public be hurt by legislation which forbids the holding companies to "milk" them? According to reports of the Federal Trade Commission, a company like Electric Bond & Share has made over 100-percent profit in 1 year on the so-called "services" it renders its subsidiaries—those same supervisory services which are supposed to be benefits the holding company brings to the operating company. Even when the operating companies are passing dividends on the preferred stock held by the public, they have to continue to pay these service profits to the holding companies, and continue to get those profits out of the consumers who pay power rates and the operating-company investors whose dividends are passed, and whose protective surpluses are depleted.

The representatives of the holding companies themselves have admitted before congressional committees that operating companies of any decent size—and those are the operating companies in which the public today has its big investment—don't need the services of holding companies. And this bill carefully provides that a group of operating companies can form mutual service companies of their own to bring them at cost all the advantages of large-scale buying and large-scale scientific research, which the holding companies pretend to provide at unconscionable profits to themselves.

Whenever I hear stories of the benefits of the holding company to the investor in operating companies, I remember a story about a thirsty tramp on a dusty road who came to a pump in a farm yard. He eagerly grabbed the pump handle and pumped and pumped and pumped. At the end of half an hour's pumping, there came a little trickle of water. But by that time he was so heated and weary from the pumping that he was thirstier than ever before. So he tried again and at the end of another half an hour, there came another little trickle of water. Just then the owner of the farm appeared. The tramp complained about the pump. "Oh", said the farmer, "you don't understand. My son works in Wall Street and he gave me a good Wall Street idea. You see those tanks up on top of that hill? This pump is arranged so that no one gets even a little drink out of it until he's first pumped a big tank full for me." If this bill passes, the investor in operating securities may be able to get a drink of dividends before pumping a tank full of service profits for a holding company.

Now let's look at the investor in holding-company securities. As I've pointed out before, this bill does not dissolve all the holding companies in the country. It simply says that by the end of 5, or 7 years from now, the biggest of them—those sprawling giants that serve no purpose in the operating utility industry, but are simply vehicles for high finance—have either got to turn themselves into investment trusts and stop actually controlling local operating companies or else rearrange themselves so that they serve a real purpose in helping operating companies operate more cheaply and more economically on a regional group basis. It says that these giant high-finance companies shall turn themselves into companies which really have something to do with the sound operating utility business on a basis where the public won't continually be suspicious of their power and their absentee management and continually demand municipal plants. It says that they've got to simplify their fantastic capital structures so that the public which buys securities can understand what it is buying.

Underneath all the technical arguments with which the holding company propagandists have deliberately confused you, there's just one big simple truth. The same holding-company managers who are asking investors in their securities to stick with those managers against the Government are the same holding-company managers who in the days gone by gave the public the worst trimming the public has ever taken. It is an old strategy of tyrants to persuade their victims to fight their battles for them. As my colleague, Senator BROWN, said the other day in the Senate, the holding-company bankers and managers have no more use for the present crop of widows and orphans, who happen to own their securities today or for the crop of widows and orphans who may own them tomorrow, than they had for the widows and orphans and scrub ladies they ruined in 1929.

Now, the investor's choice is simply this. Shall he accept the protection of that crowd of wolves in sheeps' clothing or accept the protection of his Government which has no motive in the world to ruin its own people, and which is responsible to them. The politicians the holding-company managers sneer at have to answer to their people—they have no interest in ruining their constituents. These same holding-company managers have to

answer to nobody and have long ago proved that the way they make their profits is by ruining their constituents.

Now let us think about a third class of investors. That class of investors is the consumers of electricity. Those consumers are truly "the forgotten investor", because they have the biggest real investment of all in the utility industry. A public-utility system doesn't include merely the generators in the power house and the transmission lines. It has to have appliances at the other end of the power lines—washing machines and flat irons and refrigerators, the radio to which you are listening, electric machinery in stores and factories which use the juice. Every woman who pays $100 for a refrigerator, every factory owner who pays $1,000 for an electric machine invests in the utility system just as much as the purchaser of a fancy holding-company debenture. The total investment in operating utilities in this country through securities is estimated to be about $12,000,000,000. But the total investment of the public in appliances at the receiving end of the utility business—the appliances without which there would be no load and no profit in the utility business—is estimated by utility people themselves to be over $13,000,000,000.

How about that class of investor whose only return on his investment is the use of his appliance at decent rates. Do the investors in utility securities ask the investors in utility appliances to go on paying extortionate rates forever to support watered holding-company securities so that those investors in securities will get not only what those securities are worth but what holding-company salesman told those investors those securities were worth? We must give the investor in securities every honest protection to which he is entitled. And this bill does give him that protection—it destroys not one penny of actual value and preserves that actual value from future depredations by holding company managers.

But there are a hundred million of us in this country who own no public-utility securities nor much of anything else who must use gas or electricity in decent quantities as the very basis of what we call the American standard of living. While we are protecting a few million investors in securities, don't let's forget that other hundred million or so. They, too, are the American people. They, too, are entitled to protection, protection against the greed of a few smart manipulators of Wall Street. And they, too, along with all the investors in securities, make up the whole American Nation which has got to nerve itself to break down that private socialism, that concentrated economic power of a few, of which the public-utility holding company is at once a device and a symbol, if we are to go on in this country with an economic democracy. On the eve of the Senate vote on this bill I think we ought to remember the President's holding-company message to the Congress on March 12, in which he said:

"Except where it is absolutely necessary to the continued functioning of a geographically integrated operating utility system, the utility holding company with its present powers must go. If we could make our financial history in the light of experience, certainly we would have none of this holding-company business. It is a device which does not belong to our American traditions of law and business. It is only a comparatively late innovation. It dates definitely from the same unfortunate period which marked the beginnings of a host of other laxities in our corporate law which have brought us to our present disgraceful condition of competitive charter-mongering between our States. And it offers too well demonstrated temptation to and facility for abuse to be tolerated as a recognized business institution. That temptation and that facility are inherent in its very nature. It is a corporate invention which can give a few corporate insiders unwarranted and intolerable powers over other people's money. In its destruction of local control and its substitution of absentee management it has built up in the public-utility field what has justly been called a system of private socialism which is inimical to the welfare of a free people.

"Most of us agree that we should take the control and the benefits of the essentially local operating utility industry out of a few financial centers and give back that control and those benefits to the localities which produce the business and create the wealth. We can properly favor economically independent business, which stands on its own feet and diffuses power and responsibility among the many, and frowns upon those holding companies which, through interlocking directorates and other devices, have given tyrannical power and exclusive opportunity to a favored few. It is time to make an effort to reverse that process of the concentration of power which has made most American citizens, once traditionally independent owners of their own businesses, helplessly dependent for their daily bread upon the favor of a very few, who, by devices such as holding companies, have taken for themselves unwarranted economic power. I am against private socialism of concentrated private power as thoroughly as I am against governmental socialism. The one is equally as dangerous as the other; and destruction of private socialism is utterly essential to avoid governmental socialism."

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. DIETERICH. Mr. President, on May 28 I gave notice that I would offer a series of amendments to Senate bill 2796, the bill now under consideration, and again on May 31 I gave notice that I would offer another amendment. Those contemplated by the notice of May 28 were a series of amendments, 11 in number, and the notice of May 31 embraced 1 amendment. I now ask unanimous consent formally to offer these amendments and ask that their consideration be postponed until a later period in the proceedings.

Mr. WHEELER. I have no objection to that, but I should like to have them taken up as soon as practicable.

Mr. DIETERICH. I do not want to have them taken up first. There are other amendments which I think should be first considered.

The VICE PRESIDENT. The Chair understands the Senator from Illinois to ask unanimous consent that he may be permitted now to file certain amendments with the clerk, to be taken up at some future time. Is that the request?

Mr. DIETERICH. That is the request.

Mr. BARKLEY. The request is somewhat vague.

Mr. JOHNSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. JOHNSON. Are not amendments in order at the present time?

The VICE PRESIDENT. Amendments are in order. The Senator from Illinois does not have to ask unanimous consent to offer amendments. Any Senator may offer amendments to the pending bill at any time.

Mr. DIETERICH. I am asking now that the consideration of the amendments be postponed until a later period in the proceedings.

The VICE PRESIDENT. The Chair will suggest to the Senator that there is a unanimous-consent agreement limiting the debate on amendments and on the bill. Does the Senator desire to wait until the consideration of other amendments to the bill shall have been concluded?

Mr. DIETERICH. Yes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois?

Mr. BARKLEY. Mr. President, reserving the right to object, I should like to inquire of the Senator whether the amendments he has in mind have been printed?

Mr. DIETERICH. They have been printed and are on the table; I am now formally offering them, and asking unanimous consent not to take them up immediatebly, but that they be taken up at a later period in the proceedings.

Mr. WHEELER. The Senator does not need to have unanimous consent to do that.

The VICE PRESIDENT. The Senator does not have to have unanimous consent for that purpose. He may have the amendments considered when he is ready to offer them.

Mr. KING. Mr. President, I should like to make an inquiry of the Senator. As I understand, he does not desire to offer the amendments en bloc so that they cannot then be considered separately, but that each one may be presented and 10 minutes allowed to discuss it?

Mr. DIETERICH. I do not intend to offer the amendments en bloc; I intend to offer them as separate amendments.

Mr. BARKLEY. Inasmuch as the amendments have already been printed and are on the clerk's desk at this time, it seems to me it would be better to offer them one at a time rather than to offer them en bloc. That would not deprive the Senator of any rights at all.

The VICE PRESIDENT. The Senator from Illinois desires to give his amendments a parliamentary standing, not to be taken up at once but to be considered as pending?

Mr. DIETERICH. That is correct.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator may send his amendments to the desk.

Mr. JOHNSON. Mr. President, I offer an amendment, which I ask may take the same course.

The VICE PRESIDENT. The Senator from California offers an amendment, not to be reported at the moment,

which will lie on the table. The question is on the engrossment and third reading of the bill.

Mr. KING. Mr. President, the measure under consideration demands the most careful—indeed, critical—examination. It involves not only property rights but the rights of individuals and of sovereign States. The progress of civilization is in part measured by the change from status to contract; the emancipation of the individual from autocratic authority and the development of local self-government. It has been a struggle measured by centuries which has produced the Democratic principles upon which this Republic is founded. Reactionary forces have resisted the evolutionary development in the fields of government and social institutions.

The founders of this Republic were familiar with the pages of history which recorded the sanguinary struggles for political and intellectual freedom. They had been the victims of a strongly centralized and autocratic government, and when independence was won they determined that the power of any or all governments set up by them should be limited.

When Great Britain's authority ended the Thirteen Colonies became or were 13 independent States or nations; each had all of the authority possessed by any sovereign State. They perceived, however, the importance of a government to which would be granted limited authority, and so the Federal Government was created and given enumerated and limited powers. The States were jealous not only of the liberties of their citizens but of their own authority. So careful were they to restrain the Federal Government which was created that they specifically declared in the tenth amendment to the Constitution that the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

Notwithstanding the Federal Government was limited in its authority, that its powers were clearly defined and enumerated, efforts have been made from time to time to weaken the authority of the States and to strengthen the power of the National Government. There have been some Americans who have coveted for our Government the nationalistic power found in other countries, and have attempted to undermine the States and aggrandize the Federal Government. Even now there are some who say that there should be a powerful National Government armed with the authority possessed by many foreign governments. By that they mean that the rights of the individuals and of the States should be diminished, that their authority should be usurped, and that the National Government should take on the habiliments of power worn by monarchial or other centralized governments. Unfortunately, the rights of the States have been invaded, and persistent efforts have been made and are still being made to magnify the National Government and to weaken the authority of the sovereign States.

There are movements on foot which, in my opinion, should arouse the American people who believe in our form of government to a determination to preserve the inheritance of liberty—the Government which was handed down by our fathers—so that succeeding generations may be the beneficiaries of democratic principles and the liberties which are inherent in our Government.

The Congress of the United States does not have unlimited power, and its legislative enactments must not transcend the limits prescribed in our fundamental charter. In periods of stress, whether resulting from unsatisfactory economic conditions or from other causes, there are many persons who look to governments to relieve the conditions, and who are often indifferent to measures which may be taken, whether constitutional or otherwise. A spirit of unrest in social and economic fields produce movements which menace the foundations upon which good government and, indeed, progressive civilization rest.

In my opinion there are currents in our political and economic life that are disturbing but, it is to be hoped, not dangerous. Be that as it may, when measures are under consideration by Congress, with the limitations imposed in the Constitution, it is an obligation resting upon all to scrutinize measures and policies that are suggested with a view to the prevention and adoption of policies or the enactment of measures violative of the Constitution and which impinge upon the rights of sovereign States.

There is much truth in the statement that in Lincoln's time the contest was to save the Union, but the contest now is to save the sovereign States. When measures are suggested which may be considered as transcending the limits of the Constitution, the obligation rests upon the members of legislative branches of the Government to weigh them with the utmost care. Thomas Jefferson stated that if any doubt existed as to the constitutionality of a measure, it should be rejected.

Occasionally the statement is made that Congress may remit to the Supreme Court of the United States measures the constitutionality of which is uncertain and challenged. We have subscribed to an oath to maintain and defend the Constitution of the United States, and the obligation, it seems to me, rests upon us to withhold our assent to any measure that bears the taint of unconstitutionality. Certainly we may not pass lightly over proposed legislation which rests for its validity upon some enumerated power granted the National Government. Political, social, or economic conditions which we deplore may exist, but that does not afford ground for Federal interposition where its authority is lacking. There are some who believe that the Federal Government should deal with marriage and divorce, with control of the public schools, and that it should assume jurisdiction over other questions and problems which are within the exclusive authority of sovereign States.

It may be that the builders of this Republic were too jealous of their personal rights and of the rights of the sovereign States which they set up. However, under the State and Federal Governments given to us by our fathers, the strongest nation in the world has been developed. Under the aegis of local self-government and with the protection given to individuals not only by their State governments but by the National Government, the most powerful and the richest nation in the world has been developed upon the shores of the New World.

When Congress has acted upon a measure and it is presented to the courts for consideration, there is a presumption as to its validity. It is assumed that the Congress and the Executive have under their oaths carefully examined the same and reached the conclusion that it is not subject to challenge upon the ground of unconstitutionality.

I am not a member of the committee which has presented the so-called "holding bill", nor have I had an opportunity, because of other duties, to give it the attention which I should like, or to examine the entire record, consisting of hundreds of printed pages, found in the hearings conducted by the Committees on Interstate Commerce of the House and the Senate.

The measure before us is not one to regulate corporations engaged in interstate commerce. It is not a measure of regulation, but, as some believe, a measure of destruction. It does not deal with corporations organized by the Federal Government but it encircles in its grasp corporations organized under the laws of the various States, the constitutionality of which is not and cannot be challenged.

In passing it may be said that the Federal Government has organized many corporations, not for governmental purposes, and the validity of the acts under which such corporations have been created is believed by some to be subject to successful challenge.

Without discussing the many provisions of the holding-company bill, I am inclined to think that we need go no further than to consider the fundamental principles of our Federal Government, clearly, distinctly, and unequivocally enunciated in the Constitution itself, the observance of which principles is essential to the continued maintenance of our form of government, State, and Nation, and the disobedience of which principles is destructive of the framework of our Federal institutions. There will be no disagreement to the statement that the Federal Government is divided into three coordinate branches, and that legislative power may not be exercised by the Executive, and that Congress alone may exercise such legislative power, and may not pass it on to the Executive.

It is understood that the Federal Government is made up of a union of a number of sovereign States, unlimited in their powers except as particularly restricted by the Bill of Rights of the Constitution, whereas the Federal Government is one of limited powers, having only authority expressly or by necessary implication conferred upon it by the people in the Constitution, all other powers being expressly reserved to the States and to the people.

As I have indicated, however desirable it may be in times of emergency or in periods of stress to give to the executive, or any branch of it, the power to make laws or to decide what the law shall be, it cannot be done. However desirable it may be because of the inaction of some of the States, and the impatience of the people of other States with such inaction—as, for instance, the failure on the part of some of the States to prevent child labor—the Federal Government cannot interfere or impose its will upon the States. The decisions of the courts confirm that view, and the recent decision of the Supreme Court of the United States in the so-called "Schechter case" announces in unmistakable language the same principle.

The important question before us involves the power of the Federal Government to dissolve and destroy corporations which, as indicated, were lawfully organized pursuant to the laws of sovereign States. A number of these corporations lawfully chartered by sovereign States, and engaged in a lawful business under express grant and sovereign authority, saw fit to purchase stock in other corporations, and by that means to control some or influence others. Without going further, and without considering the nature of the corporations whose stock is thus purchased and held by another corporation, it is sufficient to say that this is in itself, according to the views of many, an evil. The very nature of a corporation as a separate entity and as a citizen precludes the idea that it should be thus combined with other bodies corporate, being like entities and citizens, in such a way as to obliterate all the power and responsibility of such other corporations and not maintain all the benefits of the separate entities and citizenship. I believe this is an evil which the States have the power to correct. In my opinion, it may well be contended that the States ought never to have permitted such power in a corporation as is not permitted in any corporation organized under the laws of the District of Columbia; but it has been done.

The power under which these holding companies, as well as their subsidiaries, were formed emanated from sovereign States, whose authority to grant these charters none can deny. The States will not, in my opinion, denude themselves of this authority, believing as they do that it is inherent in their sovereignty and a matter on which they alone have the right to act.

The contention of the proponents of this bill, as I understand, is that because of the evils alleged to exist—and that evils do exist none can deny—Congress must therefore assume authority to destroy such corporations or, rather, provide for their destruction within 5 years. Permit me to suggest an analogous situation by referring to a similar case which has not been the subject of complaint, and about which, therefore, we may speak with less feeling.

Generally, it is understood that in some States corporations may be chartered without having capital stock which is the limit of the corporation's liability, and is the security upon which people do business with it. Suppose a State permits a corporation to be organized without any capital stock paid in—and that situation exists, I believe, in some States—and also permits such corporation to issue bonds for 10 times its normal capital stock, although, as stated, not a penny has been paid in on such capital stock; will it be contended that Congress has the power to repeal such State laws, although manifestly the course indicated is reprehensible and doubtless would produce unfortunate results?

The position, as I understand, of those who are arguing for this bill rests upon the supposed power of Congress to destroy State corporations. It rests, as I interpret their position, upon precedents or analogies which I do not think exist. It is said that Congress has power to pass the antitrust laws preventing conspiracies in restraint of trade when that trade is interstate commerce; and it is also contended that this power may be exercised even though the conspiracy takes the form of a corporation, and is exercised through stock ownership.

To support the latter contention, the Northern Securities case is cited. Senators are familiar with that case, and know that the Sherman antitrust law, upon which it rests, has long since been sustained, and its constitutionality is questioned by none. But it is not even pretended that the holding-company measure before us is intended to deal with unlawful conspiracies in restraint of trade. It has not been asserted, and it will not be asserted, that that is the purpose of this bill; for, if that were true, the proponents of the measure would be at once overwhelmed with the devastating answer that the law is then wholly unnecessary, and the evil has already been taken care of, or can be taken care of, by the antitrust laws now upon the statute books.

The VICE PRESIDENT. The Senator's time has expired. There is no amendment pending. There are, however, some amendments to be offered. Has any Senator an amendment he desires to offer to the bill at the present time?

Mr. BARKLEY. Mr. President, I will offer an amendment if it will help the Senator.

Mr. KING. I thank the Senator.

Mr. BARKLEY. On page 57, line 20, I move to strike out "competitive bidding" and insert "maintenance of competitive conditions."

The VICE PRESIDENT. The Senator from Kentucky offers an amendment which will be stated.

The CHIEF CLERK. On page 57, line 20, it is proposed to strike out "competitive bidding" and insert "maintenance of competitive condition."

Mr. KING. Mr. President, we need not a line of legislation, therefore, to show that the antitrust laws will apply to public-utility companies as well as to any other companies; and under the procedure in many cases such illegal organizations might be dealt with in a satisfactory manner under the processes of the courts. Under the terms of the bill the holding companies are to be destroyed whether they promote commerce or restrain it; whether they are combinations or single individual entities; whether they increase competition or secure monopoly. Nothing is even said on the subject; and if it were, as I have indicated, the laws already on the statute books are ample to deal with the situation, and if such laws are not enforced that is no reason for the enactment of this proposed bill. We are indeed in an unfortunate position if Congress must at every session reenact every law that is not being enforced.

The other so-called "analogy" or precedent is the act of Congress known as the "Commodity Clause Amendment to the Interstate Commerce Act", forbidding railroads to haul commodities which are owned by the railroads hauling the commodities to be sold in competition with commodities owned by shippers who have had to pay freight rates to the railroads for such hauling, and who have to deal at arms' length with the carriers in the fixing of such rates. In support of this position, the case of the Delaware & Hudson Co. is cited.

There is a complete misunderstanding of the reason for the validity of such a law as that proposed, or there is a certain disingenuousness in contending that the case cited is a precedent or furnishes an analogy. The commodities clause has nothing whatever to do with the destruction of State corporations, or even with the diminution by Congress of the power deliberately given to corporations by States.

As I interpret it, it is concerned solely with the right of a common carrier by railroad in interstate commerce to use its power as such interstate carrier to monopolize and control the commodities which it carries. This seems so clear that the Supreme Court held that Congress, even if it had the right, did not by such statute in any way interfere with the right of a railroad to own stock in other companies, even though those other companies in turn owned the commodities which were being shipped by the railroad in com-

petition with other shippers who had no relations in the nature of stock ownership with the railroads.

Without analogies or precedents, is it not our duty to question what the proposed bill will do, or, looking at it in a broad way, determine what it seeks to accomplish?

It proposes to take corporations which it calls holding companies, because they own stock in other corporations, and because those other corporations in which they own stock are public utilities under charter from the various States and subject to the regulation of the various States, and assume absolute control over them for the purpose of destroying them whenever a commission set up by Congress, or already established, thinks they should be destroyed. In other words, the bill provides that if the Commission thinks the holding companies are too complex—and they are to judge what complexity is—or that they are not necessary—and they are to judge the needs of the people, and determine whether a given utility is necessary—or whether the States under their charters have given them too broad powers, they must be destroyed.

It seems to me this is an attempt to delegate legislative power to a bureaucratic branch of the executive department. Plainly, this is an invasion of the rights of the States over their internal affairs and the corporations which they have established, on the ground that the States have failed to act, or as some may say, that they seem incompetent to act. The same argument, I might add, is adduced by some who insist on the Federal Government assuming jurisdiction over matters purely intrastate, because of the alleged impotency of the States, or their refusal to adopt some measure or policy which it is contended is for the welfare of the people. Many of these so-called "socialization schemes" rest upon the assumption that the States fail to meet the ideals of so-called "socially minded people." Excuses and pretexts are not infrequently found for the invasion of individual and State rights.

There is a school of thought not infrequently moved by hysteria and high passions and great emotions that would recreate society, and subject individuals and communities to a system of regimentation, ostensibly for the good of all, that would result in the loss of liberty and produce a reign of tyranny.

No fine reasoning or subtle distinction can explain away the decision holding the National Recovery Act in various particulars to be unconstitutional. That act attempted to delegate legislative authority to a legislative creation, and to organizations created and existing under such authority. That decision was rendered after elaborate arguments were prepared on the constitutionality of the measure we are now considering. Perhaps that important decision was not taken into consideration by the able young men who prepared and who defend the bill now presented to Congress for enactment. It seems to me that the measure under consideration will meet the fate of the National Recovery Act.

May I submit a few words concerning section 11 which contains provisions of a most extraordinary character, and confers authority which ought never to be committed to an executive bureaucratic organization. The Commission is given the authority to examine corporate structures of holding companies and to determine how these structures may be simplified, and how unnecessary complexities may be eliminated, and also the authority to fairly and equitably distribute the voting power among holders of securities. But that is not all—it is authorized to determine the limits, geographical and economical, of an integrated public system. The views of the stockholders of operating companies or of subsidiaries of the stockholders of the holding company are immaterial. Their voice is silent, and some agency of the Government, perhaps wholly unfamiliar with the factors involved, the problems legitimate and proper to be solved in carrying out the functions of a utility company, is substituted. The power conferred upon the Commission is autocratic.

It has the power to require a registered holding company, and also every subsidiary to reorganize or dissolve if, in its opinion, it regards the structure or existence of the system as unduly or unnecessarily complicated.

Under the bill substantially all of the electric power companies of the United States are placed in the hands of this Commission. Property of the value of billions of dollars may, and doubtless will, suffer a serious reduction in its value. Indeed, under the power granted to the Commission it may be said without exaggeration that values may be destroyed and property confiscated. Obviously, the attempts at dissolution, compelled by the Commission, will result in numerous losses to millions of individuals who have purchased stocks of utility companies in good faith. The dismemberment of companies as required by the Commission will present a serious situation, which will inevitably result in the destruction of property values and enormous losses to property holders. It seems clear that the forced dissolution will result in the destruction not only of corporate, that is, stock, bond, and security values, but of the physical properties of various utilities. In the face of the destructive and ruthless policy which the measure before us compels the execution of, it will be almost impossible to reorganize or to find purchasers for dismembered branches of a utility system.

It would seem inevitable that many of the holding companies will be thrown into bankruptcy courts under the provisions of 77–B of the Bankruptcy Act though its assets may be greatly in excess of its liabilities. I cannot help but believe that the drastic provisions of the bill will result in the destruction not only of the holding companies but of subsidiaries and, indeed, some of the primary or operating utility companies themselves.

I invite attention to paragraph D of section 11, which reveals the oppressive character of the section and the dangerous powers which are conferred upon the Commission—powers which will inevitably be destructive of property values and result in serious losses to millions of bona fide holders of stocks in utilities. The paragraph referred to empowers the Commission to apply to a court to compel compliance with any of its orders for partial or complete disintegration of holding companies. The court, as I read the provision, is required to take possession of all the assets of the company regardless of their situs. But that is not the only provision that is extraordinary and indeed oppressive. It compels the court to constitute and appoint the Commission as sole trustee to administer, under the direction of the court, all of the assets of the company. It seems to me that this proposition is so unjust, and is fraught with so much of danger, if not evil, that it ought to be eliminated.

As I interpret the section, proceedings in bankruptcy are inevitable, and efforts to effect reorganization are so hedged about by difficulties as to amount to a frustration of sincere efforts by bona fide stockholders to save from the wreck resulting from the dissolution proceedings a remnant of their investments.

The Court, in paragraph D, compelled to constitute and appoint the Commission as sole trustee during the formulation and execution of any plans for reorganization, and with such unlimited power possessed by the Commission, it may interpose obstacles to reorganization and retain physical control of the properties for an indefinite period.

Paragraph F, if I correctly interpret it, deals not only with insolvent companies but with those having ample assets and those that are going concerns and are possessed of resources and assets to meet every contingency. Where holding companies, anticipating the enforcement of the provisions of this section, take preliminary steps to secure dissolution and reorganization, and for that purpose apply to the courts, the Commission can prevent the execution of the plan and intrude itself into the picture and obtain the control as sole trustee of all the properties of the company. I hope that I am in error, but as I read the rather bewildering and mystifying provisions I am forced to the conviction that the Commission will obtain control of most of the public utilities within the United States. This will inevitably result in confusion and place the whole utility system in a chaotic condition.

I repeat what I said a moment ago, that values will be destroyed and millions of persons who have invested perhaps their life savings in the stocks and securities of public utilities will discover that their savings have been lost and their securities have become valueless.

If the Commission shall attempt to speedily dissolve and destroy the holding companies, then it is certain that the destruction of tangible and intangible assets will be of tremendous value. If the Commission shall exhibit the characteristics so often found in receivers and organizations charged with reorganizing corporations, then for an indefinite period such reorganizations will not be effected and the public utilities of the United States would be in the utmost confusion to the inconvenience and injury of the public and to the financial disadvantage and injury of those owning the stocks, bonds, and securities of such utilities.

Mr. President, under the limitations of debate agreed upon I cannot analyze the numerous and complicated provisions of the bill before us.

I can only add that there have been great evils resulting from the practices of so-called "holding companies." I do not condone them, nor do I condone the evils and wrongs of many corporations and individuals in the conduct of their business practices.

That holding companies engaged in interstate commerce should be subjected to proper regulations, I believe all will admit, and it will be conceded by all that the National Government has power to regulate interstate commerce, and accordingly to regulate power companies engaged in interstate commerce.

This bill as I interpret it, attempts to regulate intrastate commerce, to deprive the States of their authority to deal with utilities engaged in intrastate business, and to destroy corporations organized under State laws, and which are engaged in activities, which, if not purely intrastate, are essentially intrastate—and directed to limiting the need of local communities and devoid of the qualities of interstate commerce.

I favor strict regulation by the Federal Government of interstate utilities and the adoption of a valid and constitutional policy which will control interstate utilities and eventually bring about the reorganization of all utilities which may fall within the category of interstate public utilities.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY].

Mr. McNARY. Mr. President, may we have the amendment stated by the clerk, or some explanation made of it?

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 57, line 20, it is proposed to strike out the words "competitive bidding" and to insert in lieu thereof the words "maintenance of competitive conditions."

Mr. BARKLEY. Mr. President, this is one of a series of amendments agreed to last Friday in order to make the language still broader. The language now written in the bill refers only to competitive bidding. This amendment would make it applicable to competitive conditions, and two other amendments of the same sort have already been agreed to.

Mr. GORE. Mr. President, the Senator from Utah referred to the draftsmen of the pending bill. I do not believe he stated their names. If he did not, I wish he would.

Mr. KING. Mr. President, the gentlemen referred to are Mr. Corcoran and Mr. Cohen.

Mr. GORE. I had understood that those gentlemen had taken part in drafting the bill. I had also been advised that they were very much opposed to its being amended. I was wondering if the Senator from Utah could enlighten us on that point.

Mr. WHEELER. Mr. President, I am glad to say to the Senator from Oklahoma that the two men who have been mentioned did, under the direction of the President of the United States, help in drawing up the bill. It was worked on not only by these men but it was worked on by Mr. Splawn, of the Interstate Commerce Commission, by the Attorney General of the United States, and by numerous others.

When the bill came before the Committee on Interstate Commerce it was amended at the direction of the committee in numerous respects, and there has not been any objection upon the part of these men, excepting where they felt and I felt that the amendment suggested would thwart the purposes of the measure. They have never taken an arbitrary stand in regard to any amendment. They have only sought to keep the purposes of the bill in accordance with the President's message to the Congress.

Mr. GORE. Mr. President, so far as the Senator from Montana is concerned, I would say that I think he has maintained a fair and judicial attitude in the consideration of the measure and of amendments. I think he has been disposed to give considerate attention to amendments which have been urged upon him, and which seemed to have merit justifying their adoption. I may be in error when I say that the young men referred to were rather dogmatic in their opposition to amendments being adopted, but I have been so advised.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. BARKLEY. I think it is fair to state to the Senate, in connection with the gentlemen whose names have been mentioned, that last summer the President appointed a commission composed of representatives from various departments of the Government to look into this very question, following the report of an investigation which had been conducted for years by the Federal Trade Commission. The pending bill was not framed by any one or by any two men. It was worked out by the interdepartmental committee appointed by the President, and their labors have been invaluable, of course, in trying to make practical the suggestions of the Federal Trade Commission, the Federal Power Commission, and other governmental agencies which have been dealing with the proposition. The bill is not the product of any one mind or of any half dozen minds. It is the product of a committee which worked for months upon the problem and brought out the measure which we now have before us.

Mr. GORE. The Senator from Kentucky is one of the leading members of the Committee on Interstate Commerce of the Senate, an influential member of it. If it be true, or if it be admitted, that the members of that committee are not qualified to draft legislation, and if that admission be made by the members of the committee, I have no disposition to dispute it. Mr. Cohen and Mr. Corcoran have taken part in drafting other important legislation for us to pass, and, since they have not been elected to either branch of Congress, it might be well to attach them to the legislative counsel for one or the other Houses in order that they may obtain full credit and assume full responsibility for their labors. I think legislation upon this subject ought to be enacted, but it ought to be well considered, and calculated to do more good than harm—and constitutional withal.

Mr. TYDINGS. Mr. President, I should like to ask the Senator in charge of the bill a few questions. I refer first to section 13, subsection (d), found on page 58 of the print of the bill I hold in my hand. As I understand that section, it is so broadly drawn that the Federal Power Commission could regulate every concern which sells any material whatsoever to a public-utility commission. Is that true?

Mr. WHEELER. That is not correct. I will explain the purpose of the section.

Mr. TYDINGS. Let me read it to the Senator and see wherein I am in error. The section is found on page 58, and I wish to read it.

Mr. WHEELER. Let me correct the Senator. On Friday the Senator from Kentucky [Mr. BARKLEY] offered an amendment to take care of the very criticism the Senator from Maryland makes.

Mr. TYDINGS. Understand, I am asking the questions only for information, and not having a reprint of the amendments, it is very difficult for us to tell exactly in what shape the bill now is. If the bill were enacted in the form of the print I now hold in my hand it would preclude a hardware

store from selling a hundred feet of hose to a public utility unless it complied with the rules and regulations of the Federal Power Commission. I do not think that was the intention of the authors of the bill. What I am attempting to point out is, however, that this language ought to be contracted so as to deal primarily with affiliate companies, which, I understand, is the purpose of the bill.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. TYDINGS. I yield.

Mr. BARKLEY. On Friday last I offered three amendments, one to be inserted on page 58, proposing to strike out the words "engaged in the business of performing."

Mr. TYDINGS. In what line?

Mr. BARKLEY. Lines 1 and 2; and on other pages wherever that language appears, I propose to insert in lieu of it the words "the principal business of which is the performance of", so that it would read:

It shall be unlawful for any person, the principal business of which is the performance of service, sales—

And so forth. The language would eliminate any concern which casually or incidentally and not as the principal part of its business sells these things to a utility company.

Mr. TYDINGS. Of course, the amendment of the Senator from Kentucky would cure in great part the defect I have pointed out, and I am very glad the Senator has offered the amendment; but let me state a situation which might arise. Suppose a company whose principal business is the furnishing of supplies to a public utility located in Baltimore, we will say, sold some supplies to a utility in West Virginia so as to bring it under the interstate commerce provisions, and suppose there were no connection whatsoever between the supply house in Baltimore and the operating company in West Virginia. Is it the intention of the authors of the bill that such supply house, which normally has as its principal business the furnishing of supplies to a utility, but with which it is not connected, shall have to submit to rules and regulations of the Federal Power Commission?

Mr. WHEELER. There have been many abuses of that kind, and the language was made rather broad because we wanted to be able to prevent abuses which have crept into these service contracts. They have been one of the very worst features of the entire situation, as through them operating utilities have been milked.

Mr. TYDINGS. Let me interrupt the Senator from Montana long enough to say that I quite see the need for the legislation where the companies are affiliates, but I rather question the need for the legislation where the companies have no interlocking or direct or indirect connection. I was wondering whether or not, where there was no connection whatsoever, the Senator still wanted to regulate the supply company.

Mr. WHEELER. We have no intention of regulating the supply company where there is not any connection, and I thought the amendment which was offered by the Senator from Kentucky [Mr. BARKLEY] would cover such a situation.

Mr. TYDINGS. No, Mr. President, the amendment offered by the Senator from Kentucky would cure much of the defect, but in the case of a company in Montana which had no connection with a utility company in North Dakota it could not sell to the latter without complying with the rules and regulations of the Federal Power Commission, whatever they might be.

Mr. WHEELER. I do not think the language of the bill could be construed, and it is not the intention of myself or the committee to have it construed, so as to cover a case such as the Senator has suggested.

Mr. TYDINGS. I believe the Senator from Montana has no intention of causing such a situation as I present, but I respectfully submit that the provision as now written—

It shall be unlawful for any person, the principal business of which is service, sales, or construction contracts for public-utility or holding companies—

would bring about the result I have suggested.

Mr. WHEELER. Let me call the Senator's attention to this language, in addition to the language which the Senator from Kentucky has offered. It shall be unlawful to take—

Any step in the performance of any * * * contract * * * in contravention of such rules and regulations or orders regarding reports * * * disclosure of interest, duration of contracts, and similar matters as the Federal Power Commission deems necessary or appropriate. * * *

Many companies claim not to be affiliated with utility companies. The purpose of the language is to give the Federal Power Commission power to make companies disclose whatever their interest in other companies is. If a company is shown not to have any interest in other companies, then the Commission is given absolute power, and it is its duty to exempt such companies. That is the purpose of the bill.

Mr. TYDINGS. I see what the Senator wishes to accomplish, and I am not out of sympathy with it, but I still respectfully submit that, as this language is drawn, the fair interpretation is that any company whatsoever which sells supplies to a utility-operating company, although there is no connection between them, would be subject to the regulation of the Federal Power Commission. I am not going to press the point, but, having called it to the attention of the Senator, I hope that he and his draftsmen will try to prepare and present an amendment which will accomplish exactly what he wishes to accomplish, but will go no further.

Mr. WHEELER. I will try to work that out.

Mr. TYDINGS. Let me ask another question. Under the bill, holding companies are to be dissolved in a period of 5 to 6 years in certain cases. Suppose a holding company is incorporated in Montana under the laws of the State of Montana, what authority can the Federal Government have to cancel the charter given by a State under its State laws?

Mr. WHEELER. Let me call to the Senator's attention what the Supreme Court of the United States said in the Reading case, and in the Northern Securities case, and in the Tobacco Co. case.

Mr. TYDINGS. I am familiar with those cases, but I may point out to the Senator that in those cases the subject was regulation, and not extinction.

Mr. WHEELER. While the subject was regulation, as a matter of fact the Supreme Court dissolved the Reading Co.

Mr. TYDINGS. That is true.

Mr. WHEELER. The legislature had authorized the specific company to be organized, and the railroad was encouraged to do the very thing which was done in the Reading case, but the Supreme Court dissolved the company.

The PRESIDENT pro tempore. The time of the Senator from Maryland on the bill has expired.

Mr. TYDINGS. Then, I will speak on the amendment. Let me say to the Senator that that was a case where a coal company and a railroad, as I recall, combined.

Mr. WHEELER. That is true.

Mr. TYDINGS. And the policy was held to be against the public interest, and so on. How would a holding company be dissolved on similar grounds?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. BARKLEY. The Reading Co. was a holding company. It was a sort of an overhead bridge to connect the Reading Railroad and the Philadelphia & Reading Coal Co. and one or two others.

Mr. TYDINGS. I rather think that precedent is being extended to cover more territory than the Supreme Court's decision in that case would allow.

Mr. BARKLEY. In that case the Supreme Court read into the act of Congress language which was not even there. Now we are putting the language in this bill so the Supreme Court will not have to read it in.

Mr. TYDINGS. I have not made any profound study of the bill, but those who profess to be constitutional lawyers are a little reluctant to concede the point that the Federal Government can more or less arbitrarily revoke the charter issued by a State.

Mr. WHEELER. When I first started to study this bill the same thought occurred to me which has occurred to the Senator from Maryland. In spite of what someone has said,

I did not take the statements of those who drafted the bill, but I made an independent study of it. I will say that there is no question in the world that the Government of the United States, in a case where a company is engaged in interstate commerce, has the power to say to that company, "You must comply with certain rules so your operations will not be a burden upon interstate commerce. If you are organized in such a way in interstate business that your operations directly or indirectly burden interstate commerce, then the power of Congress is such that it can say you must so organize your company as to comply with such rules and regulations as the Congress of the United States may lay down to relieve that burden upon interstate commerce."

Mr. TYDINGS. That sounds like good law to me, Mr. President. However, I do not understand that the purpose of this bill is to make the holding companies comply with certain rules which deal with interstate commerce, but it is to wipe them out. Without arguing whether they should or should not be wiped out—I am not arguing that question now; probably they should be—what I am trying to find out is whether the Federal Government has the arbitrary power to wipe them out, and should we not make them comply with certain definite rules rather than arbitrarily wipe them out?

Mr. WHEELER. There is not any question at all that Congress, under the rules laid down by the Supreme Court, has the power to say that any company, wherever it is organized, and under whatever circumstances it is organized, which by reason of its organization is engaged in interstate commerce, shall be governed in its operation as directed by Congress. In this bill we have laid down a standard much more carefully than in the case of the Hepburn Act, or in the case of the Sherman antitrust law. In this bill we set up a standard. We say, "Holding companies shall not be allowed to sprawl all over the United States."

Mr. TYDINGS. I see the Senator's line of reasoning. Could a holding company remain in existence if it complied with the regulations?

Mr. WHEELER. Absolutely. We have laid down here a standard for a holding company, and all we say to a holding company is, "If you comply with that standard you can remain in existence. If you do not comply with that standard then you cannot remain in existence."

Mr. TYDINGS. That answers my question. I did not hear the previous argument. In other words, standards are set up, and if a company complies with those standards it can continue doing business.

Mr. WHEELER. Positively.

Mr. TYDINGS. If it does not comply, then it can be dissolved.

Mr. WHEELER. There is no question about that. That is exactly it. What happened in the Hepburn Act case? The Court said, "Here is a holding company, the Reading Co.; here is the Delaware, Lackawanna Co."——

Mr. TYDINGS. The Senator will remember in the early stages of the consideration of this bill I pointed out to him a rather hypothetical case where in the dissolution of a holding company innocent stockholders might be defrauded, and I cited cases where that had been done in the dissolution of other companies. Has the Senator drawn any additional safeguards around provisions for the dissolution of these companies?

Mr. WHEELER. That is exactly what we have done in section (a) of this bill. We have sought in that section to provide the methods by which they shall be dissolved. When they come to the point of dissolution, then we have set up the methods for the protection of investors in the utilities to prevent them from being robbed.

Mr. TYDINGS. By leaving the Federal Power Commission to pass on the dissolution?

Mr. WHEELER. Yes.

Mr. TYDINGS. There are no standards set up for it?

Mr. WHEELER. By simply not only allowing the Federal Power Commission to approve of the set-up; but likewise we are seeking by this bill to have the Federal Power Commission appointed as the receiver or trustee so that the Government itself will be responsible.

Mr. TYDINGS. I will say in conclusion as to my position generally—and then I will surrender the floor—that I think the time has come when interstate power companies ought to be regulated here, and I will be glad to support legislation to accomplish that result. My one fear about the bill, as expressed by the first question I asked, is that in the desire to reach its purpose the measure encompasses fields which it was not intended to enter. It ought to be restricted to its proper field. Secondly, that, notwithstanding the Supreme Court's decision in the Reading case and other cases, I have a fear that in the dissolution of these companies many innocent stockholders, both poor and rich, are likely to be the victims.

Mr. WHEELER. We have heard much about the poor widows and orphans who are going to suffer.

Mr. TYDINGS. And the rich man is entitled to the same consideration as are the poor widows and orphans.

Mr. WHEELER. I agree with the Senator, but the utility people themselves never appeal on behalf of the rich man.

Mr. TYDINGS. I realize that.

Mr. WHEELER. They have appealed on behalf of their indispensable widows and orphans whom they have robbed.

Mr. TYDINGS. Does the Senator intend to add other language to page 58 so as to include the regulation of independent companies which have no tie-in at all with the utility interests?

Mr. WHEELER. Yes, Mr. President; I think we can work that out satisfactorily.

Mr. LONG. Mr. President, my objection to the pending bill is that it is entirely too lenient in its "Mellen food" provisions in the effort to regulate holding companies. The bill is not half strong enough as it is now written.

Mr. WHEELER. I may say that I agree with the Senator from Louisiana, that, instead of being too arbitrary, the drafters of the bill, as well as myself, have been too lenient.

Mr. LONG. Without any question this bill now contains many loopholes, and I have just read down to page 8. To begin with, Mr. President, the Supreme Court of the United States has two lines of jurisprudence. One relates to regulations enforcing acts of Congress and the powers of commissions; also the powers of States and the powers of the courts of States and of the United States to dissolve corporations which are transcending the limitations imposed by legislative bodies. That is no. 1. But there is another line of jurisprudence that comes in, and that is the line which says that management of a corporation cannot be controlled by any court or by any commission operating under Congress or under any State. As an example, we have the American Telephone & Telegraph Co., which owns the Western Electric Co. and the subordinate operating exchange telephone companies. During the years of the depression, 1929, 1930, 1931, and 1932, when the price of steel went down, when the price of wire went down, when the price of copper went down, and the price of all other commodities went down all the way from 25 to 60 percent, nonetheless the Western Electric Co. sold to the operating telephone companies the materials that went into construction and into the operation of those telephone companies at an advance in cost all the way from 25 to 60 and, in some instances, 160 percent, notwithstanding the fact that the price of such commodities was being reduced correspondingly along with other commodities of similar consequence at the time.

The Supreme Court of the United States has protected this practice; I do not say without proper warrant of law; I think probably they have had such warrant; but when we undertook to inquire into this kind of fraudulent transactions—it being no more and no less than highway robbery out in the open for the telephone company to buy material from itself—we ascertained that the A. T. & T. Co. controls the telephone output and therefore controls the purchasing market for telephone supplies, and it will not buy from anybody but the Western Electric Co. No other concern can be in the telephone supply business except the

Western Electric Co., because the A. T. & T. Co. are the only people who buy, and so nobody else can sell any such supplies.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. Does the Senator find anything in this bill having anything to do with the telephone utility-holding companies?

Mr. LONG. I am taking that as an illustration. No, they are left out, as I come to find out. I want to state to the Senator from Missouri that evidently he was not here when I started my remarks.

Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. WHEELER. Let me say to the Senator from Missouri that at this session of Congress I introduced a joint resolution providing for an investigation of the telephone company and appropriating $750,000 for that purpose. The joint resolution was passed by the Senate and also by the House, and at the present time the Federal Trade Commission is investigating the telephone company and their practices. I am entirely familiar with them as the Senator will appreciate——

Mr. CLARK. If the Senator is "entirely familiar with them" there is no use spending $750,000 in the investigation.

Mr. WHEELER. I should not have said, perhaps, that "I am entirely familiar with them", for nobody is "entirely familiar with them." What we want to do is to have an investigation of the telephone situation the same as we had of the utilities. As to the latter, we have the facts and figures, not hearsay testimony, but we have the Federal Trade Commission's report of undisputed facts upon which we can base our action in this instance. We have not mere hearsay upon the floor of the Senate, not what somebody has been told about it, but facts which are undisputed. That is what we are basing this proposed legislation upon.

Now, in reference to the telephone company, as I have said, as chairman of the committee, I introduced that joint resolution, and it passed providing for the investigation, and the investigation is being conducted, but if we sought to include in this bill the railroad companies and the telephone companies the Senators know perfectly well, as everyone else must know, that we would never get any legislation through the present Congress.

Now we are seeking to have this legislation enacted because we have the facts; we know the evils that have been found by the Federal Trade Commission and by other agencies of the Government, and we are endeavoring to enact legislation to cure those evils at this time.

I am reminded, I may say, of what Seward said to Lincoln during the days of the Civil War. Seward, being Secretary of State, called on Lincoln and said that unless Great Britain should stop certain practices he wanted to declare war upon Great Britain. Mr. Lincoln replied and said, "Let us have one war at a time."

Mr. CLARK. Mr. President, if the Senator from Louisiana will yield further—I do not wish to take his time, for I know it is limited——

Mr. LONG. I yield.

Mr. CLARK. I should like simply to suggest to the Senator from Montana that I voted for his joint resolution to appropriate $750,000 to investigate the A. T. & T., which I would not have done had I known that he already was familiar with all the facts, as I understood him to say a moment ago.

Mr. WHEELER. The Senator misunderstood me.

Mr. CLARK. It does seem to me that there is no difference between the evils of a holding company, whether it be a railroad or a gas or a electric holding company or a telephone holding company; the evils would necessarily be inherent in the set-up of the holding company, and, therefore, I cannot understand leaving out a very large portion of the most formidable holding companies of the country.

Mr. LONG. Let me say that the Senator from Missouri is saying what I had just said and was intending a little further on to amplify.

The Senator from Montana and his colleagues on the Interstate Commerce Committee apparently have realized that the whole force of fraud was too big to fight in one battle. That is what the situation is. They have realized that these brigands and highbinders, all combined, are too powerful for Congress to engage in one single battle with them. My experience is that they are a pretty tough lot to get into a fight with. I have been impeached about 16 times by the State legislature trying to fight two of them, and probably my example was of some force with the committee. However, this bill has already been far too much compromised; it is not strong enough; it is not half strong enough. The bill ought not to contain the exceptions on page 8 that are now written into it, because with them it does not mean a thing on the living earth, except that these corporations can come to Washington and get hold of the Commission. That means this bill is not worth the paper on which it is written; and that is just what is going to happen. I have been dealing with these commissions for the last 20 years.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. WHEELER. Let me say in that particular that one of the amendments which is going to be offered to this bill by the Senator from Illinois [Mr. DIETERICH] to section 11 provides exactly the things the Senator is condemning and everyone else is condemning, and, if adopted, would simply enable the Commission to say, "Any of you people may come down here, and if you can show this and show that, then you may be exempted from the operation of this bill." It would simply result in pressure being brought upon the Commission and make it impossible for them to take the action which they should take.

This morning I received something like 2,000 telegrams. By whom were they sent? They were sent by the utility representatives, through their propaganda agencies. To show what an excellent job they can do, this morning after the delivery of my radio speech last night, there were 2,000 telegrams, sent by whom? They were sent by people on whom the utility representatives had called, because they knew previously that I was going to make the speech.

The PRESIDENT pro tempore. The time of the Senator from Louisiana on the amendment has expired.

Mr. LONG. Very well. I will take my time on the bill.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. LONG. I yield to the Senator from Kentucky.

Mr. BARKLEY. Appreciating all the Senator from Louisiana has said and all the Senator from Missouri has said about holding companies in general, I desire to emphasize the difficulty of dealing with the whole subject in one piece of legislation.

The Committee on Interstate Commerce has been investigating railroad holding companies for a number of years. The investigation which the Committee on Banking and Currency conducted of the stock market in New York, lasting over 2 years, revealed one of the most glaring frauds in the matter of holding companies dealing with railroads in this country; but we cannot deal with railroad legislation in the same measure in which we deal with public utilities generally. It is a very serious question whether some day the holding company must not be abandoned as an ailment of American business in all lines.

Mr. LONG. They all ought to be abandoned.

Mr. BARKLEY. But we cannot do that in one measure, and therefore we ought not hesitate to do our duty with respect to the situation covered by the pending bill and wait a more convenient season for dealing with the others.

Mr. LONG. Mr. President, that is what I am pointing out. This bill is not going to accomplish a great deal of good; it will do some good; it is in the right direction; it is along the right road; but the two greatest offenders in this country are the Oil Trust and the Telephone Trust, and I think right next to them are the Power Trust and the Gas Trust. I am willing to get any one of the criminals and all the criminals at one time, because criminals they are under natural laws

which ever since I came to the age of reason I have been taught to believe show the difference between right and wrong.

I hope we are not going to continue to emasculate this bill. I am very sorry the provision on page 8 is found in the bill. Why am I sorry? Because, notwithstanding the case of the Ohio Oil Co. against the Interstate Commerce Commission, which occurred, I suppose, back in Two Hundred and Thirty-fourth United States Reports, away back perhaps 30 years ago, the Interstate Commerce Commission, which was given jurisdiction over the pipe lines of the Standard Oil Co. and the Prairie Gas & Pipe Line Co., which had an interwoven monopoly, the I. C. C. has never raised a finger for 30 years against that gigantic fraud. They did not have to come down here and undertake to get exempted. The Commission did exempt them from the day the Commission won the case in the United States Supreme Court, although this gigantic fraud was condemned as being an imposition upon the producer and upon transportation and upon the markets of the world. Nonetheless, they have been given absolute carte blanche from the day of the decision of the United States Supreme Court to the present time.

The fact, further, is that this same corporation, the Standard Oil Co., is today the controller of the gas market of the United States. Through its controlled, interlocked, interwoven pipe lines it controls the transportation and distribution of oil and gas throughout the United States today, if it does not control their actual production. Today we have a bill to control the gas companies, and we have a proviso to exempt the Standard Oil Co. I say we have a proviso to exempt the Standard Oil Co. because, if there shall happen in the future what happened in the past—and I have only that lamp to guide my feet—the Standard Oil Co. will be exempted by these boards and commissions just as it has been exempted for 30 years.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. I do not know whether the Senator is familiar with the fact that there is a difference between the original committee print of the bill as reported by the committee and the bill now before the Senate. There are a number of changes, not in one paragraph alone, but in several paragraphs, which do exempt at least the Standard Oil Co. of New Jersey. I am advised that only two companies are exempted, the Standard Oil Co. of New Jersey and a copper company, largely controlled by the Mellon interests, which are exempt under provisions as they read after these changes have been made.

Mr. WHEELER. Mr. President, that statement is not quite correct.

Mr. CLARK. To correct that situation I shall later offer an amendment, which I understand the Senator from Montana will accept.

Mr. WHEELER. In order that there may not be any misunderstanding, let me say that what we are seeking to do is to regulate public utilities. During the discussion the Senator from Maine [Mr. WHITE] and other Senators came to me and said, in effect, "Here is a manufacturing concern in my State that is only incidentally interested in the utility business. It sells its little surplus." Some other manufacturing concern might come under the provisions of the bill simply because of its interstate business, which is only incidental. We agreed to accept amendments to eliminate such concerns from the bill, because what we are after is the holding company as it applies to the utility industry.

Mr. CLARK. I do not desire to take the time of the Senator from Louisiana, which I know is limited, because I wish to take up this subject matter in my own time; but the Standard Oil Co. of New Jersey unquestionably own great pipe lines extending all over the United States, from Amarillo to Chicago, from Amarillo to Denver, and through Ohio and other States. They serve the city of Cleveland outright. They are exempted under the general provisions of the bill. The Senate has had no real opportunity to consider this matter. I also understand the Mellon holding company is exempt under the terms of the bill.

Mr. LONG. I understand the Senator from Montana is willing to make the correction contemplated by the amendment which is to be offered by the Senator from Missouri.

The Congress might as well find out how strong this Oil Trust is. I have had a little experience with it in and out of Congress and in and out of the State legislature. I want the United States Senate to find out how strong the Standard Oil Co. is. Is this the United States Senate of the Standard Oil Co., or is this the United States Senate of the people of the United States? That is what I want to find out.

I admit that the Senators who are members of the Interstate Commerce Committee probably used good judgment in a way, but we cannot yield to the Standard Oil Co. They will tear this bill to pieces. It will not be worth a thing after they get through with it. I attended but one meeting of the committee when it was considering the bill, and I do not mind telling why. I am a member of the Interstate Commerce Committee and I gave my proxy to vote to the chairman of the committee, and told him to vote me as he voted throughout on the bill. Had he had my experience I believe he would have put the clamps on a little bit quicker and saved the situation. I believe he would have said, "We are going to halt you brigands right here, and no further shall you go." Then we hear the cry, "You are about to dissolve one of these corporations. You are about to interfere with these evil practices." They have the blood of Cain on their hands, and yet come crying here to somebody that we are about to dissolve these self-confessed, convicted swindlers and thieves who are robbing everybody from the orphan up and the country down.

Then there is some talk that we should be very careful and very meticulous lest we wade in and step on some geranium that is planted here. This bunch of thieves and criminals who have robbed the country, who have familiarized themselves with the payment of every insurance policy and the day it is paid, and have gone to the widow and laid before her some stock that was watered up to about 40 times its real value and sold it to her, now come in and make a great fuss and pretense and tell us we had better be careful where we are trampling.

The Standard Oil Co., if the Senator from Missouri [Mr. CLARK] is right, has already eliminated itself. The telephone company has eliminated itself. We have had an investigation by the Interstate Commerce Commission or the Federal Communications Commission. I want to call attention to the fact that the telephone company has been under the jurisdiction of the Interstate Commerce Commission for 40 years, and nothing has ever been done about interstate telephone practices and rates since the Commission has been in existence. I am fresh from a case where they segregated their intrastate business from their interstate business, showing a high profit on their interstate business in order that they might show a correspondingly low return on their intrastate business, and notwithstanding the constant showing of that kind of immense profit on their interstate business we have never been able to get a word out of the Interstate Commerce Commission, nor have we been able to get them to do anything with the telephone company.

The Telephone Trust has gone ahead as it pleased. The Standard Oil Trust has gone ahead as it pleased. They have reached in and taken over the gas properties, and about all that is left in the business today, as I see the bill, is electricity, and I do not know whether there is much left in connection with it or not.

If we are going to have a bill let us have a bill and not just a guess. I am not so friendly with the administration that is now in office. I was not so friendly with the administration that passed out a couple of years ago, nor am I with the one that is now in. I think I have sensed somewhere in the air a funny feeling about the matter. The Senate passed the T. V. A. bill and it went over to the House. The House has tied up the T. V. A. bill. Does anyone here have so little sense as not to know, that it is the same administration up in the White House that is running the

House of Representatives and can do with the House of Representatives whatever it wants to do, that it could bring the T. V. A. bill out tomorrow morning if it wanted to do so? Does it think it can put that kind of a halter around my simlin head and expect me not to know it? Anybody who has followed the situation knows that the Members of the other body are being flooded with patronage, that all kinds of jobs are being handed out to them, and that is what is controlling the situation. I know it whether anybody else knows it or not. I do not have to put my head up against a brick wall and refuse to see what I know is there.

Further, if we have to yield and let the Standard Oil Co. get out and the Telephone Co. get out, I know what is the cause of that, and at this time we ought to know why Mr. Vincent Astor's Chase National Bank-Standard Oil-Rockefeller Co. is out of this bill or in this bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, line 18, after the word "evils", it is proposed to strike out the words "connected with the public-utility holding company as enumerated in this section" and insert in lieu thereof the following:

As enumerated in this section, connected with the public-utility holding companies which are engaged in interstate commerce or in activities which directly affect or burden interstate commerce.

Mr. McKELLAR. Mr. President, on Friday I offered practically the same amendment to come in after line 3, on page 6. After talking with the chairman of the committee, the wording was slightly changed in order to make it conform to the recent decision of the Supreme Court. The chairman of the committee said he was willing to accept the amendment.

Mr. WHITE. Mr. President, may I ask the Senator where the amendment comes in?

Mr. McKELLAR. It comes in on page 5.

Mr. WHITE. Is that page 5 of the old print or page 5 of the new print of the bill, showing the amendments agreed to?

Mr. McKELLAR. It is page 5 of the old print of the bill. If the Senator will look at line 18, I will explain just how the amendment comes in.

Beginning on page 5, at line 15, the bill reads:

(c) It is hereby declared to be the policy of this title, in accordance with which policy all the provisions of this title shall be interpreted, to meet the problems and eliminate the evils—

As it is now, after that these words occur—

connected with the public-utility holding company as enumerated in this section.

That language I propose to strike out, and to insert the definition recently given by the Supreme Court in the Schechter case, so that it will read:

Connected with public-utility holding companies which are engaged in interstate commerce, or in activities which directly affect or burden interstate commerce.

To my mind, the amendment would go very far to insure the constitutionality of the measure, because it would bring it directly within the decision of the Supreme Court in the Schechter case.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I have another amendment which I do not believe we have entirely agreed upon.

On page 52 of the reprint of the bill, beginning at line 12, subsection (f), the language has been amended to read as follows:

In any proceeding in a court of the United States, whether under this section or otherwise, in which a receiver or trustee is appointed for any registered holding company, or any subsidiary company thereof—

And I call especial attention to the language I am now going to read—

the court shall have power, and, at the request of the Commission, it shall be the duty of the court, to constitute and appoint the Commission as sole trustee or receiver, subject to the directions and orders of the court.

That language is an improvement on the language of the original bill; but I desire to suggest to the chairman of the committee that in lines 15, 16, and 17 the words "shall have power, and, at the request of the Commission, it shall be the duty of the court to" be stricken out, and the word "may" inserted, so that, if amended, it will read as follows:

In any proceeding in a court of the United States, whether under this section or otherwise, in which a receiver or trustee is appointed for any registered holding company, or any subsidiary company thereof, the court may constitute and appoint the Commission as sole trustee or receiver, subject to the directions and orders of the court.

I offer that amendment, Mr. President. I hope the Senator from Montana will accept it; and I will say to him that I should then be perfectly willing to offer the suggested amendment which the Senator handed me a few moments ago, which would accord with the words I have just offered.

Mr. WHEELER. Mr. President, let me say to the Senator from Tennessee, referring to his tendered amendment, that the purpose of the amendment on page 52 as it stands at the present time is to do just exactly what the Senator from Maryland [Mr. TYDINGS] a moment ago said should be done; that is, that in this bill we should do everything possible to protect investors under a reorganization plan.

When a reorganization plan is offered, if the utilities can go to some one of the Federal judges and pick out a receiver or a trustee who is friendly to them, they can perpetrate a fraud and a racket upon the investor.

I appreciate the fact that the Senator from Tennessee is absolutely in sympathy with the purpose expressed in this bill; and, as I understand, the only thing the Senator is afraid of is that the court may say, "I have the power and the right to appoint anybody I wish to appoint as receiver or trustee, and the Congress of the United States has not any right to limit my discretion in appointing a trustee or receiver."

Remember that under the language of the bill we say that the Commission shall be appointed. Of course, that means that when the Commission shall be appointed receiver, it will pick out either one of its members or some one of its officers to administer the trusteeship or receivership.

Mr. CLARK. Mr. President, will the Senator from Tennessee yield to me for the purpose of asking a question?

Mr. McKELLAR. Yes; I yield to the Senator from Missouri.

Mr. CLARK. Does the Senator from Montana know any reason on earth why Federal Commissioners appointed by the President and confirmed by the Senate necessarily have a higher standard of honor, or a higher standard of any sort, than a Federal judge appointed by the President and confirmed by the Senate?

I must say to the Senator from Montana that I cannot go along with him in this statement that somebody may sneak in to one of the Federal judges. Somebody is just as likely to sneak in to a member of the Federal Securities Commission.

Mr. McKELLAR. Mr. President, I understand and fully appreciate the argument of the Senator from Missouri; but that is not exactly the matter to which I am attempting to direct my remarks. Here we have a nominal jurisdiction granted to the court to appoint a receiver, but actually the Commission can appoint whomsoever it pleases. If this language, "shall have power, and, at the request of the Commission, it shall be the duty of the court, to" be stricken out, and the word "may" inserted in lieu thereof, I have no doubt in the world that the court will invariably confer with the Commission before it makes an appointment.

I desire to say to the Senator from Montana that, in my judgment, if he attempts to give authority to the Commission to appoint the trustee, or to appoint itself trustee, while ostensibly giving that authority to the court, it is sure to bring about trouble. I really believe the Senator from

Montana will make a great mistake if he does not accept language that will bring about a reasonable settlement of this matter in conformity with the well-known principles of law and practice in such cases.

I do not agree with the Senator from Montana that Federal judges are dishonest or corrupt. If they appointed somebody in the interest of these companies, they would be acting fraudulently and corruptly. So far as I am concerned, I am a great believer in the court; and I think it is most essential to leave this provision in the nature of an advice or a direction to the court, but not make it the duty of the court to appoint the Commission. By the way, I think the paragraph would be very much stronger if it provided for the appointment of some member of the Commission. When the Commission itself is appointed, it may mean the office boy, or it may mean a member of the Commission. We do not know who it will be. It is a "cat in a bag."

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McKELLAR. Yes; I yield.

Mr. CLARK. The principle of the bill is not to vest any discretion in the Federal courts, but to vest every and any sort of discretion in the Securities Commission.

Mr. McKELLAR. The Members of the Senate, in view of their recent experience, ought to know that it is a dangerous thing for one branch of the Government to trespass upon the rights of another branch.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McKELLAR. Yes; I yield.

Mr. BARKLEY. I appreciate the force of what the Senator says. Of course, this is an administrative duty of the court. It is not like telling the court how to decide the law, or as to equities among investors, or how a reorganization shall be brought about. The appointment of receivers is an administrative matter which is performed by courts.

Mr. McKELLAR. Why not take away from the courts the right to appoint a receiver and vest it in the Commission?

Mr. BARKLEY. I think Congress has the power to direct a court which is its creature with respect to the appointment of receivers.

Mr. CLARK. Mr. President, if the Senator will yield——

Mr. BARKLEY. Just a moment. Another thing that enters into the matter is to avoid, as the Senator from Montana has repeatedly said, the appointment of outsiders, or insiders, as a matter of fact; and that is no reflection on the integrity of the court. We all know how frequently these things come about. Application is made to the court for the appointment of a receiver or a trustee——

The PRESIDENT pro tempore. The time of the Senator from Tennessee on the amendment has expired.

Mr. CLARK. Mr. President, I claim the floor in my own right on the amendment.

The PRESIDENT pro tempore. The Senator from Missouri is recognized on the amendment.

Mr. CLARK. I should like to reply to what the Senator from Kentucky has said, if the Senator from Tennessee will permit me to do so.

Mr. McKELLAR. I shall be very glad to have the Senator do so.

Mr. CLARK. Then I shall be very happy to permit the Senator from Tennessee to consume the rest of my time, because I have been trespassing on his time.

I think the Senator from Kentucky has misstated the theory of a receivership. The theory of a receivership is that the insolvent property is intrusted to the jurisdiction of the judge, the head of the judicial system in that jurisdiction.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. McKELLAR. I imagine the framing of this particular language was brought about—indeed, I am rather inclined to think the chairman of the committee told me it was—because of many scandals in the appointment of receivers. We all know that that has taken place; but with this language changed as I propose to change it, a repetition of such scandals would be almost impossible.

Mr. CLARK. Mr. President, if the language which the Senator has proposed to insert in the bill is offered as a result of just criticisms or unjust criticisms of Federal receiverships, the remedy is to change the law, and, if necessary, to change the Constitution so as to make it easier to impeach or to remove Federal judges who misuse their offices.

The whole theory of a receivership is that the insolvent estate is put into the hands of a judge; and when a receiver is appointed, according to the theory of the law as it has always been up to the time this particular measure came along, the theory has been that the receiver was merely the agent of the court, for whom the court was responsible, over whom the court exercised the ultimate control; and we all know that judges have been impeached, and once in a while a judge has been convicted, because of the acts of his receivers.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. CLARK. In just a moment. This proposition, Mr. President, is simply to restrain the discretion of the judge, as the Senator from Kentucky [Mr. BARKLEY] very well said, to make his office a mere administrative one, removing all responsibility whatever from the judge.

Mr. BARKLEY. Mr. President, if the Senator will yield, let me say that the bill does not do that.

Mr. CLARK. Mr. President, I insist that it does do that. I shall be glad to yield to the Senator from Kentucky in just a moment. I wish, first, to finish this thought.

This proposition is to do away with the whole principle of agency of the court, which the whole receivership theory has always been.

Now I yield to the Senator from Kentucky.

Mr. BARKLEY. The language which has been included in the amendment of the Senator from Montana negatives the very suggestion, because, after the appointment of the Commission as receiver, it is subject to the directions and orders of the court.

Mr. CLARK. In other words, Congress is to appoint an agent and then hold the Federal court responsible for the acts of the agent. That is the Senator's proposition, as I understand. I agree with the Senator from Tennessee that the present form of the section is a very great improvement over the original section.

Mr. McKELLAR. There is no question about it.

Mr. CLARK. But the Senator wants a Federal judge to appoint an agent, and he may be any agent the Commission may nominate. He may be the office boy, as the Senator from Tennessee said, or he may be any sort of a young lawyer. The court appoints the Commission, and then the Commission sends out an emissary to act as its agent.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. WHEELER. Let me say to the Senator that this does not change the bill in any way. There is a precedent for it at the present time in a law which was enacted during a recent session of the Congress. In applying the rule to the reorganization of railroads, we provided that when a petition was filed with the Federal court, the court should make a selection from a panel. We did not provide that he had to appoint a receiver, but that if he appointed a receiver he had to make his selection from a panel furnished him.

Mr. CLARK. I am very familiar with that act, and I have very grave doubt as to its constitutionality, so far as any compulsion on a judge to select a trustee from a panel is concerned. Nevertheless, that is essentially a different proposition from the one before us.

Mr. WHEELER. The same principle applies, for the reason that these courts are statutory courts. When the Senator talks of its constitutionality, I reply that there cannot be any question as to its constitutionality.

Mr. McKELLAR. I am not sure that the Senator is right about that.

Mr. WHEELER. There is no question about the constitutionality of it. There may be some question about the wisdom of the policy.

Mr. CLARK. I did not say a word about the constitutionality. The Senator is putting words into my mouth which I did not use. I said I had very grave doubt as to whether the act to which the Senator referred, compelling a Federal judge to appoint trustees from a particular panel, is constitutional; and I do have grave doubts as to its constitutionality. That is essentially a different proposition, and entirely immaterial to the argument now being made.

Mr. WHEELER. These courts are constitutional courts. The only jurisdiction they have is what the Congress of the United States has granted them, and one of the powers Congress has granted to these judges is, under the equity procedure, to appoint trustees and receivers under certain circumstances. If we have the power to give them that authority, we have the power to limit their jurisdiction with reference to it.

I myself felt that the bill as it originally came before us, where it provided that the Commission could throw companies into bankruptcy, was too broad, and I worked out with the Senator from North Carolina [Mr. BAILEY] an amendment, which was offered and which has been adopted.

Mr. CLARK. That amendment has been adopted?

Mr. WHEELER. Yes.

Mr. McKELLAR. There is an amendment to the amendment here.

Mr. WHEELER. An amendment has been adopted which the Senator from North Carolina and I worked out. I have no interest in the matter, and nobody else has, except that, so far as it is humanly possible, we want to protect the investors who, the utility people say, will be ruined. I know, as a matter of fact, that one of these companies which has been one of the worst in the United States will probably apply to the courts in a very short time for a receivership or trusteeship for the purpose of reorganizing, because it is in such shape that that must be done. I know just as well as that I am standing here that if that is done they expect to go into the Federal court and undertake to have trustees and receivers appointed, and without casting any reflection upon any court, we do not need to do that. The Senate of the United States, under the leadership of the Chairman of the Judiciary Committee of the Senate, has been investigating receiverships from one end of the country to the other, and every Member of the Senate who has followed the investigation knows that there has been wide-spread scandal.

Mr. CLARK. Mr. President, as the Senator knows I am not in agreement with a great many things which have happened in connection with the Federal courts; but I emphatically and violently disagree with the Senator from Montana in his belief that a commission set up in Washington is necessarily infallible, and will always be pure, and will always be superior to the wisdom of any Federal judge.

A few years ago, during the administration of the late President Wilson, the Federal Trade Commission was set up. The original personnel of that Commission was particularly designed and appointed for the purpose of carrying out the purposes of the Federal Trade Commission Act. In fact, several members of the Commission first appointed to the Commission had participated in the drawing of the act. As I understand, it is contemplated that if the measure before us shall be enacted, some of the men who have participated in drafting it will be appointed on the Securities Commission, which up to date has done exceedingly well.

President Wilson died, the party which sponsored the Federal Trade Commission Act was defeated and driven from power, and one of the first acts of President Harding was to appoint on the Federal Trade Commission Mr. William E. Humphrey. I do not wish to reflect on Mr. Humphrey, who is dead. As a matter of fact, he was a personal friend of mine in his lifetime, when he served in the House of Representatives. But his whole conception and his whole idea of the function of the Federal Trade Commission was diametrically opposite to that of the President who had recommended the establishment of the Federal Trade Commission, and the Representatives and Senators who had led the fight for its creation. He proceeded completely to reverse the whole theory of the function of the Federal Trade Commission.

I see a man in the press gallery at this moment who took an interview from Mr. Humphrey in which Mr. Humphrey specifically said, "What the hell do you think I was appointed for?" In other words, he was appointed for the sole purpose of reversing the entire intent and purpose of the Federal Trade Commission Act.

I say that I very violently disagree with the theory of the Senator from Montana and of the other sponsors of the bill that any sort of a commission functioning from Washington, through emissaries, or agents, or attorneys, is to be preferred in its discretion to a Federal judge, appointed to one of the very highest honors in this country, appointed by the President usually after careful and most meticulous selection, and confirmed by the United States Senate.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. McKELLAR. In line with what the Senator is saying, I should like to repeat something I think I mentioned on the floor of the Senate the other day. The representative of a commission now in existence in Washington came to the Capitol to see about a bill being considered before the Committee on Post Offices and Post Roads, of which I am chairman, and he brought with him a man who had charge of the particular department concerned with the bill. From the way he acted and from what he said I judged that the latter gentleman was not connected with the commission at all, but represented the companies which were interested.

The PRESIDING OFFICER (Mr. HATCH in the chair). The Senator from Tennessee has already exhausted his time.

Mr. McKELLAR. I am speaking in the time of the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri has also exhausted his time.

Mr. McKELLAR. Then I will speak in my own right.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McKELLAR. I have time on the bill.

The PRESIDING OFFICER. The Senator from Tennessee is recognized on the bill.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. HASTINGS. Let me call the attention of the Senator from Tennessee to the last four lines of paragraph (f), which we are now discussing, in response to the suggestion that the Commission is to be appointed receiver because of the bad conditions which have been developed in connection with the appointment of receivers. Most of those criticisms are due to the compensation allowed receivers. But in the very bill before us it is provided that the Commission shall be entitled to such reasonable compensation for its services as trustee or receiver in any proceeding as the court may allow. I should like to inquire how that relieves us under any condition of the trouble we have experienced in the past.

Mr. McKELLAR. Mr. President, I may say that I hope to have those lines stricken out, because I think that is an open invitation to bring about the very state of scandal of which the Senator from Montana, the chairman of the committee, spoke a few moments ago, and I do not think such a provision ought to be in the bill.

Mr. GORE and Mr. CLARK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Tennessee yield; and if so, to whom?

Mr. McKELLAR. I yield first to the Senator from Oklahoma.

Mr. GORE. I rose to say to the Senator from Delaware that I intend to move to strike out the language to which he has referred and the whole provision. I think it would be a nest of scandal and ought not to be in the law.

Mr. CLARK. If those lines remain in the bill, would not the language authorize any Federal judge who happened to be particularly amenable to Federal influence to mulct the

stockholders or the security holders of any of these companies in any sum that a commission might wish to pay any agent who was sent out?

Mr. McKELLAR. I think the language is very unfortunate, and I very much hope the chairman of the committee will be willing, as I believe he will be, to strike it out.

Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield.

Mr. WHEELER. I was interrupted, but I believe the Senator was referring to the compensation feature.

Mr. McKELLAR. Yes; as provided on page 57.

Mr. WHEELER. The intention was not to provide for the payment of compensation but for the payment of expenses. The Senator from Oklahoma [Mr. GORE] called my attention to it, and I said to the Senator from Oklahoma that I thought the most the commission ought to be paid was simply the actual expenses they incurred.

Mr. CLARK. Will the Senator from Tennesse yield?

Mr. McKELLAR. I yield.

Mr. CLARK. If the Commission should choose to appoint a lawyer and pay him $100,000 a year to act as attorney for the Commission in the receivership of some company, and the court chose to approve it, that would bring back every vicious practice that has ever been complained of and many more.

Mr. McKELLAR. I agree with the Senator from Missouri entirely. I think it would invite trouble of the kind which it is desired to avoid, and I am quite sure, knowing the chairman of the committee as I do, that he will not insist on that language remaining in the bill.

Mr. WHEELER. If it is desired to strike out the words "The commission shall be entitled to such reasonable compensation for its services as trustee or receiver in any proceeding as the court may allow", I am quite willing to have them stricken out.

Mr. McKELLAR. I move that the language in lines 15, 16, 17, and 18 on page 53 of the bill be stricken out.

Mr. BARKLEY. Mr. President, there is an amendment pending. Another cannot be offered until the pending amendment shall have been acted upon.

Mr. GORE. I wish to express my hearty concurrence in that amendment. I had intended to make that motion. I discussed this matter with the chairman of the committee last week, and he indicated not only a willingness but a desire that this language should be modified, and that nothing more than expenses should be allowed. I think even expenses should be limited.

Mr. WHEELER. Has that motion been acted on?

Mr. McKELLAR. It has not been acted on.

The PRESIDING OFFICER. The parliamentary situation is as follows: There is pending an amendment offered by the Senator from Tennessee which has not been acted on.

Mr. McKELLAR. If it is not in order, I ask to withdraw my previous amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. McKELLAR. I now wish to say to the chairman of the committee and to the Senate that I am very anxious to vote for this bill, but I am also anxious that it be a constitutional measure. I have talked it over with the Senator from Montana a number of times. The language on page 52 which I ask to have stricken out is as follows:

> The court shall have power, and, at the request of the Commission, it shall be the duty of the court, to constitute and appoint the Commission as sole trustee or receiver.

I think that language ought to be eliminated. The courts are going to construe this bill; the courts are going to determine what this bill means; and we are here saying to the courts, "We have no confidence in you. Ordinarily it is true you appoint receivers, but we are going to take this power away from you. We are going to invade your province and take this power away from you." I do not think we ought to pass such legislation. I do not think by this bill we ought to slap the courts in the face.

I believe in courts. Sometimes they do wrong, of course; they sometimes fail to do what they ought to do. They are not perfect; but neither are commissions perfect. From my experience with commissions and with courts, I believe I would rather trust the courts.

Mr. WHEELER. What the Senator wants to do is to strike out the language:

> The court shall have power, and at the request of the Commission, it shall be the duty of the court—

And so forth?

Mr. McKELLAR. And insert the word "may", so as to indicate that is what Congress wants to be done, but not control the court or undertake to control the court.

Mr. WHEELER. I will be willing to take that language to conference.

Mr. McKELLAR. I thank the Senator, and I hope the amendment will now be voted on, and then I will offer the amendment which I have just withdrawn.

Mr. GORE. Mr. President, I wish to suggest an amendment which I think the Senator from Tennessee will accept.

Mr. McKELLAR. Is that with reference to the pending amendment striking out the language I have just indicated?

Mr. GORE. No.

Mr. McKELLAR. Will the Senator let that amendment be voted on first?

Mr. GORE. I wish to insert the words, "The Commission or any member thereof."

The PRESIDING OFFICER. The pending amendment will be stated.

The CHIEF CLERK. In the original copy or print of the bill——

Mr. CLARK. Mr. President, which is the original copy? We have had so many copies of this bill that it is difficult to know just what copy is being referred to.

Mr. McKELLAR. Let us have the language stated, and then we will know which copy is being used.

The CHIEF CLERK. On page 50——

Mr. CLARK. Mr. President, is the clerk reading from the original copy, S. 2796, or the reprint?

Mr. WHEELER. The clerk is reading from the original bill.

The PRESIDING OFFICER. The bill before the Senate is S. 2796, reported May 13, calendar day May 14, 1935.

Mr. McKELLAR. If the clerk will read the language, I am quite sure we will be able to tell from which copy of the bill he is reading.

The CHIEF CLERK. On page 50, line 22, it is proposed to strike out—

> The Commission shall be entitled to such reasonable compensation for its services as trustee or receiver in any proceeding as the court may allow.

Mr. CLARK. I suggest to the Senator from Tennessee that the language of that entire section has been somewhat changed by the latest amendment.

Mr. BARKLEY. Mr. President, we are dealing with the original bill without these italicized amendments. They were printed for the convenience of Senators, but in the RECORD we are considering the original bill.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Do I understand on page 52 of the latest print the language in italics—

> In any proceeding in a court of the United States, whether under this section or otherwise—

and so forth, has not been adopted by the Senate?

Mr. BARKLEY. It has been adopted. We agreed Friday to print the amendments in the bill which had been adopted, so that Members could see what had been acted upon, but in the consideration of the bill as a matter of record for the Journal we must consider, I suppose, the original bill, and the changes in it, without regard to these amendments.

Mr. McKELLAR. In order to obviate that difficulty, if the Senator from Missouri will let us vote on the motion to strike out the language referred to on page 53, then I will ask for a reconsideration so we can vote on the other amendments.

Mr. WHEELER. Mr. President, I wish to address myself to the Senator from Tennessee [Mr. McKELLAR] and the

Senator from Missouri [Mr. CLARK]. If this language is changed to "may" and is agreed to, would the Senator have any objection to putting in the bill a provision—this language was just called to my attention by the Senator from Washington [Mr. SCHWELLENBACH]—to the effect—

Provided, That before the court shall appoint any receiver or trustee it shall notify the Commission of the fact that it is about to appoint such receiver or trustee.

Mr. CLARK. I would not have the slightest objection to that, and more than that, I think that such an amendment ought to be adopted. The Commission ought to be made a party, given the right to be heard, given a standing in court, but it should not be made mandatory on the court to accept the Commission's ukase.

Mr. McKELLAR. I think the language which the Senator from Montana himself has suggested, which he showed me a while ago, will cover that point.

In any proceeding in which the Commission is appointed trustee or receiver the Commission shall designate a member or officer thereof to carry out the directions or orders of the court.

Why would that not cover it?

Mr. WHEELER. No; it would not quite cover it.

Mr. McKELLAR. If the Senator will change it, I am quite sure we can agree on it.

Mr. CLARK. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. CLARK. If I understand the intention of the Senator from Montana, it is that in any proceeding in which a receiver is applied for, before the receiver shall be appointed the Commission shall be notified and given an opportunity to be heard.

Mr. McKELLAR. I have no objection to that.

Mr. BARKLEY. That amendment ought to be worked out carefully.

Mr. McKELLAR. That can be done later.

Mr. CLARK. That amendment should be carefully drafted.

Mr. WHEELER. I will work it out, Mr. President. That is the language which the Senator from Washington [Mr. SCHWELLENBACH] suggested to me.

Mr. CLARK. Yes.

Mr. GORE. Does that mean that the court is to appoint someone else than the Commission or a member of the Commission?

Mr. McKELLAR. No.

Mr. GORE. I wish to suggest that the Senator include in the final draft some amendment including compensation which shall be paid receivers, whether appointed by the court or whether the Commissioners act as receivers.

Mr. McKELLAR. I think the best way is to let this language be stricken out, as proposed in the pending amendment, and then if there is other language offered it can be taken up later.

Mr. GORE. That will require a motion to reconsider.

Mr. McKELLAR. I ask that a vote may be had upon the pending amendment.

Mr. HASTINGS. May we have the amendment stated?

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed on page 50, line 22, to strike out the words—

The Commission shall be entitled to such reasonable compensation for its services as trustee or receiver in any proceeding as the court may allow.

Mr. BORAH. Mr. President, what copy is the clerk reading from?

Mr. McKELLAR. Mr. President, the language is exactly the same in whatever copy the Senator has. The language has not been changed at all.

Mr. STEIWER. In one copy it appears on page 53.

Mr. BORAH. The clerk said "page 50."

Mr. McKELLAR. It is on page 53 in one copy and on page 50 in the other.

Mr. BORAH. May we have the amendment again stated?

The CHIEF CLERK. It is proposed, on page 50 of the print which has no amendments on it, line 22, to strike out the following language:

The Commission shall be entitled to such reasonable compensation for its services as trustee or receiver in any proceedings as the court may allow.

The PRESIDING OFFICER. Is there objection to the amendment of the Senator from Tennessee?

Mr. BORAH. I have no objection to the amendment, but I should like to know where it is in the bill.

Mr. McKELLAR. I will show it to the Senator. It appears on page 50 of the original draft of the bill.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. McKELLAR. Mr. President, I move to strike out, on page 52, lines 15, 16, and 17, the words:

shall have power, and, at the request of the Commission, it shall be the duty of the court to—

and insert the word "may."

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Has the Senator secured reconsideration of the vote by which this amendment was adopted on Friday?

Mr. McKELLAR. Is that necessary?

Mr. BARKLEY. Yes.

Mr. McKELLAR. I ask unanimous consent to reconsider the vote by which this amendment was adopted on Friday for the purpose of offering my amendment.

The PRESIDING OFFICER. The Senator from Tennessee asks unanimous consent that the vote by which the amendment was agreed to on Friday be reconsidered. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. McKELLAR. Now, Mr. President, ask that the clerk state the amendment.

Mr. HASTINGS. May I suggest to the Senator that it seems to me the Senate ought either to agree to follow the original bill which was reported by the committee or to follow the bill as reprinted.

Mr. McKELLAR. In this case we have to take the reprinted bill, because my amendment is in the form of an amendment to an amendment which was adopted the other day by the Senate.

Mr. CLARK. I think the Senator is in error as to that. I think the bill, with the amendments thereto, was reprinted for the convenience of the Senate, and that, in considering the bill, the Senate should refer to the original bill.

The PRESIDING OFFICER. The Chair will state that the original bill is used at the desk. The amendment offered by the Senator from Tennessee will be stated.

The CHIEF CLERK. On page 49, on motion of Mr. WHEELER, the following amendment was agreed to:

(f) In any proceeding in a court of the United States, whether under this section or otherwise, in which a receiver or trustee is appointed for any registered holding company or any subsidiary company thereof, the court shall have power, and, at the request of the Commission, it shall be the duty of the court to constitute and appoint the Commission as sole trustee or receiver subject to the direction and orders of the court.

In that amendment, the vote on agreeing to which has been reconsidered, Mr. McKELLAR proposes to strike out the words, "shall have power, and, at the request of the Commission, it shall be the duty of the court to" and insert the word, "may", so as to read:

the court may constitute and appoint—

And so forth.

Mr. GORE. Mr. President, I ask the clerk to read the words following the word "constitute."

The Chief Clerk read as follows:

Constitute and appoint the Commission as sole trustee or receiver, subject to the directions and orders of the court.

Mr. GORE. I move to amend by inserting after the word "Commission" the words "or any member thereof." I do that merely in the interest of simplifying the mechanics of the procedure.

Mr. WHEELER. I hope that will not be done, because I think it is much better that the Commission be appointed, and then the Commission may select one of its own members. I have worked that out with the Senator from Tennessee and we agreed upon an amendment which is satisfactory, and I think it is much better, if I may say so, not to add the words suggested by the Senator from Oklahoma.

Mr. McKELLAR. I think it will cover the very point the Senator from Oklahoma has in mind.

Mr. GORE. Very well; I am not familiar with the amendment; and, in view of that statement, I will withdraw mine. My assumption was, however, that the Commission would recommend one of its members to the court and that such member would be appointed. My purpose was to simplify the machinery.

Mr. STEIWER. Mr. President, I merely wish to observe that if the amendment suggested by the Senator from Tennessee shall be agreed to, the difficulty, partially if not entirely, disappears because it is simply permissive. The court is not bound to appoint the Commission. It may then appoint the Commission or any member of the Commission or possibly more than one member of the Commission, if the court, in its judgment, should deem it wise to do so. So if the amendment shall be agreed to by the Senate, the difficulty suggested by the Senator from Oklahoma will no longer exist. I think that affords an argument in behalf of the amendment of the Senator from Tennessee.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Tennessee to the amendment of the Senator from Montana.

The amendment to the amendment was agreed to.

Mr. McKELLAR. Mr. President, the chairman of the committee suggested in conference with me——

The PRESIDING OFFICER. The question now is on agreeing to the amendment as amended.

Mr. McKELLAR. Before that is done, let me say that the amendment I am about to suggest is an amendment to that section. I will ask the Senator from Montana, if he desires to have inserted the following words?—

In any proceeding in which the Commission is appointed trustee or receiver the Commission shall designate a member or officer thereof to carry out the directions and orders of the court.

Mr. WHEELER. I think that would be a good provision.

Mr. McKELLAR. I offer the amendment which I ask the clerk to state.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 50, after line 24, it is proposed to insert:

In any proceeding in which the Commission is appointed trustee or receiver the Commission shall designate a member or officer thereof to carry out the directions and orders of the court.

Mr. BARKLEY. Mr. President, I suggest that the word "may" be used instead of the word "shall." It might be possible in some cases that the whole Commission might desire to act.

Mr. McKELLAR. I have no objection to that modification.

The PRESIDING OFFICER. The Chair is advised that the parliamentary situation is such that the amendment now offered by the Senator from Tennessee does not relate to the amendment of the Senator from Montana, which has been amended. Therefore, the last amendment offered by the Senator from Tennessee is not properly in order at this time.

Mr. McKELLAR. The section has been reconsidered, and is still reconsidered.

The PRESIDENT pro tempore. The Senate only reconsidered the amendment.

Mr. McKELLAR. I ask unanimous consent that the section may be reconsidered, in order that I may present the amendment.

The PRESIDING OFFICER. The entire section does not have to be reconsidered. The question now properly before the Senate is on agreeing to the amendment of the Senator from Montana as amended by the amendment of the Senator from Tennessee. When action shall have been taken on that, then the Senator from Tennessee may present the amendment, and it will be in order.

Mr. BARKLEY. Let us agree on the amendment as amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana as amended by the amendment of the Senator from Tennessee.

The amendment to the amendment was agreed to.

Mr. McKELLAR. Now I offer the amendment to which I have referred.

Mr. LONG. The amendment is now unnecessary, is it not?

The PRESIDING OFFICER. The question now is on the amendment offered by the Senator from Tennessee, which the clerk will state.

The CHIEF CLERK. On page 50, after line 24, it is proposed to insert the following:

In any proceeding in which the Commission is appointed trustee or receiver, the Commission may designate any member or officer thereof to carry out the directions and orders of the court.

Mr. HASTINGS. Mr. President, may I suggest to the Senator from Tennessee that it seems to me that is a very objectionable amendment. The suggestion is made that the court, as I understand, may appoint, but is not required definitely to appoint, the Commission to act as receiver.

Mr. McKELLAR. The amendment does not require the appointment of the Commission; but if the court should appoint the Commission, the Commission could select the person on motion to the court.

Mr. HASTINGS. Of course, the court could appoint anybody who had authority under a statute or otherwise to go and do the particular job for the Commission. In other words, it would make it certain that any careful court under no circumstances would appoint the Commission. I am not opposed to compelling them to appoint the Commission.

Mr. WHEELER. Mr. President, if there is any objection to the amendment of the Senator from Tennessee, let me say that I do not care anything about it at all, and I am perfectly willing that the amendment shall not be adopted. I have no interest in it.

Mr. McKELLAR. If there is any objection to it, I will not insist upon it. The amendment was just a part of the agreement I made with the chairman of the committee.

Mr. WHEELER. If there is any objection to it, I will ask the Senator from Tennessee to withdraw it.

Mr. McKELLAR. I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. CONNALLY. Mr. President, I desire to offer two amendments, which I ask to have lie on the table.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table.

Mr. GORE. Mr. President, the withdrawal of the amendment of the Senator from Tennessee raises a point which I suggested a few moments ago, that the amendment offered by the Senator from Tennessee should be so amended that the court could appoint either the Commission or any member of the Commission. Then the commissioner appointed by the court would be an agency or officer of the court. The amendment just withdrawn would have enabled the Commission when once appointed by the court virtually to have selected the receiver for the court. It seems to me it would simplify the proceedings if the court were invested with the discretion of appointing as receiver either the whole Commission or any member of the Commission, it all being permissive, because I am not certain that we can dictate to the court whom it shall select as receiver.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment.

Mr. BARKLEY. Mr. President, on Friday I offered three amendments which are of the same character, one in lines 1 and 2, page 58; one in lines 23 and 24, page 56; and the third in line 22, on page 69. The amendments went over. I now desire to call up those amendments and have them adopted.

The PRESIDING OFFICER. The first amendment offered by the Senator from Kentucky will be stated.

The CHIEF CLERK. On page 58, line 1, it is proposed to strike out the words "engaged in a business of performing" and insert in lieu thereof the words "the principal business of which is the performance of."

The PRESIDING OFFICER. Without objection, the amendment is——

Mr. LONG. Just a moment. I do not know about this amendment. It comes in on page 58—what line?

Mr. BARKLEY. On page 58, lines 1 and 2.

Mr. LONG. I am sorry the Senator from Missouri is not here.

Mr. BARKLEY. I will say to the Senator from Louisiana that the language, as it now appears, would require to be regulated every concern engaged in the performing of service, whether incidentally or in only small degree or otherwise.

Mr. LONG. That is just the point I wish to make. I think I can convince the Senator about it. For instance, the gas-distributing business is incidental to the oil business, and the utility companies will want to get out on that ground.

Mr. BARKLEY. What we are trying to do is to regulate the set-up companies which are controlled by holding companies, the officers of which sit down at a table and deal with themselves. It has not been thought desirable, on reconsideration of this language to require that every little company that happens to sell a hundred dollars' worth of supplies to some public utility should be controlled or regulated by the Commission.

Mr. LONG. But, if the Senator will pardon me, I should like to refer him to an opinion in the preparation of which I had the honor to have been one of the participants about 16 years ago, in which it is shown that the artificial water-gas industry of this country and the natural-gas industry were incidents to the business of the Oil Trust, although the oil interests contended that the gas companies were subsidiary and only incidental.

Mr. BARKLEY. This provision does not deal with incidental connections. Under the present language of the bill if an ice company or a lumber company or an iron company happens to sell a public utility a hundred dollars' worth or $50 worth of goods produced by it, if it is engaged in the business of selling and happens to sell even a small amount to one of these companies, it might be regulated. It is not the desire to do that. What we are trying to do is to make it possible to regulate those whose principal business is the sale of these facilities.

Mr. LONG. The Senator from Washington [Mr. BONE] and I would like to know the particular line where the amendment is offered.

Mr. BARKLEY. The amendment was offered and discussed on Friday and appears in the RECORD. It comes in on page 58, lines 1 and 2, and proposes to strike out the words "engaged in a business of performing" and to insert in lieu thereof "the principal business of which is the performance of", so as to read:

> It shall be unlawful for any person the principal business of which is the performance of service, sales, or construction contracts for public utility or holding companies—

And so forth, to do these things except under rules and regulations fixed by the Commission.

Mr. LONG. That is exactly what I do not want the bill to do. We are getting to the post with the bill very much weakened. If this provision is weakened, then there is nothing left to hold the bill together.

Mr. BARKLEY. Does the Senator think we ought to assume jurisdiction or attempt to assume jurisdiction over some little local company in the town where I live, or in the town where he lives, which happens to sell some products to a public-utility company? It may be wholly an intrastate transaction in the first place. It is of such insignificance that the Federal Government probably would not desire and the public would not be benefited by having the Federal Government take jurisdiction of it or fix rules and regulations with reference to the sale of such things. What we are seeking to do is to reach the dummies which have been set up by the holding companies in connection with the purchase of supplies and the making of contracts.

Mr. LONG. There are many reasons for which the Commission can exempt these little companies, anyway. If the Senator will turn to page 8, which I discussed a little while ago, he will find that under the various exemptions there made almost any of these companies can be exempted where there is much or any reason to exempt them.

Mr. BARKLEY. The Commission will be dealing with the holding companies and the utility companies and their affiliates.

Mr. LONG. It is very difficult to say what companies are not exempted by the terms of the bill. We come now to the definition about which the Senator is talking, and which prescribes that it must be the principal business in which the company is engaged.

Mr. BARKLEY. Of course, the Senator is now referring to a part of the bill which defines the terms later carried in the bill.

Mr. LONG. If we restrict it to that, what is to be the answer of the people furnishing natural gas? What is to be the answer of the natural- and artificial-gas companies? There is no such thing as an independent gas-distributing system in the United States. I know what I am talking about when I make that statement. There is not a single independent artificial- or natural-gas-distributing business in the whole length and breadth of the United States today, unless it is in some little town so near the gas field that it never gets out anywhere to amount to anything. There may be one or two isolated cases in Texas or Louisiana, but I do not know of any. If we are going to regulate anybody at all, do not let the gas companies get out from under the bill.

Mr. BARKLEY. The little concerns I have in mind are not even included in the definition. It does not make any difference to me, except it seems to me it is probably going too far for the Federal Government to undertake to regulate the sale to a public utility of small quantities of goods by local corporations in small towns.

Mr. LONG. The Senator is more familiar with the bill than I am. Will this allow a big oil company that sells gas and sells oil for gas to exclude itself from being regulated?

Mr. BARKLEY. Not at all, because that is its principal business.

Mr. LONG. No; it is not.

Mr. BARKLEY. It is a part of its principal business.

Mr. LONG. No. I think it is one of their businesses. Their principal business, as they claim, is the production and refining and marketing of oil, and they also claim that the matter of selling their refuse oil and allowing gas to come from the wells is a mere incident. It is a very big thing, but they contend that it is such an incident that no one has been able to regulate it.

Mr. BARKLEY. Would this satisfy the Senator? Strike out the language I have proposed to strike out and have it read:

> It shall be unlawful for any person a substantial part of whose business is the performing of service,

And so forth.

Mr. LONG. I think that is all right.

Mr. BARKLEY. I modify my amendment in that respect. On page 58, lines 1 and 2, I move to strike out the words "engaged in the business of performing" and insert in lieu thereof "a substantial part of whose business is the performance of."

Mr. LONG. That is all right.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed on page 58, lines 1 and 2, to strike out the words "engaged in the business of performing", and insert in lieu thereof the words "a substantial part of whose business is the performance of", so as to make the sentence read:

> It shall be unlawful for any person a substantial part of whose business is the performance of service, sales, or construction contracts for public utility or holding companies—

And so forth.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky.

The amendment was agreed to.

Mr. BARKLEY. I offer the same amendment on page 66, lines 23 and 24.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 66, lines 23 and 24, to strike out the words "engaged in the business of performing" and to insert in lieu thereof the words "a substantial part of whose business is the performance of", so as to read:

Every person a substantial part of whose business is the performance of service, sales, or construction contracts for public utility or holding companies—

And so forth.

The amendment was agreed to.

Mr. BARKLEY. I offer the same amendment on page 69, line 22.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed on page 69, line 22, to strike out the words "engaged in the business of performing" and to insert in lieu thereof the words "a substantial part of whose business is the performance of", so as to read:

It shall be the duty of every mutual service company, and of every affiliate of a mutual service company, and of every person a substantial part of whose business is the performance of service, sales, or construction contracts for public utility or holding companies—

And so forth.

The amendment was agreed to.

Mr. BONE. Mr. President, I have just reentered the Chamber, and I understand that a moment ago an amendment was adopted which restricts the appointment of a receiver in insolvency proceedings, or rather prevents the naming of the Commission as trustee or receiver. I regret that has been done. I feel that some of my brethren may live to regret it.

The Associated Gas & Electric Co., one of the largest outfits in the country, is now facing insolvency proceedings. This movement may result in the naming of one of the men connected with that organization as trustee or receiver. If there be any untoward results arising from such a receivership, this body will surely have to answer for it to the people of the country. The thing will smell to high heaven if they pursue the method so frequently pursued in cases of that kind. We might as well be advised now. If the Associated Gas & Electric Co. should get into trouble and there should be a scandal, I want Senators to remember what I say now on the floor of the Senate today, because I am going to remind them of it. This might easily project itself into a situation that would be a national scandal. We should allow the Government through its own agency to handle the matter if it reaches the stage of receivership.

We had a Federal judge before us not long ago under impeachment proceedings, and we have seen how tainted and corrupt some of these receivership matters may be. When a judge appoints a trustee or a receiver, he frequently names one of his own friends, and then he has a friend practicing law before him. There is not a lawyer in this body who has not seen that thing occur time after time. We almost impeached a Federal judge for doing that identical thing. He should have been impeached. I voted for his impeachment. I think a court ought to be in a class with Caesar's wife—above reproach, above suspicion—and some of our courts have not been above reproach or above suspicion. If there is any scandal connected with this Associated Gas affair, Members of the United States Senate who voted to remove vital receivership control from the hands of the Commission are going to have to bear their share of the moral obloquy resulting from that proceeding, if the poor security holders are rooked, and we might have done something to prevent it, and did not.

Mr. LONG. Mr. President, I did not understand we struck out the appointment of the Commission as trustee or receiver. I understand we merely changed the word "shall" to "may."

Mr. BONE. I want the people of the country to know, after years and years of maladministration of the affairs of these companies, that we come here now with a bill to try to correct some of the abuses, and step by step by this process of attrition, we are tearing the heart out of the bill.

Mr. LONG. Let us quit tearing.

Mr. BLACK. Mr. President, I desire to ask the Senator from Washington a question. Is that the amendment which changed the word "shall" to "may"?

Mr. BONE. Yes.

Mr. BLACK. Does not the Senator, from experience and observation of his own, know that if it is left to the court to appoint receivers, the court will never appoint Government agencies where those agencies are already drawing their salaries from the Government? The natural result and the inevitable result would be that in all instances the receiver in the future, as in the past, will be someone whom the court wants to appoint. Is not that correct?

Mr. BONE. That is the record which has been disclosed by one of our Senate committees. The receivership racket all over the country has become a stench. It is a reproach to our system of administering the law. If Associated Gas cracks up and a bad smell emanates from the receivership, they must not walk away from their responsibility, but they must step up and shoulder it like men. We have tried to secure a form of receivership in these cases that would remove the evils and weaknesses of the present system, and apparently we have failed through this amendment.

Mr. BORAH. Mr. President, I do not know that I understood the Senator as to which particular amendment he was discussing. To what amendment did the Senator refer?

Mr. BONE. I understood the amendment had been adopted which struck out of the bill the requirement that the Commission itself should act as receiver. I think that is wrong.

Mr. BORAH. I did not understand that the Senate struck out the provision that the Commission might be appointed, but my understanding was that it was made discretionary. Is that correct?

Mr. BONE. That is correct.

Mr. WHEELER. Let me say to the Senator that in line with what the Senator from Washington [Mr. SCHWELLENBACH] called attention to, and what I called the attention of two or three Senators to a moment ago, I propose to add a proviso saying that in any such proceeding the court shall not appoint any person other than the Commission as trustee or receiver without notifying the Commission, and giving it an opportunity to be heard before making any such appointment.

That is in accordance with the suggestion of the Senator from Washington [Mr. SCHWELLENBACH] and two or three other Senators. I think it is very helpful to the bill, and will prevent the court from just stepping in and appointing somebody off-hand, without giving any consideration at all to the matter. The Commission will have a right to be heard on the matter.

Is there an amendment pending at the present time?

The PRESIDING OFFICER. There is no amendment pending at the present time.

Mr. BORAH. Mr. President, do I understand that the Senator has offered that amendment, or that he will offer it?

Mr. WHEELER. I am going to offer it in a few moments.

Mr. JOHNSON. Mr. President, I desire to call up an amendment of mine, as well as an amendment of the Senator from Indiana [Mr. MINTON] which was presented last Friday evening.

The amendment in which I am interested has been presented to those who are the sponsors of the bill, and they have rewritten it as a part of the amendment of the Senator from Indiana.

I do not wish to delay this bill, nor do I wish to do anything which may militate against its ultimate passage; and I am willing to accept what has been accorded me in the hope that it will do the job I am seeking to have done. If it does

not do so, ultimately in the other House we shall endeavor to correct anything that may need correcting.

The Senator from Indiana [Mr. MINTON] presented his amendment, which is embraced in the first part of the amendment I send to the desk, and the amendment which I presented is embraced in the second part of the proposed amendment, which now, in his name, if he will permit me, and in mine, I offer.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to amend paragraph 1 of subsection (b) of section 11 by adding at the end of line 10, page 44 of the reported print, after the semicolon, the following:

The Commission may permit as reasonably incidental or economically necessary or appropriate to the operations of said system the retention of an interest in any business (other than the business of a public-utility company as such) in which such registered holding company or such subsidiary company thereof is engaged or has an interest if the Commission finds (1) that such business is affected with a public interest and its rates or charges are regulated by law, and that the retention of such interest in such business is not detrimental to the proper functioning of a single geographically and economically integrated public-utility system, or (2) that such business is solely that of owning and operating farm lands for agricultural or horticultural purposes and is carrying on experimental or developmental work in agriculture or horticulture, in connection with any State or any political subdivision, or educational institution of such State, for the improvement of agriculture or horticulture in such State.

Mr. JOHNSON. Mr. President, I may say in reference to this amendment—particularly the second part thereof, with which I am intimately concerned—that I am seeking to preserve the relationship which now exists between the University of California and a very large acreage in California upon which, by cooperation, the experiments in horticulture and agriculture are conducted.

I should have preferred infinitely a flat exemption; but this is the best that can be done under the circumstances, and is acceptable, as I understand, to the sponsors of the bill. I take it, therefore, in the hope that it may do exactly what I am seeking to do. The Senator from Indiana [Mr. MINTON], if desired, will descant upon the portion of the amendment which relates to the matter in which he is interested.

The situation presented to me is that in my State a very large tract of agricultural land is owned by a holding company, and upon that tract of land the holding company and the university conduct experiments of the widest and highest value to agriculture and horticulture in the State of California, and indeed in the Nation. The appeal was made to me in behalf of this amendment by the University of California and by those personally interested in that great institution, and the amendment which was presented by me this morning is the amendment which was prepared by that institution. So because it does not interfere with the purposes of the bill, because this sort of thing naturally never was designed to be reached or touched by any measure of this sort, I ask that the amendment be accepted by the author of the bill, and that it may become a part of the measure.

Mr. MINTON. Mr. President, the first part of the amendment referred to by the Senator from California is the part which deals with the situation which I brought to the attention of the Senate by an amendment on last Friday.

I will say to the Senate that the amendment now offered by the Senator from California incorporates in it the idea which I had in mind in my amendment, and fully meets that situation, and, if acceptable to the Senate, is agreeable to me. I am glad to go along with the amendment offered by the Senator from California.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from California [Mr. JOHNSON] and the Senator from Indiana [Mr. MINTON].

The amendment was agreed to.

The PRESIDING OFFICER. Does the Senator from Indiana now withdraw the amendment offered by him on last Friday?

Mr. MINTON. Yes; I withdraw the amendment.

Mr. BARKLEY. Mr. President, on Friday I offered three amendments to subsection (b), on page 19, in lines 13 and 16, and at the end of line 19. They went over at the suggestion of the Senator from Idaho [Mr. BORAH]. I have redrawn the amendments and have consulted with him about the matter, and they are now satisfactory.

I therefore withdraw the amendments offered by me on Friday and offer in lieu thereof those which I send to the desk.

The PRESIDING OFFFICER. The former amendments are withdrawn. The amendments now offered by the Senator from Kentucky will be stated.

The CHIEF CLERK. It is proposed to amend subsection (b) of section 3 by inserting in line 13, page 19, after the word "affiliates" and before the word "under", the words "or public-utility companies."

The amendment was agreed to.

The CHIEF CLERK. It is also proposed, in line 16, page 19, after the word "affiliates" and before the word "within", to insert the words "or public-utility companies."

The amendment was agreed to.

The CHIEF CLERK. It is also proposed, at the end of line 19, page 19, before the period, to insert the words—

and not contrary to the purposes of this title: *Provided, however*, That the Commission shall not exempt under this subsection any class of persons as public-utility companies unless the persons included in such class are only incidentally public-utility companies, and are primarily engaged in one or more businesses other than that of a public-utility company.

The amendment was agreed to.

Mr. WHEELER. Mr. President, I send to the desk an amendment of which I spoke a moment ago, and which I have just worked out. It is to add certain language after the word "appointed", on page 50, line 2.

The PRESIDING OFFICER. The Senator from Montana offers an amendment which will be stated.

The CHIEF CLERK. On page 50, line 2, after the word "appointed" and before the period, it is proposed to insert:

And in any such proceeding the court shall not approve any person other than the Commission as trustee or receiver without notifying the Commission and giving it an opportunity to be heard before making any such appointment.

Mr. McKELLAR. Mr. President, is that the amendment which the Senator has worked out?

Mr. WHEELER. That is the amendment I have worked out, as suggested.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

Mr. ADAMS. Mr. President, I desire to call the attention of the Senator from Montana to an inquiry which has arisen in the minds of some of us from the West in reference to subsection (b) on page 113. I wonder if it is open to the interpretation which has occurred to us.

The bill there provides that—

It shall be unlawful for any person, State, or municipality to construct, operate, or maintain any dam, water conduit, reservoir * * *, or other works * * * upon any part of the public lands or reservations of the United States * * *.

The inquiry is whether or not, intending to prohibit the construction of such works for the generation of electric power only, the authors of the bill have not broadened it so that it would take away from those in the Western States powers which they now have to go upon the public lands and construct reservoirs or ditches or other irrigation works.

Mr. JOHNSON. To what page is the Senator referring?

Mr. ADAMS. Page 113 of the original bill, and I think it is 116 of the amended bill. It is subsection (b) of section 23.

Mr. WHEELER. Mr. President, as a matter of fact, I do not think it broadens the power. I perhaps do not quite understand what the Senator's question is, but at the present time upon a navigable stream——

Mr. ADAMS. I am not speaking of navigable streams. I concede as to them. But it goes beyond that. It says upon any public land. The inquiry I am making is whether this would not affect a ranchman or farmer who wanted to construct a ditch and go across public lands, in a case where he

has the right to go to the Power Commission and get a permit to put a small ditch across the public land. We endeavored to protect such rights in the grazing act.

Mr. WHEELER. There was no intention to affect that situation.

Mr. ADAMS. I am sure of that.

Mr. WHEELER. If the Senator has any language he can suggest, I shall be glad to consider it. The bill merely gives the Power Commission the same right the Congress has over these waters. It does not extend it.

Mr. ADAMS. Subsection (b) is a new provision.

Mr. WHEELER. Yes.

Mr. ADAMS. Section 23 (a) is the original section, in which there has been some amendment. Subsection (b) is an entirely new provision in the power act.

Mr. BARKLEY. Mr. President, to what extent is there a present requirement that permission must be obtained from the Power Commission in order to erect dams on public lands, whether on navigable streams or otherwise?

Mr. ADAMS. There is no requirement at the present time that one shall have permission to go on the public lands to erect dams or ditches for irrigation purposes. As I read this provision, it would compel application to the Power Commission for such works which do not relate to power.

Mr. BARKLEY. Does the Senator mean that at the present time anybody can go on a reservation of the United States or upon the public lands——

Mr. ADAMS. On unallocated public land, yes. That is a statute of the United States, and has been for many years.

Mr. TYDINGS. Mr. President, will the Senator from Colorado yield?

Mr. ADAMS. I yield.

Mr. TYDINGS. If we insert language after the word "unlawful" so as to read, "It shall be unlawful to manufacture, transport, or market power for any person, State, or municipality", would that cover the idea?

Mr. ADAMS. It would if it were limited to power purposes.

Mr. TYDINGS. I think what the Senator from Colorado says is accurate, that the bill as now drawn would bar the erection of any dams. What the Senator from Montana has in mind is only to regulate the use of power for utility purposes.

Mr. WHEELER. That is correct.

Mr. TYDINGS. So that if three or four words, "for the manufacture, transportation, and sale", were inserted, the difficulty would be met.

Mr. WHEELER. I think I can work out a satisfactory amendment.

Mr. ADAMS. I think the Senator from Wyoming has an amendment to suggest which perhaps might cover it.

Mr. O'MAHONEY. Mr. President, in addition to what the Senator from Colorado has said, I think there is another provision to which the Senator from Montana will desire to give his attention, beginning in line 21 on page 113. It will be observed that this language prohibits any person from utilizing the surplus water or water power from any Government dam.

The Reclamation Service operates power plants on numerous projects, and I am very fearful that this language is so broadly drawn that it might be interpreted to interfere with the operation of reclamation power projects.

Mr. WHEELER. I do not think it would.

Mr. O'MAHONEY. Will the Senator accept an amendment substantially as follows, to insert at the end of subsection (b) the following language?—

Provided, That nothing in this section shall be construed to apply to the United States or to any agency thereof.

Mr. WHEELER. That is perfectly all right. I would have no objection to that at all.

Mr. BONE. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. BONE. I am wondering whether in most cases where irrigation projects are turning out power as a side issue to the irrigation projects such power is not now very generally or not almost entirely sold to private power companies?

Mr. O'MAHONEY. That is not my understanding. In some instances it is sold to municipalities and to local distributing agencies.

Mr. BONE. Would the Senator tell us in what instance that occurs? I think, perhaps, in southern Idaho there may be, at Twin Falls, some such use of the power, but I think there are very few instances where irrigation projects are permitting the use of power as a byproduct in homes. The power generally is sold to private power companies and redistributed by them.

Mr. O'MAHONEY. In some cases that is true.

Mr. WHEELER. Will the Senator read the suggested amendment again?

Mr. O'MAHONEY. I propose to add at the end of subsection (b) the following words:

Provided, That nothing in this section shall be construed to apply to the United States or to any agency thereof.

Mr. WHEELER. That is perfectly all right. My recollection is that there is a provision somewhere in the bill that the whole title shall not apply to the United States or to any agency thereof, but I cannot just put my finger on it.

Mr. O'MAHONEY. I understand the old Federal Power Act has been construed as not applying to the Reclamation Service, but I think since the language in the bill is so much broader than the present law that we ought to be perfectly sure we are not limiting the Reclamation Service. I offer the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed at the end of line 20, page 114, before the period, to insert a colon and the following:

Provided, That nothing in this section shall be construed to apply to the United States or to any agency thereof.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, on page 113, line 17, after the word "municipality", I move to insert the words "for the purpose of developing electric power."

The purpose of the amendment is to make certain that this particular provision shall apply only to electric power, and shall not impose any restriction whatsoever upon irrigation.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 113, line 17, after the word "municipality", to add the words "for the purpose of generating electric power."

Mr. WHEELER. Will not the Senator let that go over for a little while? I should like to take it up with the general counsel of the Power Commission. I think there will probably be no objection to it; but I should like to work it out with him, if the Senator will let it go over temporarily.

Mr. O'MAHONEY. Certainly.

The PRESIDING OFFICER. The amendment will be passed over temporarily.

Mr. O'MAHONEY. I should like to propound an inquiry to the Senator from Montana. In the same provision to which the Senator from Colorado alluded we find reference to States and municipalities. Is this something new in Federal power legislation? It seems to undertake to deprive the States, as well as the municipalities within a State, of the right to take advantage of the present law with respect to the establishment of power plants. Was it the intention of the committee to deprive the States of all power to establish power plants without receiving a license from this new Commission?

Mr. WHEELER. I think the State should be in exactly the same position the others are in. I mean I do not think a State or a municipality should be included. However, the matter was not considered; there was no objection to the provision in the committee, and nobody raised any question with reference to this particular subdivision.

Mr. O'MAHONEY. Because I know the Senator will desire to take this up also with the counsel for the Commission, I offer an amendment now, but will not press it for the moment.

Mr. WHEELER. Very well.

Mr. O'MAHONEY. I move that the words "State or municipality", in lines 16 and 17, on page 113, be stricken from the bill.

Mr. WHEELER. I have no objection to the amendment.

Mr. WHITE. Mr. President, I am not sure that I heard one of the Senator's amendments. I understand he is now proposing to strike out the words "State or municipality."

Mr. O'MAHONEY. Yes.

Mr. WHITE. Was an amendment offered previously?

Mr. O'MAHONEY. Yes.

Mr. WHITE. "That it shall be unlawful for any person for the purpose of generating electricty", and so forth?

Mr. O'MAHONEY. Yes.

Mr. WHITE. That was not acted upon?

Mr. WHEELER. No; I said I desired to take the matter up with the general counsel of the Power Commission.

Mr. WHITE. Would not that amendment, if adopted, make it lawful for any person to build a dam for the purpose of generating electricity, or for any other purpose, without reference to the Commission?

Mr. WHEELER. Not necessarily.

Mr. O'MAHONEY. No, it would not; because the language is a prohibition upon the use of such dams for any purpose. The mere limitation of this amendment to power plants certainly does not confer any new power.

Mr. WHEELER. I agree with the Senator's interpretation. If this enlarged the law, it would only enlarge it as to the production of electric energy, and would let the balance of the law stand as it is at present. However, I will take that up with the general counsel of the Commission.

The PRESIDING OFFICER. The Chair does not understand whether the Senator from Wyoming desires to have the last amendment he offered acted on at this time or not.

Mr. O'MAHONEY. If the Senator from Montana is willing to accept it——

Mr. WHEELER. I will take that up with the general counsel of the Power Commission.

Mr. O'MAHONEY. I ask that action on the amendment be deferred.

Mr. McCARRAN. Mr. President, I desire to address a question to the Senator from Montana bearing on the subject of subdivision (b) on page 113, which I have before me. That is the subdivision which has been under discussion for the past few minutes.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. NORRIS. I suggest that the Senators on the other side of the Chamber who are making this bill are speaking too loud. If they are not careful, we will hear what they are saying on this side of the Chamber.

Mr. McCARRAN. I beg the Senator's pardon. I have no desire to smother my voice.

I should like to draw the attention of the Senator from Montana and the Senators from the West, particularly including California, Arizona, and New Mexico, to subdivision (b) as regards the Boulder Dam and the use of the public domain for the construction of power lines under existing conditions prevalent and prevailing with reference to the Boulder Dam.

I should like to have an interpretation from the Senator from Montana as to whether or not, assuming this to be the condition which does prevail in my State, namely, we have created power districts for the purpose of bonding the particular districts in order to enable them to construct power lines across the public domain to given sections so as to utilize such allocation of power as we have coming from the Boulder Dam. The same might be true, perchance, with reference to Arizona and other States, which may be entitled to power from the Boulder Dam. My thought is that, perchance—and it seems to be entirely possible—that under the language as it appears in subdivision (b) on page 113, as it now is, we might be greatly handicapped in carrying out the policy we have in mind whereby certain districts are bonding themselves to utilize their allocation of power.

Mr. WHEELER. Let me say to the Senator that there is absolutely no intention in the bill to do that sort of thing. I have sent for the general counsel of the Federal Power Commission, who is familiar with this particular section, and just as soon as he comes here I will confer with him and be in a better position to discuss the question. This section was never discussed. There was no objection made to it in the committee, and no one paid any attention to it because of the fact that no objection was raised to it. I will take it up with the counsel of the Federal Power Commission just as soon as he comes here.

Mr. McCARRAN. I thank the Senator.

Mr. WHEELER. And I assure the Senator we can work this out so there will be no question about it at all.

Mr. BORAH. Mr. President, directing the attention of the Senator from Montana to page 44 of the original bill, where it says:

(1) After January 1, 1938, to require each registered holding company and each subsidiary company thereof to divest itself of any interest in or control over property or persons to the extent that the Commission finds necessary or appropriate to limit the operations of the holding-company system.

And then again in subsection (2), page 44:

(2) After January 1, 1938, to require each registered holding company, and each subsidiary company thereof, to be reorganized or dissolved whenever the Commission finds that the corporate structure or continued existence of such company unduly or unnecessarily complicates the structure of the holding-company system of which it is a part, or unfairly or inequitably distributes voting power among the holders of securities.

The first question I desire to ask is, in case this order is made by the Commission for this reorganization or divesting of power, would that order be appealable to the courts.

Mr. WHEELER. Yes. Every order which is made by the Commission is appealable to the courts.

Mr. BORAH. That is covered by what section?

Mr. WHEELER. Section 24 (a), line 16, page 83, which reads as follows:

SEC. 24. (a) Any person aggrieved by an order issued by the Commission in a proceeding under this title to which such person is a party may obtain a review of such order in the circuit court of appeals of the United States within any circuit wherein such person resides or has his principal place of business, or in the Court of Appeals of the District of Columbia, by filing in such court, within 60 days after the entry of such order, a written petition praying that the order of the Commission be modified or set aside in whole or in part.

Mr. BORAH. In other words all these orders which would be made with reference to reorganization and so forth would be appealable to the courts?

Mr. WHEELER. Absolutely.

Mr. BORAH. The second question which I desire to ask the Senator is this. Is the Senator satisfied that the authority given in the pending bill is sufficiently defined, that is to say where it says:

That the Commission finds necessary or appropriate to limit the operations of the holding-company system of which such company is a part to a single geographically and economically integrated public-utility system.

And in the second subdivision:

Whenever the Commission finds that the corporate structure or continued existence of such company unduly or unnecessarily complicates the structure of the holding company system.

Is that a sufficient rule or guide in the matter of the delegation of power?

Mr. WHEELER. I think it is. The Senator from Indiana [Mr. MINTON] calls my attention to the radio law which uses the language "public interest, necessity or convenience." That has been construed to be a sufficient standard. Likewise the Supreme Court in numerous Interstate Commerce Commission cases has decided that public use is a sufficient definition. As a matter of fact the language used in the Interstate Commerce Commission

cases has been construed much more definitely, in my judgment, than the language in this bill.

Mr. BORAH. The Court, in the recent case decided, seems to announce a little different rule where a hearing is provided and an opportunity for taking evidence and so forth, and gave a wider latitude than in instances where there was simply a straight delegation of power.

Mr. WHEELER. Exactly.

Mr. BORAH. For that reason I ask if all these orders were subject to appeal to the Court, because I think that has a very decided bearing upon the delegation of power.

Mr. WHEELER. Exactly. Not only that, but in the Schechter case, as I recall, the orders which were made were not based upon evidence, but they simply laid down the rules and there was no appeal from them. In the pending bill we provide that an order shall be made, and they have the right of appeal from that order to the circuit court of appeals in each and every instance where an order is made.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. WHITE. The Senator from Idaho referred to subparagraph (2) on page 44, which relates to reorganization or dissolution of companies. As I understand, the Senator from Montana says that in every instance there is an appeal from such an order to a United States court. I think that is true. But if the Senator from Idaho will look on page 50 of the bill he will find this language:

> In any such proceeding a reorganization plan—

I skip some words—

> shall not become effective unless such plan shall have been approved by the Commission after opportunity for hearing prior to its submission to the court.

So, in the last analysis, while there is a form of appeal provided for and reserved, nevertheless the authority of the court to do as it wills with respect to a reorganization or a dissolution is limited by the provision to the effect that any plan of that character must be that approved in the first instance by the Commission. So, after all, it is not the court whose judgment speaks as to a proper reorganization; it is the Commission itself, from whose previous decision an appeal is taken. Therefore, I say that while there is in form an appeal, there is not an appeal in substance.

Mr. BORAH. But if the Commission should make an order approving or disapproving, that order itself would be appealable to the court, would it not?

Mr. WHITE. I do not quite understand the question.

Mr. BORAH. The bill provides:

> In any such proceeding a reorganization plan for a registered holding company or any subsidiary company thereof shall not become effective unless such plan shall have been approved by the Commission after opportunity for hearing prior to its submission to the court.

If they should make an order or refuse to make an order for reorganization, either would be appealable to the court, would it not?

Mr. WHITE. Yes; but I understand—and my understanding may be very imperfect—that there can be no reorganization plan put into effect that does not have the sanction of the Commission, whatever may be the judgment of the court about the matter.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. MINTON. Does that not just mean that there must be a concurrence of opinion between the Commission and the court?

Mr. WHITE. If that be so, it is not in the full and proper sense an appeal to the court. It is a dilution or a division of the court's authority.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. STEIWER. I think the Senator from Idaho has raised a very vital and serious question. In answer to the question which he propounded to the Senator from Montana, concerning the right of review, his attention is directed to section 24 (a) which is supposed to afford a right of review. It does indeed provide a limited right. I desire to call the attention of the Senator from Idaho to about the middle of that section 24 (a).

Mr. BORAH. On what page?

Mr. STEIWER. I have a draft of the bill which puts it on page 86.

Mr. BORAH. It is page 83 of my copy.

Mr. STEIWER. I wish to call the Senator's attention to certain important limitations which exist in that right of review. I read:

> No objection to the order of the Commission shall be considered by the court unless such objection shall have been urged before the Commission or unless there were reasonable grounds for failure so to do.

That is probably not a severe limitation, but there follows this language:

> The finding of the Commission as to facts, if supported by substantial evidence, shall be conclusive.

Mr. BORAH. That is, conclusive only as to the facts.

Mr. STEIWER. As to the facts, yes; but that becomes especially important, because if the Senator will go back to the language he is examining in section 11 (b) (2) he will find that the order for dissolution shall be made whenever the Commission finds certain things, and those things seem to be largely findings of fact. So the broad, general foundation for its order of dissolution is a finding of fact which is conclusive upon the Court; and the real review is very severely limited by all these sections taken in combination.

Mr. BORAH. Mr. President, I am interested in the matter to determine if the rule laid down in the bill for the exercise of this delegated power is sufficiently accurate and sufficiently definite. I think if it be true that the orders are appealable to the Court, then the rule provided for in the bill may be sufficient, but I think there would have to be appealable jurisdiction; that is to say, that the Court would have jurisdiction upon appeal to review these matters, and I doubt very much whether the rule laid down in the bill would be sufficient.

The Court in a case recently decided said that—

> We have said that the substituted phrase has a broader meaning—

Speaking of unfair methods of competition—

> that it does not admit of precise definition, its scope being left to judicial determination as controversies arise.

Then citing the cases.

> What are "unfair methods of competition" are thus to be determined in particular instances, upon evidence, in the light of particular competitive conditions, and of what is found to be a specific and substantial public interest.

If there can be an appeal from these orders, if the Court can review them, I think the bill may be within the decision, but, if they are not appealable, I do not think it has been brought within the decision. I think if there is any doubt about the appealable feature, there ought to be a consideration of the matter. I am friendly to the general purpose of the bill, but I have doubts about some of its provisions.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Idaho yield to the Senator from Maryland?

Mr. BORAH. I yield.

Mr. TYDINGS. I should like to ask the opinion of the Senator in a case I will state. Suppose the Federal Power Commission, in effect, was given the power to dissolve or cause to be reorganized or was given any other power in reference to these companies, and there was a right of appeal to the courts, but the only qualification put on the authority of the Federal Power Commission to issue such an order was that it was in the public interest; does the Senator from Idaho think that the mere right of review by the Court would make the provision constitutional, and that there would be a sufficient limitation on the delegation of power?

Mr. BORAH. It is difficult to say, but I do know that the court, in construing the phrase "unfair methods of competi-

tion", which seems to me to be about as latitudinous a phrase as can be thought of, seems to sustain that as a sufficient rule in case there was a hearing, evidence was had upon the matter, and some tribunal was given an opportunity, particularly the courts, to determine upon the evidence whether or not unfair methods prevailed. I know of no reason why the same rule would not apply in the instance cited.

The importance of this matter turns upon the question whether complete review has been provided for, and evidence is to be taken and hearings had upon these matters. Otherwise I doubt if the provision would be sufficient.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. TYDINGS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lonergan	Radcliffe
Ashurst	Costigan	Long	Reynolds
Austin	Couzens	McAdoo	Schall
Bachman	Dieterich	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barkley	Duffy	McKellar	Shipstead
Black	Fletcher	McNary	Smith
Bone	Frazier	Maloney	Stelwer
Borah	Gerry	Metcalf	Thomas, Okla.
Brown	Gibson	Minton	Thomas, Utah
Bulkley	Gore	Moore	Townsend
Bulow	Guffey	Murphy	Trammell
Burke	Hale	Murray	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Van Nuys
Caraway	Hatch	Norris	Wagner
Carey	Hayden	Nye	Wheeler
Chavez	Johnson	O'Mahoney	White
Clark	Keyes	Overton	
Connally	King	Pittman	
Coolidge	La Follette	Pope	

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present. The question is on the engrossment and third reading of the bill.

Mr. DIETERICH. Mr. President, I understand that an agreement has been reached as to a time to vote. I should like to inquire as to that.

Mr. BARKLEY. Mr. President, efforts have been made to arrive at an agreement upon a time when a vote may be had on all pending amendments and on the bill. The Senator from Illinois, I will say, desires to have his amendments, one of which is probably the most important amendment to the bill, go over for a vote until tomorrow. In view of that, I am going to propose a request for unanimous consent. I ask unanimous consent that tomorrow at not later than 1 o'clock there shall be a vote on the amendments offered by the Senator from Illinois [Mr. DIETERICH], and that at not later than 3 o'clock tomorrow there shall be a final vote on the final passage of the bill.

Mr. WHEELER. Mr. President, let me see if I understand the request.

The VICE PRESIDENT. The Chair wishes to make a statement. The Chair tries to enforce the rules of the Senate. There has just been a roll call in the Senate. The Chair presumes that roll call would justify an agreement under the rules for a final vote on the bill at a certain hour, and if that is agreeable to Members of the Senate present, the Chair will put the request without ordering another roll call.

Mr. McNARY. Mr. President, I entertain a very positive view and a very different view. When a time is sought to be fixed for a vote by the Senate it is the contemplation of the rule that the proposal shall first be announced to the Senate and that a roll call shall follow.

The VICE PRESIDENT. The Chair thinks that is a very good rule, but the Chair wants to understand whether there should be a roll call. The Chair will repeat the request of the Senator from Kentucky, as he understands it. The request is that at not later than 1 o'clock tomorrow the Senate shall vote on the amendments offered by the Senator from Illinois [Mr. DIETERICH] and that at not later than 3 o'clock tomorrow the Senate shall vote on all amendments pending and on the bill itself to its final passage.

Mr. BORAH. Mr. President——

Mr. McNARY. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, does the proposed agreement contemplate that the pending measure shall remain before the Senate, or may we take up other matters in the interim?

The VICE PRESIDENT. Under the proposed arrangement the bill could be temporarily laid aside.

Mr. BARKLEY. Mr. President, it is contemplated to lay aside temporarily the pending measure until tomorrow, and I shall endeavor to obtain an agreement to consider the joint resolution to extend the act relating to the Railway Coordinator for 1 year, as recommended by the President. A measure to that effect is now on the calendar.

Mr. BORAH. Is it the purpose of the Senator to take up the N. R. A. extension resolution?

Mr. BARKLEY. No; not unless the committee should bring in a report. The committee is now in session.

Mr. SMITH. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SMITH. Does the unanimous-consent request indicate that no other amendments save the ones which have been offered by the Senator from Illinois shall be considered?

The VICE PRESIDENT. It does not. The Chair stated the request very clearly, that not later than 1 o'clock tomorrow the amendments offered by the Senator from Illinois [Mr. DIETERICH] shall be voted on by the Senate, and not later than 3 o'clock the Senate shall vote on the bill. All amendments Senators may desire to offer in the meantime will be in order and may be offered.

Mr. McNARY. Mr. President, I am impressed with the suggestion that there should be deferment until tomorrow, because there are many Senators now absent. I am not going to oppose the proposal, but I suggest that the vote on the amendments of the Senator from Illinois be not later than 2 o'clock and the final vote be not later than 4 o'clock.

Mr. BARKLEY. I am agreeable to the suggestion, although I do not know that there will be enough amendments to consume the time of the Senate until 4 o'clock.

Mr. McNARY. The proposal is to vote on the bill not later than 4 o'clock.

The VICE PRESIDENT. When the Chair puts the request, if there is no Senator present who objects, the Chair should order a roll call. Is there objection to the request of the Senator from Kentucky?

Mr. SMITH. Mr. President, it seems to me, in view of the absence, whether necessary or otherwise, of many Senators who are vitally interested in this matter, we would not lose very much time if we should defer a unanimous-consent agreement until tomorrow. At that time there would be Senators present who have a vital interest in the measure. This is a matter of great importance. I consider this bill of as much importance as the N. R. A. measure. I think this bill is an encroachment on State rights and on the privileges of the individual, as far-reaching as ever the N. R. A. was. Therefore, I object.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

Mr. DIETERICH. Mr. President, let me say to the Senator from South Carolina that the important amendment pending to the bill is to section 11. It was at my request that the proposal was made that the matter go over until tomorrow. I did not want to have the amendment voted on this afternoon. That was my purpose in submitting the request, and I hope the Senator will withdraw his objection.

Mr. SMITH. As a deliberative body, I hope nobody is jockeying for advantage here. The bill will stand on its merits, I hope, or fall on its demerits.

Mr. DIETERICH. It will not stand on its merits unless there is a full attendance of Senators.

Mr. SMITH. The point I am making is that we should defer final action on the matter and not take advantage of anyone. Let us proceed tomorrow with notice to all. We can get in communication with those who are absent. Let there be a full expression on the part of this body as to the amendments of the Senator from Illinois.

Mr. WHEELER. Mr. President, notice has been given to everybody that we intended to come to a vote today. Every Senator had notice of that intention. We put the bill over from Friday until today because it was said certain Senators necessarily were to be absent on Saturday. I have tried to accommodate those Senators. I did this at the request of the Republican leader. I have made every concession possible. I am not going to consent that the bill shall be put over until tomorrow unless we have a definite understanding as to the time we shall vote on the proposed amendments to section 11 and on the final passage of the bill. There will be no agreement of any kind or character unless it is upon that basis.

Mr. SMITH. I would observe to the Senator from Montana that neither what he thinks nor what I think is going to govern this body. What the majority thinks will govern.

Mr. WHEELER. Very well; let us see what the majority thinks.

Mr. SMITH. I desire to say to my friend from Illinois that if his amendment will be jeopardized by my objecting, inasmuch as I am heartily in sympathy with his amendment——

Mr. DIETERICH. It would be jeopardized. I may say to the Senator that I am asking for the unanimous-consent agreement.

Mr. SMITH. If by any means the bill can be modified—and I may say I am not going to vote for it no matter how it is modified—then in deference to the good fight my friend from Illinois is making I shall withdraw my objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky [Mr. BARKLEY] that at not later than 2 o'clock tomorrow the Senate shall vote on the amendments offered by the Senator from Illinois [Mr. DIETERICH], and at not later than 4 o'clock the Senate shall vote on the bill? The Chair hears none. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lonergan	Radcliffe
Ashurst	Costigan	Long	Reynolds
Austin	Couzens	McAdoo	Schall
Bachman	Dieterich	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barkley	Duffy	McKellar	Shipstead
Black	Fletcher	McNary	Smith
Bone	Frazier	Maloney	Steiwer
Borah	Gerry	Metcalf	Thomas, Okla.
Brown	Gibson	Minton	Thomas, Utah
Bulkley	Gore	Moore	Townsend
Bulow	Guffey	Murphy	Trammell
Burke	Hale	Murray	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Van Nuys
Caraway	Hatch	Norris	Wagner
Carey	Hayden	Nye	Wheeler
Chavez	Johnson	O'Mahoney	White
Clark	Keyes	Overton	
Connally	King	Pittman	
Coolidge	La Follette	Pope	

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present. The Senator from Kentucky [Mr. BARKLEY] asks unanimous consent that not later than 2 o'clock tomorrow the amendments offered by the Senator from Illinois [Mr. DIETERICH] shall be voted on and that not later than 4 o'clock the bill shall be voted on. Is there objection?

Mr. CLARK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. The agreement does not preclude the offering of any amendment whatever, or a motion to recommit the bill?

The VICE PRESIDENT. Not at all. Any amendments may be offered in the meantime. Is there objection to the unanimous-consent request of the Senator from Kentucky? The Chair hears none, and the agreement is entered into. The Chair recognizes the Senator from Wyoming [Mr. O'MAHONEY].

Mr. O'MAHONEY. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 113, line 17, after the word "municipality", it is proposed to insert the words "for the purpose of developing electric power."

The amendment was agreed to.

EXTENSION OF EMERGENCY RAILROAD TRANSPORTATION ACT, 1933

Mr. BARKLEY. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of Senate Joint Resolution 112.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 112) extending the effective period of the Emergency Railroad Transportation Act, 1933, which had been reported from the Committee on Interstate Commerce with amendments.

Mr. BARKLEY. Mr. President, while the Senator from Montana is getting his papers in order I will state that this joint resolution extends for 12 months the office of Railroad Coordinator. The law under which the Railroad Coordinator was appointed, and under which he has been operating, expires on the 16th of June, which is next Sunday. This measure has not passed the House, and it is important that it pass the Senate at once in order that the House may consider it, and that it may be enacted prior to the date of expiration of the present act.

The VICE PRESIDENT. The amendments reported by the committee will be stated.

The first amendment of the Committee on Interstate Commerce was, in section 1, page 1, line 5, after "1936", to strike out "and may be extended by a proclamation of the President for an additional year or any part thereof", so as to make the section read:

That title I of the Emergency Railroad Transportation Act, 1933, shall continue in full force and effect until June 17, 1936, but orders of the Coordinator or of the Commission made thereunder shall continue in effect until vacated by the Commission or set aside by other lawful authority, but notwithstanding the provisions of section 10, no such order shall operate to relieve any carrier from the effect of any State law or of any order of a State commission enacted or made after this title ceases to have effect.

The amendment was agreed to.

The next amendment was in section 2, page 2, line 8, after the word "Commission", to strike out "and to pay into said fund within 20 days after June 16, 1936, a proportional amount covering any period of extension of this title by proclamation of the President under section 17,", so as to make the section read:

That it shall be the duty of each carrier to pay into the fund provided for by section 14 of the Emergency Railroad Transportation Act, 1933, within 20 days after June 16, 1935, $2 for every mile of road operated by it on December 31, 1934, as reported to the Commission, and it shall be the duty of the Secretary of the Treasury to collect such assessments.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. HASTINGS. Mr. President, do I understand that the Chair announced that the joint resolution had passed?

The VICE PRESIDENT. The Chair so announced. Does the Senator desire to move to reconsider? If so, of course, that motion is in order.

Mr. HASTINGS. I move that the votes whereby the joint resolution was passed be reconsidered.

The VICE PRESIDENT. The question is on the motion of the Senator from Delaware.

The motion to reconsider was agreed to.

The VICE PRESIDENT. The Senate has reconsidered the passage of the joint resolution. The Senator from Delaware is recognized on the joint resolution.

Mr. HASTINGS. Mr. President, when this joint resolution was reached on the calendar, the Senator from Oregon [Mr. MCNARY], at my request, objected to its consideration on one occasion, and the Senator from Iowa [Mr. DICKINSON] objected on another occasion. I merely wish to say, with respect to the joint resolution, that it seems to me the inter-

ested parties ought to have placed before the Senate and in the RECORD their contentions with respect to it.

I have no intention of objecting to the passage of the joint resolution, but the railroad executives have requested of the Interstate Commerce Committee an opportunity to be heard. As I understand, the chairman of the committee declined to hear them, but said that he should be glad to have them present their objections in the form of a letter.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WHEELER. My recollection of the matter is that the representatives of the executives came to me after the committee had reported the joint resolution. I am quite sure it was after it had been reported by the committee, the joint resolution extending the time. They then asked me if I would not have the joint resolution recommitted so that they could have a hearing. I said to them that we had held long hearings upon the same subject a year ago, that all the facts and figures were before the committee, that I did not think a rehearing would do any good, and that if they would write me a letter stating their objections I should place it in the RECORD.

Mr. HASTINGS. I am glad to have the Senator correct me if I misstated the facts. I was only relying upon a copy of the letter which was sent to me by the representatives of the railroad executives.

Mr. President, I merely wish to have the letter read into the RECORD, because it states the railroads' contentions with respect to one of the particular reasons why they have not been able to effect the economies that it was hoped would be effected under this plan when the original bill was passed; the statement in the letter being to the effect that the bill compelled them to employ as many men as they did under conditions a year or two previously, and with that requirement in the bill it was practically impossible for them to make the economies they thought best.

If I may ask the indulgence of the Senate for a few moments, I have sent to my office for the letter, and when it shall be received, I desire to ask that it be read into the RECORD.

Mr. WHEELER. I have the letter, and I intend to put it in the RECORD.

Mr. HASTINGS. Mr. President, I ask that the clerk be requested to read the letter. That is the only comment I have to make with respect to the joint resolution.

The PRESIDING OFFICER (Mr. HAYDEN in the chair). Without objection, the letter will be read.

The Chief Clerk read as follows:

ASSOCIATION OF AMERICAN RAILROADS,
Washington, D. C., May 17, 1935.

Hon. BURTON K. WHEELER,
Chairman Committee on Interstate Commerce,
United States Senate, Washington, D. C.

MY DEAR SENATOR WHEELER: On May 1, 1935, you introduced into the Senate, Senate Joint Resolution 112, extending the effective period of the Emergency Railroad Transportation Act, 1933. The files of the Association of American Railroads show that on May 3, through the usual channels, a letter was addressed to you requesting a hearing on this resolution, so that the railroads of the country might express their views upon this resolution. On May 7 the resolution was reported to the Senate, with certain amendments, and, as I understand it, it is now upon the calendar of the Senate for consideration.

When I requested you to grant to the Association of American Railroads a hearing before the committee on this resolution, in order that the railroad point of view might be expressed, you very graciously declined to recommend such a course, but stated that I would have the privilege of stating the views of the American railroads in the form of a letter addressed to you. I am writing this communication, therefore, with your permission and in order that you, the members of the committee, and the Members of the Senate may be advised that the railroads members of the Association of American Railroads are opposed to the enactment of Senate Joint Resolution 112 and their reasons therefor. I may say that this association represents 99.3 percent of the mileage of the class I railroads of the United States and a slightly smaller percentage of the mileage of all the railroads in this country.

The Emergency Railroad Transportation Act, 1933, became a law on June 16, 1933. We are concerned here only with title I, that being the portion of the law which creates the Federal Coordinator of Transportation and defines his powers and duties. The law was suggested by the President of the United States to meet an emergency thought to exist at the time. Title I was limited to 1 year, with power in the President by proclamation to extend its provisions for an additional year. In due course the act was by Executive proclamation so extended, so that unless it is reenacted or some action is taken to continue its operation, it will cease to be effective on June 16, 1935.

The primary purpose of the statute was to prevent and relieve obstructions and burdens to interstate commerce resulting from an economic emergency which was described in the law as acute, and in order to safeguard and maintain an adequate national system of transportation. The purposes of the law are stated in section 4, to encourage and promote or require action on the part of the carriers which will avoid unnecessary duplication of services and facilities and permit joint use of terminals and trackage incident thereto, to control allowances, accessorial services, and the charges therefor, and other practices affecting service or operation to the end that undue impairment of net earnings may be prevented, wastes and preventable expense avoided, and in order that there may be an adequate immediate study of means of improving conditions surrounding transportation in all its forms.

Coordinating committees were provided for, consisting of railroad officers, there being one such committee in each of the three usual grand divisions into which the country had customarily been divided for rate-making purposes.

There are two important considerations which caused the sponsors of the bill to deem it necessary to create the office of Federal Coordinator and give him certain powers. In the first place, it was thought that certain joint actions which might be taken by the railroads looking toward economies might be in violation of the antitrust statutes. In the second place, it was feared that certain coordinating projects thought to be desirable in the public interest might be prevented by the action of one or two railroads who would not be willing to go along with the views of the majority of the railroads involved. In order that desirable economies might be effected, the Coordinator was given authority to approve any project adopted by a majority of the coordinating committees, even though it should be contrary to State or Federal antitrust laws, and even though certain railroads less than a majority might object. The Coordinator was also given authority to bring to the attention of the coordinating committees any project in the nature of a desirable reform and to make an order thereon, even though it might not be approved by a majority of the railroads involved.

Most of the railroads were willing to be subjected to this type of regulation at a time of profound business depression, when there was the utmost need for the practice of economy and for the prevention of waste in every conceivable way.

During the consideration of the bill by the Congress, over the protest of the railroads and of the gentleman who afterward became Federal Coordinator of Transportation there was inserted in the act section 7, consisting of five paragraphs. By paragraph (b) it was provided that the number of employees in the service of a railroad might not be reduced by reason of any action taken pursuant to the authority of the title below the number as shown by the pay rolls of employees in service during the month of May 1933, after deducting the number who have been removed from the pay rolls after the effective date of the act by reason of death, normal retirements, or resignation, but not more in any one year than 5 percent of said number in service during May 1933. It was further provided in this paragraph that no employee in the service of a railroad should be deprived of employment such as he had during the month of May 1933, or be in a worse position with respect to his compensation for such employment by reason of any action taken pursuant to the authority conferred by this title. There are other objectionable features in section 7, but we call attention particularly to these restrictive provisions of paragraph (b).

It was understood at the time these amendments were offered and adopted, first by the Senate and afterward by the House of Representatives, that the effect of these labor clauses would be to render futile any effort of the railroads or of the Coordinator to accomplish substantial economies in the way of coordinated action. However, Congress saw proper to adopt these provisions over the protest of the railroads and against the better judgment of many who were advocating the bill.

The result has been precisely as was predicted. The Federal Coordinator has stated many times in public addresses that the effect of including the labor clauses was to prevent in very large degree the economies and waste prevention measures which it was the primary purpose of the act to accomplish.

If any substantial economies are undertaken through joint or coordinated action they can be accomplished only by reducing the number of employees. This is so obvious as not to justify greater elaboration.

Prior to and early in the operation of the act the railroads, recognizing the need for coordinated action in the interest of economy, undertook careful studies of the possibilities of coordination in the hope and belief that they might unofficially accomplish a great deal along the line of the declared purposes of the act. It was believed that the labor clauses in the act would not apply unless these coordinating projects were ordered by the Coordinator or one of the coordinating committees created by the law. When this contemplated action was brought to the attention of the Coordinator that officer, believing that the spirit if not the letter of the law prohibited such action, addressed a communication, bearing date of August 7, 1933, to the several coordinating committees placing by formal reference under the scope of

the act all projects dealing with the unification and coordination of facilities and services, so that the labor provisions would apply. I am not criticizing the action of the Coordinator in so doing. I am merely calling attention to the fact that not only did the act prevent official action, but as interpreted and applied by the Coordinator it prevented unofficial action looking toward economy, provided such economy could not be accomplished otherwise than by joint action.

It will be seen, therefore, that not only has the Emergency Railroad Transportation Act failed of its purpose to bring about economies through the operation of its machinery, but as construed and applied it has resulted in preventing normal, ordinary arrangements among railroads whereby desired economies might be accomplished.

It must not be supposed that the railroads have not from time to time prior to the enactment of the Emergency Railroad Transportation Act made progress in the matter of joint use of facilities through agreed coordinated action. Studies which had been in progress for many years disclosed the fact that there were 24,399 miles of railroad jointly operated, that there was then joint-use facilities by class I railroads of 263 engine terminals, 1,366 less-than-carload freight houses, 1,902 passenger stations, 618 yards, 472 large bridges, and that there were 1,013 points where freight cars were interchanged at which inspection was performed by men jointly employed.

As the depression increased in intensity and the traffic of the railroads diminished there was naturally an increasing urge toward the coordination of terminals, the discontinuance of trains, and the use of facilities jointly. The movement toward the accomplishment of these desirable economies was stopped by the enactment of the Emergency Railroad Transportation Act and the action of the Coordinator in applying it. It cannot be said, therefore, that the act was simply harmless—it was positively harmful in preventing economies which the railroads had hoped to bring about. Joint use of facilities has been a progressive activity and has been increasing continuously for many years until it was arrested by the provisions of the act.

The Coordinator has said that the labor clauses of the act converted him from a doer of deeds to a prober of possibilities. More than 600 projects have been studied by the coordinating committees, and, in many instances, with the cooperation of the Coordinator's staff, with a possible suggested savings of more than $18,000,000 per annum. None of these projects could be adopted by reason of the unfortunate provision to which we have referred.

It must not be thought from these observations that the railroads are desirous of increasing unemployment by dismissing their faithful employees. It has never been the policy of railroad management, except as a result of dire necessity, to deprive their faithful employees of the means of livelihood. It cannot be asserted that railroad management has ruthlessly or cruelly exercised its rights to reduce forces. Men have been laid off only when absolutely necessary and have been returned to employment in the order of their seniority as fast as conditions would permit. It is, however, manifestly unfair to prohibit the railroads from resorting to ordinary methods for retrenchment and economy in the face of declining traffic and falling revenues. They should be given the same privilege that is accorded to other industry to balance their budgets, even though the process is brought about by reducing employment.

The Federal Coordinator, prohibited by the labor clauses from cooperating in measures of economy, has devoted himself most assiduously to the study of problems in the field of transportation, in which studies he has been aided by the railroads and by those who operate other forms of transportation, as well as by the general public. He has incorporated these studies in numerous reports and recommendations, many of which have been valuable. He has made recommendations to Congress with respect to legislation, and the railroads are heartily in accord with the Coordinator's suggestions dealing with the regulation of all forms of competitive transport. It is submitted, however, that these studies, if now not complete, can and will be carried on by the Association of American Railroads in cooperation with the Interstate Commerce Commission.

In the report of the committee, which accompanies the resolution extending the term of the Coordinator, it is pointed out that the financial condition of the railroads has not improved in the 2 years during which the Emergency Railroad Transportation Act has been in force and that the railroads have been heavy borrowers from the Reconstruction Finance Corporation. This is true, but there is nothing in the act under which the Coordinator can improve this situation. He has been able to accomplish nothing in the way of improving the financial condition of the railroads, and for this result he is in no way censurable. It is said in the report that the Coordinator has made valuable recommendations with respect to merchandise traffic, passenger traffic, and car pooling. These recommendations have been considered by the railroads, and if they embody valuable suggestions the continuance of the office of Coordinator is not necessary for their adoption.

Upon principle we submit that no officer of the Government should be given the power now vested in the Coordinator unless at the same time he is clothed with responsibility for results. Congress, in the Interstate Commerce Act and other statutes regulating the railroads, has laid down in more or less definite fashion the rules whereby the railroad industry is to be regulated. The Emergency Railroad Transportation Act, however, confers upon a single individual very broad powers in the field of management, thereby invading the domain of managerial discretion without any limitations or standards by which his conduct is to be measured. He is the sole judge of what shall be done to effect economies or prevent waste. This, we submit, is more power than should be given to a single individual, particularly since the statute furnishes no chart or compass whereby his conduct is to be measured or controlled. It is true that the present Coordinator has used his power very sparingly, indeed, and has in fact made but a single order, and that one which affected but a limited number of railroads. But the grant of arbitrary and unlimited power is not rendered less objectionable because it is lodged in the hands of a man who uses it sparingly. We must lose sight of the individual and look at the principle involved, a principle which is contrary to the spirit of our law and inconsistent with the control of these properties by their owners. The regulation of railroads is very complete; they are controlled as to all of their activities which may affect the public interest. In the matter of duties purely managerial, the fact of private ownership should be recognized, and these functions should not be committed to a governmental officer, however careful and well informed.

Your attention is called to the matters here presented in the hope that title I of the Emergency Railroad Transportation Act will be permitted to expire on June 16 next. It has proved to be a burdensome feature of our regulatory system. Without in any way reflecting upon the present Federal Coordinator, nothing of substantial value in the way of coordination has been accomplished, and we see no promise or prospect of future usefulness in continuing the act for another year.

In closing, your attention is directed to the fact that since the enactment of this legislation the railroads formed the Association of American Railroads, with authority vested in its board of directors to effect all the economies contemplated in the Emergency Transportation Act.

Assuring you of my appreciation for permission to address you this letter, I beg to remain

Most respectfully yours,

(Signed) J. J. PELLEY,
President Association of American Railroads.

The PRESIDING OFFICER. The question is, Shall the joint resolution pass?

The joint resolution was passed.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 209. An act for the relief of Carmine Sforza;

S. 1305. An act to further extend relief to water users on United States reclamation projects and on Indian irrigation projects; and

S. 2536. An act providing for the suspension of annual assessment work on mining claims held by location in the United States.

THE CALENDAR

Mr. BARKLEY. I ask unanimous consent that the Senate proceed to the consideration of unobjected bills on the calendar. In that connection I will say that if consent is given I shall make the point of no quorum, so that Senators may be notified.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lonergan	Radcliffe
Ashurst	Costigan	Long	Reynolds
Austin	Couzens	McAdoo	Schall
Bachman	Dieterich	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barkley	Duffy	McKellar	Shipstead
Black	Fletcher	McNary	Smith
Bone	Frazier	Maloney	Steiwer
Borah	Gerry	Metcalf	Thomas, Okla.
Brown	Gibson	Minton	Thomas, Utah
Bulkley	Gore	Moore	Townsend
Bulow	Guffey	Murphy	Trammell
Burke	Hale	Murray	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Van Nuys
Caraway	Hatch	Norris	Wagner
Carey	Hayden	Nye	Wheeler
Chavez	Johnson	O'Mahoney	White
Clark	Keyes	Overton	
Connally	King	Pittman	
Coolidge	La Follette	Pope	

The PRESIDING OFFICER. Eighty-one Senators have answered to their names. A quorum is present.

Mr. BARKLEY. I ask unanimous consent that the clerk begin to call the bills on the calendar at the place where we left off at the last call of the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUILDINGS FOR UNITED STATES REPRESENTATIVE IN PHILIPPINE ISLANDS

Mr. VANDENBERG. Mr. President, what is the calendar number of the bill which is first to be stated.

The PRESIDING OFFICER. It is Calendar No. 779.

Mr. VANDENBERG. Before the order is entered, may I say to the Senator from Kentucky [Mr. BARKLEY] that I have no objection to his suggestion, except that I think Calendar No. 626, which is the bill authorizing the construction of buildings for the United States High Commissioner to the Government of the Commonwealth of the Philippine Islands ought to be considered. I have prevented the passage of that bill heretofore by objection. Since then I have conferred with General Cox, Chief of the Bureau of Insular Affairs, and I am prepared, provided a simple amendment is adopted, to permit the bill to pass.

Will the Senator permit that bill to be first considered?

Mr. McKELLAR. I think that ought to be done.

Mr. BARKLEY. I shall not object to that being done. There are two or three bills which we shall have to go back to later, which we have previously passed over; but I think it only fair that we should begin at the point on the calendar where we left off, in order that later bills may have a chance to be considered.

Mr. VANDENBERG. Then, Mr. President, may we begin with Calendar No. 626?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? The Chair hears none.

The Senate proceeded to consider the bill (S. 2278) authorizing the construction of buildings for the United States High Commissioner to the Government of the Commonwealth of the Philippine Islands, which had been reported from the Committee on Territories and Insular Affairs with an amendment, on page 1, line 5, after "United States", to strike out "High Commissioner to" and insert "representative in", so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated not to exceed $1,000,000 for the necessary housing for office and residence purposes for the establishment of the United States representative in the Philippine Islands, including the acquisition of land, the purchase, construction, and reconstruction of buildings, and the procurement of furniture, furnishings, and equipment.

Mr. TYDINGS. Mr. President, will the Senator from Michigan explain exactly what that amendment does?

Mr. VANDENBERG. It is not my amendment.

Mr. TYDINGS. I understood the Senator to offer an amendment.

Mr. VANDENBERG. I have not as yet offered my amendment.

The PRESIDING OFFICER. The pending amendment is a committee amendment. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, the reason why I objected to the appropriation of a million dollars for the creation of facilities and accommodations for the new High Commissioner to the Philippine commonwealth was that the proposed appropriation included a substantial sum for the purchase of land. It was rather revolting to my sense of fair play that at the very moment when we were presenting the Philippine people with literally an enormous gift in terms of dollars and cents, we should immediately be required to repurchase land upon which to construct our own buildings for the use of our representative.

I asked the War Department for specific information on the subject. I think it will be interesting for the RECORD to show on the one hand that the expenditures made by the United States Government from May 1, 1898, to June 30, 1934, totaled $835,000,000 in connection with the establishment of this new Commonwealth. Then—and this is the particular thing—we own military and other reservations in the Philippine Islands totaling over 350,000 acres in area, and having a total valuation in excess of $18,000,000. We retain title to all this land until the end of the Commonwealth period. At the end of the period we have a right to retain a few of these reservations, but our total land-value gift to the Commonwealth will be well in the neighborhood of $18,000,000. That is the contemplation which moved me to feel that there ought to be no requirement upon us to turn around and make a new investment in land in the Philippine Islands for the purpose of providing a site for our new representative.

General Cox now tells me that the authorities have resurveyed their situation and think they can amply meet their necessities without the purchase of land, and that the million dollars provided in the bill, therefore, may be reduced to $750,000.

I therefore move, on page 1, line 4, to substitute $750,000 for $1,000,000; and if that amendment is agreed to, I shall have no further objection to the passage of the bill.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 1, line 4, it is proposed to strike out "$1,000,000" and to insert in lieu thereof "$750,000."

Mr. TYDINGS. Mr. President, all that the Senator from Michigan has said is true. Since 1898 over $800,000,000 has been expended in the Philippine Islands. However, it would be unfair to let that naked statement go into the RECORD without a brief word of explanation. Of course, the major part of that expenditure was in connection with the insurrection and military operations in the islands. If that qualifying word were not added to the remarks of the Senator from Michigan, I am afraid people might assume that we had spent that money on roads, or schools, or education, or health.

I know the Senator from Michigan concurs with me when I say that the overwhelming majority of this money was expended in connection with military campaigns. In addition to that, about $50,000,000 was expended in fortifying Corregidor, and other millions of dollars were expended for military purposes. It has cost about $16,000,000 a year to keep the Army and Navy posts in the Philippine Islands; so it can be readily seen that the moneys used for military purposes constitute most of the expenditure of the money in the Philippine Islands.

It is also true that if we had not made this expenditure in the Philippine Islands some of it would have been expended anyway, because probably some of the troops would have been maintained in any event and located in the States.

As the author of the bill I accept the amendment. I think it is a very proper amendment. The land will be dredged out of Manila Bay. I merely did not want the impression to prevail that we had expended this large sum of money in the Philippine Islands for other than war purposes since 1898.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing the construction of buildings for the United States representative in the Philippine Islands."

Mr. VANDENBERG. Mr. President, I ask to have printed in the RECORD at this point the War Department inventory of land owned by the United States in the Philippine Islands.

There being no objection, the inventory was ordered printed in the RECORD, as follows:

List of United States military reservations in the Philippine Islands

Name and location	Acreage	Value	
		Land	Improvements
Augur Barracks and Asturias, municipality of Jolo	388.57	$80,822.12	$52,000.00
Bataan, municipality of Moron	7,432.84	50,000.00	
Camp Bumpus, municipality of Tacloban	100.55	100,000.00	
Calumpan Point, Cavite Province	5,357.04	108,000.00	
Cauayan (flying field), municipality of Cauayan	1,017.93	4,119.70	
Chromite Reservation, near municipality of Masinloc	3,271.05	(1)	
Cuartel Meisic, Manila	7.15	275,580.00	149,500.00
Camp Downes, municipality of Ormoc	91.58	25,000.00	5,000.00
Camp Eldridge, municipality of Los Banos	599.53	83,827.00	25,000.00
Camp Gregg, municipality of Bayambang	179.05	50,000.00	
Camp John Hay, municipality of Baguio	1,673.41	300,000.00	610,795.00
Camp Keithley, municipality of Dansalan	17,012.82	200,000.00	62,000.00
Ludlow Barracks, municipality of Parang	6,011.85	125,000.00	(1)
Fort William McKinley, Rizal Province	5,802.08	1,649,361.00	1,328,069.29
Malabang, municipality of Malabang	2,684.77	25,000.00	
Mariveles, Bataan Province	90,967.42	420,000.00	
Military Plaza, Manila	7.93	249,600.00	122,559.00
Fort Mills, Cavite Province	1,915.63	210,000.00	4,232,271.22
Momungan, municipality of Momungan	14.18	1,000.00	2,000.00
Nichols Field (included in Fort William McKinley), Rizal Province	2,189.80		
Nozaleda, Manila	5.23	167,424.00	108,100.00
Old Medical Supply Depot, Manila	3.64	87,208.92	1,800.00
Camp Overton, municipality of Iligan	3,230.32	25,000.00	18,000.00
Pettit Barracks, Zamboanga	243.68	300,000.00	212,406.00
Port area, Manila	57.81	264,620.70	158,362.89
Post of Manila, Manila	15.59	638,100.00	1,119,555.20
Post of Tagabiran, municipality of Catabig	40.55	(1)	(1)
Regan Barracks, near municipality of Daraga	63.97	2,800.00	
Fort San Pedro, municipality of Cebu	4.42	250,000.00	200.00
Fort San Pedro, municipality of Iloilo	35.45	1,250,000.00	12,000.00
Fort Santiago, Manila	14.95	747,800.00	92,675.00
Sternberg General Hospital, Manila	7.11	313,104.00	332,261.66
Fort Stotsenburg, Pampanga Province	156,204.06	750,600.00	1,099,173.43
Camp Wallace, municipality of San Fernando	386.34	5,000.00	15,000.00
Warwick Barracks, municipality of Cebu	3.12	100,000.00	5,000.00
Fort Wint, municipality of Subic	99.94	2,000.00	207,118.43
Zambales, municipality of Subic	8,994.81	12,000.00	
Zamboanga Flying Field, municipality of Zamboanga	162.29	(2)	
Total	316,304.60	8,872,347.44	9,968,847.12

[1] Unknown. [2] Not appraised.

BILLS PASSED OVER

The bill (S. 1179) for the relief of James H. Smith was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. TOWNSEND subsequently said: Mr. President, I ask unanimous consent to recur to Calendar 779, being the bill (S. 1179) for the relief of James H. Smith. The bill was introduced by the Senator from Massachusetts [Mr. WALSH].

Mr. McKELLAR. Mr. President, I objected to the bill when it was reached on the calendar. I have no objection to returning to it at this time. The Senator from Delaware has explained it to me and shown that it is an important matter.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware?

There being no objection, the Senate proceeded to consider the bill (S. 1179) for the relief of James H. Smith, which had been reported from the Committee on Claims with amendments on page 1, lines 3, 4, and 5, to strike out the words "that James H. Smith, formerly employed as laboratorian in roentgenology by the United States Veterans' Bureau, be, and he is hereby, compensated the amount of $20,000", and to insert in lieu thereof, "that the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James H. Smith, formerly employed as laboratorian in roentgenology by the United States Veterans' Bureau, the sum of $5,000, in full settlement of all claims against the Government"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James H. Smith, formerly employed as laboratorian in roentgenology by the United States Veterans' Bureau, the sum of $5,000, in full settlement of all claims against the Government for injuries received by him as a result of X-ray burns sustained by him in August 1922 and March 1923 while employed at the United States Veterans' Hospital at Dwight, Ill., and at the United States Veterans' Bureau regional office at Lexington, Ky.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1735) for the relief of the estate of W. W. McPeters was announced as next in order.

Mr. McKELLAR. Mr. President, the Department does not seem to recommend the bill. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

W. S. O'BRIEN

The Senate proceeded to consider the bill (S. 1865) to confer jurisdiction upon the Court of Claims to hear, determine, and render judment upon the claim of W. S. O'Brien against the United States, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. S. O'Brien the sum of $1,250, in full settlement of all claims against the Government for damages alleged to have been sustained by him in connection with the widening of Cash Alley, a public thoroughfare in the city of Colon, Panama, by the sanitary department of the Isthmian Canal Commission during the years 1905 and 1906: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of W. S. O'Brien."

DEFINITION OF ELECTION PROCEDURE UNDER ACT OF JUNE 18, 1934

The bill (H. R. 7781) to define the election procedure under the act of June 18, 1934, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in any election heretofore or hereafter held under the act of June 18, 1934 (48 Stat. 984), on the question of excluding a reservation from the application of the said act or on the question of adopting a constitution and bylaws or amendments thereto or on the question of ratifying a charter, the vote of a majority of those actually voting shall be necessary and sufficient to effectuate such exclusion, adoption, or ratification, as the case may be: *Provided, however*, That in each instance the total vote cast shall not be less than 30 percent of those entitled to vote.

SEC. 2. The time for holding elections on the question of excluding a reservation from the application of said act of June 18, 1934, is hereby extended to June 18, 1936.

SEC. 3. If the period of trust or of restriction on any Indian land has not, before the passage of this act, been extended to a date

subsequent to December 31, 1936, and if the reservation containing such lands has voted or shall vote to exclude itself from the application of the act of June 18, 1934, the periods of trust or the restrictions on alienation of such lands are hereby extended to December 31, 1936.

SEC. 4. All laws, general and special, and all treaty provisions affecting any Indian reservation which has voted or may vote to exclude itself from the application of the act of June 18, 1934 (48 Stat. 984), shall be deemed to have been continuously effective as to such reservation, notwithstanding the passage of said act of June 18, 1934. Nothing in the act of June 18, 1934, shall be construed to abrogate or impair any rights guaranteed under any existing treaty with any Indian tribe, where such tribe voted not to exclude itself from the application of said act.

The PRESIDING OFFICER. Without objection, Calendar No. 589, being the bill (S. 2655) to define the election procedure under the act of June 18, 1934, and for other purposes, being an identical bill, will be indefinitely postponed.

CARRIAGE OF GOODS BY SEA

The bill (S. 1152) relating to the carriage of goods by sea was announced as next in order.

Mr. McKELLAR. Mr. President, that seems to be an important bill with quite a large number of amendments.

Mr. WHITE. Mr. President, I may say to the Senator that a few days ago, upon favorable report from the Foreign Relations Committee, the Senate ratified a treaty dealing with the same subject matter. To a very large extent the bill is designed simply to implement the provisions of that treaty. If the Senator will remember the discussion, the Senator from Utah [Mr. THOMAS], having the treaty in charge, indicated at the time it was under discussion the great desirability for the passage of this proposed legislation which affects the terms of the treaty, so as to remove some doubt as to full application of the terms of the treaty.

Mr. McKELLAR. I am not familiar with the bill. Does the Department recommend it?

Mr. WHITE. The Department of State is very much in favor of it. I think every agency of the Government which has had any connection with or relationship to the proposed legislation is thoroughly in favor of it.

Mr. McKELLAR. It seems to be as the Senator has stated, but I have not had a chance to examine it; so I ask the Senator to let it go over for the time being.

Mr. THOMAS of Utah. Mr. President, I hope the Senator from Tennessee will not insist that the bill go over.

Mr. McKELLAR. It seems to be a very important bill. I know nothing about it. I should like to have an opportunity to examine it.

Mr. THOMAS of Utah. The bill, of course, is an important bill. As the Senator from Maine [Mr. WHITE] has explained, it incorporates into our law a treaty which we have already ratified. The bill supplements and makes operative that treaty. The treaty has been before the Senate for years. It took us some time to consider the treaty and have it ratified. We are holding back not only our own country, but other countries as well.

Mr. McKELLAR. Holding them back for what? I should like to know something about it. I have not examined the bill. Will the Senator explain it?

Mr. THOMAS of Utah. The bill merely puts into force in our own country an agreement which has been reached in many other countries and is provided for by the treaty. It is simply to bring about uniform usage of bills of lading in the transshipment of goods and makes the usage uniform. That is about all there is to it.

Mr. McKELLAR. I think the Senator had better let it go over. I shall look into it.

The PRESIDING OFFICER. On objection, the bill will be passed over.

FRANK P. ROSS

Mr. BONE. Mr. President, I ask unanimous consent to recur to Calendar 756, being the bill (S. 1186) for the relief of Frank P. Ross.

The PRESIDING OFFICER. Is there objection?

There being no objection the Senate proceeded to consider the bill (S. 1186) for the relief of Frank P. Ross, which had been reported from the Committee on Public Lands and Surveys, with an amendment.

Mr. BONE. Mr. President, it will be recalled that when this bill and the next bill on the calendar were presented to the Senate, it was discovered they were not uniform and in conformity with the practice of the Senate in such matters.

Mr. McKELLAR. They were contrary to the form adopted in the case of any bill of the kind that has ever been passed.

Mr. BONE. I have prepared an amendment which will conform with the wishes of the Senator from Utah [Mr. KING] and the Senator from Tennessee.

Mr. McKELLAR. I have examined it and I think it is all right.

Mr. BONE. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of Frank P. ROSS, of Tacoma, Wash., against the United States, for damages arising out of the patenting to another person of lands in Pacific County, Wash., which had been selected or entered by said Frank P. Ross under the homestead laws, and for damages arising out of the subsequent cutting of timber from such lands.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the date of enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim and appeals from and payment of any judgment thereon shall be in the same manner as in the case of claims over which said court has jurisdiction under section 145 of the Judicial Code, as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EARL A. ROSS

Mr. BONE. I now ask the Senate to consider Senate bill 1490.

There being no objection, the Senate proceeded to consider the bill (S. 1490) for the relief of Earl A. Ross, which had been reported from the Committee on Public Lands and Surveys with an amendment.

Mr. BONE. Mr. President, I offer an amendment to this bill in conformity with the suggestion of the Senator from Tennessee [Mr. MCKELLAR], similar to the amendment which I offered to the bill just passed.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of Earl A. Ross, of Chicago, Ill., for damages arising out of the patenting to another person of lands in Pacific County, Wash., which had been selected or entered by said Earl A. Ross under the homestead laws, and for damages arising out of the subsequent cutting of timber from such lands.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the date of enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, and appeals from any payment of any judgment thereon, shall be in the same manner as in the case of claims over which said court has jurisdiction under section 145 of the Judicial Code, as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PRESCOTT NATIONAL FOREST

The Senate proceeded to consider the bill (S. 2649) to provide for a recreation area within the Prescott National Forest, Ariz., which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, line 7, after the word "segregation", to insert the words "so long as such locations are legally maintained", so as to make the bill read:

Be it enacted, etc., That the Secretary of Agriculture is hereby authorized in his discretion to designate and segregate for recreational development any lands, not to exceed 4,000 acres, within the Prescott National Forest, Ariz., which in his opinion are available for such purpose, and he is hereby authorized to enter into

such form of cooperative agreement with, or issue such permits to, the city of Phoenix, Ariz., for occupancy of said area for recreation purposes as in his opinion will permit the fullest use of the lands for such purposes without interfering with the object for which the national forest was established. Lands so designated and segregated under the provisions of this act shall not be subject to the mining laws of the United States: *Provided, however*, That such designation and segregation shall not affect valid existing mineral locations of record on the date of such segregation so long as such locations are legally maintained.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOINT RESOLUTION AND BILL PASSED OVER

The joint resolution (S. J. Res. 133) for designation of a street to be known as "Missouri Avenue" was announced as next in order.

Mr. BULKLEY. Let the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 916) to carry into effect the decision of the Court of Claims in favor of claimants in French spoliation was announced as next in order.

Mr. AUSTIN. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

MEMORIAL TO MAJ. GEN. GEORGE W. GOETHALS

The Senate proceeded to consider the bill (S. 2743) to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone, which had been reported from the Committee on Military Affairs with amendments on page 2, line 7, to strike out the words "by the" and insert the words "out of a general fund of the", and in lines 9 and 10 to strike out the words "from the revenues derived from the operation of the Panama Canal", so as to make the bill read:

Be it enacted, etc., That the President of the United States is authorized, through such person or persons as he may designate, to select an appropriate site within the Canal Zone and to cause to be erected thereon a suitable memorial of heroic size to Maj. Gen. George W. Goethals in commemoration of his signally distinguished services in connection with the construction and operation of the Panama Canal.

SEC. 2. The design and location of such memorial and the plan for the development of the site shall be submitted to the Commission on Fine Arts for advisory assistance.

SEC. 3. There is hereby appropriated a sum not to exceed $75,000 for every object connected with the purposes of this act, including site development and any essentiri approach work, said sum to be paid out of the general fund of the Treasury of the United States.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. SHEPPARD. I ask permission to place in the RECORD, in connection with the passage of Senate bill 2743, for a memorial to Major General Goethals, an explanation of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

STATEMENT IN EXPLANATION OF S. 2743 FOR A MEMORIAL TO MAJ. GEN. GEORGE W. GOETHALS

The construction of the Panama Canal continues to stand out as one of our greatest American engineering achievements. Begun in the administration of President Theodore Roosevelt, it was pressed during the administrations of Presidents Taft and Wilson, and the completed waterway was officially opened to the commerce of the United States and the world by the formal declaration of the last-named Executive. With the exception of interruptions caused by occasional slides, which have required dredging, the Canal has been in constant operation for more than 20 years. During that period thousands of passenger and cargo vessels have passed through it, saving time and distance, and bringing mankind into closer relations. Besides promoting Pan American friendship, the Canal has proved of untold value for national defense. Our fleet last year transited the Canal, eastward with 110 vessels in 48 hours, and westward, with 90 vessels, in 40 hours. Compare this record with that of the battleship Oregon, which required 76 days to round the Horn and come to the reenforcement of the American fleet then engaged in operations which finally resulted in the destruction of the Spanish squadron off Santiago de Cuba.

Proud as we are of the Canal and the successful way in which its engineering problems were solved by American genius, it is fitting that we should pay tribute in some form to the men who were responsible for the actual construction. France has erected at Colon a statue to De Lesseps, whose efforts to pierce the Isthmus resulted in failure; but it was proper that his country should provide recognition of the efforts which this engineer made, futile though they were.

Recognizing the important part played by sanitation in connection with the construction, Congress, by a joint resolution approved March 24, 1928, changed the name of Ancon Hospital to Gorgas Hospital, and by the act of May 7, 1928, provided for an annual appropriation of $50,000 for 5 years, for the support, in conjunction with the Republic of Panama, of the Gorgas Memorial Institute at Panama. Both of the acts constituted our official appreciation of the splendid accomplishments of Maj. Gen. William C. Gorgas in stamping out and controlling the carriers of diseases which had taken toll of the Canal workers under De Lesseps and of our own at the beginning of American construction. Within the zone the names of men who did yeoman service in connection with different features of the work have been given to those features. But for the man who had the principal part in directing the entire operation, nothing has been done in the way of commemoration. The Military Committee, after full consideration of the desirability of providing such commemoration, unanimously concluded that this object could and ought to be attained by a memorial within the Canal Zone in honor of Maj. Gen. George W. Goethals, to whose skill, organizing ability, and indefatigable effort the country owes the Canal.

I need not recite the difficulties which General Goethals encountered in the performance of his great task. It was my privilege as a Member of the Senate to consider Canal affairs during the last years of its construction and commencement of operation. Sitting in this body today are eight Members who are as familiar, if not more so, with the magnitude of the problems which General Goethals was called upon to solve. The Canal was begun under a commission, with John F. Wallace, a great engineer, in charge of the engineering work. Mr. Wallace resigned after 1 year. He was succeeded by another great engineer, Mr. John F. Stevens; he resigned after 2 years. Both of these men did excellent preparatory work; General Goethals has paid tribute to it. But it remained for Goethals to take over the project in 1907, to reorganize the several departments, to recruit the labor, to provide for the social and living requirements of the workers, to expand the lock and give greater width to the Culebra Cut so that the Canal might be able to provide transit for our largest naval and commercial ships, as it is now doing. Exactly upon the date fixed by him, in 1914, after 7 years from the time he took charge, the Canal was open to traffic, and by direction of President Wilson and in recognition of his accomplishment, he was made the first Governor of the Panama Canal. And let me further point out that the construction of the Canal at a cost of $385,000,000 was done without the slightest suggestion of graft. It was an honest, an economical, as well as an engineering achievement.

I have told you of President Wilson's tribute to General Goethals.

President Theodore Roosevelt, in his autobiography, wrote the following:

"Colonel Goethals proved to be the man of all others to do the job. It would be impossible to overstate what he has done. It is the greatest task of any kind that any man in the world has accomplished during the years that Colonel Goethals has been at work. It is the greatest task of its own kind that has ever been performed in the world at all. Colonel Goethals has succeeded in instilling into the men under him a spirit which elsewhere has been found only in a few victorious armies."

This was written by President Taft, while serving as Chief Justice of the United States:

"The strain through which Colonel Goethals has passed only those know who were associated with him in the work. The diplomacy, the straightforward conduct, the persistence, the patience, the wonderful executive ability, the great engineering skill, will some day be described in detail and the achievement set forth as it ought to be; now it can only be described in general terms."

President Franklin D. Roosevelt has manifested personal interest in the proposal to erect "a suitable memorial—to commemorate the services rendered by General Goethals to the United States as the builder of the Panama Canal." So have Elihu Root, a former Member of this body, who was Secretary of State in the administration of Theodore Roosevelt; George W. Wickersham, who was Attorney General in the Cabinet of William Howard Taft; Members of Congress at the time the Canal was under construction, various other officials of those days, journalists who supported the construction of the Canal, leading officers of the Army and Navy, among whom are General Pershing and Rear Admiral Rodman, who were in contact with the work, members of the Panama Canal societies, made up of American subordinates of General Goethals, scattered throughout the country, and many other prominent citizens.

In view of the above facts, and further that General Goethals, whose name is not now perpetuated in the Canal Zone, was directly responsible for the removal of 95 percent of the dry and hydraulic excavation and the construction of 100 percent of the dams and locks, the committee has concluded that a modest appropriation of $75,000 for the erection of a memorial within the Canal Zone in his honor would be a fitting memorial to him and those who labored with him in the performance of the stupendous task entrusted to them.

LAND IN LOS ANGELES COUNTY, CALIF.

The bill (S. 2895) to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain land in the county of Los Angeles, State of California", was announced as next in order.

The PRESIDING OFFICER. This bill is identical with House bill 6437, Calendar No. 861.

Mr. McKELLAR. Mr. President, will the Senator from California tell us about the bill?

Mr. SHEPPARD. Mr. President, I think I can explain the bill if the Senator desires. The War Department approves the bill. Its purpose is to authorize and direct the Secretary of War to convey to the county of Los Angeles, without cost, a parcel of 184.96 acres within the county, to be used for public park, playground, and reclamation purposes only. The bill provides that should the land not be used or cease to be used for such purposes it shall revert to the Government. This land was obtained by the Government from the county of Los Angeles at $1 an acre for a balloon school which has since been abandoned. It is not being used at this time for any purpose.

Mr. McKELLAR. I see the Department has no objection to the bill, and I assume that it should be passed.

Mr. SHEPPARD. There is a similar House bill on the calendar. I ask that the House bill be substituted for the Senate bill, and that the Senate bill be indefinitely postponed.

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider the House bill.

The Senate proceeded to consider the bill (H. R. 6437) to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain land in the county of Los Angeles, State of California", which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2895 is indefinitely postponed.

MONUMENT ON FORT DOUGLAS MILITARY RESERVATION, UTAH

The bill (S. 2611) to authorize the Utah Pioneer Trails and Landmarks Association to construct and maintain a monument on the Fort Douglas Military Reservation, Salt Lake City, Utah, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to issue a permit, under regulations to be prescribed by him, to the Utah Pioneer Trails and Landmarks Association to construct and maintain on the Fort Douglas Military Reservation, Utah, a suitable monument, including roadway and footpath thereto, to commemorate the site where Brigham Young, Mormon pioneer leader, on July 24, 1847, declared "This is the place", the location and plans to be approved by the Secretary of War, and all work to be done without expense to the United States and under such military supervision as is deemed advisable by him.

SETTLEMENT OF CLAIMS FOR INJURY OR DEATH IN FOREIGN COUNTRIES

The bill (S. 2891) to provide for the adjustment and settlement of personal injury and death cases arising in certain foreign countries was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That when any act of omission of any officer, employee, or agent of the Government of the United States, including all officers, enlisted men, and employees of the Army, Navy, and Marine Corps, results in the personal injury or death of any person, not an American national, in any foreign country in which the United States exercises privileges of extraterritoriality, the Secretary of State may consider, adjust, and determine any claim, arising after the passage of this act, for the damage occasioned by such injury or death in an amount not in excess of $1,500, United States currency, in any one case, and such amount as may be found to be due to any claimant shall be certified to Congress as a legal claim for payment out of appropriations that may be made by Congress therefor, together with a brief statement of the character of each claim, the amount claimed, and the amount allowed: *Provided*, That this authorization shall not apply to cases of persons in the employ of the United States: *Provided further*, That no claim shall be considered under this act by the Secretary of State unless presented to him within 1 year from the date of the accrual of said claim: *And provided further*, That acceptance by any claimant of the amount determined under the provisions of this act shall be deemed to be in full settlement of such claim against the Government of the United States.

BILLS PASSED OVER

The bill (H. R. 6504) to amend an act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America and providing compensation therefor" was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2818) for the relief of Blanche L. Gray was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BARKLEY. Mr. President, the Senator from Nevada [Mr. PITTMAN], upon learning that the calendar was to be called, went to his office to get some papers in relation to the last two previous bills which were called. I ask for the rescinding of the order putting over House bill 6504 and Senate bill 2818. I do not wish to have reconsidered Senate bill 2891, which was passed.

The PRESIDING OFFICER. Without objection, House bill 6504 and Senate bill 2818 will be temporarily passed over.

DIPLOMATIC AND CONSULAR BUILDINGS, HELSINGFORS, FINLAND

The bill (H. R. 4448) to provide funds for acquisition of a site, erection of buildings, and the furnishing thereof, for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland, was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of that bill?

Mr. VANDENBERG. Mr. President, I am sure the Senator from Tennessee will not wish to object to the consideration of that bill when I explain the situation.

Mr. McKELLAR. I do not know what it is. I shall be glad to have an explanation of it.

Mr. VANDENBERG. In the first place, there is very great necessity from a physical standpoint for additional and adequate accommodations for the American legation and consulate at Helsingfors. More fundamentally, this is very frankly an acknowledgment of the fact that Finland is the only country in the world which is paying its debts to us, and this is a gesture by way of friendly appreciation for the fact that there still is some place on earth where international credit is honored.

Mr. McKELLAR. Mr. President, with that statement I shall certainly withdraw any objection.

I desire to take this occasion to say that I think Finland comes nearer honoring her engagements than any other nation in the world, with the possible exception of ours. I think we usually honor our engagements, but Finland has signally honored herself in living up to the letter of her contract. If this is an acknowledgement of that fact, I shall be very happy not only to withdraw any objection to the bill, but to express my very great appreciation of being permitted to vote for the bill.

Mr. VANDENBERG. I felt sure that would be the Senator's feeling.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purpose of further carrying into effect the provisions of the Foreign Service Buildings Act of 1926, as amended, there is authorized to be appropriated, in addition to the amount authorized by such act, an amount not to exceed $300,000 for the purpose of acquiring a site, erection of buildings, and the furnishings thereof, for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland. Sums appropriated pursuant to this act shall be available for the purpose and be subject to the conditions and limitations of the Foreign Service Buildings Act of 1926, as amended.

Mr. NORBECK. Mr. President, I desire to ask the Senator from Tennessee if he really meant that we do better than Finland does in the payment of our obligations. We pay in 69-cent dollars. Finland pays us in 100-cent dollars, measured in gold.

Mr. McKELLAR. I do not agree with the Senator about that. I have had some experience with currency all over

the world, and, so far as I know and believe, the best money in the world is American money.

Mr. NORBECK. At home.

Mr. McKELLAR. And everywhere else.

Mr. NORBECK. In view of the fact that Finland has been paying us in gold at a high valuation, does not the Senator think our Government now might recognize the fact, and put Finland on the same basis as we put our own creditors for the remaining payments?

Mr. McKELLAR. Finland has not asked for that.

Mr. NORBECK. No.

Mr. McKELLAR. All honor to her that she has not asked for it.

Mr. NORBECK. Yes.

Mr. McKELLAR. I think the Finns are a wonderful people. They keep their engagements. They ought to be a guide for all the rest of the world.

Mr. TYDINGS. Mr. President, I think what the Senator from South Dakota [Mr. NORBECK] says is very accurate. I think we ought to emulate Finland's example. I think the present condition rather reflects on ourselves. Here is this body paying a great tribute to Finland for paying 100 cents on the dollar, when it itself has permitted the payment of 69 cents on the dollar to its own people. It is all right to pass this bill, but it seems to me we are embarrassing ourselves by paying Finland this tribute.

Mr. NORBECK. We have passed the bill, so that is beyond us.

Mr. McKELLAR. I do not feel any embarrassment at all in the matter.

Mr. NORBECK. I think a bill should be introduced providing that hereafter Finland may pay in the same kind of currency in which Uncle Sam pays his own creditors.

Mr. McKELLAR. We will take up that matter when we come to it.

The PRESIDING OFFICER. The bill having been passed, the clerk will state the next bill on the calendar.

BILLS PASSED OVER

The bill (H. R. 4901) to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions was announced as next in order.

Mr. McKELLAR. I ask that that bill go over. I make that request on the authority of the Appropriations Committee. So many of these authorizations are coming in that it is almost impossible for our committee to keep up with them, much less pay them.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 6673) providing for an annual appropriation to meet the share of the United States toward the expenses of the International Technical Committee on Aerial Legal Experts, and for participation in the meetings of the International Technical Committee of Aerial Legal Experts and the Commissions established by that committee was announced as next in order.

Mr. McKELLAR. I ask that that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 7909) to amend the act creating a United States Court for China and prescribing the title thereof was announced as next in order.

Mr. KING. I should like an explanation of that bill.

Mr. AUSTIN. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

INTERNATIONAL STATISTICAL INSTITUTE

The joint resolution (S. J. Res. 139) requesting the President to extend to the International Statistical Institute an invitation to hold its twenty-fourth session in the United States in 1939 was announced as next in order.

Mr. KING. Let that go over.

Mr. VANDENBERG. Mr. President, I call attention to the fact that this is one international convention which does not ask for an appropriation. It finances itself and merely desires official status.

Mr. McKELLAR. The Senator refers to Senate Joint Resolution 139?

Mr. VANDENBERG. I do.

Mr. McKELLAR. And it does not require an appropriation?

Mr. VANDENBERG. It does not.

Mr. McKELLAR. Then I am delighted to withdraw any objection I even might have made.

Mr. VANDENBERG. I thought the Senator would.

Mr. COPELAND. Mr. President, I hope this joint resolution may pass.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

The preamble was agreed to, as follows:

Whereas the American Statistical Association will celebrate its centenary in 1939; and

Whereas it desires to invite the International Statistical Institute, an international organization with similar objectives, to be its guest at that time; and

Whereas for 50 years the Institute has met on invitation from the Government of the country in which the meeting occurs: Therefore, be it

Resolved, etc., That the President be, and he is hereby, requested to extend to the International Statistical Institute an invitation to hold its twenty-fourth session in the United States in the year 1939.

JOINT RESOLUTION PASSED OVER

The joint resolution (H. J. Res. 182) to provide for membership of the United States in the Pan American Institute of Geography and History; and to authorize the President to extend an invitation for the next general assembly of the Institute to meet in the United States in 1935, and to provide an appropriation for expenses thereof, was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

PRINTING AND DISTRIBUTION OF GOVERNMENT PUBLICATIONS

The Senate proceeded to consider the bill (H. R. 6836) to provide for the printing and distribution of Government publications to the National Archives Establishment, which had been reported from the Committee on Printing with amendments, on page 1, line 3, after the enacting clause, to strike out "That title 44 of the Code of Laws of the United States be" and insert "That chapter 23 of the Printing Act, approved January 12, 1895, as amended (U. S. C., title 44, ch. 7), be"; and in line 8, after the words "Public Printer to", to strike out "the" and insert "The", so as to make the bill read:

Be it enacted, etc., That chapter 23 of the Printing Act, approved January 12, 1895, as amended (U. S. C., title 44, ch. 7), be, and is hereby, amended by adding a new section as follows:

"SEC. —. That there shall be printed and delivered by the Public Printer to The National Archives for official use, which shall be chargeable to Congress, two copies each of the following publications:

"House documents and public reports, bound; Senate documents and public reports, bound; Senate and House journals, bound; United States Code and Supplements, bound; Statutes at Large, bound; Official Register of the United States, bound; Decisions of the Supreme Court of the United States, bound; and all other documents bearing a congressional number, and all documents not bearing a congressional number printed upon order of any committee in either House of Congress, or by order of any department, bureau, independent office or establishment, commission, or officer of the Government except confidential matter, blank forms, and circular letters not of a public character; and two copies each of all public bills and resolutions in Congress in each parliamentary stage.

"The Superintendent of Documents shall furnish without cost copies of such publications as may be available for free distribution."

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act to provide for the printing and distribution of Government publications to The National Archives."

LAKE CHAMPLAIN BRIDGE COMMISSION

The Senate proceeded to consider the joint resolution (S. J. Res. 122) granting the consent of Congress to the

States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission which had been reported from the Committee on Commerce with amendments, on page 13, line 21, after the words "bodies of", to strike out the word "this" and to insert in lieu thereof the word "each"; and on page 14, line 1, to strike out the word "the" and insert the word "each", so as to make the joint resolution read:

Resolved, etc., That the consent of Congress is hereby granted to the States of New York and Vermont to enter into the amendatory agreement executed on March 30, 1935, by the commissioners duly appointed on the part of such States, amending the original agreement entered into by such States for the creation of the Lake Champlain Bridge Commission, which original agreement was consented to by Congress by Public Resolution No. 9, Seventieth Congress, approved February 16, 1928, and every part and article of such amendatory agreement is hereby ratified, approved, and confirmed: *Provided*, That nothing therein contained shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of such amendatory agreement; which amendatory agreement is as follows:

Whereas the State of New York and Vermont heretofore and on the 11th day of May 1927 entered into an agreement or compact, duly authorized by law, creating the Lake Champlain Bridge Commission; and

Whereas the legislatures of said States have authorized their respective commissioners to enter into an agreement or compact amending said existing agreement or compact: Now, therefore,

The said States of New York and Vermont do hereby enter into the following agreement, to wit:

The agreement heretofore made between the State of New York and the State of Vermont pursuant to chapter 321 of the laws of 1927 of the State of New York entitled "An act authorizing designated authorities in behalf of the State of New York to enter into an agreement or compact with designated authorities of the State of Vermont for the creation of the Lake Champlain Bridge Commission, the establishment of the Lake Champlain Bridge Commission, and the defining of the powers and duties of such Commission and making an appropriation for such purposes", and no. 139 of the Acts of 1927 of the State of Vermont entitled "An act ratifying a proposed agreement or compact between the State of Vermont and the State of New York relating to the creation of the Lake Champlain Bridge Commission and providing for carrying out the provisions of said agreement or compact", is hereby amended by adding thereto the following articles:

ARTICLE XXII

The Lake Champlain Bridge Commission is hereby authorized to construct as speedily as possible and to maintain and operate an additional highway bridge or bridges and approaches across Lake Champlain between points to be selected by such Commission more than 52 miles north of the bridge heretofore constructed by such Commission: *Provided*, That if any bridge or bridges be constructed under this act, one shall be a bridge from a point in the State of New York at or near Rouses Point to a point in the State of Vermont at Alburg, subject to such consents and approval of Federal authorities in any case as may be necessary. Such bridge so to be constructed is hereinafter sometimes referred to as "Rouses Point Bridge."

ARTICLE XXIII

The said Commission shall have power—

1. To sue and be sued.
2. To acquire, hold, and dispose of personal property.
3. To acquire lands, rights, or property for Rouses Point Bridge as is provided in article 13 hereof for the bridge heretofore constructed by it.
4. To appoint and employ officers, agents, and employees.
5. To make contracts and execute all instruments necessary or convenient.
6. To charge tolls for the use of the Rouses Point Bridge and the bridge heretofore constructed by it, subject to and in compliance with agreements made and to be made with bondholders.
7. To enter on any lands, waters, and premises for the purpose of making surveys, soundings, and examinations.
8. To construct and maintain over or along the Rouses Point Bridge or the bridge heretofore constructed by it, or either of them, telephone, telegraph, or electric wires and cables, gas mains, water mains, and other mechanical equipment not inconsistent with the use of the bridges for vehicular traffic. To contract for such construction and to lease the right to construct and/or use the same on such terms and for such consideration as it shall determine: *Provided, however*, That no lease shall be made for a period of more than 10 years from the date when it is made.
9. Near or on the Rouses Point Bridge or the bridge heretofore constructed by it, to construct and maintain facilities for the public, not inconsistent with the appropriate use of the bridges, to contract for such construction, and to lease the right to construct and/or use such facilities on such terms and for such considerations as it shall determine: *Provided, however*, That no lease shall be made for a period of more than 10 years from the date when it is made.
10. Subject to limitations imposed by any Federal authorities and by any agreement made or to be made with bondholders, to make rules and regulations for the use of Rouses Point Bridge and the bridge heretofore constructed by it. This subdivision shall supersede the provisions of article 9 hereof.
11. To do all things necessary or convenient to carry out the powers expressly given in this agreement.

ARTICLE XXIV

The said Commission may make agreements with bondholders as to the deposit of its funds, and the security to be required therefor, and as to the withdrawal and disbursement thereof. Subject to such agreements, the Commission shall provide for deposit of its funds, security to be required therefor, and the withdrawal and disbursement thereof, and if required by the Commission its deposits shall be secured, and all banks and trust companies are hereby authorized to give such security for such deposits.

ARTICLE XXV

The construction of Rouses Point Bridge shall be by contract or several contracts made and executed in the same manner as provided in article 19 hereof for the contract for the construction of the bridge heretofore constructed by the Commission. The approaches may, in the discretion of the Commission, be constructed by its own employees.

ARTICLE XXVI

1. Such Commission shall have power and is hereby authorized from time to time to issue its negotiable bonds, in addition to those issued prior to the 1st day of March 1933, for any corporate purpose in the aggregate principal amount of not exceeding $1,000,000.
2. Said bonds shall be authorized by resolution of such Commission and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, not exceeding 5 percent per annum payable semiannually, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, not exceeding par and accrued interest, as such resolution or resolutions may provide. Said bonds may be sold at public or private sale for such price or prices as such Commission shall determine: *Provided*, That the interest cost to maturity of the money received for any issue of said bonds shall not exceed 5 percent per annum.
3. Any resolution or resolutions authorizing any of said bonds may contain provisions, which shall be a part of the contract with the holders of said bonds as to—

(a) Pledging the tolls and revenues from the Rouses Point Bridge and, subject to the terms of any agreement with the holders of bonds issued by such Commission before the 1st day of March 1933 (whether contained in this agreement or in the bonds or in proceedings for the issuance of the bonds or otherwise), pledging the tolls and revenues from the bridge heretofore constructed by such Commission;

(b) The rates of the tolls to be charged, and the amount to be raised in each year by tolls, and the use and disposition of the tolls and other revenues;

(c) The setting aside of reserves or sinking funds, and the regulation and disposition thereof;

(d) Limitations on the right of such Commission to restrict and regulate the use of the Rouses Point Bridge and the bridge heretofore constructed by such Commission;

(e) Limitations on the purposes to which the proceeds of sale of any issue of said bonds then or thereafter to be issued may be applied;

(f) Limitations on the issuance of additional bonds;

(g) The procedure, if any, by which the terms of any contract with holders of said bonds may be amended or abrogated, the amount of said bonds the holders of which must consent thereto, and the manner in which such consent may be given.

4. The obligation of such Commission to make payments into the State treasury of each State out of tolls and revenues from the bridge heretofore constructed by such Commission as provided in article 17 hereof is hereby terminated and annulled and the amounts which otherwise would have been so payable into the States' treasuries may be pledged to the payment of said bonds.
5. Neither the members of such Commission nor any person executing such bonds shall be liable personally on said bonds or be subject to any personal liability or accountability by reason of the issuance thereof.
6. Such Commission shall have power out of any funds available therefor to purchase any bonds issued by it at a price not more than the principal amount thereof and accrued interest. All bonds so purchased shall be canceled.

ARTICLE XXVII

1. In the event that such Commission shall default in the payment of principal of or interest on any of the bonds authorized by article 26 hereof after the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of 30 days, or in the event that such Commission shall fail or refuse to comply with the provisions of this agreement, or shall default in any agreement made with the holders of said bonds, the holders of 25 percent in aggregate principal amount of said bonds then outstanding, by instrument or instruments filed in the office of the clerk of the county of Clinton, N. Y., or of the clerk of the court of chancery in and for the county of Grand Isle, Vt., and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee

to represent the holders of said bonds for the purposes herein provided.

2. Such trustee may, and upon written request of the holders of 25 percent in principal amount of said bonds then outstanding shall, in his or its own name—

(a) By mandamus or other suit, action or proceeding, at law or in equity, enforce all rights of the holders of said bonds, including the right to require such Commission and its members to collect tolls and rentals adequate to carry out any agreement as to, or pledge of, such tolls and rentals, and to require such Commission and its members to carry out any other agreement with the holders of said bonds and to perform its and their duties under this act;

(b) Bring suit upon said bonds;

(c) By action or suit in equity, require such Commission to account as if it were the trustee of an express trust for the holders of said bonds;

(d) By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the holders of said bonds;

(e) Declare all said bonds due and payable, and if all default shall have been cured, annul such declaration and its consequences.

3. The Supreme Court of the State of New York and the court of chancery in and for the county of Grand Isle and the county court of Grand Isle County, in the State of Vermont, each within the limits of its jurisdiction over persons and property, shall, respectively, have jurisdiction of suits, actions, and proceedings by the trustee on behalf of the bondholders. The venue of any such suits, actions, or proceedings in New York shall be laid in Clinton County and in Vermont in Grand Isle County. Service of process of any of such courts upon any member of such Commission shall constitute service on such Commission.

4. Before declaring the principal of all such bonds due and payable the trustees shall first give 30 days' notice in writing to a member of such Commission.

5. Any such trustee shall, whether or not all said bonds have been declared due and payable, be entitled as of right to the appointment of a receiver and ancillary receiver, who may enter and take possession of the bridges or any part or parts thereof and operate and maintain the same and of any and all other property of the commission and collect and receive all tolls, rentals, and other revenues thereafter arising from said bridges and property in the same manner as the bridge authority itself might do, and shall deposit all such moneys in a separate account and apply the same in such manner as the court shall direct. The court of the State to which application is first made therefor shall have jurisdiction to appoint the receiver and the court of the State to which application is thereafer made shall have jurisdiction to appoint the ancillary receiver. In any suit, action, or proceedings by the trustee the fees, counsel fees, and expenses of the trustee and of the receiver and ancillary receiver, if any, shall constitute taxable disbursements and all costs and disbursements allowed by the court shall be a first charge on any tolls, rentals, and other revenues derived from the bridges.

6. Said trustee shall in addition to the foregoing have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the holders of said bonds in the enforcement and protection of their rights.

ARTICLE XXVIII

The bonds and other obligations of such Commission shall not be a debt of the State of New York or of the State of Vermont, and neither State shall be liable thereon, nor shall they be payable out of any funds other than those of such Commission.

ARTICLE XXIX

The bonds authorized by article 26 hereof shall be exempt from taxation except for transfer, estate, and inheritance taxes and are hereby made securities in which all public officers and bodies of each State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, and other fiduciaries in each State may properly and legally invest funds in their control.

ARTICLE XXX

1. After applying all tolls and other revenues from Rouses Point Bridge and from the bridge heretofore constructed by such Commission—

(a) While any bonds of such Commission are outstanding, to meet all agreements with the holders thereof; and

(b) To meet all requirements for operation and maintenance of said bridges, such Commission shall set aside as a reserve for future operation and maintenance such sum as such Commission shall deem advisable not exceeding the estimated amount required for operation and maintenance for 1 year.

2. Such Commission shall pay any excess of tolls and revenues not required for said purposes annually into the treasuries of the States of New York and Vermont until the amount so paid shall equal the advances heretofore made by such States to such Commission with interest on the unpaid balance of such advances at the rate of 4 percent per annum from the date of such advances, the amount to be paid to said States, respectively, being prorated in accordance with the respective unpaid balances of such advances.

3. It is the declared purpose of each of the contracting parties that both of said bridges will eventually be free bridges and to that end it is agreed that after the payment of all obligations which may be issued by such Commission and after the State of New York and the State of Vermont shall have been fully repaid for any and all moneys that have been advanced by them, together with interest thereon, said States by concurrent legislation shall provide the method and procedure for the future operation, maintenance, and control of said bridges.

ARTICLE XXXI

The construction, maintenance, and operation of Rouses Point Bridge is in all respects for the benefit of the people of the two States, for the increase of their commerce and prosperity, and for the improvement of their health and living conditions, and such Commission shall be regarded as performing a governmental function in undertaking the said construction, maintenance, and operation and carrying out the provisions of law relating to the said bridge, and shall be required to pay no taxes or assessments upon any of the property acquired by it for the construction, operation, and maintenance of such bridge, and the interest of either State in any tolls collected under this article shall be free from any State, county, municipal, or local taxation whatsoever in the other State.

ARTICLE XXXII

Such Commission shall have the power to apply to the Congress of the United States or any department of the United States for consent and approval of this agreement, as amended, and of the Rouses Point Bridge to be constructed hereunder, but in the absence of such consent by Congress and until the same shall have been secured, this agreement, as amended, shall be binding upon the State of New York when ratified by it and the State of Vermont when ratified by it without the consent of Congress to cooperate for the purposes enumerated in this agreement and in the manner herein provided.

ARTICLE XXXIII

Notwithstanding anything in article 22 and all subsequent articles hereof, this agreement shall not authorize such Commission to do any act or thing which shall violate the rights of the holders of bonds issued by it prior to the 1st day of March 1933, and the provisions hereof relating to any and all rights and remedies of the holders of bonds issued under the provisions of article 26 and subsequent articles of this agreement shall not be construed to violate or to authorize the violation of any of the rights of the holders of bonds issued prior to said date.

ARTICLE XXXIV

The States of New York and Vermont do hereby pledge themselves and it is hereby agreed with those subscribing to the bonds issued by such Commission pursuant to article 26, and subsequent articles hereof, that the States will not authorize the construction or maintenance of any other highway crossing for vehicular traffic over Lake Champlain between the two States in competition with Rouses Point Bridge, nor will it limit or alter any rights vested in such Commission to establish and levy such tolls as it may deem convenient and necessary to produce sufficient revenue to meet the expense and operation of such bridge and the bridge heretofore constructed by such Commission, and to fulfill the terms of the obligations assumed by such Commission in relation to such bridges until the said bonds, with interest thereon, are fully met and discharged: *Provided*, That such crossing shall be construed as competitive with Rouses Point Bridge only if it shall form a highway connection for vehicular traffic between the two States across Lake Champlain north of the existing bridge heretofore constructed by such Commission. The provisions of this article shall constitute an agreement between the two States for the benefit of those holding the bonds of such Commission, and such Commission may include in bonds issued by it such part of this agreement as shall seem proper as evidence of the foregoing agreement made by the two States with the holders of the said bonds.

ARTICLE XXXV

The State of New York and the State of Vermont hereby consent to the use and occupation of any lands of such States, respectively, if any, lying under the waters of Lake Champlain, necessary for the construction and maintenance of Rouses Point Bridge.

In witness whereof, we have signed this compact or agreement, in duplicate, by and under the authority of chapter 201 of the Laws of 1933, as amended by chapter 355 of the Laws of 1935 of the State of New York, and by and under the authority of an act passed by the General Assembly of the State of Vermont entitled "An act authorizing an agreement or compact between the State of Vermont and the State of New York to amend the existing agreement or compact between said States creating the Lake Champlain Bridge Commission, in relation to the construction of a new bridge across Lake Champlain, the issuance of bonds by said Commission, and providing for the payment of said bonds", approved by the Governor, February 27, 1935, as amended by the act amending said act, approved by the Governor, March 21, 1935, this 30th day of March 1935.

Mortimer Y. Ferris, Marion L. Thomas, William Berman, as commissioners upon the part of the State of New York; John J. Bennett, Jr., attorney general of the State of New York.

George Z. Thompson, William R. Warner, Ford M. Thomas, as commissioners upon the part of the State of Vermont; Lawrence C. Jones, attorney general of the State of Vermont.

In the presence of Walter L. Moore and W. C. Foote.

Attorney General John J. Bennett, Jr., signed on the 11th day of April 1935 in the presence of Joseph M. Mesnig.

Attorney General Lawrence C. Jones signed on the 17th day of April 1935 in the presence of Elizabeth L. Barber.

SEC. 2. The right to alter, amend, or repeal this resolution is hereby expressly reserved.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

EXAMINATION OF CONNECTICUT RIVER

The Senate proceeded to consider the bill S. 203, which had been reported from the Committee on Commerce with an amendment, to strike out the last section of the bill, as follows:

SEC. 2. The Secretary of War is also authorized and directed to proceed with the construction of dikes, drainage gates, suitable pumping plants, and other facilities for controlling floods on the Connecticut River at East Hartford, Conn., pursuant to a special survey made by the district engineer at Providence, R. I., and in conformity with either plan A or plan B designated in the report of said survey. Selection of the plan to be executed shall be made by the Secretary of War with the approval of the town of East Hartford: *Provided*, That the cost of such work shall not exceed $658,000.

So as to make the bill read:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Connecticut River, with a view to control of its floods and prevention of erosion of its banks in the State of Connecticut, in accordance with the provisions of section 3 of the act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917 (U. S. C., title 33, sec. 701), the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, survey, and contingencies of rivers and harbors. Said report will be separate and distinct from surveys previously made in the joint interests of flood control, navigation, and power development.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GOLDSBOROUGH CREEK, WASH.

The bill (S. 2832) to provide a preliminary examination of Goldsborough Creek, in Mason County, State of Washington, with a view to the control of its floods, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of Goldsborough Creek, in Mason County, State of Washington, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

SABINE RIVER BRIDGE, LOUISIANA AND TEXAS

The bill (H. R. 6987) authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 7 meets Texas Highway No. 87, was considered, ordered to a third reading, read the third time, and passed.

MISSOURI RIVER BRIDGE, NEBRASKA

The Senate proceeded to consider the bill (H. R. 7081) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr., which was read, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge authorized by act of Congress approved February 26, 1929, heretofore extended by acts of Congress approved June 10, 1930, March 4, 1933, and June 12, 1934, to be built by the Brownville Bridge Co. across the Missouri River at or near Brownville, Nebr., are hereby further extended 1 and 3 years, respectively, from June 12, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill? I see that the Department of Agriculture objected to it.

Mr. COPELAND. Mr. President, the bill was given very serious consideration by our committee.

Mr. McKELLAR. What was the objection of the Department of Agriculture?

Mr. SHEPPARD. Mr. President, the Department of Agriculture originally objected because it did not believe that a private toll bridge should be established at this point, and now makes the additional objection that, permission having been renewed a number of times without action by the company, no further time should be allowed. The committee, after looking into the situation, feels that the parties desiring to build the bridge should be given another opportunity.

Mr. McKELLAR. The Department of Agriculture recommends against favorable action.

Mr. SHEPPARD. On the grounds I have named. The War Department makes no objection.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2551) to make immediately available the unexpended balances of certain appropriations for the construction or reconstruction of roads and bridges in the flood areas of Missouri, Mississippi, Louisiana, Arkansas, Kentucky, and Alabama was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The bill will be passed over.

JEFFERSON DAVIS NATIONAL HIGHWAY MARKER

The bill (S. 2737) authorizing the erection in the District of Columbia of a suitable terminal marker for the Jefferson Davis National Highway was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Director of the National Park Service is authorized and directed to select, with the approval of the National Capital Park and Planning Commission, a suitable site within the public grounds of the United States in the District of Columbia (other than the grounds of the Capitol, the Library of Congress, and the White House), and to grant permission to the United Daughters of the Confederacy to erect thereon an appropriate terminal marker for the Jefferson Davis National Highway, as a gift to the people of the United States. The design of such marker shall be approved by the National Commission of Fine Arts and such marker shall be erected under the supervision of the Director of the National Park Service, but the United States shall be put to no expense in or by the erection thereof.

GEORGE ROGERS CLARK SESQUICENTENNIAL COMMISSION

The Senate proceeded to consider the bill (S. 2865) to amend the joint resolution establishing the George Rogers Clark Sesquicentennial Commission, approved May 23, 1928, which had been reported from the Committee on the Library with an amendment, on page 1, line 10, to strike out the words "the sum of" and to insert in lieu thereof the words "a sum not to exceed", so as to read:

Be it enacted, etc., That section 8 of the joint resolution establishing the George Rogers Clark Sesquicentennial Commission, approved May 23, 1928, as amended, is hereby amended to read as follows:

"SEC. 8. The Commission shall cease and terminate June 30, 1937."

SEC. 2. There is hereby authorized to be appropriated, in addition to the sums heretofore appropriated for carrying out the purposes of such joint resolution, as amended, a sum not to exceed $50,000 for carrying out such purposes.

SEC. 3. The unexpended balances of the appropriations heretofore made for carrying out the purposes of such joint resolution, as amended, shall be available until expended.

Mr. KING. Mr. President, I recall that when a similar bill was before the Senate several years ago, calling for a rather large appropriation, there was some discussion, and I was wondering what the reason is now for a further appropriation, because a very large appropriation was made when the original bill was passed.

Mr. McKELLAR. Mr. President, what the Senator says is accurate, but the Commission has built a wonderfully beautiful monument, I am told; I have seen pictures of it, but I have not seen the monument itself, though I am a member of the Commission.

When the Commission finished the monument they found some railroad yards and other properties near it, which

practically destroyed the looks of the whole memorial, and it is absolutely necessary to have a little more money in order to complete the memorial.

Mr. KING. Why does not the State do the work?

Mr. McKELLAR. I wish to say for the State of Indiana that it has been extraordinarily liberal. It has contributed a very large share of the cost of the monument, and I hope Senators will visit and look at the monument, because it is really a memorial of historic interest. A great many people think it is even more beautiful than the Lincoln Memorial. It is marred, however, by the eyesores to which I have referred, and the memorial should be completed.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JEAN JULES JUSSERAND

The joint resolution (H. J. Res. 204) authorizing the erection of a memorial to the late Jean Jules Jusserand, was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 2583) establishing certain commodity divisions in the Department of Agriculture was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 810) equalizing annual leave of employees of the Department of Agriculture stationed outside the continental limits of the United States was announced as next in order.

Mr. McKELLAR. Mr. President, I should like to have this bill go over.

The PRESIDING OFFICER. The bill will be passed over.

POWERS AND DUTIES OF UNITED STATES MARSHALS

The bill (H. R. 5456) relating to the powers and duties of United States marshals was announced as next in order.

Mr. KING. Mr. President, may I ask the Senator from New Mexico if the present law is not sufficiently comprehensive?

Mr. HATCH. Mr. President, I reported this bill at the request of the committee. I do not believe I was present when it was considered. I do not know how the bill would change the present law.

The first section of the bill would give authority to the United States marshal to execute processes within his district, and to command necessary assistants in the execution of his duties.

The second section provides that the marshal or his deputies shall have power to make arrests without warrant for offenses against the laws of the United States committed in their presence, or for any felony committed against the laws of the United States.

Mr. KING. I ask that the bill go over.

Mr. McKELLAR. Mr. President, I had a memorandum about this bill, and I know it is a measure which should be passed, but if the Senator wants it to go over, I shall not object.

The PRESIDING OFFICER. Without objection, the bill will be passed over.

Mr. HATCH subsequently said: Mr. President, I ask unanimous consent to return to Calendar No. 812, H. R. 5456.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 5456) relating to the powers and duties of United States marshals.

Mr. HATCH. Since this bill was called I have made some investigation, and I find that the bill changes the law in this respect, that under the existing law a United States marshal cannot arrest without a warrant, although an offense is being committed in his presence. This bill gives him that authority. I have made this explanation to the Senator from Utah [Mr. KING], and the bill is agreeable to him.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

STEERING RULES FOR VESSELS IN WATERS OF THE UNITED STATES

The Senate proceeded to consider the bill (S. 2556) to amend and supplement the steering rules respecting orders to helmsmen on all vessels navigating waters of the United States, and on all vessels of the United States navigating any waters or seas, in section 1 of the act of August 19, 1890, section 1 of the act of June 7, 1897, section 1 of the act of February 8, 1895, and section 1 of the act of February 19, 1895, which had been reported from the Committee on Commerce with amendments, on page 2, line 3, to strike out the words "'Starboard' or"; on line 5 to strike out the words "'Port' or"; on line 14 to strike out the words "'Starboard' or"; on line 16 to strike out the words "'Port' or"; on page 3, line 22, to strike out the words "'Starboard' or"; on line 24, to strike out the words "'Port' or"; on page 4, line 8, to strike out the words "'Starboard' or"; on line 10, to strike out the words "'Port' or"; and to add a new section at the end of the bill, so as to make the bill read:

Be it enacted, etc., That section 1 of the act of August 19, 1890 (ch. 802, 26 Stat. 320; U. S. C., title 33, secs. 61 to 141, arts. 1 to 31), is amended and supplemented by adding at the end thereof as section 142, title 33, of the United States Code the following:

"ART. 32. All orders to helmsmen shall be given as follows:

"'Right Rudder' to mean 'Direct the vessel's head to starboard.'

"'Left Rudder' to mean 'Direct the vessel's head to port.'"

SEC. 2. Section 1 of the act of June 7, 1897 (ch. 4, 30 Stat. 96; U. S. C., title 33, secs. 154 to 231, arts. 1 to 31), is amended and supplemented by adding at the end thereof as section 232, title 33, of the United States Code the following:

"ART. 32. All orders to helmsmen shall be given as follows:

"'Right Rudder' to mean 'Direct the vessel's head to starboard.'

"'Left Rudder' to mean 'Direct the vessel's head to port.'"

Article 18, rule VIII, of said section 1 is amended to read as follows:

"RULE VIII. When steam vessels are running in the same direction, and the vessel which is astern shall desire to pass on the right or starboard hand of the vessel ahead, she shall give one short blast of the steam whistle, as a signal of such desire, and if the vessel ahead answers with one blast, she shall direct her course to starboard, or if she shall desire to pass on the left or port side of the vessel ahead, she shall give two short blasts of the steam whistle as a signal of such desire, and if the vessel ahead answers with two blasts, shall direct her course to port; or if the vessel ahead does not think it safe for the vessel astern to attempt to pass at that point, she shall immediately signify the same by giving several short and rapid blasts of the steam whistle, not less than four, and under no circumstances shall the vessel astern attempt to pass the vessel ahead until such time as they have reached a point where it can be safely done, when said vessel ahead shall signify her willingness by blowing the proper signals.

"The vessel ahead shall in no case attempt to cross the bow or crowd upon the course of the passing vessel."

SEC. 3. Section 1 of the act of February 8, 1895 (ch. 64, 28 Stat. 645; U. S. C., title 33, secs. 241 to 293, rules 1 to 28), is amended and supplemented by adding at the end thereof as section 294, title 33, of the United States Code the following:

"RULE 29. All orders to helmsmen shall be given as follows:

"'Right Rudder" to mean 'Direct the vessel's head to starboard.'

"'Left Rudder' to mean 'Direct the vessel's head to port.'"

SEC. 4. Section 1 of the act of February 19, 1895 (ch. 102, 28 Stat. 672; U. S. C., title 33, secs. 301 to 351, rules 1 to 26), is amended and supplemented by adding at the end thereof as section 352, title 33, of the United States Code, the following:

"RULE 27. All orders to helmsmen shall be given as follows:

"'Right Rudder' to mean 'Direct the vessel's head to starboard.'

"'Left Rudder' to mean 'Direct the vessel's head to port.'"

SEC. 5. The provisions of this act shall become fully effective for all ocean and coastwise vessels on January 1, 1936, and for all vessels on the Great Lakes, bays, sounds, harbors, rivers, and lakes other than the Great Lakes, of the United States on January 1, 1937.

Mr. McKELLAR. Mr. President, is there any Senator here who can give an explanation of this bill?

Mr. COPELAND. Mr. President, I think this is one of the most important bills we have had before us at this session. If this measure had been on the law books at the time, the *Mohawk* disaster would not have occurred.

The bill is designed to make certain that hereafter when the helmsman of a ship is told to turn to the right he will turn the ship to the right, instead of having occur what happened under the old system—have the ship possibly turn to the left. When such an error was made, the *Mohawk* went ahead of the vessel alongside her, and the *Mohawk* was pierced, as a result of which she went to the bottom of the sea with 50 people aboard.

Mr. McKELLAR. The Department recommended certain amendments. Were they included in the bill?

Mr. COPELAND. They have been included.

Mr. McKELLAR. The Department approves the bill?

Mr. COPELAND. Thoroughly. If we can have the Senate ratify the Safety at Sea Treaty, a great many of such accidents as have occurred will not happen in the future, and much suffering will be prevented.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REVENUES FROM THE SHOSHONE POWER PLANT

The Senate proceeded to consider the bill (S. 2286) providing for the allocation of net revenues of the Shoshone power plant of the Shoshone reclamation project in Wyoming, which had been reported from the Committee on Irrigation and Reclamation with an amendment, on page 2, line 2, to strike out the words "Garland, Frannie, and Willwood", and to insert in lieu thereof the words "Garland and Frannie", so as to make the bill read:

Be it enacted, etc., That the net revenues from the Shoshone power plant of the Shoshone irrigation project, properly and equitably allocatable to the unconstructed portions of the Shoshone project from the operation of the Shoshone power plant, shall be applied, first, to the repayment of the proportionate construction cost of the power system; second, to the repayment of the proportionate construction cost of the Shoshone Dam; and third, thereafter such net revenues shall be paid into the reclamation fund, and that the Secretary of the Interior shall apply the net revenues properly and equitably apportioned or to be apportioned to the Garland and Frannie divisions of said project, in accord with the terms and provisions of existing contracts with the water users on said project.

SEC. 2. That all acts or parts of acts in conflict herewith are hereby repealed.

Mr. LA FOLLETTE. Mr. President, may I ask the Senator from Wyoming [Mr. O'MAHONEY] to give an explanation of this bill in view of the very emphatic letter from the Acting Secretary of the Interior opposing it?

Mr. O'MAHONEY. Mr. President, the bill undertakes to correct what I deem to be a serious injustice to the settlers upon the Shoshone reclamation project.

In 1924 as a result of an extended investigation there was enacted an act known as the "Fact Finders Act" which authorized the Government of the United States to enter into contracts with the water users' associations on reclamation projects whenever the water users' associations took over various projects.

Such a contract was made in Wyoming by the water users on the Frannie and Garland divisions of the Shoshone project. This contract authorized the water users to have the benefit, upon the construction charges of the project, of the profits of the power plant. That was the contract between the water users and the Government. The exact language of the agreement is quoted in the report, as follows:

Should any net profits be realized by the United States from any of the various sources named in subsections I and J of said act of Congress of Decemer 5, 1924, the same will be announced and determined each year by the Secretary in a written statement to be sent to the district. The portion of such net profit, if any, as determined by the Secretary, shall be credited each year as follows:

(a) On the annual installment project construction charges (including the construction charges payable by nonconsenting application landowners) of the district beginning with the installment first coming due and continuing with succeeding construction installments as far as such credit will go until the entire construction indebtedness of the district has been paid.

Later, in March 1929, there was attached to the Interior Department appropriation bill by way of rider in the House of Representatives an amendment which abrogated that contract and deprived the water users of the right to have the earnings applied on the construction indebtedness of the district.

The curious thing is that two riders were presented, one affecting the North Platte project in Nebraska and Wyoming, and the other affecting the Shoshone project. That which affected the North Platte project was ruled out upon a point of order raised by a Representative from the State of Nebraska. No point of order was raised against the rider affecting the Shoshone project, so it became the law. Consequently, the water users of the Shoshone project were deprived of their contract.

The letter of the Secretary, to which the Senator has alluded, bases its entire argument upon that rider. This bill merely puts the water users back in the position in which they were by virtue of the contracts.

Mr. LA FOLLETTE. What has the Senator from Wyoming to say with regard to the following statement appearing on page 4 of the report?—

The water users of the Frannie division are not obligated to repay any part of the construction cost of the power plant, and, therefore, have no contractual right to the net revenues derived from the operations of the plant.

Mr. O'MAHONEY. That statement is based upon the act of March 4, 1929, the rider that abrogated the contract. The only tenable objection, I think, is taken care of in one of the amendments which are offered. The amendment strikes out the division which has no contractual agreement.

Mr. LA FOLLETTE. To that extent, then, the bill, as amended, would meet this particular objection of the Department?

Mr. O'MAHONEY. Yes; but the Department has stood on the act of March 4, 1929. The bill recognized the contract made by virtue of the act of December 5, 1924.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATURALIZATION OF ALIEN VETERANS OF THE WORLD WAR

The bill (S. 2015) to extend the time for naturalization of alien veterans of the World War was announced as next in order.

Mr. AUSTIN. Mr. President, there is an identical bill, House bill 2729, Calendar No. 892, not on the printed calendar, but reported today. It would expedite common action by both Houses of Congress if the House bill were substituted for the Senate bill.

I therefore ask unanimous consent to substitute the House bill for the Senate bill and that the House bill be now considered.

Mr. McKELLAR. Is it exactly the same bill?

Mr. AUSTIN. Identically.

The PRESIDING OFFICER. Has the Senator a copy of the bill?

Mr. AUSTIN. I have. I send it to the desk.

Mr. COPELAND. Is it in the same language as the Senate bill as amended?

Mr. AUSTIN. It is.

Mr. COPELAND. I think the Senator makes a very wise suggestion.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont?

There being no objection, the Senate proceeded to consider the bill (H. R. 2739) to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes, which had been reported from the Committee on Immigration with an amendment to strike out all after the enacting clause and to insert in lieu thereof the following:

That subdivision (a) of section 1 of the act entitled "An act to further amend the naturalization laws, and for other purposes", approved May 25, 1932 (47 Stat. 165; U. S. C., Supp. VII, title 8, sec. 392b (a)), shall, as herein amended, continue in force and effect to include petitions for citizenship filed prior to May 25,

1937, with any court having naturalization jurisdiction: *Provided*, That for the purposes of this act clause (1) of subdivision (a) of section 1 of the aforesaid act of May 25, 1932, is amended by striking out the words "All such period" and in lieu thereof inserting the words "the 5 years immediately preceding the filing of his petition."

SEC. 2. The provisions of section 1 of this act are hereby extended to include any alien lawfully admitted into the United States for permanent residence who departed therefrom between August , 1914, and April 5, 1917, or who, having been denied entry into the military and naval forces of the United States, departed therefrom subsequent to April 5, 1917, for the purpose of serving, and actually served prior to November 11, 1918, in the military or naval forces of any of the countries allied with the United States in the World War and was discharged from such service under honorable circumstances: *Provided*, That before any applicant for citizenship under this section is admitted to citizenship, the court shall be satisfied by competent proof that he is entitled to, and has complied in all respects with, the provisions of this act; and that he was and had been a bona fide lawfully admitted resident in the United States for 2 years before the passage of this act.

SEC. 3. The Commissioner of Immigration and Naturalization, with the approval of the Secretary of Labor, shall prescribe such rules and regulations as may be necessary for the enforcement of this act.

Mr. COPELAND. Mr. President, I understand that the words are identical with the amendment which was offered by the Senate committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the Senate committee.

The amendment was agreed to.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2015 will be indefinitely postponed.

CUSTODY OF FEDERAL DOCUMENTS

Mr. BARKLEY. Mr. President, two or three times Calendar No. 576, House bill 6323, has been reached and passed over. I ask that we recur to the bill in order that I may offer several amendments to it. The bill is a very important measure providing for the preservation of public documents by the Archivist.

I ask unanimous consent to recur to Calendar No. 576 in order that I may offer the amendments.

The PRESIDING OFFICER. Is there objection?

There being no objection the Senate proceeded to consider the bill (H. R. 6323) to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof.

Mr. BARKLEY. Mr. President, I offer several amendments, which I ask to have stated.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. In section 2, page 2, line 9, after the word "open", it is proposed to strike out "at all hours for that purpose" and insert "for that purpose during all hours of the working days when the Archives Building shall be open for official business", so as to make the section read:

SEC. 2. The original and two duplicate originals or certified copies of any document required or authorized to be published under section 5 shall be filed with the Division, which shall be open for that purpose during all hours of the working days when the Archives Building shall be open for official business. The Director of the Division shall cause to be noted on the original and duplicate originals or certified copies of each document the day and hour of filing thereof: *Provided*, That when the original is issued, prescribed, or promulgated outside of the District of Columbia and certified copies are filed before the filing of the original, the notation shall be of the day and hour of filing of the certified copies. Upon such filing, at least one copy shall be immediately available for public inspection in the office of the Director of the Division. The original shall be retained in the archives of the National Archives Establishment and shall be available for inspection under regulations to be prescribed by the Archivist. The Division shall transmit immediately to the Government Printing Office for printing, as provided in this act, one duplicate original or certified copy of each document required or authorized to be published under section 5. Every Federal agency shall cause to be transmitted for filing as herein required the original and the duplicate originals or certified copies of all such documents issued, prescribed, or promulgated by the agency.

The amendment was agreed to.

The CHIEF CLERK. In section 3, page 3, line 13, after the word "required", it is proposed to strike out "by the Archivist", so as to make the section read:

SEC. 3. All documents required or authorized to be published under section 5 shall be printed and distributed forthwith by the Government Printing Office in a serial publication designated the "Federal Register." It shall be the duty of the Public Printer to make available the facilities of the Government Printing Office for the prompt printing and distribution of the Federal Register in the manner and at the times required in accordance with the provisions of this act and the regulations prescribed hereunder. The contents of the daily issues shall be indexed and shall comprise all documents, required or authorized to be published, filed with the Division up to such time of the day immediately preceding the day of distribution as shall be fixed by regulations hereunder. There shall be printed with each document a copy of the notation, required to be made under section 2, of the day and hour when, upon filing with the Division, such document was made available for public inspection. Distribution shall be made by delivery or by deposit at a post office at such time in the morning of the day of distribution as shall be fixed by such regulations prescribed hereunder. The prices to be charged for the Federal Register may be fixed by the administrative committee established by section 6 without reference to the restrictions placed upon and fixed for the sale of Government publications by section 1 of the act of May 11, 1922, and section 307 of the act of June 30, 1932 (U. S. C., title 44, secs. 72 and 72a), and any amendments thereto.

The amendment was agreed to.

The CHIEF CLERK. In section 7, page 6, line 18, after the words "shall be", it is proposed to strike out "effective" and insert "valid", so as to make the section read:

SEC. 7. No document required under section 5 (a), to be published in the Federal Register shall be valid as against any person who has not had actual knowledge thereof until the duplicate originals or certified copies of the document shall have been filed with the Division and a copy made available for public inspection as provided in section 2; and, unless otherwise specifically provided by statute, such filing of any document, required or authorized to be published under section 5, shall, except in cases where notice by publication is insufficient in law, be sufficient to give notice of the contents of such documents to any person subject thereto or affected thereby. The publication in the Federal Register of any document shall create a rebuttable presumption (a) that it was duly issued, prescribed, or promulgated; (b) that it was duly filed with the Division and made available for public inspection at the day and hour stated in the printed notation; (c) that the copy contained in the Federal Register is a true copy of the original; and, (d) that all requirements of this act and the regulations prescribed hereunder relative to such document have been complied with. The contents of the Federal Register shall be judicially noticed and, without prejudice to any other mode of citation, may be cited by volume and page number.

The amendment was agreed to.

The CHIEF CLERK. In section 9, page 8, line 14, after the word "borne", it is proposed to strike out "by the general appropriation to the Government Printing Office and such appropriation is hereby made available, and is authorized to be increased by an amount equal to the amount so covered into the Treasury and such additional sums as are necessary, for such purposes", and to insert "by the appropriations to the Government Printing Office and such appropriations are hereby made available, and are authorized to be increased by such additional sums as are necessary for such purposes, such increases to be based upon estimates submitted by the Public Printer", so as to make the section read:

SEC. 9. Every payment made for the Federal Register shall be covered into the Treasury as a miscellaneous receipt. The cost of printing, reprinting, wrapping, binding, and distributing the Federal Register and any other expenses incurred by the Government Printing Office in carrying out the duties placed upon it by this act shall be borne by the appropriations to the Government Printing Office, and such appropriations are hereby made available and are authorized to be increased by such additional sums as are necessary for such purposes, such increases to be based upon estimates submitted by the Public Printer. The purposes for which appropriations are available and are authorized to be made under section 10 of the act entitled "An act to establish a National Archives of the United States Government, and for other purposes" (48 Stat. 1122), are enlarged to cover the additional duties placed upon the National Archives Establishment by the provisions of this act. Copies of the Federal Register mailed by the Government shall be entitled to the free use of the United States mails in the same manner as the official mail of the executive departments of the Government. The cost of mailing the Federal Register to officers and employees of Federal agencies in foreign countries shall be borne by the respective agencies.

The amendment was agreed to.

The CHIEF CLERK. In section 10, page 9, line 10, after the word "thereafter", it is proposed to insert a colon and the following proviso:

Provided, That the appropriations involved have been increased as required by section 9 of this act.

So as to make the section read:

SEC. 10. The provisions of section 2 shall become effective 60 days after the date of approval of this act and the publication of the Federal Register shall begin within 3 business days thereafter: *Provided*, That the appropriations involved have been increased as required by section 9 of this act. The limitations upon the effectiveness of documents required, under section 5 (a), to be published in the Federal Register shall not be operative as to any document issued, prescribed, or promulgated prior to the date when such document is first required by this or subsequent act of the Congress or by Executive order to be published in the Federal Register.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. HARRISON. Mr. President, I desire to make a statement regarding the N. R. A.

The Committee on Finance has been working for about 3 hours with reference to the N. R. A. joint resolution which the Senate passed and which is again before our committee with the House amendment. We have agreed on an amendment to the House amendment, and I had hoped that I might this afternoon move to concur in the House amendment with an amendment, but I find that some Senators have been told that the matter would not come up this afternoon. The distinguished leader on the other side has just stated to me that he had so informed several Senators and that they had left.

I do not believe there will be any controversial discussion about the matter, so I am going to abide by the wishes of those in charge. I should like to have stated the motion which I expect to make tomorrow, so that it may be printed tonight and Senators may see just what the proviso will be.

Mr. McKELLAR. I ask that the motion be read.

The PRESIDING OFFICER. The motion of the Senator from Mississippi will be read.

The Chief Clerk read as follows:

Amendment proposed by Mr. HARRISON: I move that the Senate concur in the amendment of the House to the text of the joint resolution with the following amendment: Strike out the period at the end of the matter proposed to be inserted by said amendment and insert in lieu thereof a colon and the following:

"*Provided*, That the exemption provided in section 5 of such title shall extend only to agreements and action thereunder (1) putting into effect the requirements of section 7 (a), including minimum wages, maximum hours, and prohibition of child labor, and (2) prohibiting unfair competitive practices which offend against existing law or which constitute unfair methods of competition under the Federal Trade Commission Act, as amended."

Mr. HARRISON. Mr. President, I do not care to go into a discussion of the matter this afternoon; but I may say that of course the codes have been stripped from the N. R. A. by the decision of the Supreme Court. The license features have expired by law, and the joint resolution as amended now provides only for voluntary agreements as to transactions in interstate commerce, or affecting interstate commerce. The antitrust law was suspended in making these voluntary agreements. Of course they were not to be in contravention of the purposes of title I of the act, which sought to preserve the law against monopolistic tendencies, monopolies, and so forth. We especially provide in the amendment, however, that these voluntary agreements shall be restricted to the matters embodied in the amendment—namely, the collective bargaining feature provided for in section 7 of the act, minimum hours and wages, and child labor—and that they shall not offend against those laws which are now on the statute books as carried in the Federal Trade Commission Act, and so on.

Mr. McKELLAR. How long are the agreements to continue?

Mr. HARRISON. We do not change that at all. They have to expire on April 1 of next year.

I wish to make a suggestion to the Senator from Kentucky. The Senator from Oregon tells me that it is agreeable to him that when we recess this afternoon we shall recess until 11:30 tomorrow morning, and that this matter may be brought up first, so that it may go to the House. I would not make this request if it were not for the fact that legislation on the subject must be enacted by the 16th of this month, and the joint resolution has to go back to the House for action there.

Mr. BARKLEY. Mr. President, in view of the fact that we have already entered into a unanimous-consent agreement as to the time when we shall vote on the pending bill, and in order not to interfere with that order of business, I believe it will be wise to meet at 11:30 a. m. tomorrow. I therefore ask unanimous consent that when the Senate concludes its business today it take a recess until 11:30 a. m. tomorrow.

Mr. BORAH. Mr. President, in what condition as to force and effect are the antitrust laws with this amendment written into the law?

Mr. HARRISON. I do not believe the Sherman antitrust law would be suspended by this voluntary-agreement provision. I think if the parties should get together under voluntary agreements to do the things here specified that they may do, they would not in any way be violating the Sherman antitrust law. Some lawyers think they would be. It is their opinion that the Sherman antitrust law would be in full force and effect.

Mr. BORAH. Is it the understanding of the committee that this would leave the Sherman antitrust law in full force and effect?

Mr. HARRISON. It is.

Mr. BORAH. Is that the unanimous opinion of the committee?

Mr. HARRISON. It is the opinion of all who expressed themselves and we had a pretty full committee meeting. There are some who believe that when gentlemen get together even for a voluntary agreement, the courts might grab them under the Sherman antitrust law. Therefore we have specified that they might do these particular things.

Mr. BORAH. I take it that those who think if they get together and talk over these matters they would be amenable to the Sherman antitrust laws, would be relieved under this provision?

Mr. HARRISON. That is true.

Mr. COUZENS. Mr. President, I do not think the Senator from Mississippi got the purport of the question propounded by the Senator from Idaho, because it was contemplated by the committee that unless provisions were inserted which are perfectly legal in themselves, the mere getting together of the industries would be implied as a violation of the antitrust law. The committee, as I understand, was absolutely unanimous that none of the antitrust laws were suspended in any way.

Mr. BORAH. Nor would they be under this amendment?

Mr. COUZENS. Nor would they be under this amendment. This amendment was a notice, if you please, to the industries that they could get together for these purposes which are already lawful, and make agreements without being tainted with the charge of an attempt to violate the antitrust law.

Mr. HARRISON. As I said a moment ago, even getting together to talk over the matter is feared by some to be a violation of the antitrust law.

Mr. BARKLEY. These things specifically relate only to maximum hours and wages and child labor——

Mr. COUZENS. Oh, no.

Mr. BARKLEY. In addition to section 7a which was, of course, a part of the N. R. A. act.

Mr. HARRISON. It also covers any arrangement prohibiting unfair practices which offend against the existing

law. That is written in the measure because it follows the language of the Supreme Court in its recent opinion.

Mr. BORAH. The second provision of the resolution provides that "These practices shall not be such practices as offend against existing law."

Mr. HARRISON. That is correct. That would include the antitrust law.

Mr. BORAH. It is difficult for me understand the necessity for this portion of the joint resolution. It it does not in any sense affect existing law, the parties could do anything that the existing law does not prohibit them from doing.

Mr. HARRISON. It appeared to me that way, but we have been told by many lawyers who appeared before the committee that business men fear that even getting together to confer with reference to hours of labor or wages might be held to be a violation of the antitrust law, I cannot understand how they get that idea, but it is true they have it, and if there can be some voluntary agreements entered into to carry out the plan, I think they ought to be permitted.

Mr. BORAH. In other words, if they get together and do anything in violation of the Sherman antitrust law, they may be proceeded against, notwithstanding anything in this resolution?

Mr. HARRISON. They will be punished by the Government, I hope.

Mr. BONE. Mr. President, has it been suggested to the committee that there would be a transgression of the antitrust laws of the country if business men should get together to eliminate child labor or adopt an agreement as to a minimum wage or maximum hours? Are those things deemed by anybody to be a violation of the antitrust laws?

Mr. HARRISON. I regret to say that a suggestion has been made to that effect. I see no force in the argument myself.

Mr. BONE. Is it possible the Sherman antitrust laws would be held to prohibit such a thing?

Mr. HARRISON. Business is pretty much frightened because of the very heavy penalty which might be inflicted.

Mr. BONE. I think it should be made plain to the country that if such a construction is to be given the Sherman Antitrust Law, then the act would prohibit business men themselves, by agreement, eliminating child labor. That is certainly a condition which I think 99 percent of the people of the country cannot contemplate with equanimity. I doubt if anybody believes that construction would be or should be given the law.

Mr. HARRISON. I am certain no Senator believes that construction should be placed on the law.

Mr. AUSTIN. Mr. President, before the request is put——

Mr. HARRISON. I have made no request.

Mr. AUSTIN. I understood the Senator from Kentucky [Mr. BARKLEY] had submitted a unanimous consent request that when we conclude our business today we should recess until 11: 30 o'clock in the morning. I inquire of the Senator from Mississippi [Mr. HARRISON] if he has conferred with the leader of the minority regarding a recess to that hour?

Mr. HARRISON. He not only agreed to it, but I think he made the suggestion.

Mr. AUSTIN. I have been informed that he is on his way here now from his office. I think it would be a courtesy to him to await his arrival.

Mr. HARRISON. I have just talked to him. The agreement is thoroughly in accord with his views. If he should raise any question about it I shall be glad to have the Senate undo what we may do under the agreement.

Mr. AUSTIN. Very well.

The PRESIDING OFFICER. Without objection the unanimous consent request of the Senator from Kentucky is granted, and the agreement is entered into.

Mr. McNARY subsequently said: Mr. President, I desire to call the attention of the Senate, and particularly the attention of the Senator from Kentucky [Mr. BARKLEY], to a matter that occurred a few moments ago regarding the unanimous-consent agreement to meet tomorrow at 11:30 a. m.

I have no objection to that order, provided the N. R. A. joint resolution can be disposed of by 12 o'clock; but should the hour of 12 o'clock arrive, and the joint resolution not have been disposed of, I should want it to remain undisposed of until we should have carried out the unanimous-consent agreement regarding the holding-company bill.

Mr. BARKLEY. Mr. President, I will say to the Senator from Oregon that it is not contemplated that the unanimous-consent agreement to meet at 11:30 a. m. will in any way interfere with the order previously entered with reference to the holding-company bill; and if the N. R. A. matter shall not be disposed of by 12 o'clock, it is contemplated that we shall take up the holding-company bill and go on with it according to the order heretofore entered.

Mr. McNARY. If that is the order of the Senate, it is perfectly agreeable to me. Inasmuch as we entered into an agreement that the time from 12 to 2 o'clock tomorrow should be devoted to the disposition of the amendments offered by the Senator from Illinois [Mr. DIETERICH], I do not wish to have the N. R. A. joint resolution absorb the time allotted for the discussion of those amendments.

Mr. BARKLEY. No; I will say to Senators who are interested in the amendments to the holding-company bill that it is not intended to have the time from 12 until 2 tomorrow consumed by the N. R. A. joint resolution. If it is necessary to modify the agreement to meet at 11: 30 by asking unanimous consent that it be ordered that at 12 o'clock, if the N. R. A. joint resolution shall not have been disposed of, we shall proceed with the holding-company bill, as previously ordered, I ask that that be done. I think that would happen, anyway.

Mr. McNARY. I hope that order will be made.

The PRESIDING OFFICER. Without objection, the order heretofore made will be so modified.

RELIEF OF CITY OF NEW YORK

The bill (S. 2689) for the relief of the city of New York was announced as next in order.

Mr. McKELLAR. Mr. President, what has the Senator from New York to say about that bill? It calls for a very large sum of money. I hope the Senator will let the bill go over.

Mr. COPELAND. Mr. President, since 1864 it has been the duty of the Senators from the State of New York to present this bill to the Senate, and it has been passed by the Senate four times.

In 1925, after I came to the Senate, I tried to secure the passage of the bill. My effort was resisted in the matter by the then Senator from Utah, Mr. Smoot, because the accounts had not been audited. In response to my appeal, the Senate adopted a resolution asking the Comptroller General, Mr. McCarl, to audit the accounts. They were found in perfect order. Then the bill came up in the Senate and was passed. It has been passed four times. It has been favorably reported three times in the House.

Mr. McKELLAR. There appears to be no report with the bill.

Mr. COPELAND. Oh, yes; there is a full report with the bill.

Mr. McKELLAR. Was it recommended by the War Department?

Mr. COPELAND. It was. Twelve States have had granted to them the same form of relief that we are asking. As I have said, the bill has passed the Senate four different times even since I have been in the Senate. I appeal to the Senator not to prevent its passage now.

Mr. KING. Mr. President, I ask the Senator from New York whether this bill is for interest upon the claim?

Mr. COPELAND. No; the item for interest was thrown out.

Mr. McKELLAR. Is this to repay a part of the principal that was loaned?

Mr. COPELAND. This is to repay the principal that was loaned. The Senator will find in the record the appeal from President Lincoln on May 16, 1861—a letter the orig-

inal of which I have seen—in which he begged that this money might be raised.

Mr. McKELLAR. Is not this part of a larger sum that has already been returned to the city of New York?

Mr. COPELAND. Not at all. Not a penny of this money has ever been returned. My original bill asked for interest; but the Comptroller General said interest should not be allowed, and that feature has been eliminated. The accounts have been carefully audited by the Comptroller General.

Mr. McKELLAR. Of course I cannot object to the consideration of the bill under the circumstances.

Mr. BURKE. Mr. President, I ask that the bill go over. I desire to study the matter.

Mr. COPELAND. Mr. President, I think the Senator from Nebraska will find the circumstances as I have stated them to be. President Lincoln made this appeal to New York. New York issued city bonds to raise troops, fully equipped, under the promise of the President that there would be a return of the money expended for that purpose.

Mr. BURKE. I should like particularly to know the reason why the bill has been unpaid for 74 years after the response was made.

Mr. COPELAND. Let me say that the reason why payment was objected to previously was always because there had been no audit. A question was raised as to the amount of money, and then to the payment of interest; but in 1925 a resolution was passed by the Senate providing for an audit, and an audit was made by the Comptroller General, and, as the record will show, all the accounts were found in perfect order in the office of the Comptroller of the City of New York; but the Comptroller General, in making his report upon the matter, said that the item of interest should not be included. The failure of passage in every instance prior to the time when the audit came in was due to the fact that the accounts had not been audited, and it seemed to be altogether too general an attack upon the Treasury.

Mr. BURKE. I should like to have an opportunity to examine the matter carefully.

Mr. COPELAND. Of course, I shall be very happy to let it go over for that purpose.

The PRESIDING OFFICER. The bill will be passed over.

BILLS PASSED OVER

The bill (H. R. 5917) to appoint an additional circuit judge for the ninth judicial district was announced as next in order.

Mr. McCARRAN. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1389) to amend section 7, title 1, of the Agricultural Adjustment Act was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

LEIF ERIKSON DAY

The joint resolution (H. J. Res. 26) requesting the President to proclaim October 9 as Leif Erikson Day was considered, ordered to a third reading, read the third time, and passed.

INSPECTION OF SMALL VESSELS

The bill (S. 2001) to amend section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved May 16, 1906, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved May 16, 1906, be, and the same is hereby, amended to read as follows:

"SEC. 4426. The hull and boilers of every ferryboat, canal boat, yacht, or other small craft of like character propelled by steam, shall be inspected under the provisions of this title. Such other provisions of law for the better security of life as may be applicable to such vessels shall, by the regulations of the board of supervising inspectors, also be required to be complied with before a certificate of inspection shall be granted, and no such vessel shall be navigated without a licensed engineer and a licensed pilot: *Provided, however*, That in open steam launches of 10 gross tons and under, one person, if duly qualified, may serve in the double capacity of pilot and engineer.

"That from and after 3 months after the date of the approval of this act, all towing vessels, and all vessels of above 15 gross tons propelled by machinery, the propulsion power of which is other than by steam, carrying freight or passengers for hire, shall be subject to all of the provisions of the laws relating to steam vessels, insofar as they may be applicable thereto."

SEC. 2. That all laws or parts of laws insofar as they are in conflict with this act are hereby repealed.

LIVING ACCOMMODATIONS ON SMALL VESSELS

The bill (S. 2010) to improve the living accommodations on vessels under 100 tons was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first two paragraphs of section 6 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea", be amended so as to read:

"SEC. 6. That section 2 of the act entitled 'An act to amend the laws relating to navigation', approved March 3, 1897, be, and is hereby, amended to read as follows:

"'SEC. 2. That on all merchant vessels of the United States, except yachts, pilot boats, or vessels of less than 100 tons register, every place appropriated to the crew of the vessel shall have a space of not less than 120 cubic feet and not less than 16 square feet, measured on the floor or deck of that place, for each seaman or apprentice lodged therein, and each seaman shall have a separate berth and not more than one berth shall be placed one above another; such place or lodging shall be securely constructed, properly lighted, drained, heated, and ventilated, properly protected from weather and sea, and, as far as practicable, properly shut off and protected from the effluvium of cargo or bilge water. And every such crew space shall be kept free from goods or stores not being the personal property of the crew occupying said place in use during the voyage. On all merchant vessels entitled by ownership and build to engage in the coastwise trade of the United States under 100 gross tons, whether or not documented, on which lodging and/or living accommodations are furnished, every place so appropriated to the crew shall have a space of not less than 112 cubic feet and not less than 16 square feet, measured on the floor or deck of that space for each seaman lodged therein, and each seaman shall have a separate berth and not more than one berth shall be placed one above another; such place or lodging shall be securely constructed, properly lighted, drained, heated, and ventilated, properly protected from weather and sea, and, so far as practicable, properly shut off and protected from the effluvium of cargo or bilge water.'"

SEC. 2. This act shall take effect 60 days from the date of approval thereof.

BILL PASSED OVER

The bill (H. R. 3462) to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", and for other purposes, was announced as next in order.

Mr. McKELLAR. May we have an explanation of that bill? [A pause.] If not, let it go over.

The PRESIDING OFFICER. The bill will be passed over.

PREVENTION OF KIDNAPING

The bill (S. 2421) to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped, or otherwise unlawfully detained, and making such act a felony", as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped, or otherwise unlawfully detained, and making such act a felony", as amended (48 Stat. 781; U. S. C., title 18, secs. 408a, 408b, and 408c, be, and it is hereby, amended by the addition of the following section:

"SEC. 4. Whoever receives, possesses, or disposes of any money or other property, or any portion thereof, which has at any time been delivered as ransom or reward in connection with a violation of section 1 of this act, knowing the same to be money or property which has been at any time delivered as such ransom or reward, shall be punished by a fine of not more than $10,000 or imprisonment in the penitentiary for not more than ten years, or both."

LANDS IN NOME, ALASKA

The Senate proceeded to consider the bill (S. 2779) to authorize the conveyance of certain lands in Nome, Alaska, which had been reported from the Committee on Territories

and Insular Affairs with an amendment, to add at the end of the bill the following new section:

SEC. 2. The transfer of this property and its use for the purposes mentioned shall be without expense to the United States of America.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MISSISSIPPI CHOCTAW INDIANS

The Senate proceeded to consider the bill (S. 2715) conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi, which was read, as follows:

Be it enacted, etc., That the Court of Claims be, and it is hereby, authorized and directed to hear and determine all claims against the United States of the Choctaw Indians of the State of Mississippi based upon the provisions of any treaty or agreement with or statute of the United States, or upon the failure of the United States to recognize or provide for the settlement of any interest vested or contingent of the aforesaid Choctaw Indians in administering or liquidating the assets or property of the Choctaw Nation and allotting in severalty the lands of said nation and distributing its property to the individual citizens of said nation enrolled on its final approved citizenship rolls.

SEC. 2. That for the purposes of the action to be brought in said Court of Claims under the provisions of this act, the said Indians are hereby recognized as having the status of a separate band with authority in their representatives to employ counsel and to execute and file a petition or petitions setting forth their claims, and to prosecute said suit or suits to a final determination: *Provided, however*, That any question which may arise, or objection which may be made, as to the representative character of the organization so acting on behalf of said Choctaw Indians of the State of Mississippi, shall be heard and adjudicated by the said Court of Claims in the suit or suits hereby authorized to be brought.

SEC. 3. That any petition or petitions filed in the said Court of Claims under the provisions of this act shall be submitted to said court within 2 years from the date of this act, and said cause or causes shall thereupon be proceeded with in accordance with the law and practice of said court, and any claims not so presented within the said period of 2 years shall be thereafter forever barred: *Provided, however*, That should the Court of Claims find that a petition so presented within said time is not presented by persons fairly representative of the said Indians, said court shall have the authority to permit amendments thereafter bringing proper parties before the court.

SEC. 4. That the hearing and adjudication of said claims shall be governed by equitable principles and shall fairly and finally determine the merits of the claims of said Indians and the obligations of the United States to them in administering the affairs of Indians subject to the guardianship and authority of the United States, in accordance with the customary action and precedents in the conduct of the estates of incompetent Indians, if the court shall find that said Mississippi Choctaw Indians were in fact as a group incompetent to manage their own affairs.

SEC. 5. That the amount of any judgment rendered in said cause when appropriated shall be set aside as a special fund to be paid or disbursed only upon such terms and conditions as Congress may by its subsequent legislation direct: *Provided, however*, That in entering its final judgment in said cause the Court of Claims shall hear and determine the amount of attorneys' fees not to exceed 10 percent of the amount of any final award, which on a quantum meruit basis it shall find to be a reasonable compensation for the services and expenses of the representatives of said Indians in prosecuting their claims before Congress and the Bureau of Indian Affairs, and before said court in the suit authorized by the provisions of this act, and shall as a part of said judgment award so much thereof as may be necessary to pay said compensation and reimbursement upon the basis herein directed to such person or persons as the said court may find entitled thereto.

SEC. 6. That said court shall have further jurisdiction to hear and determine any counterclaims or counterdemands on the part of the United States against the said Choctaw Indians of Mississippi upon the said basis of equity and justice as directed in respect to the adjudication of all matters under the authority of this act.

SEC. 7. That either party aggrieved by any final decision of the said Court of Claims in said cause shall have the right to appeal such final decision to the Supreme Court of the United States, as provided by law in respect to appeals from the Court of Claims to said Supreme Court: *Provided*, That the question of the validity of the claim or claims of said Choctaw Indians against the United States, or any counterclaims or demands of the United States against said Indians, the appellate jurisdiction of said Supreme Court of the United States is hereby expressly extended to the hearing and determination of an appeal by or on behalf of said Choctaw Indians or the United States.

SEC. 8. That for the purpose of this act the term "Choctaws of the State of Mississippi" shall include only those persons who on July 1, 1902, were residents in the States of Mississippi, Alabama, and Louisiana, having not less than one-eighth Choctaw Indian blood, and their descendants, and such persons as were thereafter identified on any approved roll of Mississippi Choctaws and their descendants, and shall not include any persons who were enrolled on the final citizenship rolls of the Choctaw Nation in Oklahoma.

Mr. KING. Let the bill go over.

Mr. CONNALLY. Mr. President, do I understand that there was an objection to the consideration of Senate bill 2715?

The PRESIDING OFFICER. There was.

Mr. KING. I objected upon the ground that I have not had time to read the report of the acting Secretary of the Interior, which is adverse.

Mr. CONNALLY. The committee has had the matter up at a number of sessions, and reported favorably on the bill, and the Commissioner of Indian Affairs expressed no objection to the bill.

Mr. KING. There are two recommendations by the Secretary. I have no knowledge of the matter. I shall be glad to examine into it.

Mr. CONNALLY. The Senator from Oklahoma (Mr. THOMAS) is the chairman of the committee.

Mr. THOMAS of Oklahoma. Mr. President, this particular bill has been before the committee for some time. These particular Indians in the past have had no one to speak for them. During the present Congress the Senator from Texas [Mr. CONNALLY] introduced a bill which received the consideration of the committee, and during the consideration the Commissioner of Indian Affairs was present.

Because these Indians are scattered, and because they are not officially recognized except in a partial way, they have not had their claims urged and presented before the Congress; but it is the position of the Indian Affairs Committee that their claims, of whatever nature, should be recognized, and the Indians having the claims should be permitted to go into some court where the claims may be presented. It is only a question of time until this bill or some similar bill will be passed, and the position of the committee is that the sooner it is done the better, to the end that justice may be served.

Because the claim will never die the committee took the position that it should be recognized now and these Indians given permission to go into the Court of Claims, while there are still some Indians alive who might be able to testify.

Mr. KING. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. KING. It appears that there has been some judicial procedure with respect to this claim, and the report of Mr. Walters, the Acting Secretary of the Interior, is to the effect that the measure ought not to be passed. He refers to the fact that there was a quasi-judicial tribunal whose judgment within the limits of its jurisdiction was subject to attack only for fraud, and so on, and as I understand from the statement, there was a judicial determination of a court.

Mr. THOMAS of Oklahoma. The reason for their opposition to the claim is that they think there is no valid claim existing, but the Indians are not satisfied, and in order that the matter may be settled, and the Indians may be given their day in court, the committee thought it wise to report the bill and have some court of competent jurisdiction pass upon the question whether or not they have a claim.

Mr. CONNALLY. Mr. President, is it not true that during the consideration of the bill the Commissioner of Indian Affairs appeared before the committee and expressed himself as not being opposed to the measure?

Mr. THOMAS of Oklahoma. He did appear, and the only objection is that the Bureau does not think there is any valid claim; but the only way to settle the matter is to let the Indians go before the court and show whether there is or not.

Mr. CONNALLY. The Commissioner said he was very hopeful something could be done for the relief of the Indians.

Mr. THOMAS of Oklahoma. I think that statement is accurate.

Mr. McKELLAR. There could be no harm in letting the case go to the Court of Claims.

Mr. THOMAS of Oklahoma. That is the position the committee took.

Mr. KING. My objection was based wholly upon the recommendation of the Secretary of the Interior. I have no objection.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NANCY JORDAN

The Senate proceeded to consider the bill (S. 2406) for the relief of Nancy Jordan, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nancy Jordan, formerly Nancy Azure, the sum of $1,000 in full satisfaction of all claims of the said Nancy Jordan against the United States for damages for injuries to her arm and operations thereon by Government physicians while she was a student at the Chilocco Indian School of Oklahoma.

Mr. McKELLAR. Mr. President, will the Senator from Oklahoma explain this matter? This is different from the bill just passed. This lady had never made a claim, and the Department recommends that the bill be not passed.

Mr. THOMAS of Oklahoma. Mr. President, this is a personal injury case, and the record shows that no claim was presented. The record further shows, however, that there are no records now to which they can refer. The records have been either misplaced or filed and cannot be found.

The Bureau of Indian Affairs finds that an injury was done this Indian woman, and the reason why she did not present her claim was that she did not know that she was entitled to present a claim. Because of the nature of the injury and the fact that the claimant suffered, the committee is of the opinion that she should be remunerated in a very small sum.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HASKELL INSTITUTE STADIUM

The Senate proceeded to consider the bill (S. 2545) to provide funds for acquisition of the property of the Haskell Students Activities Association on behalf of the Indian school known as "Haskell Institute", Lawrence, Kans., which was read, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $30,500 to be expended under the direction of the Secretary of the Interior for the purpose of meeting indebtedness of the Haskell Students Activities Association, and acquiring title to the property of this association for use of the Government Indian school known as "Haskell Institute", located at Lawrence, Kans.: *Provided*, That funds hereby authorized for this purpose may be used to pay off any outstanding mortgages, liens, judgments, or other valid indebtedness against the above-mentioned association: *And provided further*, That upon payment of all outstanding obligations against the Haskell Students Activities Association, not to exceed in all $30,500, the title to all property belonging to the said association shall be transferred to the United States, and upon such transfer such property shall become a part of the Government Indian school known as "Haskell Institute", Lawrence, Kans.

Mr. McKELLAR. Mr. President, we will have to have an explanation of this bill.

Mr. CAPPER. Mr. President, the bill was prepared by the Commissioner of Indian Affairs, and its enactment is very much desired by the Indian Bureau. Commissioner Collier appeared personally before the committee and urged enactment of the bill, and the Secretary of the Interior strongly urges it.

Mr. McKELLAR. He states that it is not in accordance with the Budget Director's program.

Mr. CAPPER. I am certain that the Bureau of the Budget was not informed of the facts, or they would not have made such a recommendation. The Secretary of the Interior himself and the Commissioner of Indian Affairs very strongly urge the passage of the measure.

Mr. McKELLAR. Does the bill have reference to an Indian reservation?

Mr. CAPPER. It has to do with the Haskell Institute. The appropriation would be $30,500, and the Government would acquire property valued at $200,000.

Mr. McKELLAR. It is dedicated to the use of the Indians?

Mr. CAPPER. Yes.

Mr. THOMAS of Oklahoma. Mr. President, if the Senator from Tennessee will yield, the object of the measure is to enable the Government to take over a stadium at the Haskell Institute. Years ago, the Government being unable to provide a stadium, an organization was formed locally, and a stadium was constructed. Since that time the Indian school has tried to make the stadium a success, but through lack of patronage or lack of efficient management the stadium organization has never been able to make a success financially. For that reason there are claims against the stadium to the extent of the amount carried in the bill. The purpose of the bill is to pay the claims and have the Government take over the property, and then it will become the property of the United States Government. It appears from the testimony in the record that the property is worth much more than the claims against the Institute.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TLINGIT AND HAIDA INDIANS OF ALASKA

The Senate proceeded to consider the bill (H. R. 2756) authorizing the Tlingit and Haida Indians of Alaska to bring suit in the United States Court of Claims, and conferring jurisdiction upon said court to hear, examine, adjudicate, and enter judgment upon any and all claims which said Indians may have, or claim to have, against the United States, and for other purposes, which had been reported from the Committee on Indian Affairs with amendments, in section 2, page 2, line 12, after the word "Indians", to insert the words "or for the failure or refusal of the United States to protect their interests in lands or other tribal or community property in Alaska, and for the loss of use of the same"; in line 22, after the word "therefor", to insert the words "and the loss to said Indians of their right, title, or interest, arising from occupancy and use, in lands or other tribal or community property, without compensation therefor, shall be held sufficient ground for relief hereunder"; and in section 3, on page 4, line 4, after the word "Indians", to strike out the word "which" and to insert the words "under contract approved by the Commissioner of Indian Affairs and the Secretary of the Interior, and said contract shall be executed in behalf of said Indians by a committee chosen by them under the direction and approval of the Commissioner of Indian Affairs, and the Secretary of the Interior", so as to read:

Be it enacted, etc., That for the purposes of this act the Tlingit and Haida Indians of Alaska shall be defined to be all those Indians of the whole or mixed blood of the Tlingit and Haida Tribes who are residing in Russian America, now called the Territory of Alaska, in the region known and described as "southeastern Alaska", lying east of the one hundred and forty-first meridian.

SEC. 2. All claims of whatever nature, legal or equitable, which the said Tlingit and Haida Indians of Alaska may have, or claim to have, against the United States, for lands or other tribal or community property rights, taken from them by the United States without compensation therefor, or for the failure or refusal of the United States to compensate them for said lands or other tribal or community property rights, claimed to be owned by said Indians, and which the United States appropriated to its own uses and purposes without the consent of said Indians, or for the failure or refusal of the United States to protect their interests in lands or other tribal or community property in Alaska, and for loss of use of the same, at the time of the purchase of the said Russian America, now Alaska, from Russia, or at any time since that date and prior to the passage and approval of this act, shall be submitted to the said Court of Claims by said Tlingit and Haida Indians of Alaska for the settlement and determination of the equitable and just value thereof, and the amount equitably and justly due to said Indians from the United States therefor; and the loss to said Indians of their right, title, or interest arising from occupancy and use, in lands or other tribal or community

property, without just compensation therefor, shall be held sufficient ground for relief hereunder; and jurisdiction is hereby conferred upon said court to hear such claims and to render judgment and decree thereon for such sum as said court shall find to be equitable and just for the reasonable value of their said property, if any was so taken by the United States without the consent of the said Indians and without compensation therefor; that from the decision of the Court of Claims in any suit or suits prosecuted under the authority of this act an appeal may be taken by either party, as in other cases, to the Supreme Court of the United States.

SEC. 3. That the claim or claims of said Tlingit and Haida Indians of Alaska may be presented and prosecuted separately or jointly in one or more suits, by petition or petitions setting out the facts upon which they base their demands for relief and judgment or decree; the petition or petitions may be amended when necessary more fully or specifically to set forth their said claim or claims, and said suit or suits shall be filed in said Court of Claims within 7 years after the date of the passage of this act; such suit or suits shall make the said Indians parties plaintiff and the United States party defendant, and the final judgment or decree shall conclude and forever settle the claim or claims so presented; the Court of Claims shall have full authority by proper orders and process to bring in and make parties to such suit or suits any and all parties deemed by it necessary or proper to the final determination of the matters in controversy; such petition or petitions may be verified by any attorney or attorneys employed by said Indians, under contract approved by the Commissioner of Indian Affairs and the Secretary of the Interior, and said contract shall be executed in behalf of said Indians by a committee chosen by them under the direction and approval of the Commissioner of Indian Affairs and the Secretary of the Interior; verification may be upon information and belief as to the facts alleged; a true copy of the written contract or contracts by which such attorney or attorneys are employed by said Indians to represent them in such suit or suits shall be filed in said Court of Claims, as their authority, by the said attorney or attorneys to so appear in said suit or suits for said Indians and to prosecute their said claim or claims in said Court of Claims.

SEC. 4. That if any claim or claims shall be submitted to said court it shall hear and settle the equitable and just rights therein, notwithstanding lapse of time, or statutes of limitations, or the fact that the said claim or claims have not been presented to any other tribunal, or the fact that said Tlingit and Haida Indians of Alaska may have been made citizens of the United States by the act of Congress of June 2, 1924 (43 Stat. L. 253), or by any other law of the United States, or the fact that the said Indians, or any of them, collectively, prior to the passage and approval of this act, may have severed their tribal relations with the said Tlingit and Haida Tribes. Any payment which may have been made by the United States or moneys heretofore or hereafter expended to date of award for the benefit of the said Tlingit and Haida Indians of Alaska, made under specific appropriations for the support, education, health, and civilization of said Indians, including purchase of lands, shall not be pleaded as an estoppel but may be pleaded by way of set-off.

SEC. 5. Official letters, papers, documents, and public records, or certified copies thereof, from the files and records of the United States, or the Territory of Alaska, and Russian documents and similar records, and historical data and books prepared by American or other standard historians or authors, relating to the subject matter in controversy in said suit or suits, may be used in evidence by either party, and the departments of the United States Government shall give the attorneys for both parties access to such papers, correspondence, and documents as are in the files.

SEC. 6. The Court of Claims shall appoint at the proper time a commissioner or commissioners under the provisions of the act of February 24, 1925 (43 Stat. L. 964), and acts supplemental thereto, who shall have the aid of a stenographer to take the testimony to be used in the investigation of such claims. In addition to the present powers of such commissioner to take such testimony, he is hereby authorized to take the testimony of said Alaska Indians and their witnesses at such place or places in Alaska as are most convenient for said Indians and their witnesses; that the said Alaska Indians shall produce their witnesses in Alaska at such times and places as said commissioner shall direct, at their own expense, but the expenses of said commissioner and stenographer shall be paid by the United States out of the funds provided for such purposes in the said act of February 24, 1925, and said supplemental acts.

SEC. 7. That Tlingit and Haida Indians of Alaska who are entitled to share in any judgment or appropriation made to pay said claim or claims shall consist of all persons of Tlingit or Haida blood, living in or belonging to any local community of these tribes in the territory described in section 1 of this act. Each tribal community shall prepare a roll of its tribal membership, which roll shall be submitted to a Tlingit and Haida central council for its approval. The said central council shall prepare a combined roll of all communities and submit it to the Secretary of the Interior for approval. Approval of the roll by the said Secretary of the Interior shall operate as final proof of the right of such Indian communities to share in the benefits of this act as set forth in section 8.

SEC. 8. The amount of any judgment in favor of said Tlingit and Haida Indians of Alaska, after payment of attorneys' fees, shall be apportioned to the different Tlingit and Haida communities listed in the roll provided for in section 7 in direct proportion to the number of names on each roll, and shall become an asset thereof, and shall be deposited in the Treasury of the United States to the credit of each community, and such funds shall bear interest at the rate of 4 percent per annum, and shall be expended from time to time upon requisition by the said communities by and with advice and consent of the Secretary of the Interior, and under regulations as he may prescribe, for the future economic security and stability of said Indian groups, through the acquisition or creation of productive economic instruments and resources of public benefit to such Indian communities: *Provided, however*, That the interest on such funds may be used for beneficial purposes such as the relief of distress, emergency relief and health: *Provided further*, That none of the funds above indicated or the interest thereon shall ever be used for per capita payments.

SEC. 9. That upon the final determination of any suit or suits instituted under this act, if there is judgment for the plaintiff Indians, the Court of Claims shall inquire into the agreement or contract which said Indians have made with their attorneys for compensation for their services in said suit or suits, and if said Court of Claims shall find that such services have been faithfully performed by said attorneys, it shall make a finding to that effect and adjudge that said attorneys' compensation shall be paid as agreed upon in said contract out of the appropriation made for the payment of the sum found due to said Indians, but in no case to exceed 10 percent of the amount of the total recovery, and said sum so found to be due to said attorneys shall be paid in full out of the sums so found due to said Indians and the remainder of said total sum due to said Indians shall be expended as provided in section 8 of this act.

SEC. 10. A copy of the petition and other pleadings and briefs in said suit or suits brought under this act shall be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend the interests of the United States in such case or cases.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

GEOLOGICAL SURVEYS IN PUERTO RICO

The joint resolution (H. J. Res. 27) providing for extension of cooperative work of the Geological Survey to Puerto Rico was considered, ordered to a third reading, read the third time, and passed.

ALIEN PARTICIPANTS IN NATIONAL BOY SCOUT JAMBOREE

The joint resolution (H. J. Res. 285) to permit the temporary entry into the United States under certain conditions of alien participants and officials of the National Boy Scout Jamboree to be held in the United States in 1935 was considered, ordered to a third reading, read the third time, and passed.

FEDERAL BUILDING, DALLAS, TEX.

The Senate proceeded to consider the bill (S. 2780) to repeal the limitation on the sale price of the Federal building at Maine and Ervay Streets, Dallas, Tex., which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the proviso in the fifteenth paragraph under the caption "Projects outside the District of Columbia under section 5, Public Buildings Act approved May 25, 1926", of title 1 of the act entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1929, and for other purposes", approved March 5, 1928, relating to the minimum price for which the Federal building and site at Main and Ervay Streets, Dallas, Tex., may be sold, is hereby repealed.

SALE OF FEDERAL BUILDINGS

The Senate proceeded to consider the bill (S. 2626) to authorize the sale of Federal buildings, which had been reported from the Committee on Public Buildings and Grounds with amendments, on page 1, line 6, after the word "which", to insert the words "the Secretary of the Treasury has determined"; on line 7, after the word "need", to strike out the words "the Secretary of the Treasury" and to insert in lieu thereof the word "he"; on line 11, after the word "constituted", to strike out the words "civil divisions" and to insert in lieu thereof the words "political subdivision"; on page 2, line 1, to insert the words "pursuant to such rules and regulations promulgated by him"; on line 4, after the word "price", to strike out the words "at the best terms available, which shall in no case be less than 50 percent of the appraised value of the land" and to insert in lieu thereof the words "in such installments as he deems fair

and reasonable"; on line 9 to insert a proviso as follows: "*Provided*, That the total purchase price shall in no case be less than 50 percent of the appraised value of the land", so as to make the bill read:

Be it enacted, etc., That in order to suitably dispose of certain Federal buildings and the sites thereof under the control of the Treasury Department, which have been supplemented by new structures, and for which the Secretary of the Treasury has determined there is no further Federal need, he is hereby authorized, in his discretion, if he deems it to be in the best interests of the Government, to sell such buildings and sites or parts of sites to States, counties, municipalities, or other duly constituted political subdivisions of States for public use upon such terms, pursuant to such rules and regulations promulgated by him, as he deems proper, and to convey the same by the usual quitclaim deed, and he may enter into long-term contracts for the payment of the purchase price in such installments as he deems fair and reasonable and may furthermore waive any requirements for interest charges on deferred payments: *Provided*, That the total purchase price shall in no case be less than 50 percent of the appraised value of the land: *Provided further*, That the proceeds of the sales shall be deposited in the Treasury as miscellaneous receipts: *Provided further*, That in the event portions of any Federal building sites under the control of the Treasury Department are desired by municipalities by reason of any duly authorized, comprehensive street-widening program, the Secretary of the Treasury may deed to such municipalities, without cost, such areas needed for street uses as may be dedicated without jeopardy to the Federal interest.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DEVELOPMENT OF AGRICULTURAL EXTENSION WORK

The Senate proceeded to consider the bill (H. R. 7160) to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges, which had been reported from the Committee on Agriculture and Forestry with amendments.

The first amendment was in section 6, page 5, line 13, to strike out the word "Alaska" before the word "Hawaii" and after the word "Hawaii" to strike out the words "and Puerto Rico"; so as to to make the section read:

SEC. 6. As used in this title the term "Territory" means Hawaii.

The amendment was agreed to.

The next amendment was in section 21, page 6, line 21, to strike out the words "the allotments" and to insert in lieu thereof "$980,000 shall be paid"; on line 22, after the word "Hawaii" to strike out the words, "shall be" and to insert in lieu thereof the words "in equal shares; (2) the remainder shall be paid to the several States and the Territory of Hawaii"; on page 7, line 1, after the word "and" to insert the words "the Territory of"; on line 3, to strike out "(2)" and insert in lieu thereof "(3)"; on line 3, after the words "States and" to insert the words "the Territory of "; on line 10, after the word "or" to insert the words "the Territory of"; on line 12 after the word "or" to insert the words "the Territory of"; on line 13, after the word "or" to insert the words "the Territory of"; so as to make the section read:

TITLE II

SEC. 21. In order to further develop the cooperative extension system as inaugurated under the act entitled "An act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of the act of Congress approved July 2, 1862, and all acts supplementary thereto, and the United States Department of Agriculture", approved May 8, 1914 (U. S. C., title 7, secs. 341–348), there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purpose of paying the expenses of cooperative extension work in agriculture and home economics and the necessary printing and distribution of information in connection with the same, the sum of $8,000,000 for the fiscal year beginning after the date of the enactment of this title, and for the fiscal year following the first fiscal year for which an appropriation is made in pursuance of the foregoing authorization the additional sum of $1,000,000, and for each succeeding fiscal year thereafter an additional sum of $1,000,000 until the total appropriations authorized by this section shall amount to $12,000,000 annually, the authorization to continue in that amount for each succeeding fiscal year. The sums appropriated in pursuance of this section shall be paid to the several States and the Territory of Hawaii in the same manner and subject to the same conditions and limitations as the additional sums appropriated under the act of May 8, 1914, except that (1) $980,000 shall be paid to the several States and the Territory of Hawaii in equal shares; (2) the remainder shall be paid to the several States and the Territory of Hawaii in the proportion that the farm population of each bears to the total farm population of the several States and the Territory of Hawaii, as determined by the last preceding decennial census, and (3) the several States and the Territory of Hawaii shall not be required to offset the allotments authorized in this section. The sums appropriated pursuant to this section shall be in addition to, and not in substitution for, sums appropriated under such act of May 8, 1914, as amended and supplemented, or sums otherwise appropriated for agricultural extension work. Allotments to any State or the Territory of Hawaii for any fiscal year from the appropriations herein authorized shall be available for payment to such State or the Territory of Hawaii only if such State or the Territory of Hawaii complies, for such fiscal year, with the provisions with reference to offset of appropriations (other than appropriations under this section) for agricultural extension work.

The amendment was agreed to.

The next amendment was in section 22, page 7, line 19, before the word "entitled" to insert the words "and the Territory of Hawaii"; on page 8, line 4, after the word "this" to insert the word "act"; on line 5, to strike out "$960,000" and to insert in lieu thereof "$980,000"; on line 13, after the word "States" to insert the words "and the Territory of Hawaii"; on line 17, after the word "States" to insert the words "and the Territory of Hawaii"; on line 19, after the word "State" to insert the words "and the Territory of Hawaii"; on line 20, after the word "States" to insert the words "and the Territory of Hawaii", so as to make the section read:

SEC. 22. In order to provide for the more complete endowment and support of the colleges in the several States and the Territory of Hawaii entitled to the benefits of the act entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts", approved July 2, 1862, as amended and supplemented (U. S. C., title 7, secs. 301–328; Supp. VII, sec. 304), there are hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, the following amounts:

(a) For the fiscal year beginning after the date of the enactment of this act, and for each fiscal year thereafter, $980,000; and

(b) For the fiscal year following the first fiscal year for which an appropriation is made in pursuance of paragraph (a) $500,000, and for each of the 2 fiscal years thereafter $500,000 more than the amount authorized to be appropriated for the preceding fiscal year, and for each fiscal year thereafter $1,500,000. The sums appropriated in pursuance of paragraph (a) shall be paid annually to the several States and the Territory of Hawaii in equal shares. The sums appropriated in pursuance of paragraph (b) shall be in addition to sums appropriated in pursuance of paragraph (a) and shall be allotted and paid annually to each of the several States and the Territory of Hawaii in the proportion which the total population of each such State and the Territory of Hawaii bears to the total population of all the States and the Territory of Hawaii, as determined by the last preceding decennial census. Sums appropriated in pursuance of this section shall be in addition to sums appropriated or authorized under such act of July 2, 1862, as amended and supplemented, and shall be applied only for the purposes of the colleges defined in such act, as amended and supplemented. The provisions of law applicable to the use and payment of sums under the act entitled "An act to apply a portion of the proceeds of the public lands to the more complete endowment and support of the colleges for the benefit of agriculture and the mechanic arts established under the provisions of an act of Congress approved July 2, 1862", approved August 30, 1890, as amended and supplemented, shall apply to the use and payment of sums appropriated in pursuance of this section.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time, and the bill was read the third time, and passed.

RELIEF OF RETIRED OFFICERS OF THE NAVY AND MARINE CORPS

The Senate proceeded to consider the bill (S. 2774) for the relief of certain officers on the retired list of the Navy and Marine Corps who have been commended for their performance of duty in actual combat with the enemy during the World War, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 7, after the word "War", to insert the words "by the head of the executive department under whose jurisdiction such duty was performed", so as to make the bill read:

Be it enacted, etc., That all officers of the Navy and Marine Corps who have been retired or who may hereafter be retired for physical disability and who have been commended for their performance of duty in actual combat with the enemy during the World War by the head of the executive department under whose juris-

diction such duty was performed shall be placed upon the retired list with the rank of the next higher grade: *Provided*, That such promotion shall not carry with it any increase of pay.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CAPT. RUSSELL WILLSON

The bill (H. R. 5564) for the relief of Capt. Russell Willson, United States Navy, was considered, ordered to a third reading, read the third time, and passed.

BEQUEST OF PAUL E. M'DONNOLD

The bill (S. 2846) authorizing the Secretary of the Navy to accept on behalf of the United States the devise and bequest of real and personal property of the late Paul E. McDonnold, passed assistant surgeon, with the rank of lieutenant commander, Medical Corps, United States Navy, retired, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to accept on behalf of the United States the devise and bequest of the real and personal property, provided in the will of the late Paul E. McDonnold, passed assistant surgeon with the rank of lieutenant commander, Medical Corps, United States Navy, retired, or the proceeds from the sale thereof, for the benefit of the hospital fund, United States Navy.

SEC. 2. The funds accruing from the sale of property and the moneys authorized to be accepted by section 1 of this act shall be deposited into the Treasury to the credit of the trust fund account "Naval hospital fund (7 s 815)", subject to the provisions of the act of June 26, 1934 (48 Stat. 1224, ch. 756).

CLAIMS OF INDIANS OF OREGON

The Senate proceeded to consider the bill (S. 2761) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon, which had been reported from the Committee on Indian Affairs with an amendment, on page 3, line 8, after the word "Indians", to insert the words "but no expenditures for the benefit of these Indians made out of appropriations authorized by the act of June 18, 1934 (48 Stat. L. 984), shall be considered as offsets", so as to make the bill read:

Be it enacted, etc., That jurisdiction is hereby conferred on the Court of Claims with the right of appeal to the Supreme Court of the United States by either party, as in other cases, to hear, examine, adjudicate, and render final judgment (a) in any and all legal and equitable claims, arising under or growing out of any treaty, agreement, act of Congress, or Executive order, or for the failure of the United States to pay any money or other property due, which those Indian tribes or bands, or portions thereof, and their descendants, described in the ratified treaties of September 10, 1853 (10 Stat. 1018), September 19, 1853 (10 Stat. 1027), November 18, 1854 (10 Stat. 1122), November 25, 1854 (10 Stat. 1125), January 22, 1855 (10 Stat. 7143), and December 21, 1855 (12 Stat. 981), may have against the United States; and (b) any and all legal and equitable claims arising under or growing out of the original Indian title, claim, or rights in, to, or upon the whole or any part of the lands and their appurtenances occupied by the Indian tribes and bands described in the unratified treaties published in Senate Executive Document No. 25, Fifty-third Congress, first session (pp. 8–15), at and long prior to the dates thereof, except the Coos Bay, Lower Umpqua, and Siuslaw Tribes, it being the intention of this act to include all the Indian tribes or bands and their descendants, with the exceptions named, residing in the then Territory of Oregon west of the Cascade Range at and long prior to the dates of the said unratified treaties, some of whom, in 1855, or later, were removed by the military authorities of the United States to the Coast Range, the Grande Ronde, and the Siletz Reservations in said Territory.

SEC. 2. That if any claim or claims be submitted to said courts hereunder they shall settle the rights therein, both legal and equitable, of each and all the parties thereto, notwithstanding the lapse of time or the statutes of limitation; and any payment which may have been made under any claim or agreement shall not operate as an estoppel but may be placed as a set-off, and the United States shall be allowed to plead, and shall receive credit for all sums, including gratuities, paid to or expended for the benefit of the respective tribes or bands of Indians, but no expenditures for the benefit of these Indians made out of appropriations authorized by the act of June 18, 1934 (48 Stat. L. 984), shall be considered as offsets. The claim or claims of each tribe or band may be presented separately or jointly by petition, subject, however, to amendment and consolidation in proper cases. Such action or actions shall make the petitioner or petitioners party plaintiff or plaintiffs and the United States party defendant; and any nation, tribe, or band the court may deem necessary to a final determination of such suit or suits may be joined therein by order of the court.

The petition shall set forth all the facts upon which the claims are based and shall be signed and verified by the attorney or attorneys employed to prosecute such claim or claims and who are under contract with said Indians approved in accordance with existing law. Any and all claims against the United States within the purview of this act shall be forever barred unless suit be instituted or petition filed as herein provided in the Court of Claims within 5 years from the date of the approval of this act.

Official letters, papers, documents, and public records, or certified copies thereof, may be used in evidence, and the departments of the Government shall allow the attorney or attorneys access to such treaties, papers, correspondence, or records as may be needed by said attorney or attorneys.

SEC. 3. That upon the final determination of such suit, or suits, the Court of Claims shall decree such fees not exceeding 10 percent of the amounts recovered as it shall find reasonable to be paid the attorney or attorneys employed therein by said Indians or bands of Indians, under contracts negotiated and approved as provided by existing law, together with all necessary and proper expenditures incurred in the preparation and prosecution of the suit or suits.

SEC. 4. The proceeds of all amounts, if any, recovered for said Indians, less attorneys' fees and expenses, shall be deposited in the Treasury of the United States to the credit of the Indians decreed by said court to be entitled thereto, and shall draw interest at the rate of 4 percent per annum from the date of the original judgment or decree and thereafter shall be subject to appropriation by Congress.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CITIZENSHIP STATUS OF CERTAIN ALIEN SEAMEN

The Senate proceeded to consider the bill (H. R. 67) to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels, which was read, as follows:

Be it enacted, etc., That subdivision "Eighth" of section 4 of the act of June 29, 1906, entitled "An act to establish a Bureau of Immigration and Naturalization and to provide a uniform rule for the naturalization of aliens throughout the United States", as amended by section 1 of the act entitled "An act to amend the naturalization laws and to repeal certain sections of the Revised Statutes of the United States and other laws relating to naturalization, and for other purposes, approved May 9, 1918 (U. S. C., title 8, section 376), is hereby repealed.

SEC. 2. This act shall take effect 90 days after its enactment.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill? If not, let it go over.

Mr. SCHWELLENBACH. Mr. President, this is a bill to repeal certain provisions in the law which had permitted aliens who had filed an intention of becoming citizens to serve on ships operating in ports of the United States. Prior to the war only citizens were entitled to occupy such positions. Purely as a war-time measure, because of the shortage of personnel, the law was amended to permit those who had filed their declarations to serve. That went along for years, but in the present condition of unemployment it is desirable to have the emergency war-time provision repealed.

The PRESIDING OFFICER. The question is on third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2664) to aid in defraying the expenses of the Third Triennial Meeting of the Associated Country Women of the World, to be held in this country in June 1936, was announced as next in order.

Mr. McKELLAR. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

ANDREW J. M'CALLEN

The bill (S. 1613) for the relief of Andrew J. McCallen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army, Andrew J. McCallen shall be held and considered to have been honorably discharged on October 12, 1918, as a captain, Three Hundred and Sixty-third Regiment United States Infantry: *Provided*, That

no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued by reason of this act prior to its passage.

BILL PASSED OVER

The bill (H. R. 2566) for the relief of Percy C. Wright was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF NATIONAL DEFENSE ACT OF JUNE 3, 1916

The bill (H. R. 5720) to amend the National Defense Act of June 3, 1916, as amended, was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. SCHWELLENBACH. Mr. President, that bill is identical with Senate bill 2710, which is an amendment of the National Defense Act of June 3, 1916, with reference to the National Guard. There are seven provisions.

The first of the seven sections simply gives to the President the right to call into the Reserve the individual officers of the National Guard. The present law reads that he may call units and their officers. The Comptroller General has ruled that that meant that the units themselves had to be called in, which made it impossible for National Guard officers to serve with the Reserve Corps.

The second provision simply increases the number of junior officers in order to make it possible that the most capable young men may be retained as commissioned officers.

Section 3 simply gives to the officers of the National Guard the right to administer oaths.

Section 4 creates an inactive Reserve, and enables the National Guard to have some connection with those officers who do not wish to remain as active officers.

Section 5 is simply a correction of the law of 2 years ago, doing what it was intended to do in the way this amendment provides.

Section 6 provides for pooling the various machinery and the equipment of the guard units within the States, allowing one caretaker to take care of the equipment of a number of units.

Mr. KING. May I ask the Senator whether the bill has the approval of the War Department?

Mr. SCHWELLENBACH. The attitude of the War Department is that of not objecting to it. The National Guard Act was passed 2 years ago, and the War Department in their letter to the committee said they had no objection to the bill. They, however, did not feel that the law should be amended so soon. They thought more time should be taken, and more experience should be had by the National Guard before it attempted to modify the law. However, the National Guard officers and the National Guard Association made a very strong appeal, stating that with the year and a half of experience which they have had with the law they are in favor of this bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 5720) to amend the National Defense Act of June 3, 1916, as amended, which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, the identical Senate bill, S. 2710, will be indefinitely postponed.

FRED LUSCHER

The Senate proceeded to consider the bill (S. 540) for the relief of Fred Luscher, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$312.50" and insert "$227.50", and to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Fred Luscher of Bridal Veil, Oreg., the sum of $227.50, in full satisfaction of his claim against the United States for damages resulting from the loss of cattle that died in September 1932, from eating wood preservative applied to poles installed by the Department of Commerce at airways beacon sites nos. 2 and 25R at Bridal Veil on the Portland-Spokane airway: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RELIEF OF NEW MEXICO

The Senate proceeded to consider the bill (S. 2206) for the relief of the State of New Mexico, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "value of", to strike out "$4,520.06" and to insert "$2,839.04"; on the same page, line 9, after the word "items", to strike out "One thousand two hundred and eighteen dollars and twenty-nine cents for property shortages from January 1920 to July 1929, inclusive, approved on August 19, 1929, by a board appointed for determining the accountability of such State for such property shortages; "; and on page 2, line 10, after the numerals "1930", to strike out the semicolon and the words "and $462.73 for property shortages listed in report of survey dated June 3, 1931.", so as to make the bill read:

Be it enacted, etc., That the State of New Mexico is hereby relieved from accountability for certain property belonging to the United States, of the total value of $2,839.04, which property was loaned to such State for use by the New Mexico National Guard and was unavoidably lost or destroyed, such total value representing the sum of the following items: $381.22 for property shortages listed in report of survey dated April 24, 1930; $334.53 and $62.95 for property shortages listed in two reports of survey dated April 25, 1930; $904.48 and $880.12 for property shortages listed in two reports of survey dated June 11, 1930; $11.35 for property shortages listed in report of survey dated July 11, 1930; $264.39 for property shortages listed in report of survey dated September 3, 1930.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CARRIE PRICE ROBERTS

The Senate proceeded to consider the bill (S. 2993) for the relief of Carrie Price Roberts, which had been reported from the Committee on Claims with amendments, on page 1, line 4, after the word "Roberts", to insert "out of any money in the Treasury not otherwise appropriated"; in line 6, after the words "sum of", to strike out "$10,000 as compensation for" and to insert in lieu thereof "$7,500 in full settlement of all claims against the Government on account of"; and to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Carrie Price Roberts, out of any money in the Treasury not otherwise appropriated, the sum of $7,500 in full settlement of all claims against the Government on account of the death of her husband, Lapold S. Roberts, a contract mail carrier between Goldsboro and Wilmington, N. C., who was held up and killed in the early morning hours of March 15 while in the performance of his duties: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2160) for the relief of the George C. Mansfield Co. and George D. Mansfield was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

GENERAL BAKING CO.

The Senate proceeded to consider the bill (S. 1409) for the relief of the General Baking Co., which had been reported from the Committee on Claims with an amendment, to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Commissioners of the District of Columbia are authorized and directed to pay, out of the revenues of the District of Columbia not otherwise appropriated, to the General Baking Co., a corporation organized under the laws of the State of New York, the sum of $1,007.25, in full satisfaction of the claim of such corporation against the United States for a refund of overpayment of taxes on lots 16 to 22, both inclusive, 801, 802, 814, 815, and 816, in square 576, in the District of Columbia: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROBERT M. KENTON

The bill (H. R. 2204) for the relief of Robert M. Kenton was considered, ordered to a third reading, read the third time, and passed.

JOHN E. CLICK

The bill (H. R. 2466) for the relief of John E. Click was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1111) for the relief of Alfred L. Hudson was announced as next in order.

Mr. McKELLAR. Mr. President, I should like an explanation of that bill.

In view of the fact that the Senator in charge of the bill is not present, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

JAMES O. GREENE AND MRS. HOLLIS S. HOGAN

The bill (H. R. 2422) for the relief of James O. Greene and Mrs. Hollis S. Hogan was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 3180) for the relief of Ruth Nolan and Anna Panozza was announced as next in order.

Mr. McKELLAR. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

MICHAEL DALTON

The Senate proceeded to consider the bill (S. 1146) for the relief of Michael Dalton, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, after the words "sum of", to strike out "$5,000" and to insert in lieu thereof "$1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to Michael Dalton, in full settlement of all claims against the Government of the United States for injuries received by said Michael Dalton on November 14, 1930, when he was struck by a United States mail truck at Third Street and Massachusetts Avenue NW., Washington, D. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

H. B. ARNOLD

The Senate proceeded to consider the bill (H. R. 3512) for the relief of H. B. Arnold, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$1,000" and to insert in lieu thereof "$500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to H. B. Arnold, of St. Simons Island, Glynn County, Ga., the sum of $500 in full settlement of all claims against the Government for damages as the result of a pilot on a United States naval marine plane on January 6, 1932, at St. Simons Island golf course, negligently flying too low and thereby breaking and causing to fall a high-voltage electric-power wire in which said H. B. Arnold became entangled without negligence on his part: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BEND GARAGE CO. AND W. N. HOLBROOK

The Senate proceeded to consider the bill (S. 2889) to authorize settlement, allowance, and payment of certain claims, which had been reported from the Committee on Claims with an amendment, to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Bend Garage Co., Bend, Oreg., the sum of $39 in full settlement of all claims against the United States on account of damages sustained in an automobile accident involving a Civilian Conservation Corps truck near Sweet Home, Oreg., on September 12, 1934.

SEC. 2. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. N. Holbrook, Cumberland Gap, Tenn., the sum of $1,548.33 in full settlement of all claims against the United States on account of damage to his filling station as a result of an accident involving a Civilian Conservation Corps truck on December 21, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISBURSING OFFICERS OF THE ARMY

The Senate proceeded to consider the bill (S. 2169) for the relief of certain disbursing officers of the Army of the United States, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "of", to insert "Capt. T. H. Chambers, Finance Department,

$24.96"; and on page 2, line 1, after the numerals "$9.46", to insert "Capt. H. S. Farish, Finance Department, $3.80", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Capt. T. H. Chambers, Finance Department, $24.96; Maj. H. G. Coykendall, Finance Department, $15.40; Capt. H. B. Lovell, Finance Department, $21; Capt. Jacob R. McNeil, Finance Department, $1.50; Maj. E. C. Morton, Finance Department, $14.97; Maj. T. S. Pugh, Finance Department, $21.03; and Maj. Lee R. Watrous, Finance Department, $9.46; Capt. H. S. Farish, Finance Department, $3.80, said amounts being public funds for which they are accountable and which comprise minor errors in computation of pay and allowances due military personnel, who are no longer in the service of the United States, and which amounts have been disallowed by the Comptroller General of the United States.

SEC. 2. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Maj. E. C. Morton, Finance Department, $170.81, representing payment made in error to an officer of the Army, who has since resigned the service, during the period in which he was absent on excessive leave.

SEC. 3. That the Comptroller General of the United States be and he is hereby, authorized and directed to credit in the accounts of Maj. Frank E. Parker, Finance Department, the sum of $146.96, public funds for which he is accountable and which were stolen on the night of September 4, 1933, from the company safe of the commanding officer, Three Hundred and Ninety-first Company, Civilian Conservation Corps, Beddington, Maine, such funds at that time being in the hands of his duly authorized agent officer.

SEC. 4. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Maj. Frank E. Parker, Finance Department, the sum of $174.67, said amount being public funds for which he is accountable and which were destroyed by fire while in the custody of his authorized agent at Civilian Conservation Corps Camp No. 2123, Warren, N. H., on December 31, 1933.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISBURSING OFFICERS OF THE ARMY AND INDIVIDUAL CLAIMS

The bill (S. 556) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the following disbursing officers of the Army of the United States the amounts set opposite their names: Selden B. Armat, major, Finance Department, $60.91; Francis J. Baker, major, Finance Department, $25; Edwin F. Ely, major, Finance Department, $77.37; Clarence M. Exley, major, Finance Department, $92.02; Eugene M. Foster, captain, Finance Department, $19.65; Peter Hanses, captain, Quartermaster Corps, $10.70; Thomas B. Kennedy, captain, Finance Department, $60.30; Montgomery T. Legg, major, Finance Department, $178.47; Harry M. Lovell, captain, Finance Department, $34.78; Samuel B. McIntyre, late colonel, Finance Department, $31.37; Jacob R. McNiel, captain, Finance Department, $180.23; Hilden Olin, colonel, Finance Department, $59.57; Herbert E. Pace, major, Finance Department, $91; Joseph F. Routhier, first lieutenant, Finance Department, $96.53; Philip A. Scholl, captain, Finance Department, $333.82; Edwin B. Spiller, major, Finance Department, $18.27; George N. Watson, major, Finance Department, $178; and Lawrence P. Worrall, captain, Finance Department, $11.28, said amounts being public funds for which they are accountable and which comprise minor errors in computation of pay and allowances due military personnel, who are no longer in the service of the United States, and which amounts have been disallowed by the Comptroller General of the United States.

SEC. 2. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Francis J. Baker, major, Finance Department, $105.57, public funds for which he is accountable, paid to members of the National Guard of Florida and Tennessee for armory drill pay.

SEC. 3. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Edward T. Comegys, major, Finance Department, the sum of $22.70, public funds for which he is accountable, and which were paid by him to Wilmot A. Danielson, major, Quartermaster Corps, for mileage performed under War Department orders, and which amount was disallowed by the Comptroller General of the United States.

SEC. 4. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Otto W. Gralund, major, Finance Department, the sum of $73.80, public funds for which he is accountable and which were paid to a former officer of the United States covering commutation of quarters and from whom it is impossible to make collection.

SEC. 5. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Carl Halla, major, Finance Department, the sum of $323.48, public funds for which he is accountable and which were paid Maj. (then captain) Maurice L. Miller, Infantry, covering loss of personal property and whose claim was approved by the Acting Secretary of War on August 6, 1925, and disallowed by the Comptroller General of the United States.

SEC. 6. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Peter Hanses, captain, Quartermaster Corps, the sum of $43.80, public funds for which he is accountable and which were paid to 14 citizens' military training camp students covering mileage from their homes to Camp Harry J. Jones, Ariz., collection of which amount cannot be effected.

SEC. 7. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Thomas B. Kennedy, captain (retired), Finance Department, the sum of $58.50, public funds for which he is accountable and which were paid to 12 Reserve Officers' Training Corps and citizens' military training camp students on account of mileage from their homes to Fort Sheridan, Ill., collection of which amount cannot now be effected.

SEC. 8. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Edwin J. O'Hara, major, Finance Department, the sum of $86.26, public funds for which he is accountable and which were paid to Howard S. Miller, lieutenant colonel, Coast Artillery Corps, covering mileage under proper orders of the War Department and which payment was disallowed by the Comptroller General of the United States.

SEC. 9. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Edwin M. Lawton, disbursing clerk, War Department, the sum of $38.61, public funds for which he is accountable and which were paid to James R. Kyle, a civilian employee of the Quartermaster General's Office, and disallowed by the Comptroller General of the United States.

SEC. 10. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank B. Strunk, former private, Battery C, Three Hundred and Thirty-seventh Regiment Field Artillery, the sum of $44.75, being the amount he has paid for one second Liberty Loan bond by deduction from his pay as an enlisted man and which bond was lost in the mails.

SEC. 11. That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of Clarence M. Exley, major, Finance Department, the sum of $22.56, representing public funds for which he is accountable, being payment of mileage of two officers of the Army traveling on orders of the War Department, which now stands as disallowances on the books of the General Accounting Office.

SEC. 12. That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of William A. MacNicholl, major, Finance Department, the sum of $145.70, representing public funds for which he is accountable, being payment of mileage and expenses to an officer of the Army traveling on orders of the War Department, which now stand as disallowances on the books of the General Accounting Office.

SEC. 13. That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of Arthur O. Walsh, captain, Finance Department, the sum of $84.60, representing public funds for which he is accountable and which comprise minor errors in computation of pay and allowances due military personnel who are no longer in the service of the United States, which now stands as disallowances on the books of the General Accounting Office.

SEC. 14. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Austin H. Brown, major, Finance Department, the sum of $46.58, being the amount he has refunded to the United States on account of disallowances in his account as a disbursing officer.

SEC. 15. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alexander T. McCone, first lieutenant, Field Artillery, $124; and to John C. Hamilton, first lieutenant, Cavalry, $132, being the amounts originally paid to them by disbursing officers of the Army and which amounts they have refunded to the United States by reason of disallowances by the Comptroller General of the United States, covering traveling expenses while studying foreign languages in Europe under proper orders of the War Department.

SEC. 16. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the accounts of Fred W. Boschen, lieutenant colonel, Finance Department, United States Army, in the sum of $1,165.58, being payments made by him to officers of the Regular Army for traveling expenses and disallowed by the Comptroller General.

SEC. 17. That the Comptroller General of the United States be, and he is hereby, authorized and directed not to require refund from the following-named officers of the Army of amounts originally paid them by a disbursing officer of the Army covering traveling expenses while studying foreign languages in Europe under proper orders of the War Department, which amounts were later disallowed by the Comptroller General: Thomas G. Peyton, major, Cavalry, $236.60; Leo V. Warner, captain, Field Artillery, $235.60; Francis B. Valentine, first lieutenant, Air Corps, $132; and Reginald W. Hubbell, first lieutenant, Quartermaster Corps, $561.38.

SEC. 18. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the following disbursing officers of the Army of the United States the amounts set opposite their names: Herbert Baldwin, captain, Finance Department, $10; Philip G. Blackmore, major, Ordnance Department, $11.70; Jerome Clark, major, Finance Department, $10.05; Edward T. Comegys, major, Finance Department, $97.31; John M. Connor, first lieutenant, Finance Department, $29; Edward Dworak, major, Finance Department, $40.44; Frank F. Fulton, captain, Finance Department, $68.40; John B. Harper, major, Finance Department, $5.45; Laurence V. Houston, captain, Field Artillery, $20.73; Royal G. Jenks, captain, Finance Department, $36.89; Robert J. Kennedy, captain, Finance Department, $6.50; Edwin J. O'Hara, major, Finance Department, $40.77; Walter H. Sutherland, captain, Finance Department, $2; and Ernest W. Wilson, captain, Finance Department, $102.91; said amounts being public funds for which they are accountable and which comprise minor errors in computation of pay and allowances due military personnel who are no longer in the service of the United States, and which amounts have been disallowed by the Comptroller General of the United States.

SEC. 19. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the finance officer, Panama Canal Department, Quarry Heights, Canal Zone, the sum of $34.75, public funds for which he is accountable and which represent the amount paid by his agent officer with the Pan American flight on vouchers which have been submitted but which are not acceptable by the General Accounting Office.

SEC. 20. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Edward T. Comegys, major, Finance Department, United States Army, the sum of $57.70, public funds for which he is accountable and which were paid by him covering shipment of household goods and personal effects of Capt. John J. Atkinson, Field Artillery, United States Army, upon his permanent change of station: *Provided*, That there shall be no charge raised against Captain Atkinson by reason of this shipment.

SEC. 21. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Kinsley W. Slauson, captain, Quartermaster Corps, United States Army, the sum of $118.50, public funds for which he is accountable and which were paid to officers of the Regular Army for traveling expenses and disallowed by the Comptroller General of the United States: *Provided*, That the amounts so paid shall not be charged against any moneys otherwise due the payees.

SEC. 22. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of John B. Harper, major, Finance Department, United States Army, the sum of $90.90, public funds for which he is accountable and which amount was paid for the transportation of personal property of G. V. Heidt, lieutenant colonel (retired), United States Army, upon his retirement, which amount has been disallowed by the Comptroller General: *Provided*, That no refund on this account shall be demanded of Lt. Col. G. V. Heidt, United States Army, retired.

SEC. 23. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Dana W. Morey, major, Finance Department, United States Army, the sum of $37.85, public funds for which he is accountable and which were stolen by a person or persons unknown sometime between July 20 and 22, 1929, from the safe in the finance office at Fort McPherson, Ga.

SEC. 24. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Oliver T. Simpson, captain, Finance Department, United States Army, the sum of $78.30, public funds for which he is accountable and which represent overpayments to an enlisted man and a citizens' military training camp trainee, and which amount has been disallowed by the Comptroller General of the United States.

SEC. 25. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of James T. Stockton, lieutenant colonel, Texas National Guard, formerly a United States property and disbursing officer for the State of Texas, the sum of $215.83, public funds for which he is accountable, and which were paid by him to former officers and enlisted men of the National Guard of Texas, and to a civilian caretaker of the National Guard of Texas, and which amounts have been disallowed by the Comptroller General.

SEC. 26. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Arthur L. Webb, major, Finance Department, United States Army, the sum of $50.40, public funds for which he is accountable, and which represent payments made to Reserve Officers' Training Corps students, which payments have been disallowed by the Comptroller General of the United States.

SEC. 27. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Ernest W. Wilson, captain, Finance Department, the sum of $89, public funds for which he is accountable, and which amount was paid to a contractor for services rendered and which payment has been disallowed by the Comptroller General of the United States on the grounds that the lower bid was not accepted. The War Department did not consider the lower bidder equipped to render the necessary service and approved payment to the next higher bidder.

SEC. 28. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Thomas H. Emerson, major, Corps of Engineers, the sum of $150; and to James M. Loud, lieutenant colonel (retired), the sum of $75; being the amounts due these officers for deductions made from their pay and now due them as directed by the Supreme Court of the District of Columbia.

SEC. 29. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edwin K. Wright, first lieutenant, Infantry, United States Army, $1,681.17, or so much of such sum as shall have been collected from him prior to the passage of this act, representing a loss from the peculations and irregularities of a noncommissioned officer in the commissary at Fort Wright, Wash., during the period June 1 to July 26, 1929, while Lieutenant Wright was temporarily acting as post quartermaster: *Provided*, That no part of this shortage shall be later charged to Lt. Edwin K. Wright, Infantry.

SEC. 30. Any amounts which otherwise may have been due any of the disbursing officers mentioned herein, or, in the case of deceased officers, may have been due their heirs, for any other purpose, and which amounts or any part thereof have been used as a set-off by the Comptroller General to clear disallowances in said officers' accounts mentioned herein, shall be refunded to such disbursing officers or their heirs: *Provided*, That any amounts refunded by any of said disbursing officers, or their heirs, to the United States on account of said disallowances, shall also be refunded to such disbursing officers or their heirs.

SEC. 31. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Earl I. Brown, colonel, Corps of Engineers, United States Army, the sum of $9,341.35, representing public funds for which he is accountable and being the amount paid by him in April 1920, to the Sheridan-Kirk Contract Co. in connection with the construction of Lock and Dam No. 31 on the Ohio River under contract dated November 6, 1912.

EVA S. BROWN

The bill (H. R. 2553) for the relief of Eva S. Brown was considered, ordered to a third reading, read the third time, and passed.

HENRY HARRISON GRIFFITH

The bill (H. R. 2683) for the relief of Henry Harrison Griffith was considered, ordered to a third reading, read the third time, and passed.

CLAIMS OF MILITARY PERSONNEL

The bill (H. R. 4798) to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army was considered, ordered to a third reading, read the third time, and passed.

MEMORIAL TO MEN AND WOMEN NOTABLE IN UNITED STATES HISTORY

The joint resolution (S. J. Res. 132) to provide for the creation of a commission to determine a suitable location and design for a memorial to the men and women who have been notable or may become notable in the history of the United States was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas it would be fitting and proper for the United States Government to pay tribute to the men and women who have been notable or may become notable in the history of the United States by the creation of a suitable institution in which could be displayed the portraits, miniature portraits, sculptures, and other like works of art dealing with such men and women; and

Whereas there exists no suitable building for properly housing and displaying such portraits, miniature portraits, sculptures, and other like works of art dealing with such men and women: Therefore be it

Resolved, etc., That there is hereby created a Commission to be known as the "National Portrait Gallery Building Commission" (hereinafter referred to as the "Commission"). The Commission shall be composed of the chancellor of the Smithsonian Institution, the Chairman and the ranking minority member of the Senate Committee on Public Buildings and Grounds, the Chairman and ranking minority member of the House Committee on Public Buildings and Grounds, and the Supervising Architect of the Procurement Division in the Department of the Treasury. The Director or any Acting Director of the National Gallery of Art shall serve as the executive officer of the Commission and shall perform such duties as the Commission may direct. The Commission is authorized and directed to determine a suitable location in the District of Columbia and a suitable design for a memorial building to the men and women who have been or may become notable in the history of the United States; to procure such plans and designs and make such surveys and estimates of the cost thereof (including furnishings, approaches, and architectural landscape treatment therefor) as it deems advisable; and to make a report to the Congress, together with its recommendations, not later than the beginning of the next regular session of the Seventy-fourth Congress. The members of the Commission shall serve without compensation.

SEC. 2. The Commission may employ clerical and other assistants and make such expenditures (including expenditures for personal services at the seat of government and elsewhere) as may be necessary for the performance of the duties vested in the Commission. All expenditures of the Commission shall be allowed and paid upon presentation of itemized vouchers therefor signed by the chairman. To carry out the provisions of this resolution there is hereby authorized to be appropriated the sum of $10,000.

The preamble was agreed to.

FILING AND INDEXING SERVICE FOR GOVERNMENT PUBLICATIONS

The Senate proceeded to consider the bill (S. 1116) authorizing the establishment of a filing and indexing service for useful Government publications, which had been reported from the Committee on Education and Labor with an amendment, on page 1, line 5, after the word "useful" to strike out "Government" and to insert in lieu thereof the words "government, both Federal and State", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior, through the Office of Education, is authorized and directed to devise a comprehensive filing and indexing service for useful government, both Federal and State, publications and to furnish such service to educational institutions, libraries, and the general public. Such service shall be available at cost, and the receipts therefrom shall be deposited in the Treasury of the United States as miscellaneous receipts.

SEC. 2. (a) The Secretary of the Interior is authorized to appoint such additional officers and employees as may be necessary for the service provided by this act. Appointments under this subdivision shall be subject to the provisions of the civil-service laws, and the salaries shall be fixed in accordance with the Classification Act of 1923, as amended.

(b) The Commissioner of Education is authorized to make such expenditures, out of any money appropriated for the purposes of this act (including expenditures for personal services in the District of Columbia and elsewhere, for books of reference and periodicals, for printing and binding, for travel, and for other miscellaneous expenses not otherwise provided for), as he may deem necessary to carry out the provisons of this act.

SEC. 3. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1935, and annually thereafter, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing the establishment of a filing and indexing service for useful Government publications."

APPROPRIATION FOR BOOKS FOR THE ADULT BLIND

The bill (H. R. 6371) to authorize an increase in the annual appropriation for books for the adult blind, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1, as amended, of the act entitled "An act to provide books for the adult blind", approved March 3, 1931 (U. S. C., Supp. VII, title 2, sec. 135a), is amended (1) by striking out "$100,000" and inserting in lieu thereof "$175,000", and (2) by inserting before the period at the end thereof a colon and the following: "*Provided*, That of said annual appropriation of $175,000, not exceeding $100,000 thereof shall be expended for books in raised characters, and not exceeding $75,000 thereof shall be expended for sound-reproduction records."

SEC. 2. This act shall be applicable with respect to the fiscal year ending June 30, 1936, and for each fiscal year thereafter.

NAVAL ACADEMY GRADUATES

The Senate proceeded to consider the bill (S. 2521) amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy, which had been reported from the Committee on Naval Affairs with an amendment, on page 2, line 25, after the word "ensign" to strike out "appointed in 1933" and to insert in lieu thereof "then in the service", so as to make the bill read:

Be it enacted, etc., That section 5 of Public Law No. 264, Seventy-third Congress, is hereby amended to read as follows:

"SEC. 5. That section 1 of the Act approved May 6, 1932 (47 Stat. 149; U. S. C., Supp. VII, title 34, sec. 12), is hereby amended by inserting the words 'in 1934 and hereafter' after the words 'midshipmen who', and the words '*Provided*, That all former midshipmen graduated in 1933 who received a certificate of graduation and honorable discharge or who resigned and whether they have since been married or not may, upon their own application, if physically qualified, and under such regulations as the Secretary of the Navy may prescribe, be appointed as ensigns prior to August 1, 1935, by the President and shall take rank next after the junior ensign appointed in 1933 and among themselves in accordance with their proficiency as shown by the order of merit at date of graduation: *And provided further*,' after the words 'Naval Academy' and by striking out 'in 1932, and at least 50 percent of all graduates in subsequent years: *Provided*', so that as amended the said section will read as follows:

"'That the President of the United States is authorized, by and with the advice and consent of the Senate, to appoint as ensigns in the line of the Navy all midshipmen who in 1934 and hereafter graduate from the Naval Academy: *Provided*, That all former midshipmen graduated in 1933 who received a certificate of graduation and honorable discharge or who resigned and whether they have since been married or not may, upon their own application, if physically qualified, and under such regulations as the Secretary of the Navy may prescribe, be appointed as ensigns prior to August 1, 1935, by the President and shall take rank next after the junior ensign then in the service and among themselves in accordance with their proficiency as shown by the order of merit at date of graduation: *And provided further*, That the number of such officers so appointed shall, while in excess of the total number of line officers otherwise authorized by law, be considered in excess of the number of officers in the grade of ensign as determined by any computation, and shall be excluded from any computation made for the purpose of determining the authorized number of line officers in any grade on the active list above the grade of lieutenant (junior grade) until the total number of line officers shall have been reduced below the number otherwise authorized by law.'"

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MIGRATORY BIRD HUNTING STAMP ACT

The Senate proceeded to consider the bill (S. 3006) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes.

Mr. NORBECK. Mr. President, I ask to substitute for the Senate bill, House bill 7982, which is identical.

The PRESIDING OFFICER. Without objection the House bill will be substituted for the Senate bill.

The Senate proceeded to consider the bill (H. R. 7982) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes.

Mr. NORBECK. I desire to offer an amendment to the bill to make available $6,000,000 out of the unexpended balance for this year. The amendment has been approved by the committee.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was, on page 15, after line 13, to insert the following:

TITLE VII—CONTINUANCE OF APPROPRIATIONS

That there is hereby appropriated out of the unexpended balance of the sum of $3,300,000,000 appropriated by the act of June 16, 1933 (48 Stat. 274), making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and for other purposes, the sum of $6,000,000, which shall remain available until expended, to enable the Secretary of Agriculture to acquire by purchase or otherwise such lands as may be necessary in his opinion adequately to provide for the restoration, rehabilitation, and protection of migratory waterfowl and other wildlife and to erect and construct thereon and in connection therewith such buildings, dikes, dams, canals, and other works as may be necessary; and in the execution of this joint resolution the Secretary of Agriculture is authorized to make such expenditures for personal services in the District of Columbia and elsewhere as he shall deem necessary.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill (S. 3006), being an identical bill, will be indefinitely postponed.

Mr. NORBECK. I also ask that Senate joint resolution 142, providing for the continuance of the wildlife restoration

program and other conservation projects, the last measure on today's Calendar, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATURALIZATION OF CERTAIN RESIDENT ALIEN WORLD WAR VETERANS

The Senate proceeded to consider the bill (S. 2508) to authorize the naturalization of certain resident alien World War veterans, which had been reported from the Committee on Immigration with amendments, on page 2, line 4, after the word "April" to strike out the figure "9" and to insert in lieu thereof "6"; on the same page, line 7, after the word "service" to insert "for any reason other than his alienage"; on page 3, line 2, after the word "Act" to insert "and orders or judgments authorizing such certificates"; and on the same page, line 5, after the words "may be" to strike out "stamped 'valid under this act'" and to insert in lieu thereof "stamped, declaring their validity under this act"; so as to make the bill read:

Be it enacted, etc., That notwithstanding the racial limitations contained within section 2169 of the Revised Statutes of the United States, as amended (U. S. C., title 8, sec. 359), and within section 14 of the act of May 6, 1882, as amended (U. S. C., title 8, sec. 363), any alien veteran of the World War heretofore ineligible to citizenship because not a free white person or of African nativity or of African descent may be naturalized under this act if he—

(a) Entered the service of the armed forces of the United States prior to November 11, 1918;

(b) Actually rendered service with the armed forces of the United States between April 6, 1917, and November 11, 1918;

(c) Received an honorable discharge from such service for any reason other than his alienage;

(d) Resumed his previous permanent residence in the United States or any Territory thereof; and

(e) Has maintained a permanent residence continuously since the date of discharge and is now a permanent resident of the United States or any Territory thereof; upon compliance with all the requirements of the naturalization laws, except—

(f) No certificate of arrival and no declaration of intention shall be required;

(g) No additional residence shall be required before the filing of petition for certificate of citizenship; and

(h) The petition for certificate of citizenship shall be filed with a court having naturalization jurisdiction prior to January 1, 1937.

SEC. 2. Certificates of citizenship heretofore issued and heretofore granted by any court have naturalization jurisdiction under the provisions of the act of May 9, 1918, or of the act of July 19, 1919, to any alien veteran who is eligible to be naturalized under the provisions of section 1 of this act, and orders or judgments authorizing such certificates, are hereby declared to be valid for all purposes insofar as the race of the veteran is concerned. Such certificates may be stamped, declaring their validity under this act, by the Commissioner of Immigration and Naturalization upon submission of satisfactory proof to establish identity.

Certificates declared valid under the foregoing paragraph, which have been lost, mutilated, destroyed, or surrendered to any official of the United States may be replaced by a new certificate bearing date of original certificate upon compliance with the provisions of section 32 (a) of the act of June 29, 1906, as amended.

SEC. 3. On application filed for any benefits under this act, the requirement of fees for naturalization documents is hereby waived.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HAWAIIAN HOMES COMMISSION ACT OF 1920

The Senate proceeded to consider the bill (S. 2965) to amend the Hawaiian Homes Commission Act of 1920, which had been reported from the Committee on Territories and Insular Affairs with an amendment, on page 3, line 8, after "SEC.", to insert "224", so as to make the bill read:

Be it enacted, etc., That section 202 of an act entitled "Hawaiian Homes Commission Act of 1920", approved July 9, 1921, be amended to read as follows:

"Commission; members, officers, compensation: (a) There is hereby established a Commission to be known as the 'Hawaiian Homes Commission', and to be composed of five members. The members shall be appointed by the Governor and may be removed in the manner provided by section 80 of the act entitled 'An act to provide a government for the Territory of Hawaii' approved April 30, 1900. All of the members shall have been residents of the Territory of Hawaii at least 3 years prior to their appointment and at least three of the members shall be descendants of not less than one-fourth part of the blood of the races inhabiting the Hawaiian Islands previous to 1778.

"(b) Any vacancy in the office of an appointed member shall be filled in the same manner and under the limitations of this act.

"(c) One of the members shall be designated by the Governor as chairman. An executive officer and such clerical assistants as may be necessary shall be appointed by the Commission to serve at its pleasure. The executive officer shall receive an annual salary not to exceed $6,000 and shall reside habitually at the major Hawaiian Homes Settlement. Clerical assistants shall be paid in accordance with territorial practice for such services. The members of the Commission shall serve without pay, but shall receive actual expenses incurred by them in the discharge of their duties as such members. Of the originally appointed members 1 shall be appointed for a term of 1 year, 1 for a term of 2 years, 1 for a term of 3 years, 1 for a term of 4 years, 1 for a term of 5 years. Their successors shall hold office for terms of 5 years, except that any member appointed to fill a vacancy shall be appointed only for the unexpired term of the member whom he succeeds. A member may also be removed by the Governor for cause after due notice and public hearing."

SEC. 2. The Hawaiian Homes Commission Act of 1920 is further amended by adding a new section thereto to read as follows:

"SEC. 224. The Secretary of the Interior shall designate from his Department someone experienced in sanitation, rehabilitation, and reclamation work to reside in the Territory of Hawaii and cooperate with the Commission in carrying out its duties. The salaries of such official so designated by the Secretary of the Interior shall be paid by the Hawaiian Homes Commission while he is carrying on his duties in the Territory of Hawaii, which salary, however, shall not exceed the sum of $6,000 per annum."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HAWAIIAN REVENUE AND FLOOD-CONTROL BONDS

The bill (S. 2966) to empower the Legislature of the Territory of Hawaii to authorize the issuance of revenue bonds, to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Legislature of the Territory of Hawaii may cause to be issued on behalf of the Territory and may authorize any political or municipal corporation or subdivision of the Territory to issue on its own behalf bonds and other obligations payable solely from the revenues derived from a public improvement or public undertaking (which revenues may include transfers by agreement or otherwise from the regular funds of the issuer in respect of the use by it of the facilities afforded by such improvement or undertaking). The issuance of such revenue bonds shall not constitute the incurrence of an indebtedness within the meaning of section 55 of the act of April 30, 1900, entitled "An act to provide a government for the Territory of Hawaii", as amended, and shall not require the approval of the President of the United States.

SEC. 2. The Legislature of the Territory of Hawaii may authorize the city and county of Honolulu to issue its general obligation bonds for the purpose of financing projects for the prevention and control of floods, in a total amount of not to exceed $1,200,000, notwithstanding the existing limitation of indebtedness contained in section 55 of the act of April 30, 1900, entitled "An act to provide a government for the Territory of Hawaii", as amended.

SEC. 3. This act shall take effect immediately. All acts of the Legislature of Hawaii heretofore authorizing the issuance of revenue bonds on behalf of the Territory or by any political or municipal corporation or any subdivision thereof, or authorizing the city and county of Honolulu to issue bonds for the control of any protection against floods, are hereby approved, ratified, and confirmed.

VICTORIA ARCONGE

The Senate proceeded to consider the bill (S. 2388) authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge, which had been reported from the Committee on Indian Affairs with amendments, on page 2, line 3, after the word "heirs", to insert "or devisees"; in line 6, after the words "the said", to strike out "reservation and with the right of the President in his discretion to extend the trust period" and to insert in lieu thereof "reservation"; and to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to cancel the patent in fee no. 527856 issued to Victoria Arconge under date of May 8, 1916, covering her allotment of land on the Yankton Sioux Reservation, S. Dak., described as follows: Lots 582, 583, 586, and 587 of the Yankton Indian Reservation, S. Dak., containing 160 acres, and to issue to her a trust patent in lieu thereof covering the same land to be held in trust for her sole use and benefit or, in case of her decrease, for the sole use and benefit of her lawful heirs or devisees for the same period under the same conditions as other trust allotments are held on that reservation as extended by the last proclamation of the President relating to the said reservation: *Provided*, That any valid encumbrances now resting against any of said land shall not in any manner be affected by the provisions

of this act, but any of such land so encumbered, if still owned by the allotee, heirs, or devisees, shall, when such encumbrances have been removed, become subject to the provisions of this act as fully and to the same intent as if such land were now unencumbered.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

UTE INDIANS, UTAH, COAL LANDS

The Senate proceeded to consider the bill (S. 1968) authorizing an appropriation for payment to certain bands of Ute Indians in the State of Utah for certain coal lands, and for other purposes, which had been reported from the Committee on Indian Affairs, with an amendment, on page 1, line 4, to strike out "$977,820.83" and insert "$977,796.78"; so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated the sum of $977,796.78 for payment to the Uintah, White River, and Uncompahgre Bands of Ute Indians in the State of Utah for 36,223 acres of land, heretofore classified as coal lands, belonging to said Indians and being a part of the lands which were withdrawn from entry and sale by an Executive order dated July 14, 1905, and included within the Uintah National Forest. Such sum shall be in full satisfaction of all claims of said Indians against the United States with respect to such lands and shall, when appropriated, be apportioned by the Secretary of the Interior among the said bands of Indians in such amounts as in his opinion the interests of said bands require. The amounts so apportioned, less the amount of attorney's fees and proper expenses as provided in section 2, shall be credited to such bands on the books of the Treasury Department, shall bear interest at the rate of 4 percent per annum, and shall be disposed of in the manner provided by law for like funds of said Indians.

SEC. 2. The Secretary of the Interior is authorized and directed to determine and pay a reasonable sum as attorneys' fees and expenses for services rendered in accordance with certain existing contracts executed by the Uintah, White River, and Uncompahgre Bands of Ute Indians and approved by the Commissioner of Indian Affairs and the Secretary of the Interior in accordance with the provisions of section 2103 of the Revised Statutes of the United States. Such fees and expenses shall not in the aggregate exceed 10 percent of the sum herein authorized to be appropriated and shall be paid out of such sum when appropriated

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. McKELLAR. Mr. President, despite the fact the bill has been passed, I should like to have an explanation of it.

Mr. THOMAS of Utah. Mr. President, this is a bill introduced by my colleague the senior Senator from Utah [Mr. KING]. It provides for payment on the part of the Government for some 36,000 acres of land, which is the remaining portion of land which the Government took back from the Indians. They made a partial payment. The balance of payment has been recommended by the Interior Department, by the Bureau of Indian Affairs, and has received the approval of the Committee on Indian Affairs.

Mr. McKELLAR. But the Budget reports against it.

Mr. THOMAS of Utah. The Director of the Budget reported against it as being out of harmony with the President's scheme for control of the Budget at the present time. Notwithstanding that fact, the bill should become a law, because the Indians are entitled to the money.

The Government, incidentally, will gain very much profit from the land as time goes on. Already the Government has received from all the land which they took from the Indians all the money with the exception of $600,000. In the future this 26,000 acres of land will pay the Government a sum equivalent to approximately $75,000,000. It would be better if the Government gave the land back to the Indians. They would like to have the land back, but the Government does not wish to do that.

Mr. McKELLAR. The Senator makes out a very appealing case, but that is a very large sum. In view of the opposition of the Budget, I hope the Senator will let the vote be reconsidered and the bill go over. Is the report here?

Mr. THOMAS of Utah. It is; and I ask unanimous consent to have the report inserted in the RECORD at this point.

Mr. McKELLAR. I shall read it tomorrow.

There being no objection, the report was ordered to be inserted in the RECORD, as follows:

The Committee on Indian Affairs, to whom was referred the bill (S. 1968) authorizing an appropriation to certain bands of Ute Indians in the State of Utah for certain coal lands, and for other purposes, having considered the same, report thereon with a recommendation that it do pass with the following amendments:

On page 1, line 4, strike out the figures "$977,820.83" and insert in lieu thereof the figures "$977,796.78."

By Executive order dated July 14, 1905, there was taken from the Uintah, White River, and Uncompaghre Bands of Ute Indians, 1,010,000 acres of land, the same being made a part of the Uintah National Forest. Said Indians were not compensated in any way for this land until 1931, when by act of Congress of February 13, 1931 (46 Stat. 1092), there was authorized to be appropriated $1,217,221.25 as payment for 973,777 acres, the same statute directing, with respect to the remaining 36,223 acres, that the Secretary of the Interior should "ascertain the value thereof and report his findings to Congress."

The Secretary has now recommended that in the event Congress feels disposed to make a present settlement for said 36,223 acres that it do so on the following basis:

Classification	Acres	Value per acre	Total value
Noncoal land	6,935.18	$1.25	$8,663.98
Possible coal land	12,357.53	10.00	123,575.30
Known coal land	16,911.05	50.00	845,552.50
Total			977,796.78

The Secretary bases his recommendation upon a report of the Geological Survey of April 6, 1911 (within 6 years of the time the land was taken), which was made by three distinguished geologists and reviewed by the entire Board of the Geological Survey. That survey placed a valuation of from $10 to $166 per acre on the so-called "coal lands", or an average of $55.73 per acre.

It should be further noted that from the taking of these lands in 1905 until 1929 the Government has received from annual leases for grazing purposes the sum of $855,000, and the net sum of $663,416.98 for timber taken from this land, or an aggregate income of $1,548,416.98. The Indians have received none of this income.

Moreover, Government agencies have estimated that 500,000,000 feet of timber remains on the land and 1,500,000,000 tons of coal therein. This timber at the nominal stumpage value of $1 per thousand would amount to $500,000 and this coal at a royalty of 5 cents per ton, which the Government has received from many coal lands leased pursuant to the act of February 5, 1931 (41 Stat. 439), would amount to $75,000,000. While it is not thought that the Government will be able to obtain this latter sum for the reason that this coal is a long distance from railroad, it is nevertheless possible that the Government may receive a very substantial sum.

Counsel for the Indians and delegates of the Indian tribes concerned appeared before the committee and stated that the Indians would prefer to have the land returned to the Indians. President Hoover recommended to the Seventy-first Congress that such be done. However, the respective Committees on Indian Affairs of that Congress felt it impracticable to return the lands in view of the fact, as expressed by the Senate committee, that since this territory had been set aside by the Government as a forest "the water of streams originating in the forest have been diverted in the lower level of the river for the reclamation of large tracts of land for agricultural purposes. Further that the larger acreage of these lands is now held and owned by white settlers * * *" (S. Rept. 725, 71st Cong., 2d sess.). That Senate committee therefore concluded that to return the forest would not be "satisfactory to the white settlers in the adjoining territory or * * * in the public interest * * *" (S. Rept. 725, 71st Cong., 2d sess.). With this conclusion your committee concurs.

The report of the Secretary of the Interior on this bill states that the Bureau of the Budget reports that this proposed legislation would not be in accord with the financial program of the President. In view, however, of the fact that these lands were taken from the Indians 30 years ago and cannot be returned, and the further fact that a previous Congress has recognized the binding nature of this obligation and has directed the Secretary of the Interior to fix the value, which he has now done, we do not think that the attitude of the Bureau of the Budget can be justified. Certainly the United States, as the guardian of these Indians, cannot in equity and justice refuse to pay them on the ground that it would sooner, at the present, use this money for other purposes. The act of February 13, 1931 (46 Stat. 1092), by which these Indians were paid for the larger portion of their land was likewise disapproved by the Bureau of the Budget, but when passed by the Congress, received the approval of the President.

The Secretary of the Interior recommends the enactment of this proposed legislation if amended as suggested in his letter of May 22, 1935.

The committee recommends the adoption of the proposed amendment suggested by the Secretary.

A copy of the said letter of the Secretary of the Interior dated May 22, 1935, is appended hereto and made a part of this report, which reads as follows:

INTERIOR DEPARTMENT,
Washington, May 22, 1935.

Hon. ELMER THOMAS,
Chairman Committee on Indian Affairs,
United States Senate.

MY DEAR MR. CHAIRMAN: This will refer further to your letter of February 25 requesting a report on S. 1968, authorizing an appro-

priation of $977,820.83 for payment to the Uintah, White River, and Uncompahgre Bands of Ute Indians for 36,223 acres of land.

By Executive order of July 14, 1905, 1,010,000 acres of land belonging to these Indians were withdrawn from entry and sale, and included within the Uintah National Forest. The act of February 13, 1931 (46 Stat. L. 1092), authorized an appropriation of $1,217,221.25 in payment for 973,777 acres of this land at $1.25 an acre, and provided that, as to the balance (36,223 acres), heretofore classified as coal lands, the Secretary of the Interior should proceed to ascertain the value of same and report his findings to Congress for such action as to that body may seem appropriate. In accordance therewith, on July 20, 1931, the Secretary of the Interior forwarded to the President of the Senate and the Speaker of the House, with his approval, copies of the report of an investigation made by the Geological Survey, involving a reclassification and reappraisal of the land as follows:

Classification	Acres	Value per acre	Total value
Noncoal land	6,935.18	$1.25	$8,668.98
Possible coal land	12,357.53	1.25	15,446.91
Coal land	16,911.05	2.25	38,049.85
Total	36,203.76		62,165.75

The report states that the noncoal land has no value beyond that of its surface for pasturage and timber, already determined by Congress at not to exceed $1.25 an acre; and that as to the possible coal land the geological evidence obtained by surface inspection affords as competent basis for classification either as coal or noncoal land, no coal being exposed therein, and that the value of the land for coal is so doubtful and intangible as to justify no price above that of $1.25 an acre covering its pasturage and forest utility.

As to the 16,911.05 acres now rated as coal land, the report states that the estimated supply of coal therein amounts to approximately 1,500,000,000 tons, and that on the basis of existing regulations its present worth for immediate development, presupposing a railroad within 15 miles, is $1,823,841.26, or an average of $107.63 an acre; that immediate development, however, is entirely out of the question, as the nearest railroad is a minimum of 63 miles distance by customary routes of travel, and feasible sites of development are yet unreached by permanent wagon roads; and that despite the enormous estimated tonnage, the adverse natural conditions, steep dips of 45 to 60 degrees, relatively low grades of the coal, difficulties of access, and absence of market, reduce the present value of the coal land to an average price of $2.25 an acre. A copy of the report is enclosed.

As to the noncoal land, Congress has heretofore fixed a value of $1.25 per acre in settling for such lands with these same Indians in the act of February 13, 1931, above cited, admittedly a conservative valuation. With reference to the "possible" coal land, however, 12,357.53 acres, aside from their surface value of $1.25 per acre for pasturage and forest utility purposes, to which these Indians are undoubtedly entitled, it is evident from the report of the geologist that surface inspection affords no competent basis for determining its actual value as coal land. Obviously, in the absence of extensive core drilling or other thorough exploration, it is physically impossible to determine whether such lands do or do not contain valuable coal deposits, if so the extent thereof. With such meager and indefinite information at hand, it would be manifestly unjust now to settle with these Indians for such land on the nominal basis of only $1.25 per acre.

As to the 16,911.05 acres of known coal land, estimated to contain approximately one and one-half billion tons, I am unable to agree with the report submitted to the Congress by my predecessor, fixing the value of such land to the Indians at $2.25 per acre. Manifestly, this is entirely too low and it is unfair to them. On the other hand, due primarily to lack of convenient transportation facilities, the absence of a local market for coal in considerable quantities, and other factors pointed out in the geologist's report, a valuation which, in view of these circumstances, might appear excessive, could not well be justified at this time. Fluctuating economic and other conditions render it difficult if not impossible to reach exact values on commodities of this kind, remote from market and lacking cheap and adequate transportation facilities. A few years ago the average value of this coal land for immediate development was placed at $55.73 per acre. The act of May 24, 1888 (25 Stat. L., 157), restoring the area of which this land formed a part to the public domain, provided that the mineral land therein should be paid for at the rate of $20 per acre, the proceeds of course, to go to the Indians. No reason is seen why it should be worth less than that figure to the Indians at this time, with something added by way of interest to compensate them for the long period since the land was taken off the market and added to our national forest reserves in 1905. As to this, see the hearings on Senate bill No. 615, Seventy-first Congress, second session; Senate Report No. 1355, and House Report No. 1948, of the same session.

I am moved, therefore, to suggest either that action on the measure now pending be deferred until more accurate geologic information is available, or that, should Congress feel disposed to make a present settlement based on figures admittedly more or less arbitrary, it do so at the rates indicated below, with the understanding that at some future date, if and when more definite information is at hand, it develops that the Indians have not been adequately compensated further appropriations in their behalf can and will then be made.

Classification	Acres	Value per acre	Total value
Noncoal land	6,935.18	$1.25	$8,668.98
Possible coal land	12,357.53	10.00	123,575.30
Known coal land	16,911.05	50.00	845,552.50
Total			977,796.78

If the latter method of settlement is adopted, the figures "$977,796.78" should be substituted for "$977,820.83" appearing in line 4, page 1, of the bill.

I am enclosing copies of a recent memorandum of the Director of the Geological Survey relating to valuation of the land in question.

The Acting Director of the Bureau of the Budget has advised that this proposed legislation would not be in accord with the financial program of the President.

Sincerely yours,

T. A. WALTERS,
Acting Secretary of the Interior.

INTERIOR DEPARTMENT,
Washington, July 20, 1931.

The PRESIDENT OF THE SENATE.

SIR: The act of February 13, 1931 (Pub., No. 622), which authorized an appropriation of $1,217,221.25 in payment for lands of the Uintah, White River, and Uncompahgre Bands of Utes of Utah, taken by the United States for the Uintah National Forest, provided in part as follows:

"That as to the balance of said 1,010,000 acres, amounting to 36,223 acres, which has heretofore been classified as coal lands, the Secretary of the Interior shall proceed with all convenient speed to ascertain the value thereof and report his findings with respect thereto to the Congress not later than 6 months after the approval of this act for such action as the Congress shall deem appropriate."

Proper instructions to make investigation as directed by the act cited were given to the Geological Survey, which in report of June 27, 1931, summarized the value of the lands, embracing but 36,203.76 acres instead of 36,223 acres previously reported or classified for coal, as follows:

Classification	Acres	Value per acre	Total value
Noncoal land	6,935.18	$1.25	$8,668.98
Possible coal land	12,357.53	1.25	15,446.91
Coal land	16,911.05	2.25	38,049.86
Total	36,203.76		62,165.75

This Department concurs in the finding of the value of the lands as above quoted from the report of the Acting Director of the Geological Survey.

Copies of his report giving the facts and the reasons in full for the valuation of these lands are transmitted herewith for such action as the Congress may decide to take in the matter.

Respectfully,

JOS. M. DIXON, *Acting Secretary.*

INTERIOR DEPARTMENT,
GEOLOGICAL SURVEY,
Washington, June 27, 1931.

The COMMISSIONER, OFFICE OF INDIAN AFFAIRS:
(Through the Secretary of the Interior).

I refer to your letter (1–C), of March 7, 1931, to the Secretary, wherein you invite attention to the act of February 13, 1931 (Pub., No. 622), and discuss the payment to the Ute Indians of Utah for certain lands in the Uintah National Forest and recommend that the Geological Survey be requested to make the required investigation to the end that the provisions of the act cited may be complied with. On March 13, 1931, the letter was approved and referred to the Geological Survey by the First Assistant Secretary.

The Geological Survey is in receipt of the following report dated June 19, 1931, by a geologist of this office:

"Enclosed is a plat showing graphically the status of lands classified or withdrawn for coal within the boundaries of the Uintah National Forest, Utah, as adjudged by the undersigned in consequence of his field investigations of June 5 to 12, inclusive, 1931, pursuant to instructions of the Assistant Secretary, dated April 6, 1931 (Utah 22, 291) and due authorization by the Acting Director.

"Careful computations show a total of 36,203.76 acres classified as coal land or withdrawn pending classification as to coal within the Uintah Forest, 14,991.38 acres heretofore classified coal land, and 21,212.38 acres in withdrawn status. In accordance with the results of my investigations I have revised these figures as indicated below:

	Acres
Coal land	16,911.05
Possible coal land	12,357.53
Noncoal land	6,935.18
Total	36,203.76

"With regard to the value of this acreage to the Government, it is obvious that the noncoal acreage has no value beyond that of its surface for grazing and timber, already determined, I believe, by Congress, at not to exceed $1.25 an acre.

"With regard to the acreage rated as possible coal land, the geological evidence obtainable from surface inspection provides no competent basis for a formal classification either as coal or noncoal. No coal is exposed in the areas rated as possible coal land nor is the geological evidence of its presence definite enough to indicate just where core drilling or deep digging with pick and shovel might be successful in disclosing coal. Rock exposures consist of resistant sandstone ledges in widely separated 'windows' through the areal cover of Bishop conglomerate, glacial debris, and dense vegetation, carrying no distinct fossils and no satisfying conviction either of frontier age or of associated coal beds of workable thickness and character. In my judgment, the value for coal of the lands here rated as possible coal lands is so doubtful and intangible as to command as of February 13, 1931, no price above that of $1.25 an acre fixed as the worth of their grazing and forest utility.

"With regard to the 16,911.05 acres now rated as coal land, the present value to the Government is undoubtedly greater than to any private interest, inasmuch as the Government has no taxes or profits to consider and its costs of supervision and inspection are relatively very low. On the basis of the existing coal regulations, the present worth of the area rated as coal land, for immediate development, presupposing a railroad within 15 miles, is $1,823,841.26, or an average of $107.85 an acre. Immediate development, however, is entirely out of the question as the nearest railroad is a minimum of 63 miles distant by customary routes of travel, and feasible sites of development are as yet unreached by permanent wagon roads. A local market for perhaps 10,000 tons of coal a year might be built up in the Uintah Basin were roads opened and maintained at public expense to mine sites in the valleys of Red or Currant Creeks. Under present conditions, however, no incentive exists for county or State to assume such expense and the cost of private maintenance exceeds the profits derived from mining and marketing Uintah Forest coal in competition with that from other Utah sources, more specifically Castlegate. On the whole, no appreciable market for Uintah Forest coal is now in sight nor is now perceptible with certainty in the future. If provided shipping facilities within the next few years, such coal would find itself in keen competition with other Utah, northwest Colorado, and southwest Wyoming coals of slightly superior grade and established standing in the limited markets of the Northwest and Pacific coast, and with no special qualities to recommend it or to encourage its use.

"For purposes of present valuation, then, it is assured that the Uintah Forest coal will be completely mined out in 200 years, an arbitrary assumption for which there is no warrant beyond convenience, and that, therefore, the average acre of coal land will be held undeveloped for 100 years. Presuming further that long-term Government bonds issued to finance the purchase of coal lands for development 100 years hence would bear interest at 4 percent compounded annually, the present worth of the average acre of Uintah Forest coal is $2.135. At 3 percent compounded annually, the present worth of the average acre is $5.61.

"Despite the enormous tonnage of coal involved, approximately 1,500,000 tons, the adverse natural conditions likewise involved, steep dips of 45 to 60 degrees, relatively low grade of the coal, difficulties of access and absence of market, persuade me fully that the present value of this coal land to the Government is fairly represented by an average price of $2.25, or not to exceed $2.50 an acre.

"Accordingly, I recommend that, pursuant to the Assistant Secretary's call of April 6, 1931, the Survey reports its classification and valuation of the withdrawn and classified coal lands of the Uintah National Forest, including grazing and forest utility, as follows:

Classification	Acres	Value per acre	Total value
Noncoal land	6,935.18	$1.25	$8,668.98
Possible coal land	12,357.53	1.25	15,446.91
Coal land	16,911.05	2.25	38,049.86
Total	36,203.76		62,165.75

I endorse the findings of fact and conclusions of the geologist and recommend that the Secretary of the Interior ascertain the value of the lands involved to be as follows:

Noncoal land, 6,935.18 acres, at $1.25 per acre $8,668.98
Possible coal land, 12,357.53 acres, at $1.25 per acre 15,446.91
Coal land, 16,911.05 acres, at $2.25 per acre 38,049.86
Total value 62,165.75

W. C. MENDENHALL, *Acting Director.*

INTERIOR DEPARTMENT,
GEOLOGICAL SURVEY,
Washington, May 2, 1935.

Memorandum to Mr. Kirgis.

With regard to the accompanying draft of reports to the Honorable ELMER THOMAS, Chairman Senate Committee on Indian Affairs, on S. 1968, and to the Honorable WILL ROGERS, Chairman House Committee on Indian Affairs, on H. R. 6019, authorizing an appropriation for payment to the Uintah, White River, and Uncompahgre Bands of Ute Indians for certain land in the Uintah National Forest, Utah:

As the Geological Survey is already on record with a technical finding of values in the acreage here involved, at decided variance with the conclusions expressed in these reports, Survey endorsement of the latter can scarcely be expected.

The outstanding fallacy in the report drafts is their omission, on page 3, of the significant phrase "for immediate development", at the end of line 10, the inclusion of which is necessary to qualify the sentence as a statement of "the whole truth" and would amend it to read:

"A few years ago the average value of this coal land for immediate development was placed at $55.73 per acre."

Immediate development, by which I mean development within the next 50 years of more than one 40-acre subdivision of the coal land here involved, is effectively precluded by the relatively inferior grade of the coal itself, by adverse physical conditions affecting the occurrence and accessibility of the deposits, and by the intensity of the competition already existing in the markets to which coal might conceivably be supplied from this area. As the Government is not contemplating immediate development of this coal, no justification is obvious for its payment to anybody of the immediate-development price for more than one 40-acre subdivision as a generous maximum. For the remainder of the coal acreage involved the immediate-development price discounted to the basis of present worth constitutes all that the Federal Government or any other prospective purchaser of coal land is justified in paying for it for reserve or indefinite holding purposes. Had the bituminous coal operators in the Eastern fields recognized this economic principle a generation or so ago and applied it to their purchases of coal land, the menacing economic dilemma in which they now find themselves would have been avoided.

With regard to the provisions of the act of May 24, 1888 (25 Stat. 157), relative to mineral entries involving lands in the area under present consideration, the question is merely raised whether, with respect to the coal acreage at least, the act of February 13, 1931 (46 Stat. 1092), requiring expeditious ascertainment of the value thereof by the Secretary of the Interior, may not be properly construed as superseding the $20 per acre retail sale price derived by implication from the language of the prior act.

Should it be held, however, by competent authority that the act of May 24, 1888, still obligates the Federal Government, in a wholesale purchase, to pay the Ute Bands not less than $20 an acre for the coal land under consideration, I could scarcely interpose competent objection to that maximum regardless of the Survey's finding that the present worth of the land is far less. Inasmuch as the acts of February 13, 1931, supra, and of March 4, 1931 (46 Stat. 1566), make no provision for the allowance of interest on the appraised value of the nonmineral acreage from 1905 to 1931, the injection of the interest factor into the question of settlement for the mineral acreage seems to me both gratuitous and against the public interest.

With regard to the prospect for "more accurate geologic information" concerning the acreage returned as probable coal land, no encouragement is in sight. On the area involved such information can be obtained only by an extensive campaign of core drilling for which no funds are available and for which the expense would undoubtedly exceed the value of the information obtained.

W. C. MENDENHALL, *Director.*

Mr. McKELLAR. I ask that the vote by which the bill was passed may be reconsidered.

The PRESIDING OFFICER. Without objection, the vote by which the bill was passed will be reconsidered, and the bill will be restored to the calendar.

Mr. THOMAS of Utah subsequently said: Mr. President, I ask unanimous consent to return to Calendar No. 872, the bill (S. 1968) authorizing an appropriation for payment to certain bands of Ute Indians in the State of Utah for certain coal lands, and for other purposes. The bill was passed once, and then the Senator from Tennessee [Mr. McKELLAR] asked a reconsideration of the vote by which it was passed and that it be restored to the calendar. I believe if I should read to the Senator but one paragraph of the report it would clear up the situation to his satisfaction:

It should be further noted that from the taking of these lands in 1905 until 1929 the Government has received from annual leases for grazing purposes the sum of $855,000, and the net sum of $663,416.98 for timber taken from this land, or an aggregate income of $1,548,416.98. The Indians have received none of this income.

In other words, the Government has received $1,500,000, and after the payment of this claim will have a clear profit of about $500,000 out of this single transaction.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. THOMAS of Utah. Mr. President, as I have said, the bill authorizes the appropriation of $977,796.78 to the Ute Indians in payment for 36,223 acres of land taken from them by Presidential proclamation on July 14, 1905.

The amount designated in the bill represents $1.25 for so much of the land as has been determined to be noncoal land, $10 per acre for that part of the land that has been determined to be possible coal land, and $50 per acre for that part of the land that has been determined to be coal land. Of the total amount of $977,796.78 the amount to be paid for the coal lands represents $845,552.50.

The valuation of the coal lands set forth in the bill is based upon a comprehensive geological survey made April 6, 1911. This survey determined this coal land to be worth $55.73 per acre. It is true that the report of the Acting Secretary of the Interior to the Committees on Indian Affairs, a copy of which is annexed to the report, states that a geological survey made in 1931 values the coal land at only $2.25 an acre. This geological report, however, states that it was based on surface inspection; that no core drilling or other approved methods of evaluation were made. The records of the geological survey further show that the geologist who made the 1931 survey left Salt Lake City, went to the Uintah Reservation, inspected these 36,223 acres of land, and was back in Salt Lake City in 10 days' time.

The Secretary of the Interior therefore repudiates this superficial report of 1931 and bases his estimate of value on the thorough survey of 1911. It should further be noted that the Indians should be compensated on the basis of the value of the lands as of the time they were taken. The survey of 1911 was made only 6 years after the lands were taken whereas the repudiated survey of 1931 was taken 26 years thereafter.

Apart from the value of the land the Government loses nothing by this appropriation bill, for the Government has already received from the land taken from the Indians the sum of $855,000 for grazing permits and the net sum of $663,416.98 for timber taken from the land, or an aggregate income of $1,548,416.98.

Against this income the United States has paid out $1,217,221.25 for part of the land taken and by this bill will pay an additional $977,796.78 or a total of $2,195,018.03, which is approximately $600,000 more than already received from the land.

Government agencies, however, indicate that there still remain on the land 5,000,000 feet of timber and 1,500,000,000 tons of coal. At the nominal stumpage value of $1 per 1,000 feet for the remaining timber alone is another $500,000 and at a royalty of 5 cents per ton, which the Government has received from many coal lands leased pursuant to the act of February 5, 1921 (41 Stat. 439), the Government may possibly have a further income of as high as $75,000,000.

The Indians would be glad to get this land back, but if it were given back to the Indians they would have to restore to the Treasury approximately $1,200,000, which they have already received, but as against this the Indians would be entitled to a credit of over $1,500,000 for income received by the Government. On account of white settlers it is impossible to return the land to the Indians and in view of all the facts it certainly seems that the appropriation of $977,796.78 is a meagre amount to be paid to the Indians and the least that the Government can do.

It has been suggested that the Indians should probably present their case to the Court of Claims rather than seek an appropriation bill from Congress. The answer is that the Indians, for a long time have attempted to secure a jurisdictional bill permitting them to go to the Court of Claims. The committees of Congress, however, in 1931 converted the proposed jurisdictional bill into an appropriation bill and compensated the Indians at that time for 973,777 acres and directed the Secretary of the Interior, as to the remaining 36,223 (designated as "coal lands") to determine the value thereof and report the same to Congress. This the Secretary has now done and the Congress, to be consistent with its former policy, should now approve payment of this sum.

Mr. McKELLAR. Mr. President, may I ask the Senator what arrangement there is, if any, in reference to attorneys' fees? Is this a claim in which attorneys' fees will be allowed?

Mr. THOMAS of Utah. Yes.

Mr. McKELLAR. Is there a limitation in the bill relating to attorneys' fees? If we are going to do the right thing by the Indians, and we should, of course, we ought to provide that there should be only a moderate fee paid.

Mr. THOMAS of Utah. There is such a limitation. The Chairman of the Committee on Indian Affairs brought up that very question and it was answered to his satisfaction. No fee will be granted which is not in conformity with the wishes of the Bureau of Indian Affairs and the Department of the Interior.

Mr. McKELLAR. Mr. President, I think the Congress ought so to provide in the bill. I am in sympathy with the situation which the Senator has described. I think the land either ought to be returned or the Indians ought to be paid for it, especially as the Government has already received most of the money in profits.

I find in the bill, however, no provision which limits the attorneys' fees. I myself am a lawyer, and I think lawyers ought to be paid; but it would be little short of a crime if we should return this large sum to the Indians and then half of it, say, should be taken by attorneys. It should not be done. I think a percentage ought to be named in the bill.

Mr. THOMAS of Utah. There is such a provision in the bill.

Mr. McKELLAR. Will the Senator point it out? In the brief time I have had in which to examine the bill I have not found it.

Mr. THOMAS of Utah. It is on page 2.

Mr. McKELLAR. Yes; I find on page 2 a provision for 10 percent. That is a very large sum if all the attorneys have done is to send the claim to Congress.

Mr. THOMAS of Utah. It is an extremely large sum; and if the Senator will refer to the committee records he will discover that before the committee I made the statement that if any sum so large as 10 percent should be asked I should be opposed even to allowing the bill to come to the floor of the Senate.

Mr. McKELLAR. Would the Senator be willing to amend the bill by putting in "not exceeding 5 percent"? If so, I should have no objection to the passage of the bill.

Mr. THOMAS of Utah. That would be perfectly satisfactory to me if it would be satisfactory to the Senate.

Mr. McKELLAR. Mr. President, I move that the bill be amended, in line 22, page 2, by striking out "10" and inserting "5."

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 22, it is proposed to strike out "10" and insert "5", so that, if amended, it will read:

Such fees and expenses shall not in the aggregate exceed 5 percent of the sum herein authorized to be appropriated and shall be paid out of such sum when appropriated.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PRESERVATION OF HISTORIC AMERICAN SITES

The Senate proceeded to consider the bill (S. 2073) to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes, which had been reported from the Committee on Public Lands and Surveys, with amendments.

The first amendment was, on page 1, to strike out section 1, as follows:

That it is hereby declared that the preservation for public use of historic sites, buildings, and objects of national significance, hallowed by the presence and touch of great men or the passage of great events, and of antiquities, will be an incalculable blessing to the Nation; and that it is a national policy to preserve the same for the inspiration, benefit, and enjoyment of the people.

And in lieu thereof insert the following:

That it is hereby declared that it is a national policy to preserve for public use historic sites, buildings, and objects of national significance for the inspiration and benefit of the people of the United States.

The amendment was agreed to.

The next amendment was, on page 2, line 20, after the words "United States", to strike out the words "or in foreign countries", so as to make the paragraph read:

(c) Make necessary investigations and researches in the United States relating to particular sites, buildings, or objects to obtain true and accurate historical and archaeological facts and information concerning the same.

The amendment was agreed to.

The next amendment was, on pages 2 and 3, to strike out paragraphs (d), (e), and (f), as follows:

(d) Establish and maintain a library to facilitate the administration of this act.

(e) For the purposes of this act, acquire in the name of the United States by gift, purchase, or the exercise of the power of eminent domain any property, personal or real, or any interest or estate therein, title to any real property to be satisfactory to the Secretary: *Provided*, That condemnation proceedings shall not be had nor resorted to for the purpose of acquiring any historic building or structure or land used in connection therewith if the same is preserved, operated, and administered for the benefit of the public.

(f) Contract and make cooperative agreements with States, municipal subdivisions, corporations, associations, or individuals, with proper bond where deemed advisable, to protect, preserve, maintain, or operate any historic or archaeologic building, site, object, or property used in connection therewith for public use, regardless as to whether the title thereto is in the United States.

And to insert in lieu thereof the following:

(d) For the purpose of this act, when authorized by Congress, acquire in the name of the United States by gift, purchase, or otherwise any property, personal or real, or any interest or estate therein, title to any real property to be satisfactory to the Secretary: *Provided*, That no such property which is owned by any religious or educational institution, or which is owned or administered for the benefit of the public, shall be so acquired without the consent of the owner.

The amendment was agreed to.

The next amendment was, on page 4, line 3, to strike out "(g)" and insert "(e)", and in line 5, after the word "national", to insert the words "historical or archaeological", so as to make the paragraph read:

(e) Restore, construct, rehabilitate, preserve, and maintain historic or prehistoric sites, buildings, objects, and properties of national historical or archaeological significance, and where deemed desirable establish and maintain museums in connection therewith.

The amendment was agreed to.

The next amendment was, on page 4, line 8, to strike out "(h)" and insert "(f)", and in the same line, after the word "tablets", to strike out the words "memorials and monuments", and in line 10, after the word "national", to insert the words "historical or archaeological", so as to make the paragraph read:

(f) Erect and maintain tablets to mark or commemorate historic or prehistoric places and events of national historical or archaeological significance.

The amendment was agreed to.

The next amendment was on page 4, line 12, to strike out "(i)" and insert "(g)"; and in line 13, after the word "properties", to insert the words "acquired under the provisions of this act"; and in line 17, after the word "permits", to strike the words "without advertising and without securing competitive bids"; so as to make the paragraph read:

(g) Operate and manage historic and archaeologic sites, buildings, and properties acquired under the provisions of this act together with lands and subordinate buildings for the benefit of the public, such authority to include the power to charge reasonable visitation fees and grant concessions, leases, or permits for the use of land, building space, roads, or trails when necessary or desirable either to accommodate the public or to facilitate administration.

The amendment was agreed to.

The next amendment was on page 4, line 21, to strike out paragraph (j) in the following words:

(j) When the Secretary determines that it would be administratively burdensome to restore, reconstruct, operate, or maintain any particular historic or archaeologic site, building, or other property used in connection therewith through the National Park Service, he may cause the same to be done by organizing a corporation for that purpose under the laws of the District of Columbia or any State.

The amendment was agreed to.

The next amendment was, on page 5, line 4, to renumber the paragraph by striking out "(k)" and inserting "(h)."

The amendment was agreed to.

The next amendment was on page 5, line 10, to renumber the paragraph by striking out "(l)" and inserting "(i)" and in line 15, after the numerals "$500" to strike out the words "or imprisonment for not exceeding 6 months, or both", so as to make the paragraph read:

(i) Perform any and all acts, and make such rules and regulations not inconsistent with this act as may be necessary and proper to carry out the provisions thereof. Any person violating any of the rules and regulations authorized by this act shall be punished by a fine of not more than $500 and be adjudged to pay all cost of the proceedings.

The amendment was agreed to.

The next amendment was in section 3 on page 6, line 1, after the word "travel" to strike out the words "and a reasonable per diem", so as to make the paragraph read:

SEC. 3. A general advisory board to be known as the "Advisory Board on National Parks, Historic Sites, Buildings, and Monuments" is hereby established, to be composed of not to exceed 11 persons, citizens of the United States, to include representatives competent in the fields of history, archaeology, architecture, and human geography, who shall be appointed by the Secretary and serve at his pleasure. The members of such board shall receive no salary but may be paid expenses incidental to travel when engaged in discharging their duties as such members.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL PARK TRUST FUND BOARD

The Senate proceeded to consider the bill (S. 2074) to create a National Park Trust Fund Board, and for other purposes, which had been reported from the Committee on Public Lands and Surveys with amendments.

The first amendment was, in section 1, on page 2, line 8, after the word "incurred", to strike out "the voucher of the chairman of the Board shall be sufficient evidence that the expenses are properly allowable. Any expenses of the Board, including the cost of its seal, not properly chargeable to the income of any trust fund held by it, shall be estimated for in the annual estimates of the National Park Service of the Department of the Interior", so as to make the section read:

That a board is hereby created and established, to be known as the "National Park Trust Park Fund Board" (hereinafter referred to as the "Board"), which shall consist of the Secretary of the Treasury, the Secretary of the Interior, the Director of the National Park Service, and two persons appointed by the President for a term of 5 years each (the first appointments being for 3 and 5 years, respectively). Three members of the Board shall constitute a quorum for the transaction of business, and the Board shall have an official seal, which shall be judicially noticed. The Board may adopt rules and regulations in regard to its procedure and the conduct of its business.

No compensation shall be paid to the members of the Board for their services as such members, but they shall be reimbursed for the expenses necessarily incurred by them, out of the income from the fund or funds in connection with which such expenses are incurred.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 19, after the words "approved by the", to strike out the words "Board and by the Secretary of the Interior" and to insert the words "Board, but no such gift or bequest which entails any expenditure not to be met out of the gifts, bequest, or the income thereof shall be accepted without the consent of Congress", so as to make the paragraph read:

SEC. 2. The Board is hereby authorized to accept, receive, hold, and administer such gifts or bequests of personal property for the benefit of, or in connection with, the National Park Service, its activities, or its service, as may be approved by the Board, but no such gift or bequest which entails any expenditure not to be met out of the gift, bequest, or the income thereof shall be accepted without the consent of Congress.

The amendment was agreed to.

The next amendment was, in the same section, on page 3, line 2, after the word "determine", to strike out the following:

The income as and when collected shall be deposited with the Treasurer of the United States, who shall enter it in a special account to the credit of the National Park Service and subject to disbursement by the Director for the purposes in each case specified; and the Treasurer of the United States is hereby authorized to honor the requisitions of the Director made in such manner and in accordance with such accounting and fiscal regulations as the Treasurer may from time to time prescribe: *Provided, however,* That the Board is not authorized to engage in any business nor shall the Board make any investments that could not lawfully be made by a trust company in the District of Columbia, except that it may make any investments directly authorized by the instrument of gift, and may retain any investments accepted by it.

And to insert in lieu thereof the following:

The income, as and when collected, shall be covered into the Treasury of the United States in a trust fund account to be known as the "National Park Trust Fund" subject to disbursement by the Division of Disbursement, Treasury Department, for the purposes in each case specified: *Provided, however,* That the Board is not authorized to engage in any business, nor shall the Secretary of the Treasury make any investment for account of the Board that may not lawfully be made by a trust company in the District of Columbia, except that the Secretary may make any investments directly authorized by the instrument of gift, and may retain any investments accepted by the Board.

And on page 4 to strike out lines 4 to 14, both inclusive, as follows:

Should any gift or bequest so provide, the Board may deposit the principal sum, in cash, with the Treasurer of the United States as a permanent loan to the United States Treasury, and the Treasurer shall thereafter credit such deposit with interest at the rate of 4 percent per annum, payable semiannually, such interest, as income, being subject to disbursement by the Director of the National Park Service for the purposes specified: *Provided however,* That the total of such principal sums at any time so held by the Treasurer under this authorization shall not exceed the sum of $5,000,000.

So as to make the paragraph read:

The moneys or securities composing the trust funds given or bequeathed to the Board shall be receipted for by the Secretary of the Treasury, who shall invest, reinvest, or retain investments as the Board may from time to time determine. The income, as and when collected, shall be covered into the Treasury of the United States in a trust fund account to be known as the "National Park Trust Fund" subject to disbursement by the Division of Disbursement, Treasury Department, for the purposes in each case specified: *Provided, however,* That the Board is not authorized to engage in any business, nor shall the Secretary of the Treasury make any investment for account of the Board that may not lawfully be made by a trust company in the District of Columbia, except that the Secretary may make any investments directly authorized by the instrument of gift, and may retain any investments accepted by the Board.

The amendment was agreed to.

The next amendment was on page 6, to strike out section 6, as follows:

Sec. 6. Employees of the National Park Service who perform special functions for the performance of which funds have been intrusted to the Board or the Secretary of the Interior, or in connection with cooperative undertakings in which the National Park Service is engaged, shall not be subject to the proviso contained in the act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1918, and for other purposes, approved March 3, 1917 (39 Stat. 1106); nor shall any additional compensation so paid to such employees be construed as a double salary under the provisions of section 6 of the act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1917, as amended (39 Stat. 582).

The amendment was agreed to.

The next amendment was, on page 6, to renumber the section by striking out "7" and inserting "6."

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I should like a brief explanation of the bill.

Mr. MURRAY. Mr. President, this is a companion bill to the bill just passed and merely provides that a trust-fund board shall be created for the purpose of receiving and administering the trust funds.

Mr. McKELLAR. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2140) for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey, was announced as next in order.

Mr. McKELLAR. Over.

The PRESIDING OFFICER. The bill will be passed over.

RICHMOND, FREDERICKSBURG & POTOMAC RAILROAD CO.

The Senate proceeded to consider the bill (S. 1730) for the relief of the Richmond, Fredericksburg & Potomac Railroad Co.

Mr. McKELLAR. Mr. President, I should like to have a brief explanation of the bill.

Mr. TRAMMELL. Mr. President, the bill was considered by the Committee on Naval Affairs. It is based on claims recommended by the Navy Department. Briefly the facts were that in making improvements at Quantico the Navy Department obtained authority from Congress in 1930 to do certain filling to change the channel of a small river. In making the change they disturbed and upset the railroad bridge, necessitating the construction of a new bridge. The authorities and the Secretary of the Navy agreed with the railroad that the Government should pay half the cost and the railroad should pay half the cost. The claim arises in that way and is recommended by the Navy Department, the bill having been introduced by the junior Senator from Virginia [Mr. BYRD]. I am familiar with the facts.

Mr. McKELLAR. In view of that statement I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to pay to the Richmond, Fredericksburg & Potomac Railroad Co., out of the appropriation "Public Works, Bureau of Yards and Docks", the sum of $32,362.24, being one-half of the sum paid out and expended by said railroad company in constructing the railroad bridge over the relocated channel of Choppawamsic Creek near Quantico, Va.: *Provided*, That payment to and the receipt by the said railroad company of the sum herein authorized to be paid shall be in full settlement of any and all claims and demands against the Government of the United States on account of the construction of said bridge.

BILL PASSED OVER

The bill (S. 2845) to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the Postgraduate School, United States Naval Academy, was announced as next in order.

Mr. McKELLAR. Mr. President, what would be the annual cost of this retirement proposal?

Mr. TRAMMELL. Mr. President, I have no definite figures at hand at the moment.

Mr. McKELLAR. Suppose we let the bill go over until the next time the calendar is called?

Mr. TRAMMELL. Very well.

The PRESIDING OFFICER. The bill will be passed over.

BILL PASSED OVER

The bill (H. R. 4764) for the relief of the officers and men of the United States Naval and Marine Corps Reserves who performed flights in naval aircraft in connection with the search for victims and wreckage of the United States dirigible *Akron*, was announced as next in order.

Mr. McKELLAR. Mr. President, I think we ought to have an explanation of that bill from the Senator from Florida [Mr. TRAMMELL]. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

AUSTIN L. TIERNEY

The Senate proceeded to consider the bill (S. 144) for the relief of Austin L. Tierney, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 9, after the word "Provided", to strike out "That no pay, bounty, or allowances shall be held as accrued prior to the passage of this act" and insert "That no compensation, retirement pay, back pay, or other benefits shall be held to have accrued, nor to accrue in the

future, by reason of the passage of this act", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Austin L. Tierney, who served as a fireman, third-class, United States Navy, shall be held and considered to have been honorably discharged from the naval service of the United States as a fireman, third class, on April 25, 1918: *Provided*, That no compensation, retirement pay, back pay, or other benefits shall be held to have accrued, nor to accrue in the future, by reason of the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JORDAN NARROWS (UTAH) MILITARY RESERVATION

The Senate proceeded to consider the bill (S. 1893) to restore to the public domain portions of the Jordan Narrows (Utah) Military Reservation, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 4, after the word "all", to strike out "those portions of sections 5 and" and to insert "of section", so as to make the bill read:

Be it enacted, etc., That, being no longer needed for or useful for military purposes, all of section 6 of township 4 south, range 2 west, Salt Lake base and meridian, heretofore withdrawn and reserved for military purposes and now included within the Utah State Military Reservation, Jordan Narrows, Utah, are hereby transferred from the War Department to, and placed under the control and jurisdiction of, the Department of the Interior to be administered or disposed of under the laws of the United States relating to the administration and disposition of the public domain.

Mr. McKELLAR. Mr. President, will the Senator from Texas explain that bill?

Mr. SHEPPARD. Mr. President, the enactment of Senate bill 1893 will place certain portions of the Jordan Narrows Military Reservation described in the bill under the control and jurisdiction of the Department of the Interior, to be administered or disposed of under the laws of the United States relating to the administration and disposition of the public domain. The lands involved were reserved for military purposes by an Executive order of 1914, but they are no longer required by the War Department. The War Department interposes no objection to the enactment of the measure, and its enactment will not involve the expenditure of any public funds.

Mr. McKELLAR. It merely turns over the lands from one department to another?

Mr. SHEPPARD. That is true.

Mr. McKELLAR. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 379) to provide for the deportation of certain alien seamen, and for other purposes, was announced as next in order.

Mr. AUSTIN. Mr. President, I observe the absence of several members of the committee which reported this bill who have expressed a desire to be present when the bill is considered. On that account I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 5382) to provide for advancement by selection in the staff corps of the Navy to the ranks of lieutenant commander and lieutenant; to amend the act entitled "An act to provide for the equalization of promotion of officers of the staff corps of the Navy with officers of the line" (44 Stat. 717; U. S. C., Supp. VII, title 34, secs. 348 to 348t), and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

That completes the calendar.

BOARD OF SHORTHAND REPORTING

Mr. CONNALLY. Mr. President, I ask unanimous consent to revert to Senate bill 1453, being Calendar No. 354. I wish to offer an amendment to it.

The PRESIDING OFFICER. Is there objection?

There being no objection the Senate proceeded to consider the bill (S. 1453) to create a Board of Shorthand Reporting, and for other purposes, which was read, as follows:

Be it enacted, etc., That there is hereby established a National Board of Shorthand Reporting (hereinafter referred to as the "Board") to be composed of three members to be appointed by the President, by and with the advice and consent of the Senate. The members of the Board, with the exception of the members first to be appointed, shall be holders of certificates issued under the provisions of this act. The members first appointed shall be skilled in the art and practice of shorthand reporting and shall have been actively and continuously engaged as professional shorthand reporters within the United States for at least 5 years preceding their appointments. The members shall hold office for a term of 3 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term, and (2) the terms of office of the members first taking office after the date of enactment of this act shall expire, as designated by the President at the time of nomination, one at the end of 1 year, one at the end of 2 years, and one at the end of 3 years, after such date. The Board shall elect one of its members as chairman and one as secretary-treasurer, who shall hold their respective offices for 1 year. The Board shall make all necessary rules and regulations to carry out the provisions of this act. Any two members shall constitute a quorum for the transaction of business.

SEC. 2. Any person who has received from the Board a certificate of his qualifications to practice as a shorthand reporter shall be known and styled as a "Federal certified shorthand reporter", and no other person, and no partnership all of the members of which have not received such certificate, and no corporation shall assume such title or the abbreviation "F. C. S. R.", or any other words, letters, or abbreviations tending to indicate that the person, partnership, or corporation so using the same is a Federal certified shorthand reporter.

SEC. 3. The Board shall grant a certificate as a Federal certified shorthand reporter to any citizen of the United States, or to a person who has duly declared his intention of becoming a citizen, (a) who is over the age of 21 years, is of good moral character, and is a graduate of a high school or has had an equivalent education; and (b) who has, except as provided in section 5 of this act, successfully passed an examination in shorthand reporting under such rules and regulations as the Board may prescribe.

SEC. 4. The Board shall hold regular meetings for the examination of applicants for certificates under this act beginning on the third Monday of June and December of each year, and additional meetings at such times and places as it shall determine but not to exceed once every 3 months. The time and place of holding such examinations shall be advertised in a periodical to be selected by the Board at least 30 days prior to the date of each examination.

SEC. 5. The Board may, in its discretion, waive the examination provided for in this act and issue a certificate as a Federal certified shorthand reporter to any person submitting an application within 1 year after the appointment of the members of the Board (a) who possesses the qualifications set out in section 3, (b) who has been actively engaged in the practice of shorthand reporting for more than 5 years next preceding the date of enactment of this act, and (c) who is competent, in the opinion of the Board, to perform the duties of a Federal certified shorthand reporter.

SEC. 6. The Board may revoke any certificate issued under this act for unprofessional conduct or other sufficient cause after appropriate notice and opportunity for hearing. Said notice shall state the cause for such contemplated revocation, the time and place of such hearing, and shall be mailed to the registered address of the holder of such certificate at least 30 days before such hearing. Each member of the Board shall be empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records concerning any matter within the jurisdiction of the Board.

SEC. 7. Upon the filing of an application for an examination or a certificate under this act the Board shall charge a fee of $25. Should the applicant fail to pass the required examination he shall be entitled to take subsequent examinations after the expiration of 6 months and within 2 years without the payment of an additional fee.

SEC. 8. Each member of the Board shall receive $25 for each day actually employed in the discharge of his official duties and in addition thereto all necessary expenses incurred by them in executing their functions under this act. The compensation and expenses of the members of the Board and the expenses of the Board that are necessary to carry out the provisions of this act shall be paid from the fees collected under section 7: *Provided*, That such compensation and expenses shall not exceed the amount so collected as fees.

SEC. 9. On and after January 1, 1936, no person shall be employed for shorthand reporting in the judicial or executive branch of the Government unless said person is the holder of a certificate provided for in this act.

SEC. 10. When used in this act the term "shorthand reporting" means the making by use of symbols or abbreviations of a verbatim record of any oral statement or deposition, proceeding of any court, commission, coroner's inquest, grand jury, master, referee, convention, deliberative assembly, or proceedings of like character.

SEC. 11. If after January 1, 1936, any person shall represent himself as having received a certificate as provided for in this act or shall practice as a Federal certified shorthand reporter without having received such certificate, or after having his certificate revoked shall continue to practice as a Federal certified shorthand reporter, or shall use any title or abbreviation that indicates that the person using the same is a Federal certified shorthand reporter, or shall violate any of the provisions of this act, said person shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than $500.

Mr. CONNALLY. Mr. President, the consideration of this bill was objected to heretofore by the Senator from Tennessee [Mr. MCKELLAR]. I have offered an amendment which I have submitted to the Senator from Tennessee, and I hope he will agree to it.

Mr. MCKELLAR. Let the amendment be read. I was engaged in something else at the time it was submitted to me.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out sections 9 and 10, and in lieu thereof to insert:

SEC. 9. On and after January 1, 1936, no person shall be employed for shorthand reporting in the judicial or executive branches or by any independent agency of the Government unless said person is the holder of a certificate provided for in this act: *Provided*, That nothing in this act shall be construed to prohibit the temporary employment of a shorthand reporter not holding a certificate, until a reporter holding a certificate shall be available: *And provided further*, That the provisions of this act shall not apply to any person not employed for the shorthand reporting of such proceedings as are described and defined in section 10 hereof.

SEC. 10. When used in this act the term "shorthand reporting" means the making, by use of symbols or abbreviations, of a verbatim record of any oral testimony, proceeding, hearing, or trial before a court, commission, independent agency of the Government, master, referee, convention, deliberative assembly, or proceedings of like character.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FIRE LOSSES, STATE OF MINNESOTA

Mr. SHIPSTEAD. I ask unanimous consent to return to Senate bill 1448, Calendar No. 692, and for its consideration at this time.

The PRESIDING OFFICER. Is there objection to returning to Senate bill 1448?

There being no objection, the Senate proceeded to consider the bill (S. 1448) for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, in accordance with certifications of the Comptroller General of the United States under this act, to each claimant or its or his heirs, representatives, administrators, executors, successors, or assigns, the amount of whose loss, on account of fire originating from the operation of railroads by the United States in the State of Minnesota on or about October 12, 1918, has been determined by court proceedings or by the Director General of Railroads, the difference between the amount of such loss so determined and the amount actually paid by the United States to such claimant less any amount paid to such claimant by any fire-insurance company on account of such fire: *Provided*, That notwithstanding the terms and conditions of any policy of insurance, or the provisions of any law, no fire-insurance company, except farmers' mutual fire-insurance companies, shall have any rights in and to funds herein appropriated, the payments herein provided for, nor to any right of subrogation whatsoever. That said farmers' mutual fire-insurance companies shall be paid in the same manner and to the same extent as other claimants: *Provided further*, That no person who makes claim under this act by virtue of having acquired and succeeded to the rights of the original claimant through purchase and assignment, from said claimant of said claim, shall receive more than the amount actually paid for such claim and assignment.

SEC. 2. No payment under the provisions of this act shall be made unless an application therefor is filed with the Comptroller General of the United States by or on behalf of the person entitled to payment within 2 years after the date of the enactment of this act. The Comptroller General of the United States shall determine the amount due on any application, and the person entitled thereto under this act, and shall certify such determination to the Secretary of the Treasury, which determination shall be final. The Comptroller General shall promulgate rules and regulations as to the identity of claimants, the validity of assignments, and all other matters in connection with the determination of the amounts due and the persons to whom such amounts shall be paid under this act. The amount to be paid under this act shall be ascertained from the records of the Director General of Railroads, and such records shall be conclusive evidence of the amount of any such loss, the amount paid by the United States with respect thereto, and the amount paid by any insurance company with respect thereto. Such records shall also be conclusive evidence of the person entitled to payment, except that if in any judicial proceeding in which final judgment has been rendered the right of any person to succeed to the rights of the person who suffered the loss by the fire has been determined, such judgment shall be conclusive as to the heir, representative, administrator, executor, successor, or assignee, as the case may be, entitled to payment.

SEC. 3. The words "person" and "claimant", as used in the act, shall include an individual, two or more persons having a joint or common interest, company, partnership, and municipal and private corporations.

SEC. 4. Any person or group of persons individually or collectively who charge or collect, or attempt to charge or collect, either directly or indirectly, any fee or other compensation for assisting in any manner any person in obtaining the benefits of this act in excess of 10 percent of the amount of the claim actually paid under this act shall, upon conviction thereof, be subject to a fine of not more than $500 or imprisonment for not more than 1 year, or both.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER (Mr. HAYDEN in the chair). The calendar is in order.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations of officers in the Regular Army.

Mr. SHEPPARD. I ask unanimous consent that the Army nominations be confirmed en bloc.

The PRESIDING OFFICFR. Without objection, it is so ordered.

That completes the calendar.

RECESS

Mr. BARKLEY. I move that the Senate, under the order previously entered, take a recess until 11: 30 o'clock a. m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate, in legislative session, under the order previously entered, took a recess until tomorrow, Tuesday, June 11, 1935, at 11: 30 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 10 (legislative day of May 13), 1935

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

Capt. Clyde Lloyd Hyssong to Adjutant General's Department.

Capt. Francis Beeston Laurenson Myer to Quartermaster Corps.

Second Lt. Archibald William Lyon to Quartermaster Corps.

Second Lt. Erskine Clark to Coast Artillery Corps.

Second Lt. Victor Haller King to Coast Artillery Corps.

PROMOTIONS IN THE REGULAR ARMY

Henry Clay Coburn, Jr., to be colonel, Medical Corps.

Arnold Dwight Tuttle to be colonel, Medical Corps.

William Richard Dear to be colonel, Medical Corps.

Daniel Parker Card to be colonel, Medical Corps.

Ralph Harvard Goldthwaite to be colonel, Medical Corps.

Frederick Starr Wright to be colonel, Medical Corps.

Daniel Warwick Harmon to be colonel, Medical Corps.
James C. Magee to be colonel, Medical Corps.
Norman Lincoln McDiarmid to be colonel, Medical Corps.
Frank Henry Dixon to be lieutenant colonel, Medical Corps.
Robert DuRant Harden to be lieutenant colonel, Medical Corps.
David Durward Hogan to be lieutenant colonel, Medical Corps.
Donald William Forbes to be lieutenant colonel, Dental Corps.
H. Beecher Dierdorff to be captain, Dental Corps.

POSTMASTERS

COLORADO

Roy Maxwell, Fort Collins.
John T. Adkins, Holly.
George Cole, Monte Vista.
Arthur L. Carlson, Wellington.

CONNECTICUT

Edward C. Dillon, Elmwood.

INDIANA

Lester C. Leman, Bremen.
Edgar D. Logan, Goshen.
Maurice C. Goodwin, Newcastle.
Cova H. Wetzel, Rockport.
Grover T. Van Ness, Summitville.
George P. Marshall, Veterans' Administration Hospital.
John E. Robinson, Waynetown.
Lawrence J. Etnire, Williamsport.

MISSOURI

Noble C. Jessee, Stella.

NEVADA

Alfred Tamblyn, Ely.
Linwood W. Campbell, Pioche.

NEW HAMPSHIRE

Frank B. Gould, Bradford.
Hadley B. Worthen, Bristol.
Raymond J. Carr, Lancaster.
John J. Kirby, Milford.

OREGON

Victor P. Moses, Corvallis.
Nelson J. Nelson, Jr., Cottage Grove.
Lester L. Wimberly, Roseburg.
William C. Sorsby, Wauna.

VIRGINIA

Fletcher L. Elmore, Alberta.
William P. Bostick, Burkeville.
Thomas B. McCaleb, Covington.
Herbert H. Rhea, Damascus.
John A. Garland, Farmville.
Horace F. Crismond, Fredericksburg.
Walter S. Wilson, Raphine.

WASHINGTON

Jennie B. Simmons, Carnation.
Walter A. Gross, Enumclaw.
Marcus O. Nelsen, Kent.
Walfred Johnson, Lowell.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 10, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

"Give us this day our daily bread." Almighty God, in this petition of our Saviour's prayer, bread for the day was the great necessity with the swarming multitudes on the thoroughfares of earth. In this hour, the Lord grant this blessing upon the masses everywhere. May the heartsick be comforted, the ill-sorted drawn to Thee, and the famine of soul saved. Amid the opened-faced rejoicings of our avenues, sound forth Thy voice, "All ye that are heavy laden, come unto Me and I will give you rest." May we all come with our personal ideal of manhood, with our conceptions of the social order and industry. Keep us in the consciousness that we are the sons of God, possessing the sense of honor, of nobility, and moral excellence. Open the way between us and the higher way and let our pulses beat with the choral rapture of a better life. Through Christ. Amen.

The Journal of the proceedings of Friday, June 7, 1935, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 209. An act for the relief of Carmine Sforza;

S. 1305. An act to further extend relief to water users on United States reclamation projects and on Indian irrigation projects; and

S. 2536. An act providing for the suspension of annual assessment work on mining claims held by location in the United States.

LEAVE TO ADDRESS THE HOUSE

Mr. PATMAN. Mr. Speaker, a special committee of the House has been making an investigation of chain stores. I had rather speak in the House than in the committee, and I would like to make a report of the committee to the House. It will only take me 30 minutes, and I think the Members of the House will be interested in it. Therefore I ask unanimous consent that I may address the House for 30 minutes.

The SPEAKER. Is there objection?

Mr. PALMISANO. Reserving the right to object, and I do not want to object, but I feel that the committee ought to be able to proceed to dispose of four or five bills which it has for consideration today. I think we can dispose of them in half an hour, and then if the gentleman from Texas wants to proceed I think there will be no objection to his having 30 minutes.

Mr. PATMAN. If we had any assurance that they would be disposed of within a reasonable time that would be all right. But if I do not get the time now I shall expect to get it on one of those bills.

Mr. PALMISANO. I am afraid if we start in on the proceedings of the Crime Committee the gentleman's 30 minutes will not cover it. There will be others who will want to address the House.

Mr. PATMAN. This is not a report of the Crime Committee, it is a special investigating committee on chain stores, unfair-trade practices, and so forth.

Mr. PALMISANO. Cannot the gentleman take his time after we dispose of these bills which the District Committee has for consideration today? There are only 4 or 5 of them.

Mr. PATMAN. If we had any assurance that they would be disposed of in a reasonable time. If I do not get the time now I shall expect to get it on the first bill that comes up, so that it will make very little difference whether I have it now or then.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BLANTON. Let me suggest to my colleague that he ask for 15 minutes, and then extend his remarks over the bills. The Chairman will give him 15 minutes. All of the Members of the House would like to hear the gentleman's remarks today. [Cries of "Regular order!"]

The SPEAKER. The regular order is, Is there objection?

Mr. TAYLOR of Colorado. Reserving the right to object, this is District of Columbia day. The committee has a number of bills to call up, and I feel that they have a right to proceed, at least for awhile, to consider those matters, and I therefore object.

CONDITION OF COAL FIELDS IN HARLAN COUNTY, KY.

Mr. MAY. Mr. Speaker, I will be a little more liberal than my colleague from Texas—I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. Mr. Speaker, early in January I introduced in the House of Representatives a resolution relating to certain conditions that were set forth in the resolution, charged to exist in Harlan County, Ky., in connection with the operation of the coal mines in that county. That resolution was not reported by the Rules Committee, and was never acted upon; but the Governor of Kentucky did appoint a commission to make an investigation of the conditions in that county. That commission had numerous hearings at which counsel for both the United Mine Workers of America and the coal operators appeared and presented their various contentions. The commission met and filed a complete report on January 7, 1935. Without taking further time of the House I ask unanimous consent to include that report in my remarks at this point, and also ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to extend his remarks in the RECORD and to include therein the report to which he has referred. Is there objection?

There was no objection.

The report referred to is as follows:

REPORT OF GOVERNOR LAFFOON'S INVESTIGATION COMMISSION CONDEMNS OUTRAGES IN HARLAN COUNTY COAL FIELDS

FRANKFORT, KY., *June 7, 1935.*

Hon. RUBY LAFFOON,
Governor of Kentucky, Frankfort, Ky.

DEAR GOVERNOR LAFFOON: Your commission, appointed February 12, 1935, to investigate a state of unrest long existing in the southeastern Kentucky bituminous coal fields, desire to submit the following report:

The commission met at Frankfort, Ky., and organized on February 15, 1935, the following members being present: Adjt. Gen. Henry H. Denhardt (chairman), Rev. Adelphus Gilliam, Hon. Oren Coin, and Hon. Hugh B. Gregory.

The commission conducted hearings at Frankfort on March 7, 8, 9, and 11. On these dates the United Mine Workers of America presented their testimony in chief. On March 25, 26, 27, and 28 the coal operators of Harlan County took their evidence. Further evidence offered by both sides was heard May 6. On May 23, 24, and 25 the commission visited the coal mines and camps of Letcher, Harlan, and Bell Counties. Certain evidence was offered by both sides during this visit to these counties. The commission also interviewed a number of miners, mining operators, certain officials, and many other citizens. In all, several thousand pages of evidence were taken and the investigation was full and thorough.

The Honorable A. Floyd Byrd, of Lexington, Ky., represented the United Mine Workers of America during the various hearings, while the Honorable J. B. Snyder, Hon. William Sampson, Hon. B. B. Snyder, and Hon. George C. Ward, all of Harlan County, represented the coal operators.

The representatives of both sides to the controversy are honorable men of the highest type, and their treatment of the commission was all that could be expected. On our visit to the coal fields we could not have received more courteous, more kindly, or finer treatment anywhere than was given us by the leaders of both sides. It is hard for the members of your commission to understand why, with such splendid citizens heading and controlling their organizations, that conditions in Harlan County cannot be amicably settled to the satisfaction of both sides concerned. However, your commissioner regrets to have to report that conditions of the most serious nature exist in Harlan County which, if permitted to go on, will continue to reflect on the good name not only of Harlan County but of Kentucky as well.

It is almost unbelievable that anywhere in a free and democratic nation such as ours conditions can be found as bad as they are in Harlan County. There exists a virtual reign of terror, financed in general by a group of coal-mine operators in collusion with certain public officials; the vicitims of this reign of terror are the coal miners and their families.

We found conditions in Bell and Letcher Counties entirely the reverse of those in Harlan. We believe that these better conditions existing in the first two counties are due to a better understanding between employers and employee. In these counties freedom of speech and the right to peaceably assemble are recognized. There is no oppression from above; there is helpful cooperation and understanding between the operators and the miners. However, it is true that these outrageous conditions complained of in Harlan County do not exist in all the mines in that county. There are some operators in Harlan County who do not condone the practices indulged in by the Harlan County Coal Operators' Association. These operators who do not endorse the methods of the Harlan County Coal Operators' Association are fair and just to their men and trent them as human beings, yet while affording fair and decent treatment to their employees, these operators are operating their mines apparently as successfully as are other operators where ruthless oppression is the rule. The commission wishes to especially express its commendation of these operators who have the courage to operate their mines in a righteous manner when surrounded by so many operations where unjust and un-American methods are practiced.

In Harlan County we found a monsterlike reign of oppression, whose tentacles reached into the very foundation of the social structure and even into the church of God. Ministers of the gospel of the very highest standing complained to us of these conditions. Reprisals on the part of bankers, coal operators, and others of the wealthier class were practiced against churches whose ministers had the courage to criticise from the pulpit, the intolerable state of conditions that they of their knowledge know to exist in Harlan County. The miners themselves and their families generally hesitated to discuss their affairs with the commission. Free speech and the right of peaceable assemblage is scarcely tolerated. Those who attend meetings or voice any sentiment favorable to organized labor are promptly discharged and evicted from their homes. Many are beaten and mistreated in most unjust and un-American methods by some operators using certain so-called "peace officers" to carry out their desires.

There is no doubt that Theodore Middleton, sheriff of Harlan County, is in league with the operators and is using many of his deputies to carry out his purposes. This sheriff was elected by a big majority given him largely by the laboring people. It is not denied that the operators had a candidate opposing him. Several days prior to his election the sheriff and others captured a ballot box which had already been stuffed. This box contained some 650 ballots already marked against him, and upon his plea that National Guard troops be furnished to help "unstuff" many other of the stuffed ballot boxes in the county, which was done, he was elected by the people in one of the few fair elections ever held in the county. He had been chief of police of Harlan, and while so acting as chief of police he always permitted public speakings on the union's questions. He even roped off the streets for this purpose. He promised, if elected, that he would continue giving to the people the right of free speech and of free and lawful assemblage. So much did he oppose the ruthless, lawless methods of certain operators in having ballot boxes stuffed that he was present at least when one man was killed and others wounded over this lawless stuffing of a ballot box, and when the National Guard arrived he and some of his henchmen were engaged in an attack on a commissary in which dynamite, rifle, and other gun fire were used with serious effect to some of his misguided and trusting followers. The National Guard arrived in time to stop this battle and no doubt saved his life as well as the lives of others with him. Yet after all this he has proven faithless to the trust which the people reposed in him.

There are some faithful officials in Harlan County who are making an honest effort to do their duty. Your commission would especially commend and congratulate the circuit judge, the Honorable James M. Gilbert, and the county attorney, the Honorable Elom Middleton, for courage and fidelity to duty under very trying circumstances.

In one three-room building in the town of Cumberland we found huddled together 11 children and 4 adults forced from their company-owned homes because they dared to oppose the will of the operators. In this same building preparations were being made to receive another family of seven children and their parents who likewise had been forced to leave their home because the father had expressed himself favorably to the labor organization.

The proof shows that the homes of union miners and organizers were dynamited and fired into, that the United States flag was defiled in the presence of and with the consent of peace officers, who were sworn to uphold the principles for which it stands. These flags were on cars that were being used for organization purposes by the United Mine Workers. A deputy sheriff from an adjoining county entering Harlan County to make an arrest was disarmed, his gun was broken up with a sledge hammer at the direction of the sheriff, and he himself was ordered to leave the county by Sheriff Middleton in person.

The Honorable Charles Barnes, of Cincinnati and New York, chairman of the N. R. A. Bituminous Coal Labor Board for District No. 1 South, told your commission under oath that his board had been unable to obtain the least semblance of cooperation from most of the large Harlan County coal operators. He stated that the provisions of the N. R. A. had been ignored by almost every mine operator in the county. He further stated that the number of complaints of violations of the N. R. A. in Harlan County far exceeded the number of complaints from any other county under the jurisdiction of the two boards of which he was chairman. Harlan County, he said, is the "sore spot" in the entire district, which, he testified, included a number of States. Mr. Barnes testified that the charges against the Harlan County operators consist of discrimination against the men, intimidation, lack of checkweighmen; the discharging of a number of men for no other reason than for union activities. Violation of code hours and wages were numerous and general. He stated that every mine in the Harlan district, except those in contractual relations with the union, violated the code regulations.

Mr. Barnes testified that he had received 128 sworn affidavits supporting complaints against different mines in Harlan County concerning the beating up of men by deputy sheriffs, and also for other causes. He testified that a number of operators were summoned as witnesses before the board, of which Mr. Barnes was chairman, but that only one operator showed any respect whatsoever for the board. Sheriff Middleton was summoned to appear before the board, but the sheriff ignored the summons.

Middleton told Mr. Barnes later that "the operators are not going to have anybody tell them how to run their business", and also that he would not allow labor agitators to stir up matters. Middleton stated to Mr. Barnes that his (the sheriff's) office was going to aid the operators in their endeavors to keep the United Mine Workers of America out of Harlan.

Mr. Barnes testified that "There isn't a county in the whole United States, that is, south of Indiana, and east of Indiana, where I have not had better cooperation." He testified that Mingo County, W. Va., was in good shape. Mr. Barnes further stated, "You will have to have a new sheriff. You can't help but have a new sheriff. I don't think you can do it (remedy conditions) any other way. He (the sheriff) is tied in with a gang of some of the toughest kind of deputies. He has also gotten tied in with some honorable gentlemen. The only objection I have is that men are not free to meet in Harlan County—not free to assemble and become anything they want to become—United Mine Workers of America, company union, or anything that they want, no religion, no lodge, no organization. They are not free. The minute they attempt to assemble, on the slightest suspicion that the United Mine Workers of America have something to do with it, that ends it. He (Middleton) is tied to honorable men above and to a lot of other kind of men below, and between the two he cannot escape."

The evidence shows that the miners' wages are cut for additional school costs, such as longer terms, additional teachers, etc.; but it also appears that the operators have much to say as to the selection of the teachers, who naturally are friendly. The men are also out for the expense of company doctors. Of course, the companies select these, who are also friendly.

The only newspaper in the county is owned by a gentleman who is the enthusiastic friend and supporter of the operators. Even the choice of banks for their savings and of undertaker for the burials of their men are handled to the satisfaction of the operators.

Many cities and towns in Harlan County are not incorporated, as in other counties, because the operators prefer to maintain their own government rather than give their men the right to participate and elect their officials, police officers, etc., as they do in Jenkins, Letchter County, and in many other places where the rights of the people are respected. Thus it will be seen that in Harlan County, from the cradle to the grave, the things most vitally affecting the lives of the people are under the friendly control and supervision of the operators.

On the other hand, the mine operators, or rather those who appeared before the commission as their representatives, accuse the United Mine Workers of America of having perpetrated outrages against nonunion miners, of having imported into Harlan County certain individuals for the purpose of stirring up dissatisfaction and crippling the coal industry; however, when quite a number of these so-called "outsiders" were arrested in Cumberland and taken to jail and kept there for several days without being given an opportunity to make bond, and all without rime, right, or reason, except that they belonged to the union, and without any warrants being issued against them, not a single one of them, on this occasion or any other, was found to be armed. Later, warrants were sworn out by the sheriff himself, and all but one of the warrants were dismissed without trial.

Your commission fully recognized the fact that the southeastern Kentucky bituminous-coal fields are among the most extensive and the wealthiest in the world, and that the operators who have heavily invested their capital in this field have a right to lawful protection and a fair profit on their investment. It also recognizes the fact that the United Mine Workers of America or any similar organization has the constitutional right, so long as it remains in the bounds of legal propriety and reason, to organize, to speak, and to conduct meetings wherever and whenever it may desire.

It appears that the principal cause of existing conditions in Harlan County is the desire of the mine operators to amass for themselves fortunes through the oppression of their laborers, which they do through the sheriff's office. Mine owners have a right to have their property properly protected, but these mine guards should not be made use of away from the property of their employers. They should not be gunmen or ex-convicts; they should not be organized into flying squadrons to terrorize and intimidate people anywhere in the county wherever the sheriff may direct.

Your commission believes that before conditions can be bettered in Harlan County that it is absolutely essential that the operators and miners come to a better understanding, one with another, and that the operators come to fully recognize the fact that the miners they employ are human beings, with equal rights under the law with themselves, and that their employees are not mere tools to be used by them as they may see fit. The present system of deputized mine guards and one-sided administration of the law must be abolished. The law should be enforced as strictly against the operators as it is now being enforced only against the miners. Free and honest elections are also a necessity, and the "stuffing" of ballot boxes, the voting of ballots in the names of discharged employees, in the names of men that are dead or else never existed, these ballots being voted days in advance of elections, should be stopped. All of this is being done now; and in their prime when the list of names ran out, these election experts even voted trees, flowers, the beasts of the field, and the fowls of the air.

The commission recommends to you that Sheriff Middleton be removed from office. This may accomplish little, as some other sheriff will likely be appointed who will indulge in the same methods, but at any rate, it would be food for thought for future sheriffs.

It is further recommended that a commission similar to this be appointed and authorized to fully investigate any further outrages committed or permitted by sheriffs, deputies, other officials, or persons.

It is also recommended that State police officers be used to enforce the law and give proper protection to the people in the event the local officials do not see fit to clean house themselves. In fact, one mine operator who was attempting to give his men a square deal, requested the use of the State police if he could not keep his own deputies. This man's house had been dynamited, presumably by men who did not like his method of fair dealing, and who had been notified by Sheriff Middleton that he was, in the future, going to furnish only deputies of his (the sheriff's) own choosing.

In conclusion, your commission desires to report that after mature and careful deliberation its members unanimously agree that charges made in writing against the Harlan coal operators and filed with the commission by Mr. William Turnblazer, president of district no. 19, and Mr. Sam Caddy, president of district no. 30, of United Mine Workers of America, have been successfully substantiated by competent evidence except that it was not shown that the number of deputy sheriffs and other peace officers in Harlan County was as great as 300.

Respectfully submitted.

HENRY H. DENHARDT, *Chairman*,
ADOLPHUS GILLIAM,
OREN COIN,
HUGH S. GREGORY,
Investigation Commission.

Mr. MAY. Mr. Speaker, I do not call the attention of the House of Representatives to this report for the mere purpose of advertising the misconduct of any business group of Harlan County, Ky., but for two things. The report shows that in the two adjoining counties of Bell and Letcher peace, quietude, and harmony exists between coal operators and coal miners—between employer and employee. Letcher County is one of the counties of my district joining Harlan County. It is a large coal-producing county, and has in it some of the finest and best mining towns in the State. Thousands and thousands of men work in the mines of Letcher County, and I desire to point out that Letcher and the other seven counties of my district are solidly organized by the United Mine Workers of America. Harlan County is only partially organized, and that portion of it not organized—and where union labor is not recognized and where the principles of collective bargaining and free speech are denied—is aptly described by the Governor's commission in these words:

It is almost unbelievable that anywhere in a free and democratic Nation, such as ours, conditions can be found as bad as they are in Harlan County. There exists a virtual reign of terror, financed in general by a group of coal-mine operators in collusion with certain public officials; the victims of this reign of terror are the coal miners and their families.

That is the condition existing where coal operators refuse to recognize the fundamental principles that their employees are entitled to live and to the pursuit of happiness and the enjoyment of the fruits of their labor. On the other hand, in every county of my district where union labor has contracted and bargained collectively with the operators, freedom of speech and the right to peaceable assembly are recognized.

The conditions existing in my district are aptly described by the Governor's commission in these words:

In these counties freedom of speech and the right to peaceably assemble are recognized. There is no oppression from above; there is helpful cooperation and understanding between the operators and the miners.

These statements from an impartial commission, made after long study, full hearings, and careful examination of thousands of pages of sworn testimony, vindicate fully and unquestionably every charge made by me in the resolution which I introduced in this House last January. It vindicates the United Mine Workers and establishes the fact that where the operators are reasonable and fair, as in my district, there is no trouble; and this, to my mind, conclusively proves that the miners are not at fault in Harlan County.

New legislation is nearly always the result of developing new conditions and resultant public opinion; and with the conditions of the coal industry, one of the great basic industries of this country, as they now are and as they have been

for the past 4 or 5 years, the imminent need of new, constructive legislation looking to the protection, not only to the rights of property of the owners and operators of the coal industry, but to the welfare and rights of the workingman as well, are imperative; and we are approaching the day when we will have before this body for consideration two measures, one of which has already passed the Senate and pending before the House of Representatives, the Wagner-Connery labor relations bill, and the Guffey coal bill; and, in my judgment, the enactment of these measures into law will bring to the coal industry in this country a new freedom and a new prosperity. [Applause.] It will bring to the man engaged in the mining of coal steadier employment and better wages, and in this belief I am persuaded that the earlier these measures can be enacted into law and put into execution the sooner we will see universal peace and prosperity throughout the bituminous-coal fields.

In order that the coal miners of eastern Kentucky may not be held up to the outside world as lawbreakers and disturbers of the peace, I have presented to you these facts.

An unenlightened public opinion based upon a false premise is dangerous, but enlightened public opinion is always a wholesome force. George Washington put it in these words:

> In proportion as the structure of a government gives force to public opinion, it is essential that public opinion should be enlightened.

So long as the coal-mining industry is controlled and operated by such able, fair-minded, and conscientious men as now control it, and so long as the laborers engaged in that industry in my district have sane and sound patriotic leadership as they now have, there will be no trouble in the mining fields of eastern Kentucky, and I shall hope to see the day when the few selfish, avaricious operators that have dominated socially and politically that small portion of Harlan County condemned in the report of the Governor's commission shall cease to dominate. [Applause.]

THE SOAP INDUSTRY—COCONUT OIL

Mr. STACK. Mr. Speaker, I renew my request of last Friday to address the House for 3 minutes on proposed legislation that vitally affects my district and the entire soap industry of the United States.

The SPEAKER. Is there objection?

Mr. TAYLOR of Colorado. Mr. Speaker, I reserve the right to object. Will the gentleman limit his remarks to 3 minutes?

Mr. STACK. Yes.

Mr. TAYLOR of Colorado. Very well.

The SPEAKER. Is there objection?

There was no objection.

Mr. STACK. Mr. Speaker, on May 10, 1935, my colleague, Mr. DOCKWEILER, introduced in the House H. R. 8000, a bill to repeal the tax on coconut oil. I am reliably informed that if this bill is passed it will affect 80,000 soap workers in the United States. In my district, if the bill is passed, several additional employees will be hired.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. STACK. Yes.

Mr. CHRISTIANSON. How many farmers in the United States will it affect?

Mr. DOCKWEILER. Mr. Speaker, will the gentleman yield?

Mr. STACK. Yes, with pleasure.

Mr. DOCKWEILER. I think I can answer the gentleman from Minnesota. The particular bill referred to by the gentleman from Pennsylvania [Mr. STACK], H. R. 8000, does not repeal the tax on all coconut oil, but only on coconut oil used in the manufacture of soap. It does not affect the oil that goes into the manufacture of edible products.

Mr. CHRISTIANSON. It would interfere with the producers of cottonseed oil.

Mr. DOCKWEILER. Cottonseed oil has never been used in the manufacture of soap. It is entirely too expensive to be so used.

Mr. CHRISTIANSON. I have not read the gentleman's bill, but I intend to.

Mr. SISSON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. STACK] be permitted to proceed for 2 additional minutes in order that a question or two may be asked of him. Members of the Committee on Ways and Means and of the Appropriations Committee who are familiar with the bill are present.

The SPEAKER. The gentleman from New York asks unanimous consent that the time of the gentleman from Pennsylvania be extended 2 minutes. Is there objection?

There was no objection.

Mr. SISSON. Mr. Speaker, will the gentleman yield?

Mr. STACK. Yes; I shall be glad to yield.

Mr. SISSON. As I understand, what the gentleman advocates is the passage of a bill which removes the 3 cents tax from coconut oil which has been so processed as to render it unfit to be used in butter substitutes or in any article of food. Is not that it?

Mr. STACK. Yes; that is correct.

Mr. SISSON. In the gentleman's opinion that would probably not affect the dairy industries at all.

Mr. STACK. As far as I know it would not.

Mr. SISSON. I may say to the gentleman, that does affect several manufacturing industries in my district. I feel I have a right to speak for the dairy industry, and I do not believe it injuriously affects the dairy industry, and that it would greatly add to employment if the tax were removed.

Mr. CITRON. Mr. Speaker, will the gentleman yield?

Mr. STACK. Yes; certainly.

Mr. CITRON. Is it not true that coconut oil is used mostly in the manufacture of soap, and that no other product grown in this country can be so used, nor can they use any substitute, so that if the tax is repealed it will help the soap manufacturers and laborers, because they will be able to reduce the selling price and sell more of the products? I am informed also that the farmers are not affected, because their products are not used for this particular soap, which can only use coconut oil.

Mr. STACK. That is my understanding. However, my primary interest in it is this. The vice chairman of a soap industry in my own district tells me that if this bill be made a law many additional employees would go to work in my district, without P. W. A. funds but with private funds. He has written a letter on the subject and explained why the bill should be passed. I ask unanimous consent that his letter be inserted in the RECORD at this point.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. STACK. Yes.

Mr. TRUAX. The bill does affect certain classes of farmers, namely, the producers of grease, fats, and oils; and this bill is opposed by all of the major farm organizations of the country.

Mrs. KAHN. Will the gentleman yield?

Mr. STACK. I yield with pleasure to the gentlewoman from California.

Mrs. KAHN. Oils that would be produced by farmers could not possibly take the place of the coconut oil in soaps. This is something that only coconut oil can be used for. The manufacture of fine soaps has fallen off tremendously since this law went into effect.

The SPEAKER. The time of the gentleman from Pennsylvania has again expired.

Mr. STACK. Mr. Speaker, I ask unanimous consent to insert at this point a letter from the vice president of the soap industry in my district, which explains the entire bill and which I am satisfied every Member would like to read; and also in connection therewith a short message from the President of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The matter referred to is as follows:

FELS & Co.,
Philadelphia, May 27, 1935.

Hon. MICHAEL J. STACK,
House of Representatives, Washington, D. C.

DEAR SIR: Your prompt response to my letter of May 22 regarding H. R. 8000 is much appreciated. I was unable, however, to call on you on Saturday as you so kindly suggested. Will be very glad to do so at a future date.

To further emphasize in your mind the need for favorable consideration of H. R. 8000 I am giving below some of the reasons why:

The enactment of H. R. 8000 will permit the tax-free usage of Philippine coconut oil in soap, rubber tires, the tanning of leather, and other industrial usage.

Since the levying of the excise tax there has occurred a decrease in the consumption of crude coconut oil such as is employed mainly for technical usage, and an increase in the consumption of refined coconut oil such as is employed for edible usage. The industrial users find it difficult to pay the tax, whereas those making edible products do not. The enactment of H. R. 8000 and the removal of the excise tax on Philippine oil for technical use will enable industrial users to pay more for and use more crude coconut oil, which will increase the price of copra (the dried meat of the coconut) to the Philippine copra farmer.

The 3 cents per pound excise tax on coconut oil amounts to 1.9 cents per pound on copra, or to $38 per short ton of copra. The Philippine coconut farmer now receives only about 7 pesos per 100 kilos for his copra, or 1.6 cents per pound on the basis of American dollars. The recent Sakdalista outbreaks occurred in two copra-producing Provinces and have been ascribed by Filipino leaders to poor economic conditions engendered by the coconut-oil excise tax. The price of copra in the Philippine Islands is now about one-half of the normal price which existed in such years as 1926.

The enactment of H. R. 8000 would have a tendency to lower the net cost of coconut oil to industrial users and to increase the net cost to edible-products manufacturers, but the major benefit would go to Philippine copra producers. If only one-half of the benefit from the removal of the tax accrued to them, it would increase their income from their copra by over 50 percent.

The enactment of H. R. 8000 would not only serve to improve economic conditions in the Philippines but would lighten a heavy burden on hospitals, schools, institutions, hotels, office buildings, and other large users of soap. Since coconut oil is the principal oil ingredient used in the lower-priced grades of white laundry soap, it would assist families having low incomes and lessen the cost of relief work. It would greatly assist the smaller manufacturers of technical products, such as soap, etc., many of whom find it impossible to operate at a profit because of high raw-material costs and decreased volume of business.

Prior to the levying of the excise tax 70 percent of all coconut-oil imports went into technical usage, where it is required because of its lauric-acid content. Because domestic oils and fats do not contain lauric acid, the tax-free usage of Philippine coconut oil for technical usage will not injure the welfare of domestic oil and fat producers.

The enactment of H. R. 8000 would occasion the Federal Government no loss of revenue because the proceeds of the tax on coconut oil are paid to the Philippine treasury, which cannot, under the law, return any part of same to the copra farmers. Filipino Government officials are greatly concerned because of the depressed economic condition of the farmers in the coconut-producing areas and have asked for the entire removal of the tax.

Enactment of H. R. 8000 will assist American export trade.

President Roosevelt, under date of May 28, 1934, requested reconsideration of the excise tax on Philippine coconut oil by Congress, giving three reasons for his request.

First, it is a withdrawal of an offer made by the Congress of the United States to the people of the Philippine Islands.

Second, enforcement of this provision at this time will produce a serious condition among many thousands of families in the Philippine Islands.

Third, no effort has been made to work out some form of compromise which would be less unjust to the Philippine people and at the same time attain, even if more slowly, the object of helping the butter and animal-fat industry in the United States.

H. R. 8000 offers the compromise discussed in the President's third reason for requesting reconsideration of the tax.

We trust this bill will receive your favorable support.

Respectfully yours,

A. ROY ROBSON, *Vice President.*

[H. Doc. No. 388, 73d Cong., 2d sess.]

COCONUT OIL IMPORTATION FROM THE PHILIPPINE ISLANDS

(Message from the President of the United States transmitting a request for reconsideration of that provision of the revenue act, which relates to coconut oil)

To the Congress of the United States:

Early in the present session of the Congress the Philippine Independence Act was passed. This act provided that after the inauguration of the new interim or commonwealth form of government of the Philippine Islands trade relations between the United States and the Philippine Islands shall be as now provided by law. Certain exceptions, however, were made. One of these exceptions required levying on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 448,000,000 pounds, the same rates of duty now collected by the United States on coconut oil imported from foreign countries.

It is, of course, wholly clear that the intent of the Congress by this provision was to exempt from import duty 448,000,000 pounds of coconut oil from the Philippines.

Later in the present session, the Congress in the revenue act imposed a 3-cent-per-pound processing tax on coconut oil from the Philippines. This action was of course directly contrary to the intent of the provision in the independence act cited above.

During this same period, the people of the Philippine Islands through their legislature accepted the provisions of the Independence Act on May 1, 1934.

There are three reasons why I request reconsideration by the Congress of the provision for a 3-cent per pound processing tax.

First, it is a withdrawal of an offer made by the Congress of the United States to the people of the Philippine Islands.

Second, enforcement of this provision at this time will produce a serious condition among many thousands of families in the Philippine Islands.

Third, no effort has been made to work out some form of compromise which would be less unjust to the Philippine people and at the same time attain, even if more slowly, the object of helping the butter and animal-fat industry in the United States.

I, therefore, request reconsideration of that provision of the revenue act which relates to coconut oil in order that the subject may be studied further between now and next January, and in order that the spirit and intent of the Independence Act be more closely followed.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 28, 1934.*

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. PALMISANO. Reserving the right to object, I would like to ask the gentleman from West Virginia not to insist on asking for time at this time. I feel that if we begin to extend time to Members to address the House, we will never proceed to take up the District legislation. As I stated before, we have four or five bills which I am satisfied we can dispose of within a half hour. Then we can take up some bill that will be debatable, and then I will give all the time necessary to the Members.

Mr. RANKIN. Reserving the right to object, I should like to propound an inquiry to the Chairman of the Committee on the District of Columbia. The gentleman seems to be in a great hurry to get this legislation passed, and probably he is right, but we have a condition in the District of Columbia today that in my opinion is a disgrace to the District. Right in front of this Capitol the striking taxicab men, who seem to be determined to hold up the Shriners who are here, are stopping taxicabs and making passengers get out of them. Why does not the Committee on the District of Columbia take up that proposition and let us put a stop to it or go into it and see what is wrong while we can do it? [Applause.] If the committee is in a hurry to do something that will redound to the best interest of the District and the country, there is the chance. [Applause.]

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. TAYLOR of Colorado. Mr. Speaker, I object.

Mr. BLANTON. Oh, do not object; let him get it out of his system.

Mr. WOOD. Mr. Speaker, reserving the right to object, in connection with the statement just made by my colleague from Mississippi [Mr. RANKIN], I desire to observe that these striking taxicab drivers are not members of any union organization.

Mr. RANKIN. I agree with that. I do not believe any reputable union would tolerate such misconduct under the circumstances.

Mr. WOOD. I just want to make that statement so that there will be no misunderstanding about it.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

Mr. TAYLOR of Colorado. Mr. Speaker, I object.

DEPORTATION OF ALIEN CRIMINALS

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a radio speech which I gave on Friday evening.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. O'DAY. Mr. Speaker, under permission granted me to extend my remarks in the RECORD, I include the following radio address delivered by me last Friday evening:

We are told that this Seventy-fourth Congress receives more mail than any other Congress in the history of our country, and I am also told that New York's other Congressman at Large and I receive the second largest mail that comes to the House of Representatives.

A surprisingly large number of the letters received pertain to aliens—their status, their entry, legal and illegal, and their deportation; and the research necessitated for the answering of these letters has brought to light some astonishing situations.

The scrambled state of our present immigration and deportation laws is the answer to the oft-repeated question, "Why cannot we get rid of the alien criminal?" The Department of Labor, as all other departments of Government, must operate strictly within the law, and it is powerless under the hodge-podge of contradictory amendments to the present law to operate effectively.

There are at present certain mandatory laws requiring the deportation of alien criminals and of all those who have entered the country illegally.

At present violators of Federal narcotic acts are deportable, but violators of State narcotic acts are not.

Under the present law the alien who is smuggled into the country is deportable. The alien who smuggles him in is not.

An alien criminal can now be deported only if he has been convicted of a crime involving moral turpitude committed within 5 years after his admission to the United States and sentenced to imprisonment for 1 year or longer, or if his record shows two such convictions and sentences subsequent to February 5, 1917.

Under the present law any judge who sentences an alien criminal to a term of imprisonment calling for deportation may, by a simple recommendation to the Secretary of Labor within 30 days after the date of sentence, absolutely prevent deportation. The Secretary has no option in the matter.

While any police-court judge or magistrate who has authority to sentence a criminal for a year or more may in his uncontrolled discretion prevent the deportation of that criminal, there is no power in the United States, not even that of the President, to avert the deportation of an alien who is not a criminal.

Here are the records, for example, of certain alien criminals who are not deportable under our present scrambled laws:

W. L.: Thirty years old; in country 27 years; has been arrested 16 times for crimes, including burglary, abduction, felonious assault, robbery, homicide, grand larceny, bribery, etc.; has spent 5 years 6 months in prison.

N. F.: Fifty years old; 16 years in the country; has been arrested five times and spent 9 years 7 months and 2 days in prison.

C. B.: Fifty-four years old; 27 years in the country; has been arrested eight times and has served 10 years 3 months in prison.

These men cannot legally be deported.

On the other hand is the case of two sisters, 9 and 10, natives of Canada, brought to this country when infants illegally by their mother, who died a year later. The children's father, who has since been deported, brought them to Lebanon, Pa., to the home of their uncle and aunt, who have cared for the motherless little girls as though they were their own, and wish to adopt them. Under our present laws, the deportation of these children is required.

A prosperous farmer—a naturalized citizen—owns a thousand-acre farm just this side of the Canadian border. A son, who was 21 when his father became a citizen, and who has not yet taken out his citizenship papers, walked across the road into Canada to make a call. Returning, he took a short cut across fields to his home. By this act he is guilty of illegal entrance, and his deportation is required.

Our present immigration laws are not in conformity with modern ideas—they are making it impossible to deal in a humane manner with many of the cases that come before the Department, and they prevent the deportation of alien criminals and racketeers who are a menace to law-abiding American citizens.

DISTRICT OF COLUMBIA LEGISLATION

FEES CHARGED BY RECORDER OF DEEDS IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 410) to provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes.

The Clerk read the title of the bill.

Mr. PATMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PATMAN. Is this a Union Calendar bill?

The SPEAKER. Yes; the bill is on the Union Calendar.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. PATMAN. Reserving the right to object, this is a Union Calendar bill. I should like to be heard on it, and I think we should go into the Committee of the Whole; and, therefore, as much as I dislike to object to the request of the gentleman, I shall be compelled to do so.

The SPEAKER. The gentleman from Texas objects.

Mr. PALMISANO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union to consider the bill (S. 410), and pending that motion I ask unanimous consent that general debate be limited to 30 minutes on each side, the time to be controlled one-half by myself and one-half by the gentleman from Maine [Mr. BREWSTER].

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. PATMAN. Reserving the right to object, I would like to have 30 minutes. If the gentleman will agree to give me 30 minutes, I will be glad to consent.

Mr. PALMISANO. I hope the gentleman will not insist on 30 minutes.

Mr. BREWSTER. Mr. Speaker, may I inquire whether the time may not be extended to 1 hour on each side?

Mr. PATMAN. With the understanding that I have 30 minutes, I shall not object.

Mr. PALMISANO. Mr. Speaker, as far as I am concerned, I do not think I care to use any time myself.

Mr. MICHENER. Mr. Speaker, regular order.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. PATMAN. I shall be compelled to object, Mr. Speaker, unless the gentleman will give me time. Will the gentleman give me time?

I object, Mr. Speaker.

The SPEAKER. The gentleman from Texas [Mr. PATMAN] objects.

The question is on the motion of the gentleman from Maryland.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 410) to provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes, with Mr. WARREN in the chair.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 552 of the Code of Law for the District of Columbia, as amended, is amended to read as follows:

"SEC. 552. Fees: The legal fees for services of the recorder shall be as follows:

"For filing, recording, and indexing, or for making certified copy of any instrument containing 200 words or less, $1, and 20 cents for each additional hundred words, to be collected at the time of filing, or when the copy is made.

"For each certificate and seal, 50 cents.

"For searching records extending back 2 years or less next preceding current date, 50 cents, and 15 cents for each additional year, to be paid by the party for whom the search may be made.

"For recording a plat or survey, 20 cents for each course such survey may contain.

"For recording a town plat, 25 cents for each lot such plat may contain.

"For taking any acknowledgment, 50 cents.

"For filing and indexing a bill of sale of chattels, or a mortgage or deed of trust thereof, or a conditional bill of sale of chattels or any release or satisfaction of any such, $1.50.

"For filing and indexing any other paper required by law to be filed in his office, 50 cents.

"In addition to the fees herein required, all corporations hereafter incorporated in the District of Columbia shall pay to the recorder of deeds at the time of the filing of the certificate of incorporation 50 cents on each thousand dollars of the amount of capital stock of the corporation as set forth in its said certificate: *Provided, however*, That the fee so paid shall not be less than $50: *Provided further*, That the recorder of deeds shall not file or record any certificate of organization of any incorporation until it has been proved to his satisfaction that all the capital stock of said company has been subscribed for in good faith, and not less than 10 percent of the par value of the stock has been actually paid in cash, and the money derived therefrom is then in the possession of the person named as the first board of trustees."

Mr. PALMISANO. Mr. Chairman, this bill permits the recorder of deeds to increase the fees for recording legal papers. The present law has been in existence for the past 30 years. The office of the recorder of deeds is not self-sustaining. The purpose of this bill is to make this office self-sustaining out of the fees it collects.

Mr. Chairman, I reserve the balance of my time.

Mr. PATMAN. Mr. Chairman, I ask for recognition in opposition to the bill. I asked for 30 minutes and it was refused. I now have an hour, but I do not expect to take the hour unless I need to.

SPECIAL COMMITTEE ON CHAIN STORES

Mr. Chairman, 2 or 3 weeks ago a special committee was appointed by the Speaker of the House. I was appointed chairman after the gentleman from Missouri [Mr. COCHRAN] resigned, being unable to serve on account of illness. On the committee are the gentleman from New York, Mr. SOL BLOOM; the gentleman from Illinois, Mr. LUCAS; the gentleman from California, Mr. DOCKWEILER; the gentleman from New Jersey, Mr. MCLEAN; the gentleman from New York, Mr. COLE; and the gentleman from Wisconsin, Mr. BOILEAU. The object of the investigation is to determine whether or not there is a superlobby here in Washington organized by the American Retail Federation for the purpose of unduly influencing legislation. Mr. C. O. Sherrill is the president of the American Retail Federation.

RESOLUTION AMENDED

The committee asked for an amendment to that resolution to provide that the committee should have the authority to investigate trade practices of individuals, partnerships and corporations engaged in big-scale buying or selling of articles at wholesale or retail, and their associations. The amendment was approved by the Rules Committee and adopted by the House.

NATIONAL CHAIN-STORE ASSOCIATION

The committee had a 2-day hearing last week. It was discovered that there was organized in this country in 1928, what was known as the "National Chain Store Association" which was composed of chain-store organizations only; independents could not join. The object and purpose of that association was to try to sell the chain-store idea and theory to the American people in the hope that there would be no discriminatory legislation against chain stores, and no effort made to stop them in the various States.

Mr. Morrill, who is the president of the Kroger Grocery Co., of Cincinnati, was the president of the National Chain Store Association throughout its existence from 1928 to 1932, inclusive. They were not successful in selling to the American people the chain-store idea. They could not put it over for some reason.

NEW ORGANIZATION

They disbanded very quietly and then Mr. Albert H. Morrill, the head of this $25,000,000 Kroger concern which has more than 4,500 units in the United States and which has the controlling interest in the Piggly Wiggly organization with 2,000 more units, and who owns very little stock in Kroger but who receives a $77,000 salary annually, commenced to organize another association, the object and purpose being to sell to the American people the chain-store theory in the hope that the people would not take any action against them in the various States. This new organization is the interesting part of this investigation. Mr. Morrill, who is the $77,000-a-year president of this $25,000,000 chain-store concern, gets up a plan of his own. This plan he submits to the Safeway, which is the J. P. Morgan-owned chain store concern in America. He also submitted it to the other large chain-store operators in order that they might get together and have a secret fund, to have these different chain-store operators contribute large amounts to that fund, the money to be used for the purpose that Mr. Morrill wanted it be used for and no questions asked. I think it would be rather interesting for me to read to you a letter on the stationery of the Kroger Grocery & Baking Co., from the executive office in Cincinnati.

The letter reads as follows:

CORNSTALK BRIGADE

OFFICE OF THE PRESIDENT,
THE KROGER GROCERY & BAKING CO.,
EXECUTIVE OFFICES,
Cincinnati, Ohio.

I know from personal experience that there is no group as influential with Congress and with State legislatures as the farm bloc. No legislation can be passed with the opposition of what we call the "cornstalk brigade." The sales tax was defeated in Congress last June solely by the activities of the farm bloc.

With these facts in mind, for more than a year I have been endeavoring to find and gain a good access to the machinery which exercises this influence, and what I say herein can be taken as facts which have been checked and rechecked.

The American Farm Bureau Federation is the largest, most influential, and representative farm organization. It has effective organizations in all but four States—Florida, Georgia, Oklahoma, and Mississippi. Its membership numbers over 3,000,000 and it has 20,000 members alone in the Ohio group. Incidentally, the Republican candidate for Lieutenant Governor in Ohio is president of the Ohio group. The organization and its officers are intelligent, high class, and reliable and have been in existence since 1918. The federation works closely with the national Grange, the farmers' fraternal order which has a large membership.

INFLUENCE FOR CHAINS

The support of the federation, obtained by bringing to its members the virtues of the chain and the evils of antichain legislation, in my opinion, would be the strongest possible influence for the chain directly and indirectly. It have proven so in other lines, noticeably in the case of the Asphalt Institute.

PLAN ENCLOSED

The enclosure sets up the plan which has been formulated by a representative of the federation, a former executive of the federation, and myself. It leads directly into the farmers' local meetings and from there to the key men and officials, in a way that I believe will solidify a powerful, organized group in our favor and will largely influence public opinion.

CHAIN SUPPORT MUST BE KEPT SECRET

On the enclosed sheets, you will find an estimate of the probable cost of this work for each month of 1 year. The fact that this work is financed by the chains must not be known and will you please keep the contents of this communication strictly confidential. The proposed organization and its name would have no open connection with any chain and it should clear through one man.

KROGER PLEDGES $8,400 ANNUALLY

I propose to accept the entire responsibility for the collection and distribution of funds and supervision of the work and your cooperation and contribution will have to depend entirely on what confidence you have in me. What I ask is that you commit your company to forward to me the sum of —— each month for 12 months, beginning October 1. Without undertaking to apportion the cost with entire fairness, Kroger will commit itself for a contribution of $700 per month. No charge will be made except for the expenses of the farm organization. At the end of 12 months, financial report will be made by myself and refund made for any excess of receipts over expenditures.

In my opinion, the proposed activity is the most practical, effective, and economical method thus far suggested for affecting public opinion and through it influencing legislation. The time for getting into action is very short. May I ask you for an early decision?

Sincerely yours,

ALBERT H. MORRILL.

The following is the statement Mr. Morrill enclosed with his letter:

THE RURAL SITUATION

Low commodity prices, high taxes, restricted credit, farm foreclosures, etc., have seriously disturbed rural America.

Farmers are becoming more and more receptive to any program or movement that offers the faintest promise of financial relief, radicalism, socialism, and communistic doctrines, formerly never given the slightest consideration, now receive serious attention.

As has been aptly said, "Abnormal conditions cause normal people to do abnormal things." Merely suggest to a group of farmers that a certain factor is contributing to the rural depression and the farmers are thoroughly aroused.

ATTACKS ON CHAIN STORES

Charges that chain stores are partly responsible for the rural distress, or are aggravating it, are being viciously scattered through rural America. That these charges are false is not the point. A farmer threatened with loss of farm and home cannot be expected to analyze clearly.

And if farmers are not given the true facts regarding chain stores, they cannot be blamed for being misled into demanding the passage of legislation inimical to chain stores, particularly excessive tax measures, in the hope that it will help reduce farm taxes for them.

THE POWERFUL FARM BLOCS

An important aspect of the rural situation is the remarkable organization both nationally and in the various States.

During the recent session in Congress at Washington the farm bloc defeated every measure which did not meet with its approval, including the general sales tax bill. With every proposed measure the question was: What does the farm bloc think about it?

A similar situation prevails in a great many of the State legislatures, with organized agriculture holding the balance of power. Such is the strength of organization.

It is significant in this connection that many of the State farm organizations are already beginning to mobilize their forces for the coming State legislative sessions. Fortunately, up to date the outbreaks against chain stores have been more or less local, but their increasing numbers carries a real danger that the local pressure will ultimately become strong enough to compel the States, or possibly even the national organizations to take official action.

KEY FARM LEADERS

The real backbone of organized agriculture is a body of several thousand local farm leaders, termed "key men", and collectively constituting the most powerful group in the world.

It is through these key men and women that the national farm organizations reach and influence their millions of members.

Not only do these key leaders control and direct the sentiment and activities of their own local communities, but in addition they dictate the State and National policies.

It is to these key leaders that National and State legislators look for guidance as to farm sentiment.

It is these key leaders that collectively dictate the attitude of farm blocs on State and National legislation.

EDUCATING KEY LEADERS

With rural America desperate and looking about for any method of relief, and with false attacks being made on chain stores, it is imperative that these key leaders, with their tremendous influence, be made thoroughly familiar with the principles of chain-store distribution and its benefits to farmers, and, above all, that these key leaders be made to realize very clearly the falsity and unsoundness of the charges made against chain stores, as well as the injurious effects to rural America by the passage of excessive chain-store taxes and other injurious regulations and restrictions.

It is therefore planned that an intensive campaign of education be immediately directed toward selected key leaders, in order that they may be fully familiar with the chain-store situation by the time that the State legislatures meet this winter.

It is well to remember in this connection that farm groups move slowly, but once having taken a step, they rarely switch their position. Hence the imperative necessity of reaching these key leaders before they have formed definite conclusions on the chain-store question.

OUTLINE OF PROGRAM

The planned campaign involves the following procedure:

(1) The setting up of a small group of carefully chosen agricultural public-relations experts, who will operate as a farm advisory bureau (or some other appropriate name), the general function of which will be the dissemination of authentic, helpful information to rural America on the distribution and marketing of agricultural products.

(2) The carrying on of an intensive research analysis by trained agricultural experts into the interrelations of agriculture and chain stores. This will include:

(a) The collection of all available information on the subject, opinions of experts, etc.

(b) A careful study and analysis of all this information, in order to tie it up with present activities of organized farm groups.

(c) The translation of the results into everyday farm language.

(3) Utilizing this information so collected, analyzed, and translated, a carefully planned and directed educational campaign will be carried on with a selected list of key leaders. This will follow the established methods used by organized agriculture, and will include personal letters, confidential bulletin service, informative literature, etc.

The facts will be presented to the key leaders in a form to which they are accustomed—in a manner to inspire confidence—free from any taint of commercialism of "big business"—through a farm advisory bureau, whose function is the promotion of projects in which farmers are vitally interested.

This education will be directed along two general lines: (a) A clear presentation of the advantages to rural America of chain-store distribution; (b) a clear analysis of the charges and accusations made against chain stores.

(4) Along with this intensive education, special emphasis will be directed toward the stimulation through key leaders of general discussions of chain-store distribution, etc., at organized farm-group meetings, thus correcting antagonistic impressions, misunderstandings, etc., and building for the ultimate objective of favorable group action when desired.

(5) In addition to the direct-mail campaign, staff representatives of the farm advisory bureau will contact personally with key leaders at sectional, State, and regional meetings of organized farm groups, particularly in sections wherein have developed situations inimical to chain stores.

The effort will ever be to develop and maintain a most friendly feeling on the part of key leaders toward the chain stores.

(6) A favorable attitude on the part of the agricultural press is of decided advantage. Therefore it is planned to have staff representatives of the farm advisory bureau call personally on the editors of leading farm publications, with a view to securing maximum editorial support, and supplying them with suitable material for use in their publications.

(7) Farm Bureau officials suggest as the proper man to develop and carry out such a campaign Mr. S. A. Van Petten, who has had 15 years' experience in the development and execution of advertising and public-relations campaigns of various kinds, including 4 years with the national headquarters of the American Farm Bureau Federation, the largest and most powerful farm organization in the world.

For the past year and a half Mr. Van Petten has been carrying on outside activities along with special work for the Farm Bureau. The following information regarding Mr. Van Petten is furnished us from reliable sources:

"While with the A. F. B. F. from 1928 to 1931 he cooperated with H. R. Kibler, national director of information of the entire Farm Bureau organization, in the development and execution of numerous campaigns directed toward various objectives, such as the adoption of farm practices, the promotion of farm-home modernization, the direction of key leader pressure on National and State legislators, Government heads, etc., the mobilization of rural sentiment for legislative measures, etc."

An outstanding example of a highly successful campaign, comparable to the one here planned, was directed toward creating a Nation-wide demand for the improvement of secondary roads with low-cost materials. It was financed by the asphalt interests and extended over a period of 2 years, which is the time usually required to "sell" rural America thoroughly.

The result was the most tremendous road-building program that this country has ever seen. Huge Federal and State appropriations were secured. Gasoline taxes were diverted to this purpose, as well as other funds. At one time 25,000 miles of road were under construction, totaling over $1,000,000,000.

The activity was carried on by a special organization set up for the purpose, known as the "secondary road institute", following the procedure and utilizing the methods to be used in the chain-store campaign.

Another interesting example of the power of key leaders was in connection with a campaign to remove the Federal restriction on the free use of corn sugar.

Mr. Bedford, then president of the Corn Products Refining Co., told Mr. Van Petten and Mr. Kibler that the corn-sugar interests had been endeavoring for over 15 years to remove this restriction, and had spent several hundred thousand dollars, with no success, and that he was very dubious over the success of the key-leader campaign plan.

To his surprise, in less than 6 months the restriction was removed by order of the Secretary of Agriculture—as the direct result of pressure brought on him by farm key leaders, after the facts had been brought to their attention.

(8) Actively associated with Mr. Van Petten in the development of the chain-store campaign in every detail and in its execution from start to finish, will be Mr. H. R. Kibler, national director of information of the American Farm Bureau Federation.

For over 12 years, Mr. Kibler has been handling all public-relations work of the entire national Farm Bureau organization, and he is generally registered as being in a very large measure responsible for the remarkable accomplishments of the Farm Bureau, both from a service and a legislative standpoint.

Mr. Kibler's years of experience in the farm field, his intimate contact with key leaders, his knowledge of their manner of thinking and acting, and how to reach and influence them, as well as his broad experience with all types of publicity mediums, give him a qualification and exceptional fitness for a plan of this nature. Every detail of the campaign meets with Mr. Kibler's approval in every respect, and he is confident of the success of it—assuming, of course, that the objective is fundamentally sound, viz, that the chain-store distribution system is of real economic value to the farmers and beneficial to them, which is unquestionably true.

(9) In addition to engaging the services of Mr. Kibler, Mr. Van Petten will arrange to secure the assistance of other trained experts, some on part-time and others on a full-time basis, whose experience runs over a number of years and whose effectiveness has been demonstrated in numerous rural campaigns.

In short, the best brains and ability in organized agriculture will be focused on the development and the execution of this program.

(10) Mr. Van Petten and Mr. Kibler have carefully estimated the cost of carrying on this program with maximum effectiveness, and including every feature conducive to an outstanding success.

Certain items might be eliminated at a saving of expense, but it is felt that the importance of the objective justifies putting forth a maximum effort. With this in mind, a monthly budget of $5,000 has been arrived at. The carrying on of a national campaign of this magnitude, with its numerous ramifications, including a utilization of the best ability in organized agriculture, is made possible for this sum because of the fact that the present existing set-up will be used and the methods followed that have been developed in other campaigns.

Should it be desired to expedite the program, it can be speeded up to a certain extent by carrying on a more intensified activity with more field representatives, etc., up to a maximum of $8,000. It is not felt that any greater expenditure would be justified.

PROMPT ACTION ESSENTIAL

A prompt starting of the activity with the key leaders is highly desirable, before the local situations become too acute through local outbreaks, and before the key leaders have definitely made up their minds regarding the advisability of action and legislation adverse to chain stores—for the State legislative sessions are but a few months away.

In addition, there is the danger, if the matter is delayed, that some of the State farm organizations will take official action against chain stores and thus influence similar action in other States.

It is easier and safer to lock the door before the horse is stolen.

Mr. Kibler and Mr. Van Petten write as follows:

"In conclusion, we wish to emphasize again that this plan and our confidence of its success are based on the assumption that chain stores provide an economically sound and effective means of distribution, to the benefit of the farmers of America. With that sound foundation, there is no question of success, for the same plan and method will be utilized that has proven so successful on numerous other campaigns."

Mr. JOHNSON of Texas. What is the date of the letter?

A FARM LEADER TO BE BOUGHT AND PAID FOR

Mr. PATMAN. The letter is dated September 1932.

Mr. Chairman, the point is that the national chain-store organizations had failed in their propaganda efforts in this country, they could not put it over. So they then made an effort to organize this secret organization, one that would be led by farm leaders, but the farmers were not to know that these leaders had been bought and paid for by the chain-store organizations.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DONDERO. Has the gentleman information as to the number of units of this organization in the various States?

Mr. PATMAN. I do not think I have that information at present, I will say to the gentleman from Michigan, but we will have it before the investigation is completed.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. TRUAX. The letter the gentleman read mentioned the president of the Ohio Farm Bureau Federation. I wonder if that reference is to Mr. L. B. Palmer, who was then a Republican candidate for lieutenant governor, but who was defeated and is not now president of the Ohio Farm Bureau Federation?

Mr. PATMAN. I cannot identify the person to whom the gentleman from Ohio has made reference, but the letter states this:

Incidentally, the Republican candidate for lieutenant governor in Ohio is president of the Ohio group.

That was in September 1932.

Mr. TRUAX. Mr. Perry L. Green, the former director of agriculture, is now the president of the Ohio Farm Bureau Federation.

ESAU'S HANDS BUT JACOB'S VOICE

Mr. PATMAN. Anyway, Mr. Chairman, the chain stores failed to fool the people through the National Chain Store Association, and failed to fool the consumers. Believing that they needed a new organization led by different people, they established this wolf in sheep's clothing; in other words, another case of Esau's hands but Jacob's voice; and they set up this new organization with so-called "farm leaders." The interesting part about it is that they organized what is known as a "farm advisory group" to take in this so-called "cornstalk brigade." It was the duty of that farm advisory group to become interested in farmers' problems, to show how they could help the farmer, to render aid and assistance to the farmers.

DECEITFUL MEANS

Then, after they got established as friends of the farmers, they expected to take these key leaders that they had bought and paid for and feed them this chain-store information in the hope that they would have in each community a group to resist chain-store taxes as these matters came up in the various States and before the Congress in order to perpetuate themselves in chain-store business without hindrance. That is what they expected to do. They then expected to go to the farmers' meetings. They had a secret fund for the purpose of paying farmers' expenses. The chain backing the farmers' meeting was not to be known. That was a secret. It was a deceitful means and a fraudulent means to propagandize the people, using the farmers' own friends to fool, defraud, and deceive them. Kroger pledged $8,400 for this purpose in 1 year, and other large chains were asked to come in. We know that they did have some cooperation. How much we do not know. They expected to spend from $5,000 to $8,000 a month. This farmer-friend set-up did not last long. They had failed to fool the public and the consumers through their chain-store advertising and they also failed to fool the farmer on this front they hoped to put through.

FARMERS WELL INFORMED

If they do not know it, I will tell them now that farmers represent about the best informed class of people in this country today. If you do not believe it, you just go to a farmers' meeting or talk with the average farmer and he will tell you something about this monetary question we have been discussing up here. I honestly believe there are more farmers who know about the monetary system in this country than there are bankers. As I say, I honestly believe that. [Applause.] I heard a New York banker say the other day at a meeting, and he is one of the progressive group, that there are only two people that handle gold. One is the banker and the other is the dentist, and the dentist knows more about it than the banker. I believe that the farmers know more about the gold problem than the dentists or the bankers.

THE FARM-LEADER FRONT

Let me tell you about this so-called "farm leader" they had out there as a front. His name is S. A. Van Patten. He is the same man who promised to deliver the farm vote to the ship-subsidy crowd for $100,000. He made that offer. He is the same man that for the asphalt and cement interests got up pictures to show at the 4-H clubs and at farmers' meetings in order to encourage the use of asphalt on secondary roads. He did that for a price. He was paid. He is the man that took money from the Copper Institute in order to teach the farmers to modernize their homes and use copper for their pipes and gutters. He is the same man that the National Electric Light Association paid some money to in order to get the farmers' interest and good will. He was paid by the National Lumber Manufacturing Association and the Portland Cement Co.

THIRD PLAN AGREED UPON

After they failed to fool the farmers they decided they would have to have something else. So this man Morrill, who is the $77,000-a-year president of Kroger, stated that they would have to have another plan. I am not quoting testimony now. I am quoting what I know is bound to have happened. He evidently said: "We have got to use another plan. We failed to fool the consumers and the public when we came out in the open and said we were chain stores in 1928 to 1932. We had to disband. We then tried to fool the farmers, using their own friends as a front, but we could not fool them, so we had to disband. Now, then, we have to get the small retail merchants together and see if we cannot use them as a front for the purpose of holding down, stopping, and preventing what is known as 'unfair and discriminatory legislation against chain stores.'"

So they organized what is known as the "American Retail Federation." The facts were fully set forth in a resolution presented by our colleague and friend, the gentleman from Missouri [Mr. COCHRAN]. This resolution having passed, a committee was appointed by Speaker BYRNES to investigate that organization. If I were to use the parlance of Mr. Morrill when he referred to the cornstalk brigade for the farmers, I presume I would say that he now wants to organize the "counter jumpers", the independents and local merchants of the country, in order to use them as a front to fight their battles.

PUBLIC-SPIRITED CITIZEN USED AS FRONT

Here is what they did: They had a big meeting over here in New York. Two Kroger directors were pushing this. They got a man named Kirstein, known by many people in this country as a public-spirited citizen. He does not have anything against his record and does not have any background of fooling the consumers, the farmers, or the public.

THEY USED HIM AS THE STUFFED SHIRT

So they called a meeting of 28 of these big executives of the chain stores and from that number they appointed 10, "The Big Ten, Inc." Eight of these admittedly are chain-store executives, representing the largest concerns in America. The other two are referred to as the "little fellows." One of the little fellows, we learn, makes $75,000 a year, and the other one, I think, makes equally as much. They also represent some of the largest concerns in America, but they are the two supposedly representing the small man. These 8 chain-store executives and the 2 small men did not consult the independent merchants before organizing. They did not consult other organizations. They got together and organized without consulting anyone. They have incorporated this organization, and it is known as the American Retail Federation, Inc.

RETAIL MERCHANTS TO BE USED

The object of this organization, I believe the testimony has already disclosed and the committee has not finished, is to use the retail merchants as the front. They had tried the same plan through the farmers and could not fool the farmers. So then they say, "We will organize one concern and have both chains and independents in it." They said they were going to look after the small men. That is what they claimed was the purpose and object of their organization; but, in fact, it was just another case of rendering lip service to the independents and doing a lot of effective foot work for the big chain stores.

CHAIN-STORE MAN HEAD OF AMERICAN RETAIL FEDERATION

Now, who is in the organization? Whom do they pick out to run it? Kroger had a man as public-relations man or public good will man, and he was making about $30,000 a year, which was considered small for the effective work he was doing—to lobby in 18 State legislatures against any anti-chain-store legislation. In these 18 States he knew all about it. He knew more about fighting in favor of chain stores than any other man in America. So he is the man they picked out to have charge of this work. His name is C. O. Sherrill.

Two of the big ten are Kroger's directors. Three of them are interlocked with other concerns in one business family. Five of them have banking connections directly in the form of directorships with New York banks, and all 10 of them have Wall Street banking connections. So this is the group that was organized to look after the small man or the little fellow, and this is the group we have been investigating.

I want to tell you something about this organization from the standpoint of the president of it. He says:

Although I have fought for years for chain-store legislation, I am going into this organization which represents both the big chains and the independents, and I am going to be fair and impartial. I am going to fight their battles fairly and impartially. If a question comes up where there is a difference of opinion between the chains and the independents, I am not going to take any stand on it. All I will do is just prepare a brief setting forth the facts and the information.

Of course, you can imagine the kind of brief that will be prepared by this chain-store executive of many years of experience. He is going to fight the battles for the little man in the State legislatures and in the Halls of Congress by giving unbiased information, the only kind he knows being in favor of the chain stores. "Whose bread I eat, his song I sing", and I think he is eating the bread of Mr. Kroger and Mr. Morrill and Mr. Morgan's Safeway and all other big chains. They have hired him and they have guaranteed his salary for 2 years, regardless of what becomes of this organization. The first year he gets $40,000; the next year $45,000—this is guaranteed in writing—and, if he makes a go of it, he gets $50,000 a year for the third year; and I presume he is expecting to get that much after the third year, if he makes a go of it.

Now, with respect to Mr. Kirstein——

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois, a member of the special committee.

Mr. LUCAS. Before the gentleman discusses Mr. Kirstein, will he explain to the House the position that the president of the federation held with Kroger back in 1932, when he was discussing the cornstalk brigade?

Mr. PATMAN. The testimony discloses that he was the public-relations man. He had charge of the lobbying for Kroger in the 18 Middle Western States at the time they were organizing the cornstalk brigade to which the gentleman refers.

SECRET FUNDS

We have not yet gone into everything. They have secret funds they use for certain purposes which we expect to go into later on. We know of the existence of them, and we expect to go to the bottom of all the information that has been given to us and make a full report to this House.

So this man who is the head of this organization, not only was he the man in the saddle, directing public relations of Kroger when this so-called "cornstalk brigade" was being formed but he was also their public-relations man when the National Chain Store Association was trying to sell the fallacious theory to the American people that large concerns can operate more economically than the smaller or the independent concerns.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. COX. Has the gentleman any information to the effect that the gentleman to whom he has referred is a member of the law firm that is connected with the receivership of all the banks in Detroit, out of which he is expecting to receive a fee of about $1,000,000?

Mr. PATMAN. I may state to the gentleman that I am not in position to give that information, but since it has been brought to the Committee's attention I suggest we might give it such consideration as it may deserve in connection with the matters before us.

DANGER OF LARGE CONCERNS POOLING RESOURCES

Let me tell you the danger of these large concerns getting together and pooling their resources. I do not question the right of any citizen to come before this Congress or before any legislative body and plead his own case. Any citizen has the right to do that. The citizens of this country have this right of petition, either individually or in a group. I do not object to a corporation, as such, opposing or proposing legislation before the Congress. I have no right to object to it. With the understanding now that I believe that citizens should have this right, and without making the positive, emphatic statement, I do say that there is a doubt in my mind as to whether or not the large corporations of this country should be allowed the privilege of pooling their great resources for the purpose of molding, cultivating, and controlling public opinion. Remember a corporation is not a citizen. It is an artificial, intangible thing.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I should like to state that during the years 1932, 1933, and 1934, if the gentleman's committee will refer to the newspaper files of the State of Michigan—that is, the small weekly papers out in the farm-community districts, as well as the daily papers in the large cities—I feel certain they will find advertisements in these papers in support of the program the gentleman has been describing. I watched it with a great deal of interest. Furthermore, with reference to the pooling, if the gentleman will take the daily papers and the weekly papers published throughout that State carrying the Friday grocery specials, he will find, for instance, in town A a certain chain store will run an "ad" covering certain food items and the prices in that town will be so-and-so per unit on the commodities quoted, while in every other town in the State where that company does business the prices for the same day on the same articles will be higher.

That centering of economic fire is for the purpose of driving out of town the independent home-owned stores and getting them out of business.

$300,000 A YEAR ADVERTISING WITH ONE NEWSPAPER

Mr. PATMAN. The reason I say I am doubtful whether these large corporations shall be allowed to pool their resources to cultivate and mold public opinion is this: We had one witness on the stand—Mr. Kirstein, of Boston—and some reference was made to payment for advertising. I asked him how much his store in Boston paid last year for newspaper advertising. He said more than $500,000. I asked him how large a sum he paid to one newspaper and the name of that newspaper. He said he paid the Boston Herald $300,000 last year for advertising. He said, of course, you understand I never asked the paper to print anything good about me or my store. I said "Brother, you won't have to ask them to print anything good about you or your store. If you continue to pay them $300,000 a year, they will look out for your interests."

If you allow these large concerns that control publicity in the principal cities of the country to get together, those that have one purpose, with the means at their command, the people will not likely get all the truth. Therefore there

is a doubt in my mind whether such colossal, such tremendous, such powerful concerns should be allowed to absolutely control the newspapers in this way. You know that a newspaper is not going to do anything that will offend an advertiser of such large amounts. That is not going to happen. Although the press wants to be fair, the reporters want to be fair, it is a question of business with them as to whether or not they will stay in or go out of business.

Mr. KENNEY. Will the gentleman yield?

Mr. PATMAN. I yield.

BANKER PHASE

Mr. KENNEY. Does the gentleman think that these corporations are responsible for this thing or does he think that the bankers are largely responsible for it?

Mr. PATMAN. We have not gone into that phase, but we are going into it. I am reporting what the committee has found out up to date, but before we get through we are going into the bank affiliations. The point I am making is that the effort is being made through these organizations to control the means of communication. I doubt if you can pick out 10 men in the country who control as much advertising as these 10 men incorporated in this superlobby here in Washington.

I would not deny the United States Steel Corporation or any other corporation the right to oppose legislation in this body or propose legislation for their benefit or the people's benefit. That is perfectly all right. They have the right to do it; but the point I make is that the United States Steel and other big corporations ought not to come here and be allowed to get together for the purpose of controlling public opinion and influence this legislative body through intimidated newspapers.

Mr. McFARLANE. Mr. Chairman, will he yield to me for a question?

Mr. PATMAN. Yes.

Mr. McFARLANE. In keeping with and along the line of the lobby-registration bill enacted recently by the Senate, does the gentleman not believe that it would be advisable for us to speedily bring that legislation before the House, to the end that we enact this or similar legislation which will at least require these different paid lobbyists operating here in Washington to register and state under oath their connections and how much they are being payed as lobbyists, the names of their employers, the legislation they sponsor or oppose, whether or not their employment is contingent, together with any other pertinent information, and have all such information printed at the end of each session in the CONGRESSIONAL RECORD, so that not only the Members but our constituents will know the truth as to how the lobby is working here. These lobbyists should be required to give all the above information before they should be allowed to appear before any committee or communicate with any Member of Congress, and such information should be on file in a well-bound book, open to public inspection at all times. Then Members as well as the public could better tell what is happening along this line here in Washington.

Mr. PATMAN. Any legislation along that line I am sure will be helpful. Certainly no one should object to disclosing his identity. They have no right to operate in the name of the farmers or of the consumers or of any other group when they have bought men and paid them to fool the people they claim to be working for.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. COLDEN. The gentleman mentioned that one of these officials receives a salary of $77,000 per year. Can the gentleman give us information as to what they pay the clerks in the average chain store?

Mr. PATMAN. I am not familiar with that and we have not gone into it. Of course, I cannot speak with correct information, and I shall therefore make no statement about it.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. SUMNERS of Texas. Unfortunately, I have not been present during the whole of the gentleman's speech. Is it proposed that this committee shall investigate in an effort to discover how it comes about that these chain organizations are able to establish themselves to the elimination of independent stores—to find out, for instance, whether they get their strength from mass purchases, or how it is that they are able to do it as an economic question?

LEGISLATION WILL BE PROPOSED

Mr. PATMAN. We are going into that now, and I think we know pretty well how they do it. We expect to propose some legislation that will stop it. All the small independent man has a right to ask for in this country is the same opportunity to make a living as the largest chain. We cannot make these independent men energetic, we cannot make them take advantage of opportunity, we cannot give them good judgment if they do not have good judgment, but we can give them the same right and the same opportunity to make a living as the largest chain.

Mr. SUMNERS of Texas. Is the gentleman's committee considering the possibility of applying to this situation, insofar as purchasing is concerned, something of the philosophy that is applied in making railroad rates? For instance, the Commission requires that the railroads must give the same service for the same price to everyone, fixes the unit of transportation so that it comes within the reach of the average man. I do not know how far you can go.

Mr. PATMAN. I do not know how far we will go that way. In a few days a bill will be introduced, which will be referred to the gentleman's committee, and this whole subject will come before his committee. Knowing the gentleman and the members of his committee as I know them, I believe, if the bill is not complete to protect everybody's interest, his committee will make it so.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BLANTON. The distinguished gentleman from California [Mr. COLDEN] asked the gentleman whether or not the members of this combination were adequately paying their employees, the ones who actually do the work in the stores. Regardless of that question, where they are organized and where they control all of the retail business of the country, they could very well pay the employees a tremendous sum, because in the ultimate it is passed on to the consuming public. So, regardless of what they pay them, we want to carefully watch and control this organization.

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. MILLARD. The gentleman read a very interesting letter dated September 1932. Did the gentleman put in the RECORD the name of the man who signed that letter?

Mr. PATMAN. Yes. Hearings have been held before the special committee and anyone may get a copy of the hearings by sending to my office or to the office of any member of the committee. All members of the committee have copies of the hearings.

Mr. MAY. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MAY. I should like to ask the gentleman one question in connection with his statement that the committee was trying to work out some plan by which it would be possible to make the opportunity of the small grocer or the small merchant equal to the opportunity of the chain-store merchants. If the chain-store merchants, by reason of their combinations of capital and their large amount of money are naturally in a position of being able to buy very much cheaper than the man who does not have that amount of money, because they cannot buy in carload lots, how does the gentleman expect to solve that situation?

Mr. PATMAN. I have in mind an amendment to the Clayton Act which will make it unlawful for any person to discriminate in price or terms of sale, except where it is manufactured goods and the quantity ordered causes a reduction in the price. Otherwise there will be no exception. It will carry a penalty. It will make it unlawful to discriminate in price or terms of sale, regardless of the quantity sold.

That is the only way that I know of by which we can absolutely and fully protect the small merchants of this country.

The investigating committee is a good committee. The members of that committee are all good men. Of course, I am excepting the chairman, but they are all working together, trying to do something that will solve this situation. I believe that before this session of Congress is concluded we will have some more astounding facts to present to the Members of this House.

Mr. MAY. Will the gentleman yield further?

Mr. PATMAN. I yield.

Mr. MAY. Does the gentleman believe that an amendment to the Clayton Act such as he mentioned would have the effect of enabling the small merchant with small capital to purchase in small quantities at a lower price, like the large merchant who can buy in wholesale lots or carload lots, or would it have the reverse effect of putting it all at a higher price to the consumer?

Mr. PATMAN. We hope that it will give them all the same price. If it does not do that we will try to work to that end, to get some law that will do it. Furthermore, we are proposing an amendment to the antitrust laws, so as to make it easier to prove damages. Where a monopoly crushes an independent it is almost impossible, under the present antitrust laws, to make proper proof of damages. We expect to offer a bill that will make it much easier to establish damages.

Mr. COLDEN. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. COLDEN. My memory is rather vague, but was there not a strike recently in one of the chain stores in one of the large cities of the Middle West, because of the low wages paid to employees, and the company threatened to leave the city?

Mr. PATMAN. I am not familiar with the facts.

Mr. CRAWFORD. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CRAWFORD. The facts will bear out the statement to the effect that the processors of farm gobds in this country who purchase goods direct from the farmer on a participating basis, are allowing those chain stores enormous and staggering secret rebates, operating directly against the pocketbook of the farmers. Furthermore, the facts will bear out the statement that the clerks who operate these stores are under an inventory system which, in hundreds of cases, forces them to commit criminal acts in order to hold their jobs.

Mr. PATMAN. I thank the gentleman for the information. I now yield to the gentleman from Pennsylvania.

Mr. MORITZ. Is it not the gentleman's opinion, so far as his investigation has gone, that if this had not been nipped in the bud it would have been very disastrous for the independents?

DANGEROUS TO PEOPLE FOR FEW TO CONTROL NEWSPAPERS AND NATION'S CREDIT

Mr. PATMAN. Absolutely; but whatever we do here we must prevent a few people from controlling the means of communication in this Nation. If we allow a few people to control the newspapers, the radio, the screen, the stage, and the movietone, and then control the credit of the Nation along with it, I do not know what will become of the other people in this country. [Applause.]

Mr. Chairman, I reserve the balance of my time.

Mr. PALMISANO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 410, and had directed him to report that it had come to no resolution thereon.

Mr. PALMISANO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 410; and pending that, I move that general debate on the bill may be limited to 10 minutes, 5 minutes to be controlled by myself and 5 minutes by the gentleman from Maine [Mr. BREWSTER].

The SPEAKER. The gentleman from Maryland moves that general debate be limited to 10 minutes, 5 minutes to be controlled by himself and 5 minutes by the gentleman from Maine.

The question was taken, and the motion was agreed to.

The SPEAKER. The question now recurs upon the motion of the gentleman from Maryland that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 410.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 410) to provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The gentleman from Maine [Mr. BREWSTER] is recognized for 5 minutes.

Mr. BREWSTER. I yield back my time, Mr. Chairman.

Mr. PALMISANO. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, there seems to be some question as to whether the fees required for the filing of corporation papers will be exacted from membership corporations. I should like to direct this to the attention of the committee.

From time to time there are various groups, societies, and associations which desire to organize themselves into membership corporations. In the past this has applied not only to members of clubs and associations but even to Members of Congress and others who come here from year to year. Relative to the fees for recording certificates of incorporation, the bill states that the fee so paid shall not be less than $50. This figure would be too high for membership corporations. It is intended, of course, that the fees specified shall apply to corporations with capital stock, but I do believe that there may be some doubt about the language, and I want, if necessary, to clear it up. I believe the language of the bill should be so charged as to exempt from its provisions membership corporations unless the committee is convinced that the fees required of business corporations will not, under the present terms of the bill, be assessable against membership corporations.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill.

Mr. PALMISANO. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill S. 410, directed him to report the same back to the House with the recommendation that the bill do pass.

The previous question was ordered.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEGLIGENT HOMICIDE

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 2100) to amend an act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, by adding three new sections to be numbered 802 (a), 802 (b), and 802 (c), respectively.

The Clerk read the bill, as follows:

Be it enacted etc., That the act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, be further amended by adding immediately following section 802 three new sections to be numbered 802 (a), 802 (b), and 802 (c), respectively.

"SEC. 802. (a) Negligent homicide: Any person who, by the operation of any vehicle at an immoderate rate of speed or in a

careless, reckless, or negligent manner, but not willfully or wantonly, shall cause the death of another, shall be guilty of a misdemeanor, and shall be punished by imprisonment for not more than 1 year or by a fine of not more than $1,000, or both.

"It shall be the duty of the coroner of the District of Columbia, upon any inquisition taken before him which results in the jury finding that negligent homicide, as defined herein, has been committed on the deceased, to require such witnesses as he thinks proper to give recognizance to appear and testify, or in default thereof to be committed to jail for appearance, in either the Supreme Court or the police court of the District of Columbia, and the coroner shall return to either said court the said inquisition, testimony, and recognizance or order by him taken or given.

"SEC. 802. (b) Negligent homicide included in manslaughter where death due to operation of vehicle: The crime of negligent homicide defined in section 802 (a) shall be deemed to be included within every crime of manslaughter charged to have been committed in the operation of any vehicle, and in any case where a defendant is charged with manslaughter committed in the operation of any vehicle, if the jury shall find the defendant not guilty of the crime of manslaughter, such jury may, in its discretion, render a verdict of guilty of negligent homicide.

"SEC. 802. (c) Immoderate speed not dependent on legal rate of speed: In any prosecution under sections 802 (a) or 802 (b), whether the defendant was driving at an immoderate rate of speed shall not depend upon the rate of speed fixed by law for operating such vehicle."

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

LYMAN C. DRAKE

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 2591) for the relief of Lyman C. Drake.

The Clerk read the title of the bill.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized and directed to pay to Lyman C. Drake the sum of $1,316.40 on account of an award made by the United States Employees' Compensation Commission on September 6, 1934, under the District of Columbia Workmen's Compensation Act, case no. 4927–91, for personal injuries sustained by the said Lyman C. Drake on April 6, 1933, while in the employ of the District of Columbia Committee on Employment: *Provided*, That payment to and the receipt by the claimant of the sum herein appropriated shall be in full settlement of any and all claims arising out of said personal injuries.

With the following committee amendment:

Page 2, line 3, after the word "injuries", insert the following: "*And provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BONDING OF OFFICERS AND EMPLOYEES OF THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 7765) to amend (1) an act entitled "An act providing a permanent form of government for the District of Columbia"; (2) an act entitled "An act to establish a code of law for the District of Columbia"; to regulate the giving of official bonds by officers and employees of the District of Columbia, and for other purposes.

The Clerk read the title of the bill.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

Mr. BLANTON. Mr. Speaker, reserving the right to object, this is a bill about which there is some real controversy. I hope the gentleman from Maryland will withdraw it. The purpose of this bill is to relieve public officials here from giving official bonds—something that never should be done.

I am unalterably opposed to such measures and shall have to vigorously oppose this bill if it is taken up; hence I hope that my friend from Maryland will withdraw it.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to withdraw the bill from the consideration of the House.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

PAVING ASSESSMENTS

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 7526) to amend the act approved February 20, 1931 (Public, No. 703, 71st Cong.), entitled "An act to provide for special assessments for the paving of roadways and the laying of curbs and gutters."

The Clerk read the title of the bill.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act approved February 20, 1931 (Public, No. 703, 71st Cong.), entitled "An act to provide for special assessments for the paving of roadways and the laying of curbs and gutters", be amended by adding thereto a new section as follows:

"SEC. 14. (a) The provisions of sections 5, 6, and 7 hereof shall not preclude the levying of assessments hereunder if the improvement for which such prior assessment was levied, or, if the original paving, curbing, or curbing and guttering, laid at the whole cost of the owner, were completed prior to January 1, 1885.

"(b) The provision of section 8 hereof, relating to legal assessments heretofore levied, shall not be applicable where said prior assessments were levied for any improvement completed prior to January 1, 1885."

SEC. 2. The provisions herein contained shall not apply to assessments levied prior to the date of approval of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALCOHOLIC BEVERAGES CONTROL

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 5809) to amend an act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia."

The Clerk read the title of the bill.

Mr. PALMISANO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5809; and pending that, I ask unanimous consent that general debate be limited to 2 hours, to be equally divided and controlled by the gentleman from Maine [Mr. BREWSTER] and myself.

Mr. BLANTON. Mr. Speaker, reserving the right to object, with the understanding that the gentleman shall keep an agreement I have with him, I will not object.

The regular order was demanded.

Mr. BLANTON. If the regular order is going to be demanded, Mr. Speaker, I shall object. There was a chance to have had an understanding, that would have avoided the objection.

Mr. SCHULTE. Why should there be any individual understanding?

Mr. BLANTON. I was about to conclude a gentleman's agreement with the gentleman from Maryland.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. BLANTON. Mr. Speaker, having now had a satisfactory understanding with the gentleman from Maryland regarding a proper division of time, I do not object.

The SPEAKER. The question is on the motion of the gentleman from Maryland.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5809, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BREWSTER. Mr. Chairman, I yield 15 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, it would be futile, indeed, for me to answer and present myself today against the gentleman from Texas, to whom you have listened so many times, if this were a mere measuring of ability upon this floor. However, this is more than a conflict between individuals. The humblest Member of this distinguished body, when clothed in the armor of a reply which he believes to be proper and just, is not afraid, but speaks from his heart in connection with the matters which he will discuss. Mr. Chairman, I have asked no Member of this House to take the floor this afternoon and assist me in the reply which I shall make. I regret exceedingly that I must take the time upon such a matter. I desire very earnestly to speak in language which is temperate and fair. Always I want to follow, as I understand them, the proprieties of the position incumbent upon the work which we do.

Mr. Chairman, before replying to the gentleman from Texas and to the remarks he made about me a few days ago I take occasion to say that the task assigned me as chairman of the subcommittee of the House District Committee to investigate law-enforcement agencies in the District of Columbia was anything but a pleasant task. I approached the undertaking—and I am certain all members of the subcommittee approached the undertaking—with a deep feeling of responsibility in the matter. I am glad to say upon the floor of the House this afternoon that, as far as I know, there has been nothing unpleasant between the gentleman from South Dakota who files with this House the minority report and myself in filing the majority report of the subcommittee and the full District Committee. It would be an unusual procedure if any report came before this House with a unanimous opinion, and I am certain this is not the time and not a subject which would allow a unanimous report to be brought in.

I shall now address myself very briefly, and as best I can, to the remarks made in the House last Thursday, June 6, by the gentleman from Texas. I have before me the CONGRESSIONAL RECORD of that day, and I find that my testimony as a character witness on behalf on Roy Hugh Jarvis in the district court here in Washington has been placed in the RECORD. First of all, I desire to say that I appeared as a character witness on behalf of Mr. Jarvis, who is a resident of the State of West Virginia and a resident also of Morgantown in my congressional district. I appeared upon two occasions as a character witness for this gentleman. I believe I should also say to the House that I appeared in his behalf with the distinguished senior United States Senator from West Virginia, the Honorable MATTHEW NEELY. I appeared also in his behalf with the distinguished former judge and Chairman of the Radio Commission, Mr. Robinson, of Grafton, W. Va., and others. At that time I did what three-fourths of the Membership of this House have done upon one occasion or another, perhaps, and that is to appear as a character witness for a man in whom you have confidence. I should like to say also that the RECORD of Thursday, June 6, does not say that in this case the gentleman being tried was acquitted of the charge.

Coming again to the RECORD of June 6, I find the words spoken by the gentleman from Texas, as follows:

I presumed he was here doing his duty—

Referring to me—

and not somewhere else.

I should like to say to the Membership of this House that I do not believe that I have to give an accounting to the Members here, or to anyone for that matter, of my honest stewardship of the position which I hold. It so happens that I represent a district which comes to within an hour's drive of the limits of the District of Columbia. Hardly a day passes but what I do not have from 20 to 30, and sometimes the number has been 50, constituents of mine who have come here to Washington, D. C., to talk with me. Members from districts far removed from Washington do not realize perhaps just what this means. I am not complaining today because they visit me. I am happy to have them come. And just as they come to Washington to see me I am called by them to go back into the district, which is only a short distance from where we are meeting here as a congressional body. So it happened that upon this occasion I was fulfilling an obligation. I was keeping a promise to go into my district on that day, and finding that the legislative calendar was such that I could make the journey, I did so.

May I say also that on the night before I made this journey into West Virginia, to the county seat of Mineral County, that I worked late in connection with my duties here as a Member of Congress. When I came back on the night of the day the remarks were made upon the floor I worked late again. I feel deeply the responsibilities of my position, and I trust always that I shall live up to the obligations of the office to which I have been elected, and to which I feel a deep sense of responsibility in matters before the House.

Mr. EDMISTON. Will the gentleman yield?

Mr. RANDOLPH. I yield to my colleague from West Virginia.

Mr. EDMISTON. Mr. Chairman, I just want to tell the Membership of the House that I have known my colleague the gentleman from West Virginia [Mr. RANDOLPH], whose district adjoins mine, all of his life. I certainly resent the unwarranted and unfair language that was used against him in his absence here last Thursday. I believe the Membership of this House knows that my colleague is one of the hardest working Members of this body. I want to get that very plainly in the RECORD. [Applause.]

Mr. RANDOLPH. I thank the gentleman. The gentleman is very kind, and I am deeply appreciative of his remarks.

Mr. Chairman, I am ready to leave the floor, but before doing so I want to say that in the conduct of the investigation and in the hearings which were held in connection with the investigation of crime conditions in the District of Columbia I personally tried to the very best of my ability to conduct them in an honest, fair, and courteous manner. I realize there will be disagreement over the report made by the majority of the committee, but may I say that the majority report and the minority report will be filed together in the proper order in the House. I want to say on behalf of the majority members of the committee that we have acted honestly, we have acted fairly, and I simply asked this time to present this matter, for which I thank the Members of the House most sincerely. [Applause.]

Mr. PALMISANO. Mr. Chairman, the bill now under consideration (H. R. 5809) is commonly known as the "hidden-bar bill."

There has been considerable complaint by people of the District about being compelled in their drinking to have the "cherry", as they call it, sold to a half dozen different customers. The object of the bill is to have open bars in respectable places; not that the customers will be permitted to drink at the bar, but simply to permit them to see that they receive no leavings from the drinks of other customers.

So far as I am concerned, unless the other side desires further time, or the gentleman from Texas desires time, I am ready to move to close general debate.

Mr. BLANTON. Just now I do not care for my time, and I shall reserve it, to be used later.

Mr. PALMISANO. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. WOOD].

Mr. WOOD. Mr. Chairman, I am very much in favor of the general principles of this bill. I realize that after we had so many years of prohibition and since the modification of the Volstead Act and the repeal of the eighteenth amendment every State of the Union has practically enacted new liquor laws. No two States have a law that is very similar.

In the District of Columbia law they have a provision that the mixing of drinks in a saloon or in a liquor-dispensing establishment must be done in a hidden manner and out of

the sight of the customer. Why this was done I do not know, but I believe there is more chance for a customer to get what he is really paying for—for instance, if he wants a drink of bonded liquor mixed in a highball or in any other way that he may desire it to be served—if he can see the bartender or the dispenser mix the drink. I believe in this way he will get better service and is sure to get what he pays for. However, the laws of the District provide that the bartender must hide himself in a little dog house, where no one can see him. He is not required to chain himself, but he is required to go behind this enclosure and secretly mix the drink. So I think that so far as this provision of the bill is concerned it is a very meritorious one.

However, Mr. Chairman, I have serious objection to section 2 of the bill, which provides that all class A or class B license holders shall close their establishments at the time provided in the liquor law for the closing of the liquor stores.

It can be very plainly seen that all drug stores, grocery stores, or other establishments that are handling bottled goods or package goods, if this bill is enacted into law with section 2 in the measure, will have to close at the time the liquor stores close.

Mr. Chairman, it is pretty generally known that a great many of the liquor stores throughout the Nation are owned by the Big Four—the four distilling companies that almost have a monopoly on the distilling of liquor in this Nation—and I feel that this is a move on the part of the liquor interests to get a further monopoly on the liquor business. The liquor men prior to prohibition did more to bring on prohibition than any other influence that I know of.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Chairman, I yield the gentleman 5 more minutes.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. WOOD. I yield.

Mr. NICHOLS. The gentleman states he objects to section 2, and I would like to ask the gentleman if he has given enough thought to the matter to have prepared for submission an amendment to section 2 which would meet his objections.

Mr. WOOD. I have an amendment on the table now striking out section 2 of the bill.

Mr. NICHOLS. In its entirety?

Mr. WOOD. Yes.

Mr. Chairman, I hope this legislation will pass, but I also hope that section 2 will be stricken from the bill.

As I have said, if this type of legislation continues to be advanced by the large distillers of this Nation, I venture the assertion they will again do the thing that will hasten a change in our liquor laws. I do not see any reason why we should confine the sale of liquor simply to a liquor store. Every State in this Union that has enacted a liquor law since the repeal of the eighteenth amendment has provided, generally, a system whereby you can buy the product in drug stores or grocery stores or in other establishments, and I feel sure this has had the effect of lessening drunkenness. It does not give the young folks any thrill now to be able to buy liquor. If the sale of liquor is narrowed down to an establishment that handles no other product, it stands to reason that it will be harder to get.

I cannot see any good reason why we should not allow our drug stores to sell liquor for medicinal purposes. I hope it will not be necessary for us to secure a doctor's prescription every time we want to get some liquor from another place except a liquor store.

There are a good many ailments, a great many emergencies, cases of pneumonia and other ailments where the wife or the women folks of the family desire to get liquor readily for a patient at home.

If this provision passes, we will have to go into a liquor store, and very few women like to be seen going in and out of a liquor store. If this provision is adopted, they may have to go to a doctor to get a prescription if they want to buy liquor at a drug store. I think that section 2 is entirely uncalled for.

Section 2 will tend to create a monopoly of the liquor business. The liquor business is monopolized in Missouri now so that it is almost impossible for anyone to get a license to manufacture liquor. I think we have one distillery in Missouri. I know there have been 5, 6, or 7 applications made for a license to manufacture liquor, and they were applications by high-class citizens, but they have been unable to get a license to manufacture liquor in the State of Missouri. I think they have the situation sufficiently monopolized now without giving them a further monopoly. [Applause.]

Mr. PALMISANO. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman and gentlemen of the Committee, we listened to an able speech by the gentleman from Texas [Mr. PATMAN] about the monopoly of chain grocery stores. Here we have a bill that has been brought in which has a section in it that is going to produce a monopoly of the liquor business, putting it into the hands of the liquor men of this town. I have no objection to other provisions of the bill. They are good. But when it comes to handling the liquor, taking it away from the drug stores, the proprietors of which are the most reputable men in the liquor business, it is absolutely wrong.

I want to give this House some of the statistics connected with this business.

The idea of section 2 of this bill is to prevent, as they call it, violations; as a matter of fact, out of 39 violations there were only 10 for selling liquor after hours, and only 3 of those 10 would be corrected by the Dirksen bill. That would be only one-thirteenth of the violations covered by the Dirksen bill.

In this city there are something in the neighborhood of 60 drug stores which pay a license fee of $750 each to handle liquor. There are in the neighborhood of 300 other establishments which would come in under this class. If these people are forced out of business by the provisions of section 2 of this bill it will result in a loss of revenue in this city to the Treasury of the United States of over $270,000 a year.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. BLANTON. The gentleman noticed in the press this morning that the traffic accidents resulting in death are increasing all of the time and that the statistics here in Washington show that it is because of drunken drivers.

They quote our traffic director, Mr. Van Duzer, as saying that when drivers want to drive they must not drink, and when drivers want to drink they must not drive. If this bill incidentally prevents 300 drug stores from selling that stuff that makes drivers drunk and dangerous to the public, is not it to that extent commendable?

Mr. FADDIS. Oh, if it closed all of the other places where they could get a drink, the gentleman's argument might be applicable, but I decline to yield further to the gentleman. These places were all presumably closed under prohibition. What was the result? The gentleman knows very well that they would get it at other places just the same. The drunken driver does not get his liquor at the drug store; he gets it in a saloon. If the gentleman wants to do what he has in mind, why does he not close all of them?

Mr. BLANTON. If I get additional time for the gentleman, will he yield further to me?

Mr. FADDIS. Yes.

Mr. BLANTON. Then I shall ask the gentleman from Maryland to yield 5 minutes of my time to the gentleman from Pennsylvania.

The distinguished gentleman from Missouri [Mr. WOOD] stated a very interesting conclusion a while ago, that ladies now could go into a decent place—a drug store—or send in there and get liquor that is intoxicating, whereas they might not want to go into a saloon or a place where only liquors are sold, which is really a saloon. I feel sure that he does not want to make these places where this stuff is sold that makes drivers drunk so decent that even little children could go in there?

Mr. WOOD. Oh, the gentleman knows that I am not in favor of anything of that kind; and he knows as well as I do that they got liquor during prohibition.

Mr. BLANTON. Yes; but I say to my friend that the pivotal time has not yet come, but it will soon be here, when we are going to turn around and go back the other way.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. PALMISANO. Mr. Chairman, I yield 5 minutes more to the gentleman from Pennsylvania.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. NICHOLS. In reply to the statement of the gentleman from Texas [Mr. BLANTON], who speaks of making these places decent for the ladies to go into, I remind the gentleman, if he is not familiar with the custom, and if the gentleman from Texas [Mr. BLANTON] is not familiar with the custom, that if a person is close enough to a telephone to reach it, he can use it and have the liquor delivered to him or her without going into any place. You can get it brought to you.

Mr. FADDIS. That is true, and, so far as that is concerned, that could even be done under prohibition.

Mr. EAGLE. And was done.

Mr. FADDIS. And was done, but the point of the matter is this: When you take away the right of drug stores or the other holders of class A permits to handle liquor, you are narrowing it down, which was not the original intention when we repealed the prohibition law. It was not the intention to put it into the hands of a few. One of the greatest arguments presented to this Nation for repealing the prohibition law was to increase the revenue, and if you pass this bill with this section in it, you are decreasing the revenue of the Federal Government by $270,000 a year, and that is an item worth considering, even in these days when we pass appropriations for tremendous sums without hardly giving them a thought.

I yield back the remainder of my time.

Mr. BREWSTER. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. SCHULTE].

Mr. SCHULTE. Mr. Chairman, on April 3 there was inserted in the CONGRESSIONAL RECORD, page 4936, by my good friend and colleague [Mr. BLANTON] a letter that he had asked Mr. Reedy for, and which Mr. Reedy sent to him, in which they undertook to assassinate my character. The RECORD containing the letter went back into my district. I received quite a number of letters which I am saving so that I may sometime or other place them in the RECORD to show what the people there think of the letter and its author. Mr. Reedy is the man who came to me and told me that he was a good friend of TOM BLANTON, of Texas. He told me that I had no reason to doubt his word, and he said he was brought here by several newspapers for the sole purpose of getting Burke, who is the Chief Inspector of the Police Department. A more efficient inspector never lived in any city. He said he was sent here for the sole purpose of getting Inspector Burke along with Major Brown and Garnett.

He came into my office; wanted to bring witnesses and affidavits relative to the crime situation in the District of Columbia. I told him the proper person for such complaint was Mr. JENNINGS RANDOLPH, the chairman of our committee, for whom I have the highest regard, and I am sure every other Member of the House has the same respect for him. [Applause.]

Mr. Chairman, in this RECORD the gentleman from Texas asserts that I frequented a place at 45 H Street NE., a place operated by Tony DiGenaro, a man who was born and raised in Washington, D. C. You bet I do. When I go into Tony's place I meet 20 or 30 of my colleagues there. [Applause and laughter.] Mr. Reedy said that he would give Mr. BLANTON names of men and women who frequent that place. That is right. Woman no. 1, bless her heart, was my own wife. Other Members go there with their families. Several United States Senators eat at Tony's, and I hope the gentleman from Texas [Mr. BLANTON] will go in there and try one of those famous steaks for which the place is noted.

Mr. BLANTON. Will the gentleman yield?

Mr. SCHULTE. I yield.

Mr. BLANTON. I never knew Reedy until one of the gentleman's colleagues introduced him to me when he gave me that letter. I had never heard of him before. He was no friend of mine. I never saw him more than three or four times in my life.

Mr. SCHULTE. Nevertheless the gentleman asked him for a letter with which to assassinate my character.

Mr. BLANTON. I asked him to tell me what facts he knew. The gentleman's colleague and friend introduced him to me.

Mr. SCHULTE. Will the gentleman tell me who that colleague is? The gentleman should be fair.

Mr. BLANTON. The gentleman is not here just now, and is sick, and I would rather not do it.

Mr. SCHULTE. Well, the gentleman should be fair. If he is a colleague of mine, the gentleman should state his name.

Mr. BLANTON. I will tell the gentleman, if he insists. It was our colleague from Illinois, Mr. DIRKSEN.

Mr. SCHULTE. The candidate for Governor of the great State of Illinois on the Republican ticket!

Mr. BLANTON. But it was the distinguished gentleman from Illinois, Mr. DIRKSEN, the gentleman's colleague, who is a very good friend of the gentleman.

Mr. BREWSTER. Will the gentleman yield?

Mr. SCHULTE. I yield.

Mr. BREWSTER. I would like to have it noted in the RECORD that this statement is made on a day when the gentleman from Illinois, Mr. DIRKSEN, happens to be in a hospital.

Mr. BLANTON. It was drawn out of me by the gentleman from Indiana, or I would not have given his name. I have nothing to keep secret.

Mr. SCHULTE. Mr. Chairman, I only have 5 minutes. I decline to yield further.

It was further asserted that my picture was in several taverns. That is right. If they will go back into my district they will see it in practically every tavern. If the gentleman remembers, I voted wet, and I helped bring beer back, in my humble way. My picture is in a great many grocery stores and homes also—not because of its attraction.

Mr. HOEPPEL. Will the gentleman yield?

Mr. SCHULTE. Not just now. The other statement was made with reference to Mr. Fitzpatrick, a member of the Bar Association of the District of Columbia. I want to say he is as able a gentleman as ever came into the District to practice law. He is one of the men who appeared before our committee who did not ask for the job as attorney for that committee.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. SCHULTE] has expired.

Mr. BREWSTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SCHULTE. The assertion was made on the floor by my good friend from Texas, Mr. BLANTON, that Mr. Fitzpatrick had written the report relative to Mr. Garnett. That is an erroneous statement. He did not write the report. In addition to that, and in justice to Mr. Fitzpatrick, he refused to have anything to do with the report regarding Mr. Garnett. Now, those are just some of the things that developed throughout the hearings.

Mr. BLANTON. Will the gentleman yield?

Mr. SCHULTE. In just a minute.

Mr. BLANTON. I will promise to give the gentleman some of my time.

Mr. MILLARD. Mr. Chairman, a parliamentary inquiry. Where does the gentleman from Texas get all the time?

Mr. BLANTON. I have had some time promised me. What I said was that the five Washington newspapers, the Post, the Herald, the Star, the News, and the Times, all had said that Mr. Fitzpatrick and Mr. Seals wrote the report. That was my statement. I have the clippings from those newspapers showing that they all said that.

Mr. EAGLE. Will the gentleman yield?

Mr. SCHULTE. I yield.

Mr. EAGLE. Before we get off of it on to serious matters, will the gentleman tell the rest of us where Tony's place is? [Laughter and applause.]

Mr. SCHULTE. I will say for the benefit of my colleague that if he will ask some of the other Members of the Texas delegation they will tell him it is located at 45 H Street NE.

Mr. EAGLE. Will the gentleman allow me to say that having been a political wet all my life I am the only one that I ever saw from Texas who is personally dry. [Laughter.]

Mr. SCHULTE. I certainly want to congratulate the gentleman.

Now, Mr. Chairman, relative to our good friend, Dr. Fitzpatrick, it is unfortunate that his character was attacked; not that Dr. Fitzpatrick needs any defense. He is perfectly able and capable of defending himself. He has proven that innumerable times. We knew nothing about his little scrap with Mr. Garnett, and cared nothing about it. After all, he was there for the same purpose that we all were—to investigate crime conditions in the District of Columbia.

There is no denying the fact that there is crime in the District of Columbia. We have said nothing about Major Brown and said nothing about Inspector Burke or Mr. Garnett. The report speaks for itself, and I am not speaking for the committee. Every one who is a member of that committee is capable of speaking for himself, but I want to say that the Washington Police Department has several officers who are efficient. One of them is the very individual that the gentleman's friend from Chicago wanted to get, Inspector Burke. We have another great man at no. 1 precinct, Captain Holmes, called the "hard-boiled captain." That is all right. We agree with him. I am in thorough accord with him when he is hard-boiled because it makes for efficiency; that is what we want on the police force; and there is no denying the majority of the men are efficient. To my mind, I feel that he would make an excellent inspector.

The gentleman from Texas wrote me a letter. I do not want to dwell upon this long, inasmuch as I desire to be very generous with the gentleman from Texas relative to this letter; he states:

> I never harbor malice. Despite all you have done against me, I have no unkind feeling against you and I am willing to forgive and forget.
>
> But we Texans do not run away; we stand our ground.
>
> Very sincerely yours,
>
> THOMAS L. BLANTON.

[Here the gavel fell.]

Mr. SCHULTE. Mr. Chairman, may I have some additional time?

Mr. BLANTON. Yield him 5 minutes of my time.

Mr. PALMISANO. Mr. Chairman, I yield 5 additional minutes to the gentleman from Indiana.

Mr. EAGLE. I will say to the gentleman from Indiana that that is a Democratic agreement which is always kept.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. SCHULTE. I yield to the gentleman from Texas.

Mr. BLANTON. Have not the relations between the gentleman from Indiana and the gentleman from Texas been pleasant enough that I have been to his office and talked to him?

Mr. SCHULTE. Yes; they have.

Mr. BLANTON. And have I not been considerate of the gentleman?

Mr. SCHULTE. I do not say that the gentleman has been considerate; no, I do not know that he has. I am like Will Rogers; if anyone starts throwing rocks, I am going to run for cover and plead guilty. For that reason I say I do not know whether the gentleman has been generous or not. But I say this to the gentleman from Texas, that we Indianians do not run. [Applause.] If words in the dictionary fail us, we use physical strength, if necessary, to win our point.

Mr. BLANTON. I have wasted about all my physical strength trying to protect our worthy police-department officials and our splendid United States attorney, but I have a little left.

Mr. SCHULTE. Now, Mr. Chairman, I am not going to take up much more of the time of the House. It is unfortunate that this condition had to arise during the investigation of crime in the District of Columbia, but I am mighty happy that I have been a member of that committee. I have given of my time to the extent of 35 or 36 days. The committee worked earnestly and sincerely. A minority report will be offered, but I do not know just when the gentleman will take the floor. It has been suggested that the gentleman from Texas wrote the minority report.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. SCHULTE. I yield.

Mr. BLANTON. Not one word did I write in the minority report; not one word. I was not consulted about it, and saw it for the first time after it was prepared. I do not think the gentleman from South Dakota [Mr. WERNER] is a man who needs any help in writing his reports.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. SCHULTE. I yield.

Mr. RANDOLPH. Mr. Chairman, I have no desire to enter the discussion. I merely wish to say that I believe the gentleman from South Dakota [Mr. WERNER] wrote the report.

Mr. SCHULTE. Now, Mr. Chairman, I wish to say a word about our chairman. I have served on a number of very able committees of the House. I do not wish to cast any reflections, but the gentleman from West Virginia [Mr. RANDOLPH] has certainly been as fair and square as any chairman of any committee could be. He showed all witnesses every courtesy and consideration and was a gentleman at all times. I want to say to the people of the district from which he comes: "Keep sending JENNINGS RANDOLPH back here. He is the type of man we want and the type the people need in the Congress of the United States."

[Applause.]

Mr. BLANTON. Mr. Chairman, may I ask the gentleman a question relative to the report?

Mr. SCHULTE. Yes.

Mr. BLANTON. When is it intended to bring the report up for consideration?

Mr. SCHULTE. Most any day, I may say to the gentleman from Texas.

Mr. BLANTON. Then that will be the time for us to discuss it.

Mr. SCHULTE. That is right.

Mr. Chairman, in reference to Dr. Fitzpatrick, the other man who is accused, I want to say I have only known the Doctor since the time he appeared before the committee but our association and friendship has been the very best. I appreciate the gentleman in every respect. In talking to a number of attorneys in the city of Washington, I was informed that he is held in the highest esteem and is professor at the Columbus University; there can be no doubt about the fact that he is a very able lawyer. He was a great help and aid to this committee.

As for myself I am going to leave that to the Members and to the people of my own district. I thank you.

[Here the gavel fell.]

Mr. BREWSTER. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. REED].

Mr. REED of Illinois. Mr. Chairman, as you know, I am one of the new Members of this House. This is the first opportunity I have sought since being a Member of this House to address you. I address you today in regard to the report of the Special Crime Committee and to the remarks that have been made in the RECORD of this Congress against some of the members of that committee. I feel that it is pertinent and proper for me to talk at this time.

I refer particularly to that portion of the address by the gentleman from Texas on Thursday last, wherein he quotes from the testimony of JENNINGS RANDOLPH in the case of the United States against Roy Hugh Jarvis. The gentleman from Texas quotes questions and answers that were given in that case wherein the distinguished Chairman of the Crime Committee, the gentleman from West Virginia, was a character witness.

The gentleman from Texas states that this question was asked:

"How long have you known him?"—meaning the defendant—to which the gentleman from West Virginia replied, "Fifteen years." Then the question was asked, "Do you know his reputation among those people?" to which the answer was, "Good."

The gentleman from Texas then condemns the gentleman from West Virginia [Mr. RANDOLPH] for answering the question as he did in saying that the reputation of the man on trial was good. If, Mr. Chairman, as the gentleman from Texas contended, there was anything improper in the framework of the question—and I think all lawyers in this body will admit that it was improperly worded—I say to you it was the duty of the district attorney who prosecuted that case to object to such a question and not allow the attorney for the defense to ask it of the gentleman from West Virginia.

Mr. BLANTON. He did object to it.

Mr. REED of Illinois. The record does not show it.

Mr. BLANTON. That was afterward.

Mr. REED of Illinois. The gentleman from Texas did not put that in the RECORD. Again I quote from the remarks of the gentleman from Texas last Thursday.

If we Members of Congress would let the courts in Washington alone, if we would not allow ourselves in our official capacity to go into the court room as character witnesses to help men who have been indicted for crime to escape punishment, the District attorney would not have so much trouble and might have a better record of convictions.

The laws of the United States and the laws of the several States of the Union permit people to go into the courts and prove the good character of any person charged with a crime. It is proper that they should have this right. In this country we do not consider a man guilty until he has been proven guilty, but on the contrary we consider him innocent until proven guilty beyond all reasonable doubt. If good reputation and good character of a defendant in a criminal trial create a reasonable doubt in the minds of a jury, it is enough to acquit a defendant of the crime with which he stands charged. It is proper and just that that be so.

Mr. Chairman, it was not only the right of the gentleman from West Virginia [Mr. RANDOLPH] to go into that court room and testify to the good character of that defendant, but it was his duty if the gentleman knew the defendant's character to be good.

I have only a few moments more. I am a Republican. I am a partisan Republican, but may I say that partisanship, republicanism, democracy, or any kind of "isms" that you may think of should not enter into the administration of the local government of the District of Columbia. Partisanship and politics, as our President has repeatedly said, should not interfere with the just enforcement of the criminal law. Partisanship and politics do not blind me to the sterling character and qualities of the many men and women who sit upon the opposite side of this Chamber.

Mr. Chairman, I want to say at this time that I feel that the insinuation and the innuendo contained in the remarks made by the gentleman from Texas against the gentleman from West Virginia are unfair and unjust; that even though I sit on this side of the House and the gentleman from West Virginia sits upon the opposite side, and we differ upon major issues which come before us, nevertheless I consider him one of the most honorable, one of the most energetic, and one of the most distinguished gentlemen upon the floor of this House, and I am proud to get up at this time and say these few words for the gentleman from West Virginia [Mr. RANDOLPH]. [Applause.]

[Here the gavel fell.]

CRIME IN WASHINGTON

Mr. BREWSTER. Mr. Chairman, at the beginning of this session, without my seeking, I was placed upon the District of Columbia Committee and assigned by the distinguished chairman of that committee to serve on the subcommittee investigating crime conditions in the District of Columbia. We were charged with the responsibility by this House of investigating, under the terms of that resolution—

All forms of criminal activity in the District of Columbia, the probable causes for the commission of crime, law enforcement, law-enforcement agencies, the activities of the courts, and the conduct of the prisons, and to report to the House during the present session the result of such investigation, together with such recommendation for legislation as may be deemed advisable.

CHAIRMAN OF CRIME COMMITTEE

I went on that committee without previous acquaintance with any members of the committee. I have become acquainted during that period of service, of which you have read rather widely in the press, with the chairman of the subcommittee, the gentleman from West Virginia, who sits upon the opposite side of this House. I had never met him before. I have never met him in any social or personal way outside. I have known him simply as I came in contact with him in the performance of the service with which he was charged by the Membership of this body. I want to testify that in all of my observations he has conducted himself with propriety and with the utmost consideration for every witness who has come before the committee, whether that witness was a Member of this Congress or not. He has seemed to hold the balance even in exploring the cause of crime conditions in the District of Columbia, which are a challenge to the citizenship of the Nation.

ATTACKS ON COMMITTEE

Following the conclusion of this voluminous investigation, the transcript of which I hold in my hand, the committee submitted a report which has since been adopted by the District of Columbia Committee and is now in order for consideration by this House. Throughout the progress of those proceedings, this floor has been repeatedly occupied by one who has challenged not merely the competency of the committee but the integrity of certain of its members and has sought, as it seemed to me, by an exercise of his admittedly great talent, his admittedly extraordinary experience in procedure, and by his command of the situation engendered by his years of experience here to discredit not merely the committee but the report which it has submitted to this House.

Mr. Chairman, if this were merely a personal matter, involving the members of this committee, it would be of little consequence what should be the issue, but when we find that we are charged with determining the causes for the unprecedented record for crime in the District of Columbia, it would seem it must transcend those merely personal considerations which might persuade us not to cross swords with a gentleman who has demonstrated on this floor and in his own district his capacity in combat. We cannot sit idly by and let our membership be discredited, or its competency or its purpose, without sacrificing something very much greater than our own personal reputation.

GENTLEMAN'S AGREEMENTS

Mr. Chairman, what did we find in the course of this investigation? In going into the conduct of the police department we found that the promotions within that department were the subject of so-called "gentleman's agreements", without the knowledge of the Commissioners charged with the responsibility of the affairs of that department. I have not had personal experience in the office of a prosecutor, but as one with executive experience I can conceive of nothing more nicely calculated to break down enforcement agencies than to have it known of record that the promotion of members of the police department depended not upon their individual record but upon the intercession of those outside who might temporarily have influence or power. [Applause.]

Mr. Chairman, I wish to read into the RECORD here what was disclosed in our investigations, and this appears on page 495 of the report. This is a letter sent to the Superintendent of Police of the District of Columbia, and reads as follows:

MY DEAR MAJOR BROWN: You will remember the gentleman's agreement we had that the Assistant Superintendent only wanted to hold the office a short time and would then retire, and that

you would then give the place to Inspector Albert J. Headley. I am counting on you to carry out this agreement and would appreciate your advising me just how soon this change will be effected.

Very sincerely.

This is signed by the gentleman from Texas.

Further on, a second letter was submitted, on page 497, in which he says:

DEAR MAJOR BROWN: Thank you for your letter of the 8th instant. In it you use the following language:

"It was our understanding that there would be a vacancy in this position very shortly, due to the retirement of one of the assistant superintendents."

The above does not quite state the understanding. It was distinctly stated by you that the one who was to be appointed to this specific position provided for in that bill only wanted the position for a few months, as he intended to retire anyway, and only wanted it—

And only wanted it, he says—

"For the purpose of increasing his retirement pay." And I was assured that he would retire in a few months, and I am counting on you to see that he keeps his agreement, and does retire at an early date, because he has now held the position longer than was contemplated at the time we had our gentleman's agreement.

With kind personal regards, I am,

Your friend.

Signed, again, by the gentleman from Texas.

Mr. BLANTON. Having called my name, will the gentleman be fair enough to yield?

Mr. BREWSTER. Mr. Chairman, I will not yield at this time or until I have concluded my statement.

The CHAIRMAN (Mr. LUCAS). The gentleman from Maine declines to yield.

EFFECT ON POLICE MORALE

Mr. BREWSTER. I can conceive of nothing more nicely conceived to help wreck the administration of criminal justice in the District of Columbia than correspondence indicating conduct of this character. I can conceive of nothing that would more quickly undermine the morale of the police force of the District of Columbia than for it to be administered in any such manner as would be indicated by correspondence of this kind.

Racketeering, all the petty forms of crime, and everything else pale into insignificance when we approach the fount of justice, and men know that their lives and their liberties may be subject to the administration or the prosecution of men who are selected by a "gentleman's agreement" of this character.

I do not ask you to characterize it as a conspiracy. I am entirely willing to accept the terminology of the correspondence here disclosed.

CRIME CONDITIONS IN WASHINGTON

And what did we find? We found that the city of Washington, administered since the foundation of this Nation by the Congress of the United States, stands now with an unenviable preeminence in practically all of the forms of crime. We found that among the eight other cities of our country of comparable size, Washington stands second in murder, first in robbery, second in burglary, first in grand larceny, and second in auto thefts. In proportion to population Washington has two and a half times as many murders as New York and 40 percent more murders than Chicago.

Do we wonder why it is that criminal justice has broken down? I do not accept the amiable suggestion of our Commissioner that, perhaps, it is because there has been such a concentration of job seekers here who, as he said in his evidence, being unable to find jobs, have then turned to some form of crime. I think this is an unjust and unwarranted reflection upon those gentlemen who have flocked here to Washington thinking this was the fount from which was distributed the manna from on high. [Laughter.]

So much for the administration of criminal justice and the so-called "gentleman's agreement."

I now approach the other angle which has incited the most alarm, and this is the office of the district attorney.

The district attorney appeared before our committee and testified fully and freely as to the conduct of his office. He was examined regarding his ideas as to the difficulties in this jurisdiction, and I think it is fair to say that we found him somewhat complacent as to the conditions that now prevail. His testimony is here for him who runs to read, and even those who have most earnestly advocated his cause, have been most ready to admit that it showed a lack of interest which might be calculated to stimulate the unfortunate conditions that now prevail. It was not until after these hearings were concluded and it was suggested that possibly the office of the district attorney might in some measure be responsible for our difficulties, that he leaped into action and filed with the minority report of the subcommittee a letter defending his course, which was before the committee before action was taken upon the report.

I think it is fair to insert here that it is further the understanding that the appointment of this particular district attorney was not allotted under the usual form of patronage now prevailing in the administration of the affairs of the majority party in this Nation.

I say this in justice to the distinguished chairman of the Democratic National Committee, with whom I have not always agreed, but I understand that if this be an act of omission or commission, it, at any rate, is not attributable to his door or to his very efficient method of selecting personnel.

Brushing aside all of the incidents and episodes, brushing aside any jealousies or animosities that may seek to obtrude themselves upon a consideration of this matter, withdrawing, if we may, to a little greater height and seeking to find the occasion for this difficulty, it seems to me we may well find it in the indifference and the lassitude with which even the most generous of his supporters must admit that he is convicted by the record written by himself before a committee of this House.

His colleagues and friends from Virginia have very naturally and generously given to him their support. No one outside has challenged his character or purpose nor have they insinuated that he is guilty of misconduct of that character.

We are asked why is he not impeached. Well, it is not the custom in American jurisprudence to impeach a man merely for nonfeasance, with which alone, in our judgment, he may justly be charged.

There is not one line in the evidence or in the report that suggests malfeasance on his part.

But is that any answer to our findings? Must we sit supinely by, impotent to act, to secure more vigorous prosecution simply because he is not charged with malfeasance? Must we permit his conduct or failure to act to be ignored? Such at least was not the understanding on which our committee proceeded, and the members of this committee, without regard to party, ask that our character and purpose shall be viewed with something of that generosity which all of us at sometimes in our lives must ask.

We ask that in seeking as earnestly as we may to carry out the high purpose with which we have been charged that your chairman and other members of your committee shall have the benefit of the assumption that they sought earnestly to serve the purpose of crime prevention in the District of Columbia.

FRIENDS

In conclusion, let me say that the only suggestion of a defense was the claim that it is customary for all Members of the House to look out for "their friends."

I wonder whether the people of Washington would not wish that in this body they might have some of us who would think of the friends of the 81 people who have been murdered in the last year. [Applause.] That we should think of the friends who have suffered by this unprecedented spread of crime. They are the people who in silence must yet ask us to brush aside the irrelevant personalities—whether or not the gentleman from West Virginia testified properly as a character witness or not. What has that to do with the question whether 81 people were murdered in Washington last year and why and how such crimes are to be prevented?

Let us ignore the red herring that would be thrown across our trail. Let us keep our eyes single in the determination of our course and not be perverted from our purpose.

WASHINGTON AS A MODEL

Let us go forward to eliminate the city of Washington—the Capital of our country—from its unenviable position of leadership in various forms of crime.

Let us place the city of Washington in the position it should occupy as the model city of this country and the world. [Applause.]

Mr. PALMISANO. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON]. [Applause.]

Mr. BLANTON. Mr. Chairman, among gentlemen it is not hard to understand a gentleman's agreement. And among gentlemen they are never broken. There is nothing improper about them, because gentlemen do not enter into improper agreements.

Some of the greatest men in the United States have served in this body—men who have held exceedingly high positions. An ex-President of the United States once served in the House of Representatives after he had been President. United States Senators, after leaving the other end of the Capitol, have served here in the House. Governors of States have served here. Men in other high positions have served in this body.

But this House of Representatives is a great leveler for all men. Members here are rated and win their spurs by what they do here, not somewhere else. You cannot bring with you some position of high office held in the States. Here your standard of measurement is what you do here for the country, what you accomplish here, what are your motives, your intentions, your ability, and what has been your energy and application and fidelity to duty in behalf of the best interests of the people of the United States.

If you go over here to Charlottesville, Va., you will find there the tomb of one of the greatest Democrats and statesmen who ever served in this Nation, the man who wrote the Declaration of Independence. Look on his tombstone, and you will see an epitaph that he wrote himself. He does not say that he was President of the United States; he does not say that he had been a high Secretary in the big Cabinet. He does not say anything about other positions political. He says, "Here lies the author of the Declaration of Independence, here lies the man who founded the great University of Virginia." Accomplishments that meant something!

After listening to all speakers who preceded the last one, I did not intend to say anything, as those speeches gave no affront, but I am forced to reply to the last speech. The newspapers for the last 2 days have heralded the fact that I had been "ganged up" on, that there was a conspiracy in the air, that the Members had been meeting in their offices to arrange a program of attack upon me today. They said the gentleman from Maine [Mr. BREWSTER], the gentleman from West Virginia [Mr. EDMISTON], the gentleman from Indiana [Mr. SCHULTE], the gentleman from West Virginia [Mr. RANDOLPH], and the gentleman from Illinois [Mr. REED] had all arranged to get up here and make a preconcerted attack on me. I was ready for them, but they did not attack. The newspapers have pulled off a complete flop and ought to give all the gallery ring seaters their money back. The only thing the gentleman from Maine said was that there had been a gentleman's agreement about a police officer's promotion. What about that? Do they not have them in Maine? We have them in Texas, and the gentlemen down there live up to them. You never found a gentleman in Texas disregarding an agreement.

Here are the facts about that. The Senate—the House did not have a thing to do with it—put into one of the bills over my objection and over the objection of my chairman, the necessary salary for the position of an assistant superintendent of police, which had been created by the District of Columbia Committee, of which the above-named gentlemen are now members. The Senate forced it on us.

I have enough interest in this Nation's Capital which I have helped to upbuild for 18 years to see that a proper man is placed as assistant in the superintendent's office. I knew a man who had served here a lifetime of faithful service, Inspector Alfred J. Headley, a man who for 39 years has faithfully and honorably served on the police force. He had worked his way up from a private all the long way to a captaincy, and then finally to the position of inspector. Not one blot of dishonor was on his long record. When I helped our former colleague, Ernest Gibson, from Vermont, who is now a United States Senator, on that former investigating committee to clean up the city of Washington from crime—and we did clean it up—it was Albert Headley who helped us, loyally and faithfully. He was the man whom we could depend on at all times. He is as honest as Paul; he is a man of strict honor and integrity. He is a man absolutely truthful. He is unafraid; he is as brave as a lion. Because of seniority only he and Bean were eligible for the position. I was hopeful for him to get the position. His friends, legions of them, met here with me to try to help him to get this appointment. He had nothing to do with it. He was not seeking our help. It was the office seeking the man.

Headley knew nothing about our activities until we told him. We met together here, a whole bunch of his friends and neighbors, and started to get that job for him if we could, and then we found that this other officer, Inspector Bean, who had also served 39 years, who was poor as he could be, who had nothing, who was in ill health, and was fixing to move to Florida, claiming he could not spend another winter here, was going out of office to retire without a thing on God's earth except his retired pay, and if he could have that position for a little while he would retire on higher pay after 39 years of service. And his friends asked us to help him and to let him have it until he retired.

When Inspector Headley heard about it he said, "Sure, he is my police pal, give it to him, I am willing to wait; we have served together in cold and hot and every other kind of weather." He graciously stepped aside, and we, Headley's friends, then helped Bean, but we had an understanding with Bean's friends that when he retired the only man who was in line for that position through seniority was Inspector Headley, and they promised they would help him. We took the matter up with Superintendent Brown, and he agreed that he would have Inspector Headley appointed as soon as Bean retired. The gentleman from Maine did not read Major Brown's letters. Here is what Brown says about it:

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT,
August 8, 1934.

Hon. THOMAS L. BLANTON,
Abilene, Tex.

MY DEAR CONGRESSMAN BLANTON: I am in receipt of your letter of the 4th instant in which you refer to our conversation some months ago in connection with the position of assistant superintendent of police, in which it was our understanding that there would be a vacancy in this position very shortly, due to the retirement of one of the assistant superintendents.

In reply, permit me to advise that it is my understanding that one of the assistant superintendents contemplates retiring in the very near future, and although he has not mentioned it to me, through other sources he has made the statement that he would not continue in the service again during cold weather, and in the event this vacancy occurs our agreement will be carried out as discussed by us in your office.

It may be of interest to you to know that Inspector Headley is rendering me a most efficient service and is cooperating fully in bringing about improvements in the department.

I trust you are able to obtain a little rest from your arduous duties during the past session of Congress and your campaign for renomination.

I intended writing you before expressing the congratulations and best wishes of the membership of the police department on your renomination, which we know is equivalent to your election as a Member of Congress.

With personal best wishes, I am,

Sincerely yours,

ERNEST W. BROWN,
Major and Superintendent.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT,
August 25, 1934.

Hon. THOMAS L. BLANTON,
Abilene, Tex.

MY DEAR CONGRESSMAN BLANTON: I am in receipt of your letter of the 15th instant, and before replying, I have endeavored to obtain, if possible, definite information as to the approximate time of retirement of one of our assistant superintendents, and the best

information at this time is that he contemplates asking for retirement in the next few months, possibly around January 1.

It was my understanding when we discussed this matter in your office that he contemplated retiring before cold weather.

I have already taken this matter up with Commissioner Hazen and advised him of our agreement in this matter, and as soon as we have the vacancy everything is arranged for the promotion of Inspector Headley to the position; and I want you to know that the agreement between us will be carried out, as I am most anxious to do something for Inspector Headley, especially in view of our many years of association together in the department; and I most certainly appreciate your interest in this, a matter of mutual interest to both of us.

Reciprocating your kind personal regards, I am, as ever,

Your friend,

ERNEST W. BROWN,
Major and Superintendent.

And your Commissioner Hazen the other day, when a petition with the names of 1,000 substantial citizens of Washington signed to it asking that Major Brown be kept in office, was presented to his Board of Commissioners of the District of Columbia, said: "I am glad of it; I welcome that; there is not a finer police officer in Washington than Major Brown"—the official with whom I had the gentleman's agreement about Headley. "There is not a finer police officer here", Commissioner Hazen said, and he further said Major Brown was the best superintendent of police Washington has ever had. He asked the papers to print the names of these 1,000 citizens who endorsed Major Brown, and not a paper printed any of the names.

Hearst's Herald and Times, the Post, the Star, and the News all stated emphatically that I had prevented the gentleman from West Virginia [Mr. RANDOLPH] from speaking Friday. I quote from Friday's RECORD, with permission of the House, just what, in fact, did occur, and from it you will see that I was not responsible for his failure but that I only contended for the right to have 3 minutes to reply, to wit:

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. SNELL. Reserving the right to object, Mr. Speaker, we met this morning at an early hour to take up the bill reported from the Ways and Means Committee. I think it is up to the majority to protect us at this time.

Mr. TAYLOR of Colorado. Mr. Speaker, I may say that the gentleman from West Virginia [Mr. RANDOLPH] feels that he was unduly attacked yesterday while he was absent, and that it is really a matter of personal privilege. If he rose to a question of personal privilege, he would be entitled to an hour.

Mr. SNELL. Well, if the gentleman has a matter of personal privilege, I cannot stop him, nor can anybody else.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. TABER. Mr. Speaker, I object.

Mr. STACK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes on how to put some people to work without using P. W. A. funds.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. TABER. Mr. Speaker, I am going to object to anybody speaking before this matter is taken up from the Ways and Means Committee. I object.

Mr. RANDOLPH. Mr. Speaker, I rise to a question of personal privilege, but I will not take the hour to which I am entitled; I will take only 10 minutes.

The SPEAKER. The gentleman will state his question of personal privilege.

Mr. RANDOLPH. I wish to answer certain remarks made yesterday by the gentleman from Texas referring to testimony I gave in the district court on two occasions, and also his comment upon my service in the Congress.

The SPEAKER. In the opinion of the Chair it is not in order to rise to a question of personal privilege based on matters uttered in debate on the floor of the House. The proper course to be pursued under such circumstances is to demand that the objectional words be taken down.

The Chair does not think the gentleman can rise to a question of personal privilege under the circumstances.

Mr. BLANTON. Mr. Speaker, I make the point of order that the gentleman has not stated a question of personal privilege, but I have no objection to his proceeding for 10 minutes.

The SPEAKER. The Chair has already ruled.

Then later, the following occurred:

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not object if I can have 3 minutes for reply.

Mr. SNELL. Mr. Speaker, I demand the regular order.

Mr. BLANTON. Then I shall have to object.

Mr. SNELL. We do not want any preliminary speeches.

Mr. BLANTON. I do not want to object, but I have the right to answer him.

Mr. SNELL. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded. Is there objection to the request of the gentleman from West Virginia?

Mr. BLANTON. I object, then.

Then later the following occurred:

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I renew my request to address the House for 10 minutes.

The SPEAKER. The gentleman from West Virginia asks unanimous consent to address the House for 10 minutes. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I shall not object provided I am granted permission to proceed for 3 minutes to reply.

Mr. MICHENER. Regular order, Mr. Speaker.

The SPEAKER. The regular order is demanded. Is there objection to the request of the gentleman from West Virginia?

Mr. BLANTON. I object unless I am granted 3 minutes to answer the gentleman.

The SPEAKER. Is there objection?

Mr. BLANTON. I object to the request and ask unanimous consent that the gentleman may proceed for 10 minutes, and that I may have 3 minutes for reply.

The SPEAKER. The Chair can only put one request at a time.

Mr. MICHENER. Regular order, Mr. Speaker.

The SPEAKER. The regular order is, Is there objection to the request of the gentleman from West Virginia?

Mr. BLANTON. I object unless the gentleman can be answered. Whenever a United States district attorney is attacked here the gentleman is going to be answered.

The SPEAKER. Objection is heard.

And then, the following occurred:

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I renew my request for 10 minutes and I am personally willing to give the gentleman from Texas as much time as he may desire.

The SPEAKER. The gentleman from West Virginia asks unanimous consent to address the House for 10 minutes. Is there objection?

Mr. BLANTON. Reserving the right to object, that is all right if I am given 3 minutes to reply.

Mr. MICHENER. Regular order, Mr. Speaker.

Mr. BLANTON. I object unless I can answer the gentleman for 3 minutes.

Mr. RANDOLPH. The gentleman can have an hour so far as I am personally concerned.

Mr. BLANTON. I am going to take an hour whenever you attack a United States district attorney appointed by your President.

Any fair-minded, unbiased person in the world would admit that I did not keep the gentleman from West Virginia from speaking. The above record shows that all on earth I wanted was 3 minutes in which to answer him, and to defend United States Attorney Garnett, and that unless I was given that privilege I was not going to allow anyone to attack Garnett.

WASHINGTON POST'S MISREPRESENTATIONS

Yet, in the Washington Post this morning was a malicious editorial headed "Sportsmanship Supreme", misrepresenting the above facts and deliberately trying to make its readers believe that I did not want the said gentleman to speak. It is a good thing that there are about 50,000 people in the United States who read the daily CONGRESSIONAL RECORD, and they have begun to check up on these Washington newspapers, and are finding out that they cannot depend on anything they see in them.

WHAT DOES EUGENE MEYER KNOW ABOUT SPORTSMANSHIP?

Eugene Meyer is the last man in the United States who ought to even mention good sportsmanship. He does not even know what it means. In this vicious editorial Eugene Meyer's paper pillories me. Eugene Meyer! He speaks about "Sportsmanship Supreme." Some of these days I am going to show you that Eugene Meyer is a man who, during the positions he has held for nearly 20 years in the Government, has filched this Government and the taxpayers of the country out of millions of dollars.

He took that money and helped to defraud the McLean children when their father was sick in a sanatorium and

could not protect himself or his children or his wife. He beat those McLean heirs, this infamous Eugene Meyer, who bemeans me this morning, out of $2,175,000 in a scheme to defraud them out of their Washington Post heritage.

Governor, I can take care of myself whenever the gang jumps on me. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Chairman, I am grateful to my colleagues for allowing me to extend my remarks, as I have not yet concluded. There are several things more that I want this RECORD to show clearly and distinctly.

I never heard of George Reedy until a short time ago he was introduced to me by my colleague from Illinois, and that was some time after this committee had been holding hearings. He had attended the meetings of this committee, in its first meetings as one of the reporters for Hearst's Washington Herald. He was not my friend. Upon request he did give me a statement of what facts were in his knowledge, and not a single statement he made has been denied. He was then living at the University Club. Altogether I have seen him not more than four times in my whole life.

There are 1,306 policemen, officers, and men on the Metropolitan Police Force. I have never yet put a single man on that force. I have never yet had a single man promoted on that force. So all this comment about "congressional influence" is all bunkum, pure and simple. In my 18 years in Congress I have kept an injustice from being done 2 men, when vicious prejudice caused them to be demoted without cause, and one of their cases I appealed to the Comptroller General of the United States, General J. R. McCarl, before I got justice for him, and the other case I passed a special bill through Congress that forced justice to be done.

INSPECTOR ALBERT J. HEADLEY

I want every person who has access to the CONGRESSIONAL RECORD for Saturday, May 4, 1935, to see the numerous letters written by some of the leading and most substantial citizens of Washington, who have known Inspector Headley for the last 25, 30, 35, and 40 years, throughout his entire service on the Metropolitan Police Force, and you will see that they all certify to the fact that he is honest and reliable, that he is an efficient, fearless, faithful officer, and they have asked this Congress not to allow any injustice to be done him. And in my office I have several times that many more letters, all certifying to his worthiness.

UNITED STATES ATTORNEY LESLIE C. GARNETT

The 9 men who voted for this committee report against Garnett, only 4 of whom are Democrats, are all practically new men in Congress, none of them having had any years of experience here in Washington.

In the first place this committee had no authority from the House of Representatives to make any such recommendation. And it had no basis or reason or foundation whatever for such a recommendation.

United States attorneys are not removed on recommendations. They could be impeached, but even then they are given a fair and impartial trial by the Senate, and they are entitled to be heard, and they are entitled to have counsel, and they are entitled to offer witnesses in their behalf. None of these precious privileges and prerogatives have ever been accorded to United States Attorney Garnett.

Our colleague [Mr. PATMAN] asked that Mr. Garnett be allowed to be heard. This request was denied. The distinguished Members of the Virginia delegation in Congress justly asked that Mr. Garnett be allowed to be heard. Their reasonable request was denied. The rights and privileges usually accorded to the lowest down criminal have been denied Mr. Garnett.

REFLECTION UPON ENTIRE BAR

On page 2 of said report Fitzpatrick stated, "Applications were received from approximately 100 attorneys, who sought appointment as counsel to the subcommittee." Leading lawyers of Washington contend that the above statement is a reflection upon the entire Bar Association of the District of Columbia, as it is unethical for any lawyer to ask that he be employed, and that no ethical lawyer of any standing in Washington would have asked that he be employed as counsel, and they challenge this committee to give the names of any lawyers who asked to be employed. And I challenge this committee to name the lawyers who asked this committee to employ them.

CONDEMNED FOR NOT CONVICTING ENOUGH

In effect this unauthorized report in condemning Judge Garnett said that he was not an attorney who possesses a creditable record as a trial lawyer; that he did not have a broad knowledge and thorough understanding of Federal and District of Columbia laws and procedure; that he did not possess the vigor and energy to personally prosecute dangerous criminals; that he did not command the respect of the bench, the bar, his subordinates, and the citizens of the community; that he did not by his official conduct and personal behavior personify the dignity and the majesty of the law; that he did not by persistent and adamant prosecution of criminals symbolize the power of the Government to condemn and punish enemies of society, and that he lacked in executive and administrative ability and leadership, and that he is incompetent and should be removed from office.

POSSESSES ABOVE QUALIFICATIONS

Both the bench and bar of the District of Columbia have certified that United States Attorney Leslie C. Garnett is competent and that he possesses the above qualifications. This committee cannot find a judge in Washington who will condemn Judge Garnett. The 1,100 lawyers of Washington who belong to the bar association here have passed resolutions unanimously refuting the above charges, and certifying to Judge Garnett's efficiency and competency and asking that he be not removed. The 80 young lawyers of Washington who belong to the barristers' association have likewise endorsed him.

WILL NOT BE REMOVED

And this gesture of this committee is futile, and of no avail, for United States Attorney Garnett will not be removed.

BRING REPORT BEFORE HOUSE

I challenge Garnett's enemies to bring this report before the House of Representatives and let a vote be taken on it. The House of Representatives will not condemn Judge Garnett without a hearing. It will give him a chance for his life—and in effect it is his life—for his good name is worth more to him than his life. He is entitled to have his good name cleared by a vote of this House. And this House will never condemn him without a hearing and a trial.

MY AMMUNITION UNUSED

Being forewarned by Washington newspapers that five Congressmen were preparing to attack me today, and that I would be chastised up one side and down the other, I came here prepared to answer such attacks. But the attacks did not materialize. But I still have my ammunition. There is no use to waste it, so I will save it until this report is taken out, and then I promise all of my colleagues in the House that I am going to give you some facts regarding this attack on Garnett, Brown, and Headley that will open your eyes and surprise you.

WILL ATTEND TO WASHINGTON NEWSPAPERS IN DUE TIME

At the proper time, after Congress adjourns, and in a proper jurisdiction, I shall file suits against Hearst's Washington Herald and Times, Eugene Meyer's Washington Post, and the Washington Star, which lately has begun also to libel me, and will let them all attempt to prove in a court of justice the many misrepresentations they have continued to libel me with for months.

Mr. NICHOLS. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Chairman, I come today to plead the cause of my friend. Leslie Garnett is my constituent. He is my friend whom I have known for 40 years. I come with no charge against any man who sat upon the Committee on Crime. I am willing to concede and say now that I have never known a harder worker or a more faithful servant for his people than JENNINGS RANDOLPH, of West Virginia. [Applause.] I want justice, and justice alone for my friend. I only ask that you pass not upon this question

now but that in the cool, calm hours of your deliberation you read that testimony and then say if you do not think that before he shall be condemned he is entitled to a trial here or before some committee of this House.

For 40 years I have known him. Not a blemish or stain has ever come upon his record. I knew him as Commonwealth attorney of Virginia. I knew him as assistant attorney general of Virginia. I knew him as Assistant Attorney General of the United States. I knew him through the Wilson administration, when he served with distinction in that capacity, and I have known him since, handling big cases, handling them efficiently, and handling them well. O gentlemen on the Democratic side of this House, he has borne the banner of Democracy in every fight in which we have ever been engaged, and never shirked or never deserted his cause, but always was in the forefront, fighting for his party and its battles. When the time came that Virginia did not see the merit and leadership of the splendid gentleman who is now in the White House, this man, Leslie Garnett, at his own expense, was in Chicago helping to nominate Franklin D. Roosevelt as a candidate for the Presidency. Yet we are told that he was complacent in the face of crime. Leslie Garnett has never faltered in any duty that he has undertaken. I want you to read the atmosphere of interrogation when asked to define respective crimes. You can pass upon that at another time. The report has been answered in as able and comprehensive a manner, far more ably than I could, in the report of the minority, which I ask you to read.

Gentlemen, I am asking you not to assassinate my friend upon any hurried statement or brief examination such as has been characterized here, with not an opportunity to defend himself on charges that are brought against him. Circumstances were such that he had a right to think he was not on trial, and yet we are told, told in eloquent language, told with a rhetoric that is appealing, that crime conditions in the city of Washington are more menacing than in the United States or in any other city. Crime does not grow up overnight. Crime does not spring into being in an hour or in a day, but it is a slow growth of many years. Do you ask Leslie Garnett to perform in 1 year of service the Herculean task of cleaning the Augean stables? If crime exists in Washington as found by these gentlemen, has it come into being so much stronger and so much greater in the last year when Leslie Garnett has been district attorney? Are you not willing to give your Democratic district attorney an opportunity to clean house and correct conditions that exist in the city of Washington? I will tell you if you do, Leslie Garnett is the man for the job. He will carry the work through.

A question arose as to the power of the Senate to punish for contempt in the McCracken case. It does strike me as the irony of fate that the man who went before the Supreme Court of the United States, justifying the judgment of the Senate on McCracken and winning the conviction in justification of the Senate, should now be here pilloried as unfaithful to his trust and a menace to our institutions. Ah, gentlemen, read that record. I bring no charge against these gentlemen. I think they have made a mistake, as God knows I have made many, many mistakes in my life, but let us not pillory the man. Let us not execute him. Let us not send him out with a stain upon a reputation that has been unsullied up to this good hour. He is charged not alone with the administration of matters in the District courts, but with the administration of all the legal affairs in the District of Columbia.

I am not going to take any more of your time. All I ask for and all I plead for is your calm deliberation and study of these reports and this evidence, and at least to take my word. I can testify here as a character witness, and JENNINGS RANDOLPH was within his rights when he testified as a character witness.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. BLAND] has expired.

Mr. PALMISANO. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. WEARIN].

Mr. WEARIN. Mr. Chairman, I shall take only a moment of the time of the committee to call attention to the fact that on March 18, 1935, there was introduced in the House by the gentleman from South Carolina [Mr. McSWAIN] the bill (H. R. 6793) to amend the Tennessee Valley Authority Act of 1933. That bill was recently laid on the table in the Committee on Military Affairs. On Friday of last week I placed a petition of withdrawal upon the Clerk's desk asking that the bill be taken away from the Committee on Military Affairs and brought to the attention of the House of Representatives on the floor. It concerns itself with an extension of the powers and activities of the Tennessee Valley Authority, a permission on their part to sell the surplus energy they are producing at that plant, and also certain other provisions with reference to a project that is foremost among the desired achievements of the new administration in Washington. I trust the Members will cooperate with me by signing the petition. It is entirely proper that such important legislation be considered and voted upon at the earliest possible date. The efforts of the administration toward rural electrification and servicing of the public at reasonable rates taking into consideration the amount of the investment involved, but not watered stock and excessive salaries or lobby expenses, should not be thwarted by a move to block the passage of H. R. 6793. I hope we can get the necessary signers this week.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. I yield.

Mr. KVALE. May I say that as a member of the committee I shall be glad to sign the gentleman's petition. I have reason to believe, although I am not speaking for him, that the chairman of the committee is not displeased with the gentleman's action.

Mr. WEARIN. I thank the gentleman for his contribution. I am sure there are many other Members of the House who will join us in this effort in behalf of the public.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Chairman, there seems to be some objection to section 2 of this bill. This section requires all licensees holding liquor licenses to close at the same hour. It is said this provision ought not to apply to drug stores. Mr. Chairman, when the liquor question was brought before the House after repeal of the eighteenth amendment, I advocated, in order to compel licensees to obey the law, holding each individual licensee responsible, and I still maintain that position. We say to a man who holds a license that if he violates the law we will suspend or take his license away from him. In such a case the man who is strictly in the liquor business is completely put out of business whereas the drug store which is permitted to sell everything, including liquors, is permitted to continue with all other lines of his business.

Permitting licensees having other lines of business to continue open at prohibited hours has caused more violations of the liquor laws here, according to the authorities, than any other thing.

What does the A. B. C. Board say about this? I have here a letter from the members of that Board dated June 5, reading as follows:

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
ALCOHOLIC BEVERAGE CONTROL BOARD,
June 5, 1935.

Hon. VINCENT L. PALMISANO,
House Office Building, Washington, D. C.

DEAR MR. PALMISANO: An experience of over a year in the attempt to regulate the dispensation of alcoholic beverages in the District of Columbia prompts us to call to your attention the desirability of the enactment in the law of that part of the so-called "Dirksen bill" which applies to the closing of all establishments operated by holders of retailers' class A and B licenses after the hours wherein the sale of alcoholic beverage is permitted. The weakness of permitting a man to display in his windows or in his shelves goods which he could not sell became apparent at the outset, as a result of which the Board suggested a regulation by the terms of which, during such hours, all alcoholic beverages would be kept under lock and key by such an establishment. This was so violently objected to by the licensees that the regulation was not passed by the Commissioners. Since this time as time went on we found an increasing necessity for some corrective legislation.

It is not within the rule of reason to expect our licensees, some of whom are having economic difficulty, when a good customer comes to the store on Sunday, and either demands or attempts to persuade the storekeeper to sell that which is immediately available to him, to in either case refuse to sell during the forbidden hours. I think that although we have exercised the strictest supervision possible over these establishments there are more violations of this sort than any other. There is only one way in which this could possibly be prevented, and that is to station a watchman at the front door of each of these establishments, who would see all that went on inside. This, of course, is impossible.

When a case of this sort is presented to us, in the event we prove that it was within the knowledge of the licensee, actual or constructive, we revoke the license. This has undoubtedly diminished the practice. On the other hand, the urge to sell is so strong that even under these conditions where it can be done in comparative safety, as is not the case, we cannot conceive of the law not being frequently violated.

We do not need to call to your attention the utmost desirability of having such legislation as will render regulation more easy, as the alcoholic beverage control law should be enforced to the last letter and the Alcohol Beverage Control Board should receive all of the help possible to permit of such enforcement.

We have inquired of Maj. E. W. Brown, chief of the enforcement agencies in the District of Columbia, and beg, herewith, to enclose letter from him upon the same subject.

We have the honor to remain, with great respect,

Very truly yours,

ALCOHOLIC BEVERAGE CONTROL BOARD,
GEORGE W. OFFUTT,
Chairman.
AGNES K. MASON,
Member of the Board.
ISAAC GANS,
Member of the Board.

So all the members of the A. B. C. Board recommend the enactment of this law.

I read now a letter from Major Brown written to Mr. Offutt, chairman of the Board, on June 5:

MY DEAR MR. OFFUTT: With reference to our previous conversation and upon your request to submit my views, it is my opinion that there can be had a better observance and better supervision of licensed liquor dealers if all holders of A and B licenses are required to close their places of business during the hours when the sale of liquor under the license is prohibited.

This opinion is based on personal inspection of licensed liquor dealers, and is also the opinion of members of this department charged with the supervision of licensed liquor dealers.

Very truly yours,

ERNEST W. BROWN,
Major and Superintendent.

[Here the gavel fell.]

Mr. BREWSTER. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, presumably the city of Washington invited some guests to spend a portion of the week with them; at least, some of us have observed that we have a few visitors in the city.

This morning the papers told us that there was a strike on. The noon papers tell us that some of our guests were hauled out of taxicabs and that they had difficulty in going about the city. Is it not possible, with all the power which has been granted to the Federal Government during the past 2 years, that we might, on this occasion, in the Nation's Capital, maintain such conditions so that those who visit us can go about their pleasure and business in comparative peace and safety? It would seem that we here in the Nation's Capital might set an example to the rest of the country in orderly procedure—I mean in the city at large.

So I shall drop into the basket—and I am speaking now so that you may be thinking it over, if you care to, during the evening—a little resolution reading as follows:

Whereas, due to a strike affecting the means of transportation within the city of Washington, District of Columbia, an emergency affecting the good name of the Capital of the Nation and the operation of the Government has arisen: Be it

Resolved, That the President be, and he hereby is, requested to use whatever procedure and authority to prevent interference with traffic and to operate the usual means of transportation during such time, but not exceeding a period of 10 days from the 10th day of June 1935 as may be necessary to afford to our visitors the opportunity to view the various shrines and places of interest which we have in this District.

Regardless of the merits of the controversy, as to which many of us have no reliable information, and not attempting to force anyone to work or continue at his employment, those who do not choose to work at their usual jobs of driving taxis certainly have no right to insist that others who desire to work shall not have the privilege of so doing.

It goes without saying that they have no right to commit a breach of the peace, assault and battery, or violate any of the laws of the land.

Perhaps it is the duty of the city and the District to attend to this matter, but we, as national Representatives, owe it to our visitors who are here by the thousands, many with their wives and some with their families, to see that they have an opportunity to visit those places which are of interest to them and to view which many of them, at considerable expense, traveled long distances. [Applause.]

[Here the gavel fell.]

Mr. BREWSTER. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, my purpose in asking for this time is to add a little to the record that has been built up this afternoon with reference to the name of Leslie C. Garnett. I have no political interest and no personal interest in the controversy and I do not want to belittle the fine efforts the special committee has made in bringing out the revelations that should have been brought out. I am not competent to pass upon their decision because I have not had the opportunity to read these many hundreds of pages of testimony. I was a member of an investigating subcommittee of the Committee on Military Affairs that sat long months last winter, spring, and summer—sat for weeks after Congress left the city of Washington and returned after the general elections to continue that work.

The work of that subcommittee is still going on. As a member of the subcommittee I have had occasion time and again, as well as other members of the subcommittee, to confer with those in the office of the United States attorney. I want the RECORD to contain the statement, which I believe will be unanimously agreed to by every member of the committee, that no finer set of officials exists anywhere in the Government establishment than in the office of United States Attorney Leslie C. Garnett and his splendid staff of assistants. I believe they are actuated by the highest motives. They gave most valuable assistance to the subcommittee and deserve a large share of the credit, shall I say, for the success of that committee. Until I have had an opportunity to examine the record, I am sure I will find that the United States Attorney has done as well as any man could with the handicaps under which a city of this kind labors. Certainly the police force, as well as the administrative agencies are subject to greater political pressure here than in any other city. Certainly there are other handicaps and limitations. There may be other reasons for a condition that should and must be corrected, but I believe I will find that it is not the fault of Leslie C. Garnett or his staff of assistants.

[Here the gavel fell.]

Mr. BREWSTER. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. HIGGINS].

THE MEXICAN PROBLEM—STATESMANSHIP—NOT INTERVENTION

Mr. HIGGINS of Massachusetts. Mr. Chairman, exactly 2 years ago today, on June 10, 1933, almost at this very hour, eight distinguished Members of the United States Senate, headed by the leader of the Democratic majority, and with the whole-hearted support of the Roosevelt administration, rose in their places to denounce the persecution of the Jews in Germany. This was a courageous and an enlightened act. It marked the administration as eager to bear aloft a liberal banner. Above all, it displayed the desire of statesmanship to follow numerous precedents in American history wherein the principle of religious liberty had been vindicated by executive officers of the United States Government, including many distinguished American Secretaries of State and Presidents of the United States.

On this anniversary, June 10, 1935, 2 years after the display of senatorial indignation and protest, Mr. Speaker, I rise in the Congress to make it evident to the peoples of the world that one voice at least in this body will not re-

main silent as long as a persecution, more violent than that in Germany, and more protracted in that it has extended over 20 years, continues to outrage the sense of humanity of the civilized world. I believe, Mr. Speaker, with Abraham Lincoln that the true liberal is concerned about the cause of liberty everywhere. Precious as are the liberties of the upright Jewish race in Germany, they are no more important than the rights of both Christians and Jews in Mexico. The principle is the same and one would expect it to be applied equally, no matter what group or what denomination happens to be under attack. No intervention was demanded in the Senate on June 10, 1935, and none is required now. But statesmanship was in demand then and it is in demand more than ever on June 10, 1935.

BRITISH AND FRENCH DIPLOMACY ACTIVE

Furthermore, it must be recorded that American personal and property rights are being violated with impunity in Mexico. Although both the French and the British Governments have taken cognizance of the violations of French and British rights, the United States Department of State maintains an attitude of craven supineness in face of the repeated confiscations of American property in Mexico and despite the fact that thousands of American citizens are effectively deprived of the right to worship God according to the dictates of conscience. In order to prove that these assertions are established by indisputable proof, Mr. Speaker, I offer for the record several sworn statements by American citizens of high integrity, who have suffered grievously in Mexico and been offered no redress. There was a time when an American citizen, like the proud citizen of the British Empire, could repeat the Roman challenge: Civis Romanus Sum, and find that it was a passport of security with honor any place in the world. Today, in the words of the Borah resolution, "American citizens of the Christian faiths have been outraged and reviled, their homes invaded, their civil rights abridged, and their lives placed in jeopardy", and when they seek satisfaction from the duly appointed representatives of the United States Government they are not even accorded a fair hearing.

Mr. Chairman, I desire, today, to present to the Members of the Congress, in a brief and impartial manner, a subject that might be properly titled "Mexico's Challenge to American Ideals." Personally, I am grateful to have this opportunity for I feel that I shall have contributed, in an humble manner, to the duty that is upon me, as upon every liberty-loving American, regardless of race or creed, to give public notice to the communistic policy of the present Mexican Government and the outrages that are being committed in Mexico against every ideal that Americans have cherished from the time of the formation of our Government to the present day.

This is the greatest issue of the day confronting the free men of America, for it constitutes a savage endeavor, made right at our doors, to crush out every vestige of human liberty, every scintilla of individual rights. The barbarism of the present Mexican administration is directed against men and women of all creeds who dare worship God, their Creator, in the manner their conscience dictates. Liberty of education is denied—teachers are compelled to either submit to governmental ukase or to resign. Internes and nurses who fail to take an active part in vicious anti-God demonstrations are subject to expulsion; in many cases they have actually been deprived of their positions and thus effectively prevented from completing the studies required for their chosen profession. Freedom of assembly is abolished—citizens have no right to meet and voice their views. Freedom of the press is prohibited—freedom of worship is prohibited—ministers of the gospel, as in Nero's time, are cast out and churches denied the right to exist.

This sordid picture of the violation of human rights received my attention weeks before the present Congress convened. The tragedy, the outrages, the indignities that were being committed upon citizens of Mexico and the United States alike caused me to introduce the original resolution in this present Congress on this subject, House Concurrent Resolution No. 3, on January 8, 1935.

ALL RELIGIONS PROTEST

In presenting this indictment against the present Mexican Government for the consideration of my colleagues and the American public I desire to bring to public attention the immeasurable service rendered in this cause by many writers on this subject whose facts I have embraced in my remarks, by many of my colleagues in the House of Representatives, by a great number of the newspapers, particularly diocesan papers and numerous publications sponsored by practically all religious demoninations throughout the country, that have recognized the justice in the movement to have our Government use its good offices to prevent the recurrence of violation of human rights similar to those committed by the Mexican authorities in the past and insure a wholesome respect in Mexican officials for the fundamental American principle that all men are created equal and are endowed with the inalienable right to life, liberty, and the pursuit of happiness.

OUR DUTY AS AMERICANS

The American people find themselves confronted by a challenge of the fundamental principles and ideals that are the cornerstone of the structure of our Government. The source of that peril is in Mexico City. The climax of continued persecutions is near at hand, for no people can long suffer these outrages that have been imposed upon the people of Mexico by a godless and tyrannical minority in charge of state affairs in that country. The patience of the American people is as strained today as it was in 1925, when similar circumstances caused the then United States Secretary of State Kellogg to say, "The Government of Mexico is now on trial before the world."

NO DESIRE FOR INTERVENTION OR INTERFERENCE

Neither the American people nor the American Government has any desire to intervene by force or interfere in any way in the affairs of the Mexican Nation. We must, first and last, promote the cause of peace. An enlightened intercourse based on fuller knowledge and understanding of the facts must be encouraged. Thus guided, the right-thinking and justice-loving men and women in Mexico, if allowed their inalienable rights of freedom to think and to vote, will rescue their country and its administration from the depths of religious persecution and of tyranny into which it has been misled.

THE ORIGINAL MONROE DOCTRINE

There is no doubt that our own country, when it uttered the Monroe Doctrine, assumed a measure of real responsibility to maintain the independence under a democratic government of the Republics of this continent, to defend against tyranny and usurpation the peoples of those Republics.

The Monroe Doctrine explicitly protested against the acquisition on this continent of any material foothold by any government inimical in tradition to the principles of our American Government. By that pronouncement the United States gave notice it would oppose even by physical force such acquisition of territory. If the acquisition of territory may be injurious and perhaps eventually fatal to the stability or well being of our own Government and our own institutions, may not the dissemination of principles, without any acquisition of territory, be equally injurious and fatal?

UNDERSTANDING OF THE PROBLEM—A NEED OF THE HOUR

There is no thought with us of the use of physical force or of any of those measures that lead to war. War and the thought of war are abhorrent to us. This should not blind us to the urgent necessity of both understanding the crisis and of being insistent in the presentation and defense of those truths that alone will save the crisis from catastrophe.

The danger today is no less grave than when seizure of physical territory on this continent was threatened by foreign powers. That threat spelt ultimately, as the United States saw, the death of liberty in the young Republics to the south, and perhaps the death of liberty in our own land. The danger today is more subtle, more insidious. If the principles of liberty and true liberalism can be denied with

impunity in Mexico, they may be so denied in other Republics of Central or South America. They may be questioned in our own country, and if allowed to advance, may undermine our own understanding and our own enjoyment of true liberty. Whatever minor problem the Mexican situation presents, this is the major problem—this is the problem—that challenges every right-thinking American and on which America must both speak and act for its own defense.

The Republics of America are not only at the threshold of a period of rapid population growth and industrial development; they are equally with the rest of the world to feel the influence of the new political and social doctrines.

The problem which confronts our country today, in common with its neighbors of America, is: Shall we continue to maintain the high standards of justice, those eternal principles of human rights, upon which our system is founded and which are the lifeblood of our Nation, or shall we stand idly by while systems develop which deny and denounce those principles? Are we to be as zealous today in safeguarding our precious political heritage as were our forefathers 100 years ago, not guarding in rigid, fossil sameness, but conserving the foundations upon which it is erected, permitting it to grow and develop and become adjusted to the changing conditions of human life?

MEXICAN LIBERALISM, PAST AND PRESENT

In Mexico today, we are witnesses of wide-spread, radical social changes. The Mexican nation has survived almost 20 years of travail by which that nation has seen her moral and her physical strength sapped and wasted until she lies prostrate—helpless in the hands of her assailants.

Noble indeed was the cry of 1911. We fight not for the overthrow of one tyrant to set another on his throne. Alas, for the liberalism of those days, which demanded for man the greatest amount of individual freedom and liberty, and for the township and province the greatest amount of political autonomy consistent with national existence.

A new tyrant has indeed set himself up in Mexico—the tyrant of secularism, who defies God—denounces religion as man's worst enemy—and tramples under foot the rights with which man enters the world and of which he may not justly be deprived.

KNOWLEDGE WILL PRODUCE SYMPATHY FOR THE OPPRESSED

Loyalty to our own destiny demands that we defend our institutions as we did not hesitate to do of old; that we stay the hand which would set up on our continent a system and a law subversive of that which we have inherited. Our sympathy must go out to the suffering and the lowly of Mexico whose rights are being trampled upon.

Popular sovereignty is not functioning in Mexico. It is not functioning, not because the people are unworthy or incapable but because its place has been usurped.

It behooves us to know conditions in our sister Republic with a full and honest knowledge. It behooves us to extend the helping hand of moral and material support to those who would devote themselves to the upbuilding on our southern border of a nation that at least recognizes as does our own those principles of the fundamental rights of man which are not merely national but international, which are the cornerstone of that common union of an equal humanity for which we labor. It is our bounden duty to defend these against the teachers of new, tyrannical doctrines, the preachers of strange communistic beliefs, to the end that, functioning freely, the people of Mexico may rescue their nation from the morass into which she is being led.

AMERICAN RESPONSIBILITY

The impression is wide-spread among those who have knowledge of the recent history of Mexico that our Government bears the blame for what is happening in Mexico today. One cannot approach this subject on the theory that it is not within our province as a "good neighbor" to comment on the internal affairs of Mexico, for a review of our international relations with Mexico, documents and other papers of which there are a number on record with the State Department, will reveal we have disregarded the "good neighbor" theory and placed our relations with Mexico on an international-policy basis. Permit me to prove, if you will, by quoting from a carefully documented article appearing in the magazine America, published in New York City, August 2, 1926, that the American Government is more responsible than any other government, group, class, agency, or individual in perpetuating the rule of these tyrants from the regime of Carranza to the present day, whose aim has been to sovietize Mexico:

Many do not realize how much we are responsible for the Mexican situation. As a matter of fact, our country has intervened on at least two occasions, and, inasmuch as Calles, under Cardenas' regime, remains in power only because he enjoys our favor, we are intervening in Mexico right now.

We have not always permitted the Mexicans to fight it out among themselves and then recognized the winner. Our intentions may have been good, but the results have been different. Our purpose seems to have been to avert further disturbance and bloodshed. Both Woodrow Wilson and other administrations intervened in Mexico in a manner that has had a decided bearing on developments. In the former instance we even prevailed on Great Britain to cooperate with us by means of what some call a "concession" on Panama Canal tolls.

A BRITISH-AMERICAN UNDERSTANDING

The British, so we learn from published memoirs of Col. Edward House, felt aggrieved because Congress had passed a law exempting American coastwise shipping from payment of tolls. Mr. House writes:

"The American Government, on the other hand, felt that the British were hampering Wilson's policy in Mexico. The British Ambassador, Sir Lionel Carden, was known to be an advocate of Huerta."

Colonel House tells how he discussed the Mexican situation with Sir Edward Grey in London, and also arranged for a discussion between the President and a British official in Washington. Subsequently the British Foreign Office made it plain to Sir Lionel Carden that he must not take steps to interfere in any way with Wilson's anti-Huerta policy in Mexico.

Repeal of the Panama Canal tolls clause was urged by President Wilson, as well as by other Americans, on the ground that it violated the Hay-Pauncefote Treaty, whereby Britain had been granted equal treatment. Colonel House, in discussing the matter with Dudley Field Malone, a Democratic leader, on November 26, 1913, explained how the President's hands would be tied in Mexico if he did not have the sympathy of Great Britain in his plans.

AMERICAN CONCESSIONS TO BRITISH DIPLOMACY

House noted in his diary on January 21, 1914, that he and Mr. Wilson decided that it was better to make concessions (!) in regard to Panama rather than to lose the support of England in our Mexican, Central and South American policy.

Further on he adds:

"The success with which President Wilson forced the repeal of the Panama tolls exemption upon an unwilling Congress, thus securing the good will of the British, as well as vindicating the good faith of the United States, was followed almost immediately by the flight of Huerta from Mexico."

Huerta's elimination paved the way for the ultimate triumph of Venustiano Carranza, aided by the bandit chief Villa. While burning and looting their way toward Mexico City they were loud in professing their devotion to liberty and popular welfare, but the constitution of 1917 drawn up by the Carranzistas gave the lie to these declarations by denying the fundamental human rights and religious liberty. Both Woodrow Wilson and Samuel Gompers, late president of the American Federation of Labor, had representatives at the Queretaro Convention which adopted this constitution, writes Bishop Kelley, of Oklahoma City, in the Southwest Courier.

A DEPLORABLE ACT OF AMERICAN INTERVENTION

Carranza was overthrown in 1920, and Obregon became President. When his term expired in 1924 he was grooming as his successor Plutarco E. Calles, leader of the radicals. Adolfo de la Huerta organized a revolution supported by the more conservative element. Again the United States intervened. The Detroit Free Press, a stanch champion of the Coolidge administration, stated editorially on July 31, 1926, that Secretary Hughes lent "every moral and material assistance" to Obregon "in suppressing the revolt."

Under an act of Congress passed during the Wilson administration, President Coolidge imposed an embargo on the shipment of arms to private individuals in Mexico.

Before the lid on arms exportation was clamped down (reports Arthur S. Henning in the Chicago Tribune, July 31, 1926), the de la Huerta revolution had been making considerable headway. * * * The moment the supply was shut off by the embargo the de la Huerta revolution went to pieces.

Obregon remained in power and Calles became his successor, although he had taken part in the overthrow of Carranza, and in spite of the fact that the Mexican constitution bars from the Presidency a man who has participated "directly or indirectly in any uprising." (Art. 82, fraction 7.)

The fair-minded American citizen may judge in how far our aid in stabilizing the Carranza-Obregon-Calles-Cardenas regime involves the right and duty of our Government to demand that

the Mexican Government respect those principles of liberty and justice which have made our country the historic champion of freedom.

It is perhaps worth adding that in spite of our assistance we have not been able to obtain from the present regime even respect for American property rights, not to speak of more fundamental personal rights of American citizens in Mexico.

THE RESULT OF AMERICAN RECOGNITION OF CARRANZA

Property rights, more specifically the rights of the privileged Americans who had oil interests in Mexico, not human rights of life, liberty, and happiness, prompted Woodrow Wilson to recognize the government of the rebel Carranza, although at that time Mexico was abandoned to the savage passions of the revolutionary hordes who swarmed in from the mountains and valleys. Schools, colleges, and libraries, with their priceless manuscripts, were confiscated and destroyed. Ministers of the gospel, other clerics, and nuns were being murdered and ravished when Woodrow Wilson recognized the Carranza government in October 1915. The conditions of Mexico as a result of the orgy of insurrection were described in pathetic terms by eye witnesses to a committee of the United States Senate, which was appointed to report on conditions in Mexico by the Sixty-sixth Congress.

Therein is given a full and detailed description of how through the ruthlessness of Carranza the people of a great Republic were ravished, their culture wiped out, their property destroyed, and their very existence as a civilized nation placed in jeopardy. Have I not proven to your satisfaction that the regime of Carranza as President, and succeeded without interruption by Obregon, Calles, Cardenas, and Rodriguez and others, all of whom are members of the National Revolutionary Party, was only made possible by the policy adopted by the American Government? America has kept these brigands in power for 20 years.

THE CONSTITUTION OF 1917

Encouraged by the recognition which the Government of the United States extended to him in October 1915, and by the success of his army under the red flag, Carranza convoked an election of Congress on September 14, 1916, to be known as the "Congress of Queretaro." In this proclamation, Carranza naively remarks that his opponents have objected to his decrees and that, should he proceed to set up a government with no more formality than had been observed in issuing the decrees, his enemies would at once bring against it the charge that it did not have the sanction of the popular will, "which is sovereign." This proclamation is a colossal hypocrisy, and it is perfectly evident that in issuing it Carranza took infinite pains to make impossible the very thing which he pretended to favor, namely, a free and full expression of the will of the people of Mexico of its sentiments.

THE CONSTITUTION NEVER RATIFIED BY THE PEOPLE

Not only were the great majority of voters not permitted to vote, but, not trusting even his own followers, Carranza, in the law under which this election was held, prescribed that no candidate could be elected who was unable to prove that he had given material support to the Carranza revolution.

It cannot therefore in any sense be said that the constitution thus enacted is a supreme law freely adopted and approved by the people of Mexico. It was imposed upon the people by a chosen band of revolutionists, who did not have, by any means, control, even in a military way, of the Republic, and who had refused to fight under the national flag of Mexico but only under their own red banner.

This constitution has never been submitted to any form of ratification by the people of Mexico. Such is the law to which Calles and his defenders appeal when they claim they cannot accede to the demands of our State Department for justice to American citizens.

UNAUTHORIZED CHANGES IN CONSTITUTION

The constitution of 1917 is the instrumentality under which Mexico is governed today. Up to the time of the adoption of this constitution Mexico was governed from 1857 by the Juarez constitution. The thought of the times can be exemplified by a comparison of these two instruments.

Article 1 (1917) reads:

Every person in the United States of Mexico shall enjoy the guaranties granted by this constitution.

No mention of God or the inalienable rights of man. But how different from the earlier Mexican Constitution—that of 1857—which in the preamble and article 1 reads as follows:

In the name of God and by the authority of the Mexican people. The Mexican people recognize that the rights of man are the basis and the object of social institutions.

The very existence of the 1857 constitution was predicated on the fact that if God and the people approve it will be our constitution, while the 1917 constitution made no mention of either, it being signed on January 31, 1917, and promulgated without approval of the people 5 days later, on February 5, 1917. Carranza and his Congress were not content with the ordinary separation of church and state set forth in the constitution of 1857, but ruled that it must be more complete, and that the church must be denied her right to life and liberty. To compare a document like the constitution of 1917 with our American Constitution, embracing as it does the belief that men have an inalienable right to life, liberty, and pursuit of happiness, would be a sacrilege and a mockery.

"Our war is a war on God" blasphemously proclaimed the leaders of the national revolutionary party in a debate on Socialist education, and thus at last those who control the Government in Mexico cast aside the cloak under which they so long have tried to hide the ugliness of the regime they impose on the Mexican people.

NATIONAL CONFERENCE OF JEWS AND CHRISTIANS PROTESTS

Accepting the challenge, the executive committee of the National Conference of Jews and Christians, on October 25, 1934, immediately after the approval of Socialist education by the Mexican Congress, approved the text of the following statement and decided to submit it for signature to men and women recognized leaders in our country:

"The undersigned Protestants, Catholics, and Jews of the United States", the statement reads, "wish to express their conviction in regard to the necessity of the achievement and the maintenance of the religious liberty in all lands. We are especially concerned at the present juncture over the situation in Mexico, where many unprejudiced observers report that in the endeavor to achieve social justice and political reforms otherwise desirable, religious liberty is being imperiled. We register our alarm at every restriction upon the right of the churches to function, and the right of individuals to practice the religion of their choice.

"Recognizing that freedom from religious and racial intolerance is not fully achieved in the United States and in other countries of the world than Mexico, we acknowledge our responsibility to labor for its achievement everywhere. While refraining from discussing the immediate issues at stake in the controversies in Mexico, we desire to give our moral support to those who labor for freedom of worship there, and to express the anxiety with which we view every threat to liberty of conscience and the freedom of the soul."

ALL DENOMINATIONS PROTEST

More than 500 men and women of every denomination, leaders in their professions and prominent in public life, gave their names to this statement. The co-chairmen of this meeting were Newton D. Baker, Prof. Carleton Hayes, and Roger Strauss, and among the 500 signers were the following: Prof. Gaius Glenn Atkins, Dr. Robert A. Ashworth, President Albert W. Heaven, Prof. William Adams Brown, Dr. Edmund B. Chaffee, President Henry Sloane Coffin, Dr. Harry Emerson Fosdick, Bishop James E. Freeman, Dean Charles W. Gilkey, Rabbi Israel Goldstein, Dr. John Haynes Holmes, Dean Lynn Harold Hough, Rabbi Morris S. Lazaron, Bishop Francis J. McConnell, Dr. Charles Clayton Morrison, Rabbi David Philipson, Dr. George W. Truett, Dean Luther A. Weigle, Rabbi Jonah B. Wise, and Rabbi Stephen S. Wise.

ATHEISTIC EDUCATION PRAISED BY DANIELS AS "PROGRESS"

A review of the following oath administered to school teachers in Mexico by the direction of the federal education merely confirms the relentlessness of the Government in its attempt to drive God from the school as well as the home:

In the presence of the board of federal education, I, ———, declare that I unconditionally accept the program of the socialistic school and that I will make it known and defend it.

I declare that I am an atheist, irreconcilable enemy of the Catholic, Apostolic, and Roman religion, and I will endeavor to destroy

it, detaching the conscience from any religious worship, and I am disposed to fight against the clergy anywhere and whenever it will be necessary.

I declare my readiness to take a main part in the campaign of defanatication to attack the Catholic, Apostolic, and Roman religion wherever it may appear.

And I will not permit any kind of religious practices at my own home nor the presence of religious pictures.

I will not permit any of my relatives living under my roof to attend any religious ceremony.

The Mexican Government will not receive the support of men nor of nations that love justice if she persists in denying the fundamental right of the parent to care for the religious education of his child; if it drives God from the school as well as the home.

In order to show that this is an organized assault on all religion, inspired by hatred of the infinite majesty of God, I subjoin two other forms of this solemn pledge as it is exacted in the states of Michoacan and Guanajuato. I give the authentic Spanish text and an accurate translation of the essential clauses, proving up to the hilt that the Federal Government of Mexico is supporting and inspiring this attack on God.

PLEDGE—STATE OF MICHOACAN

[Original Spanish]

Copia fiel del questionario de educacion de Michoacan

DECLARACION IDEOLOGICA

Nombre de Maestro _____.
Estado civil _____ edad _____ anos.
Normalista o no Normalista _____ Normal de _____

I. Declaro que estoy dispuesto a cumplir y hacer que se cumpla el Articulo 3o. Constitucional.

II. Declaro que estoy dispuesto a secundar los propositos de la Ensenanza socialista y a las Instituciones y Gobierno de la Republica en la implantacion de dicha Ensenanza en las escuelas.

III. Declaro que estoy dispuesto a difundir sin reserva los postulados y principios del Socialismo que sus tenta el Gobierno Nacional.

IV. Declaro Categoricamente que no profeso la religion catolica ni otra ninguna.

V. Declaro Categoricamente que combatire por todos los medios las maniobras del clero catolico y demes religiones.

VI. Declaro Categoricamente que no practicare ningun acto del culto interno ni externe de la religion catolica o de cualquiera otra religion. Lugar y fecha _____.

_____, _____,
Firma del Maestro.

El Inspector Escolar Federal que subscribe, hace constar que le firma que antecede es la que usa el maestro interesado en sus asuntos oficiales.

_____, _____,
Firma del Inspector.

VoBo.

_____, _____,
Director de Educacion Federal.

[English translation]

(A true copy of the questionnaire required of all public-school teachers in the State of Michoacán)

DECLARATION OF PERSONAL IDEOLOGY

Name of teacher_____
Civil condition_____Age_____
Normal-school graduate or not_____Name of institution_____

I. Declaration of adherence to article 3 of the constitution (socialistic education).

II. Declaration of purpose to inculcate doctrines of socialism of the Republic.

III. I declare my purpose to teach without reservation the postulates and principles as they are proposed by the national government.

IV. I declare absolutely that I do not profess either the Catholic faith or any other religion.

V. I declare absolutely that I will combat by all possible means the efforts of the Catholic clergy and all other ministers of religion.

VI. I declare absolutely that I will not practice any act of religion, interior or exterior, be it of the Catholic Church or any other religion.

Place and date.

_____, _____,
Signature of Teacher.

The inspector of federal education who affixes his name must ascertain that the above signature is the one employed by the teacher in all his official business.

_____, _____,
Signature of Inspector.

_____, _____,
The Director of Federal Education.

A similar questionnaire to that required in the State of Michoacan is required in Guanajuato, but the emphasis in Guanajuato is on socialistic education.

A RECENT INTERVENTION BY DANIELS

Now, for the sake of the RECORD I add a quotation from the radio address delivered by the Honorable Josephus Daniels, American Ambassador to Mexico, Sunday, April 7, 5 p. m., inviting the Rotarians to visit Mexico.

The Mexicans—

Declares Daniels—

are going forward in education. * * *

Does Mr. Daniels really believe that a solemn renunciation of God and religion on the part of public-school teachers represents progress in education? Does Mr. Cordell B. Hull support our Ambassador in his position? Does the President of the United States condone this dangerous flattery of an educational system that not only strives to exclude God but leads an attack on all religions? Do Messrs. Daniels, Hull, and Roosevelt contend that a denial of the parents' right to educate children is "to go forward in education"? Has Mr. Roosevelt forgotten that the first President of the United States, Gen. George Washington, in his Farewell Address praised religion and morality as the firm foundation of good government? Do not Messrs. Daniels, Hull, and Roosevelt know that in the case of Pierce against the Sisters, as well as in the case of Meyer against Nebraska, the highest tribunal in this land, the Supreme Court of the United States, by an overwhelming majority repudiated the unethical, un-American doctrine that the child is the property of the state? To be sure, Mr. Daniels, with amazing effrontery, is permitted to criticize the United States Constitution as a relic of the "oxcart" days. But that Constitution will stand long after Mr. Daniels has ceased to misrepresent us in Latin America. Thank God for the Supreme Court and the Bill of Rights of the United States Constitution! Millions of my fellow citizens will join me in the confident belief that the Court and the Constitution will outlast the rhetoric of Messrs. Daniels, Hull, and Roosevelt.

TESTIMONY OF ROBERT HAMMOND MURRAY

Careful students of public affairs who have spent 20 to 30 years in Mexico do not make the mistakes committed so openly and so incautiously by Mr. Daniels. I offer in proof the letter of Mr. Robert Hammond Murray, whose recent articles in Today clearly establish the anti-God character of the Mexican persecution. Speaking of the unwise propaganda utilized by a representative of the United States Department of State to attract the Rotarians to Mexico City, he declares in the New York Times—letter is dated May 18, 1935:

Both Rotarians and Lions, by yielding to long, strongly organized and determined pressure and entreaty, emanating from official and other sources in Mexico City, including a representative of the United States Department of State, to seat their conventions there, incautiously, and probably naively, delivered their bodies and members over to the use and profit of the elaborate and very efficient propaganda machinery of the Calles dictatorship. High officers of the Rotarians and Lions now should realize this, even if in the beginning they did not, for latterly they have been amply informed.

The campaign to win the conventions to Mexico City was from the start conceived, planned, designed, and still in essence comprehends, purely a publicity coup. Upon the theory that most of the several thousand delegates who are expected to attend the conventions will return to the United States and other countries of their origin ardent and serviceable gratuitous propagandists for the Calles regime.

In fairness to the Rotary and Lions officials it should be said that they decided to meet in Mexico City before the antireligious movement assumed nation-wide form. Also before members of the Cabinet of President Cardenas a few weeks ago publicly declared, without rebuke or denial from him, as a special correspondent in Mexico of the New York World-Telegram on May 6 reported one of the Executive's advisers as saying, in answer to the question, "Is Mexico headed toward communism?" that "It decidedly is. We are directing all of our energies to this end." And also before the Minister of Education, Garcia Tellez, recorded himself as insisting: "Private property can have no place in the revolutionary scheme."

One may reasonably question if a majority of American Rotarians and Lions, no matter whether they be Protestants, Jews,

or Catholics, will knowingly and of their own consent enroll themselves, or permit themselves to be enrolled, as being in favor of the doctrines and policies quoted, or willingly approve of their organizations being employed as propagandists, directly or indirectly, of a government or a political faction that proclaims such doctrines and policies.

ROBERT HAMMOND MURRAY.

NEW YORK, *May 18, 1935.*

The Mexican Government will not receive the support of men or of nations that love justice if she persists in denying the fundamental right of the parent to care for the religious education of his child; if it drives God out of all schools; if it makes of public education a political and governmental tyranny.

Our American Government stands upon two principles. The first is respect for and defense of the inalienable rights of the human individual, which majority rule may never violate, but must always support. One of those rights is the right of conscience, or religious liberty.

THE UNITED STATES SUPREME COURT ON EDUCATION

The second principle is like unto this first—freedom of spiritual, moral, and intellectual development, which, in a word, is freedom of education.

The decisive words on this subject were spoken by the Supreme Court of the United States (*Pierce* v. *The Society of Sisters*, 268 U. S. Repts., p. 535), Justice McReynolds—

The fundamental theory of liberty, upon which all governments in this Union repose, excludes any general power of the State to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the State; those who nuture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations.

We believe that of this individual freedom is born responsibility; and, in our common corporate expression of it and its consequences, America has made and is to continue her life for the general welfare of all her citizens.

To know that the Government of Mexico is absolutely denying these principles today and advocating a political doctrine with which no American can agree, it is sufficient to read the present constitution of that country.

MEXICAN CONSTITUTION VIOLATES HUMAN RIGHTS

That constitution prohibits a minister of religion from teaching in any primary school, whether the school be public or private. Article 3 reads:

No religious corporation nor minister of any religious creed shall establish or direct schools of primary instruction.

Any school erected for the teaching of religion shall ipso facto become the property of the Federal Government, and in all matters, curriculum, teachers, and so forth, shall be under the direction of said Federal Government (cfr. art. 130).

No minister of religion nor a religious corporation is allowed to initiate or maintain any institution for scientific research (art. 130).

How shall we reconcile these facts with the first clause of article 3 of the constitution, which, copying the law of 1857, declares that education in Mexico shall be free?

FREEDOM OF THE INDIVIDUAL IS ABRIDGED

The insurgent band at Queretaro, having no hope of being able to mold these communities of devoted men and women to their materialistic program, decided upon the destruction of all religious orders.

Article 5 of the constitution provides:

The States shall not permit any contract, covenant, or agreement to be carried out having for its object the abridgement, loss, or irrevocable sacrifice of the liberties of man, whether by reason of labor, education, or religious vows. The law, therefore, does not permit the establishment of monastic orders, of whatever denomination or for whatever purpose contemplated.

Young men and women desiring to enter even the secular ministry of religion are, under this provision, to do so at the risk of having incurred an irremovable impediment against their entering any other field of learning should they discover any incompatibility in the ministry to which they sought to devote themselves.

Under no conditions shall studies carried on in institutions devoted to the professional training of ministers of religious creeds be given credit or granted any other dispensation of privilege which shall have for its purpose the accrediting of the said studies in official institutions. Any authority violating this provision shall be punished criminally, and all such dispensation of privilege be null and void, and shall invalidate wholly and entirely the professional degree toward the obtaining of which the infraction of this provision may in any way have contributed.

FREEDOM OF THE PRESS IS SUPPRESSED

Not only is the church prohibited from engaging in any organized work of education—not only the ministers of religion and the church—but laymen may not even engage in the open discussion in the press of topics of every day interest. The same article 130 provides:

No periodical publication which either by reason of its program, its title, or merely by its general tendencies, is of a religious character, shall comment upon any political affairs of the Nation, nor publish any information regarding the acts of the authorities of the country or of private individuals, insofar as the latter have to do with public affairs.

Thus, the framers of the 1917 constitution sought to drive the church from a field of social action in which the church has rendered services of incalculable value to human society in all ages since her foundation and under all flags where she has been organized.

THE LAW ITSELF IS PERSECUTION

The constitution provides that only such ministers shall officiate as have been so designated by the legislature of the particular State, and no foreign-born may minister. Article 130 reads:

The State legislatures shall have the exclusive power of determining the maximum number of ministers of religious creeds, according to the needs of each locality Only a Mexican by birth may be a minister of any religious creed in Mexico.

To know these provisions of the present Mexican Constitution is to know that they are absolutely irreconcilable with justice and the rights of man. They tell plainly a warfare against religion—a deliberate endeavor to destroy its growth; to pull out its roots. We cannot accept it. Our whole national life has been a protest against such iniquity. It is abhorrent to every human instinct of fair play.

Upon the authority of the Most Reverend Leopoldo Ruiz y Flores, apostolic delegate to Mexico, who is presently in exile at San Antonio, in 14 States in Mexico ministers of the gospel are prohibited by law. The statistical table listed below, shows the number of priests authorized by law and taken from the Brooklyn Tablet, issue of February 2, 1935, is conclusive proof of the statement, "Our war is a war on God."

This chart shows that there are 14 States without a single priest, 3 in which only 2 priests are authorized to care for the spiritual needs of from 132,900 to 493,530 people, and that 333 priests are to serve an overwhelmingly Catholic population of 15,012,573 souls. The chart, which gives the area and population of each State, as well as the population per authorized priest, is as follows:

State	Area in square miles	Number of priests authorized	Population per priest	Total population
Aguascalientes	2,480	2	66,450	132,900
Campeche	19,853	0	----------	89,860
Colima	2,010	0	----------	62,301
Chihuahua	94,831	0	----------	440,000
Coahuila	58,057	5	87,285	436,425
Chiapas	28,732	0	----------	528,654
Durango	42,278	2	246,765	493,530
Federal District	573	25	49,183	1,229,576
Guanajuato	11,801	39	25,000	987,970
Guerrero	23,887	0	----------	641,690
Hidalgo	8,063	5	133,400	667,000
Jalisco	33,497	50	25,104	1,255,213
Lower California	51,386	0	----------	95,516
Mexico	8,263	34	29,120	990,112
Michoacan	23,198	33	31,769	1,048,381
Morelos	1,917	40	3,318	132,723
Nayarit	10,445	5	33,545	167,724
Nuevo Leon	30,737	28	14,920	417,479
Oaxaca	36,415	(1)	----------	1,082,191
Puebla	13,125	23	50,018	1,150,425
Queretaro	4,431	2	116,827	233,655
San Luis Potosi	24,417	40	14,495	579,831
Sinaloa	22,582	0	----------	395,027
Sonora	70,476	0	----------	316,271
Tabasco	9,760	0	----------	224,168
Tamaulipas	30,767	0	----------	344,589
Tlaxcala	1,555	0	----------	205,578
Vera Cruz	27,759	0	----------	1,376,476
Yucatan and Quintana Roo	23,928	0	----------	838,964
Zacatecas	26,025	0	----------	448,344
Total	745,257	333	----------	15,012,573

1 No exact data.

In several States—Nuevo Leon, Michoacan, and others—local authorities, by canceling licenses issued to priests, by expelling priests from their parishes, or by refusing to issue licenses to fill vacancies that occur, have reduced the number of priests actually officiating in the State to a number less than that authorized by law.

For example, in Nuevo Leon alone 8 priests have been disqualified in some manner and thus the number of priests authorized, 28, has been reduced to 20.

Although exact data for the State of Oaxaca has not been obtained, it is believed that no priests are officiating there. The Most Reverend Jose Nunez y Zarate, Archbishop of Oaxaca, and at the time the only Catholic clergyman allowed to officiate in the capital of the State, was forced to leave Oaxaca last November and take refuge in Mexico City.

For years we have learned to look upon Russia as the seat of the anti-God movement in the world. From the kingdom set up in Russia on the ruins of the imperial house of Romanoff we have witnessed the spread of Sovietism and the anti-God movement both east and west until today that movement has taken complete possession of the country south of the United States, standing as a menace at the threshold of the United States, the mightiest and most civilized Republic in all Christendom today.

BILL OF PARTICULARS

The history of Mexico, for the past 20 years, since the time of Carranza, of its murder, of its outrages, and its persecution are too well known to review at this point. People throughout the civilized world protested in 1928 against the indignities that were being committed in that country against men and women who dare worship God in the manner their conscience dictated. This wave of protest led to a conference between the representatives of the government and the church on April 4, 1928, and May 17, 1928. The agreement entered into was not adopted finally because of internal disturbances and the assassination of President Obregon, until June 21, 1929, when President Portes Gil issued the following statement:

I have had conversations with Archbishop Ruiz y Flores and Bishop Pascual Diaz. These conversations took place as a result of the public statement made by me on May 8.

Archbishop Ruiz y Flores and Bishop Diaz informed me that the Mexican bishops have felt that the constitution and the laws, particularly the provision which requires the registration of ministers and the provision which grants the separate States the right to determine the maximum number of ministers, threaten the identity of the church by giving the State the control of its spiritual offices.

They assure me that the Mexican bishops are animated by a sincere patriotism, and that they desire to resume public worship if this can be done consistently with their loyalty to the Mexican Republic and their consciences. They stated that it could be done if the church could enjoy freedom within the law to live and exercise its spiritual offices.

I am glad to take advantage of this opportunity to declare publicly and very clearly that it is not the purpose of the constitution, nor of the laws, nor of the Government of the Republic to destroy the identity of the Catholic Church or of any other, or to interfere in any way with its spiritual functions. In accordance with the oath of office which I took when I assumed the provisional Government of Mexico to observe and cause to be observed the constitution of the Republic and the laws derived therefrom, my purpose has been at all times to fulfill honestly that oath and to see that the laws are applied without favor to any sect and without any bias whatever, my administration being disposed to hear from any person, be he dignitary of some church or merely a private individual, any complaints in regard to injustices arising from undue application of the laws.

With reference to certain provisions of the law which have been misunderstood, I also take advantage of this opportunity to declare:

1. That the provision of the law which requires the registration of ministers does not mean that the Government can register those who have not been named by the hierarchical superior of the religious creed in question or in accordance with its regulations.

2. With regard to religious instruction, the constitution and the laws in force definitely prohibit it in primary or higher schools, whether public or private, but this does not prevent ministers of any religion from imparting its doctrines, within church confines, to adults or their children who may attend for that purpose.

3. That the constitution as well as the laws of the country guarantees to all residents of the Republic the right of petition, and therefore the members of any church may apply to the appropriate authorities for the amendment, repeal or passage of any law.

STATEMENT OF ARCHBISHOP RUIZ Y FLORES

Accepting in good faith the words of President Portes Gil, Archbishop Ruiz, the authorized spokesman of the church in Mexico, issued the following statement announcing that worship would be resumed:

Bishop Diaz and myself have had several conferences with the President of the Republic, the results of which are set forth in the statement which he issued today.

I am glad to say that all of the conversations have been marked by a spirit of mutual good will and respect. As a consequence of the said statement made by the President, the Mexican clergy will resume religious services pursuant to the laws in force.

I entertain the hope that the resumption of religious services may lead the Mexican people, animated by a spirit of mutual good will, to cooperate in all moral efforts made for the benefit of all the people of our fatherland.

LEOPOLDO RUIZ,
Archbishop of Morelia, Apostolic Delegate to Mexico.
CITY OF MEXICO, *July 21, 1929.*

HOW THE AGREEMENT WAS VIOLATED

The churches were reopened and public worship resumed, and from this date I submit herewith in chronological order the important events in the relation of citizens and state in Mexico to the present day.

1929: The trial of Toral, who assassinated Obregon, is made the occasion of antireligious outbreak led by Padilla, who had been appointed by the Government as special prosecutor. The jury resigns, but Toral is sentenced and executed.

1929: Pascual Ortiz Rubio elected President. He promises justice to all and religious freedom. But some states, Vera Cruz, for example, continue their bitter persecution of the church.

1932: Number of ministers of gospel reduced by law to such a point where it was impossible for them to administer to all their communicants.

1932: The minister of education in the Mexican Government declares the Government education program "is based on an absolute prohibition of all religious instruction."

1932: Church protests against this program. As a result, protesting citizens are charged with sedition. The petition remains unanswered.

1932: September 4, President Rubio resigns. Congress names Abelardo Rodriguez as Provisional President. In his final message the retiring President refers to two decrees issued in 1931 and 1932 which already forecasted the radical amendment adopted in 1934 with regard to education. The decree of 1931 suppressed more completely liberty of education in secondary schools, and that of 1932 the very existence of private seminary schools.

DIGNIFIED PROTEST OF PIUS XI

1932: Pope Pius XI issues an encyclical letter to the bishops of Mexico deploring the increased persecution. The 1929 arrangement was not being adhered to by the Mexican Government.

When, in 1929—

Pius XI declares—

the supreme magistrate of Mexico publicly declared that the Government by applying the laws in question had no intention of destroying the "identity of the church", or of ignoring the ecclesiastical hierarchy, we thought it best, having no other intention but the good of souls, to profit by the occasion, which seemed to offer a possibility of having the rights of the hierarchy duly recognized. Seeing, therefore, some hope of remedying greater evils, and judging that the principal motives that had induced the episcopate to suspend public worship no longer existed, we asked ourselves whether it were not advisable to order its resumption. In this there was no intention, certainly, of accepting the Mexican regulations of worship, nor of withdrawing our protests against these regulations, much less of ceasing to combat them. It was merely a question of abandoning, in view of the Government's new declarations, one of the methods of resistance before it could bring harm to the faithful, and of having recourse instead to others deemed more opportune.

Unfortunately, as all know, our wishes and desires were not followed by the peace and favorable settlement we had hoped for. On the contrary, bishops, priests, and faithful Catholics continued to be penalized and imprisoned contrary to the spirit in which the modus vivendi had been established.

Since any restriction whatever of the number of priests is a grave violation of divine rights, it will be necessary for the bishops, the clergy, and the Catholic laity to continue to protest with all their energy against such violation, using every legitimate means. For even if these protests have no effect on those that govern the

country, they will be effective in persuading the faithful, especially the uneducated, that by such action the state attacks the liberty of the church, which liberty the church can never renounce, no matter what may be the violence of the persecutors.

RETALIATION BY MEXICAN GOVERNMENT

1932: This encyclical is declared by the editor of an official organ of the national revolutionary party, "a criminal interference by Rome in our internal affairs", and Archbishop Ruiz, native-born citizen of Mexico, is sent out of the country by airplane.

1933: Further reduction of number of priests in many States. Further confiscation of church, school, and convent properties. Intensification of antireligious propaganda in the schools.

THE SO-CALLED "6-YEAR PLAN"

1933–34: Discussion and final adoption by the National Revolutionary Party of Mexico of the 6-year plan.

Under this plan the state claims and declares it will exercise complete control of education, even to the smallest details of the curriculum, in all educational institutions and even in the home itself. It declares further the state has the right to direct the exercise of all "professions", that to exercise a profession is "a social question and not an individual right of the one who exercises the profession." Priests and all ministers of the gospel, teachers, college professors, directors, and editors of newspapers are classified as professionals and must therefore be directed not by any ecclesiastical or educational authority but by the state.

The bishops earnestly protest against those provisions of the 6-year plan that thus deny liberty of religion and liberty of education and liberty of the press.

1934: February 20. Mexico's attorney general, Portes Gil, issues instructions with regard to the nationalization of church property. A part of the instructions reads as follows:

III. Property which by reason of the use it has been put to, is subject to the provisions of the constitution, article 27, section II. Included under this term "property" are all properties that at any time have served as the residence of a bishop or priest; seminaries; asylums; schools conducted by religious associations; convents; every other object in any way related to the administration, propaganda, or teaching of a religious cult; places of worship.

All these immovables should at once be transferred, as by full right, to the ownership of the nation.

In cases where private persons claim ownership in the courts, the only evidence required to establish the title of the nation is proof that the immovable has been used as alleged.

1934: In October a test case is brought before the supreme court. The supreme court upholds the rulings of the attorney general.

CALLES ON EDUCATION

1934: July 19. In a broadcast from Guadalajara, General Calles, speaking on education as outlined in the 6-year plan, declared:

But the revolution has not ended. The eternal enemies lie in ambush and are laying plans to nullify the triumphs of the revolution. It is necessary that we enter a new period of the revolution. I would call this new period the psychological period of the revolution. We must now enter and take possession of the consciences of the children, of the consciences of the young, because they do belong and should belong to the revolution.

It is absolutely necessary that we dislodge the enemy from this trench where the clergy are now, where the conservatives are—I refer to education; I refer to the school.

It would be a very grave stupidity, it would be a crime for the men of the revolution to fail to rescue the young from the claws of the clericals, from the claws of the conservatives; and, unfortunately, in many States of the Republic, and even in the capital of the Republic itself, the school is under the direction of clerical and reactionary elements.

We cannot intrust to the hands of our enemies the future of the country and the future of the revolution. With every artfulness the reactionaries are saying and the clericals are saying that the children belong to the home and the youth to the family. This is a selfish doctrine, because the children and youth belong to the community; they belong to the collectivity, and it is the revolution that has the inescapable duty to take possession of consciences, to drive out prejudices, and to form the new soul of the nation.

Therefore, I call upon all Governors throughout the Republic, on all public authorities, and on all revoluntionary elements that we proceed at once to the field of battle which we must take because the children and the young must belong to the revolution.

AMBASSADOR DANIELS—AN ECHO OF CALLES

1934: The United States Ambassador to Mexico, in an address to members of a seminar from the United States at the Embassy in Mexico City, refers to General Calles' speech at Guadalajara.

In this speech Calles had said:

We must now enter and take possession of the consciences of the young, because they do belong and should belong to the revolution.

DANIELS QUOTES CALLES WITH APPROVAL

The Ambassador of the United States to Mexico—in other words, the official representative of the United States in Mexico—declares:

The spirit of the Mexico of this day was clearly and succinctly stated last week in Guadalajara by General Calles in as brief a sentence as that employed by Jefferson decades ago.

General Calles, speaking for the ear of all patriotic Mexicans, and particularly for those intrusted with leadership, had said:

We must enter and take possession of the mind of childhood, the mind of youth.

Earnest protests are presented by citizens of all races and creeds of the United States and the press to the President of the United States against the statement of Ambassador Daniels. Mr. Daniels explains that he meant to do no more than support general education and that he had no thought of excluding religious education. Either Mr. Daniels knew what General Calles had said or he did not know. If he knew he should not have quoted Calles; if he did not know the context of the speech by General Calles, he was grossly negligent in accepting a quotation apart from its background and purpose. In other words, it was a grievous blunder either of deliberation or of ignorance. Context, as every schoolboy knows, is often more important than text.

The statement of our Ambassador is interpreted in Mexico as an implicit support of the present Mexican administration and its policies.

A BLUNDER AGGRAVATED BY EXCUSES

When the address of Ambassador Daniels was called to the attention of the State Department, the Under Secretary of State spoke to him—Daniels—on the telephone (Oct. 17, 1935) regarding his address to the members of the seminar, all Americans, at the Embassy in Mexico City. Daniels sent (in phone conversation), and I quote from official State Department bulletin dated October 17, 1935:

The address I made to the members of the seminar was exactly the type of address I had made in the United States expressing appreciation of the attitude of Mexico in recognizing the great work of Horace Mann and quoting General Calles as favoring the education of children. I was never more surprised than when I learned that any interpretation could be given my address as relating even remotely to controversial matters in Mexico. I truly believe the future of Mexico depends upon an educated population, just as I believe that foundation to be essential in my country and in all countries. The hope is universal education, and in no country has this been provided except by general taxation.

That was an easy matter to transmit those views over the telephone, but the query arises, Why should there be such a marked difference in the press account of this speech and the telephone statement made by Daniels almost 2 months after the address at the Embassy on July 26, 1934? Was Daniels' version changed after the flood of protests to Washington? Why should impartial listeners of his address at the Embassy report a different account of the affair? In quoting General Calles "as favoring the education of children" (from State Department bulletin above) does he, as an American, approve of the principle of the Calles educational system as set forth in his address at Guadalajara on July 19, 1935? If there is still a doubt in the minds of my audience as to the intent of Mr. Daniels' remarks to the members of the seminar let me quote from the newspaper—Mexican—El Nacional, the official organ of the National Revolutionary Party, dated November 3, 1935. The headline reads:

General Calles, the strong and vigorous man of Mexico, declarations of His Excellency, Mr. J. Daniels, Mexico prospers because it is peaceful country.

Beneath the heading appears an article dated:

CUERNAVOCA, *November 2.*

The most excellent Ambassador of the United States, Mr. Josephus Daniels, today was at Las Palmas on a visit of courtesy and saluted and conversed at length with the great chief of the revolution, Gen. Plutarco Elias Calles. A few minutes after the celebration of the cordial interview we obtained important statements from the distinguished diplomat, who said to us textually:

"I consider that General Calles is the strong and vigorous man of Mexico. I took much pleasure in shaking hands with him.

"I believe that the economic situation of this beautiful country has improved, and that to the present the volume of commerce between the United States and Mexico is increasing; and with relation to the financial aspect of the Republic, I estimate that it is excellent. * * * Mexico is at peace, and for this reason is prospering."

In conclusion, the most excellent Ambassador of the United States said to us:

"I take pleasure in making these statements to El Nacional (a vilely anti-God paper), for which I have particular admiration, because it knows how to interpret the sense of the Mexican Revolution."

On January 15, 1935, I wrote to President Roosevelt setting forth the fact that Daniels had been consorting with these atheists in Mexico, which association was being interpreted as a representation of our Government. I quote an excerpt from that letter that I addressed to the President of that date:

Present-day conditions in Mexico are even more barbarous than they were in previous years, and the "reign of terror" is condoned by Ambassador Daniels, who, press dispatches as late as January 6 reveal, made a 2-hour visit to the home of Secretary Garrido Canabal, the leading atheist of Mexico, and the man who admittedly directs the campaign of terrorism against Catholics in Mexico. Ambassador Daniels' actions during recent months in associating with the leaders of this movement, together with his tacit approval of their actions, is an indictment of every principle of honor and decency that America has stood for during the past 150 years, and warrants his immediate removal.

In his—President Roosevelt's—reply to me he attempted to justify these visits as diplomatically proper. I quote from the President's letter of January 23, 1935:

THE WHITE HOUSE,
Washington, January 23, 1935.

MY DEAR MR. HIGGINS: I have received your letter of January 15, 1935, in which you recommend, as a means of indicating this Government's disapprobation of the religious policies of the Government of Mexico, that it decline to signify its approval of the appointment of an Ambassador from Mexico to replace Dr. Fernando Gonzalez Roa.

In reply I may say that on January 8, 1935, in response to an inquiry from the Mexican Embassy in this Capital, the Department of State, having been duly authorized by me, advised the Embassy that the appointment of Dr. Francisco Castillo Najera as Ambassador of Mexico met with my approval. In the circumstances, even though the action along the lines you propose were otherwise desirable, you will realize that it would be quite impossible for me to give consideration to the suggestion contained in your letter.

With regard to your statements concerning Ambassador Daniels, I desire to point out that the newspaper reports to which you refer appear to have been based upon a distortion of the facts surrounding the Ambassador's visit to Secretary Garrido Canabal. Shortly after the inauguration of the present administration in Mexico Ambassador Daniels paid courtesy calls on all of the members of the new Cabinet, among them the Secretary of Agriculture. These visits were fully reported by Ambassador Daniels in his despatches to the Department of State, and I can assure you that to interpret his actions otherwise than as the performance of a courteous formality is as unjust as it is unwarranted by the facts.

Sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT.

The Honorable JOHN P. HIGGINS,
House of Representatives.

If the President is correct in saying that these visits are diplomatically correct then why should he (Daniels) call on Calles? He is ostensibly a private individual and holds no official position. Secondly, why should a representative of the United States Government visit an individual who, in the minds of one-fifth of the population of the United States, symbolizes Nero?

Consorting with these Mexican brigands is becoming a habit with Ambassador Daniels for all the newspapers of Mexico City on November 7, 1934, printed in English and Spanish the following item which was furnished them by the American Embassy:

The Ambassador of the United States and Mrs. Josephus Daniels have had as their guests (apparently house guests) at the Embassy, the Governor of Puebla, Gen. Jose Mijares Palancia and Señora V. de Mijares Palancia; Señor R. E. Guzman and Señora Maria Christina C. de Guzman, and Señor R. C. Penacha, all of Puebla. The Ambassador and Mrs. Daniels, with their guests, attended the concert of the symphony orchestra on Monday night at the Palacio de Bellas Artes. (From English page, El Excelsior.)

By a singular and, for the Ambassador, possibly an unfortunate coincidence, on the same day El Nacional, the official newspaper of Calles and his National Revolutionary Party, published (could it have been with deliberate design to indicate to the public the official countenance being given the Ambassador to the Catholic-baiting Governor?) the following on the first page:

General Mijares congratulated for his energetic work. His anti-God campaign (campana defanatizadora; literally campaign against fanaticism) merits the approbation of the National Revolutionary Party.

General Jose Mijares Palancia, constitutional Governor of the State of Puebla, has been congratulated by various members of the executive committee of the National Revolutionary Party for the successful campaign against God (campana defanatizadora), campaign against fanaticism and in favor of Revolutionary indoctrination which he has been carrying on in that State, especially among the workers and the peasantry.

ILLUSORY FREEDOM

1934: October 10. The third article of the Constitution of Mexico declares "instruction is free" and defines that education in public schools be secular.

The amendment to this article 3, adopted in 1934, makes it obligatory that all public schools shall exclude every religious doctrine; that if there be any private schools permitted by the State to function, such private schools must conform to this obligation: that no religious organization or minister of any religion take any part in primary, secondary, or normal schools, nor give such schools any economic support.

1934: October 19. The majority of the Chamber of Deputies, all members of the National Revolutionary Party, sitting as a "bloc", which right they have conferred on themselves, direct the executive board of the National Revolutionary Party to petition President Rodriguez to exile at once from Mexico all Catholic archbishops and bishops. Even before the petition is presented the Federal and State governments exile many. They then proceed to exile more. All the archbishops and bishops are native Mexican citizens. Those exiled never receive any hearing or trial, but are ordered peremptorily to leave their country.

1934: October 20. Senator Ezequiel Padilla, secretary of the National Revolutionary Party, supporting the constitutional amendment to article 3, which provides for the complete laicizing of education, declares:

Religion is something that is in the heart, in the convictions of men. It cannot be destroyed by brute force. It can be destroyed, if at all, only by persuasion.

For this reason the Mexican revolution has made a chief instrument of its policy the diffusion of education which is eminently socialistic. Those who have studied history know too well that openly to fight religion would have gotten us nowhere. In the French Revolution priests were hanged and guillotined in every province. Who would have thought that after this clerical power would still live? Nevertheless, only a few decades were required for Catholicism once more to raise her powerful head in every part of France. Religion is to be combated with the book, by teaching and persuasion.

MEXICAN PROFESSORS AND STUDENTS PROTEST

1934: Protest of faculties and students of colleges and universities throughout Mexico is made against proposed amendment to article 3 of the constitution. The protest declares the amendment destroyed academic freedom.

1934: A detailed account of the sufferings which have been endured by members of the Baptist Church in Mexico will be found in the Baptists Index of the Atlanta issue of November 15, 1934. This publication states that the Baptist missions were closed in Mexico because of the socialist program of education and the law on religion.

1934, November: The private correspondence of Archbishop Ruiz, exiled apostolic delegate to Mexico and now resident in the United States, is opened by the Government of Mexico. Directions which it contained concerning the conduct and attitude of Christians under the present persecution are interpreted by the Mexican Federal Government as seditious. Archbishop Ruiz was formally indicted November 14, 1934.

1934: In an open letter to President Rodriguez, Archbishop Ruiz explains the letters, and then adds:

The bishops, the clergy, and all the Catholics of Mexico know perfectly well that the church does not desire to defend, and should

never desire to defend, their rights by means of a revolution. If Catholics on their own initiative take up arms, they know what they are doing. The word "defense", therefore, as used in my letters, refers to the use of peaceful means.

This is the explanation of everything, made with all the sincerity of my soul, which I beg you and all the people of Mexico to accept. And, although the present circumstances seem unpropitious, I ask with an equal sincerity that you, Mr. President, the people of Mexico, and particularly the Catholics, put aside their hate, refuse to be guided by the evil counsels of passion, and aid in hastening the day of reconciliation and of peace, whereon our mutual rights will be respected and our mutual duties fulfilled.

DIGNIFIED PROTEST OF RELIGIOUS LEADERS

1934, November: Bishops of the United States issue a statement emphasizing and extending their letter of 1926:

We have a duty to speak as Americans attached to the institutions of our country and loving them for the benefits they have conferred upon us all. Present conditions make it necessary that we should no longer guard silence. * * * The full consequences of the persecution of the church and of Catholics in Mexico can scarcely be foreseen at the present time. They cannot but eventually be very grave. * * * It is not without significance that in the present turmoil of the world and distress of nations the basic truths of religion, from which has sprung the stability of nations, are flouted and denied by those who seek absolutism in government. The struggle, therefore, which arises from the persecution of the church in Mexico today is an illustration of a crisis which may have far-reaching consequences.

We would wish on the part of the entire American public, of our great secular press, a fuller knowledge of the actual conditions in Mexico. All would then more fully realize that we are pleading not only the cause of the Catholic Church but the cause of human freedom and of human liberty for all the nations of the world.

1934: November 7. In one day, November 7, 1934, these significant dispatches from Mexico appeared in the New York press:

MEXICO CITY, November 6.—Forty-six government employees have been dismissed and hundreds of others will suffer the same fate for not marching in the recent antireligious parade.

AGUA CALIENTE, MEXICO, November 4.—All teachers in government schools in Agua Caliente resigned today because of disagreement over the socialistic education plan.

TAMPICO, MEXICO, November 4.—A boycott of public schools was threatened here today after police refused to allow members of a parents' association to hold a meeting for a discussion of the Government plan for compulsory socialistic education. Many parents kept their children from the schools and others contemplated a similar step.

MEXICO CITY, November 6.—The Spanish-language newspapers La Prensa of San Antonio and La Opinion of Los Angeles, were barred from Mexico by the Government today.

MEXICO CITY, November 6.—The Governor of the State of Tamaulipas today sent a decree to the legislature ordering the ousting of all Catholic priests and the closing of all churches.

1934: December 30. Headline: "Five Catholics are shot down after Mass."

Five Catholics were shot down by the Mexican Red Shirts in front of a Catholic church.

AMERICANS MURDERED WITH IMPUNITY

1935: January 9. The United States Department of State records acknowledge the murder of William Frank Carpenter, an American citizen, on his private ranch at Valla Union.

The murder of Francis Ahern, of Arlington, Mass., a young law student, in January 1935, is but another example of the lawlessness which prevails in Mexico under the rule of Calles. I talked with the uncle of Daniel Ahern, who accompanied the young man to Mexico, and he stated that he was never able to get a proper investigation of the case from our Department of State.

March 1, 1935 (from Boston Globe, via Associated Press):

MEXICO, D. F., March 9.—The killing of 1 Catholic and wounding of 3 others at Parral, Chihuahua, were reported today.

March 11, 1935, New York Times editorial:

THE ARCHBISHOP ARRESTED

A veil of mystery was for some days thrown around the arrest of the Archbishop Diaz, of Mexico City. At first it was reported that he had been carried off by a band of Communists. Much sympathy was expressed with the victim of such a "red" invasion of the archepiscopal palace. But presently it appeared that he had been detained in confinement by the civil authorities, on the heinous charge that he had conducted a religious service outside of the Federal District. There may be a law describing this as a misdemeanor, or what not, but if so, it is an example of a wholly indefensible attack of the civil power upon the freedom of religion. No act of sedition was charged against the archbishop. The old allegation that he and his church were enemies of the Mexican Republic had not pressed for some time. But on a flimsy pretense that he was endangering public order, he was arrested merely for having complied with the religious duties of his office. The excuses made are puerile. The motives advanced cannot be sincere. The whole proceeding tends to bear out the belief that the men now in control of the Mexican Government are not solely fighting the Catholic Church but have it in their purpose to break down and destroy in one way or another all religious freedom—certainly all religious teaching.

March 20, 1935: The Mormon temples were closed in the State of Chihuahua, Mexico.

March 20, 1935: From United States Department of State (bulletin issued Mar. 20, 1935):

The American Ambassador to Mexico, Mr. Josephus Daniels, reported to the Department today that apparently two Americans have been kidnaped in the mountainous section of Zacatecas.

Mr. Louis F. Vremsak, of Pasadena, Calif., was reported to have been captured on March 12 at Juchipila.

At the Leonora mine in the same vicinity, Mr. Mark Fowler, mining engineer and graduate of the University of California, was taken captive on March 15.

VIOLATION OF AMERICAN RIGHTS IN MEXICO

Our State Department files and the files of the United States Embassy and consular offices in Mexico contain many claims and protests from American citizens for illegal interferences with their property rights and injury to their persons by Mexican Government agents. There is no tribunal before whom our American citizens can have their claims against the Mexican Government arbitrated, except through diplomatic channels with the State Department. The time for filing claims before the United States-Mexican Mixed Claims Commission expired in 1927, and since that date there has been no redress for the confiscation of American-owned property nor for death and injury to American citizens. Yet it cannot be denied that many such incidents have happened since 1927, and the facts appear to bear out the growing frequency of illegal violations of the rights of American citizens in Mexico. The extent of and the disposition of these claims by the State Department is a matter of grave public concern and should be publicly known.

No problem in preparing the case has been more difficult than obtaining genuine legal affidavits of instances wherein the rights of American citizens have been violated. The reason obviously is fear on the part of Americans that the Mexican Government will confiscate their property or imperil their lives. However, I have been fortunate to enlist the aid of the editors of Queen's Work, Rev. Daniel A. Lord and Rev. George A. McDonald, and Rev. Joseph F. Thorning, associate editor of Thought and Washington representative of America, who have given of their efforts and time to amassing the data in the form of affidavits that prove conclusively that rights of American citizens have been abridged. I shall submit a few affidavits for your consideration, that cover in language the substance of all the evidence at hand on this point. There are, according to the secretary to Ambassador Daniels, "piles of petitions"—note particularly the sworn statement made by an American citizen of unimpeachable veracity, Ellen Burns—in the American Embassy in Mexico from American citizens, similar in many respects to these affidavits, that have never been acted upon by Mr. Daniels.

THE AMERICAN PRINCIPLE

It is a well-established principle that the United States demands for its own citizens abroad the enjoyment of privileges of religious freedom.

As recent as 1933, when negotiations were entered into by the United States Government on the matter of recognition of Russia, let me quote an excerpt from President Franklin D. Roosevelt's letter to Russian Foreign Minister Litvinoff, dated November 16, 1933:

As I have told you in our recent conversations, it is my expectation that after the establishment of normal relations between our two countries many Americans will reside temporarily or permanently within the territory of the Union of Soviet Socialist Republics, and I am deeply concerned that they should enjoy in all respects the same freedom of conscience and religious liberty which they enjoy at home.

RELIGIOUS LIBERTY—A CONDITION OF AMERICAN RECOGNITION

Let me recall, if you will, the pledge given the American Government in 1917 when the revolutionary government of that day, under the rebel Carranza, bid for recognition by the United States. Our Government has a very definite agreement with the Mexican Government by which Mexico guarantees "the free exercise of religion in public or in private", to quote the language of United States Senate Document No. 321. That was a pledge from the confidential agent named Arredondo, representing Carranza to the United States Secretary of State Lansing, representing our Government (reference State Department letter, Sept. 17, 1915):

MY DEAR MR. LANSING: Complying with Your Excellency's request asking me what is the attitude of the constitutionalist government in regard to the Catholic Church in Mexico, I have the honor to say that inasmuch as the reestablishment of peace within order and law is the purpose of the government of Mr. Venustiano Carranza, to the end that all the inhabitants of Mexico without exception, whether nationals or foreigners, may equally enjoy the benefits of true justice, and hence take interest in cooperating to the support of the Government, the laws of reform, which guarantee individual freedom of worship according to everyone's conscience, shall be strictly observed. Therefore the constitutionalist government will respect everybody's life, property, and religious beliefs without other limitation than the preservation of public order and the observance of the institutions in accordance with the laws in force and the constitution of the republic.

Hoping that I may have honored Your Excellency's wishes, I avail myself of this opportunity to reiterate to you the assurances of my highest consideration.

E. ARREDONDO.

The American Government made religious freedom a condition precedent upon which it recognized the Carranza government. The incidents that followed recognition of Mexico by the United States Government is a matter of history. The deceit and hypocrisy of the Carranza government in its negotiations with our Government—1915—is best illustrated by reading the provisions of the Constitution of Mexico—1917—that was enacted as the law of the land January 31, 1917, hardly 15 months after that government had given its solemn pledge in favor of religious freedom to the Senate of the United States, which had made inquiry, through Secretary Lansing, on this point prior to formally approving recognition. Secretary William J. Bryan, the immediate predecessor of Secretary Lansing in the Wilson Cabinet, recognized that the treatment of Catholics by the Mexican Government was a subject for informal diplomatic protest by the American Government when he wrote to the Carranza government on March 20, 1915, as follows (reference State Department files):

The President has referred to me your important letters of the 23d of February concerning the present distressing situation in Mexico, with the request that I tell you very definitely what the attitude and acts of the administration have been in the matter of the protection of the rights of conscience and of worship there, a matter in which the administration, I need not say, is deeply interested, as all true Americans must be.

A democracy must be sustained by education, and, above and beyond all, the full flower of democracy lies in religious freedom, the principle which the builders of our own Republic made the crown of the whole structure.

This administration is, of course, the servant of the American people. It seeks to be governed by their convictions and by the principles which have governed their political life. It has felt to be its duty to urge upon the leaders of Mexico, whenever an opportunity offered, the principles and methods of action which must underlie all real democracies as they have supported ours.

The Mexican leaders will certainly know that in order to command the sympathy and moral support of America, Mexico must have, when her reconstruction comes, just land tenure, free schools, and true freedom of conscience and worship.

LEGAL PROOF OF VIOLATIONS OF AMERICAN RIGHTS

The advice of Secretary Bryan was unheeded, the pledge has been broken and the Mexican Government has no right to rely upon the sympathy and moral support of America. Much information and data has been amassed in late months as proof of the fact that men are not granted the religious freedom promised in the Arredondo letter to Secretary Lansing, and that date has been transmitted to the American public, but as proof of the continuance of that policy by the Mexican Government permit me to cite sworn affidavits in my possession taken within the last few days, wherein the rights of religious freedom of American citizens have been destroyed.

FIRST AFFIDAVIT

SAN ANTONIO, TEX., *May 27, 1935.*

To the honorable Representative HIGGINS of Massachusetts:

I am Rev. Joseph B. Carbajal, an American citizen and a Catholic priest at Our Lady of Guadalupe Church, San Antonio, Tex.

When I spoke to a certain Mr. S. T. Healy, an American citizen who has his family and home here in Texas, and whom our Jesuits have known for many years, about a recent visit he had paid last month to Mexico, he told me of his trip in particular to the Catholic Church in Tuzpam, Mexico. He went there to worship God according to the dictates of his conscience, and found the church closed and sealed, and a market place erected at the entrance way. There was no priest to perform any of the usual services for the people. The same forces that closed the church had forced the priests away. Such is the law for all the land. If in some places the law is not enforced and priests are unmolested they are all violating the law, and as such liable to arrest and imprisonment or worse.

I make this affidavit of my own free will and without compulsion from any source to make plain the sad state of affairs in the religious persecutions in Mexico at the present time.

(Signed) Rev. JOSEPH B. CARBAJAL.

STATE OF TEXAS,
County of Bexar.

Sworn to and subscribed before me, this 27th day of May 1935.

RAOUL M. GARBIN,
Notary Public in and for Bexar County, Tex.

SECOND AFFIDAVIT

SAN ANTONIO, TEX., *May 27, 1935.*

To the honorable Representative from Massachusetts:

I, Caroline Underwood, cousin of the late Oscar W. Underwood, former United States Senator from Alabama, and only daughter of the late Jessie Browning Underwood, of Alabama, an American citizen, wish to make out an affidavit of my own free will and without compulsion from any source concerning the present conditions of religious persecutions in Mexico.

In February 1935 I went to the Catholic Church of San Juan in Saltillo, Mexico, and found the church locked. I then went to the side door where a carpenter had a shop, and asked for a priest and the hours of mass. He told me that the priest had been expelled, and there was no kind of religious services. He added that the people had no help in their sickness and had to die without a priest.

My own brother, employed in a mining camp in Zacatecas, along with other Americans, has no chance to tend his own spiritual duties because there is no priest. As far as possible for a layman, he is helping to do the work of the priest in the care for the sick and the dying, the marriage of workers among the Americans as well as among the natives, and the baptism of the children. The priests who had formerly held services were expelled, and no church services were permitted.

(Signed) CAROLINE UNDERWOOD.

STATE OF TEXAS,
County of Bexar.

Sworn to and subscribed before me this 27th day of May 1935.

RAOUL M. GARIEN,
Notary Public in and for Bexar County, Tex.

THIRD AFFIDAVIT

SAN ANTONIO, TEX., *May 27, 1935.*

I, Elvira Girard, an American citizen, daughter of Joseph P. Girard, former member of the Roosevelt Rough Riders, and granddaughter of an American veteran of the Mexican War and later a soldier of the United States after the annexation of Texas and a pensioner of the United States Government, am now living in San Antonio, and of my own free will and without compulsion from any source, freely make this affidavit concerning the present condition of the religious persecution in Mexico.

Last Saturday, May 25, while on a vacation trip through the lower valley of the Rio Grande on the American side, reached Brownville and there crossed the border to see the Catholic cathedral in Matamoras, Mexico, not merely as an idle tourist but to worship God according to the dictates of my conscience on Mexican soil.

I found the church unroofed and in ruins. I could not worship God in that spot because the Mexican law forbids its free citizens as well as strangers to practice religious worship in that land.

We were so molested in this brief visit that we decided it best to return to the good old United States. To give an idea of the poor welcome offered me on this first peep at war-torn and religious-persecuted Mexico, let me add that the guide whom we had asked to show us the way to the cathedral was ordered off and we were told it was against the law. Everyone seemed scared to talk.

(Signed) ELVIRA GIRARD.

To the Honorable Mr. HIGGINS,
Representative from Massachusetts.

The STATE OF TEXAS,
County of Bexar:

Sworn to and subscribed before me this 27th of May 1935.

RAOUL M. GARBIN,
Notary Public in and for Bexar County, Tex.

FOURTH AFFIDAVIT

CITY OF WASHINGTON,
District of Columbia, ss:

Michael Kenny, being duly sworn according to law, doth depose and say that:

I, an American citizen and a properly authorized minister of religion, entered Mexico in September of 1934, and because of the

laws of that country was prohibited from wearing my clerical garb. I could not enter in the character of a minister of religion, or in the insignia of a clergyman. I had to adopt secular dress.

In no State from Chihuahua to the Federal District was I permitted legally to perform any religious service or to engage in Divine worship. Nor could I legally perform any religious services in the Federal District of Mexico. Otherwise, I would have been subject to fine or expulsion, or imprisonment.

[SEAL] MICHAEL KENNY.

Subscribed and sworn to before me this 2d day of May, A. D. 1935.

ALICE B. NORTON, *Notary Public.*

My commission expires November 17, 1937.

AN UNANSWERABLE AFFIDAVIT

Now, let us consider the most startling indictment of our Mexican policy in the nature of a sworn affidavit from Mother Ellen Burns, superior of the Sisters of Mercy at San Antonio, Tex., an American citizen. Their property was confiscated by the Mexican Government, and they, as Americans, sought the advice, counsel, and aid of our Ambassador, Mr. Daniels. He was too busy to see them, and they had to be content to take the matter up with his secretary, who told Mother Ellen Burns:

We (Daniel's office) cannot do anything for you, and Mr. Daniels will not and cannot do anything for you.

He (secretary) also remarked that he "had piles of letters and petitions from Americans living in Mexico making similar requests, and that they (Daniel's office) could do nothing for them."

What an indictment upon the foreign policy of our Government when it will permit the property of Americans to be confiscated. If my listener, because he might be more concerned with more material things, Mr. Speaker, cannot agree with me on the right that Americans have to religious freedom in Mexico, how in the name of God can he justify the apathy of our Government when property of our citizens is being taken from them without a word of protest?

What other reason than to promulgate the truth regarding the abominable conditions in Mexico would a woman who had dedicated her life to God have submitting the following affidavit?—

MAY 25, 1935.

HON. JOHN P. HIGGINS,

House of Representatives, Washington, D. C.

HONORABLE SIR: Permit me, as an American citizen, to submit in brief some of the grievances which I and members of the religious congregation which I represent have had to endure in view of the religious persecution in Mexico, as also an account of authenticated facts which I have received from most reliable sources.

In the month of March I sought an audience with Mr. Daniels, American Ambassador, in the interest of property—a school and residence—which the Mexican Government had just confiscated, and wherein the department of education had established a socialistic school. Arriving at the Embassy, and being accompanied by a Mrs. Aymes, of Mexico City, I asked to be allowed to speak to Mr. Daniels. I was asked the nature of my business and replied, "Property business." I was then told that I could not see Mr. Daniels, as he was just then engaged in very important transactions, but that I could speak to his secretary. My companion and I were forthwith introduced to the secretary, and I pleaded as I would to the Ambassador himself for aid in recovering the American property summarily taken by the Mexican Government. I gave the said gentlemen all details regarding same; answered all his questions, and requested him, as a representative of the United States Government, to kindly interest himself in the matter. His answer was: "We cannot do anything for you, and Mr. Daniels will not and cannot do anything for you." Moreover, the secretary asked me as to whether I wanted more than the natives. I replied that I did not ask for more than they did; that I asked only for justice, and that justice was all they likewise desired. He also remarked that he had piles of letters and petitions from Americans living in Mexico making similar requests, and that they—the American Embassy—could do nothing for them. Finally I had to leave with the conviction that Mr. Daniels, the American Ambassador to Mexico, would not and could not do anything in favor of Americans in Mexico.

Other properties also have been appropriated by the Mexican Government, for instance, a large school in Saltillo which our sisters held for the past 50 years and in which they made vast improvements. In Monterrey our sisters are obliged to pay 300 pesos monthly rental to the Government for the mere privilege of living in their own house, but are not permitted to teach therein. They have been in possession of that property also for nearly 50 years. Similarly, in Torreon and Tampico our schools have been closed by the Government for the same reason—because they were Catholic schools and would not accept a Godless program of education. Thus, many hundreds of poor, helpless, innocent children are deprived of their dearest heritage and are given instead a most un-Christian and demoralizing education. I have heard parents bewail this condition and protest against the persecution raised against the education of their children, but a deaf ear is turned to their pleadings and there is no one to help them. The people of that unhappy country are powerless; they cannot effectively oppose an iniquitous Government which seeks only the destruction of all that is good, and can raise a military force to annihilate any who dare thwart any of their designs.

Imprisonment, torture, and death are meted out to those who bring the comforts of religion to the dying, or who in any other way exercise their sacred ministry. A policeman is always on the watch to ascertain the whereabouts of any priest who is suspected of celebrating mass. Should he be discovered his doom is sealed, and unless a heavy fine is paid for his release, torture in one of the damp prisons in Mexico is most certain. I have known priests who, for the crime of saying mass or of having exercised any of their other priestly duties, flee from house to house in order to escape capture and, possibly, a cruel death. I know of a venerable priest who, recently, was accidentally discovered in one of the subterranean prisons of Mexico City solely because of his ministry.

Property owners in Mexico refuse to rent their houses to sisters because of the certainty that such property would be confiscated by the Government were it used for religious purposes or for housing religious. I spent 2 months in Mexico this year and know that all the foregoing and much that is unsaid is only too true. There is a most insidious persecution of religion in Mexico, and the plight of the good people there is most distressing. They are raising their hands in supplication to the just, friendly, and humane Government of the United States to help them obtain freedom from a tyrannical Government.

Permit me to quote the following incidents related to me by reliable witnesses: A young man distributing Catholic literature in Mexico was imprisoned and, in order to oblige him to declare who it was that gave him the said literature, he was taken to prison, scourged, and his finger nails dislocated. After 12 days of imprisonment he was released by a charitable lady who paid the fine. This happened in the month of September 1934.

A priest in Mexico City was fined 25 pesos for having been found reading his breviary in one of the churches which was not registered by the Government.

A Catholic youth—Francisco Juaristi—was imprisoned for having refused to give information which the Government desired. His imprisonment was kept secret and denied by the Government, but a friend of the family, who was connected with the Government, obtained his release. On the day following his release, the said Francisco was again apprehended, ill treated and placed in a subterranean cell in which the water reached his knees. He was released on the payment of 700 pesos. His parents paid the fine. From the torture he underwent he contracted a serious illness. This young man is living with his parents in Mexico City and, if so desired, can furnish all details regarding this matter, and of his experiences before and during his imprisonment. The discovery of Father Saavedra—already alluded to—in that horrible prison, is due to Francisco Juaresti.

A few months ago it happened that two young girls who were teaching Christian doctrine to a group of children in one of the churches of Mexico were imprisoned an entire week. Another well-known instance of the cruelty exercised by the religious persecution in Mexico occurred in a school in Veracrux: One of the girl pupils killed another child who had that day gone to the school for the first time. The new pupil refused to step on a crucifix placed at the entrance to the school for that purpose. The pupils were required to commit that act of desecration daily on entering the school.

The normal school in Mexico city refused examinations to a number of students because they were Catholics.

Many persons employed by the Government were deprived of their employments because they did not take part in the public parade organized by the Government in November 1934 in favor of socialism.

A public parade made by Catholics in protest of socialistic education was prevented by officials of the Government, who dispersed the people by means of tear gas, water, and pistol shots, all of which resulted in blinding several persons and in wounding and killing many others.

In March of this year the Mexican Government enacted a law forbidding any public manifestation on the part of Catholics. Catholic publications through mail were also prohibited.

In the State of Chihuahua, where no priest is recognized or no church is open, a deacon was called to administer the sacrament of baptism. On his return home he was accosted by a policeman, who asked him if he were a priest. On being told "no", the official made the offending deacon the assuring promise that should he baptize again he would not be sent to the "Islas Marias", not be expatriated, but that he would be shot. This incident took place in the city of Chihuahua. In obedience to the laws, no Mass can be celebrated in Chihuahua. I know this through personal experience.

Various other incidents could be cited in regard to the unabated religious persecution in Mexico. These few instances can furnish but a feeble idea of what the people in Mexico are suffering through the relentless and cruel persecution of religion, of education, and of spoliation of property.

I thank you, honorable sir, for your patience and kindness in reading this letter, and I trust that, from the many accounts which, probably, you receive of poor, helpless Mexico, you will be enabled to know the truth and to assist efficaciously to break the chains that hold it in bondage.

Yours very respectfully,

ELLEN BURNS.

Before me personally appeared Ellen Burns, known to me to be the person making this affidavit, who declares that it is a voluntary statement and that the facts contained therein are true, this 25th day of May, 1935.

HUBERT C. HENDERSON,
Notary Public in and for Bexar County.

SIXTH AFFIDAVIT

Hon. JOHN P. HIGGINS,
Congressman from Massachusetts,
Washington, D. C.:

AFFIDAVIT

I, Winifred A. Meehan, a citizen of these United States of America, hereby testify, in presence of a notary public, that I have come in contact with victims of religious persecution by the present irresponsible Government of Mexico.

While stationed as a teacher in Brownsville, Tex., during the school session 1933–34, I met there Mother Mary, of the Sacred Heart Horde, an American, who, for upwards of 30 years had been a member of the community of the Incarnate Word at Gomez, Palacio, Mexico. She was now the superioress of that community. She was accompanied by her assistant superioress, Sister Mary Xavier, a Mexican.

Both arrived in Brownsville toward the close of the year 1933, suffering from shock. Their convent had been visited by officials of the Mexican Government. Everything in their chapel was examined by these officials in a spirit of mocking and derision. Then the chapel was ordered closed, and these officials put the seal of the Government of Mexico on all doors and windows. Their school was also closed, and the Sisters had to seek refuge in private homes.

After all this had been accomplished and the Mexican officials had withdrawn—except for the guard placed by them to watch the sealed institution—a secret messenger was sent by the said officials to Mother Mary, of the Sacred Horde, to demand a few thousand dollars, promising that if she gave it all would be well with her and her community. As the Mother Superior did not, in the first place, have the amount of money demanded, and, in the second place, found this injustice too repugnant, she refused to comply with the demand. Instead, she reported the officials to a Durango court. When a day or so later she learned that she would have to face the said corrupt officials in court and prove that they asked her for money, she feared to become the victim of yet more intolerable injustice; consequently, she left Mexico secretly, and a few days later arrived in Brownsville, where I interviewed her and companion Sister.

(Signed) WINIFRED A. MEEHAN.

STATE OF TEXAS,
County of Bexar:

Before me the undersigned authority on this day personally appeared Winifred A. Meehan, known to me to be the person whose name is subscribed to the foregoing instrument and upon her oath deposes and says that the facts stated therein are true and correct.

Witness my hand and seal of office this the 31st day of May, A. D. 1935.

LARRAYN MILLER,
Notary in and for Bexar County, Tex.

From the gravity and nature of this grave indictment, submitted in sworn statements by American citizens of unquestioned integrity, it is clear that the American public is entitled to have a "full dress" investigation of the policy of the State Department in dealing with the complaints and grievances of American citizens against the Republic of Mexico.

SEVENTH AFFADAVIT

SAN ANTONIO, TEX., *May 29, 1935.*

To the honorable UNITED STATES REPRESENTATIVE FROM MASSACHSETTS, J. P. HIGGINS:

I, Rev. Joseph B. Carbajal, of our Lady of Guadalupe Catholic Church, at 1321 El Paso Street, San Antonio, Tex., make this affidavit of my own free choice and without compulsion from any source concerning the religious persecution in Mexico.

Among the priests who were forced to leave Mexico, the Jesuit priests from Chihuahua sought refuge in El Paso, Tex. In consequence, the American Catholic colony in Chihuahua were deprived by the persecuting Mexican Government of the services of religion and the exercise of their inalienable rights to worship God according to the dictates of their own conscience. These priests were forced to suspend all religious activities in Chihuahua last August.

While the Mexican Jesuits were still in El Paso they learned the following from a certain Mr. Ryan, an American citizen and head of a mining company in Chihuahua, who was known to the Jesuits, as he had attended the Jesuit church in Chihuahua regularly until the priests were forced to leave.

This Mr. Ryan gave assistance to a needy person, and in consequence was reported as an enemy of the Mexican Government. He had helped a beggar who was a priest but was not recognized as such by the Government and was legally disqualified from the performance of any religious acts. Mr. Ryan was subjected to considerable difficulties and injuries and finally had to return to the United States, where he told this almost incredible story to the Jesuits whom he had known in Chihuahua, who had known him at home and in exile. Mr. Ryan had learned to his sorrow that the Mexican law forbids an American to give a penny or a bite of food to a hungry man, or a rag to cover him, in case the destitute person had been at some time a minister of religion.

Rev. Benjamin Silva, S. J., already sent this affidavit in to Washington. He was one of the Chihuahua Jesuits last August.

(Signed) Rev. J. B. CARBAJAL.

ACKNOWLEDGMENT

Before me, the undersigned authority, personally appeared Rev. J. B. Carbajal, S. J., known to me to be the person making this affidavit, who declares that it is his own voluntary statement and that facts therein are true, according to the best of his knowledge, this the 30th day of May 1935.

(Signed) HERBERT C. HENDERSON,
Notary Public in and for Bexar County.

My commission expires May 31, 1935.

In order to illustrate these injuries and damages suffered by American citizens have gone unredressed for many, many years, permit me to submit the following sworn affidavit:

To the Honorable JOHN P. HIGGINS,
Congressman from Massachusetts, Washington, D. C.:

STATE OF TEXAS,
County of Bexar, ss:

On this day personally appeared Elizabeth F. Murphy, who by me being duly sworn on oath deposes and says: My name is Elizabeth F. Murphy (Sister Mary Agnes), an American citizen, and I established a religious community of teaching Sisters in Puebla, Mexico, in 1896. In 1905 I established a branch of this community at Atlisco, in the State of Puebla.

On the morning of September 20, 1914, I received an order from Col. Manuel Bonilla, of the Carranza army, to hand over to him our house and grounds by noon of that same day, to be used as a barracks.

As superior of the little community I refused to give over the house. I placed a small American flag on the front door and stated that as an American citizen the Mexican Government had no right to claim my property.

The Mexican officials laughted at the idea, and said, "That will do you no good. We will take it anyway."

About 4 o'clock Col. Manuel Bonilla came to our convent with about 20 armed soldiers and commanded me to give up the house. I again refused, saying that I would never give up our home unless they took it by force. They said I would have to do it or the general would come and make me give in.

Instead of the general another colonel came, and when he saw that we had previously removed some of the furniture from the house, he asked me if we had dared to take anything out of our house without the permission of the Government. I answered, "Yes; as they were my things, I thought I had a right to do with them what I pleased." He said, "You should not have done so. You are stealing from the Government. Everything belongs to the Government."

We were forced to leave our home. But before letting us go the officers demanded the written order that had been sent to us in the morning, as they did not want any documentary evidence of this confiscation to leave the country.

The next day these officials invited the public to enter our convent home and take whatever they wished, because everything belonged to the people.

With my companion Sisters I sought refuge in Texas. We are still here eking out a living. No restitution has been made by the Mexican Government.

ELIZABETH F. MURPHY.
(Sister Mary Agnes).

Subscribed and sworn to this the 1st day of June, A. D. 1935.

RALPH NORTHWAY,
Notary Public in and for Bexar County, Tex.

ALL RELIGIONS ATTACKED

To those who doubt the genuineness of my statement that the Mexican Government is suppressing religious liberty, let me quote excerpts from the special article written by Charles S. MacFarland, general secretary, emeritus of the Federal Council of the Churches of Christ in America, in the current issue—June 1, 1935—of that splendid weekly, the Literary Digest. This distinguished Protestant leader, who completed two decades in the council's service, the holder of four honorary degrees and four foreign decorations, says that the persecution in Mexico is anti-God. After an extensive investigation of conditions in Mexico, he has, within the past 2 weeks, published his new book entitled "Chaos in Mexico." The article written for the Literary Digest may be taken as a fair indication of the contents of his book. The following is the language of Dr. MacFarland:

After 6 weeks of observation and study in Mexico, I do not hesitate to give categorical answers to the three debated questions.

The state is suppressing religious liberty when it closes the worshiper's church, when it deprives him of his priest, when it shuts out religion from his home, both as teaching and as ministration. It suppresses religious liberty to the church as an institution, not only by these same restraints but by its destruction of the church's identity and by the demolition of its organization.

Is the state injuring, harrowing, or oppressing the church? Is not that question answered sufficiently when I pass the beautiful cathedral and find flaming posters of the state plastered on its walls attacking it in violent terms as an institution, or when I go into a church and find it filled with cartoons, some of them vile caricatures of religion itself?

Is it not answered when the Government goes into the office of the cathedral, makes trash heaps of altars and crucifixes, and pastes seals on paintings of madonnas, and, in the church offices, on typewriters, certifying that they are the property of the Government? Is it not answered when the "red shirts", even though not authorized, are permitted to invade church property in riotous manner? It is idle to discuss this question.

The Government makes its own definition of political interference. It rules out any right of the church or priest to criticize the Government or any law, or to advocate any law. The policies of the Government are amateurish, almost childish. They are very frequently carried out with a playful sarcasm or a hilarious insolence, which are entirely gratuitous.

Perhaps it is appropriate that the constitution of 1917, which is in force, not only deletes from the previous constitution the phrase "in the name of God" but also that which followed it in the earlier document, "by the authority of the Mexican people", for the present attitude toward the church is contrary to the will of a majority, probably of at least three-fourths, of the Mexican people.

Christo Rey, a newspaper which imitates the style of Russian journals, carries alongside its front-page title a caricature of Jesus. When I told Señor Portes Gil that the Government was charged with being responsible for its publication, he answered that the allegation was absolutely false. I have no doubt that he thought he was telling the truth, for there is a good deal of duplicity inside state circles.

The right hand of the Government often does not know what the left hand is doing. As a matter of fact, however, I found that the street address named in the headline of the papers was but a sub or pseudo office and that the paper was printed in and issued from the official printing office of the department of agriculture. From that same office are issued hideous cartoons, and on its walls are posters declaring that the oppressed state of the people is due to belief in God.

In a recent issue of Christo Rey the crucifixion is represented with a donkey as the central figure. This picture has been distributed in schools. More significant are the murals in the National Preparatory School, painted by Jose Clemente Orozco and his pupils. One reveals the figure of Christ, swollen and bloated almost to the bursting point, a tiny crown of thorns resting upon a luxurious growth of hair. It would be impossible to imagine a more repulsive figure, and the leer in the protruding eyes is not likely to be forgotten.

He holds a phrygian cap of liberty in his left hand; an emaciated worker stands shuddering by his side, and Christ is drawing his attention to that object, in evident connivance with a capitalist who is preparing to plunge a dagger into the worker's back.

Another mural reveals a wicked old man, representing God the Father. The angry, cross-eyed figure is quite as impressive and repellant as that of Christ. He is holding an orb, while a group of sheepish bourgeois worships at his feet.

Rites and practices of a revolutionary character in place of the ordinary Christian acts of belief, such as baptisms, christenings, weddings, and the like, are reported from different parts of the country. The former Governor of the State of Vera Cruz, Adelberto Tejeda, has openly encouraged some of these ceremonies; in fact, he even acted as padrino in several revolutionary baptisms.

The clear trend of the Mexican State is atheistic. The Roman Catholic Church in Mexico has done very much more for the people of Mexico than the State will allow. * * *

PROTESTANT PRESS PROTESTS

To appreciate the extent of this godless system of education and the persecution that men of all creeds are subjected to, permit me to quote from the Christian Index, of Atlanta, the organ and property of the Baptist congregations in Georgia, in its issue dated November 15, 1934:

The Government of Mexico has put on an extensive socialistic program of education throughout the Republic. They have placed a ban on the teaching of all religions. The Bible is excluded from all schools and they have now closed our Baptist theological seminary at Saltillo. All church properties being federalized, they have passed into the hands of the Government. Some of our Baptist churches have already been taken over as offices for school superintendents, mayors, or other public officials, and the Mexican flag is now flying from the steeples of Baptist churches * * *.

The Mexican Government is determined to exclude Catholicism in all of its phases from the Republic, and in doing so, of course, they are excluding all Baptists, Presbyterians, and Methodists alike * * *.

The Protestant Review, an organ that was previously a staunch defender of the rule of Calles and successors, now says that Christianity is—

Shackled in the dungeon of governmental tyranny.

PERSECUTION OF THE JEWS

S. L. A. Marshall, impartial observer for the New York Times, issue of March 20, 1934, writes that when he was inspecting some projects with an official of the Mexican Government near the National Palace the official said:

In 2 years all this will be changed. These shops are now run by Jews. We are widening the streets and rebuilding the stores. When they are open again there will be no Jews.

Permit me to reprint a special news item to the New York Times (June 1, 1935) as further evidence that the war by the Mexican Government is against all religions:

MEXICO, D. F., June 1.—The Golden Shirts, a nationalistic organization headed by Nicholas Rodriguez, has announced that it will energetically seek all means to combat Jewish activities in Mexico.

The organization will present a petition, containing more than 200,000 signatures, to President Cardenas when he returns from his native State of Mihoacan. The petition requests that various steps be taken against Jews.

It asks that citizenship be withdrawn from them, that all Jews residents in Mexico be forbidden to participate in politics, and that factories owned by Jews be turned over to Mexican laborers.

The Golden Shirts were denounced by President Cardenas and the National Revolutionary Party several months ago. At that time the Golden Shirts turned to fighting Communists.

The movement against the Jewish race has taken such proportions that it prompted the following editorial in one of the leading newspapers of the country, the Boston Post, Monday, June 3, 1935:

MORE BIGOTRY

There have been brown shirts and black-shirted organizations in the past few years, most of them bent on mischief, and now from Mexico comes word of the Golden Shirts. This organization, priding itself on being intensely nationalistic, has announced a drive on Jews similar to that conducted by the Brown Shirts in Germany. It demands that citizenship be withdrawn from Jews, that all Jewish residents in Mexico be forbidden to participate in politics, and that factories owned by Jews be turned over to Mexican laborers. To blame the evils in Mexico on the Jews is simply extending what has become a popular pastime in countries where a spectacular issue is sought by avaricious politicians.

MEXICAN CONSULS INTERFERE IN THE UNITED STATES

According to evidence in the hands of the House Special Committee for the Investigation of un-American Activity, two Mexican consuls, Hermalao E. Torres, of San Bernardino, Calif., and Alejandro V. Martinez, of Los Angeles, Calif., made earnest efforts to interfere with the religious rights of numerous American citizens living in Los Angeles and San Bernardino. In December 1934 these two Mexican consuls inserted advertisements in the local papers with a view to intimidating American citizens from taking part in a religious procession, prior to the Feast of Our Lady of Guadalupe, December 12, 1934. They also spoke over the radio threatening people of the United States in the vicinity with dire penalties in the event that they should exercise their religious rights in the United States. At the same time they endeavored by every means possible to induce the mayor of the city of San Bernardino, as well as the chief of police, to revoke permits issued for the public procession.

When my friend and colleague from Massachusetts, Congressman JOHN W. MCCORMACK wired the mayor of San Bernardino questioning him about the authenticity of these reports, the mayor replied that they were true.

These two Mexican consuls are still holding consular offices within the United States—one at Denver, Colo., and the other at Tucson, Ariz.

As far as the public is concerned, no sign of reprimand has been given to either of the two Mexican consuls guilty of this offense against the religious rights of American citizens. The State Department, although ignoring the petitions of millions of American citizens, is apparently afraid to offend the tender susceptibilities of the millionaire socialists of Mexico.

MEXICAN AMBASSADOR

In the issue of the Washington Post, dated February 22, 1935, the Mexican Ambassador, Senor Francisco Castillo Nájera, discussing the church problem in his country, said:

There is a great deal of agitation going on, but the agitation is outside of Mexico. Mexico is quiet, indifferent.

With a complete record of the State Department of Mexico at hand to support me in my belief that Ambassador Nájera had been the Mexican envoy in European capitals,

continuously since 1922, and that he had not returned to Mexico for the past 7 years, I directed a letter to his attention, dated February 22, 1935, excerpts from which I quote:

If, as you, Mr. Ambassador, claim, "Mexico is quiet, indifferent", why is the Government press daily full of vicious attacks and slanders on the Christian clergy and laity? Why was it necessary for the Government to organize anti-God demonstrations and try to compel attendance of federal employees under penalty of dismissal? Why, within a few weeks, were numerous internes in many hospitals in Mexico discharged for this refusal, and thus restrained from continuing the training required for their profession? Why did nurses in Government-owned hospitals suffer the same fate? Is the Ambassador from Mexico unaware that all the national press services in the United States carried this news and that it has never been officially denied?

As one would expect, his reply was that he did not care to enter a controversy with any official of the United States Government for he did not consider that a part of his ambassadorial duties. He did, however, consider it a function of his office to give interview to the press on this subject a day or two previous in an attempt to confuse the American public on this subject, yet when his statements were disproved he immediately put on the cloak of ambassadorial privilege.

SECRETARY HULL'S REPLY TO HIGGINS' LETTER

Weeks before Congress convened I called to the attention of the President of the United States, by letter dated December 19, 1934, to the outrages being perpetrated in Mexico, and to instances wherein the human rights of both American and Mexican citizens were being violated. The letter was forwarded by the President to the attention of the Department of State, and I received from Secretary of State Cordell Hull a reply, which has been widely published. In this reply he sets forth the policy of the present administration—that it does not intend to use our good offices to prevent further persecutions and outrages in Mexico. I present for your consideration and analysis the reply of Cordell Hull:

DEPARTMENT OF STATE,
Washington, December 28, 1934.

MY DEAR MR. HIGGINS: The President has referred to me for consideration your letter of December 19, 1934, in which you advocate the withdrawal by this Government of recognition of the Government of Mexico pending an investigation of conditions in that country to determine whether such recognition may properly be accorded.

Notwithstanding the well-settled policies and views respecting religious worship and practices that obtain in this country, I know you understand that other nations are recognized as being entitled to regulate for themselves their internal religious conditions in such manner as they may deem proper and that, accordingly, it is not within the province of this Government to intervene in the situation in Mexico to which you refer. The procedure you suggest would be tantamount to an effort to determine the course to be taken by another nation and would almost certainly provoke such resentment as to defeat the purpose which you wish to achieve.

Sincerely yours,

CORDELL HULL.

The Honorable JOHN P. HIGGINS,
House of Representatives.

Incidentally, this is an interesting document to analyze. I call your specific attention to the following part of that reply:

Notwithstanding the well-settled policies and views respecting religious worship and practices that obtain in this country, I know you understand that other nations are recognized as being entitled to regulate for themselves their internal religious conditions in such manner as they may deem proper and that, accordingly, it is not within the province of this Government to intervene * * *.

Keep in mind the fact, Mr. Chairman, that no man interested in this cause wants war, nor does he want armed intervention. What we seek is high-minded statesmanship of the character employed by at least eight Presidents of the United States from the time of Van Buren—1841—to Coolidge in 1928, when they used their good offices to intercede in behalf of oppressed and outraged peoples of other nations. Must I review, Mr. Speaker, this chain of precedents for the benefit of Secretary Hull who in his letter, quoted above, said?—

* * * other nations are recognized as being entitled to regulate for themselves their internal religious conditions in such manner as they may deem proper and that, accordingly, it is not within the province of this Government to intervene * * *.

STATE DEPARTMENT RECORDS CONTRADICT MR. HULL

We, as American citizens, are not asking Mr. Hull to do one whit more than that which was freely undertaken by his predecessors under similar circumstances in the past. The records of his own Department will reveal the numerous occasions where the executive branch of our Government has interposed its good offices. When Mr. Hull speaks of intervention or interference, he is dodging the issue. What is worse, he is confusing the issue. No one wants intervention, but every fair-minded American citizen wants statesmanship, and if he is cognizant of the history of the State Department, he knows that to interpose good offices is not to intervene.

Diplomatic representation, of course, should be dignified and courteous. This is an acknowledged method of peaceful procedure. It is an act of sincere, genuine friendship. Both the French and British Governments have acted diplmatically. Why are the diplomatic resources of Mr. Hull so pitifully inadequate?

We plead with our Government to interpose its good offices—not intervene—on behalf of these people who have been deprived of every national right. Our request is sanctioned by the law of nations and based on records, precedents, and messages available to all in the United States Department of State.

PRECEDENTS

First. Secretary of State John Forsyth (1840), when the Jews were being persecuted in Damascus, wrote to our minister in Constantinople as follows:

Interpose your good offices in behalf of the oppressed and persecuted race of Jews in the Ottoman dominions, among whose kindred are found some of the most worthy and patriotic of our own citizens.

Second. Secretary of State Lewis Cass (July 29, 1857), in his instructions to Mr. Chandler, Minister to the Two Sicilies, that the joining by an American consul in a Mohammedan country with the consuls of other nations in a protest against the conviction and execution of a Jew for blasphemy—

Meets with the approval of the Government of the United States.

Third. Secretary of State Evarts (July 2, 1878) transmitted the following to Mr. Felix A. Mathews, United States consul at Tangier:

I transmit herewith a copy of a letter dated the 15th ultimo, addressed to this Department by Mr. Meyer S. Isaacs, president, and S. Wolf, vice president of the board of delegates of American Israelites, New York, requesting that you be instructed to inquire into the condition of the Jews in that empire, and to consult for the amelioration of their status. I also enclose a copy of the reply thereto of the Department, by which you will perceive that Mr. Isaacs has been informed that, in view of the fact that the informal friendly offices of the United States have, on similar occasions, been exercised with good results, through their representatives abroad, you would be authorized to act in the sense of his request. You are consequently requested to take such steps toward the accomplishment of the end desired as may be consistent with your international obligations and the efficiency of your official relations with the Government of Morocco.

Fourth. Secretary of State Hamilton Fish, December 8, 1876, concerning the question of religious liberty in Spain, wrote the American consul and said:

Upon the 23d of November, Sir Edward Thornton called upon me and stated that he was instructed by Lord Derby to read to me, and, if I desired it, to leave with me a copy of an instruction bearing date October 28, which had been addressed to Mr. Layard, Her (British) Majesty's Minister at Madrid, touching religious toleration in Spain, and that Lord Derby expressed the hope that the Government of the United States might instruct its representative at Madrid to make representations in a similar sense to the Government of the King. I transmit, herewith, a copy of this instruction, which was given me by Sir Edward Thornton. * * *

You are instructed to act in concert with Mr. Layard, Her Majesty's Minister, in the sense in which he is instructed by Lord Derby, and to take occasion to speak in a similar sense to the Minister of State, impressing upon him the deep interest which the question of religious liberty in Spain excites in the United States.

Fifth. Secretary of State James G. Blaine, February 18, 1891, interceding in behalf of the Jews in Russia, sent the

following message to Mr. Smith, American Minister to Russia:

The Government of the United States does not assume to dictate the internal policy of other nations or to make suggestions as to what their municipal laws should be or as to the manner in which they should be administered. Nevertheless, the mutual duties of nations require that each should use its power with due regard for the results which its exercise produces on the rest of the world. It is in this respect that the condition of the Jews in Russia is now brought to the attention of the United States, upon whose shores are cast daily evidences of the suffering and destitution wrought by the enforcement of the edicts against this unhappy people. I am persuaded that His Imperial Majesty the Emperor of Russia and his councillors can feel no sympathy with measures which are forced upon other nations by such deplorable consequences.

Sixth. Secretary of State John Hay—April 19, 1903—regarding an anti-Semitic outbreak that occurred in Kishineff, Russia, causing the death of 47 Jews and injuries to several hundreds of other people of the Jewish race, sent the following message to the American Minister in Russia to ask for an audience and to send him—Russian Minister—the following communication:

EXCELLENCY: The Secretary of State instructs me to inform you that the President has received from a large number of prominent citizens of the United States of all religious affiliations, and occupying the highest positions in both public and private life, a respectful petition addressed to His Majesty the Emperor relating to the condition of the Jews in Russia and running as follows.

Attached to the official letter was the original of a resolution on the matter that had been adopted at a meeting of protest in New York City of which ex-President Cleveland, Mayor Seth Low, and Jacob D. Schurman, president of Cornell University, were the speakers. The resolution is quoted at this point:

Resolved, That the people of the United States should exercise such influence with the Government of Russia as the ancient and unbroken friendship between the two nations may justify to stay the spirit of persecution, to redress the injuries inflicted upon the Jews of Kishineff, and to prevent the recurrence of outbreaks such as have amazed the civilized world.

Seventh. Secretary of State Hamilton Fish—April 18, 1870—our Government interposed its good offices through the American consul in Japan against the contemplated deportation of 700 Japanese Christians—not American citizens—"to parts unknown." The date of that lengthy letter of protest was January 2, 1870, and it can be found in the files of the State Department. Note what Secretary Fish said to the American consul in Japan after the protest had prevented their deportations:

On April 18, 1870, Mr. Hamilton Fish, Secretary of State of the United States, addressed a letter to Mr. DeLong, the American Minister to Japan, saying, in part, that "the individual and cooperative efforts you have made to prevent persecution of this people are cordially approved by the Department."

Why does Mr. Cordell Hull refuse to study the statesmanlike diplomacy of his illustrious predecessors? Is he less enlightened or less courageous than John Forsyth, Lewis Cass, William Evarts, Hamilton Fish, James G. Blaine, and John Hay?

LEGISLATIVE

It is a matter of public record that the legislative branch of the Government (Congress) has on several occasions passed resolutions directed to the attention of foreign governments in behalf of outraged and oppressed citizens of other countries. Citations:

1. Senate Resolve No. 241—July 29, 1916, asking for clemency in the treatment of Irish political prisoners.
2. Senate Resolve No. 48—May 29, 1919, expression of its sympathy for the aspirations of the Irish people for a government of their own choice.
3. Senate Resolve No. 259—December 12, 1919—requesting the State Department to furnish Senate with information as to the existence and execution of pogroms against the Jewish race in Ukrainia.
4. Senate Resolve No. 106—August 8, 1919—calling for investigation of outrages upon citizens of the United States in Mexico.

GOOD-NEIGHBOR POLICY

We are told that America cannot intercede and that what takes place in Mexico is of no concern to Americans. We continue to hear much concerning the policy of "the good neighbor" in relation to our affairs with Mexico and we should cease our efforts to influence the foreign policy of our Government. With precedent to support my contentions, the policy of "the good neighbor" offers an ideal avenue for intercession by the United States in behalf of men of all creeds, in Mexico, that they may be released from the satanic code under which they find themselves. The "good neighbor" policy is sound and applicable to the situation existing in Mexico, but a challenge of greater magnitude is at hand; that challenge subordinates the "good neighbor" policy to the duty of our Government to protect the property of its citizens, which in this case is being confiscated by the Mexican Government. Our "good neighbor" policy for almost 100 years (1841) has on numerous occasions been extended to protect persons, even not Americans, from religious persecution. These intercessions have been done in accord with the principle of "the good neighbor."

To the everlasting credit of the noble Jewish race in America it can be said that because of their forcefulness and organization they have on numerous occasions received from our Government the exercise of its mighty influence in behalf of their persecuted brethren in foreign lands.

EIGHT UNITED STATES SENATORS SPEAK ON RELIGIOUS PERSECUTION IN GERMANY

Since this was a just and proper exercise of the resources of both diplomacy and statesmanship, I am in hearty accord with every movement that aims to enlist the influence of our Government in a humane cause, and I am at a loss to understand why this principle cannot be consistently applied now. It was fitting and proper for the representatives of our Government in the Senate of the United States 2 years ago to express their disapproval of the policy of Hitler toward Jewish men and women in Germany. With your permission, Mr. Speaker, I shall submit excerpts from the speeches—reference, CONGRESSIONAL RECORD, June 10, 1933, pages 5538–5540, 5589–5598—of various Senators on that occasion. It should be noticed that this senatorial protest was led and inspired by the leader of the Democratic majority, Senator ROBINSON, of Arkansas:

Making due allowance for the exaggeration and misrepresentation which inevitably color reports of cruel incidents, there appears conclusive evidence that the Nazi administration has startled and shocked mankind by the severe policies enforced against Jews—even those of only part blood.

The evidence to which reference is made is found (1) in addresses delivered by German officials, including Chancelor Hitler and his Minister of Propaganda, Dr. Goebbels; (2) in the editorial policies of many newspapers; (3) in the remarks of speakers to mass meetings of German citizens; (4) in Nazi songs; and (5) in the legislative and administrative political program.

Senator METCALF, of Rhode Island:

There is no nation on earth which can afford to lose the faith and respect of other nations. Granted that peace and progress are dependent upon tolerance and understanding among peoples of the world, we as a nation can only declare the existence of racial and religious prejudice to be untenable with the international ideal. Aggressive action based upon religious or racial prejudice on the part of any government must necessarily become a matter of world concern.

A violation of the doctrine of religious freedom in any part of the world is a blow at the ideal that all Americans have sought to perpetuate.

As a consequence of these things the United States should view with grave concern the racial persecution apparent in Germany and should raise its voice in protest. Only with universal tolerance and understanding among all people of the world can civilization hope to establish and perpetuate a universal community of peace and good will.

Senator COPELAND, of New York:

I am glad the Senator from Arkansas [Mr. ROBINSON] has seen fit to enlighten us as he has, and to make the statement that he did. I know that what he has said this morning will put hope and joy into many, many hearts in the State of New York and throughout our country.

It was because of my earnestness in this particular matter that I desired in connection with the statements which have been made by the Senator from Arkansas and the Senator from Rhode Island, to say just this word in tribute to the Jewish population of our country.

Senator WALSH, of Massachusetts:

The Senator from Arkansas [Mr. ROBINSON] has interpreted concisely and eloquently my own sentiments, and, I believe, the

sentiments of all Senators, in his plea for the liberation from persecution of the Jewish people in Germany.

Let it be known far and wide that the Jewish people who are the victims of the present wave of intolerance in Germany have the unmistakable support and sympathy of all Americans. The men and women of Jewish faith in America, have, with commendable unanimity, been deeply stirred by the startling reports that have come to them from their brethren across the Atlantic, and their plea for freedom is supported by every class and group of our citizens.

There is no need of reiterating the facts that the Senator from Arkansas and others have expressed. The record is one of cruelty, shocking to all lovers of racial and religious freedom. Let us hope that the sentiments of sympathy and support, so unanimously entertained here in the Senate and throughout America, and the promulgation of these views through diplomatic channels, will result in the awakening of the present German Government to the necessity and importance of restoring equality of opportunity and political freedom to the Jews of Germany.

Senator Hatfield, of West Virginia:

I desire to join the distinguished Senator from Arkansas, the distinguished Senator from Rhode Island, and the distinguished Senator from Massachusetts in paying a tribute to the Jewish people. The Jew has always been a patriot to the land that gave him birth.

Senator TYDINGS, of Maryland:

Mr. President, for just a moment I would like to say that the speech made by the Democratic leader today concerning the treatment of the Jews in Germany was a splendid presentation in a very tolerant and proper way. I heartily endorse every word that he said.

I recall that when Thomas Jefferson, the founder of the Democratic Party, died he requested that there be three things placed upon his tombstone:

"That he was the author of the Declaration of Independence; that he was the father of the statute for religious freedom in the State of Virginia; that he was the founder of the University of Virginia."

He had been President of the United States, Vice President of the United States, and Ambassador to France; but he wrote his record in things that would promote human progress.

As a Democrat, an American citizen, and a Senator from Maryland, I, too, want to join in respectful protest against the treatment of the Jews, and utter a word of sympathy for the Jews at this time when they are victims of intolerance.

I want to thank the Senator from North Carolina for giving me this brief moment to endorse most heartily the splendid sentiments expressed by the Senator from Arkansas.

Senator LEWIS, of Illinois:

Mr. President, I rose merely that I might join with the sentiment of the Senator from Maryland in giving endorsement to the classic utterance and eloquent oration of the Senator from Arkansas upon the subject of the individual liberty of the man.

It will please all of us to hear and to know that the administration has received assurance that whatever has been transpiring from any quarter that worked an injustice or oppression to the Jewish people has ceased by the orders of those in charge and control of government in Germany, and that there will be a continuance and complete supervision and observance in every form that hereafter, whatever one friendly nation might say to another friendly nation, everything will be done to insure security of life, the protection of property, and religious freedom of the Jewish citizens resident in Germany or anywhere else where the United States may have an appropriate voice to enforce it.

Senator WAGNER, of New York:

Mr. President, the majority leader of the Senate has again given evidence of his splendid judgment in raising today on the floor of the Senate the question of religious intolerance and discrimination against the Jewish people in Germany. True enough, these are the closing hours of an emergency session of Congress, but I am in full accord with the Senator from Arkansas in his judgment that the establishment of tolerance and religious liberty is a matter of the utmost emergency and deserves thorough consideration by this body before it adjourns.

The emergence of this destructive spirit is of concern not only to the Jewish people; it is a menace not only to the German people, but it threatens to blot out every hope of mankind, for the disrupting force of prejudice spreads on the wings of the wind and blights every spot of ground over which it sweeps. If not checked at an early stage, its consequences are too horrible for contemplation.

Shall we again reap the hellish harvest of human hate? Is the shameful record of man's folly to be lengthened? I cannot believe that the liberty-loving, peace-loving people of the world will tolerate it.

I appeal to the people of America and to the conscience of mankind. I do not ask anyone to meet force with force, or to meet hatred and prejudice with more hatred and more prejudice. At the same time, we must leave no doubt of our utter disapproval of the policy now being pursued in Germany.

I am not defending a creed or a race. Neither Judaism nor Germanism is the issue; the sacredness of human life and ideals is the issue. The peace of the world is at stake.

The world cannot recover so long as discord and hatred are poisoning the springs of human activity. Our only hope lies in cementing bonds of friendship and in building the progress of mankind upon the nobility of man, regardless of race or creed.

THE CONTRAST BETWEEN JUNE 10, 1933, AND JUNE 10, 1935

The tribute paid the Jewish race by these statesmen was warranted by the long generations of loyalty and patriotism of the race to America. It was equally proper for Members of the Senate to warn the German Government that their practices of religious intolerance could not command the respect of Americans. If such utterances were made (and I should like to assume they were) in good faith, on the occasion of an outburst of intolerance by Hitler, answer if you will, Mr. Speaker, why these liberals in the Senate have not raised their voice in protest at the intolerance of the present Mexican Government?

Two years ago today, Mr. Chairman, at this very hour, eight United States Senators, obviously with administration support and led by the leader of the Democratic majority, rose to voice indignant protest against a persecution that cannot compare in atrocity or in duration with the savage attack on God in Mexico. Can you point to one speech in the Senate in 20 years on this subject? Why should there be silence and this discrimination?

A CONTRAST IN AMBASSADORS

It is easy to contemplate the outburst of indignation and the personal consequences that would ensue were the American Ambassador to Germany to accord such aid and comfort to the Hitler regime as that which Ambassador Daniels has given and continues to give to the Calles dictatorship in Mexico. Ambassador Dodd, our envoy to Berlin, far from maintaining silence on happenings under Hitler's administration, took occasion, in the most pointed manner, to lecture the German Government, not from the vantage point of a foreign platform, but upon the very soil of Germany. Our State Department maintains a sublime composure in the face of the religious intolerance and confiscation of the property of Americans at our very door under the direction of Beelzebub's proconsul, Plutarco Calles. Not alone has our Government refused to do what eight former Presidents and Secretaries of State have done on previous occasions in behalf of oppressed peoples of other lands, but we have permitted our Ambassador to Mexico, Josephus Daniels, to hearten and encourage Calles by public addresses and private assurances.

It is a well-recognized principle of the law of nations that when one nation conducts its internal affairs in such a manner as to injure the tranquility of another nation, strong official representations may be made to the offending government. If there be any doubt, Mr. Speaker, that the tranquility of 50,000,000 Christians and Jews has been disturbed by the intolerance of the Mexican Government, let them read the religious press. The American Christian and Jew have an incontestable right to expect and require their government in pursuance of the policy of the "good neighbor" to intercede for the oppressed and persecuted Mexicans, among whose coreligionists are found one-half of the total population of the United States.

AMERICANS DEMAND STATESMANSHIP AND DIPLOMACY

I have tried, Mr. Chairman, in the time allotted to me to present to my colleagues a case based upon facts of the savage endeavor that is being made right at our doors in this the twentieth century to crush out every vestige of human liberty, ever scintilla of individual rights. It is the greatest issue of our day; a militant, organized attack on the God of all religions. It makes no difference what religion you possess or what walk of life you follow, the sabotage of human rights in Mexico should produce a reaction of horror in every decent American who knows of them.

The wave of communism that during the past 7 years has brought disaster and chaos and a succession of bloody massacres in the Provinces of China is now firmly entrenched in our Western Hemisphere attempting to take complete possession of Mexico, standing as a menace at the threshold of America. History relates that when Carthage, the hereditary enemy of Rome, lifted her head in pride, Cato in the

Roman Senate never ceased to cry, "Carthage delenda est—Carthage must be destroyed." His persistent demands bore fruit and Carthage was destroyed. We Americans continue to regard the approach of communism with indifference, as though the United States of America was too secure in her prosperity and supremacy among the other nations to ever fall a victim to communism.

PRESIDENTIAL RESPONSIBILITY

The duty is plainly upon the President of the United States to speak his disapproval of the barbarous policies of the present Mexican Government and thus protect the lives and property of Americans and reiterate the doctrine of human rights that has been so eloquently expressed by many of his predecessors in office under similar circumstances to those that exist in Mexico today. There are critical moments in the slow, upward progress of civilization and in the history of the defense of human rights when "silence is not neutrality, but consent." I for one, Mr. Speaker, believe that, in the words of Lincoln, "the true liberal is concerned about the cause of liberty everywhere." And he who regards with equanimity the spectacle of his good neighbor in slavery is soon apt to find that chains are being forged in order to form a prison house for his own life, liberty, and happiness. I repeat, Mr. Speaker, that in the present instance "silence is not neutrality, but consent."

The CHAIRMAN. All time has expired. Without objection, the Clerk will read the committee amendment in lieu of the bill.

There being no objection, the Clerk read the committee amendment, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That section 23 of the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934, as amended, is amended by adding at the end thereof a new subsection to be lettered (k) and to read as follows:

"(k) In order to insure the collection of taxes and revenue as provided in this act, it shall hereafter be unlawful for any person to transport, import, bring, or have delivered, directly or indirectly, into the District of Columbia, alcoholic beverages aggregating more than 12 quarts during any calendar month: *Provided, however,* That this subsection shall not apply to dealers licensed hereunder or apply to the transportation, importation, or bringing into the District of Columbia for, or delivery to, such dealers."

SEC. 2. Section 13 of the said act is amended by adding at the end thereof a new sentence, such new sentence to read as follows: "No holder of a retailer's license class A or class B shall keep such premises open for business at a time when the sale of alcoholic beverages by such licensee is prohibited by this act or the regulations promulgated hereunder."

This section of this amendatory act shall not become effective until February 1, 1936.

SEC. 3. Subsections (g) and (h) of section 11 are amended by adding at the end of the first paragraph of code the following: "All alcoholic beverages offered for sale or sold by the holder of such licenses may be displayed and dispensed in full sight of the purchaser.'

SEC. 4. Subsection (h) of section 11 is amended by adding at the end of the first paragraph thereof a new sentence, the new sentence to read as follows: "No beverages shall be kept, mixed, or prepared for service in the space in which beverages are sold or served, except at a service bar, table, or counter, which is hereby permitted. Such service bar, table, or counter shall either (1) be surrounded or partly surrounded by a railing or other obstruction removed from such service bar, table, or counter at least 3 feet and of such a character as to indicate to a customer that he is not to pass or go within such railing or other obstruction, and a customer shall not be permitted to approach such bar, table, or counter within such railing or other obstruction, or (2) be equipped with a contrivance made of glass, wood, metal, or other material, solid for a height of at least 12 inches, in which may be placed openings for service to waiters, which said contrivance shall be affixed to the front and sides of such service bar, table, or counter accessible to customers. Such service bar, table, or counter shall not be used as a drinking bar and shall remain stationary while such space is being used for the service of customers."

Mr. PALMISANO. Mr. Chairman, I offer an amendment to the committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. PALMISANO: On page 4, line 23, strike out the section.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word, for the purpose of asking the gentleman to explain the amendment.

Mr. PALMISANO. Mr. Chairman, the amendment strikes out section 4 of the committee amendment, which requires a 3-foot bar so that you cannot get anywhere near the attendant of the bar. Originally the committee eliminated this section, but somehow or other in the rush it got in anyway. This simply strikes out that section.

Mr. WADSWORTH. This is the section, as I understand it, that in effect provides that the place at which liquors are mixed or served, to be consumed on the premises, must be open to the view of the customers?

Mr. PALMISANO. Yes; but it says there must be a rail around the bar so you cannot get near the bar.

Mr. WADSWORTH. Is that to keep the customers away?

Mr. PALMISANO. The gentleman is speaking of the open bar? This does not prevent that. This section got in there by mistake.

Mr. WOOD. Will the gentleman's amendment strike out section 4 in its entirety?

Mr. PALMISANO. Yes.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Maryland.

The amendment to the committee amendment was agreed to.

Mr. WOOD. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOOD: On page 4, lines 9 to 17, inclusive, strike out section 2 of the committee amendment.

Mr. WOOD. Mr. Chairman, I can see no good reason for section 2, but I can see a great deal of danger that may follow from the enactment of this regulation. I do not think we ought to give either the liquor stores or the Liquor Trust a monopoly in the sale of intoxicating liquors. I am heartily in favor of the remainder of the bill because I do not believe it corrupts the morals of any man who desires a drink if he watches the bartender or the drink dispenser mix the drink. I do not think it is necessary for the bartender or the drink dispenser to dodge back into a little secluded place to mix this drink and then serve it afterward, and the customer not know what goes into the drink. However, I doubt seriously the advisability of section 2, and, as I said, I hope we will not allow the liquor interests to inject this type of legislation into our liquor regulations or the laws of the various States.

Mr. Chairman, I am not in anywise attempting to impugn the motives of those who have presented this bill or those who favor it, but I do believe they do not see the danger of compelling drug stores, grocery stores, and other establishments to close at the same time as the liquor stores close. Of course, this means that no drug store, no grocery store, or any other general retail establishment will be able to handle liquor. It will give the liquor stores an absolute monopoly on bottled goods, or liquor sold in containers.

It is a well-known fact that these large distilleries have thousands of liquor stores throughout the United States. They get some man to open a liquor store and attach his name to it and he gets a license, but the real ownership of the store is vested in one of the four large distilleries that distill almost all the liquor sold in the United States.

I hope the acting chairman of the committee will accept the amendment, because I want to vote for the bill. I want to eliminate these little places that the bartender or the dispenser of liquor has to dodge around in order to mix a drink. I think it is preposterous to have such a regulation. The section ought to be eliminated and we ought not to give these liquor stores an entire monopoly on the sale of liquor. [Applause.]

Mr. PALMISANO. Mr. Chairman, I hope the committee will not adopt this amendment.

It is ridiculous to state that some individual drug store, by being permitted to have a license, is going to endanger and put out of business this great monopoly of liquor distilleries. If there is a monopoly no individual drug store or group of drug stores is going to bring about any such

results. Such a distillery can come into the District of Columbia and under a disguise have its employees open up a liquor store or a drug store and undersell any man who attempts to go into the business. There is no danger that they are going to have any more of a monopoly than they have today. We tried to prevent any monopoly when the bill was first introduced and I helped to pass it in this House. At that time we tried to prevent a monopoly by prohibiting any one man or any one corporation or group from having more than one license, in order to spread it out among the various people of the District.

I say that we should put out of business any man who violates the law. Let these druggists or these grocers say, "Put in the bill an amendment that if we violate the liquor laws we are to go out of business in the District of Columbia in the distribution of medicine or anything else." They will not dare to do this. I was willing to put in such an amendment to protect them in that respect if they would accept it and if my colleague will offer an amendment that anyone who violates the liquor license law is prohibited from going into business in this District that requires a license, I will accept it.

I want to prevent the return of prohibition, the thing we were fighting to repeal for 15 years, and I say the only way we can prevent its coming back is by preventing the licensees from violating the law. When you do this there will be no danger.

[Here the gavel fell.]

Mr. DOCKWEILER. Mr. Chairman, I move to strike out the last word of the committee amendment.

Mr. Chairman, I am one of those who before I was sent to Congress fought for the repeal of prohibition. We have very short memories. I think during the period when we had the strictest prohibition laws, when repeal was farthest from us, when the eighteenth amendment was in effect, the only institution in this country that we regarded as being entitled to dispense and sell alcoholic beverages was the drug store. Clearly, the committee's amendment with this provision intends to prohibit the drug store from being a dispensary of alcoholic beverages.

Mr. Chairman, as I see this provision it plays directly into the hands of the liquor business in this country. It is a premeditated act. Whether the committee knows it or not, and I do not impugn their motives, it is premeditatedly intended to play into one channel—the liquor business of this country.

Mr. Chairman, the amendment to strike out this provision should carry. Let me tell you that we will have a return of prohibition, the like of which we have never experienced, if we continue to pass laws to hedge in and place conditions upon the sale of alcoholic beverages; if we begin to eliminate this store and this institution from its sale until we have narrowed it down, as was the case before prohibition, to certain types of stores and certain great trusts in this country.

You make a mistake by saying certain institutions cannot sell liquor at this time, because when you do this you make a mystery of liquor. Why, in my great State of California, anybody with the price of $5, whether it is a grocery store, a florist shop, or drug store, or liquor store, or dry-goods store, or any other kind of shop, can sell alcoholic beverages, and this is a condition that should prevail throughout the United States. If you make a mystery of this thing and set it up as something terrible and something inimical per se, of course, we will return to the old situation.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. DOCKWEILER. I yield.

Mr. WOOD. Is it not just possible that if we pass this law with section 2 in it, eventually we will have another bill in here providing for the elimination of liquor stores and providing that the saloons only may handle the bottled goods and the drinks?

Mr. DOCKWEILER. Absolutely; and if we have any memory about this thing we will realize that we are going right back to the old era.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was agreed to.

The CHAIRMAN. The question is on the adoption of the committee amendment as amended.

Mr. WADSWORTH. Mr. Chairman, I offer the following amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: Page 3, line 21, strike out lines 24 and 25 and on page 4, strike out lines 1 to 8, inclusive.

Mr. WADSWORTH. Mr. Chairman, this provision in the committee amendment is not calculated to have any special effect upon adherence to law. It has nothing to do with the cause of temperance and has nothing to do with an effort to control the per capita consumption of alcoholic beverages. Its effect is to forbid any person bringing into the District of Columbia, for his own use, more than 12 bottles of any alcoholic beverage per month. As I read it, that is the effect. I suppose the object is to compel, so far as possible, every person living in the District to make his purchases from dealers in the District. I can see no other purpose in this provision, unless I am mistaken in the reading of the language.

Mr. PALMISANO. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. PALMISANO. The gentleman understands that in the District as in the States, there is a special tax?

Mr. WADSWORTH. Yes.

Mr. PALMISANO. Its purpose is to protect that tax.

Mr. WADSWORTH. True, but are we going to be provincial about this thing? It might be said that this amendment proposes a partially effective tariff against the importation of liquors into the District by private individuals for their own use. I doubt very much whether any such provision can be enforced with any degree of success, and if there is one thing I dread in connection with any law regulating the liquor traffic it is a provision which cannot be enforced and which brings contempt upon the law itself and encourages violations in other ways. Under this provision no person can bring from his own home or from elsewhere outside of the District 2 cases of beer or 2 cases of wine for his own use in the District. It seems to me that we are going pretty far in erecting barriers of that kind around the borders of the District of Columbia. What would be said if the State of New York passed a law of that kind through its Albany Legislature? Would it be contended the State was thus cooperating with other States in the enforcement of liquor laws? Not at all. It would be said that the State of New York was endeavoring to compel as many of its 12,000,000 inhabitants as possible to purchase all their requirements inside the State borders in order to favor the State wine-producing industry. Surely we are not going to put the District of Columbia in such an attitude as that toward all the other States in the Union.

Mr. MORITZ. But the State of New York is entirely different from the District of Columbia. Can the gentleman conceive any individual hauling in two cases of beer for private consumption? Only trucks will haul beer. The gentleman would not haul in two cases of beer, would he, from outside the District?

Mr. WADSWORTH. Why not?

Mr. MORITZ. Why would the gentleman? What occasion would there be for that?

Mr. WADSWORTH. The principal purpose would be to consume it after I got it here.

Mr. MORITZ. But the gentleman could buy it right here.

Mr. WADSWORTH. But I might not be able to get the kind I like, nor to get it as cheaply.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PALMISANO. Mr. Chairman, I ask unanimous consent that the gentleman have 5 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PALMISANO. And may I say that in Maryland, and I think in various States of the Union, they have placed a

tax on liquor other than a Federal tax, and they have a certain prohibition against liquor—not so much pertaining to beer as to liquor. It is to prevent the bootlegging of liquor and the evading of the tax. That is the purpose of this amendment. I have no interest in it. I would not for one minute want to prohibit cases of beer being brought in.

Mr. WADSWORTH. But does not this amendment do it?

Mr. PALMISANO. I am quite willing to correct that. But I do feel that bringing more than 12 quarts of liquor in should be prohibited. It reminds me of the time when I was at Annapolis 20 years ago. Representatives from my colleague's dry district on the Eastern Shore of Maryland insisted in that dry district that they be permitted to have a gallon of liquor a month. Here you are permitting 3 gallons a month to any one individual. We want to prevent bootlegging of liquor, not beer. If you simply say beer or ale, it is all right.

Mr. WADSWORTH. Mr. Chairman, in reply to the question of the gentleman from Maryland, let me make this observation, and I think I am correct in it. If not, I shall be glad to be corrected.

Have we not already a law upon the statute books which puts the Federal power back of the prohibition of transportation of illegal liquor in interstate commerce?

Mr. PALMISANO. Yes.

Mr. WADSWORTH. Does that not suffice to meet the question raised by the gentleman from Maryland? We do not add anything to law enforcement in the existing field by a provision of this kind. We already have the Webb-Kenyon Act.

Mr. PALMISANO. No; that would not apply here. They are permitted to sell liquor in the District of Columbia, as long as liquor is imported with the Federal tax paid.

Mr. WADSWORTH. True. I am in error about the Webb-Kenyon Act, but is it not in violation of present law for an individual to purchase bootleg liquor in the State of Maryland, for instance, and take it anywhere?

Mr. PALMISANO. Not necessarily bootleg liquor, but legal liquor.

Mr. WADSWORTH. But the gentleman says this is to stop bootlegging.

Mr. PALMISANO. But they can bring in legal liquor without paying the District tax.

Mr. WADSWORTH. The gentleman states that this applies to all liquor, both legal and illegal.

Mr. PALMISANO. Yes. I do not quite recall what the tax is in the District of Columbia, but there is a special tax on liquor. We are trying to see how much these dealers buy, in order to see that they pay their proper tax. It only applies to dealers. It does not apply to individuals, except that an individual is permitted 12 quarts a month, and I do not know any individual who wants to drink 3 gallons a month.

Mr. WADSWORTH. But the amendment does not read that way.

Mr. PALMISANO. If the gentleman will agree, I am willing to strike out the provision against beer.

Mr. NICHOLS. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. NICHOLS. Since it is the statement of the chairman that the only purpose of leaving this in the bill would be to protect the District of Columbia in the collection of a tax on liquor that would be brought in here by individuals, and that is the only excuse for having it in, I will ask the gentleman if in his opinion it would not cost the District many times more than the money they would lose from the noncollection of the tax, to set up the machinery sufficient to prevent individuals from bringing in the liquor?

Mr. WADSWORTH. Of course it would. We would have to search the automobiles, the baggage, and the personal effects of all people coming into the District of Columbia to ascertain whether they are bringing in more than the amount allowed.

The CHAIRMAN. The time of the gentleman from New York [Mr. WADSWORTH] has expired.

The question is on agreeing to the amendment offered by the gentleman from New York to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question now recurs on the adoption of the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. PALMISANO. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 5809, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. PALMISANO. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. KENNEY. Mr. Speaker, my colleague from New Jersey, Mrs. NORTON, Chairman of the Committee on the District of Columbia, desired to be present today in connection with this legislation that has been passed. However, she made an engagement some months ago and today she was unavoidably detained, making a commencement address at Seaton College, Pa.

Mr. PALMISANO. Mr. Speaker, I call up the bill H. R. 3806, and I ask unanimous consent that the same be considered in the House as in the Committee of the Whole.

Mr. SMITH of Virginia. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. Will the gentleman withhold his point of order for a moment?

Mr. SMITH of Virginia. I will withhold it for a moment.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. MITCHELL of Illinois, for 4 legislative days, on account of important business.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 288. Joint resolution authorizing the Secretary of Agriculture to pay necessary expenses of assemblages of the 4-H clubs, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 209. An act for the relief of Carmine Sforza;

S. 1305. An act to further extend relief to water users on United States reclamation projects and on Indian irrigation projects; and

S. 2536. An act providing for the suspension of annual assessment work on mining claims held by location in the United States.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approvel, a bill and a joint resolution of the House of the following titles:

H. R. 3973. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes; and

H. J. Res. 288. Joint resolution authorizing the Secretary of Agriculture to pay necessary expenses of assemblages of the 4-H clubs, and for other purposes.

ADJOURNMENT

Mr. PALMISANO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 55 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 11, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, Executive communications were taken from the Speaker's table and referred as follows:

380. A communication from the President of the United States, transmitting two deficiency estimates of appropriations submitted by the War Department to pay claims of the Wharton & Northern Railroad Co., $117.10, and Carlos M. Aquino, $23.60, certified by the Comptroller General of the United States and requiring appropriations for their payment (H. Doc. No. 226); to the Committee on Appropriations and ordered to be printed.

381. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated June 5, 1935, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of area at mouth of Pocomoke River, Worcester County, Md., known as "The Muds", authorized by the River and Harbor Act, approved July 3, 1930 (H. Doc. 227); to the Committee on Rivers and Harbors and ordered to be printed with three illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 7626. A bill to dispose of Federal building sites to States, municipalities, counties, or other civil divisions; with amendment (Rept. No. 1140). Referred to the Committee of the Whole House on the state of the Union.

Mr. CONNERY: Committee on Labor. S. 1958. An act to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes; with amendment (Rept. No. 1147). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 8421. A bill granting pensions to certain widows of soldiers and sailors of the Civil War; without amendment (Rept. No. 1141). Referred to the Committee of the Whole House.

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 8422. A bill granting pensions to certain former widows of soldiers and sailors of the Civil War; without amendment (Rept. No. 1142). Referred to the Committee of the Whole House.

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 8423. A bill granting increase of pensions to certain former widows of soldiers and sailors of the Civil War; without amendment (Rept. No. 1143). Referred to the Committee of the Whole House.

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 8424. A bill granting increase of pensions to certain widows of soldiers and sailors of the Civil War; without amendment (Rept. No. 1144). Referred to the Committee of the Whole House.

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 8425. A bill granting pensions and increase of pensions to certain helpless and dependent children of soldiers and sailors of the Civil War; without amendment (Rept. No. 1145). Referred to the Committee of the Whole House.

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 8426. A bill granting pensions to certain soldiers of the Civil War; without amendment (Rept. No. 1146). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. H. R. 1833. A bill for the relief of Lettie Leverett; with amendment (Rept. No. 1148). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H. R. 2119. A bill for the relief of Mrs. E. L. Babcock, mother and guardian of Nelson Babcock, a minor; with amendment (Rept. No. 1149). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 2430. A bill for the relief of Henry H. Carr; Robert E. Wise, Stanley Wise Ellis, and Peyton L. Ellis; and Hilory Wise and Flora A. Wise; with amendment (Rept. No. 1150). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 3179. A bill for the relief of Jesse Ashby; without amendment (Rept. No. 1151). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 4568. A bill for the relief of Forrest D. Stout; with amendment (Rept. No. 1152). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H. R. 5178. A bill for the relief of Gladys E. Faughnan, guardian; with amendment (Rept. No. 1153). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 5347. A bill for relief of Bertha Moseley Bottoms; with amendment (Rept. No. 1154). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 5351. A bill for the relief of Rose Teiermeyer; with amendment (Rept. No. 1155). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. H. R. 5863. A bill for the relief of Lewis Worthy and Dennis O. Penn; without amendment (Rept. No. 1156). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H. R. 6105. A bill for the relief of the New Amsterdam Casualty Co.; with amendment (Rept. No. 1157). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 6168. A bill for the relief of Charles K. Shade; without amendment (Rept. No. 1158). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 6822. A bill for the relief of the George C. Mansfield Co. and George D. Mansfield; with amendment (Rept. No. 1159). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 6886. A bill for the relief of certain disbursing officers of the Army of the United States; without amendment (Rept. No. 1160). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 7137. A bill for the relief of Cassie M. Lyne; with amendment (Rept. No. 1161). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FISH: A bill (H. R. 8427) to establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce; to the Committee on Agriculture.

By Mr. GASQUE: A bill (H. R. 8428) to provide for the acquisition of certain land within the District of Columbia

and the establishment and operation of a municipal airport thereon; to the Committee on the District of Columbia.

By Mr. NICHOLS: A bill (H. R. 8429) amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy; to the Committee on Naval Affairs.

By Mr. BLOOM: A bill (H. R. 8430) to provide for the cooperation by the Federal Government with the several States and Territories and the District of Columbia in meeting the crisis in kindergarten education; to the Committee on Education.

By Mr. DEEN: A bill (H. R. 8431) to provide for the establishment of the Fort Frederica National Monument, at St. Simon Island, Ga., and for other purposes; to the Committee on the Public Lands.

By Mr. STEAGALL: Joint resolution (H. J. Res. 318) to extend from June 16, 1935, to June 16, 1938, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended; to the Committee on Banking and Currency.

By Mr. CROSSER: Joint resolution (H. J. Res. 319) extending the effective period of the Emergency Railroad Transportation Act, 1933; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. UNDERWOOD: A bill (H. R. 8421) granting pensions to certain widows of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8422) granting pensions to certain former widows of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8423) granting increase of pensions to certain former widows of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8424) granting increase of pensions to certain widows of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8425) granting pensions and increase of pensions to certain helpless and dependent children of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8426) granting pensions to certain soldiers of the Civil War; to the Committee on Invalid Pensions.

By Mr. BLOOM: A bill (H. R. 8432) for the relief of Walter Heide Smith; to the Committee on Naval Affairs.

By Mr. EKWALL: A bill (H. R. 8433) for the relief of Jess C. Layton; to the Committee on Military Affairs.

By Mr. GWYNNE: A bill (H. R. 8434) authorizing the redemption by the United States Treasury of certain documentary revenue stamps now held by L. J. Powers; to the Committee on Claims.

By Mr. GEARHART: A bill (H. R. 8435) for the relief of Emil Zumbrunn; to the Committee on World War Veterans' Legislation.

By Mr. HOFFMAN: A bill (H. R. 8436) granting a pension to Jessie Farr; to the Committee on Invalid Pensions.

By Mr. LUCKEY: A bill (H. R. 8437) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker; to the Committee on the District of Columbia.

By Mr. McLEOD: A bill (H. R. 8438) granting a pension to George Austin; to the Committee on Pensions.

By Mr. SCRUGHAM: A bill (H. R. 8439) to authorize the presentation to J. E. Martie of a Congressional Medal of Honor; to the Committee on Military Affairs.

By Mr. TONRY: A bill (H. R. 8440) conferring jurisdiction upon the United States District Court for the Eastern District of New York to hear, determine, and render judgment upon the claims of Achille Ratallato and Albert Ratallato; to the Committee on Claims.

By Mr. WILLIAMS: A bill (H. R. 8441) granting a pension to Mary M. Norris; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8781. By Mr. BELL: Petition of Kansas City voters, protesting the enactment of the Guffey coal-regulation bill; to the Committee on Labor.

8782. By Mr. CROSSER: Petition of approximately 300 citizens of Cuyahoga County, Ohio, urging favorable action on House Joint Resolution 219 and Senate Joint Resolution 112; to the Committee on Interstate and Foreign Commerce.

8783. By Mr. JOHNSON of Texas: Petition of Hon. F. A. Woods, of Franklin, Tex., favoring Federal regulation of trucks and busses; to the Committee on Interstate and Foreign Commerce.

8784. By Mr. LAMBERTSON: Petition signed by Raymond McElroy and other citizens of Horton, Kans., asking the support of the Wagner disputes bill; to the Committee on Labor.

8785. By Mr. LESINSKI: Resolution of the General Committee of Immigrant Aid at Ellis Island, respectfully urging the Members of the House of Representatives to speedily enact the Kerr bill (H. R. 8163); to the Committee on Immigration and Naturalization.

8786. Also, House Resolution No. 98 of the Michigan Legislature, urging the enactment of the Guffey stabilization coal bill (S. 2481); to the Committee on Ways and Means.

8787. Also, Senate Joint Resolution No. 12 of the California State Legislature, memorializing the President and the Congress of the United States to enact House bill 4688; to the Committee on Labor.

8788. Also, memorial of the Common Council of the Village of Houghton, Mich., urging the enactment of the Hook copper embargo bill, providing for an embargo or an adequate tariff on the importation of foreign copper; to the Committee on Ways and Means.

8789. Also, joint resolution of the California State Legislature, memorializing Congress to enact the Tolan bill (H. R. 6628); to the Committee on Labor.

8790. By Mr. PFEIFER: Petition of the Van Iderstine Co., Long Island City, N. Y., concerning Senate bill 3004; to the Committee on Labor.

8791. Also, petition of the Rockwood & Co., Brooklyn, N. Y., concerning amendment to section 301 of chapter III of Senate bill 5; to the Committee on Labor.

8792. Also, petition of the General Committee of Immigrant Aid at Ellis Island and New York Harbor, N. Y., concerning the Kerr bill (H. R. 8163); to the Committee on Immigration and Naturalization.

8793. Also, petition of the National Council of Jewish Women, Inc., Brooklyn, N. Y., urging support of House bill 8163; to the Committee on Immigration and Naturalization.

8794. By Mr. TREADWAY: Resolutions adopted by the General Court of Massachusetts, relating to the use of granite in the construction of public buildings; to the committee on Public Buildings and Grounds.

8795. Also, resolutions adopted by the General Court of Massachusetts, requesting aid for the American watch industry; to the Committee on Ways and Means.

8796. By Mr. WELCH: California State Senate Joint Resolution No. 21, relating to exemption from taxation of bonds issued by governmental agencies, and memorializing the President and Congress of the United States to take immediate steps for the termination of the exemption of such securities from taxation; to the Committee on Ways and Means.

8797. By the SPEAKER: Petition of the Bedford Pomona Grange; to the Committee on Interstate and Foreign Commerce.

SENATE

TUESDAY, JUNE 11, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 11:30 o'clock a. m., on the expiration of the recess, and the President pro tempore assumed the chair.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, June 10, 1935, was dispensed with, and the Journal was approved.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Finance:

Senate Joint Resolution 21, relative to exemption from taxation of bonds issued by governmental agencies and memorializing the President and Congress of the United States to take immediate steps for the termination of the exemption of such securities from taxation

Whereas the exemption from taxation of bonds issued by the Federal, State, and local Governments has progressed to such a point that there are now outstanding tax-exempt securities of this character amounting to the aggregate par value of approximately $45,000,000,000; and

Whereas such securities are owned and held by a very small percentage of the population of the country and there results a great and most unjust disproportion in the bearing of the cost of government as between the owners and holders of various types and classes of property; and

Whereas it is a fundamental principle of government that one group or class should not be favored as are the owners of these tax-exempt securities, and all persons enjoying the order and protection which government affords should share fairly, equally, and equitably in bearing the cost of government: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the legislature of this State hereby memorialize the President and Congress of the United States to consider and enact such legislation and to propose such amendment or amendments to the Constitution of the United States as may be found suitable and appropriate effectively to prevent the further exemption from taxation of any and all bonds and other evidences of indebtedness issued by the Federal, State, and local governments, to the fullest extent that the President and the Congress may have power so to do, and that the Members of the Senate and of the House of Representatives from California are hereby urged and requested to use all honorable means in furtherance of the consideration and enactment of such legislation; and be it further

Resolved, That copies of this resolution be forthwith transmitted to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and the Members of the House and Senate from the State of California.

The PRESIDENT pro tempore also laid before the Senate a certified copy of Act No. 190 of the Legislature of the Territory of Hawaii (regular session of 1935), creating the Hawaii Housing Authority, providing for its powers and duties; authorizing it to engage in slum clearance or projects to provide dwelling accommodations for persons of low income; authorizing it to acquire property by purchase, gift, or eminent domain; authorizing it to borrow money, issue bonds and other obligations, and give security therefor; conferring remedies on obligees of the authority; providing that the bonds of the authority shall be legal investments; and providing that the authority, its projects, and securities shall be tax exempt, which was referred to the Committee on Territories and Insular Affairs.

The PRESIDENT pro tempore also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana (Mr. LONG and Mr. OVERTON), which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a resolution adopted by the Scandinavian Civic League, San Francisco, Calif., favoring the enactment of House Joint Resolution 122, requesting the President to proclaim throughout the United States the 9th day in October of each year as Leif Erikson Day, which was ordered to lie on the table.

He also laid before the Senate petitions of sundry citizens, being rank and file veterans and their supporters, of New York City, N. Y., praying for the enactment of legislation providing for the immediate cash payment in full of adjusted-service certificates of World War veterans, which were ordered to lie on the table.

He also laid before the Senate the petition of Local Union No. 2518, United Workers of America, of Gatliff, Ky., praying for the enactment of the so-called "Guffey bill" to stabilize the bituminous coal mine industry, and so forth, and also the so-called "Wagner labor-disputes bill", which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Board of Supervisors of the County of Los Angeles, Calif., memorializing the President of the United States to make ample provision for the encouragement of the artistic, cultural, humane, patriotic, and sentimental phases of American national life in the Federal-works program by the employment of white-collar workers, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by a meeting of 500 citizens of San Antonio, Tex., and representatives of nearby communities, assembled at a victory banquet, favoring the enactment of House Joint Resolution 293, providing for the establishment of a commission to be known as the "United States and Texas Centennial Commission", and the making of an appropriation of $3,000,000 to fulfill the purposes of the joint resolution, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the Credit Association of Western New York, Buffalo, N. Y., opposing any amendment of the Federal banking law at the present time, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Chenango County (N. Y.) Dairymen's League Cooperative Association, protesting against the enactment of legislation delegating to Federal Reserve banks power to coin money and regulate the value thereof, which was referred to the Committee on Banking and Currency.

He also presented a letter from George A. Barnewall, president of the Kings County Bankers' Association, New York, enclosing a report of the legislative committee of that association containing recommendations for certain proposed amendments to the so-called "Banking Act of 1935", which, with the accompanying paper, was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by Aviators' Post, No. 743, the American Legion, New York City, N. Y., favoring the enactment of the so-called "McSwain bill", being House bill 7041, to create a Department of Air to be administered by a Secretary of Air, which was referred to the Committee on Commerce.

He also presented a resolution adopted by Council No. 114, Sons and Daughters of Liberty, of Salt City, N. Y., protesting against the enactment of House bill 6795, the so-called "Kerr bill", pertaining to the deportation of aliens, which was referred to the Committee on Immigration.

He also presented petitions of sundry citizens of the State of New York, being members and friends of Auxiliaries of the United Spanish War Veterans, Brooklyn, N. Y., praying for the enactment of House bill 5541, known as the "American Flag Act", which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by Court No. 830, Catholic Daughters of America, of Canandaigua, N. Y., protesting against the adoption of the so-called "Pierce amendment" to Senate bill 1541, to punish persons knowingly causing the delivery by mail of certain nonmailable matter (pertaining to birth control), which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by David J. O'Connell Post No. 2264, Veterans of Foreign Wars of the United States, Ozone Park, N. Y., favoring the enactment of the joint resolution (S. J. Res. 115) designating the last Sunday in September as "Gold Star Mother's Day", and for other purposes, which was referred to the Committee on Military Affairs.

He also presented a resolution adopted by the board of directors of the Chamber of Commerce of Ithaca, N. Y., protesting against the enactment of Senate bill 2796, known as the "Public Utility Act of 1935", which was ordered to lie on the table.

He also presented a petition of sundry citizens, being employees of the Michael J. Leo Department Store, of Oswego, N. Y., praying for the adoption of an amendment to the Constitution permitting the setting up of codes of fair competition for industry, which was ordered to lie on the table.

He also presented a resolution adopted by the Chenango County (N. Y.) Dairymen's League Cooperative Association, protesting against the enactment of legislation placing the operation of motor trucks under license and franchise of the Interstate Commerce Commission, which was ordered to lie on the table.

He also presented a resolution adopted by a meeting of 2,500 workers of the city of Syracuse, N. Y., held under the auspices of the Central Trades and Labor Assembly, favoring the enactment of legislation permitting the setting up of codes of fair competition for industry, which was ordered to lie on the table.

He also presented a resolution adopted by a meeting of 2,500 workers of the city of Syracuse, N. Y., held under the auspices of the Central Trades and Labor Assembly, favoring the workers of the Nation becoming members of bona fide labor unions, so as to maintain the principle of collective bargaining, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. JOHNSON, from the Committee on Immigration, to which was referred the bill (H. R. 6464) to provide means by which certain Filipinos can emigrate from the United States, reported it with an amendment and submitted a report (No. 849) thereon.

Mr. McADOO, from the Committee on Patents, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1794. A bill to effectuate certain provisions of the International Convention for the Protection of Industrial Property as revised at The Hague on November 6, 1925 (Rept. No. 850); and

S. 1795. A bill to effectuate certain provisions of the International Convention for the Protection of Industrial Property as revised at The Hague on November 6, 1925 (Rept. No. 851).

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 1440) to enroll on the citizenship rolls certain persons of the Choctaw and Chickasaw Nations or Tribes, reported it with amendments and submitted a report (No. 852) thereon.

Mr. FLETCHER. From the Committee on Banking and Currency I report back with an amendment the joint resolution (S. J. Res. 146) to extend from June 16, 1935, to June 16, 1938, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 10th instant that committee presented to the President of the United States the following enrolled bills:

S. 209. An act for relief of Carmine Sforza;

S. 1305. An act to further extend relief to water users on United States reclamation projects and on Indian irrigation projects; and

S. 2536. An act providing for the suspension of annual assessment work on mining claims held by location in the United States.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. FLETCHER, from the Committee on Banking and Currency, reported favorably the nomination of John H. Fahey, of Massachusetts, to be a member of the Federal Home Loan Bank Board for the term of 6 years from July 22, 1935. (Reappointment.)

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Dr. Theodore J. Bauer to be assistant surgeon in the United States Public Health Service, to take effect from date of oath.

Mr. WALSH, from the Committee on Finance, reported favorably the nomination of William M. Welch, of Northampton, Mass., to be collector of internal revenue for the district of Massachusetts, to fill an existing vacancy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH:

A bill (S. 3029) to increase the efficiency of the United States Navy, and for other purposes; to the Committee on Naval Affairs.

By Mr. COPELAND:

A bill (S. 3030) granting the consent of Congress to the Rockland-Westchester Hudson River Crossing Authority, State of New York, to construct, maintain, and operate a highway bridge and causeway across the Hudson River between a point in the vicinity of the village of Nyack, Rockland County, and the village of Tarrytown, Westchester County, N. Y.; to the Committee on Commerce.

By Mr. McADOO:

A bill (S. 3031) to exempt from taxation receipts from the operation of Olympic games if donated to the State of California, the city of Los Angeles, and the county of Los Angeles; to the Committee on Finance.

A bill (S. 3032) for the relief of John G. DeMuth; to the Committee on Military Affairs.

By Mr. BLACK:

A bill (S. 3033) for the relief of Lula G. Sutton and others; to the Committee on Claims.

By Mr. JOHNSON:

A bill (S. 3034) granting an increase in pension to Miriam Glanville Skelly; to the Committee on Pensions.

By Mr. KING:

A bill (S. 3035) to provide for enforcing the lien of the District of Columbia upon real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes; to the Committee on the District of Columbia.

By Mr. FRAZIER:

A joint resolution (S. J. Res. 147) creating a joint committee to investigate Federal liquor control and methods practiced in defrauding the Federal Government of taxes due from liquor sales; to the Committee on the Judiciary.

CONSTITUTIONAL CHANGES—ATTITUDE OF SOUTH CAROLINA

During the delivery of Mr. DIETERICH's speech, which appears elsewhere in today's RECORD,

Mr. SMITH. Mr. President, will the Senator from Illinois yield to me to place in the RECORD an editorial in connection with which I wish to make a brief observation? It will take but a few minutes.

Mr. DIETERICH. I yield.

Mr. SMITH. Mr. President, sometime last week my colleague [Mr. BYRNES] delivered an address in South Carolina. Upon his return he was quoted by the Associated Press as making a statement that is incorporated in the editorial to which I have referred. The editorial appeared in a newspaper published in my State, which has been a very enthusiastic supporter of the present administration and of all its activities. The startling statement was made, as will be seen by a reading of the editorial, that South Carolina was enthusiastically behind the new deal—and I am not saying "yes" or "no"—even to the extent of favoring an amendment to the Constitution, if necessary, to carry it out.

I challenge that statement, and, as we are now in the midst of a discussion of the action of the Supreme Court and the

result of its decision on various legislative proposals we are considering, as to whether or not they run counter to the reserved powers of the States, and as the speech of my colleague has been put in the RECORD, though I have not read it, and, as the comment of the Associated Press upon his return was so astounding to me, coming from my State, South Carolina, I want this editorial——

Mr. DIETERICH. Mr. President——

Mr. SMITH. I hope the Senator will yield to me for a moment or so further.

Mr. DIETERICH. I remind the Senator that under the unanimous agreement time is running against me.

Mr. SMITH. Very well; then I will discuss the matter further in my own time. I ask unanimous consent now that the editorial to which I have referred may be printed in the RECORD, and at some other time during the day I will read it if opportunity shall afford.

Mr. LONG. Mr. President, what is the editorial about?

Mr. SMITH. It was about State rights. What else did the Senator expect it to be?

Mr. SMITH subsequently said: Mr. President, earlier in the day I offered for printing in the RECORD an editorial which appeared in a newspaper published in my State. I had intended at this time to make some remarks in reference to it, in order that it might be incorporated not in the Appendix but in the body of the daily RECORD with the remarks I made this morning in reference to it.

In order not to take the time of the Senate to read it, I ask unanimous consent that the article be incorporated in the RECORD just after the remarks I have made in reference to it.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The editorial is as follows:

[From the Columbia (S. C.) State of Monday, June 10, 1935]

THE STATE OR SENATOR BYRNES GREATLY MISTAKEN ABOUT SOUTH CAROLINA'S "PUBLIC OPINION"

Quite surprising news about South Carolina comes to us via that Associated Press dispatch from Washington published on Saturday. Here are the extracts that figure as the more notable eye-openers:

"President Roosevelt was represented today as intensely interested in the reception accorded by South Carolina, heart of the traditional State rights South, to a speech by Senator BYRNES suggesting a constitutional amendment to validate the new deal.

"BYRNES returned from his home State reporting that despite its traditions, it was 'enthusiastically behind the President' and would support any move he made, even to a change in the Constitution, if it was found necessary 'to preserve the progress that has been made.'

"The Senator told questioners today he was 'surprised at the unanimity of view' in sympathy with his statement.

"I didn't find anyone opposed except those who were opposed originally to N. R. A. and opposed to the progressive new-deal legislation that has been enacted", he said. "They have a hope that the President will find a way to preserve the progress that has been made. But if he can't under the Supreme Court decision they are with him in any efforts that are made to make certain that the gains are retained."

We do not know, of course, with whom Senator BYRNES conferred while in South Carolina, but had his field of inquiry not been narrow, he must surely have found warm friends of the President, and strong advocates of the spirit and purposes of the National Recovery Act, who are upset, not to say greatly mentally disturbed, by the suggestion that a fight be inaugurated to change the Constitution.

The State's impression may not be valuable, but it is that there is no "public opinion" on that issue in South Carolina at this time, for the reason that the suggestion that the Constitution be changed has not been taken here with sufficient seriousness to incite that discussion which would be a necessary preliminary to the forming of a "public opinion", one way or another.

Another impression is that our people have no doubt about the quality of the President's heart; they know it beats for humanity, and because of that belief they are willing to go with him a long way, but that before taking such a momentous step as changing their form of government, they will wish to look ahead and see the end of the trail; and seeing it, ponder whether that place is where they wish to go, and be unable to turn back.

Another impression is that there are those who do not think much or care much about such matters, and have no particular objection to Washington having full powers outside the election of county officers, but who are not interested in what Washington may do for them "with increased powers" 8 or 10 years hence. These want the best that can be done for them with the tools now available.

Not a great many persons have referred to the matter of changing the Constitution in the presence of this writer, but not one has done so with approval, much less with enthusiasm.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 410. An act to provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes; and

S. 2100. An act to amend an act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, by adding three new sections to be numbered 802 (a), 802 (b), and 802 (c), respectively.

The message also announced that the House had passed the bill (S. 2591) for the relief of Lyman C. Drake, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 5809. An act to amend an act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia";

H. R. 7526. An act to amend the act approved February 20, 1931 (Public, No. 703, 71st Cong.), entitled "An act to provide for special assessments for the paving of roadways and the laying of curbs and gutters"; and

H. J. Res. 320. Joint resolution to extend from June 16, 1935, to June 16, 1938, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended.

FAITH IN AMERICA—ADDRESS BY SENATOR BYRD

Mr. TYDINGS. Mr. President, the junior Senator from Virginia [Mr. BYRD] yesterday delivered at William and Mary College a very able address on the subject of State rights. I ask that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a great privilege for me to be here. The pleasure of my visit is the greater because I witness the high honor of your degree conferred upon my colleague, Senator GLASS.

He comes here today in the full flower of his developed powers and combines in his strong character and vigorous intelligence the mellowed wisdom of experience with the confident outlook of youth. He is that rare product of our political life—a statesman without fear and without reproach. Among his colleagues he is the most beloved and respected Member of the Senate of the United States.

I recall a similar honor conferred upon me by the College of William and Mary, but the difference is that I received my degree, not for any achievements of my own but merely because tradition required that a degree conferred upon the President of the United States made appropriate a similar honor to the then Governor of Virginia, while Senator GLASS is honored because in every household in America his name means the conception of the highest type of public official—a gentleman unafraid; a statesman whose life and character provide an inspiration for those who still believe a man can continue in public office and be true to his convictions and patriotic impulses of high public duty.

And he comes to be honored by an institution that is itself older than our national independence; an institution whose courses of instruction helped to shape and develop some of the men who achieved our independence; but an institution that has found the fountain of youth and goes forward today with strength and optimism under leaders who face the rising sun of increasing service. This sun shines this moment in the face of your progressive new president, and back of him are the memories, the achievements, the traditions of many years of most valuable public service of this ancient college.

Today many people are inclined to ridicule maxims in the form of pointed truths that are obvious. These truths may be obvious, but they are so often honored in the breach rather than in the observance that repeating them is good for us as industry, perseverance, and thrift are equally essential for success today as ever before.

Here in Williamsburg at the Raleigh Tavern, a very wise man wrote the Bill of Rights which is now a part of the constitution of nearly every State of the Union. George Mason in this document for the preservation of liberty said:

"That no free government or the blessings of liberty can be preserved to any people but by firm adherence to justice, modera-

tion, temperance, frugality, and virtue, and by frequent recurrence to fundamental principles."

These fundamental truths, my friends, are just as valid today as when George Mason uttered them, and their application offers the only sure road to happiness and success.

Just as there is no royal road to learning there is no substitute for industry and hard work if we as a Nation or as individuals are to continue our forward march of progress. The economic law that what you spend you must pay has existed since the beginning of time.

Such homely truths; that your happiness depends upon a balanced budget in your personal affairs applies with equal force to a State or the Nation; that to succeed you must do today's work today and not tomorrow; that you must develop a system by which you work and avoid haphazard methods; these may be called by some "prep school" stuff, but their practice is of the stuff that makes success.

You will go into a world of toil and tumult where the fight is fierce and requires that you deny your appetites and strengthen your spirits and discipline your powers until you are in the pink of condition to make good. If you do this you should win, for remember that America is still a land of opportunity. No one can justify failure here with the excuse that success if based on "pull" and that only the privileged can succeed. Hundreds of leaders in both business and the professions have risen from the bottom to eminence by their own ability to climb and not pull from above.

Let no one destroy your faith in America, but let no one deny your right to censure things that tend to lessen your faith in America. However much government has interfered with private business the individual is still free here to say what he thinks, to cherish the religious convictions he prefers, to appeal to honest courts to safeguard his personal liberty and to protect his private property. He lives under a government of laws and not of men and is protected, even when part of a minority, by a constitution that builds barriers against the exercise either by Congress or Presidents, legislatures or governors, of undue, oppressive, or dangerous powers.

You may not appreciate as you should the value to you of these fundamental American institutions because you have always enjoyed them like the air you breathe. Take away part of the air and you suffer; take away some of your liberties and you are ready to fight to regain them. If you would appreciate your liberties here, compare them with the restrictions under which you would live in many other countries. Italy beckons with the charm of her present culture and the greatness of her past; but freedom of opinion and the press are denied and both labor and capital are regulated strictly by the iron hand of a dictator. Mussolini is a great ruler of extraordinary courage and capacity. All of us applaud his poise and the power of his leadership through the last 5 years of economic difficulty and distress, but no true American would be satisfied for a day to be denied the right to criticize governmental action or to join a party in opposition to the Government's policies and acts. But you would be denied this freedom in Italy, and if you quoted Jefferson's declaration that freedom of speech and opinion were among your inalienable rights you would have to choose between jail and exile.

Events in Germany under Hitler are so fresh in our minds that it is easy to draw sharply the contrast between the suppression of the individual freedom of the Germans and the recognition here in our country of our freedom to write and say what we please about our Government and our institutions. Some Germans appear to like Hitler and his methods; but think of the misery of mind and soul suffered by those whose convictions against Hitler are suppressed and silenced under even the threat of death. Italy and Germany are capitalistic countries. Pass from them to the limitless reaches of Russia, where a group of strong men professed to have abolished capitalism for the common good of the common man; yet here more than in the capitalistic dictatorships individual liberty is imprisoned by governmental prohibitions of free speech, free press, private property, and free enterprise. Now and then we hear of a few professors and some students in our colleges—not, I am happy to say, in William and Mary—who have been captivated by the gilded stories of Russian communism. For the benefit of the few in America who feel like this, may I quote from an article by James Truslow Adams in the May Scribners:

"The standard of living of the higher-paid Russian was definitely below that of a man on the dole in England. One did not see many smiling faces among the workers."

The truth is that while democracy in the modern sense is less than 200 years old, the average man has profited more under it in political liberty and economic comfort than he has profited under any other system at any other time in the world's history. The countries with democratic institutions like England and America and France have survived the World War and its terrible aftermath better than the less democratic countries. England, where speech is so free that you may stand in Hyde Park and attack the monarchy under police protection, has balanced her budget and recaptured a considerable measure of her prosperity. And here at home we have stood the expenditures of unprecedented sums in war and the 20 years following and have been feeling recently the potential power for recovery stirring and throbbing in the veins of the Nation ready to burst into action once confidence is restored by the assurance of a balanced budget and an early return to normal governmental practices.

So much I have said, ladies and gentlemen of the graduating class, to emphasize to you the privilege of American citizenship. You are entering business and professional life at a time of difficulty and dissension and debate, but your liberty is safer and your chance of happiness is better because of the freedom with which these discordant voices may sound throughout the land.

There is no divinity that doth protect from free criticism and debate of our institutions. Political workmen may tap and test the parts of our Constitution to see if its strength or flexibility is failing, but we should be careful to test the new before we discard the old. It is one of the peculiar dangers of our time that we incline to be captivated by novel political suggestions merely because they are novel.

The growth of interstate business has influenced the most convinced believer in State rights to concede the necessity of the exercise of national power authorized by the Constitution, through national commissions, like the Interstate Commerce Commission, to protect the public interest. But this does not mean that we should be nationalized and federally socialized until the rights of the States have been obliterated and the individual loses much of his liberty of enterprise and the State becomes merely an administrative district of the Federal Government.

Years ago a man practiced law in this town. His name was Thomas Jefferson. He believed that the citizen should be permitted to use his own in his own way just so long and so far as such use did not interfere with the privilege of other citizens to do likewise. He was strong for the liberty of the individual and believed that the States must retain enough power to protect this liberty, for he knew that the citizen is safer under home rule than he is under rule from a distance. Our complicated industrial civilization of today demands more power in the Federal Government to control interstate activities than in Jefferson's day; but home rule is still a necessary protection to the rights of the individual and is the foundation of our Government of confederated States.

The Supreme Court of the United States has just rendered what many regard as very momentous decisions. The strange part of it is that anyone could have expected a different decision. With a unanimous voice the Supreme Court merely reaffirmed fundamental principles; principles upon which our Government was founded; and principles I may say to which the Democratic Party has pledged enthusiastic allegiance since the days of Jefferson. These decisions have transferred the emphasis of public discussion from economic to political problems. The debate rages as we assemble in this place of scholarly dignity and quiet reflection. Old battle cries sound anew and the shadows of Jefferson and Hamilton move amid the modern debators as they have so often done before in periods of stress and strain. Men and women of today are talking about the principles that interested the people of Jefferson's day as they walked this very campus.

This is true because fundamental principles like local self government and nationalism are long lived as such principles directly control our liberties and happiness.

It does not take a prophet to predict that in one form or another the issue will be presented to the people of America. I do not regard the Constitution of the United States as a sacred document to be considered as immune to change or criticism; perhaps certain changes should be made, but I say that while the Constitution itself is not sacred, the principles of representative democracy embodied in the Constitution are sacred to those who believe in this form of government. Our Constitution is 146 years old and therefore outgrown, the critics say, yet principles of freedom and of justice are immortal. You may make some change in the framework, but to alter or amend the foundation stone will destroy the structure. The issue may come by reversing the tenth amendment, which says that "Powers not delegated to the United States by the Constitution nor prohibited to it by the States, are reserved to the States respectively or to the people." It may come in the proposal now being made by a member of the Cabinet who desires a constitution subject to amendments by a popular majority of the Nation as a whole without regard to the sovereignty of the States and that such amendments be submitted by a nonelective board appointed by the President. This would destroy one of the most important of the checks and balances devised by the wisdom of the founders. Others of influence desire that the Supreme Court be denied the power to declare unconstitutional an act of Congress, a power conceded to the Court since the days of Chief Justice Marshall.

The wise men who framed the Constitution were concerned to protect the individual against unrestrained Federal power; but distinguished gentlemen today feel that the people's welfare can be promoted only by the grant to the Federal Government of supreme power to do anything a temporary legislative majority may authorize to be done anywhere in the United States.

Americans have confidence in America because the Constitution stands a bulwark against confiscation of the property or liberty of the individual by temporary majorities and because an impartial court, withdrawn from the atmosphere of partisan politics and enjoying tenure in judicial office for life, could speak the last considered and deliberate word on the validity of congressional enactments. Similar power exists in the State courts, and this check on unconstitutional legislation has frequently protected us from an excited and temporary majority in the Congress or State legislatures. It is the peculiar province of the Constitution to protect the rights of the minority, rights that no temporary majority should have the power to destroy. It is another of the checks and balances of our democracy.

The proposal to strike out or amend the commerce clause to give the Federal Government control of all activities solely within a State in its practical application destroys the most important

of State rights and makes the States merely districts to the central Government. When the issue comes there can be no compromise, because fundamental principles admit of no division; either you are for them or against them. We of this generation can no more compromise with such issues than Gen. Robert E. Lee when he made his heroic fight to preserve home rule; to maintain what he called "sacred principles."

I have no quarrel with those who desire to change the Constitution by the orderly methods prescribed. In this free country that is their privilege, just as it is the duty of those of us opposed to the destruction of the very foundation stones upon which our great representative democracy has been builded to fight to the last ditch to preserve those things our forefathers gave their lives for us to enjoy. As a Democrat who yields to no man in my belief in and support of Democratic principles, I say that if the Democratic Party becomes the instrument to attempt to destroy the rights of the States by constitutional change, then our historic party has betrayed every tradition of its past and violated the first principles of its existence. I do not and cannot believe that such will occur; neither do I believe any formidable leader of the Democratic Party will promote such a plan, yet the debate that is now going forward in frankness compels public men who feel strongly as I do, to without equivocation state our opposition regardless of political consequences. And in the shadow of these walls where democracy was cradled and nurtured by the great men of Virginia's past, I want to take my stand for the preservation of the fundamental principles of our Government; against the destruction of the rights of the States and to preserve home rule; in opposition to any movement to abridge the present power of the Supreme Court of the United States, and to save the checks and balances the founders so wisely adopted as a protection against mob rule.

In conclusion let me say that it is because the inalienable rights of the individual have never yet been sacrificed or lost and that our liberties are protected by constitutional law that I am able to assure you that you are entering upon your life's work in that country where you will have the best chance of success and happiness.

Out of this institution have gone successive generations of students trained to participate wisely in the decision of public questions. The questions confronting us demand for their solution enlightened and temperate deliberation. Such deliberation you are now trained to exercise the better because of your studies here. I repeat, never lose faith in America, but never hesitate to condemn those things that tend to lessen your faith in America.

To every one of you Godspeed and best wishes.

THIRD PARTY PLAN IMPRACTICAL—ARTICLE BY WALTER E. EDGE

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Walter E. Edge, former United States Senator from New Jersey and former Ambassador to France, which appeared in the New York Herald Tribune of June 9.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THIRD PARTY PLAN "IMPRACTICAL", EDGE BELIEVES—TIME TOO SHORT TO ORGANIZE ANEW, SAYS FORMER AMBASSADOR TO FRANCE

By Walter E. Edge, former American Ambassador to France

The Supreme Court's body blow which completely wrecked Mr. Roosevelt's program to nationalize American industry and regiment its citizens has inspired renewed discussion of practical political realinements aimed to terminate the extreme socialistic plans of the badly crippled new deal.

For months it has been plainly apparent that a large and influential section of the Democratic Party was completely out of step with the President's program of planned economy and centralized control. This development has found expression in various forms and particularly as to the position to be taken by the political parties in the next Presidential campaign.

There have been emphatic demands for a coalition of Republicans and Democrats who disagree with the policy of the administration's determination to administer as well as regulate the business of the country.

The present intransigent attitude of Mr. Roosevelt should aid and encourage such a combination greatly. Without attempting to prophesy the President's final position, which in the light of his conflicting public statements is impossible, the demand for a uniting of opposing forces is imperative. Reviewing the President's attitude in the two outstanding crises since his election, one is justified in the conclusion that he prefers temporary confusion to broad cooperation.

The history of his refusal to join with President Hoover in endeavoring to avert the bank crisis just prior to his inauguration is being told publicly for the first time. And now that the Supreme Court unanimously has blocked his ambitious program of centralized control, he again seems to invite uncertainty rather than readjustment. This indicates to many that his indecision is more political than constructive and still further justifies a combination of those forces, irrespective of party, who are in disagreement with his most recently expressed policies.

Some advocates of such a coalition have suggested frankly the formation of a new party, presumably with a new party name. Personally I believe this would be a mistake. Such an arrangement necessarily would force the new party into the position of being a third party, which would make its status most difficult. Political history has certainly emphasized that fact. The Palmer-Buckner split in 1896, while no doubt assisting President McKinley's election, polled fewer than 200,000 votes of more than 13,000,000.

From the practical standpoint, I am sure, it would be just as impossible to have the Republican Party give up its charter as it would be to have the Democratic Party cease to function. No doubt a section of the Republican Party, either from the right or left wing, may affiliate with other groups with similar opinions and convictions, but no individual or collection of individuals has the power or authority to sweep the party from existence.

Therefore, inasmuch as the Democratic Party, of course, will continue to function with President Roosevelt as its leader and nominee, and apparently maintain views not in harmony with the convictions of many of its members, the latter should affiliate with the Republican Party under a coordinated program which undoubtedly could be agreed upon. Again from the practical standpoint, the Republican Party is the only existing political organization on which to build, assuming the objective is to encourage permanent recovery through the defeat of Mr. Roosevelt's policies.

The Republican Party has existing National, State, district, and county set-ups, and it would be impossible to build a new organization of this character in a few weeks under another name. This is not a question of stubborn party selfishness. It is a matter of just plain ordinary common sense if real results are to be obtained.

If citizens who have affiliated heretofore with the Democratic Party and a large section of the Republican Party could agree on a declaration of principles along the lines of the 1932 Democratic platform, which should not be difficult, there would be no reason why there would not be honor and credit enough to go around. Of course, we all realize that a combination of this character will lose a certain element of voters who have at times affiliated with the Republican Party. In fact, as everyone knows, there has been a section of the Republican Party that has and perhaps will continue to support a large portion of Mr. Roosevelt's program.

It must not be forgotten that at the last election, when the Republicans faced every disadvantage because of tremendous relief distributions, and so forth, and had no noticeable split in the Democratic Party to aid them, the Republican Congressional candidates pooled more than 13,000,000 votes, as compared to the Democrats' 16,500,000—not a large difference to overcome under existing conditions and circumstances.

PREVENTION AND PUNISHMENT OF CRIME—ADDRESS BY ATTORNEY GENERAL CUMMINGS

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. Homer Cummings, Attorney General of the United States, at Stamford, Conn., Friday, June 7, 1935, at the celebration of the founding of the First Congregational Church in 1635.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, after the stirring challenges and compulsions of events at the national seat of Government it is a stimulating experience to return, even for a few hours, to the intimate associations of one's home State and there amidst neighbors and friends, gain the advantage of a fresh perspective of some of the problems that beset us. While I was not born in Connecticut, I came here to college and to law school, and here I have remained ever since. If I have been complimented in the occasional assertion that I have certain Yankee characteristics, it is because I have never sought to resist the influences that this fringe of New England has to offer. Therefore, I return tonight with a deep gratitude to this State in which I have lived and worked and upon which I long ago came to depend as a never-failing source of strength.

We are met to celebrate the founding of the First Congregational Church of Stamford in 1635. Three centuries is, indeed, a tremendous span of time. When this church was established the first Romanoff had just mounted the throne of Russia. Charles I was King of England. The crown of France had still to be placed upon the brow of Louis XIV. During this historic sweep of time great empires have arisen and fallen; great figures have crossed the stage of life; flaming ideas and vast ambitions have swept the world and, their impetus being exhausted, have become forgotten things. Yet this church still stands and fulfills its ministering function as it has for generations. From New England, New York, Virginia, and other portions of our eastern seaboard came the initiative, the intelligence, and the courage that resulted in the independence of our country. In the midst of the altering aspects of modern life, those who grow fearful or discouraged might well consider the significant transformations that have occurred on this continent since 1635, and quiet themselves with the calm reflection that change has meant progress; and that our institutions, developed through three centuries of trial and error and exposed to all manner of strains, still endure and are as firm tonight as ever.

I need not remind this audience that the Department of Justice has had intimate experience with many of the difficult questions that have arisen as a consequence of new social and economic conditions. One of the most pressing problems with which the Department has had to deal has been the growth of organized crime in its interstate aspects. Armed bands of men in possession

of lethal weapons of offense have availed themselves of all the resources of modern communication and transportation to commit offenses of the most hideous character. Kidnapers and extortionists have invaded our homes and imperiled our families and our children. Unfortunately, there existed an unmistakable gap between State and Federal jurisdiction. In this twilight zone of relative safety crime grew and flourished.

It was not a desire to usurp the functions of State and local authorities that brought the Federal Government upon the scene. Imperative circumstances required it and led to the introduction in the Seventy-third Congress of what has been termed the "12-point program" of the Department of Justice, which resulted in the passage of 17 important enactments. These acts, in general, dealt with the menace of an armed underworld crossing and recrossing State lines in open defiance of the law-enforcement authorities. These laws have greatly strengthened the arm of the Government and have led to distinctly beneficial results.

It is obvious, however, that the problem of crime is not limited to detection, arrest, and punishment. It is a social question with manifold ramifications touching almost all the activities and conditions of life. It was chiefly for this reason that I summoned last winter to meet in Washington a conference on crime. In all, there were about 600 delegates in attendance from all parts of the United States, who heard from the lips of practical experts a discussion of crime in all of its various aspects.

The practical recommendations of the conference elicited widespread public interest and approval.

One of the most important actions taken was that approving of the establishment at Washington, D. C., of a scientific and educational center, permanent in form and structure, to provide national leadership in the broad field of criminal-law administration and the treatment of crime and criminals.

Several months ago I appointed an advisory committee to aid me in the consideration of this difficult matter. This committee has labored well, and I am deeply grateful for the cooperation thus afforded. The committee has presented to me from time to time various suggestions of great value. Among other things the committee has approved of the creation of the proposed scientific and educational center within the structure of the Department of Justice. The validity of this recommendation seems obvious.

As a part of this project I have decided to submit to the Congress a request for authority to create in the Department of Justice a bureau to be known as the "Federal Bureau of Crime Prevention." In this new bureau, it is proposed to concentrate all of the functions connected with the proposed scientific and educational center not heretofore allocated or hereafter to be allocated to the other two Bureaus of the Department which already exist, to wit, the Federal Bureau of Investigation and the Federal Bureau of Prisons. These three Bureaus, working in harmonious cooperation and under the direct supervision of the Attorney General, are, I believe, best adapted for the working out of the desired objectives, without interrupting or interfering with present activities.

Under the new bureau will be placed matters which have to do with the cause and prevention of crime. It will conduct research of the most practical character in pertinent fields of criminological activity.

It will offer a means for maintaining the closest possible contact with organizations interested in law enforcement, and with groups of citizens in the various States who need assistance and encouragement in reorganizing and improving law enforcement agencies in their own jurisdictions.

It will provide collaboration with schools, colleges, and universities engaged in educational work in this field. At the present time, educational work, both for the training of personnel and for the information of the people generally, is scattered and unsatisfactory. There is no educational institution, at the present time, in the whole United States offering an adequate course in which an intelligent citizen desiring to prepare himself for community or State leadership in connection with this problem could do so. As time goes on, it is hoped that we may be able to establish such collaboration between the Department of Justice and schools, colleges, and universities throughout the country, as will make possible the acquiring of such an education.

Moreover, there will be provided a clearing house for information concerning improved methods in use in the various States, as well as concerning the work of national organizations and private agencies in this field. It will collaborate in State and local crime conferences, and other crime-prevention and law-enforcement meetings in which Federal participation is requested. It will attempt to develop and sustain public interest in revising law-enforcement methods and procedure.

One of the most important services that this Bureau can render I have left to the last. I have decided that this Bureau, working in collaboration with the Criminal Division of the Department, shall offer means for the instruction and training of United States attorneys, United States marshals, and United States commissioners. The importance of such training cannot be overestimated. Such officials, scores of whom enter upon public office for the first time, will be afforded a wider background of knowledge and a clearer perspective, not alone with respect to their immediate duties, but in the whole field of crime prevention, detection, and apprehension, and penal treatment.

In general, the first unit in our structure will concern itself primarily with conditions that precede the perpetration of a crime. The second unit, the Federal Bureau of Investigation, and the third unit, the Federal Bureau of Prisons, will concern themselves with conditions which exist subsequent to the perpetration of a crime, the former with detection and apprehension of the criminal, the latter with punishment and rehabilitation after conviction.

With respect to the functions and activities of the Federal Bureau of Investigation, I do not believe that discussion is needed from me tonight. Its recent achievements are too well known to require elaboration. Under the able guidance of its director, Mr. John Edgar Hoover, there has been in successful operation in the Department an excellent training school for the instruction of special agents of the Bureau of Investigation. During the past several months scores of requests have come to us from police officers, from interested citizens, and from the International Association of Chiefs of Police that the training facilities of the Federal Bureau of Investigation should be made available to outstanding law-enforcement officials throughout the United States. This is a service that I have long felt the Department of Justice should offer to the American people.

It is a source of deep satisfaction to me to state tonight that we are now prepared to open the doors of the Federal Bureau of Investigation to representative police officers who may desire to take the same course of training that is now given to special agents of that Bureau. Plant, technical equipment, scientific facilities, lecturers, and instructors will be available for this important work. The sole expense to those who take these courses will be the cost of transportation to and from Washington, and of personal maintenance during the period of instruction. The Department cannot, of course, offer these advantages indiscriminately, but it can and will undertake to supply to experienced police officials instruction in all of the manifold scientific and technical subjects in which special agents of the Federal Bureau of Investigation are now trained. In this way we shall both learn and teach. A formal announcement of our detailed plans will be made in the immediate future, and it should be possible to initiate these courses during the coming summer.

The continued and intensive research of the Federal Bureau of Investigation in all fields of criminological activities relating to detection and apprehension will be placed, in ever-increasing measure, at the disposition of cooperating agencies.

The third unit in our project is the Federal Bureau of Prisons. Under this Bureau is now placed those activities which deal with problems pertaining to the development of advanced methods in the punishment, treatment, and rehabilitation of criminals. Under the experienced direction of Mr. Sanford Bates this Bureau now maintains a training course for Federal prison officials, the facilities of which will be made available under proper conditions to selected State and other officers in this field. Here will be studied the development of scientific information on which to base comprehensive modern methods of parole, probation, and pardon; modern methods of jail and prison construction; modern methods for the classification, segregation, and treatment of criminals; the effects of various forms of punishment, advanced penological technique in prisons, jails, and work camps, and a host of similar matters.

There are numerous varieties of places of detention under the jurisdiction of the Federal Bureau of Prisons, from camps, reformatories such as Chillicothe and Alderson, and what are known as "semisecure institutions" to such a place as Alcatraz. It is our earnest desire to maintain a constantly improving prison system which will not alone serve our own needs and meet our own purposes, but which will also indicate to those in other jurisdictions what can be accomplished in this field. Our prisoners range from the most tractable individuals who give real promise of rehabilitation to the most difficult and almost hopeless recidivists. In their classification, treatment, and segregation, under the careful direction of the Federal Bureau of Prisons, I believe valuable lessons have been learned which should be offered to penological experts in charge of non-Federal institutions according to some permanent arrangement that will also be of service to us in the discussion of our mutual problems.

While each of these three Bureaus will have its own well-defined function, it is not our intention that they should operate in water-tight compartments. Each should be informed as to the problems, the difficulties, and the objectives of the other two. Indeed, no permanent progress can be made in the improvement of criminal law administration in general unless all of those engaged in this work conceive of themselves and their duties as part of a great social enterprise. The more that the prosecutor knows about prevention, detection, and penal treatment, the better prosecutor he will be. The apprehending officers should see themselves as part of a great process that has for its end the protection of society. Prison officials should understand the difficulties that have been surmounted before the convicted criminal is delivered into their charge. Through the growth and exchange of such information, law enforcement can be integrated as it has never been in the past.

When this structure is completed, it will be apparent that the Department of Justice has a well-rounded program, as well as balanced facilities, to deal with all aspects of the crime problem. It would require no particular inventiveness to erect some great, imposing, and expensive façade of new functions to deal with these perplexing problems, but I prefer to initiate the work on the basis of our previous experience, to permit it to develop as need arises and as there is assurance that we are proceeding in the right direction.

Of course, I have no thought that in the Department of Justice alone resides the wisdom and experience to deal with the problem of crime. Thousands of police officers, of prison, parole, and probation officials and of public-spirited citizens engaged in sociological activities are making invaluable contributions to the com-

mon objective. One of the major factors in such recent success as has been achieved has been the increasing cooperation among Federal, State, and local agencies. The future requires even closer coordination and even more complete give and take in all of our activities. For this reason I shall not rest content with the training and educational facilities that the new structure itself can provide. I shall not hesitate to go outside and invite the help of experts in different fields and from different jurisdictions to advise with us and to assist in our work.

What is needed now, as recent experience has shown us, is some central organization to give leadership, coherence, training, and practical aid in crime prevention and in the improvement of criminal law administration. In the threefold organization which I have described I hope to find the agencies through which to reach the desired ends. It is a difficult undertaking. We must be under no illusions as to the nature and seriousness of our problem. Crime is not a passing phase. It spreads and grows as the complications of a complex civilization multiply about us. It is a challenge to our intelligence, to our capacity for self-discipline, and to our social control. During the decades past we have made substantial progress despite tremendous obstacles. Now, as the problem becomes clearer, we are beginning to realize its implications. The genius of our people has never failed to provide effective methods as new and more harassing difficulties have confronted us. In behalf of this great cause I solicit your interest, and I trust that it will commend itself to your active support.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on the District of Columbia:

H. R. 5809. An act to amend an act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia; and

H. R. 7526. An act to amend the act approved February 20, 1931 (Public, No. 703, 71st Cong.), entitled "An act to provide for special assessments for the paving of roadways and the laying of curbs and gutters."

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 113) to extend until April 1, 1936, the provisions of title I of the National Industrial Recovery Act, and for other purposes, which were, on page 1, beginning with line 7, to strike out all of sections 2 and 3 and insert:

SEC. 2. All the provisions of title I of such act delegating power to the President to approve or prescribe codes of fair competition and providing for the enforcement of such codes are hereby repealed.

And to amend the title so as to read: "Joint resolution to extend until April 1, 1936, certain provisions of title I of the National Industrial Recovery Act, and for other purposes."

Mr. HARRISON obtained the floor.

Mr. McNARY. Mr. President, is it the expectation of the Senator from Mississippi to suggest the absence of a quorum before he makes his statement? If not, I shall do so.

Mr. HARRISON. Very well, if it is the desire to have a quorum.

Mr. McNARY. We must have a quorum, of course. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Pope
Ashurst	Copeland	King	Radcliffe
Austin	Costigan	La Follette	Reynolds
Bachman	Couzens	Lonergan	Russell
Bailey	Davis	Long	Schall
Bankhead	Dickinson	McAdoo	Schwellenbach
Barbour	Dieterich	McCarran	Sheppard
Barkley	Donahey	McGill	Shipstead
Black	Duffy	McKellar	Smith
Bone	Fletcher	McNary	Steiwer
Borah	Frazier	Maloney	Thomas, Okla.
Brown	George	Metcalf	Thomas, Utah
Bulkley	Gerry	Minton	Townsend
Bulow	Gibson	Moore	Trammell
Burke	Glass	Murphy	Tydings
Byrd	Gore	Murray	Vandenberg
Byrnes	Guffey	Neely	Van Nuys
Capper	Hale	Norbeck	Wagner
Caraway	Harrison	Norris	Walsh
Carey	Hastings	Nye	Wheeler
Chavez	Hatch	O'Mahoney	White
Clark	Hayden	Overton	
Connally	Johnson	Pittman	

Mr. BARKLEY. I desire to announce that the Senator from Mississippi [Mr. BILBO], the Senator from Kentucky [Mr. LOGAN], the Senator from Arkansas [Mr. ROBINSON], the Senator from Missouri [Mr. TRUMAN], and the Senator from Illinois [Mr. LEWIS] are unavoidably detained from the Senate.

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

Mr. HARRISON. Mr. President, I move that the Senate concur in the amendment of the House to the text of Senate Joint Resolution 113, with the amendment which I send to the desk.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to strike out the period at the end of the matter proposed to be inserted by the amendment and to insert in lieu thereof a colon and the following:

Provided, That the exemption provided in section 5 of such title shall extend only to agreements and action thereunder (1) putting into effect the requirements of section 7 (a), including minimum wages, maximum hours, and prohibition of child labor; and (2) prohibiting unfair competitive practices which offend against existing law or which constitute unfair methods of competition under the Federal Trade Commission Act, as amended.

Mr. LONG obtained the floor.

Mr. McNARY. Mr. President, I had hoped, inasmuch as we are proceeding under a limitation of time, that the Senator from Mississippi, having charge of the joint resolution, would make some statement in regard to it.

Mr. HARRISON. I shall be glad to make a statement.

Mr. McNARY. I think that is the proper course to pursue.

Mr. HARRISON. I made a statement on yesterday, but there was not a full attendance of the Senate.

Mr. LONG. Mr. President, with the understanding that I do not lose my right to the floor, I shall be glad to yield to the Senator from Mississippi to make the statement.

The PRESIDENT pro tempore. The Chair will recognize the Senator from Louisiana if he shall address the Chair.

Mr. HARRISON. Mr. President, the Senate is familiar with the Senate joint resolution we passed, which was applicable to codes. Under the National Industrial Recovery Act the President was authorized to deal with this question in three ways. One method was through licenses, which would operate for 12 months, and that provision has expired by limitation of law. The second way was by code arrangements, under which a code might be imposed upon an industry after a majority of the industry had submitted a code and it had been approved by the N. R. A. authorities and the President. The only remaining method under the law was through voluntary agreements which might be entered into, which would create a contractual relationship between the parties to the agreements.

The joint resolution deals only with section 4 of the present law; and I should like to have Senators who are interested in this subject and who expect to discuss it listen to the particular explanation I am about to make, because it might expedite the consideration of the measure.

The joint resolution we passed, in addition to the fact that under it the N. R. A. is to be continued until April 1 of next year, authorizes the President to collect data and to follow through in ascertaining what recession there has been in the matter of wages, hours of labor, and other practices.

Section 4 of the original law is the one applicable to the legislation now under consideration. It reads:

The President is authorized to enter into agreements with, and to approve voluntary agreements between and among, persons engaged in a trade or industry, labor organizations, and trade or industrial organizations, associations, or groups, relating to any trade or industry, if in his judgment such agreements will aid in effectuating the policy of this title with respect to transactions in or affecting interstate or foreign commerce.

It will be noted that this is confined to interstate or foreign commerce and is consistent with the requirements of clause (2) of subsection (a) of section 3 for a code of fair competition.

Clause (2) of subsection (a) of section 3 providing requirements for a code of fair competition, which must be in every voluntary agreement, reads:

That such code or codes are not designed to promote—

I will substitute the word "agreement", so that it will read:

That such agreement or agreements are not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them, and will tend to effectuate the policy of this title: *Provided*, That such agreement or agreements shall not permit monopolies or monopolistic practices.

To my mind, and to the minds of a great majority of the committee, with that prohibition and that condition the joint resolution as adopted by the House would have been quite sufficient; but some thought that the measure as passed by the House would suspend the antitrust laws, and there was a feeling that they should not be suspended.

In my opinion, it would not have suspended the antitrust laws at all, because when gentlemen get together and make an arrangement with reference to collective bargaining or with reference to minimum wages or with reference to maximum hours of labor, it is inconceivable to me how any lawyer should say that such action would be in violation of the Sherman antitrust law. But the captains of industry, or at least some of them think otherwise, and are afraid to get together for almost any purpose. So the gentlemen who have opposed the N. R. A. legislation on account of the suspension of the antitrust law suggested an amendment, and we have proposed that amendment to the House amendment, to the effect that until April 1 of next year in the making of these voluntary agreements, affecting only interstate commerce, the exemption shall apply only in the respects I have indicated, which would, in my opinion, absolutely safeguard against any of those contingencies which have arisen in the minds of some and which might influence them to oppose the legislation.

Mr. COPELAND. Mr. President, may I ask the Senator a question?

Mr. HARRISON. Certainly.

Mr. COPELAND. The amendment includes this language:

Including minimum wages, maximum hours, and prohibition of child labor.

Is that intended to mean putting into effect the requirements of section 7 (a) as that section relates to minimum wages, maximum hours, and so forth?

Mr. HARRISON. Section 7 (a) is the collective-bargaining provision, which assures labor the right to bargain collectively. If the Senator will read the present N. R. A. law, which is to be extended, he will find that those who make the agreements contemplated must incorporate in the agreements the collective-bargaining feature which is provided in section 7 (a).

Mr. COPELAND. That is to say, then, this continues the features of section 7 (a)?

Mr. HARRISON. This continues them.

Mr. COPELAND. Including the provision as to minimum wages, and so forth?

Mr. HARRISON. Yes. The amendment provides that in every voluntary agreement respecting interstate commerce, if such agreement shall be entered into, there shall be included a provision putting into effect the requirements of section 7 (a) which deal with collective bargaining, including minimum wages, maximum hours, and prohibition of child labor; and, second, there shall be included also a provision—

Prohibiting unfair competitive practices which offend against existing law or which constitute unfair methods of competition under the Federal Trade Commission Act, as amended.

The language was written in this way because it follows the language of the decision of the Supreme Court in the recent N. R. A. case, so there could be no fault to find with it. In other words, we do not set forth what shall be fair practices and fair competition, but we aim—

To prohibit unfair competitive practices which offend against existing law or which constitute unfair methods of competition under the Federal Trade Commission Act, as amended.

While, in my opinion, this could be done anyway, and the antitrust laws would not be suspended, as the antitrust laws are now in full force and effect, this will offer encouragement to those who desire to enter into these voluntary arrangements and enable them to feel satisfied that when they meet for these particular purposes they will not be acting in violation of the law.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. DICKINSON. If this extension shall be granted in accordance with the terms of the joint resolution, where will the money come from to pay the salaries of the personnel employed?

Mr. HARRISON. I do not know. If the Congress did not appropriate directly it would come out of some fund they think they have.

Mr. DICKINSON. As a matter of fact, it comes out of title II, which provides the Public Works fund, as I understand.

Mr. HARRISON. That may be. I may say that on yesterday we had Mr. Richberg before us, and he said they had already made a survey, and the President had insisted that the personnel be cut to the bone in order to carry out certain purposes he had in mind; that while there were some 5,400 now in the personnel of the N. R. A., in their first estimate and survey they had agreed already to cut it down, I think, to 1,500; in other words, lopping off in the neighborhood of 4,000.

Mr. DICKINSON. Just one further question. Are those who are to be retained experts or what one might call the scientific research personnel?

Mr. HARRISON. I may say to the Senator that I doubt whether many of these voluntary agreements can be entered into. However, those highest in authority have expressed a strong desire that the N. R. A. be continued, in order that they might retain a personnel which would keep check on those industries which have come into the code arrangements, under which employers are now paying fair wages and maintaining certain hours of labor, in order to ascertain whether those standards may be maintained or whether the employers are going to increase the number of hours of labor and decrease wages. At the same time, as has been expressed in the public press, the President is very desirous of trying to preserve the present labor provisions with reference to hours and wages, so that in entering into contractual relationships in connection with the expenditure of Government moneys in building and other projects he may be permitted to write into the contracts that such standards for hours and wages shall be maintained. So the President expects to use the N. R. A. agency and its personnel to handle that situation.

Mr. DICKINSON. One further question. If the delegation of authority to the President under the code section of the law was unconstitutional, I am wondering whether or not the same objection as to the delegation of power by the legislative branch to the Executive in the matter of agreements will not invalidate this section of the joint resolution in a similar way.

Mr. HARRISON. On the contrary, the Supreme Court decision expressly stated that if the agreements were voluntary, the situation would be different; and the agreements contemplated are voluntary. In the matter of codes, we were imposing codes upon people; we gave to the President the power to impose codes. The pending motion provides for voluntary agreements, creating a contractual relationship. The President will have no authority to impose agreements upon anybody.

Mr. DICKINSON. In other words, it is not the Senator's contention that under the proposal now presented, extending the N. R. A., there would be any authority whereby an agreement which was entered into could be forced upon a minority which did not want to sign the agreement?

Mr. HARRISON. Absolutely not.

Mr. LONG. Mr. President, I understood that the junior Senator from Oklahoma [Mr. GORE] had an amendment which he wished to offer to this resolution.

Mr. GORE. Mr. President, I did wish at the proper time to offer an amendment. Has the Senator from Mississippi concluded his remarks?

Mr. HARRISON. Yes; I have concluded.

Mr. LONG. I have the floor, but I should be glad to yield to the Senator from Oklahoma if he wishes to offer his amendment.

Mr. GORE. In fact, I intended to confer with the Senator from Mississippi in regard to this amendment, but when I came into the Chamber he was speaking, and I have not had a chance to confer with him since. I will send the amendment to the desk and ask to have it read. I hope the Senate will consent to it, because it embodies the will of the Senate as heretofore expressed in a former vote in connection with the passage of the $4,800,000,000 relief joint resolution.

The PRESIDENT pro tempore. The amendment of the Senator from Oklahoma will be stated.

The CHIEF CLERK. At the end of the joint resolution it is proposed to insert the following:

SEC. —. (A) Hereafter any person who shall receive under this or any other act of Congress a salary or other compensation at the rate of $4,000 or more per annum shall be appointed by the President by and with the advice and consent of the Senate.

(B) No such person appointed during the recess of Congress shall serve or be paid for a longer period than 60 days after the convening of the next succeeding session of Congress unless appointed and confirmed as provided above, and no such person appointed while Congress is in session shall serve or be paid for a period of more than 60 days nor beyond the adjournment of Congress unless so appointed and confirmed.

(C) No such person appointed under the provisions of this act or the provisions of Public, No. 10, Seventy-third Congress, as amended (Agricultural Adjustment Act), and under the provisions of Public No. 67, as amended, of the Seventy-third Congress (National Industrial Recovery Act) or paid out of any appropriation made in pursuance of this or any such act or acts shall serve for a period of more than 1 year from the date of his confirmation by the Senate unless reappointed and confirmed as herein provided; and any such person appointed and confirmed hereunder who shall serve or be paid under the provisions of any other act or acts not herein specified shall serve until the end of the administration of the President by whom such person was appointed.

(D) The President shall by Executive order fix the rate of compensation which any such person so appointed and confirmed shall receive and be paid and shall prescribe the official title or designation by which such person shall be known.

(E) Section 1761, Revised Statutes, is hereby reenacted insofar as consistent with the provisions of this section.

Mr. GORE. Mr. President, at this time I do not intend to detain the Senate. The purpose of this amendment is self-evident. It was prepared in collaboration with the official draftsmen of the Senate. The purpose and object is to require the confirmation of officials or employees receiving more than $4,000 per annum. The Senate has pronounced its judgment upon that point in connection with its action on the $4,800,000,000 relief joint resolution. I believe the amendment in connection with that measure, however, provided for cases where persons received salaries of more than $5,000 per annum instead of $4,000. Unless some other Senator wishes to discuss the amendment I do not care to do so at this time.

Mr. HARRISON. Mr. President, I hope very much that the Senator from Oklahoma will not insist on his amendment. Of course, the ordinary procedure would have been for the joint resolution to have gone to conference, but when it was originally before the Senate I stated that, so far as I was concerned, the Senate could pass upon whatever amendments might be made in the House. The House adopted a very simple amendment. In order that the measure may not become badly involved, with the 16th of this month as the limitation upon the life of the organization, I hope very much that the Senate will not take the action proposed by the Senator from Oklahoma. His amendment might be very important if the N. R. A. were going to be extended for 2 years and if it were going to retain the same force it now has.

As was revealed by the investigation of the Finance Committee, a good many persons in the code authorities were drawing very high salaries, being paid by the industries themselves, but since the codes have been wiped out, of course, the code authorities also have been wiped out.

Since the force is going to be reduced tremendously the importance of this question is not as great as it was. In order that the House and the Senate may get together on this measure and send it on its way to the President before the time runs out, I hope the Senator will not insist upon his amendment.

Mr. GORE. Mr. President, it seems to me the House ought not to object to concurring in this amendment. I would not have offered it at this time but for the circumstance that the Senate, acting deliberately, attached an amendment to the $4,800,000,000 relief joint resolution requiring officers and administrators appointed in pursuance of that act to be confirmed by the Senate. The conference committee once agreed to that amendment in fairly reasonable form, but when the second conference report came in—and I doubt if six Senators on the floor of the Senate know this to be the fact—instead of affording an additional safeguard and guaranty in connection with these appointments it actually suspended section 1761 of the Revised Statutes, which provided that these officers could not be paid until they had been confirmed. That safeguard was suspended. I did not know it myself for some time after the measure had been enacted.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. BARKLEY. Does the Senator's amendment only apply to employees under the N. R. A.?

Mr. GORE. No, Mr. President; it applies to everybody.

Mr. BARKLEY. The Senator's amendment applies to everybody, including the officers, with reference to whom, in the consideration of the $4,800,000,000 joint resolution, we fixed the $5,000 limitation?

Mr. GORE. Yes; it would change it to that extent.

Mr. BARKLEY. It would change that act and all other acts?

Mr. GORE. Yes; but, Mr. President, I inquire if anyone has been nominated in pursuance of that act?

Mr. BARKLEY. It changes in the same aspect the Agricultural Adjustment Act and all other acts now in force?

Mr. GORE. Yes. It certainly does. It does not omit anyone. If anyone is omitted, it is an inadvertence on my part.

Mr. LONG. Mr. President, will the Senator yield for a moment?

Mr. GORE. I yield.

Mr. LONG. As a matter of fact the Senate adopted this amendment to the $5,000,000,000 joint resolution, and the first conference approved it, as I understand.

Mr. GORE. Yes; substantially.

Mr. LONG. And the next thing we knew they not only had stricken out our amendment providing that employees receiving more than $5,000 should be confirmed by the Senate, but they went a little further and suspended a law which our amendment did not even affect—that is, they suspended section 1761.

Mr. GORE. They did; yes.

Mr. LONG. In other words, they struck out the amendment which had been adopted to the $5,000,000,000 joint resolution, providing that employees receiving more than $5,000 per annum should be confirmed by the Senate, and they not only did that, but they put another section in providing that it was not necessary to have any confirmation by the Senate, not only in connection with the employees or appointments concerning which confirmation had been provided by the Senate, but also concerning appointments which we did not mention in our amendment. In other words, they took the angel and made it a witch, and no one knew what had gone on when the measure came back to the Senate.

Mr. GORE. I think for all practical purposes the Senator from Louisiana is correct in his statement; and if anyone has been nominated under the provisions of the $4,800,000,000 joint resolution I am ignorant enough not to know it. Not only that, but the conference report, as adopted, repealed section 1761, which I desire to have read at this time. I doubt if any Member of the Senate who was not on the conference committee knew that this section of the law had been repealed.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. TYDINGS. I should like to ask the Senator from Oklahoma what justification there can be, when the Senate has to confirm the appointment of every postmaster who receives two or three thousand dollars a year, and who works under very strict regulations, for the Senate not confirming employees who are paid more than $4,000 a year, who are expending $4,800,000,000 and are entering into all sorts of activities under rules and regulations other than by law. For my part, I do not believe it will delay the resolution a particle to adopt the amendment offered by the Senator from Oklahoma, and I hope the amendment will be adopted.

Mr. McNARY. Mr. President, I rise to a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McNARY. We have reached the hour of 12 o'clock, when, under the unanimous-consent agreement, the Senate is to revert to the consideration of the unfinished business.

Mr. GORE. Very well. I recognize that parliamentary procedure would require such action to be taken.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The PRESIDENT pro tempore. Under the unanimous-consent agreement of yesterday the Chair lays before the Senate the unfinished business.

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating or marketing securities in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. HARRISON. Mr. President, may I be permitted to state that, immediately following the vote on the pending bill to regulate holding companies, I shall renew my effort to have the joint resolution extending the National Industrial Recovery Act acted upon by the Senate? I may also state that I hope we can finish it today.

Mr. BORAH. Mr. President, I should like to make a suggestion to the Senator, in order that he may be considering it during the interim when the joint resolution shall again be before the Senate. I shall, at the proper time, move to strike out the words "offend against existing law" and insert "violate the antitrust laws." Clause 2 would then read:

Prohibiting unfair competitive practices which violate the antitrust laws or which constitute unfair methods of competition under the Federal Trade Commission Act, as amended.

I hope the Senator will give that suggestion consideration.

Mr. HARRISON. I hope the Senator will not offer that amendment. We spent some 3 hours yesterday trying to reconcile our views on this proposition.

Mr. BORAH. If the Senator has construed this clause correctly, the amendment I have suggested will make no change whatever in the proposition. It will make the provision definite and certain.

Mr. HARRISON. The effect would be the same in either case if the Senator's amendment should be adopted or if the language proposed by the committee should be adopted.

Mr. BORAH. The language of the joint resolution reads, "existing law." The National Recovery Act itself is "existing law."

Mr. DIETERICH. I now desire to call up for consideration amendments offered by me to section 11, being a series of about four amendments to that section. I wish to consolidate two of those amendments so that the consolidated amendment will read, as follows:

On page 43, line 24, after the word "hearing", strike out all of page 44 down to and including line 15, on page 45, and insert the following:

After January 1, 1938, to require the corporate structure of the holding-company system of each registered holding company to be simplified to the extent that such corporate structure contains unnecessary complexities which are detrimental to the interests of investors, consumers, and the general public; and to that end to require such registered holding company and each subsidiary public-utility company thereof to take such action as may be necessary to accomplish such simplification; and to require each registered holding company and each subsidiary public-utility company thereof to confer unrestricted voting power upon the holders of all shares of stock of such company, irrespective of class, to the extent that the Commission finds it necessary in order to ensure that voting power is fairly and equitably distributed among the holders of securities of such company.

I desire to address myself first to the bill.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. DIETERICH. I yield.

Mr. COPELAND. I notice that one of the amendments of the Senator is on page 43, to strike out lines 19, 20, 21, and 22.

Mr. DIETERICH. I will come to that later. The main amendment is the consolidated amendment which I have read.

Mr. COPELAND. The Senator still has in mind the amendment to which I have referred.

Mr. DIETERICH. I still have that amendment in mind. I have introduced a series of amendments designed to eliminate from this bill the so-called "death sentence." Those amendments go to section 1, section 2, and section 11, and there is another amendment to the water-power title of the bill.

Mr. President, there is no question what the purpose of this bill is; there is no question as to what is the ultimate end intended to be reached by the authors of the bill. This bill, instead of regulating and correcting evils that exist in holding companies, is an effort to bring about public control of all the utilities in the United States. There has been such a school of philosophy in this country for some time. I can read this bill and harmonize it with the views of that school. I say this, with all respect to the Senator from Montana [Mr. WHEELER], because at one time he was a candidate for Vice President on a platform which declared for the public ownership of utilities. Of course, everyone has the right to espouse any philosophy he likes, and no one has a right to challenge him in the exercise of that right; but there is no question that this bill is the beginning of an effort to accomplish the purpose I have indicated.

A significant thing occurred in the debate the other day on the floor when it was pointed out that certain large corporations engaged in the utilities field were exempted from the provisions of the bill. In other words, the desire was to put them in a position where they could be taken one at a time, whereas if all the holding companies were combined in one bill the movement might not be so successful. If the holding-company system is bad in the utility field, it is bad in every field. If there are abuses to be corrected in the case of holding companies in the utility field, certainly similar abuses exist in every field where promotional holding companies exist.

So I say the bill is a step not necessarily to do that which our platform declares should be done, not necessarily to do that which the President wants to have done, namely, to squeeze the "racket" out of the holding-company system and to leave the good; but this proposed legislation is an effort to seize that sentiment as an excuse absolutely to gain control of every utility in the United States, with the further purpose of establishing the Federal Government as a competitor which will eventually acquire the entire industry.

Those are my honest convictions. I have listened to the arguments presented here, and I know that the Senate is not concerned with abusing utterances, even though those abused may be wrongdoers. The Senate should have the dignity and the courage and the patience to sit down and digest a measure of this kind. If abuses exist which work a hardship upon our people, we are certainly big enough, courageous enough, and intelligent enough to correct such abuses without destroying that which might be useful and that which might be legitimate.

There is no question that there is a necessity for holding companies in the public-utility field. There is no question that some holding companies are functioning legitimately in this field. There is no way in which the private utility at one time could be financed except it had a central organization to which it might go. Many of the holding com-

panies are simply companies which are serving individual utilities.

Much has been said on the floor of the Senate of the attitude of the Chief Executive. The President makes his wishes known to the Congress by message and not by private communication. As one Member of the Senate who, I believe, has always respected his views, has always followed him, many times even to the extent of surrendering some of my own convictions, I am authorized to say that I do not believe it is in the Executive mind for one moment to try to destroy those companies which are serving a useful purpose. I think it is his desire, and I have as much right to speak for him as has any other Senator, that the Congress should pass a bill which would eliminate the racket, the promotion scheme, and let the good remain.

Coming to the amendment to section 11, I was rather amused yesterday at the colloquy which took place between the Senator from Maryland [Mr. TYDINGS] and the Senator from Montana [Mr. WHEELER] in which the Senator from Montana in explaining the bill to the Senator from Maryland, and especially that part of the bill which eliminates all holding companies, said that it set up certain standards, and if those standards were complied with the holding company might remain in existence. I fail to find any real standards in the bill. The only possible standard is in clause 3 of section 11, where it is provided that it shall be the duty of the Commission—

(3) Promptly after January 1, 1940, to require each holding company to take such steps * * * as the Commission finds necessary or appropriate to make such company cease to be a holding company.

There is inserted after the word "steps", a parenthetical clause reading—

(either by divesting itself of control, securities, or other assets, or by reorganization or dissolution, or otherwise).

Then follows a proviso, and the proviso is the only clause which would include the standards supposed to be laid down in the bill. The proviso reads:

Provided, however, That the Commission, upon such terms and conditions as it may find necessary or appropriate in the public interest or for the protection of investors or consumers, shall permit a registered holding company to continue to be a holding company if such company has obtained from the Federal Power Commission a certificate that the continuance of the holding-company relation is necessary, under the applicable State or foreign law, for the operations of a geographically and economically integrated public-utility system serving an economic region in a single State or extending into two or more contiguous States or into a contiguous foreign country.

The standard is simply left to the opinion of the Commission under the bill. There are no standards laid down.

Mr. LONG. Mr. President, will the Senator pardon a question?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Louisiana?

Mr. DIETERICH. I yield.

Mr. LONG. I want to know if it was not in the State of Illinois that Insull had his holding companies?

Mr. DIETERICH. Mr. President, I do not care to have my speech spluttered up with any political talk of any kind. There is no one who sympathizes with Insull, and no doubt the people of Illinois are just as anxious to have legislation enacted to prevent the recurrence of such a condition as are any other people in the United States. However, there are holding companies in Illinois which serve a useful purpose, holding companies in which sums of money were invested by the ordinary run of citizenship of Illinois, invested, of course, because they were solicited to invest it.

Much has been said of propaganda. The propaganda has been somewhat annoying, but I know that some of it comes from the hearts of a people who have invested their life's savings in such stocks and bonds and who expect the Congress to try to correct any evil which may exist without destroying the value of their securities and without taking from them that in which they have invested their money.

Mr. President, I do not know that it is necessary further to discuss the bill. The amendment is intended to give full control and absolute power of regulation. The only thing it would take out of the bill is the death sentence that holding companies shall cease to exist after 1940. The amendment would give the Commission the power to make the investigation and determine those companies which shall go out of existence. Although the bill lays down no standards, yet I contend that it should lay down standards.

The PRESIDENT pro tempore. The time of the Senator on the bill has expired. He has 10 minutes on the amendment.

Mr. DIETERICH. Very well; I shall take my time on the amendment.

Mr. COUZENS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Michigan?

Mr. DIETERICH. I yield.

Mr. COUZENS. What standards are contained in the amendment of the Senator from Illinois that are not contained in the bill? I heard him read the amendment, but I did not understand what standards were provided.

Mr. DIETERICH. I do not understand the Senator's question.

Mr. COUZENS. The Senator is complaining that there are no standards set up in section 11. I wish he would point out, if he will, where, in his own amendment, the standards are set up.

Mr. DIETERICH. The standards in the amendment are more definite than those contained in the original text of the bill, because there are some standards set up to guide the Commission in determining which company shall be regulated and what abuses shall be corrected, and the decision is not left entirely to their judgment and their whim.

As I have said, I think there is no use prolonging the discussion. I think the Senate understands the situation. The series of amendments which I have introduced are intended merely to eliminate the arbitrary power to strike down an industry, whether it is legitimate or illegitimate, whether it is operating honestly or dishonestly, together with those industries which might need regulation and might need correction.

Waiving whatever other views I have on the bill, I think the amendment now before the Senate would leave the bill in a condition where some good might be accomplished. If the amendment were adopted, I certainly would be in honor bound not to vote against the passage of the measure.

Mr. WHEELER. Mr. President, I hope this amendment will not be adopted.

When this bill was introduced in the Senate it was considered by the Senate Committee on Interstate Commerce for more than 3 solid weeks.

First, for 1 week we listened to representatives of the Government from the Federal Trade Commission and from the other branches of the Government service, who had made a 7-year study of the evils of the holding company.

Next, we heard for 1 solid week, both afternoon and evening, the testimony of the utility interests themselves.

Next, for 1 solid week we held executive sessions in which we took up amendment after amendment suggested both by the State regulatory bodies and by the utilities themselves.

After giving that study to the bill we reported it out on the floor of the Senate.

I must say to the Senate, however, that as a matter of fact the utilities, of course, made no constructive suggestions, excepting one. The only important suggestion they made at any time was the elimination of section 11.

Section 11 is the very heart of the pending bill. Without section 11, and with the amendments suggested by the Senator from Illinois [Mr. DIETERICH], the heart of the bill would be absolutely taken out. Let me call attention to these facts:

Much has been said as to the President's attitude with reference to this bill. Much has been said as to his wishes in this matter. I desire to call attention to the fact that the President, in his message, said:

Except where it is absolutely necessary to the continued functioning of a geographically integrated operating utility system, the utility-holding company with its present powers must go.

Could language be any plainer than that?

Mr. BAILEY. Mr. President, may I interrupt the Senator?

Mr. WHEELER. I yield to the Senator from North Carolina.

Mr. BAILEY. The President says, "The holding company with its present powers." This bill has taken away all of its present powers. That is the difference.

Mr. WHEELER. Very well. Let me say to the Senator, if there is any further question about it—and I do not think I am violating any confidence with reference to the President's views in this matter—that when it was stated upon the floor of the Senate on a previous occasion, when it was whispered around the cloakrooms that the President, as a matter of fact, was not for this bill, and I inquired what his stand was and how he felt about it, he sent for the Senator from Kentucky [Mr. BARKLEY] and myself and said, on June 6:

> To verify my talk with you this morning, I am very clear in my own mind that while clarifying or minor amendments to section 11 cannot be objected to nevertheless any amendment which goes to the heart or major objective of section 11 would strike at the bill itself and is wholly contrary to the recommendations of my message.
>
> Sincerely,
>
> FRANKLIN D. ROOSEVELT.

So I think there can be no question in the mind of anybody as to what the President thinks about the bill, because he said that he is entirely familiar with it and exactly what this section means is perfectly clear to his mind.

Now, let me call attention to the fact that I have accepted amendments to the bill. The question was raised as to its constitutionality, in that it was thought there might be some question as to whether it included corporations which were not engaged in interstate commerce.

The Senator from Tennessee [Mr. MCKELLAR] put in a very helpful amendment, in my judgment, providing that it was the policy of the bill to deal only with those companies which were engaged in interstate commerce. Then the Senator from North Carolina [Mr. BAILEY] and I worked out in detail many amendments which I felt were helpful to the bill. I have accepted every amendment offered by various Senators which I felt would be helpful. Of course, I could not accept those amendments which I knew were going to kill the bill.

Let Senators not make any mistake about the matter. When they vote for this amendment they vote to kill the bill. When they vote for this amendment they are voting as the lobbyists up in the galleries, representing the Power Trust, want them to vote, because the lobbyists want them to vote to kill the bill. They are asking what, Mr. President? They are asking Senators in this amendment to let the Commission say what? To let the Commission say what shall be done, without establishing any standards whatsoever.

The first attack against the bill was that it would hurt the investor, that it was legally and economically impossible to carry out the President's program to meet the dangers of utility holding companies without ruining all investors in all public-utility securities.

On March 28 I made a speech on the floor of the Senate in which I analyzed at length the purported arguments of that kind against the bill. I think I answered them. At any rate, those opposed to the bill have never really tried to argue about the investor problem since. They have only reasserted over and over again their first general conclusion. They have not ventured to prepare a reasoned reply either to my speech of March 28 or to the committee's report explaining the revised bill and the amendments the committee adopted to give added protection to the investor's interest, or to the speech of the Senator from New Hampshire [Mr. BROWN] on the floor of the Senate last Friday.

The second argument made against the bill was an argument of unconstitutionality. In fact, the debate on the floor during the past week has been virtually confined to the question of constitutional power. I think the committee has answered that argument step by step, until most of those who are willing to listen to arguments are at least inwardly convinced that even within the frame of the Schechter case the bill is constitutional. Even the Senator from Delaware [Mr. HASTINGS] admitted the broad power of Congress to restrict and even prohibit traffic in interstate commerce which is dangerous and harmful. His difference with the committee is simply that he minimizes the evils of the holding company and believes that the dangers of excessive concentration of economic power have been exaggerated. But that certainly is an issue upon which the legislative judgment of the Congress will be and must be under our constitutional system accepted by the Supreme Court as they accepted it with reference to the practices that took place in future sales, decided by the Supreme Court in the case of Chicago Board of Trade against Olsen.

The real issue is not that of constitutional power, but of legislative policy. That is the question with which we are faced.

Now let us look at the amendment to section 11 proposed by the Senator from Illinois [Mr. DIETERICH].

The Dieterich amendment would require that holding companies should be simplified in their capital and intercompany structure and be arranged so that the voting power in the holding-company system should be equitably distributed. Section 11 as it now stands in the bill requires not only that these things be done but requires in addition that over a period of years the great, giant holding companies which now sprawl their power over the entire United States, and control practically all our operating utilities, should be required to rearrange themselves so that the operating properties under the control of any one of them should be limited to a single interconnected system in a fairly compact economic region.

Insofar as any danger to the investor is concerned—and we have heard that talked about—readjustments of the capital and intercompany structure of the holding companies will cause practically as much reorganization of the investor's rights as will a thorough rearrangement of the sprawling holding companies into the single integrated systems required by the bill as it now stands. And insofar as constitutionality is concerned, the Dieterich amendment puts at least as much, if not more, discretion in the Commission to consider on what companies the Commission shall operate, and how and why, as does section 11 in the form in which it now is drafted in the bill.

The PRESIDENT pro tempore. The Senator's time on the amendment has expired.

Mr. WHEELER. Then I will speak on the bill. The reasons behind the Dieterich amendment, therefore, are not the protection of the investor or the constitutionality of the bill. The real reason is a reason of policy—a real challenge to the President's position that we cannot continue to permit giant billion-dollar holding-company systems to sprawl all over the United States and control our entire economic and political life, and that we must require them to reduce themselves to a size and a power where the public can cope with them, really regulate them, and make them its servants instead of its masters.

The argument that giant companies must be allowed to continue, and to continue to sprawl, because of advantages of diversification of risk to the investor, are answered in full in the committee report. The blunt truth is that no such safety through diversification has accrued to the investor in holding-company securities. I challenge any Senator upon the floor to point to one place where such diversification has helped the investor. However theoretically possible, that advantage has always been actually outweighed by the inefficiency of absentee management and by the constant temptation to such Nation-wide companies to play high finance instead of operating utilities. The losses to investors in holding-company securities have been almost in proportion to the degree to which the company pretended to be diversified. What are the great diversified holding-company systems? Insull, Associated Gas, United Corporation, Electric Bond & Share. And what are the sickest holding-company

securities? The securities of these very companies, selling at from one-twentieth to one one-hundredth of their 1929 highs. The record of the holding company demonstrates how right the President was when he stated in his message that "an investment company ceases to be an investment company when it embarks into business and management" and that "investment judgment requires the judicial appraisal of other people's management."

With that specious argument of diversification going out of the window, the real difference of policy between Mr. Roosevelt's section 11 and the Dieterich amendment becomes cruelly and nakedly clear. The issue is not constitutional power. The issue is not the investor's equity. The real issue is the issue of Power Trust control of concentration of economic power. The holding-company managers and their bankers are fighting nobody's battle but their own. They are fighting to retain their empires, their control over other people's money, other people's property, other people's business, other people's lives. In their effort to retain that control some of the power interests are willing to accept the Dieterich amendment, which will permit the simplification of their capital structures, which will permit those reorganizations which they claimed would ruin the investor, because the Dieterich amendment is carefully framed so as to leave untouched the fundamental breadth of their empires and their economic power.

Must we permit these great holding companies to continue as concentrations of economic power which can hold the economic life of the country by the throat and politically terrorize even the Congress of the United States, as they have terrorized us in the last 3 months? Or have we as a Nation and as a Congress the nerve to begin to put an end to such a concentration of economic and political power and demand that the artificial corporations to which we intrust the legalized monopolies of our great public-utility business shall be servants and a part of the American democracy instead of its plutocratic master? There is the real issue between Dieterich and Roosevelt. It was the issue between Hoover and Roosevelt in 1932. It is the real issue on this amendment. All the rest is a lot of smoke screen to cover up the real meaning of this attempt to emasculate this administration bill.

Section 11 as it stands is the very heart of this bill. It is an absolute necessity for real regulation—a regulation which will work. Effective public regulation is a matter of human abilities, not of phrases in a statute. The man power of Federal commissions is no more superhuman than the man power of State commissions. No regulatory commission—Federal, State, or local—can successfully regulate corporations with resources of hundreds of millions, or even billions of dollars. No commission can successfully stand up for any period of time against the pounding of batteries of the highest paid experts and lawyers in the country, the distrusts created by skillful propagandists, the frightened pressures of deluded, regimented investors, the subtle attempts to employ away the ablest personnel, the brazen corruption of political influence.

The very essence of a common-sense scheme of public regulation is, therefore, that the corporations to be regulated should not be permitted to reach a size and power and a complication where a Federal regulatory body cannot be a match for them. These cold-blooded factors of man power and money power have made State regulation of utilities an admitted failure, and, to speak bluntly, have in many cases already made comparable Federal regulation of other great corporations merely a shield behind which the supposedly regulated corporations can hide from public criticism rather than a sword with which government can keep them from plundering the public.

All that is done by section 11 is done by that part which the Dieterich amendment would discard. It is an attempt to whittle down the size and power and complication of these giant corporations until the Federal and State commission can be a match for them. It does not destroy holding companies. But it does say to them, "You've made so much trouble that if you're going to go on doing business in this country controlling legal monopolies which the public must be able to regulate, you've got to trim down to a size and power and structure where the public can cope with you."

I do not know whether Senators think that ought to be called "elimination", but I do know it is the very essence of a realistic approach to regulation; and the utilities know it, too. Naturally, they fight every word of every provision in the bill. But notice that their real fire has been concentrated not on the specific regulatory provisions, but on section 11. For they are realistic about themselves, and they know perfectly well that if they can remove from this bill any provisions tending to reduce them to a size and a power and simplicity which will make it humanly possible for a regulatory commission to handle them, the bill can contain all the words about regulation we choose to put into it, and yet be nothing but a glorified scrap of paper. Let us not stick our heads in the sand of regulatory words and miss the big realities.

With the help of section 11 to press and to help the progressive elements in the industry into voluntary rearrangements of the holding-company systems until they are amenable to regulation, the more specific regulatory features of the bill have some chance to be effectively operative. Without section 11 they have no chance at all. The vote on section 11 of the bill is the real vote on the whole bill.

Mr. President, the Senator from Illinois has seen fit to attempt to attack me by saying that my economic philosophy is so-and-so. My economic philosophy had nothing to do with the drafting of the bill. It embodies the economic philosophy of the President of the United States. I had nothing to do with it. I lay no claim to it, but as Chairman of the Committee on Interstate Commerce I am carrying out to the best of my ability the wishes of the President and his economic philosophy with reference to the bill.

To those who have criticized me in the past because I did not stand by the President I say that I am for him in this matter because I believe that his policy is sound. I say to the Senator from Illinois, instead of the Government taking over these companies under the proposal of the bill, if we let these great combinations of wealth, sprawling all over the United States, concentrate in fewer and fewer hands, we are going to reap a whirlwind, and we are going to do the very thing the Senator from Illinois fears I want to do.

I do not want to see the Government of the United States have to take over these great organizations, but I say to the Senate that unless we have the courage, unless we have the backbone, to deal with these holding companies and to deal with them effectively, as is provided in this bill, the people of the United States will demand that they be taken over.

Mr. BAILEY. Mr. President——

Mr. WHEELER. This is a step to preserve the private operation of utilities and to preserve the private control of utilities in this country. It is a step to keep the United States Government out of utility ownership, and if we let the companies go along and be concentrated in fewer and fewer hands, if we let the practices indulged by Mr. Insull and the Electric Bond & Share Co. continue, just as surely as that we are sitting here will the people of the United States demand that these great concerns be taken over.

I yield to the Senator from North Carolina.

Mr. BAILEY. What I wish to know from the Senator is whether or not he has not in this bill fully provided for absolute control of these holding companies by means of the very broadest exercise of discretion on the part of the Power Commission; and if that control has been fully provided, why should the Senator appeal to us to commit the Congress and the Government to a policy of destruction?

Mr. WHEELER. Mr. President, let me clear this matter up. First of all, I want to say that the bill is not founded on a policy of destruction in any sense of the word. Was it a policy of destruction when the Congress of the United States passed the Sherman antitrust law and said to the Standard Oil Co., "You cannot as one great giant corporation spread

all over this country"? That was not looked upon by the Members of the Senate as a policy of destruction. In dealing with that problem, were they less courageous or more courageous than we are?

Secondly, let me say to the Senator that the whole theory of the bill and the whole theory of regulation is woven around the policy of a holding company that can operate in a particular community. In the great sprawling companies there are all of the evils of absentee landlordship. There are all the evils of private socialism creeping into those companies, just as the President of the United States pointed out. We cannot in a bill begin merely to regulate these great holding companies, because the minute we touch some of the evils that have crept in by reason of the system itself they are able to set up others to get around the regulatory features. The regulatory features set up in the bill before us are for the purpose of regulating the integrated companies.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BAILEY. That is just the point; I wish to have the Senator show us wherein the provisions of the bill which he is supporting do not fully place the holding companies, in any aspect of them, in the hands of the Power Commission. I have been proceeding on the theory that that had been well done, and I wished that to be done; but, if that has not been well done, let us see some amendments by which it may be done.

Mr. WHEELER. Let me say to the Senator that I think it has been as well done as it could possibly be done in the light of the experience of the past. The difficulty is with the system itself, with the holding companies. I think there is no Member of the Senate who will not say that every one of these great holding companies has been guilty of the abuses which have been referred to and to others. All we can do at the present time is to try to prevent abuses such as have taken place in the past. But when we confront a great sprawling system, which extends from one end of the country to the other, how are we going to regulate absentee landlordship and all the other evils which grow out of it?

Take from the operating company the local control in Montana, in Florida, in North Carolina, and put it in the city of New York, and evil results. The people of the city of New York, where the great sprawling system is located, are interested in profits from the sale of watered stocks. The only way they can make money out of the system is by milking the operating company.

When gentlemen speak of investors, let them think of those who have invested $13,000,000,000 in appliances in this country; let them think of the consumers of electricity, for the only way this great sprawling holding-company system can serve the investors of this country is by milking the consumers and milking the investors in public-utility operating companies.

I say that the holding company has no place in our economic life. It is a detriment, and if we permit it to continue it will wreck the country.

The Dieterich amendment would permit the Commission to say to any one of these companies, and to every one of them, "You may remain here. You do not have to get out. If it is a bad thing for the investors of this country to put you out of business, then you can stay in business. Even if it is a bad thing for the public, you can stay in business. If it is a bad thing for somebody else, then you can remain in business." That is what it means.

There is talk about setting up standards. By the pending amendment there is no standard fixed, except what happens to be in the mind of the Commission, as to whether or not a company shall be dissolved, whether or not the intermediary companies shall be dissolved. They will not be dissolved unless the Commission thinks that it is in the interest of the investors to dissolve them.

What commission is there in the United States that could stand up under that kind of pressure, when Members of the Senate tell me that they cannot stand up and vote for what they believe to be in the interest of the people of the country because holding-company representatives sitting in the galleries here, lobbyists, have been working on them and pounding on them by the propaganda they have sent out? When we ourselves do not dare to stand up, how can we expect it to be possible for some commission appointed by the President of the United States to have the courage to stand up?

If we adopt the Dieterich amendment we are going to ask a commission to do something which we do not dare do ourselves. We are passing the buck to a commission because we have not the courage and the backbone to stand up and say to our constituents and to the people of the country, "We are going to pass this measure. We are going to say to these companies that they have to be in a certain place because they are a local industry, that they have to be where the people of their communities can control them; and that they cannot have their offices in the city of New York, where they are completely out of contact and out of sympathy with the local communities in which they are doing business."

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. HASTINGS. It seems to me the Senator has not stated correctly the Dieterich amendment. As I understand, it gives authority to the Commission, "after January 1, 1938, to require the corporate structure of the holding-company system of each registered holding company to be simplified."

Mr. WHEELER. Yes, of course. And what does that mean? It simply means that it leaves it to the holding-company system.

Mr. HASTINGS. It leaves it to the Commission, and bear in mind that the bill leaves nearly everything to the Commission.

Mr. WHEELER. Oh, no.

Mr. HASTINGS. With certain instructions.

Mr. WHEELER. Mr. President, my time is extremely limited, but I want to say that the Dieterich amendment leaves it up to the Commission without any standard whatsoever excepting the standard of what is in the interest of the investors.

The PRESIDENT pro tempore. The Senator's time has expired on the amendment and also on the bill.

Mr. BLACK. Mr. President, it had not been my intention to discuss the pending amendment or the bill until the Senator from Illinois [Mr. DIETERICH] made his address with reference to his amendment. I do not agree with him, however, that this bill leads in the direction of Government operation of power.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. BONE. The suggestion which the Senator from Alabama has just made is rather an interesting one. I wish to ask the Senator if in his experience he ever heard before the suggestion that so-called "regulation" of utilities would lead to their public operation? I wish to say to the Senator that in 25 years of active touch with the utility problems in the Northwest the first time I ever heard that statement made was when it was made here on the floor of the Senate.

Mr. BLACK. I should like to say that, in my judgment, if the bill shall not be passed, and if the holding-company system shall be allowed to survive, the people of this Nation who oppose racketeering, grafting, stealing, and fraud will bring about a Government operation of power and other utilities and other business.

I do not agree at all that the bill will lead to Government operation. I believe that the bill offers one obstacle against the further bearing down upon the business enterprises of this country by a few high-powered promoters, profiteers, and so-called "financiers" who are behind the propaganda against the bill.

Who is behind it? When I receive letters, messages, and telegrams regarding this bill, as I have received them by the thousands from various sections of the country, I am reminded to some extent of the telegrams and messages which one would receive from a person who has been kidnaped and has a pistol pointed at his throat. He is required to send a

message to save himself, and to save himself by saving those who are threatening his life.

I wish to meet this issue with respect to the holding company, fairly and squarely. I agree with certain of the statements made by the Senator from Illinois that if the holding-company system is bad with reference to the control of electric power it is bad with reference to the control of other business. I accept that statement.

I am against the holding-company system, whether in power, railroads, telephones, aviation, shipping, or any other business where there is given to those who manipulate the holding company the power to execute a device to defraud their stockholders, to impose upon the public, to extract exorbitant profits from the consumers, and under the name of salaries and bonuses to press down a burden upon the operating business of this country which if not prevented will sooner or later destroy it.

I did not entertain that belief to this extent until I was called upon by vote of the Senate to investigate certain ocean- and air-mail contracts. It took, in some instances, 8 months for trained investigators to draw anything that looked like a picture of the holding companies and their system of subsidiaries, associates, and affiliates in the various industries we were called upon to investigate.

In one instance it took eight solid months, with numerous investigators in the offices of numerous companies, with repeated special questionnaires addressed to the companies, finally to extract with a corkscrew sufficient information to find out if the man who was at the top of the pinnacle had drawn $434,000 the year before from an industry, when they had claimed that that part of it which was subsidized by the Government was losing money.

I state that from the investigation we made of shipping business and aviation business we found practically every contractor was tied up in a network and mesh and spider web so that it was impossible even for him to recognize who was president of the company. I did not find one instance in which, in my judgment, there was the slightest excuse for any honest man to reach a conclusion that a single one of those holding companies was constructed for any purpose except as a device to defraud and to steal and to profiteer at the expense of their stockholders, of the consumers, and of the United States Government.

So, Mr. President, so far as I am concerned, I have no more sympathy with attempting to regulate a holding company than I would have with attempting to regulate a rattlesnake. We might provide laws stating that the rattlesnake, when he prepares to jump, should only strike at harmful insects. You can regulate to that extent, but you cannot enforce such regulation, and such regulation does no good. I admit that rattlesnakes have performed some useful purposes in the killing of harmful insects, but is that any reason why we should prolong their lives, because, forsooth, in some single, isolated instance some possible good can be performed?

I am not arguing for the destruction of the holding companies in an effort to precipitate Government operation of utilities. I am arguing on the simple basis of common, everyday decency and honesty. I believe that the private utilities of this country have been hampered and handicapped in an effort to compete with municipal plants by the parasites sitting at the top, blood suckers, with their exorbitant, unearned profits masquerading under the names of salaries and bonuses, and by devices enabling them to contrive fraudulent contracts.

Let me give the Senate an example which will apply to all of them. Let us take a shipping company or an aviation company. I intend to offer an amendment to the shipping bill to prohibit holding companies, associates, and affiliates. Let us take an aviation company. We uncovered an order, and, as a matter of fact, this is a frequent occurrence, and there is nothing surprising about it, the substance of which was: "Enter the price of these airplanes at $55,000 at this time. When we get ready, and it becomes necessary, we will change the amount." There was no reason why they should not do that. They owned or controlled the company against which the charges were made. They owned the company which built the airplanes. They owned other companies.

The situation is exactly the same with reference to power. They organize a construction company and it is owned or controlled by the same men who own or control the other companies through their subsidiary and holding companies. They make a contract. They cannot be regulated in making that contract. When we provided for the retention of the artificial fiction of corporate relationship beyond the first degree we went further, in my judgment, than it was ever necessary to go.

To a man before our committee I presented a map which we worked out after 3 months to show how many companies were tied up with each other, and I asked him to identify them, and he could not do it. He said he supposed we knew more about it than he did. I told him that he ought to know more about it than we did, since he was the one who was drawing the salary. Finally, I asked him the name of a company and he looked at me with blank amazement and said, "What?" I repeated the name of the company. "Why", he said, "I never heard of it." I said, "That is a little strange. Your income-tax return shows you drew $7,500 salary last year from that company as being its president." Then he turned around and whispered to his lawyer. They always have to turn around to their lawyer or to some subordinate who is not drawing the high salary and extracting the large amount the "higher ups" are taking from the companies.

The PRESIDENT pro tempore. The time of the Senator on the amendment has expired. The Senator has 15 minutes on the bill.

Mr. BLACK. Mr. President, I should prefer to take my 15 minutes on the bill at this time.

The PRESIDENT pro tempore. The Senator then has 5 minutes longer on the bill.

Mr. BLACK. The witness then turned around, after whispering to his lawyer and some of his associates, and said, "Yes, I am the president of that company, and I did draw $7,500 salary." I said to him, "Did you ever visit the west coast?" He said, "Yes, I have visited the west coast." I asked him, "Did you visit this company at the time you visited the west coast?" He turned around again after consulting with his lawyer and said, "It was not necessary for me to visit it out on the west coast because its headquarters are in New York in my office."

The head of that company, the name of which he did not recognize, a company located out on the west coast and engaged in a little stevedoring business, making exorbitant profits, extracting money from the consumers and from the United States Government indirectly through its subsidized shipping interests, finally discovered that the headquarters were in his office in the great city of New York!

Mr. President, I have no hesitation in voting to strike down holding companies. I do not desire my position misunderstood. I am not simply voting to regulate them; I am voting to destroy them as holding companies with their network of chicanery, deceit, fraud, graft, and racketeering.

When some persons engage in racketeering they have courage enough to go out and risk their lives. Others do not. They work by the new method of manipulation, chicanery, and fraud. As between the two I desire to state that I will place as public enemy no. 1, not the man who risks his own life in order to extract $50 or $100, but the men who by chicanery and fraud and by trampling upon the moral precepts and traditions of this Nation, thereby destroying the efforts of the people, extracts money which he does not earn and takes it away from people who have earned it by their labor.

So, Mr. President, so far as I am concerned, I am against striking section 11 from this bill. I am against tapping men on the wrist. I do not believe the passage of this bill will do an injury to a single legitimate stockholder; it will not reduce the intrinsic value of one dollar he has invested.

On the contrary, it will give him a recognized value, because the holding company will be compelled, if we can make them do it under the law—sometimes it is difficult—to give him a like interest in the operating company that he has indirectly in the holding company; and when he is given a direct interest in the operating company, which makes the money, there will be taken off the back of the operating company the holding company with its high salaries, with its fraudulent contracts, with its devices to rob both the stockholder and the public. Therefore, I deny that this bill, if enacted, will work an injury to legitimate stockholders of this Nation. I say, on the contrary, that it will afford the first ray of hope that has been brought to them since this vast corporate structure has been built up for the purpose of extracting from them the last nickel they have and from the consumers of this country the last poor dime it is possible to take in exorbitant prices for the commodities they must have in their homes.

I want it distinctly understood that I am not referring simply to holding companies in the power business; I am referring to an iniquitous system which has been built up in this country in other lines of business as well as in the power business, a blood-sucking system, a vampire, taking the lifeblood of commerce and trade and extracting money from those who have earned it by honest toil and putting it into the pockets of people whose only right to it is that by chicanery, by fraud, by manipulation within and without the law they have been able to obtain that which they did not earn. If it had been done by smaller individuals in smaller communities, it would have been called plain, ordinary larceny, and probably the perpetrators would have gone to the penitentiary.

So, Mr. President, without meaning to imply that every person who ever organized a holding company intended what I have described—for some have simply followed the habit of organized holding companies—I indict the holding-company system as such, as a device for fraud, for racketeering, for extracting exorbitant salaries and bonuses, which in reality are unearned profits, in siphoning them from the pockets of the people all over this Nation in every State of the Union, siphoning them by a power that is irresistible, and placing them in the pockets of those who did not earn them and who did not work but whose only claim is that, by fraud and chicanery, they have taken that which they did not earn.

The PRESIDENT pro tempore. The time of the Senator from Alabama has expired.

Mr. BARKLEY. Mr. President, we have heard our friends on the floor and off the floor of the Senate denounce this bill as a destructive measure. If we were to listen to all the jeremiads which have gone up from all over the country with respect to this bill, we might rightly reach the conclusion that upon its passage and its signature by the President every electric bulb in the United States will be destroyed and every switch which may be turned on to flood the homes of the world with light will disappear.

I deny as vehemently as I am capable of denying that this bill will destroy a single dollar's worth of real value anywhere in the United States. What are the real values in the public-utility field? The real values are the electric light plants that supply light and heat and power to the people of the country. The real values are the gas plants that have been established all over the United States, in almost every instance first by the local people investing their money in the local electric or gas utility. Then someone came along, bought them out, organized a holding company, wrote up its valuations, and sold the stock of the holding companies to the public. And we are asked to believe, because we propose to regulate and to require the reorganization of these giant holding companies, that we are to destroy every legitimate value in the United States, and in behalf of them we are told that all the widows and all the orphans in the Nation are to suffer and lose their life's earnings and their income if this bill shall become a law.

I do not know how many widows there are in this country. We have about 125,000,000 people, but if there are as many widows in the United States owning holding-company stock securities as we have been told since this bill was introduced into the Senate, then we are on the verge of race suicide. [Laughter.]

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Louisiana?

Mr. BARKLEY. I yield.

Mr. LONG. I was just wondering if they had stock of some company manufacturing burglar's appliances whether that would not be a reason why we ought not to pass any laws that would permit the enforcement of the criminal statutes. In this particular instance they have sold stock in institutions which has been watered about 4 times for 11 and sometimes worse than that.

Mr. BARKLEY. I thank the Senator, because I want to comment on that suggestion at this point.

In the only daily newspaper in my home city, the city of Paducah, Ky., there appeared an advertisement signed at the bottom by the Associated Gas & Electric system, which, by the way, is the holding company that somewhere down the line operates, or holds stock in companies that operate, six or eight utility plants in the State of Kentucky, one of them being in the county seat of the county in which I was born and in which this newspaper circulates very widely. The headline of this advertisement reads: "Railroading utilities to destruction."

That advertisement does not say anything about a holding company; it does not say anything about the company with its headquarters in New York that has its tentacles spread all over the United States like a devilfish. I do not like the word "octopus"; I want to use the word "devilfish", because that is what an octopus is.

Mr. BONE. Is that the Associated Gas?

Mr. BARKLEY. That is the Associated Gas & Electric Co., and in this newspaper published in my home town appeared this advertisement of more than one-quarter of a page. It went on to tell those people there, who had not read this bill and who do not know anything about it except what they have been told by the holding companies, that we were about to destroy their investments; that we were about to destroy the utility industry of this country. They asked those who read the advertisement to write to me and to my colleagues and request us to vote against this bill and they even included a form letter for every one of them to use in writing to my colleague and to me in asking us to vote against the measure.

I do not know whether there is a representative of the Associated Gas & Electric system in the galleries at this time, and I do not care whether there is, but if there is one there I want him to hear me say that there is not a single truthful statement contained in that advertisement of the Associated Gas & Electric Co. in the only daily newspaper that is published in my home city, and there is not a single truthful statement in the form letter that was printed alongside the advertisement which my constituents and my neighbors and my friends were asked to use in writing to me about this bill.

Mr. President, I am no more courageous, no more honest than any other Member of the Senate; probably I am not as much so as any other Member of the Senate; but if I did not have the courage to go back to my home city and tell the people there that they have been duped, defrauded, and deceived, I would not have courage enough to sit in this Chamber; and that is precisely what I am going to do if the occasion shall ever arise. These are the methods that have been used to try to scare United States Senators into voting against this bill.

I might add that yesterday the Washington Star contained an advertisement, which takes up a quarter of a page on page 17 of section A, which goes on to tell what we are trying to do and are about to do to the utilities system of the United States; then it sets out a form letter purporting to be a copy of a letter a widow in Michigan wrote to the Michigan Senators asking them to vote against this bill because it was going to destroy the value of the securities held by the widows and

the orphans who are being played here by these holding companies as mere pawns.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Does the Senator from Kentucky yield to the Senator from Montana?

Mr. BARKLEY. I yield to the Senator.

Mr. WHEELER. I merely wish to say that anybody who thinks that the adoption of the Dieterich amendment is going to take this issue out of politics is mistaken, for it will continue to be an issue, and 2 years from now the issue will be elimination in every State in the Union.

Mr. BARKLEY. Mr. President, I want to ask Senators, who are afraid of destroying some values, who it was that destroyed the investments of the widows and the orphans about whom we are talking?

Mr. MURPHY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Iowa?

Mr. BARKLEY. I yield.

Mr. MURPHY. As substantiating the statement made by the Senator that some of the holding companies are seeking to use investors as pawns, let me say that I have before me a letter dated Davenport, Iowa, 1702 Warren Street, and reading:

> My neighbors were telling me about a bill which would dissolve all utility holding companies in 5 years.
>
> I have invested my life savings in public-utility company securities and depended upon them to support me in my old age.
>
> If this Wheeler-Rayburn bill goes through, it would take away these securities. Please vote against this bill.

The letter is typewritten and the stockholder who sent it to me appends the following in his own handwriting:

> This letter was sent to me by the United Light & Power Co. to sign and send on to you in protest of the Wheeler-Rayburn bill. I am sending it to you not as a protest but as an illustration of what the power companies are doing in trying to bring about defeat of this bill. I own one $100 share of stock in the company mentioned above.

The letter is signed "H. C. Brockmann."

Mr. BARKLEY. What was the company to which he referred?

Mr. MURPHY. The United Light & Power Co.

Mr. BARKLEY. If we are going into the question of who has destroyed the value of the securities of innocent people, I should like to give the Senate a few figures.

Some years ago the Senate of the United States ordered an investigation of the utility industry and the holding companies, which endeavored to throttle it and are now undertaking to throttle the Government in its effort to protect these innocent people from further exploitation, further robbery, further deception on the part of these giant corporations with one hand on the utilities of Montana and another hand on the utilities of Florida or some other State.

How can anyone defend such a system as that? What right has a corporation in New York, for instance, to have one hand on the people of Montana and the other hand on the people of Florida, without any connection or any association with or any common interest between the utilities and the users of the utility companies' products in those widely separated sections?

I mentioned a while ago the Associated Gas & Electric Co., which has been advertising all over the United States, which I am told has appropriated out of its treasury more than $100,000 for advertising purposes in the newspapers of the United States. I ask what it has done for its stockholders?

In 1929 the stock of the Associated Gas & Electric Co. sold at $72.50 per share, and at this price hundreds of thousands of shares were bought by the people who have been mentioned in the debate. When the water was squeezed out in February 1933, the stock of the Associated Gas & Electric Co. was selling for $1.75 per share on the stock markets of the United States. In less than 4 years the value of the stock of this concern had gone down from $72.50 to $1.75, and the widows and orphans who bought that stock at those high prices are now being used to induce the Senate of the United States to defeat a bill which would protect them and others like them from similar exploitation in the years to come.

In 1929 the stock of the United Corporation sold on the market for $75.50 per share. In February 1933 it was selling at $5.50 a share. How many of the presidents and vice presidents and boards of directors of the United Corporation were then wailing about the widows who had bought their stock at $75 a share and who in February 1933 could only get $5 a share for it, before Mr. Roosevelt had been inaugurated as President of the United States and before anybody knew whether such a bill as this would be introduced?

There are some figures showing who has destroyed the value of the investments in these utilities—not in the utilities, no, but in the holding companies which weigh down upon them like the loads I have seen in Panama and in Haiti on the little donkeys which are the beasts of burden there. Sometimes those loads are so heavy and so burdensome that one could not even see the donkey for the load he carried. That is the situation with many of the utility companies. The load is so heavy we cannot see the utility company for the holding companies which are loaded on its back.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LONG. If this bill had been a law 1 year before the Insull crash, it could hardly have been possible for half of that unloading of securities to have taken place, could it? Is not that correct?

Mr. BARKLEY. I think that is true, although I would go back a little further than 1 year. It may be some of the work had been going on prior to the 1 year the Senator mentions.

Mr. LONG. I mean that up to 1928 or 1929 they literally loaded the country down with holding-company stocks.

Mr. BARKLEY. Undoubtedly. Here is another company, United Founders, which is a holding company. In 1929 its stock was selling to the public for $75.50, but in February 1933 it was only bringing $1 on the markets of the United States. I ask whether Congress is destroying these values? I ask whether United States Senators are robbing the investors? I ask, rather, whether they have not been imposed upon by the holding companies and whether they were not so imposed upon long before any bill dealing with holding companies was ever introduced in the Senate of the United States or the House of Representatives of this Congress?

The Electric Bond & Share Co. is one of the larger holding companies which spreads all over the United States, extending even into the Philippine Islands and into Canada, and probably into Mexico. In 1929 the shares of the Electric Bond & Share Co. were bringing $189 on the market, and many innocent people were induced to buy those shares at $189; but by February 1933 the shares of the Electric Bond & Share Co. had gone down to $10 per share on the markets of the United States. Where was the robbery? What part did we play, I ask you, Mr. President, in the robbing of the people who bought the shares of the Electric Bond & Share Co. at $189 and then had to sell them for as little as $10?

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Maryland?

Mr. BARKLEY. Certainly.

Mr. TYDINGS. I was wondering at what price the company originally put its stock on the market.

Mr. BARKLEY. Those whose stocks were issued at a fixed par value of $100 in all likelihood put them on the market at that price. There has been a new device invented in recent years of issuing shares without any par value. In cases of that sort it is rather difficult, without going more minutely into the financial history of each company, to give the Senator the information.

Mr. TYDINGS. I did not want to take issue with the Senator, but it occurred to me that many prices were no

doubt the result of speculation by outsiders rather than by the companies themselves.

Mr. BARKLEY. I appreciate that. I am coming to one now. The Cities Service Co. stock in 1929 was selling at $68.50 on the curb market. I think its stock was not registered on the New York Stock Exchange. While the Cities Service Co. was putting out more than 40,000,000 shares of its stock, it was sending its agents to offices and homes and peddling its stock at from $30, $65, and $68 a share, and at the same time was selling its own stock on the market and then buying it on the same market in order to create an appearance of value, so that it might peddle its stock to the people of the country by sending its representatives to their houses and office buildings. I know within my own experience and acquaintance of working girls in the city of Washington who bought stock in the Cities Service Co. at $30, $40, $50, and $60 a share and were paying for it on the installment plan, who cannot get $2 a share for it today and could get but $2 a share for it in February 1933, before the Roosevelt administration took office and before a holding-company bill was introduced.

Yet we are told that we are about to destroy values here by passing a bill which will make it possible to control the great holding companies which are overlording the utilities, some of which are padding their accounts and their sales and their general expenses and their legal expenses in order that they may fit into a rate structure which will enable them to declare dividends upon stock that never had any value, and never can have any value, unless it is based upon the value of the operating utility which they control.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. BARKLEY. I yield.

Mr. VANDENBERG. Will the Senator indicate to me, for my information, whether the Securities Act which we passed last year would have any protective effect upon situations of this character?

Mr. BARKLEY. It might have some effect, but not enough. The Securities Act which we passed simply required that corporations issuing stock must tell the truth about the stock. They must reveal to the public the value of the physical property behind the stock, so that an investor might be his own judge as to whether he desired to invest in that stock; but that act does not prevent the issue of such stock to the public when the information has been registered with the Commission. It punishes those who are responsible for any false information calculated to deceive the public, but it does not go to the extent of this bill in attempting to provide a reorganization and dissolution of these concerns which have spread out all over the country and have no intimate connection with the operation of the utilities where they exist.

Mr. VANDENBERG. Mr. President——

Mr. BARKLEY. I yield.

Mr. VANDENBERG. I understand that. I was wondering if, in the case of listed securities, there is not a necessity for direct license on the part of the governmental authorities.

Mr. BARKLEY. I will say to the Senator that there is much to commend that suggestion. Of course, in all this legislation, going back to 1920 and even beyond that time, by which we gave the Interstate Commerce Commission supervision over the issue of railroad securities, Congress has been compelled to be careful lest the public might take whatever we did as a guaranty of the validity and the soundness of the investment. We have not been willing to go that far, and I do not think the Government could go that far in attempting to guarantee the value of stocks. All we have attempted heretofore to do has been to require that the issuer of stocks reveal the truth to the public in order that they might make their own investigation and be their own judge as to the value of what they bought.

I desire to go down this list of holding companies for a moment.

Here is Commonwealth & Southern. We have heard a lot about that in the cloakrooms and in the committee and on the floor of the Senate. In 1929 Commonwealth & Southern was selling for $25 a share. In February 1933 it was selling for $1.75 a share. This bill was not responsible for that.

In 1929 American & Foreign Power was selling for $199 a share. In February 1933 it was selling for $3.75 a share. In 4 years the value of that stock had gone from $199 a share to $3.75 a share; and yet we are charged with trying to rob the American people because we are trying to take the load, the weight, the unjust burden of these holding companies off the people who pay into the coffers of the companies, in the form of rates, all the money they derive for any purpose for which they derive money in the payment of dividends. There are many other such companies whose stocks went to almost nothing before this bill was ever heard of.

Talk about widows! Are all the widows in this country owners of stocks in holding companies? How about the widow who earns her living by working in a factory or in a store or is a housekeeper, who has a few children she would like to educate, and who might desire some day to abolish the old smoky oil lamp and have electric light in her home so that by turning a fraction of an inch a dial on the wall she might bring light and comfort and heat to her home and to her children? There are more of those widows than there are of those who own stock in Associated Gas & Electric or in Standard Gas & Electric or in United Foundation or in any of the other holding companies that are now asking us to give them a new lease on life because they have suddenly discovered that they now favor regulation, whereas before they never indicated that they favored regulation.

When the late lamented Senator Walsh, of Montana, in 1928, introduced in the Senate a resolution to investigate these concerns, they were here, leaning over the balconies of the gallery, asking us, in God's name, not to turn over that investigation to Senator Walsh. "Deliver us from him!" they said. "Send the investigation down to the Federal Trade Commission"; and we sent it to the Federal Trade Commission, and they did a better job than the utility concerns expected them to do. They spent 7 years in the investigation, and their report contains more than 80 volumes; and largely as a result of the investigation of the Federal Trade Commission this bill is here today.

We have taken no snap judgment upon the people of the United States. We have taken no snap judgment upon investors. We have taken no snap judgment upon the holders of the bonds of these concerns. For 7 years we have been investigating the utility situation. The bill now before us was given more careful and more painstaking consideration than any other bill with which I have been familiar in many years of membership in both House and Senate; and I desire to say that in all my experience I have never seen a chairman of a committee more courteous, more laborious, more painstaking, more sincere, more anxious to get the truth and to consider every suggestion than the Senator from Montana [Mr. WHEELER], the chairman of the committee which reported this bill. After we had gone through the bill, word for word and page by page, we added so many amendments to it that the Senator from Montana had to reintroduce it as a new bill in order that it might not be cluttered up with amendments on every page and almost every line.

The PRESIDING OFFICER. The Senator's time has expired on the bill and on the amendment.

Mr. BARKLEY. Then I presume I am through. [Laughter.] I trust this amendment will be defeated.

Mr. HASTINGS. Mr. President, referring to the statement about the late Senator Walsh of Montana, I desire to call the attention of the Senator from Kentucky to the fact that on August 13, 1927, in speaking in regard to this subject, he said:

> Nor am I prepared to assert that anything can be done except insofar as the business under consideration is interstate in character.

A little further along in his statement he said:

> The holding company, though it exercises supervision and control over subsidiaries operating in half of the States of the Union, is not engaged in interstate commerce.

I merely wished to call attention to that statement made by the late Senator Walsh at the time he was suggesting the inquiry to which reference has been made.

Mr. BORAH. Mr. President, we are now considering the amendment offered by the Senator from Illinois [Mr. DIETERICH], and not the details of the provisions found in section 11.

The question presented by the amendment of the Senator from Illinois is whether we shall strike out the provisions of the bill which give power to terminate the existence of holding companies.

Mr. President, my view is that holding companies beyond the first degree, and certainly beyond the second degree, cannot be justified either as an economic factor or as in the interest of good government or the interest of the people of the United States.

I wish therefore, insofar as I may, having due regard to constitutional provisions in doing so, to contribute to the elimination of holding companies as such, certainly beyond the first or the second degree. Beyond that, in my opinion, they simply prey upon the public without returning anything to the public in justification for their existence.

Therefore, when we say we are prepared to regulate these companies, for myself I do not want them regulated. I do not think we can justify their existence. Furthermore, instead of the bill contributing toward public ownership, it seems to me that unless we do eliminate these companies and such practices as they indulge in, we shall necessarily drift toward public ownership. The people of the country never will consent that half a dozen men or a dozen men shall control from 80 to 90 subsidiary companies in the United States. That kind of economic dictatorship will inevitably lead to the Government taking over the absolute control of such utilities as we are now dealing with.

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. DIETERICH. I do not wish to consume the Senator's time by interruptions.

Mr. BORAH. I shall speak only a few minutes, so I am willing to be interrupted.

Mr. DIETERICH. Is there anything in the bill that would advance the Senator's ideas? Is any standard set up in the bill whereby holding companies in the third or fourth or fifth or sixth degree, and so on, would be eliminated under the bill?

Mr. BORAH. Mr. President, I stated that we were discussing the question which is presented by reason of the Senator's amendment, and not the details of section 11 itself. There may be some suggestions which ought to be made and which I have in contemplation, some of which I have already made, in regard to that matter. In other words, of course, in dealing with this subject we must keep within constitutional limits so that our work will be effective. If the standards are not sufficient, certainly we ought to undertake to make them sufficient; and instead of contributing our efforts toward eliminating section 11 entirely, we ought to contribute our efforts toward making section 11 effective under the Constitution. That, so far as I am concerned, I shall heartily join in doing.

Mr. President, I feel that this bill is here in a large measure because of the activities and the line of conduct of certain great holding companies. Of course, that does not include all holding companies, and yet it does in a large measure include all holding companies beyond the first or second degree. They have in many instances been unrestrained, and unrestrained because the States could not effectively control them and the National Government has not undertaken to do so. By reason of this unrestraint they have worked incalculable injury to the people.

The activities of some of these holding companies have been perfectly lawless. They have been in disregard of the interests of those to whom they were selling their stocks and their securities. They have been in disregard of the interests of the community and they have been in disregard of the interests of the entire country. It is by reason of those things that it became absolutely necessary that the Congress of the United States deal with the subject matter covered by the bill before us.

We certainly could not permit those things to go on indefinitely. We certainly could not permit such practices to prevail as a permanent proposition; somebody had to deal with the question. I know of nobody to deal with such companies as those which spread across State lines and control subsidiaries acting in different States of the Union except the Congress of the United States.

The able Senator from Delaware has just read a statement from the late Senator Walsh which would indicate that he entertained the view that these companies, simply investment companies, were not engaged in interstate commerce. With the profoundest respect for the late Senator Walsh, it seems to me that a company which owns 30 or 40 or even 5 or 6 subsidiary companies and affiliates, which subsidiary companies are operating in different States, and which this holding company must control by utilizing the means of transportation or the means of communication between the different States—a holding company which conducts the business, determines the policy, and directs the course of these different subsidiary companies, and does it through employing the channels either of the mail or of the telephone or of the telegraph—must necessarily be under the control of the National Congress, or under the control of nobody whatever. They would be in a "no man's land" if that were not true.

I recall that only last year a local commission in a New England State undertaking to deal with the question of rates called upon a holding company for facts and data by which the commission could be guided, and the holding company announced that it would not furnish the material, that it would not furnish the data, that it was not subject to the control of the State authority; and it was so held, and the State authority was deprived of the data which were necessary in order to enable it to conduct the business of the State properly. Somebody must have control of that company which refuses the command or the demand or the request of the State. I think probably the company was justified in refusing it from the standpoint purely of the constitutional question.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. BARKLEY. As an example of what the Senator is discussing I referred the other day—and I do not know whether the Senator was in the Chamber at the time or not—to a case where a State had by its legislature provided that no outside corporation would be permitted to own more than 10 percent of the stock of a utility company operating within the State.

A holding company which desired to get control of business within a certain State, which I need not name, organized nine corporations in the State. One of them was the Mahogany Co., one was the Ashwood Co., one was the Sassafras Co., one was the Sycamore Co., and they went all through the woods to get names for these nine companies, and each one of the nine bought stock in the utility so as to evade entirely the provisions of the law in the State undertaking to protect itself against absentee ownership; and such instances may be multiplied by the hundreds.

Mr. BORAH. I recall the illustration which the Senator gave, and it was very relevant to the discussion.

Mr. President, I am not going further into the discussion of this matter; I simply wished to state my view in a general way as to this particular point. When we come to deal with the provisions of section 11, some questions may arise which may require further discussion.

Let us bear in mind that the most difficult problem which confronts us in the United States is that which arises out of the concentration of economic power. It is useless to talk about political liberty and political freedom if there is no economic liberty or economic freedom, and there can be no such thing as economic liberty or economic freedom where all the vast wealth and natural resources, and all that which contributes to the daily life of the individual, is under the control of a dozen or so, or even 2,000 or 2,500 people.

It is impossible to contemplate the future of the American citizen with any conception of freedom upon his part or of economic liberty upon his part under such conditions. It therefore becomes the duty of the Congress of the United States to exercise whatever power it has and whatever power it may command to the breaking down of that concentration of wealth, and particularly where that concentration of wealth leads to lawlessness such as has characterized the great holding companies of this country.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. HASTINGS. Does the Senator contend that proceeding under the interstate-commerce clause of the Constitution is the only way in which that can be accomplished?

Mr. BORAH. No; I do not. We might use the taxing power very effectively; but I do not know of any reason why we should not also use the power under the interstate-commerce clause.

Mr. HASTINGS. Another question: Does the Senator contend that a holding company located in one State, with its offices in that State, which controls an operating company in another State, merely because it owns that company and is in communication with it through the mails and by telephone and otherwise, is engaged in interstate commerce?

Mr. BORAH. My contention is, to state it in my own way—and I think my view is reflected in the bill—that where a holding company owns and controls subsidiary companies in different States and directs the affairs and the course of conduct of those companies, utilizing the mails or utilizing the express companies or utilizing other means of communication or means of intercourse in order to effectuate its purpose, it is engaged in interstate commerce. John Marshall says commerce is intercourse, and through intercourse among the States the holding companies carry on their business.

Mr. LONG. Mr. President, as I understand the amendment of the Senator from Illinois—and I hope I will be corrected by the Senator from Illinois or by the Senator from Montana if I am wrong—it purports to take section 11, which provides that after a certain length of time holding companies are to pass out of existence, and to change that into some kind of regulation.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. TYDINGS. I desired to ask the Senator from Idaho a question before he sat down.

Mr. LONG. I have no objection.

Mr. TYDINGS. I ask the Senator from Idaho whether he contemplates offering an amendment to eliminate holding companies in the third or fourth degree? If he should do so, he would probably get some votes for an amendment of that kind which he might not get for a provision to eliminate all holding companies, as is provided in the bill.

Mr. BORAH. Mr. President, I have hesitated to offer amendments to the bill for the reason that I know the vast amount of work which has been put upon the bill by the committee and by the able chairman of the committee; but I had in mind, and I have so indicated in my pencil notes upon the bill, to offer an amendment which would do away with holding companies beyond the second degree.

Mr. TYDINGS. I thank the Senator, and I thank the Senator from Louisiana for yielding.

Mr. BARKLEY. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I have only 10 minutes; but I will yield for a moment.

Mr. BARKLEY. I wish to correct an impression which seems to prevail as a result of the Senator's question.

The bill does not eliminate all holding companies. It does not eliminate holding companies which operate utilities wholly within a State. It does not eliminate holding companies which have stock in or even control utilities operating in two or more States, if it is an integrated territory. So that it is not correct to say that this bill eliminates all holding companies. There are many of them which it does not eliminate.

Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. LONG. I will yield to the Senator a moment, but I will ask the Chair not to take the interruptions out of my time.

Mr. WHEELER. In addition to what the Senator from Kentucky has said, permit me to state that many Members of the Senate thought we ought to have gone much further than we did go, and eliminate all holding companies; but the bill does not do that at all.

Mr. LONG. Mr. President, the quarrel I have with the bill is that it did not stick to the original policy of eliminating all holding companies. What is the difference between holding companies, regardless of where they are? So far as I am concerned, they all ought to be eliminated.

The first holding company of any wide importance of which I ever had any knowledge was one I found referred to in fiction. A far more reasonable holding company was the old holding system of Fagin, about which we are told in Oliver Twist. He was a fence, a fraud. However, he was subjected to certain criminal provisions of the law.

A holding company is not a thing on God's earth but a scheme set up in order that frauds and devices and whatever we may call them less than that may be practiced with convenience, without running into the obstructions and inconveniences which natural and artificial laws have imposed to prevent devices which cheat people out of what they are entitled to have.

I am amazed at my friend from Illinois offering this amendment. I might have understood it if it had come from my innocent friend from West Virginia, or from my friend from Idaho, or even from my friend from Kentucky, but for a man who came from within a mile or two of the operations of the Insull enterprises to offer this amendment goes to show me that a burned child is not even afraid of fire. [Laughter.] It goes to show me that he wants to get right back into the fireplace and see just what it was that scorched his eyes.

The thing that sent the present junior Senator from Illinois to the Senate instead of his illustrious predecessor was the Democratic platform adopted in the Chicago convention, which declared that we were going to be through with the frauds of the Insulls and of men of that type, which had rendered helpless the investors to the extent, it was said, of one out of every three in the State.

I was told that one person out of every three of mature age in the entire State of Illinois had been burned prior to 1932 as the result of the Insull holding-company operations in the State of Illinois; so much so that people said they were afraid Mr. Insull could not even get a fair trial in that State, because nearly everybody had suffered as the result of his financial legerdemain.

What does the Senator from Illinois propose? Let me read what he proposes. He is a good lawyer. He was a judge on the bench, and is a very learned Member of this Chamber. Here is what he proposes:

After January 1, 1938—

This is in lieu of section 11:

After January 1, 1938, to require the corporate structure of the holding-company system of each registered holding company to be simplified to the extent that such corporate structure contains unnecessary complexities which are detrimental to the interests of investors, consumers, and the general public.

What does that mean? It does not mean anything. It means that we are going to strike out the only thing in this bill which does any good. It would take someone with Webster's Unabridged Dictionary sitting right at the elbow of the Senator from Illinois to enable him to know what he himself means by this Mother Hubbard amendment which he is now proposing. A Mother Hubbard, by the way, covers everything but touches nothing. [Laughter.] That is what the Senator does by this amendment which he proposes, instead of the provision that after a certain length of time these illegal combinations shall be put out of business.

Talk about regulating holding companies. We might as well try to regulate a rattlesnake. It would do just as much good. We might just as well pass a law here that a rattlesnake could not bite in the summertime as to pass a law that a holding company can exist for time after time, and continue any kind of practices, subject to any kind of regulation. We cannot regulate them. It is not possible to regulate them.

Talk about destroying investments. Who is it that destroyed the investments? They are here with the blood of Abel on their hands. They have raked down the fortunes of the little, the big, the young, and the old. Long before this holding-company bill ever came to Congress they had receivership after receivership, bankruptcy after bankruptcy. Why did they have them? For no other reason than that the Congress of the United States had not done its duty, because the Congress of the United States allowed them to carry on these various criminal enterprises; for no other reason under God's eternal sun than to avoid regulation by State or by interstate commissions. You could not find them with a straight level and a compass. To find the hide-and-seek scoundrels you would have to look for them all over the country. One time they were engaged in interstate commerce, and the next time they were engaged in intrastate commerce. You never could put your finger on them, and you cannot put your finger on them now.

They now have some of the rascals in the criminal courts. Every time we undertake to invoke one of the Federal statutes they claim that the transaction was an intrastate transaction, and when they are charged in the State courts they contend that the transaction was not an intrastate transaction but that it was an interstate transaction. They are so bold with it that they will go before commissions and courts of the State and say, "That part of our business which is interstate shows a very large profit, but that part of our business which is intrastate shows not so large a profit", knowing that through the delays caused by litigation of various kinds and through some kinds of processes they will avoid any sort of regulation which will stamp out these practices. We may find one way to keep them from doing it, but they can find some other way of doing it, and get around a regulation.

Talk about preserving business! Talk about being careful! Let us do no harm! We are likely to step on some legitimate practice! Oh, yes; old Fagin might have had some legitimate practice, but they hung him just the same, because 99.44 percent of his business, inside and out, was a criminal racketeering game. One may find some little practices of the holding company which are legitimate, but those are insignificant and infinitesimal.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The time of the Senator from Louisiana has expired.

Mr. NEELY obtained the floor.

Mr. BONE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Washington?

Mr. NEELY. Mr. President, by virtue of the unanimous-consent agreement under which we are proceeding, the Senate must vote on the pending amendment at the expiration of 7 minutes. Therefore, the Senator from Washington is respectfully requested to be as brief as possible.

Mr. BONE. I should like to ask the Chairman of the Committee on Interstate Commerce [Mr. WHEELER], who is in charge of this utility bill, in the event the amendment which is now pending should be adopted—which, if it happens, will result in complete destruction of the bill, as the very heart will come out of it—if he will accept an amendment which I will then tender to remove the tax exemption which corporations now enjoy under the corporation income tax?

Mr. NEELY. Mr. President, when the Lord was on his way to destroy Sodom and Gomorrah with fire and brimstone He visited Abraham in the plains of Mamre and informed him of the impending fate of the two most notorious seats of wickedness of the ancient world. The interest of Abraham in the few virtuous inhabitants of the doomed cities was instantly aroused, and he said to Jehovah, "Wilt Thou also destroy the righteous with the wicked * * * shall not the judge of all the earth do right?" After less debate than we have had in the Senate today, the Lord promised to spare Sodom, if as many as 10 of its inhabitants were found to be righteous.

Is it not high time for someone to inquire in this body whether we shall destroy the unoffending holding companies in order to annihilate those which have grievously sinned against the American people? Will not the Senate do justice to the innocent regardless of the manifold transgressions of the guilty?

Some of the utility-holding companies of the United States have flagrantly violated almost every law that man had made or decency has dictated. The offenses of these no self-respecting person would attempt to justify or condone. But hundreds of thousands of innocent American citizens have in good faith invested their money in the securities of utility-holding companies, the affairs of which have been conducted as honorably as those of the average corporation in other lines of endeavor. These investors should not be punished nor should the value of their investments be destroyed by the passage of the Wheeler bill in its present form.

Unquestionably the proprietors of a few holding companies ought to be in the penitentiary. But this fact affords no justification for the destruction of companies which, like some of those which operate in West Virginia, have habitually obeyed the law.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. NEELY. I will yield for a very brief question.

Mr. WHEELER. Will the Senator tell me of one holding company which is engaged in interstate commerce scattered all over this country which has not violated the provisions as set forth in this bill? Those are the only ones we are seeking to have eliminated.

Mr. NEELY. Mr. President, if time permitted, the Senator from West Virginia could name a number of utility-holding companies whose conduct compares favorably with that of any other class of corporations; whose stockholders ought not to be impoverished; whose investments ought not to be destroyed. The bill in its present form seeks to empower a commission to annihilate any holding company which it may determine is not geographically or economically integrated. If the history of this Government conclusively proves anything, it proves beyond the peradventure of a doubt that, as a rule, Federal commissions habitually wield all the power with which they are clothed. Consequently it may be safely assumed that if the bill, without the elimination of section 11, becomes the law, a commission will in the near future disintegrate a majority, if not all, of the utility-holding companies on the alleged ground that they are not geographically or economically integrated.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. NEELY. Mr. President, the rapid flight of my limited time compels me unwillingly to decline to yield. But let me digress to say that I unqualifiedly and enthusiastically concur in the glowing eulogies pronounced by the Senator from Kentucky [Mr. BARKLEY] and the Senator from Washington [Mr. BONE] on the renowned Senator from Montana [Mr. WHEELER], whom we all respect and love and to whom I regret that I cannot again yield. With unsurpassed intelligence, unremitting industry, and unfaltering fidelity to his task, he has, from his point of view, rendered the people and perhaps the utilities themselves a great and lasting service. From my heart I congratulate the people of Montana upon having the distinguished author of the pending bill as one of their representatives in the United States Senate.

Many of us consider it unfortunate that the bill, which contains so very many constructive and salutary provisions, should be marred by section 11—the object of which is destruction, and the effect of which, if approved, will be to empower the Commission to destroy every great utility-holding company in the country.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Nebraska?

Mr. NEELY. Mr. President, I am sincerely sorry that I cannot yield even one of my few remaining moments to the eminent Senator from Nebraska.

Ever since the honor of a seat in the Congress was first bestowed upon me, I have sincerely believed it to be my duty as a public servant to act in conformity with the known wishes of my constituents and, so far as possible, to translate their desires into law.

Mr. LONG. Mr. President, will the Senator yield?

Mr. NEELY. Mr. President, I am sorry that the unusual limitation upon my time makes it impossible for me to yield to the Senator from Louisiana or to anyone else for any purpose.

Since the day that the Senator from Montana introduced the utility-holding company bill, my constituents have sent me a grand total of approximately 23,000 letters and telegrams, in which they have in no uncertain terms expressed their unfavorable opinion of the bill and their earnest desire concerning my vote be recorded against it.

It has not been possible for me to answer, or even to read, all of the thousands of letters which have come to my office relative to the Wheeler bill. The mountain of communications which now rests on the desk before me consists of a thousand letters and telegrams chosen at random. Any Member of the Senate is at liberty to inspect them. Three, and only three of these communications contain endorsements of the bill. The 997 others implore me to vote against the measure in its entirety unless the "death sentence" provisions of section 11 are eliminated.

Let me hastily read just one of these communications:

> You do not know me, but I am the widow of your Spanish-American War comrade ————. Upon his death he left me a few shares of stock in a utility-holding company on which I have received a small dividend four times a year. If section 11 of the Wheeler bill is passed my holding-company stock, which my husband innocently acquired and I innocently hold, will lose much or all of its value, and I shall lose the small income which has enabled me to escape the poorhouse during the last 5 years.

This letter is fairly representative of a vast number of others which are in the accumulation before me.

Upon the assumption that the thousand communications which compose my exhibit are typical of the 22,000 other letters and messages concerning the Wheeler bill which I have received, 69 of my constituents desire that the bill be passed, while 22,931 desire that it be defeated. In other words, it appears that among my constituents those who oppose section 11 of the bill outnumber those who favor it by more than 330 to 1.

If anyone argues that these letters are the result of propaganda which has been disseminated by the utility-holding companies, I shall reply that the motto of West Virginia proclaims the freedom of mountaineers, and assert that West Virginians harmonize their conduct with this motto, despise dictators, scorn dictation, and act upon their own initiative.

A score of independent, reputable, and representative daily newspapers are published in West Virginia. To the best of my information, all but three of these daily papers have, in most vigorous editorials, again and again disapproved the Wheeler bill and bitterly assailed section 11 on the ground that its translation into law would greatly injure thousands of people in West Virginia and millions of people in the United States.

The relevant and material evidence which has been supplied me by word of mouth, by letters, by telegrams, and through the columns of the unpurchasable press of the State compels me to believe that more than 95 percent of the people of West Virginia are unalterably and bitterly opposed to section 11 of the Wheeler bill. Therefore, duty compels me, as the representative of my constituents, to vote for the Dieterich amendment. Failure to eliminate section 11 with the Dieterich amendment, or some other equally effective instrumentality will compel me to vote against the entire measure. And in voting for the amendment and against the bill, if the amendment should be defeated, I shall be voting to conserve instead of destroy many of the great law-abiding enterprises of this country; I shall be voting to protect and preserve hundreds of millions of dollars which have been honestly invested in utility holding companies by innocent persons in every walk of life; I shall be voting to protect the wages and preserve the employment of everyone in the United States who is on the pay roll of a utility holding company.

About the middle of the last century the members of a faction of the Democratic Party in the State of New York earned the unenviable nickname of "barn burners." Let us so vote on the Dieterich amendment and on the Wheeler bill, if the amendment be defeated, that no one can justly stigmatize us as "barn-burning Senators; legislators of destruction or artificers of annihilation." Let us demonstrate today that the Senate stands for proper regulation and against improper ruination; that it is whole-heartedly for enlightened construction that will benefit and bless the race and against every proposal to destroy the honorable employment, the honest investments, and the cherished rights of the American people.

Mr. DIETERICH. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Pope
Ashurst	Copeland	King	Radcliffe
Austin	Costigan	La Follette	Reynolds
Bachman	Couzens	Lonergan	Russell
Bailey	Davis	Long	Schall
Bankhead	Dickinson	McAdoo	Schwellenbach
Barbour	Dieterich	McCarran	Sheppard
Barkley	Donahey	McGill	Shipstead
Black	Duffy	McKellar	Smith
Bone	Fletcher	McNary	Steiwer
Borah	Frazier	Maloney	Thomas, Okla.
Brown	George	Metcalf	Thomas, Utah
Bulkley	Gerry	Minton	Townsend
Bulow	Gibson	Moore	Trammell
Burke	Glass	Murphy	Tydings
Byrd	Gore	Murray	Vandenberg
Byrnes	Guffey	Neely	Van Nuys
Capper	Hale	Norbeck	Wagner
Caraway	Harrison	Norris	Walsh
Carey	Hastings	Nye	Wheeler
Chavez	Hatch	O'Mahoney	White
Clark	Hayden	Overton	
Connally	Johnson	Pittman	

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present. The question is on the amendment offered by the Senator from Illinois [Mr. DIETERICH].

Mr. WHEELER. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. HAYDEN. Mr. President, I desire to offer a perfecting amendment.

The VICE PRESIDENT. Under the unanimous-consent agreement, the Senate is to vote on the amendments offered by the Senator from Illinois at 2 o'clock. They will come first, before any other Senator may be recognized to offer an amendment. The question is on agreeing to the amendment of the Senator from Illinois. On that question the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I am informed that if he were present he would vote as I am about to vote. I therefore feel at liberty to vote, and vote "yea."

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Arkansas [Mr. ROBINSON]. If he were present, he would vote "nay", and if I were permitted to vote I should vote "yea."

Mr. CLARK (when Mr. TRUMAN's name was called). I desire to announce that my colleague [Mr. TRUMAN] is necessarily absent.

The roll call was concluded.

Mr. BARKLEY. I desire to announce that my colleague the junior Senator from Kentucky [Mr. LOGAN], the Senator from Arkansas [Mr. ROBINSON], and the Senator from Mississippi [Mr. BILBO] are necessarily absent from the Chamber.

Mr. DIETERICH. I wish to announce the necessary absence of my colleague the senior Senator from Illinois [Mr.

LEWIS]. I am informed that on this question he is paired with the junior Senator from Mississippi [Mr. BILBO]. If present, my colleague would vote "yea", and the Senator from Mississippi would vote "nay."

The result was announced—yeas 44, nays 45, as follows:

YEAS—44

Ashurst	Chavez	Glass	Radcliffe
Austin	Clark	Gore	Reynolds
Bachman	Coolidge	Hale	Schall
Bailey	Copeland	Hastings	Smith
Bankhead	Davis	Hayden	Steiwer
Barbour	Dickinson	Keyes	Thomas, Okla.
Bulkley	Dieterich	King	Townsend
Burke	Duffy	Lonergan	Tydings
Byrd	George	Metcalf	Vandenberg
Byrnes	Gerry	Moore	Walsh
Carey	Gibson	Neely	White

NAYS—45

Adams	Donahey	McKellar	Russell
Barkley	Fletcher	Maloney	Schwellenbach
Black	Frazier	Minton	Sheppard
Bone	Guffey	Murphy	Shipstead
Borah	Harrison	Murray	Thomas, Utah
Brown	Hatch	Norbeck	Trammell
Bulow	Johnson	Norris	Van Nuys
Capper	La Follette	Nye	Wagner
Caraway	Long	O'Mahoney	Wheeler
Connally	McAdoo	Overton	
Costigan	McCarran	Pittman	
Couzens	McGill	Pope	

NOT VOTING—6

Bilbo	Logan	Robinson	Truman
Lewis	McNary		

So Mr. DIETERICH's amendment was rejected.

The VICE PRESIDENT. The clerk will report the next amendment offered by the Senator from Illinois.

Mr. DIETERICH. Mr. President, the other amendments constitute a series of amendments directed to the same objective, to take this particular phraseology out of the bill. In view of the vote just taken it is not necessary to consume the time of the Senate on the other amendments and therefore I withdraw them.

The VICE PRESIDENT. The Senator from Illinois withdraws the amendments.

Mr. PITTMAN. Mr. President, in section 210 there is a provision amending section 23 of the Federal Power Act, which would prevent a State or municipality from utilizing water and power at a Government dam without permission of the Federal Power Commission. That permission has already been granted in an act of Congress. The amendment would veto the grant already made to the States. I offer an amendment for the purpose of clarifying the language.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 113, line 25, in section 210, amending section 23 of the Federal Power Act, as amended, after the word "act", it is proposed to strike out the period and insert a colon and the following:

Provided, That States or other municipalities granted certain rights and privileges under the Boulder Canyon Project Act and contracts executed thereunder relative to the use of water impounded by such project and the generation of hydroelectric power upon such project are hereby granted a license to construct, operate, and maintain any water conduit, reservoir, power lines, or other works across or along the navigable waters of the United States, or upon any part of the public lands or reservations of the United States for the purpose of utilizing said water or water power. A similar license is hereby granted to any State or other municipality with reference to any Government dam heretofore or hereafter constructed under act of Congress where States or other municipalities are granted the right to utilize the waters or water power generated at such dam. This license shall extend to all municipalities, corporations, or individuals acting for, under, and by authority of such State or other municipality in the premises.

Mr. WHEELER. Mr. President, I am familiar with the amendment and it is entirely satisfactory to me. It clarifies the bill with reference to Boulder Dam.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nevada.

The amendment was agreed to.

Mr. PITTMAN. Mr. President, there are two other amendments at different places now necessary to carry into effect the amendment just adopted. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 114, line 11, after the word "be", it is proposed to insert the word "directly", and after the word "affected" insert the words "or burdened"; and in line 17, after the word "are", insert the word "injuriously", so as to make the paragraph read:

Any person, association, corporation, State, or municipality intending to construct a dam or other project works across, along, over, or in any stream or part thereof, other than those defined herein as navigable waters, and over which Congress has jurisdiction under its authority to regulate commerce between foreign nations and among the several States shall before such construction file declaration of such intention with the Commission, whereupon the Commission shall cause immediate investigation of such proposed construction to be made, and if upon investigation it shall find that the interest of interstate or foreign commerce would be affected or burdened by such proposed construction, such person, association, corporation, State, or municipality shall not construct, maintain, or operate such dam or other project works until it shall have applied for and shall have received a license under the provisions of this act. If the Commission shall not so find, and if no public lands or reservations are injuriously affected, permission is hereby granted to construct such dam or other project works in such stream upon compliance with State laws.

The VICE PRESIDENT. Without objection, the amendment is agreed to. The next amendment of the Senator from Nevada will be stated.

The CHIEF CLERK. It is proposed on page 114, line 20, after the period, to insert the following:

If the applicant is a State and the Commission shall not find that such proposed construction does directly affect or burden interstate commerce, permission is hereby granted said State to use the public lands and reservations within such State to the extent that may be necessary to such project and in a manner that will not be materially injurious to such public lands and reservations.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. McKELLAR. Mr. President, I ask the attention of the Senator from Montana. On page 48 and again on page 51 it is necessary to have the same amendment inserted that was agreed to yesterday on page 52. The words "shall have power and at the request of the commisison it shall be the duty of the court to" should be stricken out and the word "may" substituted. Accordingly, on page 48, in lines 22 and 23, I move to strike out the words "shall have power and it shall be the duty of the court to" and insert in lieu thereof the word "may."

Mr. WHEELER. Mr. President, I have no objection to the amendment, provided there shall be added the same language that was added in connection with the other amendment; that is, after the word "appointed", in line 20, insert the words:

And in any such proceeding the court shall not appoint any person other than the commission, trustee, or receiver without notifying the commission and giving it an opportunity to be heard before making any such appointment.

Mr. McKELLAR. That would be entirely satisfactory, but I think it should be treated as a separate amendment and added afterward.

Mr. WHEELER. I thought the Senator could include it in his suggested amendment.

The VICE PRESIDENT. It is impossible under present conditions for the clerk to report the amendments. Will the Senator from Tennessee state where his amendment is to be inserted?

Mr. McKELLAR. Let us dispose of my amendment first and then consider the amendment of the Senator from Montana.

The first amendment which I have offered is, on page 46, line 12, to strike out the words "shall have the power, and it shall be the duty of the court, to" and insert the word "may."

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 46, in line 12, it is proposed to strike out the words "shall have the power, and it shall

be the duty of the court, to" and insert the word "may", so the sentence would read:

Upon any such application, the court as a court of equity shall take exclusive jurisdiction and possession, for the purposes of this title, of such assets of the company or companies, wherever located, as may be the subject of such order, or, in the case of any order for reorganization or dissolution, exclusive jurisdiction and possession, for the purposes of this title, of the company or companies and all the assets thereof, wherever located; and the court shall have jurisdiction to appoint a trustee, and the court may constitute and appoint the Commission as sole trustee, to administer under the direction of the court the assets so possessed and the proceeds thereof as a trust estate for the benefit of the persons interested therein as their interests may appear.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. McKELLAR. On page 48, in line 21, after the word "court", I move to strike out the words "shall have the power, and it shall be the duty of the court, to" and to insert in lieu thereof the word "may."

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 48, line 21, after the word "court", the Senator from Tennessee proposes to strike out the words "shall have the power, and it shall be the duty of the court, to" and to insert in lieu thereof the word "may", so the sentence would read:

And the court shall have jurisdiction to appoint a trustee, and the court may constitute and appoint the Commission as sole trustee, to administer, under the direction of the court and in accordance with the plan theretofore approved by the court and the Commission, the assets so possessed and the proceeds thereof as a trust estate for the benefit of the persons interested therein as their interets may appear.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. WHEELER. Mr. President, in view of that amendment I should like to insert, after the word "appear", on page 49, line 3, this language:

And in any such proceeding the court shall not appoint any person other than the Commission trustee or receiver without notifying the Commission and giving it an opportunity to be heard before making any such appointment.

The VICE PRESIDENT. The Senator from Montana offers an amendment which will be stated.

The CHIEF CLERK. On page 49, line 3, after the word "appear", it is proposed to insert:

And in any such proceeding the court shall not appoint any person other than the Commission trustee or receiver without notifying the Commission and giving it an opportunity to be heard before making any such appointment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

Mr. WAGNER. Mr. President, I should like to make an inquiry of the Senator from Montana.

The other day I submitted to the Senator a proposed amendment to make somewhat more flexible the provision with reference to exempting holding companies doing, predominantly, an interstate business.

Mr. WHEELER. Let me say to the Senator from New York that after we discussed that amendment, and worked it out, I was waiting for him to be present. He was not here at the time the bill originally came up. I therefore offered the amendment for him, and called attention, I think, to the fact that he was not here. That amendment has been taken care of.

Mr. WAGNER. I thank the Senator very much.

Mr. DICKINSON. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. In subsection (a) of section 11, line 19, page 43, it is proposed to insert the words "public utility" after the words "and the" and before the words "properties and."

Mr. BARKLEY. How will that read?

Mr. WHEELER. I did not catch the amendment.

Mr. DICKINSON. I suggest that in order to have these amendments understood the second amendment should be read, because one is not necessary without the other.

Mr. WHEELER. Has the Senator a copy of his amendment there?

Mr. DICKINSON. The clerk has the only copy I have. I will say that the purpose of this amendment is to enable a public-utility company which has acquired some other property in other lines of business, to dispose of that property as it sees fit, and not be forced, under the requirements of this bill, to dispose of it as it disposes of other types of property it has acquired.

Mr. WHEELER. Let me say to the Senator from Iowa that that matter has already been taken care of in an amendment which was offered on yesterday by the Senator from Indiana [Mr. MINTON] and adopted. This very matter has been taken care of.

Mr. DICKINSON. Very well. I was not here at the time.

The VICE PRESIDENT. Does the Senator from Iowa withdraw his amendment?

Mr. DICKINSON. I withdraw the amendment.

Mr. O'MAHONEY. Mr. President, I offer the three amendments, which I send to the desk.

The VICE PRESIDENT. The amendments will be stated.

The CHIEF CLERK. On page 105, line 23, after the word "shall", it is proposed to insert:

Subject to the approval of the Secretary of the Interior in the case of such dams or structures in reclamation projects, and, in the case of such tribal lands, subject to the approval of the Indian tribe having jurisdiction of such lands, as provided in section 16 of the act of June 18, 1934.

Mr. WHEELER. I have no objection to the amendment. As a matter of fact, I am in favor of it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wyoming.

The amendment was agreed to.

The CHIEF CLERK. Also, on page 105, line 24, after the word "may", it is proposed to insert the words "with like approval."

Mr. WHEELER. That is entirely satisfactory.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wyoming.

The amendment was agreed to.

The CHIEF CLERK. On page 113, lines 21 and 22——

Mr. NORBECK. Mr. President——

The VICE PRESIDENT. Does the Senator object to the adoption of the amendment?

Mr. NORBECK. No; but we have passed page 103, and I desire to offer an amendment on that page.

The VICE PRESIDENT. The bill is not being read page by page. The Senator can offer an amendment to any portion of the bill when he obtains recognition.

The CHIEF CLERK. On page 113, lines 21 and 22, it is proposed by Mr. O'MAHONEY to strike out "for the purpose of utilizing" and insert in lieu thereof the words "to utilize."

Mr. WHEELER. Mr. President, let me ask the Senator from Wyoming whether this is an amendment which he worked out with the general counsel of the Power Commission.

Mr. O'MAHONEY. Yes; these are the amendments which were discussed with the counsel of the Power Commission, and we are in perfect agreement on them.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wyoming.

The amendment was agreed to.

Mr. NORBECK. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The Senator from South Dakota offers an amendment, which will be stated.

The CHIEF CLERK. On page 103, line 16, after the word "including", it is proposed to insert the word "scenic"; and on page 103, line 17, after the letters "tional", it is proposed to insert a comma and the words "archeological and wildlife."

Mr. CLARK. Mr. President, I should like to find out what the amendment is.

Mr. WHEELER. Will the Senator please explain his amendment?

Mr. NORBECK. The amendment was sent to me by the Izaak Walton League, who are hoping that in these projects

some consideration may be given to scenic situations, to archeological and to wildlife protection. It is really a suggestion they have incorporated in their plan so far as they can. This particular section is an amendment to the Water Power Act, as I understand.

Mr. WHEELER. This is an amendment to section 10, providing that—

All licenses issued under this part shall be on the following conditions:

(a) That the project adopted, including the maps, plans, and specifications, shall be such as in the judgment of the Commission will be best adapted to a comprehensive scheme for improving or developing a waterway or waterways for the use or benefit of interstate or foreign commerce, for the improvement and utilization of water-power development, and for other beneficial public uses, including recreational purposes; and if necessary in order to secure such scheme the Commission shall have authority to require the modification of any project and of the plans and specifications of the project works before approval.

I have not any objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Dakota.

The amendment was agreed to.

Mr. ADAMS. Mr. President, I send to the desk three amendments which I offer to page 102 of the bill as originally reported.

The VICE PRESIDENT. The Chair understands that the copy of the bill to which the Senator refers, the copy as originally reported, is the one which the clerks are using. The amendments will be stated.

The CHIEF CLERK. On page 102, line 22, it is proposed to strike out "water" and insert "water-power."

Mr. ADAMS. Mr. President, that matter has been taken up with the attorneys for the Commission, and they have approved that and the two succeeding amendments. It applies the control given under the bill to water power, and not to water resources generally. It puts that limitation upon the bill.

Mr. WHEELER. Mr. President this is the amendment about which the Senator spoke to me yesterday and which he took up with the attorneys for the Commission?

Mr. ADAMS. Yes sir; and I have two other amendments of similar effect.

Mr. WHEELER. I have not any objection.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Colorado.

The amendment was agreed to.

The CHIEF CLERK. It is proposed to make the same amendment on page 102, line 14.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The CHIEF CLERK. It is proposed to make the same amendment on page 102, line 18.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. ADAMS. Mr. President, I offer a further amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 100, line 13, after the word "occupy", it is proposed to insert the words "for the purpose of developing electric power."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Colorado.

The amendment was agreed to.

The CHIEF CLERK. On page 100, line 20, it is proposed by Mr. ADAMS to strike out the words "water, and power" and to insert in lieu thereof "and water-power."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Colorado.

The amendment was agreed to.

Mr. CLARK. Mr. President, I send to the desk two amendments, and ask unanimous consent that they may be considered as one, for the reason that they seek to accomplish one purpose.

The VICE PRESIDENT. The amendments will be stated.

The CHIEF CLERK. On page 6, it is proposed to strike out all of subsection (4) of section 2, beginning with line 17, down to and including line 22, and to insert in lieu thereof the following:

"Gas utility company" means any company which owns or operates facilities for the production, transportation, or distribution of natural or manufactured gas, and which transports, distributes, sells, or furnishes such gas for light, heat, or power, for a charge; but does not mean a company whose gas business is confined solely to the production, transportation, sale, or distribution of gas in enclosed portable containers.

Also, on page 18, strike out the letter "(A)" in line 9; also, strike out all of subsection (3) following the word "company" in line 13.

Mr. CLARK. Mr. President, these two amendments, which I have asked to have considered as one, are offered for the purpose of removing from the bill one of the most remarkable jokers that has ever fallen within my observation during my legislative experience.

I mention the subject at this time particularly because the employment of such methods as have been employed in the draftsmanship of the change in the bill which I now seek to remove are sufficient to cause anyone to have very serious distrust of the draftsmanship of the whole bill.

Mr. WHEELER. Mr. President, so that there may not be any question about the matter, I desire to say that if there is any joker in the bill with reference to this matter, the responsibility for it is not on the draftsmanship of the bill; it rests solely upon my shoulders. There is no joker in it, however. I have explained the matter to the Senator. The language he uses is extremely unfair to me, because no joker was intended, and the language to which he objects was put in only after conference with myself. If anybody is responsible for it, I am solely responsible.

Mr. CLARK. I do not wish to reflect on the motives or the methods of the Senator from Montana; but I do desire to say that in a bill of this sort, in a bill with such complications—apparently deliberate complications—extending over 154 pages, to change from the original draft as the bill was reported to the Senate in two or three places in such a way as to remove from the operation of the bill the Standard Oil Co. of New Jersey, and the Koppers Co., and possibly two or three minor companies does not seem to me good legislative practice.

This is the situation. Senate bill 1725 as it was originally reported defined a gas utility company in the following language:

"Gas utility company" means any company which owns or operates facilities for the production, transportation—

Note the word "transportation"—

or distribution of natural or manufactured gas, and which transports, distributes, sells, or furnishes such gas for light, heat, or power for a charge; but does not mean a company whose gas business is confined solely to the production, transportation, sale, or distribution of gas in enclosed portable containers.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. LONG. What the Senator is trying to do is to write these companies into the bill?

Mr. CLARK. Yes; I intend to put the companies back in the language of the original bill. I also intend to expose the joker, as I consider it, in the redrafting of the bill.

Of course, Mr. President, the last proviso, "but does not mean a company whose gas business is confined solely to the production, transportation, sale, or distribution of gas in enclosed portable containers", was obviously inserted in the bill for the purpose of excluding the Skelly Oil Co. and the Pintsch Co.

Mr. WHEELER. Mr. President, I never heard of the Skelly Oil Co.

Mr. CLARK. I asked the question of the two experts who drafted the bill, Mr. Cochran and Mr. Cohen, and received an affirmative response.

Mr. WHEELER. Let me say that the Senator is making statements on the floor of the Senate with reference to the bill that are absolutely not so, because witnesses came before the committee and testified that this bill took in some manufacturing interests and some people who merely manu-

factured gas incidentally to their business, and that we could not regulate——

Mr. CLARK. Mr. President——

Mr. WHEELER. Just let me finish.

Mr. CLARK. Let me finish; I have the floor.

I did not desire to object to the exclusion of these companies. What I did object to was the change from the original draft to the language of the next draft, Senate bill 2796. That defines a gas utility company as "any company which owns or operates facilities for the distribution at retail of natural or manufactured gas, or which for a charge distributes natural or manufactured gas at retail for light, heat, or power; but does not mean a company which distributes gas only in enclosed portable containers."

The difference between the bill as originally reported and the bill before us is that pipe-line companies are left out.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. BARKLEY. Pipe-line companies have been regarded more or less as common carriers, especially those engaged in interstate transportation of oil and gas.

Mr. LONG. No; they have not.

Mr. BARKLEY. Is the Senator seeking now to include all of the pipe-line companies?

Mr. CLARK. Yes; I think pipe-line companies should be included. I think the holding companies which have to do with pipe lines are probably the most vicious form of holding companies that can be devised.

Mr. President, that did not happen by chance. It is carried through the whole progress of the bill. In the original bill it was said:

"Public-utility company" means an electric utility company and/or a gas utility company.

In Senate bill 2796 the definition is as follows:

"Public-utility company" means an electric utility company or a gas utility company.

In the original bill the definition of a holding company was as follows:

(7) "holding company" means (A) any company which, either alone or in conjunction and pursuant to an arrangement or understanding with one or more other persons, directly or indirectly, controls a public-utility company, whether such control is exercised through one or more intermediary persons or by any means or device whatsoever; (B) any intermediary company through which such control is exercised; and (C) any person or persons which the Commission determines, after notice and opportunity for hearing, to exercise such a material influence over the management or policies of any public-utility or holding company as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that such person or persons should be deemed a holding company or companies for the purposes of this act.

In the new bill the definition of a holding company is altered to correspond to the changed definition of a gas utility company which I have heretofore pointed out.

Then we come down to the last portion, in section 3, the exemptions. I think there is no justification for the principle of exemptions in the bill at all. To allow a Federal commission to say to one, "You go", and he goeth, and to another, "You stay", and he stayeth, I think is without justification under any consideration.

Mr. WHEELER. The Senator just voted——

Mr. CLARK. Mr. President, I have the floor, I believe. In the section as to exemptions it is provided:

The Commission, by rules and regulations or order, shall exempt any holding company, and every subsidiary company thereof as such, from any provision or provisions of this title, if and to the extent that it deems the exemption not detrimental to the public interest or the interest of investors or consumers.

The first two grounds for exemption are immaterial, but as to the third ground I have to go back to the change in the definition of "gas utility company", which was inserted for the purpose of leaving out the pipe-line companies which operate actual utilities. I shall presently show the particular importance of this language.

Mr. LONG. Mr. President, will the Senator yield? I am with him a hundred percent.

Mr. CLARK. If the Senator will wait, I shall appreciate it. My time is limited.

Mr. LONG. Let me say just one word.

Mr. CLARK. Very well.

Mr. LONG. The whole thing is that they have actually left out the holding companies which control the selling of natural gas.

Mr. CLARK. In a very peculiar way, as I shall point out in just a moment.

The third ground of exemption is this: The company shall be exempt if—

Such holding company is only incidentally a holding company, being primarily engaged or interested in one or more businesses other than the business of a public-utility company and (A) not deriving, directly or indirectly, any material part of its income from any one or more subsidiary companies, the principal business of which is that of a public-utility company, or (B) deriving a material part of its income from any one or more such subsidiary companies, if substantially all the outstanding securities of such companies are owned, directly or indirectly, by such holding company.

Mr. President, let us see the application of this change in two or three places in the bill between the bill originally reported by the committee and the bill now before the Senate.

The VICE PRESIDENT. The Senator's time on the amendment has expired.

Mr. CLARK. I will take my time on the bill.

Mr. WHEELER. Mr. President——

Mr. CLARK. I am glad to yield for a question.

Mr. WHEELER. Never mind.

Mr. CLARK. The Standard Oil Co. of New Jersey owns the major portion of the interest in a gas pipe-line company transporting gas from Amarillo, Tex., to Denver and various other cities in Colorado. It does not own any interest in any distributing company in any of these cities, so far as I am advised, but it wholesales gas and necessarily to that extent controls the gas situation and the companies in all those cities.

The Standard Oil Co. of New Jersey owns a very large interest—I think, 25 percent, to be exact—in a gas pipe line from Amarillo, Tex., to Chicago. It sells gas at wholesale to the Chicago Gas Co. and to other gas companies along the line, and to that extent necessarily controls the price of gas; but it does not own the operating companies.

This company owns a pipe line from a point in West Virginia to points in Ohio, and actually operates the Cleveland Gas Co., owns all the stock in the Cleveland Gas Co., and owns so large a proportion of the stock in other gas companies in Ohio that their control is nearly absolute. The company itself owns the distribution system in Cleveland.

The company owns all the securities of the distributing company in Cleveland, Ohio, one of the largest cities in the country, and of the other two or more distributing companies in Ohio to which they supply gas through their pipe lines they own so nearly all the stock that it would be very simple for a company of its banking facilities to go out and acquire the stock in the market, and therefore to come within this exemption.

I inquired when these changes were called to my attention whether any other company in the country would come in under this exemption—in other words, whether a hole had been made for any other company in the entire United States to get out of except the Standard Oil Co. of New Jersey—and I was informed by the draftsmen of the bill that the Koppers Co. also came out through that exemption.

I was not familiar with the Koppers Co. at that time, and I am not now very familiar with their business, except that I have discovered since I began this study that the Koppers Co. is the great holding company of the Mellon family, which controls, among other things, the Koppers Co. of Pennsylvania, an operating company; the Koppers Construction Co.; the Koppers Building Co., Inc.; the Koppers Gas & Coke Co., and a number of other corporations set out in Moody's Manual, and that three members of the Mellon family are members of the board of directors.

When I called this matter to the attention of the chairman of the committee he assumed the responsibility for it. But it does seem to me that if a change of this sort, under which pipe-line companies, particularly pipe-line companies of a particular character, which only apply to apparently two companies in the whole United States, are to be exempted, the matter ought to be called to the attention of the Senate, and in view of the complexities of the bill, as I said a while ago, this causes me to have great distrust of the draftsmanship of the whole bill.

Now I yield to the Senator from Montana.

Mr. WHEELER. I will take the floor in my own time, when the Senator concludes.

Mr. LONG. Mr. President, I do not know whether my motives are the same as those of the Senator from Missouri in this matter or not.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. I would never care to have it said that my motives were necessarily the same as those of the Senator from Louisiana. [Laughter.]

Mr. LONG. I thank the Senator for that. I wish to explain what I meant by my statement, so the Senator from Missouri and the Senator from Montana particularly will understand. I am very much in favor of this holding-company bill. I believe that the holding company aimed at by the bill is a fraud; but, along the lines the Senator from Missouri [Mr. CLARK] has indicated, we find we have probably as big if not a bigger fraud than in the electrical utility distributing line. I have had some experience with this matter. The natural-gas market is controlled by the transportation lines generally dominated by the Prairie Oil & Gas Co. and the Standard Oil Co. and the Ohio Pipe Lines. They not only control the natural-gas market but they control the artificial-gas market. The rate-making agencies of this country, which are fixing the prices on natural gas and on artificial gas, I said in an opinion which I delivered about 14 years ago, are very nominal functionaries, because the basic materials and the main commodities have absolutely no regulation whatever over them, but the prices are fixed as the companies see fit to make them, either through the transportation lines or through those furnishing the commodities. I understand there are no particular objections to including those organizations in the provisions of the bill. I do not know how the Senator from Montana feels about it but I think the Senate ought to accept the amendments of the Senator from Missouri.

I now come to the motive. It may be that the Senator from Missouri feels that the more provisions we put in the bill the harder it will be to pass the bill. I do not think so. I think we ought to meet this issue now. There is not any justification for leaving out gas pipe lines. They ought to have been included in the law. The oil outfit also should have been included; but at least, if the original committee draft is sustained, it will enable us to have some kind of protection in the matter of the price of natural and artificial gas.

Let me give an illustration. In Monroe, La., natural gas is sold for 2 to 3 cents a thousand cubic feet. The same gas, Mr. President, is sold in Baton Rouge, La., for 75 cents per thousand cubic feet, a difference of 72 cents. Why is there this difference down there? We undertook to provide some regulations. We sent to New York and got the finest public-utility consultants there were in the United States, and they said to us, "It is absolutely impossible to regulate them, because they will charge just so much at the well, or just so much at the pipe line, or just so much at the distributing system, and they will find one, two, or three points where no regulation is possible unless you break them up entirely as holding companies."

Therefore, when I went before the committee to discuss this bill and said that there were not enough fangs in the bill by which to some extent, however remote, we might control the oil companies engaged in the business either of transporting or manufacturing natural or artificial gas, I thought as it was then proposed to frame the bill it would enable us to some extent to protect ourselves; but as the bill was reported out of the committee everything except the distributing company has been eliminated. The holding company is not covered by the bill unless it is an actual gas-distributing company. That is where Senators are in the dark on it.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. The holding company is not even covered if the holding company happens to own all the stock of the operating company, as the Standard Oil Co. of New Jersey owns all the stock of the Cleveland Gas Co.

Mr. LONG. That is the same thing. All the stock of the Standard Pipe Line Co. is owned by the Standard Oil Co. of Louisiana, and all the stock of the Standard Oil Co. of Louisiana is owned by the Standard Oil Co. of New Jersey, and the Standard Oil Co. of New Jersey also owns the Prairie Gas & Pipe Line Co. Therefore, there is no regulation whatever of them; and, as the Senator has pointed out, in the city of Cleveland, where they own all the distributing system, there is no regulation whatever, even down to the distributing company, even though the distributing company be a holding company.

I think this amendment ought to be accepted.

I do not think the inclusion of the provisions referred to will cause the bill to be defeated if the administration is behind the bill and wants it passed; but some reason ought to be given why we are exempting the Standard Oil Co. from the bill. They are the main offender in my State. They are a worse offender than any power company has ever been. Why exempt the Standard Oil Co.? Why exempt the Prairie Pipe Line Co.? Why exempt them? We may not know what the electric-light company is. We may not be willing to accept the result of the Federal Trade Commission's ex parte investigation and its ex parte report. However, we do not have to accept the word of the Federal Trade Commission or the Gas and Oil Trust. We do not have to accept a gas company report. We have the report of the United States Supreme Court in Two Hundred and Thirty-fourth United States Reports, which tells us that this is an interwoven monopoly and combination for evil purposes and for evil designs.

This provision ought to go into the bill.

Mr. WHEELER. Mr. President, as I said a moment ago, the reflections which were cast upon Mr. Cohen and Mr. Corcoran are entirely unwarranted.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. McKELLAR. Of course, I accept what the Senator says about the matter, and I know the Senator too well to think he would be a party to any such thing as has been suggested. However, aside from all that, I believe these two companies should not be exempted by the bill; and I desire to urge the Chairman of the Committee on Interstate Commerce to let the original provisions go back into the bill. I believe it would be better for the bill, and it would make it a better bill if those provisions were in it.

Mr. BARKLEY. Mr. President, will the Senator from Tennessee allow the Senator from Montana to explain why the change was made?

Mr. WHEELER. Mr. President, when the Senator from Missouri came to see me and asked me if I had any objection to the provisions in question, I told him they were taken out of the bill but that, so far as I was concerned, they could be put back.

Mr. McKELLAR. I am glad to hear it. I thank the Senator.

Mr. WHEELER. Mr. President, there is no justification whatever for the Senator from Missouri in making the statement he made casting reflections on either of the two young men.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. WHEELER. No, Mr. President; I will not yield. I simply wish to say that it is exceedingly unfair for the Senator, when he had the facts, to say that the drafters of this bill had tried to put a joker in it. Senators know, as I

know, who were behind the opposition to the bill. I knew that the power lobby were going to be here, and that they were going to resort to every kind of tactics it was possible to resort to in order to kill the bill if it was possible to do so in any way, shape, or form.

I have not resorted to personalities in this matter at all. In discussing the bill I have tried to keep the discussion free from personalities, and I intend to continue to do so. However, I wish to say that if personalities are to be discussed, I also can discuss them. I have no desire to do so. I simply said to the Senator from Missouri that I was willing to accept the provisions and put them back in the bill.

Mr. President, in this bill we were seeking to regulate holding companies engaged in the electric utility business and in the gas business. It was pointed out to us by different Senators that in some instances we took in manufacturing concerns which sold only to local communities, and that they should not be covered by the provisions of the bill. They were not the ones we were seeking to reach. We were seeking to reach only those who were engaged in the utility business in interstate commerce. Of course, I know perfectly well that the propaganda went out that we were relieving certain companies which should be included. I knew that this discussion would come up on the floor. I knew we would be criticized, because the utilities did not want any exemption to any manufacturing concern in the country. They went to every manufacturing concern in the United States that sold anything to the utilities, and tried to frighten them, and to get them to come down here with their propaganda. They went to every concern that in the slightest way could conceivably be economically affected by the bill, and they said to it, "You are going to be affected, and you must jump into the fight to help us defeat the bill." That has gone on from one end of the country to the other. I congratulate them on the effective job they did, because never in the history of the United States has an outfit carried on so successfully so much propaganda as this group has carried on with reference to this particular bill.

In conclusion, I will say that I have no objection to these amendments being written into the bill, but I do resent anyone saying anything about the drafters of the bill to the effect that they put a "joker" in it, because it was not so, and it is not so. It was only after hearings before the committee that the provisions in question were taken out of the bill. So far as the Standard Oil Co. or anyone else is concerned, the only testimony that was given was given before the committee itself.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK].

The amendment was agreed to.

Mr. LONERGAN. Mr. President, I offer the amendment, which I send to the desk, and ask to have stated.

Mr. HATCH. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Pope
Ashurst	Copeland	King	Radcliffe
Austin	Costigan	La Follette	Reynolds
Bachman	Couzens	Lonergan	Russell
Bailey	Davis	Long	Schall
Bankhead	Dickinson	McAdoo	Schwellenbach
Barbour	Dieterich	McCarran	Sheppard
Barkley	Donahey	McGill	Shipstead
Black	Duffy	McKellar	Smith
Bone	Fletcher	McNary	Steiwer
Borah	Frazier	Maloney	Thomas, Okla.
Brown	George	Metcalf	Thomas, Utah
Bulkley	Gerry	Minton	Townsend
Bulow	Gibson	Moore	Trammell
Burke	Glass	Murphy	Tydings
Byrd	Gore	Murray	Vandenberg
Byrnes	Guffey	Neely	Van Nuys
Capper	Hale	Norbeck	Wagner
Caraway	Harrison	Norris	Walsh
Carey	Hastings	Nye	Wheeler
Chavez	Hatch	O'Mahoney	White
Clark	Hayden	Overton	
Connally	Johnson	Pittman	

The PRESIDENT pro tempore. Ninety Senators have answered to their names. A quorum is present. The clerk will state the amendment proposed by the Senator from Connecticut [Mr. LONERGAN].

The CHIEF CLERK. On page 43, it is proposed to strike out lines 23 and 24 and in lieu thereof to insert the following:

It shall be the duty of the Commission, if, after complaint, notice, and hearing, it is found that any registered holding company or any subsidiary thereof is engaged in practices that are detrimental to the public interest, it shall after notice and opportunity for hearing order——

Mr. LONERGAN. Mr. President, there appears to me to be an element of fundamental unfairness in the proposed operation of section 11 of the pending bill. Its provisions are most sweeping and peremptory in direction and in their delegation of power to the Federal Securities and Exchange Commission to require within the time limit each company not exempted by the bill from the classification as a holding company, either to divest itself of its stock or property, or to reorganize or dissolve, or to make such holding company cease to be a holding company, and upon failure to effectuate such procedure within the time limit the Commission will take charge of the company and bring about the divestiture sought.

It needs no argument or analysis of the provisions of section 11 of this bill to convince the ordinary person that in carrying out the processes of dissolution, divestiture, reorganization, sale, or what not provided for in section 11 appalling losses will be suffered by persons of every station in life who invested their savings in securities of these companies which were organized at a time, and their properties built up and operated, under established law that made them perfectly legal and legitimate businesses and companies. Many of these investments were made years ago when no suspicion had been aroused as to the unwise, reprehensible, or fraudulent practices of the management of some of the holding companies as disclosed by the report of the investigation carried on pursuant to the authorization of this body. It seems to me to be a quite ruthless and arbitrary exercise of governmental power to which our citizenship is unaccustomed, and contrary to the principles of free government under the Federal Constitution thus to impair and jeopardize the property values of so many of our unoffending citizens.

I have given thought to the proposition as to whether or not any governmental authority has by statute or otherwise forced the divestiture of corporate stock. We are all familiar with the fact that under the Sherman Act a Federal court can after trial force by decree a dissolution of a corporation found to be guilty of violation of the provisions of that act. In no antitrust prosecution under the Sherman Act has the Court decreed a corporate dissolution where charge of violation was proved to have occurred before the passage of the act in 1890.

I desire particularly to call attention of the Senate to the provisions of section 7 of the Clayton Act. This act was approved October 15, 1914, and section 7 is chapter 323, Thirty-eighth Statutes, 731. This section refers particularly and specifically to intercorporate stockholdings, and provides for the divestiture thereof when they are found to be in violation of this law, and it is the only law in the Federal statutes that I know of that can be used as a comparison with section 11 of the bill under consideration. I read from section 7 of the Clayton Act as follows:

SEC. 7. That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce, where the effect of such acquisition may be to substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise, may be to substantially lessen competition between such corporations, or any of them, whose stock or other share capital is so acquired, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

* * * * * * *

Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing

in this section shall be held or construed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws, nor to exempt any person from the penal provisions thereof or the civil remedies therein provided.

I desire to call special and particular attention to the language of the last paragraph, which I have just quoted, reading as follows:

Nothing contained in this section shall be held to affect or impair any right legally heretofore acquired—

on or before October 15, 1914, which was the date of the passage of the law. I ask the Senate to note again that the Clayton Act was approved on October 15, 1914, and the framers of that act in the Senate and in the House, where it was given long and most painstaking attention, evidently thought that it would be unfair and unjust to stockholders who had in good faith purchased stock in corporations which had done the acts prohibited by section 7, but which when done were not then prohibited by the law.

Under our Constitution the Congress is prohibited from passing an ex post facto law, and that provision of the Constitution was adopted for the preservation of the plain right of the citizen to be protected from an attempt on the part of Congress to declare an act penal and unlawful and subject to prosecution after the commission of the act. When the provisions of the Clayton Act were debated on the floor of the Senate, it is disclosed by the CONGRESSIONAL RECORD of that time, each section was given the highest consideration, both as to its economic and legal status, in the committee, and each section was discussed and analyzed on the floor of the Senate by such eminent constitutional lawyers as Senator Cummins, of Iowa; Senator Walsh, of Montana; Senator Reed, of Missouri; Senator Hollis, of New Hampshire; and by the very able and distinguished constitutional lawyer, our colleague the senior Senator from the State of Idaho [Mr. BORAH].

The provisions of the Clayton Act were so "canalized", to use the word coined by Mr. Justice Cardozo and used in his concurring opinion in the recently decided N. R. A. so-called "chicken" case, as that they would be guarded against such successful attack on the grounds of unconstitutionality involving interstate commerce, delegation of legislative powers, taking of property without just compensation, due process of law, impairment of the obligations of contract, or ex post facto law character.

Upon the proposition that it is unfair and unjust to good-faith investors in the securities of companies that will come under the ban of section 11, I wish to call attention to an excerpt from the opinion of Circuit Judge Evan A. Evans, of the seventh circuit, in the case of *Swift & Co.* v. *The Federal Trade Commission* (8 Fed. Reporter (2d ser.) 595). That was a case in which it was sought to have Swift & Co. divest itself of stock of two companies which it was alleged to have acquired in violation of section 7 of the Clayton Act. The case went to the circuit court of appeals on petition to review the order of the Commission directing a divestiture. The Clayton Act contains no provision limiting the time after the unlawful acquisition within which the Commission may institute its proceedings for such divestiture, and it appears that the proceedings in this case were instituted by the Commission long after the acquisition. In discussing this situation Judge Evans, a very eminent and able judge, says on page 599 of the opinion:

In conclusion it might be suggested to respondent that delay in instituting proceedings of the character here under review frequently works an unnecessary hardship to the aggrieved party. Certainly a limitation of time should be fixed, by statutory enactment or otherwise, during which these proceedings must be instituted. The purchasing company would not then (as appears was done in the case before us) invest vast sums of money enlarging and improving the acquired property before respondent took steps to restore the status of the companies.

It is manifest that the unfairness and unjustness of the institution of the proceedings long after the acquisition complained of, so impressed themselves on the mind and conscience of this able jurist that he went out of his way to suggest in the opinion that the statute be amended.

In section 11 of the pending bill no such consideration as to time is given. No matter when the corporate structure was set up or its securities disposed of to the public—even though it be a half-score or more years before the date of the possible enactment of this measure—it will have to succumb to the crumbling effects of the proposed law.

The provisions of section 11 of the bill are most sweeping and peremptory in the delegation of power to the Federal Securities and Exchange Commission "after notice and opportunity for hearing" to require each holding company and each subsidiary company thereof either to divest itself of its property or to reorganize or dissolve, or to take such steps as the Commission finds necessary or appropriate to make such holding company cease to be a holding company.

The duties thus delegated to the Commission "after notice and opportunity for hearing" are only functionary. Unlike the procedure for enforcement of the Clayton Act, the Commission is not directed to perform any judicial or quasi-judicial duty and it is not called upon to adjudicate anything unless it be certain provisions on pages 44 and 45 of the pending bill. It is told by this proposed legislation what it is required to do, that is, to dissolve these corporations, which before passage of the bill are lawfully organized, existing and operating companies, and in whose securities investors have lawfully invested their money.

No formal written complaint or other written complaint is required to be made by the Commission against them. They are not to be charged with unfair practices, unfair methods of competition, of acts of monopolization or tending to monopoly, or any other unlawful acts. No findings of fact are required to be made by the Commission on any hearing which may be called. By this proposed law it is mandatory upon the Commission to order these corporations to disintegrate.

The Commission has no quasi-judicial powers to "make findings as to facts" in any such procedure, but it can only issue such order of disintegration, and if not complied with within 1 year, the Commission shall apply to the court for the enforcement of its order, and the court without further hearing shall take possession and control of such corporation and its assets and name the Commission as its trustee, which shall under direction of the court dispose of all the assets or reorganize the corporation.

There appears in the foregoing procedure "no due process of law" as that phrase is understood and interpreted by the Supreme Court of the United States and other courts of this country. No complaint is required to be filed against these corporations and no charge of violation of any law is required to be made. It is therefore confidently asserted that such procedure cannot be characterized as "due process of law."

Under the Federal Trade Commission Act that Commission is authorized to issue orders to cease and desist from the use of unfair methods of competition and from violations of certain sections of the Clayton Act after filing and serving complaint, the taking of testimony, the making of findings as to the facts relative to the violations of law alleged and proved, and such order must be supported by evidence. The Circuit Court of Appeals is authorized to review such order and findings, and to take, or require to be taken, further evidence. By this procedure the Commission is required to make findings as to the facts as to whether or not competition is suppressed between the two corporations and whether or not the acquisition of the stock tends to create a monopoly.

The fifth amendment to the Federal Constitution provides that no person shall—

* * * be deprived of life, liberty, or property without due process of law, nor shall private property be taken for public use without just compensation.

The fourteenth amendment to the Federal Constitution provides that—

No State shall * * * deprive any person of life, liberty, or property without due process of law.

Both of the foregoing amendments impose similar restrictions upon Government powers. However, the fifth amendment is applicable only to the Federal Government, and the fourteenth, only to the States.

In the opinion in the case of *Nebbia* v. *New York* (91 U. S. 502, 1933) the court said, on page 525:

> The fifth amendment, in the field of Federal activity, and the fourteenth, as respects State action, do not prohibit governmental regulation for the public welfare. They merely condition the exertion of the admitted power, by securing that the end shall be accomplished by methods consistent with due process. And the guaranty of due process, as has often been held, demands only that the law shall not be unreasonable, arbitrary, or capricious, and that the means selected shall have a real and substantial relation to the object sought to be attained. It results that a regulation valid for one sort of business, or in given circumstances may be invalid for another sort, or for the same business under other circumstances, because the reasonableness of each regulation depends upon the relevant facts.

In the minds of fair men, and under all the circumstances involved, it seems to me that the provisions of section 11 are so unreasonable and arbitrary, and the means authorized to be employed thereby have no substantial relation to the object of regulating interstate commerce, that I doubt if it will stand constitutional test in the courts.

In the case of *Chicago, R. I. & P. Ry. Co.* v. *United States* (284 U. S. 80), the Supreme Court said:

> The use of railroad property is subject to public regulation, but a regulation which is so arbitrary and unreasonable as to become an infringement upon the right of ownership constitutes a violation of the due-process clause of the fifth amendment.

In the case of the *United States* v. *Chicago, Milwaukee, St. Paul & Pacific Railroad Co.* (282 U. S. 311), the Court held:

> The power to regulate commerce is not absolute, but is subject to the limitations and guarantees of the Constitution, among which are those providing that private property shall not be taken for public use without just compensation and that no person shall be deprived of life, liberty, or property without due process of law.

In the recently—May 6, 1935—decided case of Railroad Retirement Board against Alton Railroad Co., Mr. Justice Roberts, speaking for the majority of the Court, says:

> This Court has repeatedly had occasion to say that the railroads, though their property be dedicated to the public use, remain the private property of their owners, and that their assets may not be taken without just compensation. The carriers have not ceased to be privately operated and privately owned, however much subject to regulation in the interest of interstate commerce. There is no warrant for taking the property or money of one and transferring it to another without just compensation, whether the object of the transfer be to build up the equipment of the transferee or to pension its employees.

I ask Senators to delete from the quotation of the excerpt of Justice Roberts the word "railroads" and the word "carriers" and insert in their place the words "public utilities", and we have what will probably be a Supreme Court interpretation of section 11 of this bill in the event of its enactment.

I feel confident that if section 11 of this bill is enacted into law that before the 7-year period in which the banned companies are required to disintegrate, the sense of fairness of our people, which can always be relied upon to assert itself, will insist upon its modification or repeal, and failing in that, I am also confident that on account of its constitutional infirmities, it will go the way of the N. R. A. So why should we not endeavor to the utmost of our ability to enact a measure to regulate these interstate utility companies and their parent holding companies, that will do justice and treat with fairness all concerned in them, and not enact a law that is apt to bring upon the Congress and the able lawyers in it, the ignominy of having its own laws declared unconstitutional by the Supreme Court?

In the light of recent experience of our emergency legislation in the Supreme Court, extreme care should be taken with new legislation to avoid judicial criticism.

The amendment which I have submitted will do justice to honest controlling companies in the country. It was shown by the testimony before our committee that there are 80 holding companies in the United States and that, if enacted into law, the bill would affect them all. The underlying purpose of the proposed law is to reach the evils or alleged evils in business. We should make provision to give to honest business an opportunity to be heard. We should give to honest business that exemption from the provisions of section 11 to which honest business is entitled. That is all the amendment proposes to do and it should be incorporated in the bill.

I have been working for 2 or 3 weeks in the committee to have this idea adopted, but I have not succeeded. I hope the Senate will adopt it. The purposes of the bill can be carried out and we will avoid the injustices which are bound to creep in if we incorporate this or a similar provision in the bill.

Mr. BARKLEY. Mr. President, section 11, which is sought to be amended by the amendment offered by the Senator from Connecticut [Mr. LONERGAN], provides in subsection (a) as follows:

> SEC. 11. (a) It shall be the duty of the Commission to examine the corporate structure of every registered holding company and subsidiary company thereof, the relationship among the companies in the holding-company system of every such company and the character of the interests thereof and the properties owned or controlled thereby to determine the extent to which the corporate structure of such holding-company system and the companies therein may be simplified, unnecessary complexities therein eliminated, voting power fairly and equitably distributed among the holders of securities thereof, and the properties and business thereof confined to those necessary or appropriate to the operations of a single geographically and economically integrated public-utility system.

Then in subsection (b) it is provided that "it shall be the duty of the Commission, after notice and opportunity for hearing," to do the things set out in subparagraphs 1, 2, and 3, on page 44.

The amendment offered by the Senator from Connecticut would strike out the language, beginning at the bottom of page 43, "It shall be the duty of the Commission, after notice and opportunity for hearing," to do the other things related on the following pages. The Senator would change the premises and the bases upon which those things may be done. It is the theory of the bill all the way through that the Commission shall investigate the corporate and financial structures of all the holding companies in order to find a way by which they may be simplified, and in order that the enormous holding companies, by which I mean those which control vast public-utility systems throughout the country, may be required to reorganize, not to destroy the holding company, not to make it impossible for a holding company to exist, but to limit the holding companies to territory which is contiguous and similar, so we will have a territorially and economically integrated system of public utilities. It is for that purpose that the Commission is authorized to exempt from all the provisions of title I all such companies that operate in a single State, and all such companies that operate in two or more States where the territory and the economic situation is what we call "integrated."

If the amendment of the Senator from Connecticut should be adopted, even after making the investigation set out in subsection (a), on page 43, before the Commission could do any of the things set out on page 44, the following would be required to happen:

> It shall be the duty of the Commission, if, after complaint, notice, and hearing, it is found that any registered holding company or any subsidiary thereof is engaged in practices that are detrimental to the public interest, it shall, after notice and opportunity for hearing, order—

The things that are set out on page 44.

In other words, the effect of the amendment offered by the Senator from Connecticut, however unwitting he may have been in that design, is practically to nullify the provisions of section 11 of the bill, which have been voted on in connection with the amendment offered by the Senator from Illinois [Mr. DIETERICH], for this reason: Before the Commission can take any step in order to accomplish the things set out in section 11, somebody must have made a complaint against the particular company, and the Commission must have

found the company guilty of the complaint filed against it before it can proceed to require the divestment of these unnecessary interests and connections.

Mr. LONERGAN. Mr. President, will the Senator yield?

Mr. BARKLEY. Yes.

Mr. LONERGAN. Why does not the Senator incorporate in the amendment a qualifying clause that on the motion of the Commission it may inaugurate an investigation of detrimental practices?

Mr. BARKLEY. Because the amendment of the Senator seeks to preserve the holding companies which are included in section 11 and in sections 3 and 4, and which may be eliminated by a process initiated by the Commission itself, unless, after somebody complains and the Commission finds them guilty, it sees fit to require a divestment or to bring about a dissolution because they have been guilty of some practice that the Commission thinks may be detrimental to the public interest. So the effect of the amendment is really to nullify the entire theory of section 11 and it ought not to be adopted.

As much as I regret to oppose an amendment offered by my friend from Connecticut, the amendment ought not to be adopted, because, if adopted, it will nullify the whole effect of section 11.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. LONERGAN].

Mr. WHEELER. Mr. President, I entirely agree with what the Senator from Kentucky [Mr. BARKLEY] says with reference to this amendment. It ought not to be adopted.

In the first place, the amendment gives the Commission entirely too much power. It says it shall be the duty of the Commission to take certain action—

> If, after complaint, notice, and hearing it is found that any registered holding company or any subsidiary thereof is engaged in practices that are detrimental to the public interest.

In other words, one company might be found to have been guilty of some particular practice, and that company could be put out of business by the Commission. Some other company could be allowed to continue in business because the Commission did not consider its practices against the public interest. The amendment leaves entirely too much discretion to the Commission. Instead of establishing a public policy, which we are seeking to do, it seeks to set up something in the nature of a penal statute, and say, "If you violate this particular statute you shall be put out of business."

I think the amendment is clearly unconstitutional and should be rejected.

Mr. BARKLEY. Mr. President, if the Senator will yield, the amendment really in effect empowers the Commission to separate the sheep from the goats, the good from the bad; and, it seems to me, that is the very thing the opponents of the bill have been fighting against all during the consideration of the bill.

Mr. WHEELER. The amendment not only does that, but it leaves the decision entirely up to the Commission. Think of the tremendous power that would be in the hands of the Commission if this amendment were adopted! I said a moment ago that I seriously doubt the constitutionality of the amendment, because it says that certain action shall be taken if the Commission finds that a company is engaged in practices that are detrimental to the public interest. What practices that are detrimental to the public interest?

Mr. LONERGAN. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. Yes.

Mr. LONERGAN. That is a phrase which runs through the bill.

Mr. WHEELER. Oh, yes; but not from the broad viewpoint of this provision. This amendment leaves with the Commission entire discretion to say what practices are detrimental. We have not gone to the extent of saying what practices are detrimental to the public interest.

In order to write a law of this kind, what would have to be done, as I explained to the Senator the other day when I talked with him about this very matter, would be to say that this and this and this, and so and so and so, are against the public interest; and then it would be necessary to say that any company which violates any one of these provisions is guilty and shall be dissolved. The Senator's amendment, however, simply provides that any practice that the Commission finds is against the public interest shall result in dissolution—not a practice that is condemned by the statute. The amendment leaves it up to the Commission to set the standard and to say that this practice is against the public interest and that practice is against the public interest that this practice is not against the public interest and some other practice is not against the public interest; and then the Senator says that upon that theory he is going to let the Commission make the decision. He is letting the Commission legislate, without a question of doubt; and I have no doubt whatever that that is unconstitutional.

Any Senator who is complaining because we are giving the Commission too much discretion in the bill certainly could not vote for an amendment which said to the Commission, "You can set up the standard of what is in the public interest and what is against the public interest." Under the doctrine of the Schechter case there is no more doubt in my mind that the Supreme Court would declare that provision unconstitutional than that I am standing on this floor.

Mr. LONERGAN. Mr. President, if the words to which the Senator from Montana has referred were incorporated in the amendment, would he accept it?

Mr. WHEELER. No; because I do not think it is possible to incorporate them in the amendment. In other words, as I explained to the Senator the other day when we discussed the subject——

Mr. LONERGAN. We have had several talks on the subject. The Senator knows that what I am trying to accomplish is to protect honest business.

Mr. WHEELER. Exactly. In that respect I entirely agree with the Senator from Connecticut; but, as I said to him, the difficulty, and the matter that has not been understood by a great many Senators, is this:

I have given a great deal of thought to the possibility of framing a law which will simply say, "This is a practice that we condemn, and this is a practice that we do not condemn"; but when we come to consider the various practices, if we study the Federal Trade Commission report we see that it is almost an impossibility to write a set of laws and say that this and this and this are against the public interest. So the policy has been to say that the holding-company system is wrong as a matter of public policy, because where such companies are scattered all over the country it is impossible to set up rules and standards to regulate them.

Now, the Senator from Connecticut says, "We want to delegate to a commission power to say what standards are right and what standards are wrong." In other words, he asks the Commission to set up rules and regulations which amount to law which would put a corporation out of business. I say it is impossible to do that, because it is unconstitutional. Unquestionably, it is the very thing which was condemned in the Schechter case, because in the Schechter case the Supreme Court said, "What you are in effect doing is turning over to the industry the power to make rules and regulations which amount to law."

That is what the Senator is doing in this case, except that here he turns over the power to a commission. There is no standard at all set up in the amendment, whereas in the bill we have set up definite standards by which the Commission is to be ruled. The Senator takes away entirely all those standards.

Mr. LONERGAN. Mr. President, may the amendment be stated?

The PRESIDENT pro tempore. The amendment offered by the Senator from Connecticut will be stated.

The CHIEF CLERK. It is proposed to strike out the language in lines 23 and 24 on page 43, and in lieu thereof to insert the following:

It shall be the duty of the Commission, if, after complaint, notice, and hearing, it is found that any registered holding company or any subsidiary thereof is engaged in practices that are detrimental to the public interest, it shall after notice and opportunity for hearing order—

Mr. LONERGAN. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. LONG. Mr. President, we have an agreement to vote on the bill not later than 4 o'clock, and I presume this is the last amendment of any consequence.

Mr. BORAH. No, Mr. President; I have an amendment which I desire to offer.

Mr. LONG. Will the Senator pardon me, then? I desire to be heard for just a moment on the bill. I can occupy only 10 minutes of the time.

The amendment of the Senator from Connecticut [Mr. LONERGAN] proposes to do just what the Supreme Court in the N. R. A. decision said the President of the United States could not do. The amendment proposes to have the Commission say as a matter of law either that a concern is under the act or that it is not under the act. It does not even furnish any guide stakes. It simply says that if the Commission find, in the public interest, that an electrical concern ought to be under the holding-company law, it is under it; or if the Commission do not find in the public interest that the concern ought to be under the holding-company law, it is not under it.

Manifestly, if this provision should go into the bill, the Supreme Court of the United States would almost be compelled to say that the entire matter ab initio was unconstitutional and void.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. I agree very largely with what the Senator says. I suggest to him, however, that the bill is shot through from end to end with such delegations of power as that. For instance, on page 46, at the bottom of the page, it provides:

Such reorganization plan may be proposed in the first instance by the Commission, or, subject to such rules and regulations as the Commission may deem necessary or appropriate in the public interest or for the protection of investors, by any person having a bona fide interest (as defined by the rules and regulations of the Commission) in the reorganization.

This bill is shot through with that sort of delegation of power.

Mr. LONG. Yes; but that does not relate to the fundamental idea of whether or not a company is under the act.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BLACK. This relates to the fundamental idea of whether or not the company shall exist.

Mr. LONG. That is true.

Mr. BLACK. In other words, this amendment is another effort to strike out section 11 and destroy the bill.

Mr. LONG. There is no doubt about that.

Mr. LONERGAN. Mr. President——

Mr. LONG. I decline to yield just for a moment. I have only 10 minutes.

It is one thing to say that in the matter of bookkeeping, accounting, consolidations, and so forth, the Commission must find that the company is in the public interest, and it is another thing to say whether it is a company which shall or shall not exist. Those are entirely different strata, and they affect companies differently.

We all know that in the public interest the Interstate Commerce Commission can allow railroad consolidations; but the Interstate Commerce Commission could not be authorized to say that in the public interest a concern would have to go out of business or stay in business. We would get below the line of fundamental legislation, which no court would countenance.

I am a little surprised at the persistency with which the adversaries undertake to knife the bill.

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. DIETERICH. The Senator has just stated a principle which he said no court would sustain, contending that no court would say that the Commission, in its judgment, could permit one company to operate and another to go out of business. Perhaps I misunderstood the Senator.

Mr. LONG. The Senator did.

Mr. DIETERICH. If the Senator's principle is correct, then clause 3 of section 11 does that very thing.

Mr. LONG. No; the Senator did not correctly understand me. The distinction is this: Congress can authorize a commission, or the Executive, under certain guides, and according to certain standards, and within certain confines, upon the happening of an event or the ascertainment of certain facts, to do certain things. That can be done. But Congress cannot authorize the Executive, nor can it authorize any commission appointed by Congress or by the Executive, to say, "This law applies to this concern, if you want it to, or this law does not apply to this concern if you do not want it to." That is the distinction. It takes a better legal mind than I have to explain the distinction to the Senator from Illinois perhaps.

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. DIETERICH. The very utterance the Senator has just made falls absolutely within clause 3 of section 11 of the bill. Under that clause they can do the very things which the Senator says cannot be done.

Mr. LONG. I am sorry I cannot agree with the Senator. Thank goodness he is only a Senator. If he were a judge and I were before him, I would have to pay more attention to his opinion. [Laughter.] I cannot agree at all with the Senator's conclusion in that respect.

What astounds me is the persistency with which the underhanded knifing against the bill continues. One is either for the bill, or he is not. He is either against this nefarious, self-confessed swindling system or for it. No one defends it. Even my distinguished and eloquent friend from Illinois rises, and the first word he says is, "We know that most of the business has been crooked", but he says, "Let us see if we cannot find some good in this nefarious operation which has been going on in the country."

Then our friend from West Virginia, who is now absent from the Chamber, though I have risen for the purpose of correcting his Biblical quotation, because he was as wrong on the Bible as he was on the bill [laughter], made the statement that when the Lord was on the way to destroy Sodom and Gomorrah he was stopped and asked, "Will you destroy the good with the bad?" And the Lord said, "Find me 10 good in Sodom or Gomorrah, and I will save the city." And Lot went out and made a search, and could not find 10 good ones. When the Senator from Montana called on the Senator from West Virginia to point out one good public-utility concern affected by the bill, he could not find 1, let alone 10.

Let me state what the Bible says—and I hope my friend from West Virginia will read it tomorrow. When the Lord sent out old man Lot to find 10 good, and he could not find 10 good—and one could no more find 10 good holding companies that would be affected under the bill than Lot could find 10 good men in Sodom at that time—when he could not find 10 good people, what did the Lord say? He said, "What few good ones you can find, get them from that den of iniquity, because I propose to rain down fire and brimstone and extinguish every root and branch of the damnable outfit until there is nothing left of them." And if there is one good one in this outfit——

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. BORAH obtained the floor.

Mr. LONERGAN. Mr. President, was a vote ordered on my amendment?

The PRESIDENT pro tempore. The yeas and nays have been ordered.

Mr. BORAH. If the vote is to be taken at once, I shall wait.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN], but I am permitted to vote. I vote "yea."

Mr. MCNARY (when his name was called). Announcing my pair with the senior Senator from Arkansas [Mr. ROBINSON], who is absent, and not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. DIETERICH. I desire to announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is necessarily absent.

Mr. CLARK. I wish to announce that my colleague the junior Senator from Missouri [Mr. TRUMAN] is unavoidably detained from the Senate.

Mr. BARKLEY. I wish to announce that the Senator from Arkansas [Mr. ROBINSON] and the Senator from Kentucky [Mr. LOGAN] are unavoidably detained.

Mr. HARRISON. I wish to announce that my colleague the junior Senator from Mississippi [Mr. BILBO] is unavoidably detained from the Senate. If present, he would vote "nay."

The result was announced—yeas 43, nays 45, as follows:

YEAS—43

Austin	Clark	Gore	Reynolds
Bachman	Coolidge	Hale	Schall
Bailey	Copeland	Hastings	Smith
Bankhead	Davis	Hayden	Steiwer
Barbour	Dickinson	Keyes	Thomas, Okla.
Bulkley	Dieterich	King	Townsend
Burke	Duffy	Lonergan	Tydings
Byrd	George	Metcalf	Vandenberg
Byrnes	Gerry	Moore	Walsh
Carey	Gibson	Neely	White
Chavez	Glass	Radcliffe	

NAYS—45

Adams	Donahey	McKellar	Russell
Barkley	Fletcher	Maloney	Schwellenbach
Black	Frazier	Minton	Sheppard
Bone	Guffey	Murphy	Shipstead
Borah	Harrison	Murray	Thomas, Utah
Brown	Hatch	Norbeck	Trammell
Bulow	Johnson	Norris	Van Nuys
Capper	La Follette	Nye	Wagner
Caraway	Long	O'Mahoney	Wheeler
Connally	McAdoo	Overton	
Costigan	McCarran	Pittman	
Couzens	McGill	Pope	

NOT VOTING—7

Ashurst	Lewis	McNary	Truman
Bilbo	Logan	Robinson	

So Mr. LONERGAN'S amendment was rejected.

Mr. BORAH. Mr. President, early in this debate the able Senator from Nebraska [Mr. NORRIS] challenged any Senator to point out a reason for the existence of a holding company beyond the first or second degree. I think the Senator said the first. That challenge has not been answered. I do not think it can be answered. I think one of the commanding principles involved in this bill is the effort to terminate the existence of holding companies—certainly holding companies where they have control of 40, 50, or 60 subsidiary companies.

I recall in the debate on the tax bill last year when the subject of eliminating consolidated returns was up that the facts were submitted here showing that holding companies had as high as 90 subsidiary companies. In my opinion, Mr. President, there can be no justification for the existence of such holding companies, and I think we ought to make it our definite object and purpose in this bill to incorporate that principle in the bill.

Therefore, I offer an amendment upon page 45 of the bill in the proviso:

Provided, however, That the Commission, upon such terms and conditions as it may find necessary or appropriate in the public interest or for the protection of investors or consumers, shall permit a registered holding company to continue to be a holding company if such company has obtained from the Federal Power Commission—

And so forth. I wish to have inserted after the word "company", in line 7, the words "in the first or second degree." That would limit the power of the Commission in granting the permit, or the right to continue as a holding company, to the first- and second-degree holding company. That the Commission would not have the power to continue the existence of holding companies beyond the first and second degree.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. BARKLEY. Does the Senator think his amendment ought to go in line 7 or in line 8? The word "company" appears twice:

Shall permit a registered holding company to continue to be a holding company in the first or second degree if such company has obtained—

And so forth.

Mr. BORAH. Would the Senator insert it after the word "company" in line 8?

Mr. BARKLEY. It occurs to me as preferable, but I do not think it is vital.

Mr. BORAH. It did not seem to me so. I am not particular about that. That could be adjusted in conference. However, I should like to ask the Senator from Montana his view as to the wisdom of this amendment. It seems to me it ought to be incorporated in the bill. I myself want to have a definite expression against these holding companies beyond the second degree.

Mr. NORRIS. Mr. President, before the Senator from Montana answers might I interrupt the Senator?

Mr. BORAH. I yield.

Mr. NORRIS. I wonder why the Senator has put in "second" degree. Why not leave that part of it out? There has not been any second-degree holding company which has ever been justified here or elsewhere that I know of.

Mr. BORAH. I quite agree with that view. My only reason for putting in "second" degree was after consultation with some parties who said that if it came to a yea-and-nay vote I would have more votes if that were put in.

Mr. GORE. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. GORE. I wish to have the Senator yield to me in order that I may send an amendment to the desk so it may be in order before 4 o'clock.

Mr. BORAH. I am afraid I cannot yield for that purpose.

Mr. WHEELER. Mr. President, did I understand the Senator's amendment to read "in the first or second degree"?

Mr. BORAH. I am perfectly willing, if it is more satisfactory to the Senator to limit it to the first degree.

Mr. WHEELER. I myself think that it ought to be limited to the first degree.

Mr. BORAH. That is very satisfactory to me.

Mr. TYDINGS. Suppose an operating company had a subsidiary company and an appliance company, and the operating company was owned by the holding company. The operating company in that case would be in the first degree, but the appliance company would be in the second degree. As I understand the case, it might be perfectly proper for the appliance company in that case to be a subsidiary of the operating company. I hope that the words "second degree" will be left in to take to conference anyway. We can restrict it, but we cannot enlarge it in conference.

Mr. NORRIS. Will the Senator yield?

Mr. BORAH. I yield.

Mr. NORRIS. I should like to say, in answer to the Senator's suggestion, that there is not any reason why the two corporations which the Senator has named should not be owned by the holding company if both of them are in the first degree, but just as soon as we get beyond that then the company is in the second degree.

Mr. TYDINGS. That is true, but where that situation already exists I cannot see that the spirit and the purpose of the bill would be defeated by allowing that.

Mr. NORRIS. If that holding company were to take the subsidiary company, then it would have two companies, both in the first degree, however.

Mr. TYDINGS. That is true; yes.

Mr. NORRIS. The moment the Senator lays down that bar he gets into all kinds of trouble quickly.

Mr. TYDINGS. I may say to the Senator——

Mr. BORAH. Mr. President, we are approaching the fatal moment.

Mr. WHEELER. I will say to the Senator I have not any objection to it being in the first degree, but I do not want it to be in the second degree.

Mr. BORAH. I qualify my amendment to that extent.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. GORE. Mr. President, a few moments ago I sent an amendment to the desk which I should like now to call up.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. In section 11 (g), on page 51, line 10, after the word "unless", it is proposed to insert the following: "an order of the court shall be first had and obtained, or unless."

Mr. WHEELER. Mr. President, will the Senator explain that amendment? It has just been called to my attention.

Mr. GORE. It is in connection with the paragraph in the bill which makes it unlawful for anyone to solicit proxies, powers of attorney, or even dissents, except in certain specified cases where, for the most part, it is to be done by the Commission itself.

It occurred to me, particularly in connection with dissents, that there are instances where a group of stockholders ought to be allowed to kick. They certainly ought to have the right to object. I remember that a few years ago a number of minority stockholders in the Bethlehem Steel Co. protested against the bonus raids perpetrated upon the stockholders of that concern. Senators will remember that it paid out $30,000,000 in bonuses to officers and directors in the 10-year period from 1918 to 1928. From 1925 to 1928, inclusive, that company paid out $6,000,000 in bonuses. During those 4 years when no dividend was paid on common stock $3,000,000 in bonuses was paid to the President of that company.

In 1929, $1,600,000 was paid to the President of the Bethlehem Steel Co. In 1931, $1,000,000 and more was paid to the president of that concern in the form of a bonus, even though the company did not earn its dividend that year.

I do not think an aggrieved minority ought to be deprived of the right to protest or file a "dissent", to use the language of the bill. My amendment is intended to give them an opportunity at least to obtain an order of court entitling them to do so.

The VICE PRESIDENT. The hour of 4 o'clock has arrived and under the order of the Senate the question is, Shall the bill pass?

Mr. CONNALLY. Mr. President, pending amendments must be voted on first.

The VICE PRESIDENT. If the Senator from Texas will examine the unanimous-consent agreement he will see that it is the most peculiar agreement ever entered into by the Senate; at least so the Parliamentarian advises the Chair. Usually such an agreement is to proceed through the usual parliamentary stages of the bill to a final vote, but in this instance it is a unanimous-consent agreement directing that at 4 o'clock the bill shall be voted upon. I do not know what the English language means if it does not mean that at this hour the Senate shall proceed to vote on the bill.

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point two amendments which I have introduced and intended to call up at this time. I was not aware of the peculiar parliamentary situation just referred to by the Presiding Officer. My understanding was that amendments which had been introduced and printed and which had been lying on the table would be in order at this juncture—after 4 o'clock, the hour fixed by the unanimous-consent agreement for the vote.

I also ask unanimous consent to have printed in the RECORD at this point a letter which I wrote to a constituent, which indeed I have addressed to several thousand constituents.

There being no objection, the amendments and the letter were ordered to be printed in the RECORD, as follows:

On page 45, line 24, after "consumers.", insert: "That any registered holding company and any subsidiary company thereof desiring to simplify and dissolve or reorganize its corporate structure or eliminate interlocking directorate pursuant to this act, shall, pending such operations or proceedings and in furtherance thereof, be eligible for loans from the Reconstruction Finance Corporation, provided adequate securities are furnished for such loans."

On page 47, line 1, after the word "instance", strike out all down to and including "reorganization" in line 6 and insert "by any person or persons having a bona fide interest: *Provided*, That if the Commission shall deem the plan not to be in the public interest, then the Commission may file a plan in such proceedings or objections and amendments to the plan. No plan shall be approved by the court unless, after notice and hearing, the court finds the same to be fair and equitable and appropriate to effectuate the provisions of this title."

UNITED STATES SENATE,
Washington, D. C., March 9, 1935.

Mr. C. M. WILLIAMS,
Holdenville, Okla.

MY DEAR SIR: I beg to acknowledge receipt of your communication protesting against the passage of the Rayburn holding-company bill. I have not yet had occasion to analyze that measure as it was introduced in the House. Of course, I will do so before it comes up in the Senate. Any such measure should, of course, be constitutional and should be limited to existing evils, and calculated to do more good than harm.

I say that in order to say this, if you will allow a suggestion, that an effort be made to segregate these companies into two classes: A class which on one hand performs some economic function or service and justifies its existence, and another class which does not perform any such function or render any such service, but which was organized merely to plunder the smaller concern. There are holding companies of that description. They are public enemies. They ought to be abolished, and if you will take in good part a suggestion which is intended to be serviceable, you will insist that such a segregation be made, and will not take part in an indiscriminate program to preserve all holding companies, good and bad alike. You will lose that sort of fight, whereas you might salvage those that deserve saving.

With best wishes, sincerely yours,

T. P. GORE.

The VICE PRESIDENT. The question is, Shall the bill be engrossed and read a third time?

The bill was ordered to be engrossed for a third reading and was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. WHEELER. Let us have the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I do not know how he would vote if present. If permitted to vote, I should vote "nay."

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Arkansas [Mr. ROBINSON]. I am advised that if present he would vote as I am about to vote. I vote "yea."

Mr. CLARK (when Mr. TRUMAN'S name was called). I desire to announce that my colleague the junior Senator from Missouri [Mr. TRUMAN] is unavoidably detained. I am informed that if present he would vote "yea."

The roll call was concluded.

Mr. KING. On this vote I have a general pair with the junior Senator from Mississippi [Mr. BILBO].

Mr. DIETERICH. I desire to reannounce the necessary absence of my colleague the senior Senator from Illinois [Mr. LEWIS].

Mr. BARKLEY. I desire to announce the unavoidable absence of my colleague the junior Senator from Kentucky [Mr. LOGAN].

I also desire to announce that the senior Senator from Arkansas [Mr. ROBINSON] and the junior Senator from Mis-

sissippi [Mr. BILBO] are unavoidably detained. If present, these Senators would vote "yea."

Mr. GORE. Mr. President, may I say a word in this connection, or would that be out of order?

The VICE PRESIDENT. It would be out of order.

Mr. GORE. Very well.

The result was announced—yeas 56, nays 32, as follows:

YEAS—56

Adams	Connally	Long	Overton
Bailey	Costigan	McAdoo	Pittman
Bankhead	Couzens	McCarran	Pope
Barkley	Donahey	McGill	Radcliffe
Black	Duffy	McKellar	Russell
Bone	Fletcher	McNary	Schwellenbach
Borah	Frazier	Maloney	Shepard
Brown	Gore	Minton	Shipstead
Bulkley	Guffey	Murphy	Thomas, Okla.
Bulow	Harrison	Murray	Thomas, Utah
Byrnes	Hatch	Norbeck	Trammell
Capper	Hayden	Norris	Van Nuys
Caraway	Johnson	Nye	Wagner
Chavez	La Follette	O'Mahoney	Wheeler

NAYS—32

Ashurst	Coolidge	Hale	Schall
Austin	Copeland	Hastings	Smith
Bachman	Dickinson	Keyes	Steiwer
Barbour	Dieterich	Lonergan	Townsend
Burke	George	Metcalf	Tydings
Byrd	Gerry	Moore	Vandenberg
Carey	Gibson	Neely	Walsh
Clark	Glass	Reynolds	White

NOT VOTING—7

Bilbo	King	Logan	Truman
Davis	Lewis	Robinson	

So the bill was passed.

Mr. GORE. Mr. President, I had certain amendments pending, which I hoped the Senate would adopt, which would have enabled me to vote for the holding company bill without reservations. It is my hope that in the other House or in conference those amendments will be virtually adopted and incorporated in the bill. With that hope, after conference with the chairman and other Senators, I voted for the bill.

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter regarding the Wheeler-Rayburn bill addressed to me by Mr. W. H. Linville, county recorder of Maricopa County, Ariz.

The VICE PRESIDENT. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COUNTY RECORDER, MARICOPA COUNTY,
Phoenix, Ariz., May 28, 1935.

Hon. HENRY F. ASHURST,
United States Senator, Washington, D. C.

DEAR HENRY: I note that within a few days the Wheeler-Rayburn public-utility bill will be up for consideration in the Senate.

This being a matter of vital importance, I have taken time to study its probable effect on our community and as well all others similarly situated.

I have procured much data in point pro and con on the subject and have before me this morning some important facts published in Tennessee, where the T. V. A. activities have occasioned much discussion concerning the probable effect of the passage of S. 2796. In my research I have not overlooked the utility concerns of Arizona, and while they have ever been the recipients of continuing broadsides from certain sources, I have been fair enough to weigh the situation in the light of perfect fairness and have gone into history of concerns that operated here in the past and were later taken over by the public, and without exception they have all proven liabilities rather than assets. These institutions then paid substantial sums in taxes. This now falls on other classes of privately owned property.

This tax in varying sums is merged and scattered through the whole remaining set-up and no person may say or realize what portion attaches to a particular assessment, but it is there nevertheless.

For example, I quote from financial statement of Tennessee Electric Power Co. for year ending December 31, 1934. The general State tax paid (1934) was $1,807,226.48; Federal income, $156,313.

With a little effort I could submit figures on our local institutions, but since I have the Tennessee statement before me I shall use it as a concrete example of how it operates here.

Under public ownership Tennessee people will keenly feel the loss of this tax.

In my opinion, the public utility act will operate to place virtually all utilities under public ownership; it seems that it contemplates further usurpation by the Federal Government of rights that now belong, and as a matter of justice ought to belong to the States.

If we may continue to recognize the right of corporations to operate in this land, then I cannot conceive of the advantage of abolishing holding companies.

As a matter of fact, without holding companies all small concerns, however meritorious the venture, are placed under serious handicap and must, as I view the situation, abandon the field in favor of more powerful institutions or subject small communities to public ownership whether or not such communities would prefer it.

I favor limited regulatory measures, preferably by the States, wherein such institutions operate, but I am absolutely opposed to the abolition of holding companies.

The holding company, in my judgment, occupies in its field the same position in which the Government stands in relation to the now very convenient and necessary loans, and who is there to offer objection to recent holding-company appropriations by the largest holding company on earth, the good old U. S. A.

Kind regards.

W. H. LINVILLE.

APPOINTMENT OF ADDITIONAL DISTRICT JUDGE—CONFERENCE REPORT

Mr. ASHURST submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4665) to authorize the appointment of a district judge to fill the vacancy in the district of Massachusetts occasioned by the death of Hon. James A. Lowell, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate to the text of the bill and the title thereof and agree to the same.

HENRY F. ASHURST,
WM. E. BORAH,
WILLIAM H. KING,
Managers on the part of the Senate.
HATTON W. SUMNERS,
W. V. GREGORY,
RANDOLPH PERKINS,
Managers on the part of the House.

The report was agreed to.

LOANS TO EXECUTIVE OFFICERS OF MEMBER BANKS

The VICE PRESIDENT. The Chair lays before the Senate a joint resolution coming over from the House of Representatives.

The joint resolution (H. J. Res. 320) to extend from June 16, 1935, to June 16, 1938, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That subsection (g) of section 22 of the Federal Reserve Act is hereby amended by striking out "*Provided*, That loans heretofore made to any such officer may be renewed or extended not more than 2 years from the date this paragraph takes effect, if in accord with sound banking practice" and inserting in lieu thereof "*Provided*, That loans made to any such officer prior to June 16, 1933, may be renewed or extended for periods expiring not more than 5 years from such date where the board of directors of the member bank shall have satisfied themselves that such extension or renewal is in the best interest of the bank and that the officer indebted has made reasonable effort to reduce his obligation, these findings to be evidenced by resolution of the board of directors spread upon the minute book of the bank."

Mr. FLETCHER. Mr. President, I ask unanimous consent that the Senate now consider the joint resolution. The Senate Committee on Banking and Currency earlier in the day reported a Senate joint resolution identical in terms with this one. It will not lead to discussion.

Mr. HARRISON. Will not the Senator from Florida please let us get through with the N. R. A. joint resolution?

Mr. FLETCHER. This matter will not lead to any discussion.

Mr. HARRISON. If that is the case, very well; but I may say to the Senate that I hope we shall stay here this evening until we shall have concluded the consideration of the N. R. A. joint resolution.

Mr. FLETCHER. I am perfectly willing to do that.

The VICE PRESIDENT. Is there objection to the request of the Senator from Florida?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

Mr. FLETCHER. I ask to have printed in the RECORD the Senate joint resolution reported today from the Committee on Banking and Currency.

There being no objection, the Senate Joint Resolution 146, as reported by the Committee on Banking and Currency, was ordered to be printed in the RECORD, as follows:

[Omit the part in brackets and insert the part printed in italics]

Resolved, etc., [That subsection (g) of section 22 of the Federal Reserve Act, as amended, is further amended by changing the word "two" before the word "years" in such subsection to the word "five."] *That subsection (g) of section 22 of the Federal Reserve Act is hereby amended by striking out "Provided, That loans heretofore made to any such officer may be renewed or extended not more than 2 years from the date this paragraph takes effect, if in accord with sound banking practice." and inserting in lieu thereof "Provided, That loans made to any such officer prior to June 16, 1933, may be renewed or extended for periods expiring not more than 5 years from such date where the board of directors of the member bank shall have satisfied themselves that such extension or renewal is in the best interest of the bank and that the officer indebted has made reasonable effort to reduce his obligation, these findings to be evidenced by resolution of the board of directors spread upon the minute book of the bank."*

On motion of Mr. FLETCHER, the joint resolution (S. J. Res. 146) to extend from June 16, 1935, to June 16, 1938, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended, was ordered to be indefinitely postponed.

LYMAN C. DRAKE

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2591) for the relief of Lyman C. Drake, which was, on page 1, line 14, after "injuries", to insert a colon and *"And provided further,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. KING. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

The Senate resumed the consideration of the amendment of the House to the joint resolution (S. J. Res. 113) to extend until April 1, 1936, certain provisions of title I of the National Industrial Recovery Act, and for other purposes.

The VICE PRESIDENT. In order that the Senate may understand the parliamentary situation, the Chair is advised that the House has passed the Senate joint resolution with an amendment. The Senator from Mississippi [Mr. HARRISON] has moved to concur in the House amendment with an amendment, which, in the parliamentary situation, is equivalent to an amendment to the original text. It is the understanding of the Chair that the motion now pending is that made by the Senator from Oklahoma [Mr. GORE] to amend the amendment offered by the Senator from Mississippi.

Is that a correct statement of the parliamentary situation?

Mr. HARRISON. As I understand, that is correct.

The VICE PRESIDENT. The question, then, is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. GORE] to the amendment of the Senator from Mississippi.

Mr. LONG. Mr. President, I desire to be heard on this joint resolution. I do not wish to delay the adoption of the amendment, however. If the amendment is acceptable to the controlling forces handling the joint resolution, I shall not take up any time.

Mr. HARRISON. Mr. President, I may say to the Senator from Louisiana that the amendment is not acceptable to those in charge of the measure, because we are very anxious to get this matter behind us. The amendment adds a new question to the joint resolution which applies not only to the N. R. A. but to every other agency of the Government; and, if adopted, it must go back to the House.

If I had thought we were going to deal with every other agency of the Government on this joint resolution, I should have asked that the matter go to conference. I did not do that because I thought we could confine ourselves to this issue. We shall not be doing so, however, if in the case of all agencies of the Government we try to provide for the confirmation of persons appointed to office.

Mr. GORE. Mr. President——

Mr. LONG. I yield to the Senator from Oklahoma.

Mr. GORE. I will say that the House joint resolution has already been amended by the Finance Committee. Amendments have been reported, and are now pending, so that if adopted they will have to be concurred in by the House, or else the measure will have to go to conference. I do not think the complication referred to by the Senator from Mississippi will necessarily arise.

Mr. LONG. No; on the contrary, instead of complicating matters, the amendment of the Senator from Oklahoma ought rather to harmonize them and give the joint resolution clearer sailing, because previously the provisions contained in the Gore amendment have been adopted by the Senate.

Mr. HARRISON. Mr. President, I desire to observe that in my opinion, if the amendment which the Senate Committee on Finance considered, and which is offered by me as an amendment to the House action, shall be adopted by the Senate, the House will concur in that amendment. If this new question shall be added, the House may ask for a conference and delay the enactment of the legislation; and, as the Senator is well aware, the 16th of June is the day of limitation so far as N. R. A. is concerned.

Mr. LONG. I think the people of the United States are aware of it, and they have all been praying for the 16th of June to come at a much earlier time than the Lord ordinarily lets the hands of the clock bring it. I, myself, have been praying that, like Rip Van Winkle, I would fall into a 7-day sleep, and find that the whole world had been with me in the 7-day sleep, and that when I woke up the "Blue Eagle" would have been hauled down, and the stars and stripes would have taken its customary position in the affairs of the Government.

The Chair intimates that he has some misgivings on the parliamentary state of the N. R. A. legislation; I am like the Chair. I think everyone has some misgivings on it; but, as to the amendment now pending, I should like to get the noncontroversial part of the joint resolution out of the way before discussing the part which may be controversial.

In other words, if we could get out of the way this formality, which we have once before adopted by a very large majority, we should then be in a position to discuss whether or not we desire to try to keep alive an act of Congress that the Supreme Court of the United States has unanimously said was unconstitutional. It might be in the mind of Congress that they will want to do this anyway. However, the Gore amendment, which is now before the Senate, merely undertakes to do what has been done by Congress in the past.

We adopted an amendment to the $5,000,000,000 work relief joint resolution and, as the Senator from Maryland very appropriately said this morning, we concluded that if we were going to have the time of the Senate spent in considering the appointments of $1,500 postmasters and officials of that kind, men and women who employ no one, and have very unimportant affairs under their jurisdiction, we should not fail to provide that officials who were drawing from 3 to 4 or 10 times that amount of money and dispensing perhaps from a hundred to a thousand times that amount of money should likewise be subject to confirmation or approval by this body. On the previous occasion

when the matter reached the committee of conference there was a rather substantial endorsement given to that provision adopted by the Senate, and I and others in this body naturally felt that that thing was at an end. In other words, the news came to the Senate that the House had accepted the provision of the Senate amendment which would have meant that the men in charge of these large sums would have to receive the endorsement of this body. Therefore our interest in it more or less waned, because it was no longer an issue.

It seems, however, that some outside voice spoke to the conferees, or one or more of them slept over it and got some other idea into his head, so they went back into conference the next day or a day later and they not only struck out what the Senate did, but, mind you, they provided by their compromise that the angel should become a witch. Not only did they strike out our provision that these employees must be confirmed, but as to section 1761, which at that time prevailed to some extent, the compromise provided that it should not in any respect interfere with men and women employed under the $5,000,000,000 relief measure.

Such action was beyond the power of the conference committee, as the Senator from Oklahoma suggests to me. They went into matters which were not even in controversy. As a matter of parliamentary practice, they violated the duty which they were intended to perform. Not only did they strike out our amendment, but they put in some additional legislation. We would have been better off not to have had the conference. They not only struck out our amendments, but they so phrased the words that section 1761 could not even apply. That is what the conference committee did.

Now we are back here with the Gore amendment before us. The Gore amendment has already been read, and I think there was a large attendance in the Senate when it was read. It provides that all who receive compensation of more than $4,000 shall be confirmed by the Senate. That is provision no. 1. Subdivision (b) provides:

No such person appointed during the recess of Congress—

I hope Senators will listen to this—

No such person appointed during the recess of Congress shall serve or be paid for a longer period than 60 days after the convening of the next succeeding session of Congress unless appointed and confirmed as provided above and no such person appointed while Congress is in session shall serve or be paid for a period of more than 60 days nor beyond the adjournment of Congress unless so appointed and confirmed.

We have had an unusual experience in late years about confirming appointees. All over the United States the administration has appointed acting postmasters. All over this country they have appointed acting district attorneys. All over this country they have appointed acting this and acting that. They appoint these men to office who they know will not be confirmed by this body, and they let them hold office as long as this body is in session, and when this body is out of session then they know that they have not been confirmed, and therefore they appoint somebody else to serve during the period of the recess and during the term the next Congress sits. It has become a practice by some manner of artifice, and it is a fraud against the law.

The law provides that these names shall be sent in, in some cases, as soon as it is possible to send them in; but instead of sending them to the Senate as soon as is possible, statements are published in the newspapers over the signatures of these bureaucrats in which they state that they do not intend to send the names to the Senate because they will not be confirmed, and therefore they let the officials hold office until Congress adjourns.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. TYDINGS. I should like to ask the Senator from Louisiana whether or not he knows of anyone in the Senate who is opposed to the amendment.

Mr. LONG. I asked the Senator from Mississippi, and he stated that he was.

Mr. TYDINGS. The Senator from Mississippi was opposed to it not on its merits or demerits but because he did not want to have it attached to the National Recovery Administration joint resolution, as I understand.

Mr. HARRISON. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield; and if so, to whom?

Mr. LONG. I yield to the Senator from Mississippi.

Mr. HARRISON. I stated that I did not want to have it considered in view of present circumstances. I think the committee of which I am a member reported such a provision at one time, but we are anxious to get the N. R. A. legislation behind us, and for that reason I dislike very much to have the amendment brought up at this time.

Mr. TYDINGS. I did not mean to say that the Senator from Mississippi was opposed to it on its merits. I understood he was opposed to it because he did not want the joint resolution delayed. I will say to the Senator from Louisiana that from what I can hear I believe the overwhelming majority of the Senate wants this amendment agreed to.

Mr. LONG. Then I will not talk longer.

Mr. TYDINGS. I do not know that to be the case, but, from what I hear from those with whom I have talked, I believe it to be.

Mr. HARRISON. Will not the Senator now let us get to a vote?

Mr. LONG. I have long since learned not to overtalk a case. If the Senate wants to vote, let us have a vote.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on the amendment offered by the Senator from Oklahoma [Mr. GORE] to the motion of the Senator from Mississippi to concur in the amendment of the House with an amendment.

Mr. COUZENS. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. McNARY (when his name was called). Announcing again my pair with the Senator from Arkansas [Mr. ROBINSON], I wish to say that I do not know how he would vote if present. If at liberty to vote, I should vote "yea."

Mr. BARKLEY. I desire to announce the unavoidable absence of my colleague [Mr. LOGAN], the Senator from Mississippi [Mr. BILBO], the Senator from Arkansas [Mr. ROBINSON], the Senator from Missouri [Mr. TRUMAN], the Senator from Illinois [Mr. LEWIS], the Senator from Arizona [Mr. ASHURST], the Senator from Rhode Island [Mr. GERRY], the Senator from West Virginia [Mr. NEELY], and the Senator from Montana [Mr. WHEELER].

Mr. President, I ask for a recapitulation of the vote.

The PRESIDING OFFICER. There has been one recapitulation. Is there objection to the vote being again recapitulated?

Mr. LONG. I object.

Mr. TYDINGS. The request for recapitulation is only for the purpose of delay, so that more votes can be gotten into the Senate Chamber. It is unfair tactics.

The PRESIDING OFFICER. Objection is made.

Mr. HARRISON (after having voted in the negative). I desire to change my vote from "nay" to "yea."

Mr. McCARRAN. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARRAN. There can be no interruption of the announcement of the result of the roll call, as I understand the rule.

The PRESIDING OFFICER. The Chair understands the rule to be that the Senator has a right to change his vote at any time before the result of the vote is announced.

Mr. McCARRAN. The result should be announced. The change of the Senator from Mississippi has been made.

Mr. GORE. I ask that the result of the vote be announced.

The PRESIDING OFFICER. The Chair understands the rule to be that a Senator can change his mind as often as he desires before the result of the vote is announced.

Mr. GORE. Mr. President, I ask that the result be announced.

The result was announced—yeas 43, nays 38, as follows:

YEAS—43

Adams	Dickinson	McAdoo	Schall
Austin	Donahey	McCarran	Shipstead
Bachman	Frazier	McGill	Smith
Barbour	Gibson	McKellar	Steiwer
Bulow	Glass	Metcalf	Thomas, Okla.
Byrd	Gore	Murphy	Townsend
Capper	Hale	Murray	Trammell
Caraway	Harrison	Norbeck	Tydings
Carey	Hastings	Nye	Vandenberg
Clark	Keyes	Overton	Van Nuys
Couzens	Long	Russell	

NAYS—38

Bailey	Connally	Hayden	Pope
Bankhead	Coolidge	King	Radcliffe
Barkley	Copeland	La Follette	Reynolds
Black	Costigan	Lonergan	Schwellenbach
Bone	Dieterich	Maloney	Sheppard
Brown	Duffy	Minton	Thomas, Utah
Bulkley	Fletcher	Moore	Wagner
Burke	George	Norris	Walsh
Byrnes	Guffey	O'Mahoney	
Chavez	Hatch	Pittman	

NOT VOTING—14

Ashurst	Gerry	McNary	Wheeler
Bilbo	Johnson	Neely	White
Borah	Lewis	Robinson	
Davis	Logan	Truman	

So Mr. GORE's amendment to the motion of Mr. HARRISON to concur in the amendment of the House with an amendment was agreed to, as follows:

SEC. —. (a) Hereafter any person who shall receive under this or any other act of Congress a salary or other compensation at the rate of $4,000 or more per annum shall be appointed by the President by and with the advice and consent of the Senate.

(b) No such person appointed during the recess of Congress shall serve or be paid for a longer period than 60 days after the convening of the next succeeding session of Congress unless appointed and confirmed as provided above, and no such person appointed while Congress is in session shall serve or be paid for a period of more than 60 days nor beyond the adjournment of Congress unless so appointed and confirmed.

(c) No such person appointed under the provisions of this act or the provisions of Public, No. 10, Seventy-third Congress, as amended (Agricultural Adjustment Act), and under the provisions of Public, No. 67, as amended, of the Seventy-third Congress (National Industrial Recovery Act), or paid out of any appropriation made in pursuance of this or any such act or acts shall serve for a period of more than 1 year from the date of his confirmation by the Senate unless reappointed and confirmed as herein provided; and any such person appointed and confirmed hereunder who shall serve or be paid under the provisions of any other act or acts not herein specified shall serve until the end of the administration of the President by whom such person was appointed.

(d) The President shall by Executive order fix the rate of compensation which any such person so appointed and confirmed shall receive and be paid and shall prescribe the official title or designation by which such person shall be known.

(e) Section 1761, Revised Statutes, is hereby reenacted insofar as consistent with the provisions of this section.

Mr. HARRISON. Mr. President, I serve notice that I shall enter a motion to reconsider the vote which has just been taken.

Mr. GORE. Mr. President, is it in order to move to lay that motion on the table?

The PRESIDING OFFICER. The motion has not as yet been entered.

Mr. HARRISON. I have not as yet made the motion.

Mr. LONG. Mr. President, I now move to reconsider the vote by which the amendment was agreed to.

The PRESIDING OFFICER. The question is on the motion of the Senator from Louisiana to reconsider the vote by which the amendment was adopted.

Mr. GORE. I move to lay on the table the motion of the Senator from Louisiana.

RECESS

Mr. BARKLEY. I move that the Senate take a recess.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. A motion has been made to lay on the table the motion to reconsider. That motion is not debatable.

Mr. BARKLEY. I am not debating it. I have a right to move that the Senate recess until tomorrow.

The PRESIDING OFFICER. That motion is in order.

Mr. BARKLEY. I make that motion.

The PRESIDING OFFICER. The Senator from Kentucky moves that the Senate take a recess until what hour?

Mr. TYDINGS. I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from Kentucky did not state the hour to which he wishes the recess to be taken.

Mr. BARKLEY. Twelve o'clock noon tomorrow.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kentucky that the Senate take a recess until 12 o'clock noon tomorrow. On that motion the yeas and nays are demanded.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. MCNARY (when his name was called). Repeating the announcement of my pair, I withhold my vote. If permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. LONG (after having voted in the negative). Mr. President, may I be allowed to change my vote at this time? If Senators want to filibuster, I desire to help them.

The VICE PRESIDENT. The Senator may change his vote at any time before the result is announced.

Mr. LONG. I change my vote from "nay" to "yea."

Mr. BARKLEY. I desire to announce that the following Senators are unavoidably detained from the Senate: The Senator from Mississippi [Mr. BILBO], the Senator from Kentucky [Mr. LOGAN], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Arkansas [Mr. ROBINSON], the Senator from Missouri [Mr. TRUMAN], the Senator from Illinois [Mr. LEWIS], the Senator from Georgia [Mr. GEORGE], and the Senator from Montana [Mr. WHEELER].

Mr. AUSTIN. The Senator from Pennsylvania [Mr. DAVIS] has a general pair with the Senator from Kentucky [Mr. LOGAN].

The result was announced—yeas 47, nays 37, as follows:

YEAS—47

Bailey	Copeland	Long	Radcliffe
Bankhead	Costigan	McGill	Reynolds
Barkley	Dieterich	Maloney	Russell
Black	Duffy	Minton	Schwellenbach
Bone	Fletcher	Moore	Sheppard
Brown	Guffey	Murphy	Shipstead
Bulow	Harrison	Murray	Thomas, Utah
Burke	Hatch	Neely	Trammell
Byrnes	Hayden	Norris	Van Nuys
Chavez	King	O'Mahoney	Wagner
Clark	La Follette	Pittman	Walsh
Connally	Lonergan	Pope	

NAYS—37

Adams	Carey	Hastings	Smith
Ashurst	Couzens	Keyes	Steiwer
Austin	Dickinson	McAdoo	Thomas, Okla.
Bachman	Donahey	McCarran	Townsend
Barbour	Frazier	McKellar	Tydings
Borah	Gerry	Metcalf	Vandenberg
Bulkley	Gibson	Norbeck	White
Byrd	Glass	Nye	
Capper	Gore	Overton	
Caraway	Hale	Schall	

NOT VOTING—11

Bilbo	George	Logan	Truman
Coolidge	Johnson	McNary	Wheeler
Davis	Lewis	Robinson	

So the motion was agreed to; and (at 4 o'clock and 47 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, June 12, 1935, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 11, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, we rejoice that we have a Heavenly Father upon earth who will not break the bruised reed; upon whom we can cast our cares and who has infinite compassion toward His erring, sinning children. Vouchsafe to be with the Congress; direct all procedure of government; be our

guest and benefactor. Mercifully enfold us, that we may develop those moral qualities which are so essential to the best type of manly character. Break down all prejudice; help us to guard jealously our language; cleanse us from all secret faults. Graciously bless our homes, make them rich by every possible association that contributes to happiness, refinement, and Christian culture. In the holy name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 67. An act to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels;

H. R. 2204. An act for the relief of Robert M. Kenton;

H. R. 2422. An act for the relief of James O. Greene and Mrs. Hollis S. Hogan;

H R. 2466. An act for the relief of John E. Click;

H. R. 2553. An act for the relief of Eva S. Brown;

H. R. 2683. An act for the relief of Henry Harrison Griffith;

H. R. 4448. An act to provide funds for acquisition of a site, erection of buildings, and the furnishing thereof for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland;

H. R. 4798. An act to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army;

H. R. 5456. An act relating to the powers and duties of United States marshals;

H. R. 5564. An act for the relief of Capt. Russell Willson, United States Navy;

H. R. 5720. An act to amend the National Defense Act of June 3, 1916 as amended;

H. R. 6371. An act to authorize an increase in the annual appropriation for books for the adult blind;

H. R. 6437. An act to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain land in the county of Los Angeles, State of California";

H. R. 6987. An act authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 7 meets Texas Highway No. 87;

H. R. 7081. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.;

H. R. 7781. An act to define the election procedure under the act of June 18, 1934, and for other purposes;

H. J. Res. 26. Joint resolution requesting the President to proclaim October 9 as Leif Erikson Day;

H. J. Res. 27. Joint resolution providing for extension of cooperative work of the Geological Survey to Puerto Rico;

H. J. Res. 204. Joint resolution authorizing the erection of a memorial to the late Jean Jules Jusserand; and

H. J. Res. 285. Joint resolution to permit the temporary entry into the United States under certain conditions of alien participants and officials of the National Boy Scout Jamboree to be held in the United States in 1935.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 2739. An act to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes;

H. R. 2756. An act authorizing the Tlingit and Haida Indians of Alaska to bring suit in the United States Court of Claims, and conferring jurisdiction upon said court to hear, examine, adjudicate, and enter judgment upon any and all claims which said Indians may have, or claim to have, against the United States, and for other purposes;

H. R. 3512. An act for the relief of H. B. Arnold;

H. R. 6323. An act to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof;

H. R. 6836. An act to provide for the printing and distribution of Government publications to the National Archives;

H. R. 7160. An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges; and

H. R. 7982. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 144. An act for the relief of Auston L. Tierney;

S. 203. An act to provide for a preliminary examination of the Connecticut River, with a view to the control of its floods and prevention of erosion of its banks in the State of Connecticut, and for other purposes;

S. 540. An act for the relief of Fred Luscher;

S. 556. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

S. 1116. An act authorizing the establishment of a filing and indexing service for useful Government publications;

S. 1146. An act for the relief of Michael Dalton;

S. 1179. An act for the relief of James H. Smith;

S. 1186. An act for the relief of Frank P. Ross;

S. 1409. An act for the relief of the General Baking Co.;

S. 1448. An act for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918;

S. 1453. An act to create a Board of Shorthand Reporting, and for other purposes;

S. 1490. An act for the relief of Earl A. Ross;

S. 1613. An act for the relief of Andrew J. McCallen;

S. 1730. An act for the relief of the Richmond, Fredericksburg & Potomac Railroad Co.;

S. 1865. An act for the relief of W. S. O'Brien;

S. 1893. An act to restore to the public domain portions of the Jordan Narrows (Utah) Military Reservation;

S. 1968. An act authorizing an appropriation for payment to certain bands of Ute Indians in the State of Utah for certain coal lands, and for other purposes;

S. 2001. An act to amend section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved May 16, 1906;

S. 2010. An act to improve the living accommodations on vessels under 100 tons;

S. 2074. An act to create a National Park Trust Fund Board, and for other purposes;

S. 2169. An act for the relief of certain disbursing officers of the Army of the United States;

S. 2206. An act for the relief of the State of New Mexico;

S. 2278. An act authorizing the construction of buildings for the United States representatives in the Philippine Islands;

S. 2286. An act providing for the allocation of net revenues of the Shoshone power plant of the Shoshone reclamation project in Wyoming;

S. 2388. An act authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge;

S. 2406. An act for the relief of Nancy Jordan;

S. 2421. An act to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped or otherwise unlawfully detained, and making such act a felony", as amended;

S. 2508. An act to authorize the naturalization of certain resident alien World War veterans;

S. 2521. An act amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy;

S. 2545. An act to provide funds for acquisition of the property of the Haskell Students Activities Association on behalf of the Indian school known as "Haskell Institute", Lawrence, Kans.;

S. 2556. An act to amend and supplement the steering rules respecting orders to helmsmen on all vessels navigating waters of the United States, and on all vessels of the United States navigating any waters or seas, in section 1 of the act of August 19, 1890, section 1 of the act of June 7, 1897, section 1 of the act of February 8, 1895, and section 1 of the act of February 19, 1895;

S. 2611. An act to authorize the Utah Pioneer Trails and Landmarks Association to construct and maintain a monument on the Fort Douglas Military Reservation, Salt Lake City, Utah;

S. 2626. An act to authorize the sale of Federal buildings;

S. 2649. An act to provide for a recreation area within the Prescott National Forest, Ariz.;

S. 2715. An act conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi;

S. 2737. An act authorizing the erection in the District of Columbia of a suitable terminal marker for the Jefferson Davis National Highway;

S. 2743. An act to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone;

S. 2761. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon;

S. 2774. An act for the relief of certain officers on the retired list of the Navy and Marine Corps, who have been commended for their performance of duty in actual combat with the enemy during the World War;

S. 2779. An act to authorize the conveyance of certain lands in Nome, Alaska;

S. 2780. An act to repeal the limitation on the sale price of the Federal building at Main and Ervay Streets, Dallas, Tex.;

S. 2832. An act to provide a preliminary examination of Goldsborough Creek, in Mason County, State of Washington, with a view to the control of its floods;

S. 2846. An act authorizing the Secretary of the Navy to accept on behalf of the United States the devise and bequest of real and personal property of the late Paul E. McDonnold, passed assistant surgeon with the rank of lieutenant commander, Medical Corps, United States Navy, retired;

S. 2865. An act to amend the joint resolution establishing the George Rogers Clark Sesquicentennial Commission, approved May 23, 1928;

S. 2889. An act to authorize settlement, allowance, and payment of certain claims;

S. 2891. An act to provide for the adjustment and settlement of personal injury and death cases arising in certain foreign countries;

S. 2965. An act to amend the Hawaiian Homes Commission Act of 1920;

S. 2966. An act to empower the Legislature of the Territory of Hawaii to authorize the issuance of revenue bonds, to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes;

S. 2993. An act for the relief of Carrie Price Roberts;

S. J. Res. 112. Joint resolution extending the effective period of the Emergency Railroad Transportation Act, 1933;

S. J. Res. 122. Joint resolution granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9 (70th Cong.), relating to the creation of the Lake Champlain Bridge Commission;

S. J. Res. 132. Joint resolution to create a commission to determine a suitable location and design for a memorial to the men and women who have been notable or may become notable in the history of the United States; and

S. J. Res. 139. Joint resolution requesting the President to extend to the International Statistical Institute an invitation to hold its twenty-fourth session in the United States in 1939.

COMMITTEE ON AGRICULTURE

Mr. JONES. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may sit during the sessions of the House during the remainder of the week.

Mr. SNELL. Mr. Speaker, is the gentleman's request for the committee just to sit during sessions for the remainder of the week?

The SPEAKER. That is all. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SNELL. Mr. Speaker, would it be proper for me to ask the Chairman of the Committee on Agriculture if he expects to bring up the A. A. A. amendments this week? This is a matter in which a great many people are very much interested.

Mr. JONES. Answering the gentleman from New York, Mr. Speaker, I think we hope to, but there are a number of matters that have to be very carefully considered, and it is impossible to set an exact or definite date.

Mr. SNELL. But it will be a couple of days at least?

Mr. JONES. It probably will be.

PERMISSION TO ADDRESS THE HOUSE

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes; and I may say that my remarks will be directed to a condition in which I think the House is interested; that is, the cause for the present taxicab strike, which I ask the privilege of discussing.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. DOUGHTON. Mr. Speaker, I object.

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. NICHOLS. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. GOLDSBOROUGH. Mr. Speaker, I hope the gentleman will not press his point of order.

Mr. NICHOLS. Mr. Speaker, I withdraw the point of order for the time being.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

RENEWAL OF LOANS TO BANK OFFICIALS

Mr. GOLDSBOROUGH. Mr. Speaker, the House of Representatives, in the omnibus banking bill, extended for 5 years from June 16, 1933, the time within which existing loans made by member banks to their executive officers could be paid. This bill has not passed the Senate, and the situation is such that unless we carry out the purpose expressed by the House in the omnibus banking bill before June 16, these executive officers who owe money to banks will have to resign or, if they do not resign, will be subjected to fine or imprisonment.

I have talked with the Speaker, and he has agreed to recognize me for the purpose of asking unanimous consent to pass a resolution I have just introduced and which is worded exactly as the corresponding language in the bill which passed the House. The language of the banking bill which passed the House is as follows:

Provided, That loans made to any such officer prior to June 16, 1933, may be renewed or extended for periods expiring not more than 5 years from such date where the board of directors of the member bank shall have satisfied themselves that such extension or renewal is in the best interest of the bank and that the officer indebted has made reasonable effort to reduce his obligation, these findings to be evidenced by resolution of the board of directors spread upon the minute book of the bank.

This language from that bill is embodied in the joint resolution I shall ask unanimous consent to consider.

Mr. Speaker, I ask unanimous consent to consider the House joint resolution I have just introduced.

The SPEAKER. The gentleman from Maryland asks unanimous consent for the consideration of the bill which the Clerk will report.

The Clerk read as follows:

House Joint Resolution 320, to extend from June 16, 1935, to June 16, 1938, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended

Resolved, etc., That subsection (g) of section 22 of the Federal Reserve Act is hereby amended by striking out "*Provided*, That loans heretofore made to any such officer may be renewed or extended not more than 2 years from the date this paragraph takes effect, if in accord with sound banking practice" and inserting in lieu thereof "*Provided*, That loans made to any such officer prior to June 16, 1933, may be renewed or extended for periods expiring not more than 5 years from such date where the board of directors of the member bank shall have satisfied themselves that such extension or renewal is in the best interest of the bank and that the officer indebted has made reasonable effort to reduce his obligation, these findings to be evidenced by resolution of the board of directors spread upon the minute book of the bank."

The SPEAKER. The gentleman from Maryland asks unanimous consent for the immediate consideration of House Joint Resolution 320. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object to ask the gentleman a question, as I caught the purport of the resolution as read, it simply extends the time within which loans made by officers from their banks previous to June 16, 1933, may be paid.

Mr. GOLDSBOROUGH. That is correct.

Mr. SNELL. And it is sought to put through this joint resolution at this time on the theory that it would not be possible for the banking bill to become a law prior to June 16, when it will be necessary to take action on these loans under existing law.

Mr. GOLDSBOROUGH. That is correct, and I might add that the House committee waited until the Senate committee had acted so that the language of this resolution is exactly the same as that contained in the resolution this morning reported to the Senate by the Senate Committee on Banking and Currency.

Mr. SNELL. I most certainly favor the purpose of this resolution.

Mr. COLDEN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Maryland if this is legal. I am not trying to bring this class of loans under the provisions of the law. Is not this in effect giving the bankers a special privilege not enjoyed by the customers of the bank?

Mr. GOLDSBOROUGH. No. When the omnibus banking bill was passed in 1933 we inserted therein a provision that executive officers could not borrow from banks by whom they were employed. Previously they had had the right to do that.

Mr. COLDEN. I understand.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. DOUGHTON. Mr. Speaker, reserving the right to object—and I shall not object, but I serve notice now that unless there is a special occasion I shall object to any other unanimous-consent request to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NICHOLS. Mr. Speaker, Washington today, according to reports in the newspapers, is the host to some 100,000 Shriners. When they reached town officially yesterday morning they were confronted with a taxicab strike, and before the cabs went back on the streets their rates were raised, in some instances double. I think that the House is entitled to know a little of the history as to what brought about this situation. Of course, these gentlemen came to Washington after Washington asked them to come here and had given them inducements to come. May I say here and now that I am not a Shriner and do not belong to any branch of the Masonic order, so it is not a fraternal matter with me. It is simply principle.

The great hospitable city of Washington gets guests here and then hikes the prices on them, and I refer to taxicabs at least. I do not know whether they hiked the rates on anything else or not. The reason the rates of the taxicabs were hiked was that the Diamond Cab Co. and the Union Cab Co. of this city got together night before last on the Diamond Cab Co.'s lot. They were called together by one Mr. Hohensee, who is chairman of a strike committee. He called all of the Diamond drivers and all of the Union Cab drivers in and said: "Now the Shriners are in town. There is going to be 100,000 people here. Now is the time to strike." So accordingly they struck yesterday morning, and they sent these Diamond cabs all over the streets of Washington, and their drivers forced the drivers of other cabs to the curb and threatened them with bodily violence if they did not park their cabs and refuse to haul passengers.

The excuse for this was that it was due to an article that was carried in one of the Washington papers, and I want to read the article.

Talk back to any taxi driver who takes you for a Shriner and tries to overcharge you, is the advice of People's Counsel W. A. Roberts on the eve of the big Shrine convention.

Roberts' comment was made on a report from the News that cabmen are threatening to charge customers by the hour for ordinary rides; that is, that after stepping in a taxi you'll be told the rate is by the hour and you'll have to pay for an hour or half hour, no matter how short the ride.

ONLY 22 GIVEN O. K.

Roberts says:

1. No taxi is permitted to charge by the hour when a customer names a destination within the District of Columbia.

2. Only 22 out of Washington's 3,800 zone cabmen will be permitted legally to raise their zone rates for the Shrine convention.

3. Hack inspectors will be on duty during Shrine week, watching out for cabmen who are attempting to overcharge or overcharging.

The 22 drivers who will be permitted to charge higher rates filed request for this change 10 days ago. Under Public Utilities Commission regulations, no such change is legal without 10 days' notice; so the remaining 3,778 couldn't do anything about it now if they tried.

That is the message that the Shriners got. They were assured that there were only 22 that could charge over the prescribed rate.

Mr. BLANTON. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Texas.

Mr. BLANTON. In addition to the 100,000 Shriners there are 200,000 friends of Shriners who are here as visitors. Outside of the 22 cabs that gave notice of raises in compliance with law, every other cab raising charges is violating the law and their license ought to be taken away from them and they should not be allowed to run on the streets of Washington again.

Mr. NICHOLS. If the gentleman will permit, I want to suggest that and refer to the law.

Mr. RANKIN. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Mississippi.

Mr. RANKIN. Is not the Public Utilities Commission in on this conspiracy?

Mr. NICHOLS. I am going to cite the facts to the Members of the House and they may draw their own conclusion as to whether the Public Utilities Commission is in on the conspiracy or not.

Mr. RANKIN. They invited the Shriners Convention to come here, and one of the inducements held out to them was the cheap cab fare in the District of Columbia. Then as soon as they arrived this fake strike and this advance in fare took place.

I am told that two conventions that were to come here later in the fall have canceled their engagement and will not come to Washington as a result of this trouble.

Mr. NICHOLS. The excuse given by the chairman of the strike committee calling the strike was because this man Roberts, whose article I have just read, slandered the taxicab drivers. The only taxicab drivers involved were the drivers of the Diamond and Union Taxicab Cos., and they are the only ones involved to date, because they are the only ones who hiked their rates.

I want to read what our great Commission down here said in preparing to lay a foundation in order to let these highjackers highjack the Shriners that are in town. The drivers have done this legally by the help of the Commission, your Commissioners of the District of Columbia. I want to read you their flimsy order.

The Commission, on advice from the press that a general taxicab strike had been called and that there were no cabs operating, set forth immediately to contact the drivers and representatives and other principals for the purpose of ascertaining the true situation. A meeting was promptly called, attended by drivers of practically each organization—independents as well as the spokesmen of the union. A full opportunity was given to all to express their views. Briefly, it may be said that a substantial number of the operators resented certain publications, and, likewise, saw the necessity for existing rates, to a limited measure, to be increased.

May I say also that when the cab drivers went before the Commissioners, they went there primarily for the purpose of adjusting the differences between the strikers, but when they got there the meeting immediately turned into a rate-fixing schedule hearing, and nothing else. All that was discussed there was the matter of rates.

This order reads further, as follows:

The regulation of taxicab rates in the District of Columbia has been recognized as lacking in legal authority. The Commission, recognizing this situation, at the last session of Congress requested that if the meter prohibition was to continue, its hand be strengthened so that it might be enabled to bring about a uniform system of zones and rates. Fortunately the two Houses have seen fit to adopt this viewpoint.

This is the Commission talking—

The measure has gone through conference, and it is contemplated that it will become law at an early date.

They are talking about a measure which they say will give them the authority. I hope the conference will report the bill out.

Mr. BLANTON. That bill is in the White House for signature now.

Mr. NICHOLS. If the President signs it, then maybe they have the authority. I will not read all of this. They simply state that they are forced to let the taxicabs raise their rates from the 20-30-50-70 schedule to 20-40-60-80. That is the order of the Commission. However, if you go out on the street you will find that the cabs that have raised their rates have raised them even in excess of what the Commission said they could charge. They are now charging 35-50-70-90.

Now, let us see what cab companies wanted this. The Diamond Co. and the Union Cab Co. raised their rates. Let us see who did not raise their rates. And may I say that the boys in the press gallery can do the city of Washington a great service and they can do the Shriners a great service if they will have published in their papers in the next edition today the names of the taxicabs that will ride the Shriners over the streets of the city of Washington without a raised rate and the names of the highjackers that are charging the higher rates? I would like to give the names of those cabs.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

Mr. NICHOLS. I can finish in that time.

Mr. DOUGHTON. Mr. Speaker, we agreed on 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. DOUGHTON. I shall not object.

Mr. RANKIN. Mr. Speaker, to be perfectly frank, in my opinion we should have adjourned today out of deference to the Shriners who are here, and if we cannot get this extra time for the gentleman from Oklahoma to discuss this mistreatment of them, I am going to move to adjourn.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. NICHOLS. I want to give you the names of the companies that have not raised their rates at all and have met together and agreed not to raise them:

The Bell Cab Association, the Blue Light Cab Association, the American Cab Association, the City Cab Association, the Premier Cab Association, the Harlem Cab Association, the General Cab Association, the Minute Cab Association, and the Yellow Cab Association. None of these associations has raised its rates.

Mrs. JENCKES of Indiana. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I cannot yield now, as I have not the time.

Let us see about the law and authority for this and how these boys happened to do it. I am reading now from title XXVI of the Code of Laws of the District of Columbia, section 46:

Every public utility shall file with the Commission, within a time to be fixed by the Commission, schedules, which shall be open to public inspection, showing all rates, tolls, and charges which it has established—

And so forth. Now, listen to section 50 of the same title:

No change shall be made in any schedule, including schedules of joint rates, except upon 10 days' notice to the Commission.

Now, remember that the cab men went to the Commissioners yesterday and on 30 minutes' notice their rates were raised. Now, listen to a further reading of this section:

And all such changes shall be plainly indicated upon existing schedules, or by filing new schedules in lieu thereof 10 days prior to the time the same are to take effect: *Provided*, That the Commission, upon application of any public utility, may prescribe a less time within which a reduction may be made.

The only exception to the law where it provides for 10 days is that they can set a lesser time if the company wants to reduce its rates and not raise them, and I say to you that the Public Utility Commissioners of the District of Columbia, when they permitted these hijacking cab drivers to go in and hike these rates, did so contrary to law, and every one of them is guilty of a penal offense.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. Let me finish my statement first.

They say they have not any authority——

Mr. MAY. I think I can give the gentleman some information.

Mr. NICHOLS. In just a moment, please.

Now, let us see about their authority and what they can do to these fellows if the government of the District of Columbia wants to do anything about it, and if the city of Washington wants to treat its guests as they should be treated. Listen—

If any public utility or any agent or officer thereof—

This is section 106 of the same title—

shall, directly or indirectly, by any device whatsoever, or otherwise, charge, demand, collect, or receive from any person, firm, or corporation a greater or less compensation for any service rendered or to be rendered by it in or affecting or relating to the conduct of a street railroad, or street railroad corporation, common carrier, gas plant * * * or for any service in connection therewith than that prescribed in the public schedules or tariffs then in force or established as provided herein, or than it charges, demands, collects, or receives from any other person, firm, or corporation other than one conducting a like business for a like and contemporaneous service, such public utility shall be deemed guilty of unjust discrimination, which is hereby prohibited and declared to be a misdemeanor and unlawful, and upon conviction thereof shall forfeit and pay to the District of Columbia not less than $100 nor more than $1,000 for each offense; and such agent or officer so offending shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than $50 nor more than $100 for each offense.

I say to you, in all frankness, it is a crying outrage that the Commissioners of the District of Columbia would per-

mit this to be perpetrated on the guests of the city of Washington, and while I have no interest in the taxicabs and do not give a whoop about them one way or the other, I hope you gentlemen will tell your friends about the situation and I say to you that there ought to be a boycott started today on the Diamond Cab Co. and on the Union Cab Co. [Applause.]

[Here the gavel fell.]

STATUE OF HANNIBAL HAMLIN

Mr. HAMLIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting the proceedings in Statuary Hall, held on yesterday, Monday, June 10, 1935, in connection with the unveiling of the statue of Hannibal Hamlin, of Maine.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HAMLIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following exercises at the unveiling of the statue of Hannibal Hamlin, Statuary Hall, the Capitol, June 10, 1935:

Invocation by Dr. James Shera Montgomery.
The statue was unveiled by Miss Martey Lou Denton.

PRESENTATION OF STATUE BY HON. SIMON M. HAMLIN

Mr. HAMLIN. My friends, last week the House and Senate by resolution accepted a great gift. It is my happy privilege, because of the enforced absence of Hon. Louis J. Brann, Governor of the State of Maine, to present the statue of a great and good man, Hannibal Hamlin—but Hannibal Hamlin is but half his name—he was Hannibal Hamlin of Maine.

Hannibal Hamlin did not get all of his goodness from the good blood of the Hamlins, the Washburns, and the Livermores. I love to think he got a part of his goodness from the hills and mountains of Oxford County and northern Maine where as a boy he fished and hunted and saw the pines and the oaks of Maine grow stronger in the storm.

Yes; Maine's outdoors was near this man and the pure air from the northern hills made him strong and right in body and soul. This man never traded with wrong. We need more of his stuff in these days. He had the brains and the common horse sense to see what to do, and the courage and backbone to do it.

I love to think of Hannibal Hamlin. He was one of our very best. I love to think of him as he lived in Congress, and during his whole life. We do not have to skip any place in the life of Hannibal Hamlin; we can look at his life all of the way through. He had the brains and the heart and the good sense to know what to do, and to do it. Let me quote from Eben Holden, who says:

"He allus kept his tugs tight, never swore less 'twas necessary, er lied in a hoss trade, er ketched a fish bigger'n 'twas, gone off somewhere."

It must be a good land where he can be happy.

It is with great regret that I have to say Hannibal Hamlin, Jr., of Ellsworth, Maine, cannot be present today because of the fact he is today receiving the degree of doctor of law at Boston University, Boston.

Yes; it must be a good home, for Hannibal Hamlin deserved one, and so you have the picture of him just as he was. I love to think of him just as he was. It does me good. Nature can say to all the world: "This was a man."

Now, Senator WHITE, I want to present to you this statue of a man who represented the very best traditions of New England and of all Maine. I present to you the statue of Hannibal Hamlin, of Maine. [Applause.]

ACCEPTANCE OF STATUE BY SENATOR WALLACE H. WHITE, JR., OF MAINE

Senator WHITE. Mr. Chairman, I have the honorable privilege to officially appraise you that the Congress of the United States by appropriate resolution has accepted this statue and has addressed to the State of Maine its thanks for the contribution thereof. With this official sanction, Hannibal Hamlin stands here as Maine's representative in this National Hall of Fame.

No citizen of our State was ever more worthy of this distinction. His life was exemplary. His public career was distinguished. He served the State of Maine in this legislative body, and he served the Nation as a Member of the House of Representatives, and as a United States Senator, as a first resident of the United States, and as a minister to a foreign nation.

The people and the Nation that are without shrines, temples, statues, and monuments are without reverence for the uplifting influence of the past. They are without present ideals.

May we not know that this statue of Hannibal Hamlin will tell to the countless thousands of Americans who pass and repass through this hall the story of the useful, courageous, and honorable life devoted to mankind, to his State, and to his Nation. May we not know that to them all Hannibal Hamlin always served as an example and as an inspiration.

The State of Maine takes great pride that this son of her's is to stand in this hallowed spot. I, with such authority as I have, accept in behalf of the Congress of the United States, this contribution from our native State.

[Applause.]

Mr. HAMLIN. We will hear from Hon. RALPH O. BREWSTER, "The Representative."

ADDRESS BY HON. RALPH O. BREWSTER, "THE REPRESENTATIVE"

Mr. BREWSTER. As the Representative from the district from which Hannibal Hamlin first came to Congress, to the Congress of the United States and as a former Governor of Maine, in which position Hannibal Hamlin was privileged to serve for one brief month, it is a privilege to speak upon his service as a Representative and Governor in the very brief time that may be allotted here.

There are assembled this morning in this hall, dedicated by the Nation, those men who have been selected by their several States in the course of a century of strife and service, in this most historical spot, speaking so eloquently of what America has been, speaking to us with their glorified example of the America that shall be if we shall be true and worthy of the sacrifice of their lives.

Coming to Congress in the years preceding that great strife between the States, when America was entering that period of foment from which the Union finally emerged triumphant, Hannibal Hamlin was tested as were few men before our people.

He, without curb on his thoughts, guided by his principles, and by ties of no kind, coming here under the name of the party which was then dominant, he found himself led inevitably by the events of those days, ultimately to transfer his allegiance to that new party dedicated to the principle of the Union as we now know it; and we may with profit read his history and follow the principles to which he dedicated his great life.

It is too easy to forget the trials which were visited upon the leaders of those days, as we sit here in the glow of this dedication and think only of the honors and the triumphs that ultimately crowned his days.

We shall do well to remind ourselves that if we are worthy of his service we too shall follow along the path he trod so well and be ready ourselves to sacrifice those things that we may seem temporarily to hold most dear in order that this Nation in this day shall have that new birth of freedom for which they were ready then to sacrifice their lives.

In those early years in the lower House of Congress he indicated clearly by his course his determination that this Union triumphant should go on to that service which we still see plainly marked upon the banners of our day. It is for us, his descendants, spiritually and patriotically, to be rededicated to determine that the America founded by our Pilgrim Fathers, preserved by the sacrifices of these men under his leadership shall not perish from the earth, but that America shall go on as an example of democratic progress for the service of mankind. [Applause.]

Mr. HAMLIN. The next is "The Senator", Hon. FREDERICK HALE, United States Senator.

ADDRESS, "THE SENATOR", BY HON. FREDERICK HALE, UNITED STATES SENATOR FROM MAINE

Senator HALE. When in 1881 Hannibal Hamlin retired from the United States Senate my father succeeded him in that body. My grandfather, Senator Chandler, of Michigan, was for many years his colleague in the Senate and one of his most intimate friends. His son, Hannibal Hamlin, was for many years my father's law partner and is my very dear friend. It is, therefore, with real pleasure that I rise today to pay a brief but sincere tribute to the memory of one of the best loved and most honored statesmen that my State has produced.

As a boy I was a frequent visitor with my father and mother at the Hamlin home in Bangor where Mr. Hamlin spent the last years of his life, and I can well remember the reverence and awe in which my brothers and I held this great survivor of the Civil War period.

I have been selected today to speak briefly of Mr. Hamlin's career in the Senate, in which body he was elected as a Democrat in 1848. He was then 39 years of age. Serving in the Senate at that time were Webster, Clay, Calhoun, Benton, Sumner, Douglas, and other giants of their day. Among these Titans he rapidly found his place, and an important place it was. His long experience in the legislature of his State, in which body he served three successive terms as speaker, together with his active experience in the National House of Representatives, gave him a knowledge of parliamentary law perhaps unequaled in the Senate, and he became an authority on that subject. His knowledge of the problems of business, his sound native judgment, and his fearless honesty made him a potent figure in the councils of his party and in the country at large. He spoke seldom on the floor of the Senate, but when he did speak he spoke powerfully and to the point and his speeches were always effective. He was given the chairmanship of the important Committee on Commerce.

Thus, early in his senatorial career established as one of the coming men of his party, it was a great shock to that party when immediately after the renomination of President Buchanan in 1856 Senator Hamlin announced that he could not support Mr. Buchanan, that he was permanently at odds with his party on the question of slavery, and that he would not stand for the repeal of the Missouri Compromise. He resigned from the chairmanship of the Committee on Commerce, and shortly thereafter joined the newly formed Republican Party, which welcomed him with open arms, and he at once became one of the recognized leaders of that party. In 1856, while still a Member of the Senate, he ran for the governorship of Maine on the Republican ticket and was triumphantly elected, many of the old-line Democrats of his State going over to the new party with him. A few months later the Maine Legislature again elected him to the Senate, where he

remained until his election to the Vice Presidency in 1860. In 1869 he was again elected to the Senate, and served there until his voluntary retirement from public life in 1881. During this latter period of service he held for a number of years the chairmanship of the Committee on Foreign Relations.

Maine is singularly fortunate in the list of great statesmen that she has given to the country. I think that no one of them better typifies the Maine ideal of what a stateman should be than Hannibal Hamlin.

It is with grateful recognition of his sterling service to his State and his country that we place his statue in the Hall of Fame of the Nation's Capitol today.

[Applause.]

Mr. HAMLIN. The next is "The Vice President", Hon. Charles S. Hamlin.

ADDRESS, "THE VICE PRESIDENT", BY HON. CHARLES S. HAMLIN

Mr. HAMLIN. Mr. Chairman, honorable Members of Congress and the Senate of the United States, ladies, and gentlemen, first I want to express the very deep regret that Hannibal Hamlin, of Ellsworth, Maine, is unable to be here because of circumstances beyond his control.

I regard it as a great honor to be permitted to participate in this celebration this morning in honor of this great American. It is unnecessary to say much about his public life, because if you wish to know his public life you only have to read the history of our great country; it is there inscribed.

During the extent of his life he saw many changes in our Government and constitutional system. For example, in the early days in treaties, when the United States was named, it was always followed by the word "are", looking upon the United States as a federation of individual States, whereas today, in modern treaties the United States is always followed by the singular verb, "is", and the United States is accepted as the grand united, universal, National Government. There have been very many changes since Hannibal Hamlin's days in this great historic State of Maine.

I remember visiting the Vice President during the administration of President Hayes. He was then living at the Willard Hotel, and the night before I left, he asked me if there was anything I had not seen that I desired to see in Washington. More in jest, I said I would like to call on President and Mrs. Hayes at the White House. He looked at me a moment, and said, "Young man, put on your coat and come on."

That night, in the cold, we walked over to the White House and in 3 minutes we were sitting in the room received by the President and Mrs. Hayes. We spent the whole evening there. Mrs. Hayes asked me if I would not like to see the East Room. Of course I said I should be delighted. She ordered the room lighted and took my arm and paraded around the East Room with me. I shall never forget that night, and that beautiful woman. I always think of her when I think of Hannibal Hamlin.

Hannibal Hamlin's ancestor, James Hamlin, came to America in the middle of the seventeenth century, and a descendant, Major Hamlin, was a major in the Revolutionary War, and was granted land grants in what was then the District of Maine. This old gentleman, Major Hamlin, I think, had 12 children. He named one Cyrus, one Hannibal, and then the others he named for the continents, Europe, Asia, Africa, and America, and I am a proud descendant of Asia Hamlin.

There is a very interesting story Hannibal Hamlin told me once about his uncle Asia Hamlin. All of the boys went down to work on the grant of land in Maine, and the story he told us is that Asia one day in the wilds of Maine came across a bear. They engaged in a friendly or unfriendly discussion, and soon Asia was disposed to postpone such further debate, but the bear was obdurate. Asia after great pressure would have brought that bear in, but unfortunately he did not, and he moved to adjourn, but the bear would not, but finally Asia made up his mind to move himself up into a tree until the danger was over and then come back to the fatherland in old Massachusetts.

My friends, there is so much that could be said, and so much has been said already by the distinguished gentlemen preceding me, I can only say it is an honor and I am sure you feel it is to all of us, an honor to participate in this celebration in this historical hall, which you remember was once the room of the House of Representatives, where now you see the statues of these great men who were the upbuilders of this great Nation, and our children, and our children's children shall rise up and call their memory blessed. [Applause.]

Mr. HAMLIN. There is just one thing more before the benediction, which I want to tell. It was brought to me by one of the Hamlins of New England that Abraham Lincoln said to Hannibal Hamlin at one time, "You know Hannibal, you are very close to me, because your name is a part of mine. You know mine is Abraham Lincoln, so taking away the first part of Abraham we have ham left, and taking the first part of Lincoln you have lin, so that out of those two names we have the name Hamlin." [Applause.]

ANTISMUGGLING ACT

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7980) to protect the revenue of the United States, and to provide measures for the more effective enforcement of the law respecting the revenue, to prevent smuggling, to authorize customs enforcement areas, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. LUDLOW in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill which the Clerk will report.

The Clerk read the title.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DOUGHTON. Mr. Chairman, H. R. 7980, a bill to protect the revenue of the United States and provide measures for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs enforcement areas, and for other purposes, was referred to the Committee on Ways and Means some days ago and has been very thoroughly and carefully considered by that committee. It is reported by the unanimous vote of the Committee on Ways and Means and so far as I know there is no opposition to the legislation.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield for a question?

Mr. DOUGHTON. Yes.

Mr. FITZPATRICK. As I understand, the object of this bill is principally to prevent smuggling of intoxicating liquors into this country.

Mr. DOUGHTON. That is the primary purpose.

Mr. FITZPATRICK. Did the committee consider a bill to permit liquor to come in here free, and to take the duty off it so that we could break up the Whisky Trust, which is far worse than the racketeers or the bootleggers before prohibition was repealed? Did the gentleman's committee take up such a bill as that?

Mr. DOUGHTON. It has not yet.

Mr. FITZPATRICK. We would not have to have this bill if the gentleman's committee would take the duty off liquor and let it come in free so as to break up the Whisky Trust.

Mr. DOUGHTON. That is a matter of opinion which would provoke a great deal of controversy and keep us here for a month. According to the information furnished the Committee on Ways and Means, there are now hovering off the coast of the United States some 40 or 50 vessels ladened with liquor to be illegally smuggled into the United States. Prior to prohibition very little smuggling of contraband liquor into the United States occurred, but during the prohibition era, when liquor was scarce and expensive, the temptation was great to violate the laws of the United States with respect to the manufacture and the sale of liquor. During that time there was a great temptation to smuggle liquor into the United States, and that grew to such proportions that it was necessary to take means to deal with it.

It was expected that when the eighteenth amendment was repealed the smuggling of contraband, illegal liquor, into the United States would cease, or at least be reduced to a minimum. Contrary to expectations, however, the custom has continued, and it is estimated now, upon the best information which the Treasury Department has, that at least two and a half million gallons of alcohol are smuggled annually into the United States. Every gallon of alcohol is supposed to make about two and a half gallons of whisky. Therefore the Treasury is being deprived of internal-revenue tax and customs duties amounting to something like $30,000,000 per annum. This bill is designed to break up and prevent that illicit smuggling of liquor into the United States. Under international law we have a territorial area extending out 3 miles from shore. And we have also a customs area extending out 12 miles.

Under treaties with other nations we have a right of control over smuggling vessels in a sailing distance of 1 hour, but under our own laws we cannot go beyond the 12-mile limit. This is designed to give the President of the United

States authority, when he has the information that smuggling boats are hovering without the 12-mile limit, to declare a customs zone extending farther and to a distance of 50 miles beyond customs waters. At one time when Great Britain was harassed by conditions similar to those now with which we are confronted, she extended her territorial customs jurisdiction a distance of 300 miles. This bill is designed to break up this illicit dealing in contraband liquor and also to protect legitimate commerce. While the smuggling is mainly of contraband or illicit liquor, it is not confined alone to that commodity. Our customs laws are violated with respect to other commodities as well as contraband liquor.

The purpose of this legislation is, first, the establishment of customs-enforcement areas outside the 12-mile limit, thereby giving a more flexible administrative control over enforcement. Second, search and seizure and forfeiture of vessels under certain conditions. Third, enforcement of revenue laws against foreign vessels within the limits authorized by existing treaties, there being at present a gap between our customs control and treaty limits. Fourth, providing a basis for reciprocal legislation by other countries by prohibiting smuggling offenses by our nationals and vessels against revenue laws of foreign countries. Fifth, to provide increased fines and penalties, and for penalizing of acts indicative of smuggling activities not covered by existing law. And sixth, for more effective administrative control over boats of less than 500 net tons and small contact boats.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. COLDEN. Has the gentleman's committee considered that some countries might perhaps retaliate? I have in mind the case of Mexico retaliating against American fishermen from San Diego and San Pedro. Has that matter been considered by the committee?

Mr. DOUGHTON. The gentleman means that other countries will enact similar legislation against rum-running boats that could leave our shores for illicit purposes?

Mr. COLDEN. I recall complaints from our fishermen who objected to the 12-mile limit, because Mexico followed the same line of action and claimed a certain fishing privilege beyond the 3-mile limit.

It would seem to me rather mixed and interwoven down there in the southwestern part of the United States. I have never gone into the real facts of the case, but I remember hearing it discussed. I wondered whether the committee knew of anything of that sort?

Mr. DOUGHTON. I do not know that that matter was brought to the attention of our committee. It is not thought by those most familiar with the proposed legislation that it will involve us in any international complications. We have the expectation that other countries will be glad to reciprocate and enact similar legislation for the protection of their revenues. One of the purposes of this legislation is to encourage reciprocal legislation and laws by which the nations can cooperate with each other in protecting their revenues against rumrunners and smuggling boats that are violating the laws of our country.

If there are any further questions that anyone has in mind, I will be glad to answer them if I can.

Mr. MASSINGALE. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. MASSINGALE. Suppose we have a treaty with Great Britain, and by the terms of that treaty we have the right of search and seizure within 1 hour's sailing of the United States. Now, if we fix 50 miles as an hour's sailing, does not the gentleman apprehend that we might become involved with Great Britain?

Mr. DOUGHTON. Under international law we have the right to fix the distance as far as reasonably necessary to protect the revenues of the Government. Great Britain fixed its distance, under somewhat similar conditions with which we are now dealing, as far as 300 miles. So Great Britain would not be in a very favorable position to raise a question of that kind.

Mr. MASSINGALE. I do not think the gentleman understood my question. If the treaty should limit it to 1 hour's sailing, would we be safe in fixing an arbitrary distance that might be 2 hours' sailing?

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. SAMUEL B. HILL. We have treaties with Great Britain and 15 other nations whereby we can go out 1 hour's sailing. This legislation does not modify that. We cannot go beyond that 1 hour's sailing as far as those treaty countries are concerned.

Mr. MASSINGALE. But we can go farther than that as far as other nations are concerned?

Mr. SAMUEL B. HILL. Yes; as far as nations with whom we do not have treaties are concerned.

Mr. CRAWFORD. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. CRAWFORD. Can the chairman at this time give us some information as to how our Coast Guard is equipped with fast speedboats and arms and gunnery, and so forth, for the protection and carrying out of this program?

Mr. DOUGHTON. As I understand it, our Coast Guard now equipped with about 10,000 men. The gentleman must realize how impotent that force would be to deal with rum-runners and smugglers along a coast of 10,000 miles. Our coast extends about 10,000 miles. I understand that the Coast Guard is not able at all to cope with the problem. If it had been, of course, this legislation would not have been necessary. It is on account of their inability to cope with the situation at all or deal with it successfully that this legislation has been necessary.

Mr. CRAWFORD. Does this legislation increase the staff as well as the equipment that they will be supplied with?

Mr. DOUGHTON. No. I do not think it deals with the Coast Guard force at all.

Mr. COLDEN. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. COLDEN. Among those 15 nations which have treaties with this country, recognizing our right to extend our jurisdiction 50 miles, is Mexico included?

Mr. DOUGHTON. I do not think so.

Mr. KENNEY. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. KENNEY. How much more money is this bill going to cost?

Mr. DOUGHTON. Not a cent. It calls for no appropriation.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. FITZPATRICK. The Liquor Trust in this country will receive more financial benefit out of this legislation than the Federal Government, will it not?

Mr. DOUGHTON. Oh, that is a matter of opinion. I believe if the gentleman had been a member of our committee and had heard all the testimony with respect to this matter, he would have agreed with the 25 members of our committee. The committee unanimously reported this bill. I do not think our committee is under the control of the liquor trust.

Mr. FITZPATRICK. Oh, I am in favor of the bill, but I would rather see a bill brought in to break up the liquor trust.

Mr. DOUGHTON. I suggest the gentleman should introduce such a bill and have it referred to our committee, and I am sure it will have adequate consideration.

Mr. SAMUEL B. HILL. That would not be germane to the bill that is now under consideration.

Mr. DOUGHTON. I have great sympathy with the desire of the gentleman from New York [Mr. FITZPATRICK] to protect the revenues of the Government.

Will the gentleman from New Jersey [Mr. BACHARACH] now use some time?

Mr. BACHARACH. Mr. Chairman, insofar as the Republican members of the Ways and Means Committee are concerned, there is no objection to this bill at all. They voted to report it out unanimously.

The Chairman of the Committee on Ways and Means has stated that the loss to the Government will be about $30,000,000. My information indicates that the loss may run up as high as $100,000,000, if we do not enact this bill or similar legislation.

I wish to call the attention of the House to the fact that the chief article which is being smuggled into this country by the rumrunners is alcohol, which costs them abroad 25 to 50 cents a gallon. The customs duty on alcohol of 100-proof is $5; but the alcohol which is smuggled into the United States is 190-proof, and the customs duty on such alcohol per gallon is $9.50. The internal-revenue tax is $3.80 per gallon, so the total revenue lost by the Government on a gallon of 190-proof alcohol is $13.30.

Much of the smuggled liquor and smuggled alcohol is afterward cut and a great many more gallons made out of it. As the acting Member on this side, I have received no requests for time. It is up to the chairman of the committee to use whatever time he cares to, because, so far as I know, there will be no further speeches on this side.

Mr. SAMUEL B. HILL. The gentleman has no further requests for time?

Mr. BACHARACH. I have no further requests for time on this side.

Mr. DOUGHTON. The Clerk may read.

The Clerk read as follows:

SECTION 1. (a) The President is authorized, whenever he finds that any vessel or vessels hover or are being kept off the coast of the United States at any place or within any area on the high seas adjacent to but outside customs waters and that, by virtue of the presence of any such vessel or vessels at such place or within such area, the unlawful introduction or removal into or from the United States of any merchandise or person is being or may be occasioned, promoted, or threatened, to declare such place or area to be a customs-enforcement area for the purposes of this act. Upon declaration of any such customs-enforcement area, such provisions of law applicable to the high seas adjacent to such customs waters shall apply and be enforced in such area upon any vessel, merchandise, or person found therein, to such extent and under such circumstances as the President finds and declares to be necessary to prevent smuggling, to protect legitimate commerce, or to secure the revenue of the United States.

(b) At any place within a customs-enforcement area the several officers of the customs may go on board of any vessel and examine the vessel and any merchandise or person on board, and bring the same into port, and, subject to regulations of the Secretary of the Treasury, it shall be their duty to pursue and seize or arrest and otherwise enforce upon such vessel, merchandise, or person the provisions of law which are made effective thereto in pursuance of subsection (a) in the same manner as such officers are or may be authorized or required to do in like case at any place in the United States by virtue of any law respecting the revenue: *Provided*, That nothing contained in this section or in any other provision of law respecting the revenue shall be construed to authorize or to require any officer of the United States to enforce any law thereof upon the high seas upon a foreign vessel in contravention of any treaty with a foreign government enabling or permitting the authorities of the United States to board, examine, search, seize, or otherwise to enforce upon such vessel upon the high seas the laws of the United States except as such authorities are or may otherwise be enabled or permitted under special arrangement with such foreign government: *Provided further*, That none of the provisions of this act shall be construed to relieve the Secretary of Commerce of any authority, responsibility, or jurisdiction now vested in or imposed on that officer.

Mr. SAMUEL B. HILL. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment:

"SECTION 1. (a) Whenever the President finds and declares that at any place or within any area on the high seas adjacent to but outside customs waters any vessel or vessels hover or are being kept off the coast of the United States, and that by virtue of the presence of any such vessel or vessels at such place or within such area the unlawful introduction or removal into or from the United States of any merchandise or person is being or may be occasioned, promoted, or threatened, the place or area so found and declared shall constitute a customs-enforcement area for the purposes of this act. Only such waters on the high seas shall be within a customs-enforcement area as the President finds and declares are in such proximity to such vessel or vessels that such unlawful introduction or removal of merchandise or persons may be carried on by or to or from such vessel or vessels. No customs-enforcement area shall include any waters more than 100 nautical miles from the place or immediate area where the President declares such vessel or vessels are hovering or are being kept, and notwithstanding the foregoing provision shall not include any waters more than 50 nautical miles outward from the outer limits of customs waters. Whenever the President finds that, within any customs-enforcement area, the circumstances no longer exists which gave rise to the declaration of such area as a customs-enforcement area, he shall so declare, and thereafter and until a further finding and declaration is made under this subsection with respect to waters within such area no waters within such area shall constitute a part of such customs-enforcement area. The provisions of law applying to the high seas adjacent to customs waters of the United States shall be enforced in a customs-enforcement area upon any vessel, merchandise, or person found therein."

Mr. SAMUEL B. HILL. Mr. Chairman, the bill now under consideration was drafted, considered, and reported by the committee before the decision by the Supreme Court in the Schechter case, and this committee amendment, a substitute for section 1a of the bill, makes the language of that section conform to the decision laid down in the Schechter case by the Supreme Court as to standards required in the delegation of power.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. JENKINS of Ohio. I do not know that I have seen this amendment before, but the gentleman probably remembers I raised a question in the committee about this section.

Mr. SAMUEL B. HILL. I think the gentleman sat in with the subcommittee at the time the amendment was considered and formulated.

Mr. JENKINS of Ohio. I do not recall being present when the final draft of the amendment was adopted. I want to ask now one question I asked of the committee: Does this amendment affect the present 12-mile limit?

Mr. SAMUEL B. HILL. No. The customs area defined by this amendment commences at the outer edge of the present customs waters and extends seaward.

Mr. JENKINS of Ohio. Then it does not touch the 12-mile limit?

Mr. SAMUEL B. HILL. It touches it, yes; but touches the outward edge and extends seaward.

Mr. VINSON of Kentucky. The beginning of the customs area defined in the bill is at the outer edge of the present customs 12-mile limit and extends seaward not more than 50 miles and coastwise possibly 200 miles, 100 miles on each side of the vessel.

Mr. JENKINS of Ohio. But the 200 miles is all outside the 12-mile limit.

Mr. SAMUEL B. HILL. Yes.

Mr. JENKINS of Ohio. Repeal of the establishment of this additional customs area is provided for. Would such a repeal in any way affect the 12-mile limit now existing?

Mr. SAMUEL B. HILL. It does not affect the 12-mile limit at all.

Mr. VINSON of Kentucky. Such repeal would not in any way affect any portion of the 12-mile limit.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

TITLE IV

SECTION 401. When used in this act:

(a) The term "United States", when used in a geographical sense, includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam.

Mr. SAMUEL B. HILL. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. HILL of Alabama: Page 33, line 6, after the word "islands", insert the words "Canal Zone."

The committee amendment was agreed to.

Mr. KENNEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is a drastic law. In some particulars it corresponds largely to the Jones "five-and-ten" law. I do not know just how effective it is going to be. It carries very severe penalties, of course. But penalties do not seem to curb profitable rackets, of which smuggling is but one. The gentleman from New Jersey, my colleague, stated that the Gov-

ernment expects to save $100,000,000 in liquor revenue through the operation of this new law. Very good. Still it is my belief that we shall salvage such a sum only when we make it unprofitable for the smuggler and bootlegger to carry on his racket. We can easily take the profit out of smuggling by reducing the tax on liquor. Then and not till then shall we know that we have conquered the smuggling of liquor. It was brought out casually a few moments ago that the Ways and Means Committee would presently consider the question of a reduction in the liquor taxes and duties. That question should have had preference over that here involved. Action on that score would have been far more effective for our purposes, because we can accomplish by the application of economic law what we can never control by a penal law designed to regulate the habits and morals of our people. Once there is established a sound economic law affecting the liquor traffic, there will be an end of smuggling.

The committee report reads that during prohibition there was very little smuggling. That was because the liquor traffic then was regulated according to economic law.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. KENNEY. I yield.

Mr. DOUGHTON. Has the gentleman read the report?

Mr. KENNEY. I have; yes.

Mr. DOUGHTON. The committee report says "pre-prohibition days."

Mr. KENNEY. Yes; that is what I had in my mind, exactly; the pre-prohibition period. We were then functioning in economic order. Now, glance for a moment at the question of prohibtion. It is true that moralists initiated the movement, but final action came about through the support of great industrialists, fortified by strong money power emanating from their power houses of money, by means of which they were able to capitalize their idea—their objective—and the objective was to divert the vast moneys employed in the liquor traffic into other channels of business in which they were interested. That is how we got prohibition in this country. But prohibition did not succeed in accomplishing the objective for which it was designed by the industrialists. It was found that we could not successfully regulate the habits and morals of our people, despite heavy and drastic penalties, and consequently there existed an unsurmountable barrier or dam, effecting a stoppage of the flow of moneys from the liquor trade to the business channels for which they were intended. Instead, the taxes that went to the Government, together with the liquor-traffic moneys, found their way into bootleg channels, which were and remained outside the pale of our economic structure. Repeal, in the circumstances, had to come, and when it came through another amendment to the Constitution, which carried after support by President Roosevelt and others versed in the law of economics, prohibition was repealed not upon moral grounds but for economic reasons.

The result was to bring back in large measure to the realm of our economic structure the moneys which had been taken from it by the bootleggers. These moneys began to flow through legal liquor trade and commerce and the Government again was the recipient of its liquor taxes which lifted the burden of public taxation.

Now, we are worrying about losing $100,000,000 on account of the smuggling of liquor into this country, but we close our eyes to the smuggling into this country of millions upon millions of dollars of lottery tickets every year. If we are so concerned with saving money to the Government, why do we not look into the lottery question from its economic side and take action? There are from three to six million dollars a year flowing in lottery channels, foreign and domestic, and these lottery moneys are circulating outside the pale of our economic structure. The moneys will not go into business and trade channels. We cannot get it in. We can prohibit, but we cannot prevent our people from participating in lotteries. The postal laws are drastic; but our citizens go in for sweepstakes, chain letters, and are besides the victims of dishonest lotteries of varying kinds and descriptions. These moneys do not circulate within our economic realm. Vast sums go abroad to foreign countries. Certainly they do not replenish the economic stream of our country. They do not aid our trade or commerce. It has been proven that our penal laws will not attract lottery moneys to our commercial and business life and away from uneconomic uses.

What, then, can he do about it? There is a way. We can tap this available supply of money. It is available to the Government. The only requirement is a legal outlet. The Congress should not delay in bringing the vast lottery treasure within the pale of our economic structure. It can do so by establishing a national lottery in the country to be operated by the Government. The receipts from such a source will bolster the Treasury, lessening the demand for taxes on the trade and business and the taxpayers of this country. It is high time that the Ways and Means Committee and the Members of this House consider and pass my bill for a national lottery. [Applause.] Nearly every foreign country has one. The lottery is sound economically. It has served well in crises in this country during the formation of the Republic. It will serve us now.

[Here the gavel fell.]

The Clerk concluded the reading of the bill.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LUDLOW, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 7980) to protect the revenue of the United States and provide measures for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs enforcement areas, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROPOSED AMENDMENT TO SECTION 2 OF THE CLAYTON ACT

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein copy of a bill which I am today introducing.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I wish to discuss the following bill, which I have introduced:

H. R. 8442

A bill to amend section 2 of the Clayton Act

Be it enacted, etc., That section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), is amended to read as follows:

"SEC. 2. (a) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price or terms of sale between different purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce and where such commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States: *Provided*, That nothing herein contained shall prevent differentials in prices as between purchasers depending solely upon whether they purchase for resale to wholesalers, to retailers, or to consumers, or for use for further manufacture; nor differentials which make only

due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered: *And provided further*, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona fide transactions and not in restraint of trade.

"(b) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to pay or grant, or to receive or accept, anything of value as a commission, brokerage, or other compensation to an agent, representative, or other intermediary in connection with the sale or purchase of goods, wares, or merchandise where such intermediary is acting therein for or in behalf or is subject to the direct or indirect control of any party to such purchase and sale transaction other than the person by whom such compensation is so granted or paid.

"(c) That it shall be unlawful for any person engaged in commerce, to pay or contract for the payment of anything of value to or for the benefit of a customer of such person in the course of such commerce, as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale, or offering for sale of any products or commodities manufactured, sold, or offered for sale by such person, unless:

"(1) Such payment or consideration is offered on proportionally equal terms to all other customers competing in the distribution of such products or commodities; or unless

"(2) The business, identity, or interests of such customer are in no way publicly associated, by name, reference, allusion, proximity, or otherwise, with or in the furnishing of such services or facilities, and the consideration paid therefor does not exceed the fair value of such services or facilities in the localities where furnished.

"(d) For purposes of suit under section 4 of this act the measure of damage from any violation of this section shall, in the absence of proof of greater damage, be presumed to be the unit amount of the prohibited discrimination, payment, or grant concerned, multiplied by:

"(1) The volume of business involved in such violation in case the plaintiff shall be in competition with the grantor therein in the distribution of the products or commodities concerned.

"(2) The volume of plaintiff's business in the respective products and commodities, and for the period of time concerned in such violation, in case the plaintiff shall be in competition with the grantee therein, or, in cases under paragraph (b) of this section, in competition with the intermediary or with the person for or under whose control such intermediary shall act therein."

THE PURPOSE

This bill is designed to accomplish what so far the Clayton Act has only weakly attempted, namely, to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by his chain competitor.

THE EVIL

In the field of merchandise distribution a Goliath stands against divided forces plying a powerful weapon with a skillful hand against the vulnerable weaknesses of his opponents.

The Goliath is the huge chain stores sapping the civic life of local communities with an absentee overlordship, draining off their earnings to his coffers, and reducing their independent business men to employees or to idleness.

His weapon is huge buying power, by the manipulation of which he threatens manufacturers and others with financial stringency or even bankruptcy if they refuse him the prices and terms he demands.

His opponents are not only these manufacturers, not only the independent competitors whom he seeks to eliminate, but the consuming public, whom he hopes then to have at his mercy.

Their weaknesses, which he renders all the more vulnerable by playing off their strength against each other, are these:

First. The manufacturers' large overhead, which deepen their losses from business lost, and magnify their gains on new business gained.

Second. The decentralization of independent competitors, and the obstacles which the law raises against them if they attempt organized resistance to those manufacturers who seek to make up from them the net profits which they lose on the chains.

Third. The disorganized individualism and hand-to-mouth buying habits of the purchasing public, who cannot realize nor foresee—nor indeed, resist if they could—the ultimate monopolistic motives concealed beneath the loss-leader prices and other trick merchandising tactics of the chains—practices which, because of their far-flung resources, they can concentrate with more deadly effect in one community at the cost of another.

THE PRINCIPLE

This bill seeks no more than to protect and better secure in the field of food and merchandise distribution, the simple birthright of every free American to equal opportunity; equal opportunity to devote his talents and resources to the service of the public in which he finds his being, and to have in exchange that reasonable return to himself which is commensurate with the service and quality value of his contribution to that public. This bill opposes no obstacles to legitimate and productive human endeavor in any path, nor to the utilization of more economical methods or processes wherever they may be devised by the wit of man, nor to the appropriate division of the fruits of those economies between those who make them possible and those whom they serve. It leaves every man free to make what price or terms he will, to use what services or facilities he will; but where he might otherwise do so in prejudice to the equal opportunity of his fellows, it requires him to treat all alike. It is founded on principles of human conduct as simple as the Golden Rule and as fundamental as that which forbids one to collect from a friend for services rendered to his enemy.

THE MEANS

The bill proposes to amend section 2 of the Clayton Act in four subparagraphs, directed respectively at the suppression of unfair quality price discriminations, at dummy brokerage allowances, at pseudo-advertising allowances, and finally to increase the facility of enforcement and rectify as between the parties concerned the evil consequences of violation.

Section 2 of the Clayton Act as it now stands raises a feeble gesture against price discrimination. That gesture is futile because it still permits quantity discounts without suggesting any measure or standard to limit their abuse; because, further, it permits price discriminations to meet local competition. For enforcement the act relies upon the cumbersome procedure of the Federal Trade Commission, upon civil suits for injunction to be brought by overloaded United States attorneys, and upon private suits for injunction and for the recovery of triple damages. The latter have seldom proved effective, first, because of the weakness of the prohibition in the act itself; second, because of the difficulty of obtaining evidence; and, third, because of the difficulty of proving specific damages to competitors, where damages are so obvious in fact but so indeterminable in amount.

EXPLANATION OF AMENDMENT

These difficulties the proposed amendment meets in this way:

Section (a) prohibits generally price discriminations between purchasers of goods of like grade and quality, but permits differentials between wholesalers, retailers, consumers, and those who purchase for further manufacture. It also permits differentials representing differences in cost resulting from the differing methods or quantities involved in the sales and deliveries to the particular purchasers involved in the discrimination. It thus throws upon the manufacturer or chain in case of controversy the burden of showing that a particular discrimination falls within one of these exceptions, a requirement that is obviously fair, since he knows best what his costs are, and who his customers are, and has at his peculiar command the cost and other record data by which to justify such discriminations if such justification exists.

In its effect this bill would, for example, permit independents to pool their purchases and thereby obtain the same prices as chain stores buying in like quantities and for delivery in like manner, a result which the courts have held the Clayton Act as it now exists does not secure. Even where this is not done the bill would prohibit differences in price in spite of differences in quantity, where such differences do not represent differences in cost. Many claim, for example, that deliveries in carload lots represent no appreciable differences in cost, whether the order is for one car-

load or 10 carloads. Whether this is true is a question of fact, but in either case this bill insures to the independent dealer who buys one carload, whether of groceries, dry goods, hardware, or any other commodity, the same price that is given to the chain buying 10 carloads of the same goods, unless that chain can show a concrete saving in cost resulting from its method of purchase and delivery as compared with its independent competitor.

WHEN BROKERAGE AND COMMISSION ALLOWED

Section (b) prohibits the payment of brokerage or commission in any sales transaction where the broker is acting in fact for or under the control, not of the one who would pay him the commission, but of the other party to the transaction. It is directed against the corruption of the true brokerage function as a real and valuable servant of commerce, into a subterfuge for those unfair and coercive price discriminations which constitute such a real menace to commerce. It does not prevent or hamper anyone in rendering real brokerage services; it does not forbid anyone to invest or continue his investment in a brokerage business; but it does forbid the abuse of this or other methods of control whereby the broker is converted into a servant of one party to the transaction at the cost of the other.

PSEUDO-ADVERTISING ALLOWANCES

Section (c) is aimed at the suppression of pseudo-advertising allowances, a favorite disguise for price discriminations which will not bear publicly being named as such. Again, it in no way impairs or obstructs legitimate advertising, or the selection and use of such means as are economical and effective for that purpose. Where it is advantageous in these respects to do so, it permits the manufacturer, for example, to employ or engage the services of his customers in their respective local communities, in lieu of sending out a force of his salaried representatives, to handle local advertising. It only imposes upon him two requirements, which are sufficient to remove the competitive wolf from this sheep's clothing. It requires the manufacturer either to make that allowance available on proportionally equal terms to all of his customers within the same competitive sphere, or to keep the services concerned divorced from any reference to the business of the particular customer whom the manufacturer selects for the purpose.

Thus if the manufacturer wishes to assume part or all of his customer's local advertising cost by furnishing him with window-display service, newspaper lineage, billboard posters, or if he wishes to pay him an allowance to have his clerks promote that manufacturer's products, he may do so, regardless of the amount of the allowance involved, so long as he makes it likewise available on proportionately equal terms to all other customers, independent as well as chain, within the same competitive sphere.

If, on the other hand, the manufacturer wishes merely to employ particular customers in selected communities to handle and supervise his local advertising plans rather than pay the traveling expenses and other costs of salaried representatives emanating from his home office, he is equally at liberty to do so, and to select the customers whom he considers most suited for that purpose, so long as he pays them only the fair value of their services and so long as such services do not refer in any way to the local business of the customer so selected. Thus the bill at the same time protects the freedom of legitimate advertising and prevents its corruption to the purposes of competitive coercion and discrimination.

PRESUMPTION OF DAMAGES

Section (b) is designed to aid enforcement by providing a presumptive measure of damages, thus avoiding the difficulty of proving specific damages that has afflicted this remedy under the Clayton Act heretofore. It makes the amount of the unlawful discrimination itself the measure of such damages as applied either to the volume of sales on which it is given or to the volume of the competitor's business in the same product, which is the business naturally injured thereby. It is only a presumptive rule, however, and when circumstances are such that greater damages can actually be proven the law would still permit their recovery.

TEXAS CENTENNIAL EXPOSITION

Mr. JOHNSON of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (S. J. Res. 131) providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes, and immediately consider the same.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. TABER. Mr. Speaker, reserving the right to object, may I ask the gentleman to tell us how much money this is going to cost?

Mr. JOHNSON of Texas. What I desire to do is to substitute the House bill for the Senate bill; that is, strike out all after the enacting clause. The bill authorizes an appropriation of not to exceed $3,000,000.

Mr. TABER. It seems to me that a bill of that size should go through the regular channels and come up for consideration on the Consent Calendar. If the gentleman presses his request, I shall have to object.

Mr. JOHNSON of Texas. I did not understand the gentleman.

Mr. TABER. I think a bill of that size should go on the Consent Calendar and come up at a time that those who are accustomed to examining and scrutinizing such bills are present and prepared to go into the matter. If the gentleman from Texas [Mr. JOHNSON] insists upon his request, I shall have to object.

Mr. JOHNSON of Texas. May I say in response to the gentleman's statement that this bill has the unanimous endorsement of the Foreign Affairs Committee and has already passed the Senate unanimously. I have talked with the leaders on the Republican side as well as the Democratic side. They are familiar with the terms of the bill. Of course, after passage of the bill the making of the appropriation will be up to the Appropriations Committee, of which the gentleman from New York [Mr. TABER] is a member, and that committee will have to determine the amount to be appropriated. This bill simply is an authorization, and I trust the gentleman will not insist upon his objection.

Mr. TABER. The consideration of bills on the Consent Calendar is only a few days off.

Mr. JOHNSON of Texas. May I say further that the State of Texas has by constitutional amendment appropriated $3,000,000. The city of Dallas has raised $6,000,000. They are donating also the use of the State fair grounds, which has an appraised value of $4,000,000. This involves a total of over $10,000,000 that Texas has contributed. This bill authorizes an appropriation for less than one-half of the amount appropriated for the St. Louis Exposition, which was in celebration of the Louisiana Purchase, where the area acquired was much less than that acquired by the annexation of Texas and the Mexican cession occasioned by the annexation of Texas. That was also a barter and sale proposition whereas the annexation of territory of Texas was by a patriotic war in which we won the independence of Texas.

Mr. TABER. Mr. Speaker, I shall have to object.

ORDER OF BUSINESS—THE PRIVATE CALENDAR

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that on Thursday next it shall be in order to consider individual bills on the Private Calendar under the rule.

Mr. MICHENER. Mr. Speaker, reserving the right to object, what is to be the program for the rest of the week?

Mr. O'CONNOR. I may say, Mr. Speaker, we hope that we may be able to take up the A. A. A. amendments on Thursday and Friday.

Mr. MICHENER. Have the A. A. A. amendments been reported out by the committee?

Mr. O'CONNOR. I understand not. We also have a number of rules which we may take up.

Mr. MICHENER. Can the gentleman give us any idea what those rules will be or what subjects they will cover this week?

Mr. O'CONNOR. We have pending some rules——

Mr. MICHENER. Dealing with what?

Mr. O'CONNOR. We hope to bring out tomorrow a rule dealing with the continuance of the Central Statistical Board and a rule for the consideration of the bill authorizing the Parker Dam project.

Mr. MICHENER. That is one of the projects where work was done without authorization.

Mr. O'CONNOR. I think some court held it was not authorized.

Mr. MICHENER. The court was undoubtedly in error, according to the gentleman's view. [Laughter.]

The SPEAKER. The gentleman from New York asks unanimous consent that it shall be in order on Thursday next to consider individual bills on the Private Calendar. Is there objection?

Mr. TRUAX. Reserving the right to object, Mr. Speaker, will an omnibus bill be considered at that time?

Mr. O'CONNOR. No.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERSONS DISABLED IN ARMY, NAVY, MARINE CORPS, OR COAST GUARD

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs be discharged from the further consideration of the bill (H. R. 8317) providing relief for persons disabled in the Army, Navy, Marine Corps, and Coast Guard, and that the bill be referred to the Committee on Pensions.

This bill is a pension bill and therefore should go to the Committee on Pensions.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCOTT. Mr. Speaker, on Sunday morning an article appeared in the Washington Herald that has given me some concern. I do not know whether anybody else paid particular attention to it or not.

I want to call attention first to the fact that the article appeared in a paper owned by Mr. Hearst, who has been conducting a rather villifying campaign against a nation with which we are supposed to be on friendly relations. We have recognized their existence and established friendly relations with them. This particular tirade of which I speak has continued for some time and, like a lot of other things, coasted along without much attention. Now all of a sudden something breaks that brings the whole matter to a head.

This particular article was written by an admiral of the Navy, Rear Admiral Yates Stirling, Jr., who is in command of the Brooklyn Navy Yard. In this article he charges that Russia is in process of fomenting a war against the rest of the world and at the same time he accuses Russia of withdrawing several hundred thousands of acres of fertile and populous land from economic intercourse with the rest of the world. He then refers to Germany as the bulwark against the rapid spread of communism.

It is interesting to note that on December 6, 1933, this same admiral appeared at Madison Square Garden with the Ambassador from Germany and proceeded to make a rather rousing speech calling upon all Germans to restate that German nationalism.

Then this article in the paper finishes with this particular paragraph:

> In the guise of such a great crusade led by Germany against the nation of Russia, maybe yet inarticulate in men's thoughts, cannot one see the outlines of a daring plan, not only forever laying the ghost of bolshevism, but for opening up the fertile land of Russia to a crowded and industrially hungry Europe?

He calls upon the capitalistic nation of the United States to unite behind Germany in a war against the U. S. S. R.

The State Department has already issued an announcement that these were the remarks of an admiral and did not state the policy of the State Department in foreign relations. I think that probably there is a little more behind his article than appears on the face of it. So I have introduced a resolution today directing the Naval Affairs Committee to conduct an investigation of the remarks of the admiral, with a view to some kind of disciplinary action being taken.

Under permission granted by the House, I am adding the resolution referred to.

> Whereas in the Washington Herald of Sunday, June 9, 1935, there appeared an article by Rear Admiral Yates Stirling, Jr., commandant Brooklyn Navy Yard, formerly commander United States naval base, Pearl Harbor, Hawaii, in which he states the necessity of a "crusade" for "opening up the fertile lands of Russia to a crowded and industrially hungry Europe", further making unfriendly, unfair, and uncalled-for statements about a friendly power; and
>
> Whereas the article in its entirety is an advocacy of a declaration of war by the capitalistic countries of the world, of which the United States is one, against Russia; further statements in effect tending to confuse the minds of the people by leading them to believe that the Navy is taking over the State Department and the determination of foreign policy; and
>
> Whereas in addition to grave danger to peace, the written statements of the said Rear Admiral Yates Stirling, Jr., as well as others heretofore printed, are in violation of the rules of discipline of the United States Navy: Now, therefore, be it
>
> *Resolved*, That the Naval Affairs Committee be directed to investigate the statements, facts, and implications thereto from a standpoint of discipline; that they find out what sum or sums have been paid, if any, to the said Rear Admiral Yates Stirling, Jr., by any foreign provocative agent, munitions group, Fascists, or other military, naval, or shipbuilding combinations, and a full investigation of his acts, statements, writings, be made in an attempt to find whether he has rendered any preferential treatment or given any plans to those nations with whom he is on friendly terms; and be it further
>
> *Resolved*, That the Naval Affairs Committee, by resolution or statement, announce whether it assumes, through the Navy and its admirals, jurisdiction over foreign relations; be it further
>
> *Resolved*, That if after investigation it is the finding of the committee that Admiral Stirling has acted in an improper manner and/or in violation of any rule or regulation of the Department it be the recommendation of the committee that Admiral Stirling be dismissed from the service.

LEAVE OF ABSENCE

Mr. BELL. Mr. Speaker, I ask unanimous consent to have the RECORD show that my colleague the gentleman from Missouri [Mr. SHANNON] is excused from attendance on the sessions of the House for an indefinite period on account of illness. He is still ill at home, as he has been for some time.

The SPEAKER. Without objection, the request will be granted.

There was no objection.

Mr. DALY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by Governor Earle of Pennsylvania.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MARTIN of Massachusetts. I object.

ADJOURNMENT

Mr. DOUGHTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 27 minutes p. m.) the House adjourned until tomorrow, Wednesday, June 12, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

382. Under clause 2 of rule XXIV a letter from the Secretary of War, transmitting, pursuant to section 10 of the Flood Control Act approved May 15, 1928, a letter from the Chief of Engineers, United States Army, dated June 6, 1935, submitting a report, together with accompanying papers and illustrations, on a survey of Minnesota River, Minn., for the purposes of navigation and efficient development of its water

power, the control of floods, and the needs of irrigation, was taken from the Speaker's table and referred to the Committee on Flood Control and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HOEPPEL: Committee on War Claims. S. 1932. An act for the relief of the State of California; with amendment (Rept. No. 1162). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 5730. A bill to amend section 3 (b) of an act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington February 6, 1922, and at London April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934; with amendment (Rept. No. 1163). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. EDMISTON: Committee on Military Affairs. H. R. 5075. A bill providing for the appointment of Harry T. Herring, formerly a lieutenant colonel in the United States Army, as a lieutenant colonel in the United States Army and his retirement in that grade; without amendment (Rept. No. 1164). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PATMAN: A bill (H. R. 8442) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys from exploitation by unfair competitors; to the Committee on the Judiciary.

By Mr. HILL of Alabama: A bill (H. R. 8443) authorizing an appropriation to the American Legion for use in connection with Pershing Hall, a memorial already erected in Paris, France, to the commander in chief, officers, men, and auxiliary services of the American Expeditionary Forces; to the Committee on Military Affairs.

Also, a bill (H. R. 8444) to authorize the transfer of a certain military reservation to the Department of the Interior; to the Committee on Military Affairs.

By Mr. STARNES: A bill (H. R. 8445) to further reduce immigration under the quotas, to further increase grounds upon which deportation may be effected, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. WILCOX: A bill (H. R. 8446) providing for an appropriation for the eradication of the West Indian fruit fly and black fly; to the Committee on Appropriations.

By Mr. SCOTT: Resolution (H. Res. 244) for the investigation of certain matters relating to Russia; to the Committee on Rules.

Also, resolution (H. Res. 245) for the investigation of certain matters relating to the Union of Socialist Soviet Republics; to the Committee on Rules.

By Mr. HOFFMAN: Resolution (H. Res. 246) to protect the public; to the Committee on the District of Columbia.

By Mr. MARCANTONIO: Resolution (H. Res. 247) directing the Secretary of the Navy to transmit to the House of Representatives information concerning activities of Rear Admiral Yates Stirling, Jr., of the United States Navy; to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK: A bill (H. R. 8447) for the relief of Leonard Gramstad; to the Committee on World War Veterans' Legislation.

By Mr. COLLINS: A bill (H. R. 8448) for the relief of Roy Masters Worley; to the Committee on Military Affairs.

By Mr. MASSINGALE: A bill (H. R. 8449) to authorize the appointment of John Easter Harris as major, Corps of Engineers, Regular Army; to the Committee on Military Affairs.

By Mr. MORAN: A bill (H. R. 8450) granting a pension to Mary Jane Blackman; to the Committee on Invalid Pensions.

By Mr. SMITH of Virginia: A bill (H. R. 8451) for the relief of Patrick O'Brien; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8798. By Mr. BOYLAN: Resolution unanimously adopted by the Navy Post, No. 16, of the American Legion, New York City, providing that the team representing the United States at the Olympic Games in Germany in 1936 should travel to and from those games in ships of the United States registry, manned by American officers and crews, etc.; to the Committee on Naval Affairs.

8799. Also, resolution adopted by Utilities Employees Securities Co., and board of directors, representing 10,632 employees, protesting against the passage of the bills known as the "Public Utility Holding Company Act"; to the Committee on Interstate and Foreign Commerce.

8800. By Mr. BRUNNER: Resolution of the Holy Name Society of the diocese of Brooklyn, N. Y., regarding the conditions in Mexico; to the Committee on Foreign Affairs.

8801. By Mr. FORD of California: Resolution adopted by the Council of the City of Los Angeles, disapproving of section 11 of House bill 6511, in that it does not provide for competitive off-route passenger and express service; to the Committee on Interstate and Foreign Commerce.

8802. Also, resolution of the Senate and Assembly of the State of California, memorializing the President and Congress to consider and enact such legislation and to propose such amendment or amendments to the Constitution of the United States as may be found suitable to prevent further exemption from taxation of any and all bonds and other evidences of indebtedness issued by the Federal, State, and local governments; to the Committee on Ways and Means.

8803. By Mr. PFEIFER: Petition of the Medical Society of the State of New York, New York City, concerning the Banking Act of 1935; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, JUNE 12, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 7980) to protect the revenue of the United States and provide measures for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs-enforcement areas, and for other purposes, in which it requested the concurrence of the Senate.

By unanimous consent, the following routine business was transacted:

PETITIONS AND MEMORIALS

Mr. TYDINGS presented five joint resolutions of the Legislature of the Territory of Hawaii, which were referred

to the Committee on Territories and Insular Affairs, as follows:

(See joint resolutions printed in full when laid before the Senate by the Vice President on the 7th instant, pp. 8821–8823 CONGRESSIONAL RECORD.)

No. 9. A joint resolution requesting Congress to enact legislation enabling the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes;

No. 13. A joint resolution requesting Congress to amend section 202 of the Hawaiian Homes Commission Act, relating to the membership of the Commission and the appointment of officers;

No. 14. A joint resolution memorializing Congress to provide for the issuance, by the Bureau of Immigration of the Department of Labor, of certificates of citizenship to all persons residing in the Territory of Hawaii who are citizens of the United States and who apply for such certificates and present due proof of such citizenship, and to provide for the appointment of a commission to present this resolution before Congress, and to make available to the said commission an appropriation to defray its expenses;

No. 15. A joint resolution requesting Congress to enact legislation authorizing the Legislature of the Territory of Hawaii to provide for the issuance of certain bonds; and

No. 16. A joint resolution requesting Congress to provide financial assistance to the Territory of Hawaii for the segregation, care, maintenance, and treatment therein of persons afflicted, or suspected of being afflicted, with leprosy.

ACTS OF LEGISLATURE OF TERRITORY OF HAWAII

Mr. TYDINGS also presented copies of certain acts of the Legislature of the Territory of Hawaii, which were referred to the Committee on Territories and Insular Affairs, as follows:

No. 118. An act to authorize the United States of America, corporate agencies of the United States, corporations authorized to expend Federal funds, and corporations receiving aid from the United States or any agency or instrumentality thereof, to exercise the power of eminent domain to acquire property for housing projects, and for other purposes;

No. 163. An act authorizing flood-control projects and undertakings by the city and county of Honolulu, and the issuance of bonds or other obligations in connection therewith;

No. 173. An act to authorize the Territory of Hawaii, its political subdivisions and agencies to cooperate with the Hawaii Housing Authority and the United States of America and any agency or instrumentality thereof, by rendering services, conveying or leasing property, and providing for streets, roads, and other facilities, and for other purposes;

No. 174. An act providing for the acquisition, purchase, construction, reconstruction, improvement, betterment, extension, operation, and maintenance of revenue-producing undertakings by any municipality or other political subdivision in the Territory of Hawaii, authorizing and regulating the issuance of revenue bonds for financing such undertakings; and providing for the payment of such bonds and the rights of holders thereof; and

No. 190. An act creating the Hawaii Housing Authority, providing for its powers and duties; authorizing it to engage in slum clearance or projects to provide dwelling accommodations for persons of low income; authorizing it to acquire property by purchase, gift, or eminent domain; authorizing it to borrow money, issue bonds and other obligations, and give security therefor; conferring remedies on obligees of the Authority; providing that the bonds of the Authority shall be legal investments; and providing that the Authority, its projects, and securities shall be tax exempt.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 2887) authorizing the Perry County Bridge Commission, of Perry County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River at or near Cannelton, Ind., reported it without amendment and submitted a report (No. 853) thereon.

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (S. 1788) authorizing the State of Michigan to construct, maintain, and operate a toll bridge across the St. Clair River at or near Port Huron, Mich., and to acquire other transportation facilities between said State and Canada, reported it without amendment and submitted a report (No. 854) thereon.

Mr. BURKE, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 1292. A bill for the relief of Grace McClure (Rept. No. 855); and

H. R. 4651. A bill for the relief of the Noble County (Ohio) Agricultural Society (Rept. No. 856).

Mr. BURKE also, from the Committee on Claims, to which was referred the bill (H. R. 2125) for the relief of George William Henning, reported it with an amendment and submitted a report (No. 857) thereon.

Mr. GIBSON, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 3337. A bill for the relief of James Akeroyd & Co. (Rept. No. 858);

H. R. 4105. A bill for the relief of Julian C. Dorr (Rept. No. 859); and

H. R. 4838. A bill for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department (Rept. No. 860).

Mr. GIBSON also, from the Committee on Claims, to which was referred the bill (S. 1139) for the relief of Henry C. Zeller and Edward G. Zeller with respect to the maintenance of suit against the United States for the recovery of any income tax paid to the United States for the fiscal year beginning October 1, 1916, and ending September 30, 1917, in excess of the amount of tax lawfully due for such period, reported it with an amendment and submitted a report (No. 861) thereon.

Mr. TRAMMELL, from the Committee on Claims, to which was referred the bill (H. R. 3230) for the relief of Rufus Hunter Blackwell, Jr., reported it with an amendment and submitted a report (No. 862) thereon.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (H. R. 4811) for the relief of George W. Miller, reported it without amendment and submitted a report (No. 863) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 3556. A bill for the relief of Sophie Carter (Rept. No. 864);

H. R. 4034. A bill for the relief of Charles Szymanski (Rept. No. 865);

H. R. 4146. A bill for the relief of Mrs. Olin H. Reed (Rept. No. 866); and

H. R. 4610. A bill for the relief of John J. Moran (Rept. No. 867).

Mr. SCHWELLENBACH, from the Committee on Claims, to which was referred the bill (H. R. 4808) for the relief of the Richmond, Fredericksburg & Potomac Railroad Co., reported it without amendment and submitted a report (No. 868) thereon.

Mr. CAREY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2695) to add certain lands to the Medicine Bow National Forest, Wyo., reported it with amendments and submitted a report (No. 869) thereon.

Mr. COPELAND, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 115. A bill to amend section 27 of the Merchant Marine Act, 1920 (Rept. No. 870); and

S. 501. A bill to provide for the establishment of a Coast Guard station on the coast of Oregon, at or near Taft, Oreg. (Rept. No. 871).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of Nelson Trusler Johnson, of Oklahoma, now Envoy Extraordinary and Minister Plenipotentiary to China, to be Ambassador Extraordinary and Plenipotentiary to China, which was ordered to be placed on the Executive Calendar.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MURPHY:

A bill (S. 3036) to amend the Packers and Stockyards Act, 1921; to the Committee on Agriculture and Forestry.

By Mr. BYRD:

A bill (S. 3037) for the relief of the heirs at law of Barnabas W. Baker and Joseph Baker; to the Committee on Claims.

By Mr. OVERTON:

A bill (S. 3038) to authorize the transfer of certain lands in Rapides Parish, La., to the State of Louisiana for the purpose of a State highway across a portion of the Federal property occupied by the Veterans' Administration facility, Alexandria, La.; to the Committee on Public Lands and Surveys.

By Mr. HASTINGS:

A bill (S. 3039) for the relief of the heirs of Prof. William H. H. Hart, principal of the Hart Farm School and Junior Republic for Dependent Children; to the Committee on Claims.

By Mr. TRAMMELL:

A bill (S. 3040) authorizing the Secretary of the Navy to accept gifts and bequests for the benefit of the Office of Naval Records and Library, Navy Department; to the Committee on Naval Affairs.

By Mr. GORE (by request):

A bill (S. 3041) to authorize the appointment of John Easter Harris as a major, Corps of Engineers, Regular Army; to the Committee on Military Affairs.

By Mr. CLARK:

A bill (S. 3042) making appropriations for relief in stricken agricultural areas, and for other purposes; to the Committee on Appropriations.

MINIMUM WAGE STATE COMPACT

Mr. WALSH. Mr. President, I ask consent to introduce a joint resolution providing that a compact for establishing uniform standards for conditions of employment, signed by representatives of several States and ratified by the Legislatures of Massachusetts and New Hampshire, be approved and declared to be effective in accordance with the terms thereof. This compact, when approved, will become the first interstate compact on labor legislation in the history of the country. The compact is the outgrowth of the Eastern Interstate Conference on Labor Legislation held in Boston, Mass., in 1933. This conference called for the preparation of compacts between the several States on minimum wage, child labor, hours of labor, night work, and industrial home work. I ask that the joint resolution embodying the compact and a history of the compact be printed in the RECORD, and that the joint resolution be referred to the Committee on Education and Labor.

The VICE PRESIDENT. Without objection, it is so ordered; and the joint resolution will be received and referred as indicated by the Senator from Massachusetts.

The joint resolution (S. J. Res. 148) granting the consent of Congress to the minimum wage compact ratified by the Legislatures of Massachusetts and New Hampshire was read twice by its title, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

Joint resolution granting the consent of Congress to the minimum wage compact ratified by the Legislatures of Massachusetts and New Hampshire

Resolved, etc., That the compact for establishing uniform standards for conditions of employment, particularly with regard to the minimum wage in States ratifying the same, which was signed in Concord, N. H., on May 29, 1934, by representatives of the Governors of Maine, New Hampshire, Connecticut, Massachusetts, Rhode Island, New York, and Pennsylvania, and which was ratified by the Legislature of Massachusetts on June 30, 1934, and by the Legislature of New Hampshire on May 29, 1935, is hereby approved and declared to be effective in accordance with the terms thereof, which compact is as follows:

"COMPACT FOR ESTABLISHING UNIFORM STANDARDS FOR CONDITIONS OF EMPLOYMENT, PARTICULARLY WITH REGARD TO THE MINIMUM WAGE, IN STATES RATIFYING THE SAME

"TITLE I—POLICY AND INTENT

"Whereas enforcement among the industrial States of the Union of reasonably uniform standards for labor in industry, determined in accordance with the general welfare, would not only benefit labor but would be of real advantage to employers, removing the pressure toward low wages, long hours of work, exploitation of minors and women, and similar action commonly admitted to be injurious to all concerned; and

"Whereas the advantages of such uniform standards have already been indicated by the operation of the National Industrial Recovery Act and the codes of fair competition adopted thereunder; and

"Whereas such operation points to the desirability of continued uniform legislation affecting labor standards, by Federal action or otherwise, and of joint action by the States to establish such uniform standards; and

"Whereas the establishment of reasonably uniform standards in States concerned with the same general fields of industry and competitors in the same markets will afford the advantages of stability in labor legislation to all concerned, with disadvantage to none: Now, therefore,

"The States whose commissioners have signed this compact and which have, by their legislatures, ratified the same, acting to promote the general welfare of the people, do hereby join in establishing the said compact to provide uniform minimum standards affecting labor and industry in the said States: *Provided, however*, That nothing herein contained shall be construed as abrogating, repealing, modifying, or interfering with the operation of laws already in effect in any State party hereto which establish standards equivalent to or above those herein specified, nor to prevent or discourage the enactment of additional laws establishing similar or higher standards; nor shall anything herein contained repeal or affect any laws concerning conditions of employment that are not in conflict herewith or that deal with subjects not included herein: *And provided further*, That no part of any title of this compact nor of any legislation adopted in pursuance thereof, except as may be expressly specified in such title or in such legislation, shall be in effect in any State party hereto until this compact shall have been approved as provided in section 6 of title II, but whenever titles I and II hereof and any other title included herein are so approved and ratified, such titles shall be in full force and effect as laws of the States so approving and ratifying the same.

"TITLE II—GENERAL PROVISIONS

"SECTION 1. Each State party to this compact shall require its administrative agency or agencies charged with the administration and enforcement of this compact and of State laws relating thereto, to make comprehensive and detailed reports concerning the operation and administration of said compact and laws. Such agency shall report at least once each year and shall send copies of such report to the interstate commission established under the following section to the Governors of the several ratifying States and to the appropriate administrative agencies in such States.

"SEC. 2. Each State party hereto shall make provision for a continuing unpaid commission representing industry, labor, and the public, and appointed by the Governor of said State, to deal with the other ratifying States concerning questions arising under this compact and the operation of the same within the limits of their respective States. The chairman of such State commission shall be designated by the Governor and shall be the representative of his State on an interstate commission which shall be composed of the representatives so designated by the several States parties to this compact. The Governors of the signatory States shall request the President of the United States to appoint a representative of the Federal Government to the interstate commission. The expenses of the interstate commission shall be shared equally by the States ratifying this compact. The interstate commission shall annually make a report of its activities and shall furnish copies to the Governors of the ratifying States and to the permanent commisisons of such States.

"SEC. 3. Should any question arise on the part of one or more of the States ratifying this compact concerning a matter involved in said compact or in any State law adopted in pursuance thereof, then such question shall be brought before the said interstate commission for consideration. Said interstate commission shall make any necessary investigations, shall publish its findings and any

recommendations, and shall furnish copies of such findings and recommendations to the State commissions in each State party to this compact.

"SEC. 4. If any ratifying State should desire a modification of any provision or provisions of this compact, or a revision of the entire compact, or if for any reason it should become desirable to extend the scope of said compact, the aforesaid interstate commission shall, upon the application of one or more of the ratifying States, and after 30 days' notice to the Governors and State commissions of the other States, proceed to consider such application and the reasons advanced for the proposed modification or revision and shall make such recommendations to the ratifying States concerning the same as may seem fitting and proper. Whenever said modifications, revision, or extension is ratified in the manner prescribed in section 6 of this title for the ratification of this original compact, and the Congress of the United States has consented thereto, then such modification, revision, or extension shall be in full force and effect in the States ratifying the same.

"SEC. 5. Each State party to this compact agrees that it will not withdraw therefrom until it has reported to the interstate commission the reasons for its desire to withdraw. The interstate commission shall, upon receipt of such report, investigate the situation and shall, within 6 months, submit its recommendations. If the State still desires to withdraw from the compact, it shall defer such action for 2 years from the date of the findings of the interstate commission.

"SEC. 6. Upon ratification by the legislative act of the requisite number of States, as specified in subsequent titles of this compact, and with the consent of the Congress of the United States, this compact shall be in full force and effect in the States ratifying the same. Each State so ratifying shall forthwith enact necessary and suitable legislation to establish and maintain the minimum standards set forth in the following title or titles and shall make provision for the continuing State commission required by section 2 of this title. The appropriate administrative agencies of each State shall thereafter enforce and supervise the operation of the laws relating to this compact and the laws enacted to make the provisions of said compact effective.

"SEC. 7. Any State may at any time become a party to this compact by taking the action required by the preceding section of this title to ratify the same, subject to the consent of the Congress of the United States.

"SEC. 8. If any part of this compact or the application thereof to any person or circumstance should be held to be contrary to the constitution of any ratifying State or of the United States, all other separable parts of said compact and the application of such parts to other persons or circumstances shall continue to be in full force and effect.

"TITLE III—MINIMUM WAGE

"SECTION 1. No employer shall pay a woman, or a minor under 21 years of age, an unfair or oppressive wage.

"SEC. 2. The State agency administering the minimum-wage law enacted in conformity with this compact shall have authority to investigate the wages of women and minors; to appoint wage boards, upon which employers, employees, and the public shall have equal representation, for the purpose of recommending minimum fair wage rates for women and minors; and, after a public hearing, to enter directory orders based on the determinations of the wage boards, together with such administrative rulings as are appropriate to make the determinations effective; and may have further authority, without the agency of a wage board, to enter such orders in the case of occupations with less than a specified number of employees.

"SEC. 3. The State administrative agency and the wage boards appointed by such agency shall have authority to administer oaths and to require, by subpena, the attendance and testimony of witnesses and the production of records relative to the wages of women and minors.

"SEC. 4. The State administrative agency shall have further authority to inspect to determine compliance with its orders; to publish the names of employers violating a directory order; and, after a directory order has been in effect for a specified period, to make such order mandatory after a public hearing thereon. Such mandatory order shall carry a penalty of fine, imprisonment, or both. Said agency shall have authority to reconvene wage boards or to form new wage boards for the purpose of modifying wage orders. It shall have authority at any time, on its own motion, to modify administrative regulations after a public hearing thereon.

"SEC. 5. The State administrative agency shall have authority to issue special licenses to employees who, by reason of physical or mental condition, are incapable of earning the minimum fair wage rate established for the occupation in which they are employed. Said agency shall have authority to take assignment of wage claims at the request of women or minor employees paid less than the minimum wage to which they are entitled under a mandatory order, and to bring legal action necessary to collect such claims. Such employees shall be authorized, under the statute, to recover by civil action the full amount to which they are entitled under a mandatory fair-wage order.

"SEC. 6. Employers subject to the minimum wage law enacted in conformity herewith shall be required to keep specified records, including the names, addresses, occupations, hours, and wages, of the women and minors in their employ; to permit the inspection and transcript of such records by the State administrative agency and its authorized representatives; and, upon request, to furnish said agency with a sworn statement of the same. Employers shall further be required to post and maintain the notices regarding wage orders issued by the State administrative agency.

"SEC. 7. Each minimum-wage law so enacted shall contain provisions for appeal to the courts on questions of law by persons aggrieved by the decisions of said agency. Said law shall also contain a provision to the effect that in no case shall wage orders or decrees entered under a previously existing law be nullified until the provisions of the law enacted in conformity herewith have become operative and until new wage orders covering the same occupations have been entered and made effective.

"SEC. 8. Each minimum-wage law enacted in conformity herewith shall contain a saving clause to the effect that if any provisions of such law or its application be held invalid, the remainder of the law and its application elsewhere shall not be affected thereby.

"SEC. 9. Mandatory fair-wage legislation now in effect in any of the signatory States, and such legislation in course of passage in any of such States as is in conformity with the provisions of this compact, is hereby declared to meet the minimum standards required by this compact.

"SEC. 10. This compact as applied to minimum wage shall, when ratified by two or more States in accordance with the provisions of section 6 of title II, be in full force and effect in the States so ratifying the same.

"In witness whereof the Commissioners of the States of Connecticut, Maine, New Hampshire, New York, Rhode Island, and of the Commonwealths of Massachusetts and Pennsylvania have signed this compact in a single original, which shall be deposited in the archives of the Department of State of the United States of America at Washington, D. C., and of which a duly certified copy shall be forwarded to the Governor of each of the signatory States.

"Done at Concord, New Hampshire, this twenty-ninth day of May, in the year of our Lord one thousand nine hundred and thirty-four."

The history of the compact, presented by Mr. WALSH, is as follows:

HISTORY OF THE COMPACT

This compact is the outgrowth of the Eastern Interstate Conference on Labor Legislation held in Boston, Mass., in 1933. At this conference Governor John G. Winant, of New Hampshire, was appointed chairman of a committee of that conference to consider the form for a labor compact.

Shortly thereafter the Massachusetts Legislature adopted a resolve providing for the creation of a commission on interstate compacts affecting labor and industries. On October 10, 1933, a conference was held in Boston, Mass., comprised of Governors of the New England States and their representatives, which conference unanimously adopted a resolve providing for the appointment of commissions on interstate compacts by the Governors of the New England States.

The Governors of New York, Pennsylvania, and New Jersey have since appointed representatives or delegates to attend the joint conferences and negotiate with the commissioners and delegates from the other States. These commissions include representation of labor, industry, the State legislature, and the public.

The program of the conference calls for preparation of compacts on minimum wage, child labor, hours of labor, night work, and industrial home work.

Minimum-wage legislation was selected by the interstate conference as the first subject for a compact. Five of the States mentioned in the Massachusetts resolve already had minimum-wage laws, four of which were of the fair-wage type recommended by the National Consumers League in its standard bill. The conference has recommended substantially this type of legislation for its compact.

This minimum-wage compact is of the open type, and therefore becomes effective when ratified by two of the signatory States and approved by Congress.

It was ratified by the Massachusetts Legislature on June 1934. Massachusetts has also enacted legislation required to meet the proposed standards. New Hampshire has subsequently ratified this compact and already has on its statute books the legislation that meets the standards required by the compact.

Upon passage by Congress, this minimum-wage compact, having been approved and ratified by the Legislatures of Massachusetts and New Hampshire, will become the first interstate compact on labor legislation in the country.

HOUSE BILL REFERRED

The bill (H. R. 7980) to protect the revenue of the United States and provide measures for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs-enforcement areas, and for other purposes, was read twice by its title and referred to the Committee on Finance.

AMENDMENTS TO SOCIAL SECURITY BILL

Mr. NORBECK submitted an amendment, and Mr. CLARK submitted several amendments intended to be proposed by them, respectively, to House bill 7260, the so-called "Social Security Act", which were ordered to lie on the table and to be printed.

DROP IN THE MARKET PRICE OF SILVER

During the delivery of Mr. LONG's speech,

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield.

Mr. McCARRAN. As a parliamentary inquiry, let me ask if I should request the Senator from Louisiana to yield for the purpose of inserting in the RECORD a letter addressed by myself to the Secretary of the Treasury, and the Secretary's letter in reply, and if I should ask him to yield further for a request for unanimous consent for the introduction of a bill and its appropriate reference, would I take the Senator off the floor? If so, of course I should not interfere with his remarks.

The PRESIDING OFFICER. The Chair is advised that the Senator from Louisiana would yield the floor if he should yield for that purpose.

Mr. McCARRAN. Another parliamentary inquiry: If I should ask the Senator from Louisiana if he had ever heard of my letter addressed to the Secretary of the Treasury, and if he had ever heard of the Secretary's letter in reply to mine, would I take him off the floor?

The PRESIDING OFFICER. The Senator from Louisiana could yield for a question. He would not thereby lose the floor.

Mr. McCARRAN. In keeping with that suggestion, and pursuant to the question, could I have inserted in the RECORD both the letters to which I have referred?

The PRESIDING OFFICER. That would have the effect of removing the Senator from the floor.

Mr. LONG. I ask the Senator to let me have the letters. I will read them into the RECORD. I wish to do my friend all possible courtesy. If there is any other Senator who wishes to get something into the RECORD which would not be permitted otherwise, if he will hand it to me, I will read it into the RECORD.

Mr. McCARRAN. I place in the hands of the Senator from Louisiana my letter addressed to the Secretary of the Treasury on the subject of the Silver Purchase Act of 1934, and his reply thereto.

Mr. TYDINGS. Mr. President, before the Senator reads the letters, may I ask him a question?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Maryland?

Mr. LONG. I yield for a question.

Mr. TYDINGS. I do not wish to take the Senator off the floor, nor do I desire to take any unfair advantage of those on the other side; but I should like to ask the Senator from Louisiana if he will be so kind and courteous as to ask, in his time, that the documents which I hold in my hand, and which, under the Senate rules, have to be printed in the RECORD, may be sent to the desk for that purpose.

Mr. LONG. I do not believe I can do that. I can read them.

Mr. TYDINGS. May I ask the Senator from Louisiana if he knows that the documents which he now holds in his hand are petitions and memorials from the Territories owned by the United States, or a part of the United States, and under the Senate rules they are supposed to be printed in the RECORD? The Senator would not have to read them. He could ask that they be printed in the RECORD in his own time, and in that way accomplish the purpose.

Mr. LONG. Very well.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Can the Senator who has the floor, at the request of another Senator, evade the rules in such a way as not to violate them by doing what the Senator himself could not do?

The PRESIDING OFFICER. The Chair is advised that the Senator from Maryland, under the rules, would have the right to bring the petitions to the desk and have them printed in the RECORD.

Mr. TYDINGS. In that case, if I may ask the Senator from Louisiana to return them to me, I will accomplish the purpose, and I know the Senator will not mind the delightful interlude which my request gave him.

The PRESIDING OFFICER. What the Senator from Maryland desires to do may be done without being done from the floor.

Mr. BARKLEY. Mr. President, a parliamentary inquiry. Does that constitute the transaction of business?

The PRESIDING OFFICER. The Chair is advised that that does not constitute the transaction of business.

Mr. LONG. Now I will read the letters, which I do out of courtesy for my friend from Nevada.

This is a letter written by the Senator from Nevada [Mr. McCARRAN] to Henry Morgenthau, Jr., the son of the man who was in the slot chine business up in New York. [Laughter.] I read the letter:

JUNE 7, 1935.

Hon. HENRY MORGENTHAU, Jr.,
Secretary of the Treasury, Washington, D. C.

MY DEAR MR. SECRETARY: I am at a loss to understand the reason for the recent drop in the price of silver with its other attending phases, and therefore appeal to you for facts of which I am entirely uninformed.

Will you be so kind as to tell me whether the Treasury has sold any silver directly or indirectly through the stabilization fund or through any of its agencies; and, if so, in what quantities and at what price?

Will you also tell me what steps are being taken now by your Department to carry out the provisions of the Silver Purchase Act of 1934?

Lastly, will you kindly inform me as to what reason you attribute the recent fall in the price of silver, which fall was approximately 9 cents?

Frankly, I am concerned about the seeming failure to assure the country on the status of silver. Reports, which I assume, of course, to be wholly unfounded, are being circulated in the world markets to the effect that the United States is to abandon its silver policy; and from some source there seems to come an intimation that your Department was not intent in carrying out the provisions of the Silver Purchase Act. These rumors appear to be particularly persistent in India and China and, from what I can learn, are being circulated without refutation or authentic statements from the Department nor from any person or agency in this country most interested in silver. Cable reports from Shanghai assert that the rumors originate with certain Washington correspondents of the news agencies. Whether this be so, of course, I do not know; but in the absence of any positive statement from the Treasury or congressional circles, such rumors may continue, and it appears to me that something should be done to prevent a demoralization of the market.

I trust that you may see fit to tell an uninformed public that the provisions of the Silver Purchase Act are being enthusiastically carried out by the Treasury Department and that there is not the slightest basis for the rumors to which I have made reference; also that as soon as practicable silver will be equal to one-fourth the value of the monetary metal in the Treasury.

Assuring you of my continued cooperation in carrying out the provisions of the Silver Purchase Act, and with the hope that I may have your reply as soon as it is convenient, I remain,

Respectfully yours,

PAT McCARRAN.

The reply to this letter is as follows:

THE SECRETARY OF THE TREASURY,
Washington.

Hon. PATRICK McCARRAN,
United States Senate.

MY DEAR SENATOR: I refer to your letter of June 7, in which you ask me to furnish you certain facts in respect to our silver-purchase program.

I believe you will agree with me upon reflection that, since the purpose and operations of the stabilization fund are matters of American policy and primarily have to do with international exchange relations rather than domestic monetary matters, discussion of the operation of the fund would not be in the public interest. This has been the fixed policy of the Department since the fund was established. That this is generally appreciated is evidenced by the fact that no inquiry concerning the operation of the stabilization fund has come to the Treasury from any Member of the Congress or other officer of the Government. Only those primarily interested in speculation in silver would seriously question the wisdom of this policy.

I can, however, give you the facts with respect to the operations under the Silver Purchase Act and proclamations relating to newly mined silver. It is entirely consistent with the public interest that these facts should be made known, and they, therefore, furnish the best means of answering your questions.

In carrying out the policy declared in the Silver Purchase Act, and in accordance with the authority and direction therein given, the Secretary of the Treasury has acquired in the 10 months ending May 31, 1935, by purchase, 283,000,000 ounces of silver, as to

which delivery has already been made, and 112,850,000 ounces of silver under the nationalization order of August 9, 1934. During the same period, 25,647,000 ounces of newly mined domestic silver have been received under the Executive proclamation of December 21, 1933. In the aggregate, our stocks of monetary silver have been increased by 421,497,000 ounces.

The extent of these purchases may better be appreciated by a comparison of the amounts of silver which have been produced and consumed in the United States and in the world during the 10 months from August 1, 1934, to May 31, 1935. It is estimated that 25,700,000 ounces of silver were produced in the United States, of which 9,000,000 went into industrial use, leaving a net of only 16,700,000 ounces. During the same period, the Secretary of the Treasury received 16.4 times as much silver as was produced in the United States and 25.2 times as much of that production as was available for monetary use.

The whole world, it is estimated, produced only 156,000,000 ounces of silver during the 10 months from August 1, 1934, to May 31, 1935, of which 60,000,000 ounces were necessary for industrial use. The acquisitions of the Secretary of the Treasury during the same period exceeded the world production by about 265,000,000 ounces, and exceeded such of that production as was available for monetary purposes by more than 325,000,000 ounces. In other words, the receipts of silver were 2.7 times the total world production and 4.4 times the current world output of monetary silver.

The United States agreed at the London Conference to withdraw twenty-four and one-half million ounces of current newly mined silver from production every year. The receipts of silver under the Executive proclamation of December 21, 1933, alone more than comply with this agreement. During the 10-month period from August 1, 1934, to May 31, 1935, we have acquired for monetary purposes 401,100,000 ounces more silver than we agreed to by the London agreement. We have, in fact, withdrawn more than 20 times as much as we agreed to do.

The total amount of silver to be withdrawn each year by all other parties to the London agreement was 10,500,000. The United States alone has withdrawn during the 10-month period 421,497,000 ounces, or 44 times more than the other countries agreed in a whole year.

Under the Sherman Act of 1890 the Treasury purchased during the 3½ years of its operation 168,675,000 ounces. The Treasury has purchased and received delivery of two and one-half times that amount in the 10 months that the Silver Purchase Act has been in operation. Our monthly average purchases during the 10 months from August 1, 1934, to May 31, 1935, have been 10 times the average monthly purchases under the Sherman Act of 1890.

During the period 1920–30 it is estimated that the annual withdrawal of silver for monetary purposes for the whole world, including the United States, averaged approximately 200,000,000 ounces. During the past 10 months the United States has received more than twice the average annual amount taken by the whole world during that period. I have taken a 10-month period, for, as you doubtless know, delivery is usually made at the end of the month, and these figures are based upon deliveries.

The figures on a monthly basis are even more significant. Confining ourselves to actual receipts, during the past 10 months the Secretary of the Treasury has acquired and received delivery of silver averaging more than 42,000,000 ounces a month.

Concerning the policy and purpose of the Treasury Department in carrying out the letter and spirit of the Silver Purchase Act of 1934, the foregoing facts speak for themselves.

Referring to your last question concerning the recent course of the price of silver, I do not believe that the sudden and abnormal rise of the price to 81 cents in the latter part of April was the result of the normal operation of legitimate market forces. I think rather that it is to be attributed to manipulations of speculative interests. The disappearance of this unhealthy condition and influence has been a wholesome development.

Very truly yours,

H. MORGENTHAU, Jr., *Secretary*.

Mr. McCARRAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARRAN. May I at this time give notice that I will, on some occasion within the next few days, address the Senate on the subject of my letter to the Secretary of the Treasury bearing on the subject of the Silver Purchase Act of 1934, together with his letter in reply thereto? If my giving notice under parliamentary rules would take the Senator from Louisiana off the floor, I shall not give it at this time; but, if it would not, then I shall give the notice.

The PRESIDING OFFICER. It would have that effect.

ADDRESS BY GOVERNOR EARLE UPON RECEIVING DEGREE AT LA SALLE COLLEGE, PHILADELPHIA

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by the Governor of Pennsylvania, Hon. George H. Earle, upon receiving the honorary degree of doctor of laws at La Salle College, Philadelphia, on Thursday, June 6, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I cannot tell you how honored I feel in being your guest today and in receiving the degree your college has bestowed upon me. I am proud of the distinction and deeply grateful for the opportunity you have given me to discuss some problems of public affairs that affect us all.

I am particularly impressed by the traditions and background of La Salle College; by the splendid and impressive living memorial erected here to the first great modern educator, Jean Baptiste de La Salle.

Into a world rife with class distinctions, where education, justice, and even life itself were denied to any save the nobility, La Salle projected his idea for education of all the people—the idea that was the foundation of our modern educational system.

La Salle was a great liberal. Coming from a distinguished and wealthy family, he laid aside a life of ease to devote himself to a great mission—that of freeing the serfs of his day from the chains of ignorance.

He opened schools of all kinds. He ministered to the spiritual and educational needs of the poor and provided food for them when they were hungry. Inaugurating mass education, he established for the first time the system of educating whole classes in specific subjects at the same time.

He broke with the tradition which made Latin, the badge of culture and the tongue of the learned, the official language of the schools. Instead, he decreed that the language of the schools he founded should be the native tongue of the people, thus helping to give those tongues a literature.

In the transforming of Europe, the spread of democratic ideals, the granting of justice to stricken peoples—in all of this the schoolrooms of La Salle played a mighty part. Louis XIV and his dynasty are buried in the pages of history, but La Salle, the humble teacher, the idealist, the reformer, lives on.

As the founder of the great teaching order of Christian Brothers, as the originator of the world's first normal school, as the untiring builder and author of an educational system designed to meet practical as well as spiritual needs, La Salle reached an eminence attained by very few and excelled by none.

Even above that was his devotion to the cause of the disinherited. In his own day La Salle was in the vanguard of the movement for human rights, and I sincerely hope that in this respect all of you will follow in his footsteps.

Having been educated by those wise and able men who are the spiritual descendants of Jean Baptiste de La Salle, and having come to learn the high ideals that were his, you can do less than to go forth from here dedicated to his principles and determined to carry them out in private and public life.

The triumph of such principles is particularly necessary in our national life today, when the welfare of millions of our people is threatened by economic conditions and when the power of the only agency we have to handle such great problems—the Federal Government—is at the moment seriously questioned.

I need not tell you that history is being made in this Nation. For the second time in our national life, we have reached the point where we must decide whether we are a loose federation of sovereign and autonomous States or a united people under one flag.

We have built a great country by tearing down the barriers between the States. We have permitted the free flow of commerce and industry between our borders, without regard for State lines. We have gone far in breaking down sectionalism. We have provided safeguards for business in interstate competition. Under a strong Federal Government we have become a mighty people, united by common political and economic bonds, closely linked and interdependent. Only on a national scale, with a National Government strong enough to cope with the problems of 120,000,000 people, could we have achieved the supremacy that is ours among the nations of the world.

The Supreme Court of the United States has ruled that the interstate-commerce clause in our Constitution applies only to goods in transit. Until that ruling was made our people assumed that this clause was intended to permit the Federal Government to intervene in one State when conditions arose that were harmful to business in another State.

There can be no mistaking the broad implications of the Supreme Court's decision. We have come to the point where, under strict interpretation of the Constitution, the right of the Federal Government to deal with the most vital national problems now before us is clouded with doubt.

The President himself has put the question:

"Is the United States going to decide that the Federal Government shall have no right under any written or implied power to enter into the solution of national economic problems, or are efforts to solve them to be restricted to the States?

"Has the Federal Government no right to take any part in trying to better national social conditions?"

Our own experience has taught us that to return national problems to the individual States is to return to chaos. Even in the solution of our local difficulties we are constantly hampered by our close relationship with other States. When we attempt to enact the most elementary social legislation business threatens to move into States that do not have such legislation. When we look for revenue sources we find that many avenues are closed by virtue of the fact that taxable assets may be withdrawn from the State.

Time and time again we are brought to a realization that as States we stand or fall together.

It would be futile to suppose that our 48 States ever could cope with national social and labor problems through local legislation. It would be the blindest folly to assume that industry would not be forced into destructive cutthroat competition, that the sweatshop operators and chiselers would not destroy the entire wage and hour structure of the Nation. No thinking person can seriously believe that business and industry as a whole will adopt the golden rule if governmental regulation is lifted. Under our present competitive system that is impossible, even if business and industrial leaders sincerely wanted it.

The President has said that the country must decide whether we are going to relegate control over national economic and social and working conditions to the 48 States, regardless of the fact that they have far-reaching effects outside the individual States.

He points out the alternative—that the Federal Government attain or restore the powers which rest in every other national government in the world, the right to legislate and administer laws for the solution of national economic and social problems.

These questions provide the greatest peacetime issue that has ever come before this country. Our answer will determine whether we are to go forward as a united Nation, or sweep aside all that we have built up in the last 100 years.

No one who has watched the developments of the past few years can doubt that we have gone through a revolution. Only the verdict of future historians can determine how sweeping that revolution was. Now, having achieved the first step in the reconstruction of our national life, we find that we may have to begin all over again.

No matter what the Supreme Court may rule on specific points of law, the recovery of business is not a matter for the States. The problem is too vast. Our people have assumed that as a matter of course, and the National Administration has gone ahead on that basis. Up to this time it has brought us through an orderly and bloodless revolution, providing the centralized authority which business needed for cooperative effort.

I believe that the people want the new deal. I believe they want it extended, amplified, strengthened. And if they want it, they will have it. The people are sovereign. All power, all authority, ultimately rests with them. They are above constitutions and governments, above courts and institutions. Governments exist only by their permission, and subject always to their pleasure.

Meanwhile the decision of the Supreme Court has placed an added burden upon our National and State Governments. President Roosevelt has before him the monumental task of preventing us from falling back into the chaos he found when he assumed office. He must find ways and means of holding the gains we have made until new machinery can be provided to carry on the work.

I am confident that he will do it well; that he will be equal to this crisis as he has been equal to all other crises. I believe in him. I believe in his ideals and principles. I believe in his courage and resourcefulness. I consider him the greatest statesman this Nation has seen in my time. He has done a great work for humanity, a work that only one of his broad vision and towering strength could have accomplished. Today that work is in danger, and our Nation must stand united lest it be destroyed.

As a citizen I advocated and worked for the election of President Roosevelt. As a candidate for public office I pledged myself to make his policies and his principles a part of the life of Pennsylvania. Since my inauguration I have consistently advocated and fought for those policies and those principles.

Today, as Governor of this Commonwealth—with its 10,000,000 people, its vast industries, its rich natural resources, its fertile farms, and far-flung commercial supremacy—I stand dedicated as unalterably as ever to the great liberal and humanitarian democracy of Franklin Delano Roosevelt.

The destruction of at least one great new-deal agency by court decree and the Nation-wide wave of destructive exploitation which has followed the collapse of Federal safeguards present a challenge to the people of America.

I will accept that challenge. I solemnly pledge that I will carry out, to the absolute limit of the authority vested in me as Governor, the mandate I have from the people of this Commonwealth to make the policies of the new deal effective in Pennsylvania.

Regardless of courts and constitutions, political parties, and the persecution complex of big business, we must and will have social security and justice for labor. Stark necessity demands it, and necessity knows no law. There is no force, no institution, no agency powerful enough to halt the march of progress.

I have no intention of criticizing the Supreme Court of the United States. I am sure that the decision of its members was the result of conscientious study, and was based upon weighty precedents. Nor do I advocate any hasty changes in our fundamental law. What I do believe is that any national government must have ample power to discharge its legitimate functions, and one of the most important of those functions is to provide for the general welfare.

The conditions of today present not only a challenge, but an opportunity, to the young and forward-looking citizens of our land. There is opportunity for great constructive public service; opportunity to establish a way of life based upon the Christian principle of human brotherhood. I hope and sincerely believe that all of you will grasp that opportunity.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

Mr. GORE. Mr. President, I ask unanimous consent to give notice of a motion to reconsider the vote by which Senate bill 2796 was passed.

The VICE PRESIDENT. The Chair did not understand the Senator's request.

Mr. GORE. I ask unanimous consent to give notice of a motion to reconsider the vote by which Senate bill 2796 was passed.

Mr. BARKLEY. I ask unanimous consent that the Journal of yesterday's proceedings be approved without reading.

Mr. McNARY and Mr. LONG addressed the Chair.

The VICE PRESIDENT. Just a moment. We are going a little too fast. The Senator from Oklahoma asks unanimous consent to enter a motion to reconsider the vote by which a bill was passed, as the Chair understands.

Mr. LA FOLLETTE. I object.

Mr. McNARY. May we know what the bill is, Mr. President?

The VICE PRESIDENT. It is Senate bill 2796. That is all the Chair knows about it.

Mr. McNARY. I am not satisfied with that information, and I shall object until a further explanation shall be made.

Mr. GORE. It is the bill to regulate public-utility holding companies.

Mr. LA FOLLETTE. I object, on the ground that no business can be transacted, in view of the pending motion.

Mr. GORE. That is why I asked unanimous consent.

The VICE PRESIDENT. The point raised by the Senator from Wisconsin is well taken.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Johnson	Pittman
Austin	Copeland	Keyes	Pope
Bachman	Costigan	King	Radcliffe
Bailey	Couzens	La Follette	Reynolds
Bankhead	Dickinson	Lonergan	Russell
Barkley	Dieterich	Long	Schall
Black	Donahey	McCarran	Schwellenbach
Bone	Duffy	McGill	Sheppard
Borah	Fletcher	McKellar	Shipstead
Brown	Frazier	McNary	Steiwer
Bulkley	George	Maloney	Thomas, Okla.
Bulow	Gerry	Minton	Thomas, Utah
Burke	Gibson	Moore	Townsend
Byrd	Glass	Murphy	Trammell
Byrnes	Gore	Murray	Tydings
Capper	Guffey	Neely	Vandenberg
Caraway	Hale	Norbeck	Van Nuys
Carey	Harrison	Norris	Wagner
Chavez	Hastings	Nye	Walsh
Clark	Hatch	O'Mahoney	White
Connally	Hayden	Overton	

Mr. BARKLEY. I wish to announce that the Senator from Arizona [Mr. ASHURST], the Senator from Mississippi [Mr. BILBO], the Senator from Kentucky [Mr. LOGAN], the Senator from Arkansas [Mr. ROBINSON], the Senator from Missouri [Mr. TRUMAN], the Senator from Illinois [Mr. LEWIS], the Senator from South Carolina [Mr. SMITH], and the Senator from Montana [Mr. WHEELER] are unavoidably detained from the Senate, and that the Senator from California [Mr. McADOO] is detained by important departmental matters.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness, and that the Senator from Rhode Island [Mr. METCALF] and the Senator from New Jersey [Mr. BARBOUR] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

THE JOURNAL

Mr. BARKLEY. I ask unanimous consent that the reading of the Journal of the proceedings of the calendar day Tuesday, June 11, 1935, be dispensed with and that the Journal be approved.

The VICE PRESIDENT. Without objection——

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma desire to object?

Mr. GORE. Yes; if the rule really requires the reading of the Journal, I think it would be very illuminating to know what happened yesterday.

The VICE PRESIDENT. The rule requires the reading of the Journal only following an adjournment.

Mr. GORE. That was my understanding.

The VICE PRESIDENT. If the Senator desires to object for the moment——

Mr. GORE. No.

The VICE PRESIDENT. If there is no objection, the reading of the Journal is dispensed with and the Journal is approved.

MESSAGE FROM THE HOUSE

During the delivery of Mr. LONG's speech, a message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6836) to provide for the printing and distribution of Government publications to The National Archives.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6323) to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. CELLER, and Mr. PERKINS were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 2591. An act for the relief of Lyman C. Drake;

H. R. 67. An act to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels;

H. R. 2204. An act for the relief of Robert M. Kenton;

H. R. 2422. An act for the relief of James O. Greene and Mrs. Hollis S. Hogan;

H. R. 2466. An act for the relief of John E. Click;

H. R. 2553. An act for the relief of Eva S. Brown;

H. R. 2683. An act for the relief of Henry Harrison Griffith;

H. R. 4448. An act to provide funds for acquisition of a site, erection of buildings, and the furnishing thereof for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland;

H. R. 4798. An act to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army;

H. R. 5456. An act relating to the powers and duties of United States marshals;

H. R. 5564. An act for the relief of Capt. Russell Willson, United States Navy;

H. R. 5720. An act to amend the National Defense Act of June 3, 1916, as amended;

H. R. 6371. An act to authorize an increase in the annual appropriation for books for the adult blind;

H. R. 6437. An act to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain land in the county of Los Angeles, State of California";

H. R. 6987. An act authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 7 meets Texas Highway No. 87;

H. R. 7081. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.;

H. R. 7781. An act to define the election procedure under the act of June 18, 1934, and for other purposes;

H. J. Res. 26. Joint resolution requesting the President to proclaim October 9 as Leif Erikson Day;

H. J. Res. 27. Joint resolution providing for extension of cooperative work of the Geological Survey to Puerto Rico;

H. J. Res. 204. Joint resolution authorizing the erection of a memorial to the late Jean Jules Jusserand;

H. J. Res. 285. Joint resolution to permit the temporary entry into the United States under certain conditions of alien participants and officials of the National Boy Scout Jamboree to be held in the United States in 1935; and

H. J. Res. 320. Joint resolution to extend from June 16, 1935, to June 16, 1938, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

The Senate resumed the consideration of the amendment of the House to the joint resolution (S. J. Res. 113) to extend until April 1, 1936, certain provisions of title I of the National Industrial Recovery Act, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Oklahoma [Mr. GORE] to lay on the table the motion of the Senator from Louisiana [Mr. LONG] to reconsider the vote whereby the Senate agreed to the amendment of the Senator from Oklahoma to the motion of the Senator from Mississippi [Mr. HARRISON] to concur in the amendment of the House with an amendment.

Mr. HARRISON. I ask for the yeas and nays on the motion to lay on the table.

The VICE PRESIDENT. Is the demand seconded?

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BULOW (when his name was called). On this vote I have a pair with the senior Senator from Illinois [Mr. LEWIS]. Therefore I withhold my vote.

Mr. MCNARY (when his name was called). Again announcing, as on yesterday, my pair with the senior Senator from Arkansas [Mr. ROBINSON], I wish to state that if the Senator from Arkansas were present he would vote "nay", and if I were permitted to vote I should vote "yea."

Mr. SHIPSTEAD (when his name was called). On this vote I am paired with the junior Senator from Mississippi [Mr. BILBO], who, if present, would vote "nay." If permitted to vote, I should vote "yea."

Mr. THOMAS of Utah (when his name was called). On this vote I have a pair with the senior Senator from Rhode Island [Mr. METCALF]. I transfer that pair to the junior Senator from Missouri [Mr. TRUMAN] and vote "nay."

The roll call was concluded.

Mr. BARKLEY. I desire to announce the unavoidable absence of my colleague the junior Senator from Kentucky [Mr. LOGAN], who is paired with the senior Senator from Pennsylvania [Mr. DAVIS].

I also announce the absence of the senior Senator from Arkansas [Mr. ROBINSON], on account of important business, and to announce his pair with the senior Senator from Oregon [Mr. MCNARY]. If present, the Senator from Arkansas [Mr. ROBINSON] would vote "nay."

I also wish to announce that the Senator from California [Mr. MCADOO] is necessarily detained on departmental business.

I also announce that the following Senators are unavoidably detained from the Senate: The Senator from Arizona [Mr. ASHURST], the Senator from Mississippi [Mr. BILBO], the Senator from Illinois [Mr. LEWIS], the Senator from Missouri [Mr. TRUMAN], the Senator from South Carolina [Mr. SMITH], and the Senator from Montana [Mr. WHEELER].

Mr. AUSTIN. I wish to announce the following pairs on this question: The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN], and the Sen-

ator from New Jersey [Mr. BARBOUR] with the Senator from Montana [Mr. WHEELER].

The result was announced—yeas 36, nays 44, as follows:

YEAS—36

Adams	Donahey	Lonergan	Reynolds
Austin	Duffy	Long	Russell
Bulkley	Frazier	McCarran	Schall
Byrd	Gibson	McGill	Steiwer
Capper	Glass	McKellar	Thomas, Okla.
Caraway	Gore	Neely	Townsend
Carey	Hale	Norbeck	Tydings
Couzens	Hastings	Nye	Vandenberg
Dickinson	Keyes	Overton	White

NAYS—44

Bachman	Clark	Hatch	O'Mahoney
Bailey	Connally	Hayden	Pittman
Bankhead	Coolidge	Johnson	Pope
Barkley	Copeland	King	Radcliffe
Black	Costigan	La Follette	Schwellenbach
Bone	Dieterich	Maloney	Sheppard
Borah	Fletcher	Minton	Thomas, Utah
Brown	George	Moore	Trammell
Burke	Gerry	Murphy	Van Nuys
Byrnes	Guffey	Murray	Wagner
Chavez	Harrison	Norris	Walsh

NOT VOTING—15

Ashurst	Davis	McNary	Smith
Barbour	Lewis	Metcalf	Truman
Bilbo	Logan	Robinson	Wheeler
Bulow	McAdoo	Shipstead	

So the motion to lay on the table the motion to reconsider was rejected.

The VICE PRESIDENT. The question is on the motion of the Senator from Louisiana [Mr. LONG] to reconsider the vote by which the Senate adopted the amendment of the Senator from Oklahoma [Mr. GORE] to the motion of the Senator from Mississippi [Mr. HARRISON] to concur in the amendment of the House with an amendment.

Mr. LONG addressed the Senate. After having spoken for a few minutes, he yielded to Mr. TYDINGS, and the following debate ensued:

Mr. TYDINGS. Mr. President, will the Senator from Louisiana yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Maryland?

Mr. LONG. I yield.

Mr. TYDINGS. I wish to say to the Senator that I should like to make a brief observation about the holding-company bill, because in the first instance it is going to the House, and then, perhaps, to conference, and I am afraid the Senate voted for a provision in connection with that bill which Senators did not fully understand. My remarks will take only a moment. I do not wish to interrupt the Senator, and if he would rather I should wait I will do so.

Mr. LONG. I do not want to lose the floor.

Mr. TYDINGS. To the holding-company bill which passed yesterday the Senator from Idaho [Mr. BORAH] offered an amendment, which was adopted, preventing holding companies from owning subsidiaries in more than the first degree. As I interpret that amendment, it accomplishes a purpose opposite to that for which it was offered.

The amendment had for its purpose the simplification of the subsidiary structure. Here is what would happen under the amendment: A holding company owns an operating company, but the operating company cannot own an appliance company because that would put the holding company in the second degree. Therefore, the holding company owns its appliance company separately. That makes the appliance company in the first degree to the holding company, and it makes the operating company in the first degree to the holding company.

The owners of the holding company instruct the operating company to sell the appliance company's products; so the employees of the operating company go around and sell the appliances of the appliance company. The expense of selling the appliances is, of course, borne by the operating company. The profit from the sale of the appliances goes to the appliance company, which is owned by the holding company. Therefore, the holding company is making the consumers of the operating company pay the expenses of selling the appliance company's products, and the holding company gets all the profit and has no expense whatsoever, as that is borne by the consumer.

If the amendment had been drafted in the second degree, as I believe the Senator from Idaho originally proposed it, the operating company would have owned the appliance company, and the profit as well as the expense would have accrued to the consumers of the operating company.

I do not wish to make any point now about the matter. I think that statement briefly explains the situation; but if the amendment is permitted to stay in the bill, I respectfully submit that we will have done just the opposite of what we expected to do when the amendment was adopted.

I was hoping to explain the matter yesterday when the hour of 4 o'clock arrived and the vote was taken, so that I did not have an opportunity to bring out this viewpoint.

Mr. SHIPSTEAD. Mr. President——

Mr. TYDINGS. I yield to the Senator from Minnesota.

The PRESIDENT pro tempore. The Senator from Louisiana has the floor.

Mr. TYDINGS. If the Senator will permit me a moment more——

Mr. LONG. I yield for a question to the Senator from Minnesota.

Mr. SHIPSTEAD. I desire to ask the Senator from Maryland if he knows of any operating company now controlled by a holding company that is permitted by the holding company to own its own appliance company and take the profits of selling the appliances.

Mr. TYDINGS. I do not; but I do know that under the amendment offered by the Senator from Idaho, as finally adopted, the operating company would be precluded from owning its own appliance company, because that would make the holding company in the second degree to the appliance company. Do I make the matter clear to the Senator?

Mr. SHIPSTEAD. If a holding company owns an appliance company in the first degree and an operating company in the first degree——

Mr. LONG. Mr. President, if I am to yield for a question, I must hear these Senators. I do not wish to yield to any discussion that will take the floor away from me.

The PRESIDENT pro tempore. If the Senator makes the point of order, the Chair will sustain it.

Mr. LONG. I do not make the point of order.

Mr. TYDINGS. Mr. President, I desire to ask the Senator from Louisiana if he understands that under the bill passed yesterday the holding company would instruct the operating company to sell the appliances of the appliance company, and the operating company would bear all the expense of selling the appliance company's appliances, yet the profit would go to the appliance company, and from the appliance company to the holding company; so that the consumers of the operating company would pay to the appliance company, and through them to the holding company, all the expense of selling the appliance company's products?

Mr. SHIPSTEAD. May I ask the Senator a question?

Mr. TYDINGS. The Senator will have to ask the question of the Senator from Louisiana.

Mr. LONG. I yield to the Senator from Minnesota, if permitted to do so, for a question.

Mr. SHIPSTEAD. Is not that their condition now?

Mr. TYDINGS. Yes; but, if the Senator will yield——

Mr. LONG. I yield again.

Mr. TYDINGS. May I ask the Senator from Louisiana whether he does not feel that there is some merit in this contention.

Mr. BLACK. Mr. President, will the Senator from Louisiana yield to me for a question?

Mr. LONG. I yield for a question to the Senator from Alabama.

Mr. BONE. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator from Washington will state the point of order.

Mr. BONE. This colloquy is very interesting, but those of us in this corner of the Chamber would like to hear what is going on, if we may have a little order.

The PRESIDENT pro tempore rapped for order.

Mr. TYDINGS. Mr. President, will the Senator from Louisiana yield for a question?

Mr. LONG. I yield for a question.

Mr. BORAH. Mr. President——

Mr. LONG. I yield to the Senator from Maryland for a question.

Mr. BORAH. I desire to ask a question.

Mr. LONG. I yield to the Senator from Idaho.

Mr. BORAH. Does the Senator from Louisiana desire to retain the floor?

Mr. LONG. Yes, sir.

Mr. BORAH. Then we had better go ahead with the business before the Senate.

Mr. TYDINGS. Mr. President——

Mr. LONG. I yield for a question.

Mr. TYDINGS. I desire to ask the Senator from Louisiana a question.

Mr. LONG. That is all right. I am perfectly willing to yield for that purpose.

Mr. TYDINGS. Is it not the Senator's understanding that the purpose of the holding-company bill passed yesterday was to prevent the holding company from taking from the consumers of the operating company profits which it had not earned? I ask the Senator that question.

Mr. LONG. I do not know.

Mr. BLACK. Mr. President, may I ask the Senator a question?

Mr. TYDINGS. Will the Senator yield for another question?

Mr. LONG. I yield first to the Senator from Alabama. Then I will yield to the Senator from Maryland.

Mr. BLACK. May I ask the Senator from Louisiana if it would not be a very easy method of escaping from any such dire catastrophe for the operating company to sell its own appliances, without creating a corporation for that purpose?

Mr. LONG. I do not know.

Mr. BLACK. And if the holding company might accomplish the disastrous purpose suggested by controlling another company, would not the way to deal with that situation be to prohibit holding companies even in the first degree, and let corporations do their own business, as the law originally contemplated?

Mr. LONG. I do not know.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield for a question.

Mr. TYDINGS. I should like to ask the Senator from Alabama if he does not think what I have presented does exactly what the Senator from Alabama desires to have done; namely, under the present set-up the operating company cannot own its appliance company? I should like to have the attention of the Senator from Alabama.

Mr. COUZENS. Mr. President, a parliamentary inquiry.

Mr. TYDINGS. Can I be interrupted for that purpose?

The PRESIDENT pro tempore. Always. The Senator from Michigan will state his parliamentary inquiry.

Mr. COUZENS. I should like to know who has the floor.

The PRESIDENT pro tempore. The Senator from Louisiana originally had the floor.

Mr. LONG. I yielded for a question.

Mr. TYDINGS. And therefore I am asking the Senator a question, if I can ever get the attention of the Senator from Alabama [Mr. BLACK].

Mr. COUZENS. I do not understand these post mortems after a bill has passed.

Mr. TYDINGS. I thought the Senator desired to make a parliamentary inquiry, but he made a speech. I asked the Senator from Louisiana if it was not the purpose of the bill passed yesterday to eliminate from the holding company profits which were made at the expense of the operating company, but in which the operating company did not share; and he said he thought it was, as I recall.

Mr. LONG. I said I did not know.

Mr. TYDINGS. Let me ask the Senator if it is not a fact that the operating company cannot own the appliance company if the operating company is owned by the holding company, because that would make the appliance company in the second degree. Under that set of facts, the appliance company is owned separately by the holding company, and the personnel of the operating company sells the appliances of the holding company, and the profits go to the appliance company, whose profits in turn go to the holding company, and the whole burden is on the back of the operating company.

Mr. LONG resumed his speech. After having spoken for about 5 hours, he yielded to Mr. THOMAS of Oklahoma, and the following debate ensued:

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

Mr. HARRISON. Mr. President, I did not understand the request.

Mr. THOMAS of Oklahoma. I suggested the absence of a quorum.

Mr. HARRISON. Of course, I do not want to interfere with the speech of the Senator from Louisiana, but I will have to insist upon the rules with reference to the speech, that no Senator shall be permitted to speak more than twice in one day on the same subject matter.

Mr. LONG. Mr. President, that gives me another speech after this one.

Mr. HARRISON. I do not raise the point of order. I am just stating the rule of the Senate in respect to that matter.

Mr. LONG. It has never been the rule of the Senate that a quorum call shall be interpreted as bringing a speech to a conclusion, as I understand. That has never been the rule of the Senate. If the Senator invokes such a rule he invokes something which has never been done before.

Mr. GORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GORE. Cannot the Senator from Louisiana yield for the purpose of a quorum call without losing his status?

The PRESIDING OFFICER. Under the rules of the Senate he can yield.

Mr. GORE. For the purpose of another Senator raising a point of no quorum?

The PRESIDING OFFICER. Yes.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRISON. If the Senator yields for a point of no quorum to be made, does the Chair rule that he can continue his speech under the rule of the Senate that no Senator can speak more than twice on the same subject matter on the same day?

The VICE PRESIDENT. Is there a parliamentary question before the Senate?

Mr. HARRISON. I made a parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. HARRISON. The inquiry is, If the Senator yields for the point of no quorum to be made, will that be construed, under the rules of the Senate, as not coming under the rule which provides that a Senator cannot speak more than twice on the same subject in the same day?

The VICE PRESIDENT. Under the practice of the Senate a Senator yielding for the purpose of giving another Senator an opportunity of raising the point of no quorum does not yield the floor. That is the universal practice of the Senate.

Mr. HARRISON. What if he should yield twice?

The VICE PRESIDENT. It does not terminate his speech.

Mr. LONG. Very well.

The VICE PRESIDENT. That is the practice of the Senate. The Chair is so advised by the parliamentary clerk, who has been here longer than has the Chair. The clerk will call the roll.

Mr. CLARK. Mr. President, what business has been transacted since the last quorum call?

The VICE PRESIDENT. There has been none, so far as the Chair knows.

Mr. LONG. Mr. President, the Senate refused to table the motion of the Senator from Oklahoma. That question has been voted on.

The VICE PRESIDENT. That was done before the Senator from Louisiana took the floor.

Mr. CLARK. That roll call, Mr. President, developed the quorum.

Mr. LONG. There has been business transacted since the last quorum call.

Mr. CLARK. I make the point of order that there has been no business since the last quorum call.

Mr. LONG. Mr. President, there has been plenty of business transacted since the last quorum call.

The VICE PRESIDENT. The Chair is advised that the Senate voted on a motion, and the vote on that motion developed a quorum, and under the practice of the Senate that does not count as a quorum call.

The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Pope
Ashurst	Copeland	King	Radcliffe
Austin	Costigan	La Follette	Reynolds
Bachman	Couzens	Lewis	Russell
Bailey	Dickinson	Lonergan	Schall
Bankhead	Dieterich	Long	Schwellenbach
Barkley	Donahey	McCarran	Sheppard
Black	Duffy	McGill	Shipstead
Bone	Fletcher	McKellar	Smith
Borah	Frazier	McNary	Steiwer
Brown	George	Maloney	Thomas, Okla.
Bulkley	Gerry	Minton	Thomas, Utah
Bulow	Gibson	Moore	Townsend
Burke	Glass	Murphy	Trammell
Byrd	Gore	Murray	Tydings
Byrnes	Guffey	Neely	Vandenberg
Capper	Hale	Norbeck	Van Nuys
Caraway	Harrison	Norris	Wagner
Carey	Hastings	Nye	Walsh
Chavez	Hatch	O'Mahoney	White
Clark	Hayden	Overton	
Connally	Johnson	Pittman	

Mr. LEWIS. I announce the absence of the junior Senator from Mississippi [Mr. BILBO], the junior Senator from Kentucky [Mr. LOGAN], the junior Senator from Missouri [Mr. TRUMAN], the junior Senator from Illinois [Mr. DIETERICH], and the senior Senator from Arkansas [Mr. ROBINSON], all necessarily detained.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present. The Senator from Louisiana has the floor.

Mr. LONG resumed his speech. After having spoken for about an hour and a half, he yielded to Mr. MCCARRAN to suggest the absence of a quorum, and the following debate ensued:

Mr. MCCARRAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. MINTON in the chair). The Senator will state it.

Mr. MCCARRAN. In view of the subject now being discussed by the able Senator from Louisiana, especially at this hour of the day, I am wondering, under the parliamentary rule, if the Senator from Louisiana should yield for the purpose of a quorum call under a suggestion of the absence of a quorum, whether he would lose the floor.

The PRESIDING OFFICER. No; he would not.

Mr. MCCARRAN. Then I suggest the absence of a quorum.

Mr. BARKLEY. Mr. President, I make the point of order that no business has been transacted since the last call of a quorum.

The PRESIDING OFFICER. The vote on the appeal of the Senator from Oklahoma from the ruling of the Chair constituted the transaction of business, so there has been business transacted since the last quorum call.

Mr. BARKLEY. Does the Chair hold that the vote on an appeal from a decision of the Chair, holding that there had been no business transacted since the last quorum call, constitutes business?

The PRESIDING OFFICER. Under the precedents, it does. The Senator from Nevada has suggested the absence of a quorum. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lewis	Russell
Ashurst	Costigan	Lonergan	Schall
Austin	Dickinson	Long	Schwellenbach
Bachman	Duffy	McCarran	Sheppard
Bailey	Frazier	McGill	Shipstead
Bankhead	George	McKellar	Smith
Barkley	Gerry	McNary	Thomas, Okla.
Black	Gibson	Maloney	Thomas, Utah
Bone	Gore	Minton	Townsend
Borah	Guffey	Moore	Trammell
Brown	Hale	Murphy	Tydings
Bulkley	Harrison	Murray	Vandenberg
Burke	Hastings	Norris	Van Nuys
Byrnes	Hatch	O'Mahoney	Walsh
Capper	Hayden	Pittman	
Clark	King	Pope	
Connally	La Follette	Radcliffe	

The VICE PRESIDENT. Sixty-five Senators having answered to their names, a quorum is present.

Mr. LONG's speech is printed entire as follows:

Mr. LONG. Mr. President, yesterday I made the motion to reconsider. I should like to have a copy of the vote just taken if the clerk will favor me with it. The question now before the Senate is my motion to reconsider. I want to find out just what the situation is. There are a number of absentees. In voting on my motion I should want the full Membership present. I do not desire to call for a quorum if it can be avoided.

I notice a number of Senators have changed their positions both ways since yesterday. I want to congratulate those who voted my way this morning and also regret that any have seen fit to vote the other way. I cannot understand just how it could be that the vote is 37 to 44.

I am reading from the vote just taken, and while I am familiarizing myself with it I want the Senate to understand that I propose to discuss my motion to reconsider. I want to deliberate with this deliberative body and find out whether we are going to proceed further with the consideration of my motion or whether we shall take up some other bill. Someone said to me this morning if I undertook to discuss my motion it would interfere with another bill that he wished to bring up today. I desire to assure the Senate I have no idea whatever of having my motion interfere with bringing up any other bill, but I do want to find out if I can, before we vote on my motion to reconsider, whether or not this is the real representative sentiment of the Senate.

There seem to be a number of absentees. I notice the junior Senator from Mississippi [Mr. BILBO] is absent. The Senator from Arizona [Mr. ASHURST] was absent. I note the absence of the Senator from Pennsylvania [Mr. DAVIS]. He may be paired. The junior Senator from Kentucky [Mr. LOGAN] is absent, but paired, and perhaps some others were paired. The Senator from Illinois [Mr. LEWIS] is paired. The Senator from California [Mr. MCADOO] is absent this morning. There is absence noted of the senior Senator from Arkansas [Mr. ROBINSON], who is paired. The Senator from Minnesota [Mr. SHIPSTEAD] is not recorded as voting.

Mr. SHIPSTEAD. Mr. President, the Senator from Minnesota announced his pair with the junior Senator from Mississippi [Mr. BILBO].

Mr. LONG. Very well. The Senator from South Carolina [Mr. SMITH] was not here this morning. The Senator from Missouri [Mr. TRUMAN] was absent yesterday and is absent this morning. The Senator from Montana [Mr. WHEELER] is not present this morning.

I doubt if the vote just taken represents the sentiment of the Senate. There may be some who would like to have the matter debated.

(At this point Mr. LONG yielded to Mr. TYDINGS, and debate ensued on Senate bill 2796, to regulate public-utility holding companies.)

Mr. LONG. Mr. President, in answer to that question I again state that I do not know.

I have not had the time, as I said a moment ago, to go into the votes cast on the motion to table. I have made in good faith the motion to reconsider. It may be that Senators do not desire this motion to prevail. I can see how Senators could well have voted that way. In other

words, I myself voted to table the motion, as was well understood, for good reasons and good purposes. It may be that there are still Members of the Senate who, rather than have the distinct pleasure of voting against the Senator from Oklahoma [Mr. GORE] by himself, would like also to vote against any motion that I make.

In other words, as was remarked here by my friend from Tennessee [Mr. MCKELLAR] the other day, it may be that I cannot carry this motion. I warn Senators, and I particularly warn my friend from Tennessee, that if this motion shall prevail it will show that I am a powerful Member of this body. [Laughter.] It will show that after Members of the Senate have gone on record as to what they believe to be a proper stand, upon my making a motion they change and go the other way. It will practically prove that the Senate of the United States is operating according to my whims, rather than according to the Senators' own opinions, if this motion shall prevail.

I venture the assertion that the Senator from Tennessee is going to vote with me today if he gets a chance.

What has come over Senators to bring about this immense change? Why have they come here today with such great solicitude to stand against tabling my motion when they did not take that position 24 hours ago? Is it because of the reports from back in the country that the share-our-wealth movement is gaining such momentum that Senators now are afraid that if they do not stand with me it will displease their constituents? Is that the reason? I pause for a reply if there is any other reason. Is it for the reason that the Senator from Tennessee [Mr. MCKELLAR], after having sent out word to his constituents that he was opposed to anything I was for, has found it so displeasing to his constituents that both he and his colleague [Mr. BACHMAN] now have had to place themselves on record the other way? Something is in the way.

Mr. BACHMAN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BACHMAN. I deny the right of the Senator from Louisiana to criticize my action in any way, and I resent it.

Mr. MCKELLAR. Mr. President, in carrying out my conscientious views I greatly regret that it is sometimes necessary for me to vote on the same side with the Senator from Louisiana [laughter]; but when I do so, I wish to assure the Senator from Louisiana that it makes me feel doubtful of my own position. I think I must be wrong in some way when I find myself voting on the same side with the Senator from Louisiana, because I know the Senator is so generally wrong that I can hardly believe he is right at any time. [Laughter in the galleries.]

Mr. TYDINGS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Chair will announce to the guests of the Senate in the galleries that any audible conversation or laughter or other expressions from the galleries interfere with the proceedings on the floor of the Senate, and the Chair, therefore, hopes there will be no further demonstrations.

Mr. MCKELLAR. Do not be too hard on them.

Mr. TYDINGS. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TYDINGS. May the Senator from Louisiana yield for any other purpose than for a question?

The PRESIDENT pro tempore. He may not if a point of order is made.

Mr. TYDINGS. The Senator from Maryland makes the point of order, in order that the rule may apply equally to all Senators, and not apply only to the Senator from Maryland.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question. I will ask Senators who understand the rules and observe the rules to reflect that I can yield only for a question without surrendering the floor. I yield to the Senator from Kentucky.

Mr. BARKLEY. I believe the Senator has stated that the pending measure is his motion to reconsider.

Mr. LONG. Yes.

Mr. BARKLEY. The Senator has referred to it with some pride.

Mr. LONG. Yes.

Mr. BARKLEY. Is the Senator prepared to vote for his own motion to reconsider?

Mr. LONG. I am going to find out about that after I have reasoned the matter out with myself and my colleagues.

Mr. BARKLEY. Those of us who would like to be with the Senator whenever it is possible would like to have a chance to vote with him on a motion he makes.

Mr. LONG. Is the Senator from Kentucky going to vote with me this time?

Mr. BARKLEY. If the Senator votes for his own motion, I will be with him.

Mr. LONG. Then there must be something wrong with the motion. [Laughter.]

Mr. BARKLEY. I thought that when the Senator made it.

Mr. LONG. Mr. President, evidently there is some mix-up here, and it could only have occurred in connection with a bill of this kind. We are in a very tangled mess. I doubt if we will get this thing straightened out by Sunday night. The way we are going now everything is in confusion.

I beg the pardon of the junior Senator from Tennessee [Mr. BACHMAN] for referring to him at all. It is my fault.

My friend the senior Senator from Tennessee [Mr. MCKELLAR] says he is doubtful when he votes on the side I am on. I have the same feeling sometimes, except for the fact that I know there is no malice in the heart of the Senator from Tennessee. I know he is a man without malice.

But I cannot give the Senator from Tennessee all the mention here. He is not entitled to all the mention. For instance, take the case of my friend from Missouri, who voted with us yesterday. He did not vote that way today. He has good reasons, no doubt, for his change of position. However, there might not be any change of position. The Senator from Missouri might want to vote against my motion. Having voted for the motion of the Senator from Oklahoma, that would have given him no chance then to express himself on how he felt with regard to a motion I make, because, as was said by our illustrious leader, the Senate does not vote on merit on some matters I submit. As the Senator from Tennessee said, if I should offer the Lord's Prayer here, it could not carry. That was said some days ago. So it may be that whether or not a motion shall prevail depends on who makes the motion.

Mr. President, the particular case we have just passed upon does not involve a big principle. It involves only the determination of whether or not Senators are Senators.

This is the N. R. A. measure. As everybody knows, the N. R. A. is another form of government, not exactly another form of government, I made a mistake; it is another government. N. R. A. is another government. It is not only another government, it has a President and a Senate and a House of Representatives of its own. It has a high court of its own, and several courts under that court. It has a flag of its own. It has law books of its own, rules of its own, regulations of its own, and God knows what else it has.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. Did the Senator vote for the N. R. A. when it was passed?

Mr. LONG. No; I did not.

Mr. CLARK. Does the Senator mean to say that he did not vote for the act establishing the N. R. A.?

Mr. LONG. I still say that I voted against the N. R. A.

Mr. CLARK. Will the Senator yield?

Mr. LONG. I yield for a question.

Mr. CLARK. Did the Senator vote for the act providing for the establishment of the N. R. A.?

Mr. LONG. I did. [Laughter.] And the Senator from Louisiana also voted——

The PRESIDENT pro tempore. The Chair must repeat that there must be order in the galleries or the Chair will order the galleries cleared.

Mr. LONG. The Senator from Louisiana also voted to strike N. R. A. out of the bill at all times.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. CLARK. The Senator did vote for the final passage of the bill which did contain the provision for the establishment of and the authorization for the N. R. A.?

Mr. LONG. Yes.

Mr. CLARK. And changed his vote at the last minute.

Mr. LONG. I voted also to strike N. R. A. out, and never did change the vote to strike N. R. A. out of the bill. I voted to strike it out of the bill, and not only that, I am still voting against the N. R. A. I am not changing my votes, either. The Senator from Missouri has not changed his vote on this matter yet. I do not think he will.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. Let me say to the Senator from Louisiana that I am in no manner whatever accountable to him for any vote I may see fit to cast, and that my motives for casting any vote are none of his business.

Mr. LONG. I am glad to hear that. I do not want to be held responsible for what the Senator from Missouri does. [Laughter.]

Mr. CLARK. The Senator never will be.

Mr. LONG. I should regret very much to be; and I think that will be good information to people in both our States. It is always a good idea to have it understood, if you are a Member of the United States Senate, that you vote your own convictions. I accord to my colleagues that each of them votes his own convictions, and is under nobody's influence as to how he votes. I am glad that the Senator from Missouri has made that point clear in his remarks, and if I should be asked to yield to the other 94 Members of the Senate I would also be glad to let them have it understood in the RECORD today that they vote their convictions. This is not exactly an experience meeting but it has that aspect.

N. R. A., as I was saying—and I am going to have to repeat, because I want it understood by my friend from Kentucky, who says he wants to vote with me whenever he can—N. R. A. is a new law. U. S. A. is one Government that is in the United States. U. S. S. R. is another Government. U. S. S. R.—U. S. A.—N. R. A. In other words, it is a matter of the vanishing point wherever the "N. R." takes the place of the old-time leaders of the Government.

It has the Blue Eagle. That is the insignia instead of the Stars and Stripes. What is the Blue Eagle supposed to represent? It is supposed to represent power, not good will. Ever since I can remember the bald eagle was held up to me as a frightful sign. Back in the woods where I came from we heard of the bald eagle coming and stealing and eating children, taking them in its talons and carrying them to some far-away nest, stripping their flesh from the bones, and leaving them there, probably not to be discovered for ages. Always it was a frightful sign for the eagle to be given out as an insignia under which one operated.

The N. R. A., which we have under consideration today, was the beginning of this new form of government. It began the emasculation of the Congress. There is no Congress under N. R. A. There is no court under N. R. A. There is no President under N. R. A.

Antitrust laws have been fought for in this country for a hundred years, but there are no antitrust laws under N. R. A. But we have, under the system for which the N. R. A. was the guiding spirit, an entirely different system of government altogether, and after its sponsors had passed the N. R. A. they undertook to make it definitely certain that whatsoever was done would be something that carried out the purpose to do away with the Congress of the United States.

What was the first thing they undertook to do in emasculating the Congress of the United States? There was a law that had been on the books ever since the Republic had existed which stipulated that people in charge of big affairs in this Government had to be appointed by the President and confirmed by the United States Senate. It is still the law that a postmaster drawing from $1,500 to $2,000 a year has to be confirmed by the United States Senate before he can be a postmaster.

There is another law, however, which provides that during a recess of Congress the administration may appoint someone to serve ad interim, or that they may appoint an acting postmaster, but that as soon as possible the Postmaster General shall submit to the President or the President shall submit to the Senate the name of a postmaster to take the place of the acting postmaster, and the law reads "as soon as possible."

Down in New Orleans, La., last summer 1 year ago they appointed an acting postmaster, in the year 1933, and that acting postmaster has been acting postmaster down there for the last 2 years. He has been acting postmaster during two entire sessions of Congress, and they have never submitted his name to the United States Senate for approval, and they have never submitted the name of anybody else to the United States Senate for approval to be postmaster at New Orleans.

Today in Louisiana there is not a Federal official whose name has been submitted to the United States Senate, except one, whose name was submitted and rejected by the Committee on the Judiciary, and whose name was withdrawn from the United States Senate.

I ask Senators, using that State as an example, because it is not the only State where this destruction has shown its effect, is it a good thing to do unconstitutionally what we cannot do constitutionally? Do we have a Constitution or do we not have a Constitution? Do we have laws or not? If we have a law, why is it not just as much the duty of the President of the United States and the Cabinet of the United States to observe that law as it is for any man who is sent to jail for not observing it? What more right has the President of the United States or the Postmaster General to defy the law and violate the law than any other man in the United States?

There is talk about having law and order in the United States in one breath, and there is talk of telling me to go out and shoot every man who violates the law in the same breath, and yet in the next breath we have the pronouncement made by the Postmaster General, who did not dare have himself investigated by the Senate of the United States, because he knows they will find him with the blood of a thousand frauds in his teeth, who comes in and says, instead of observing the law, "I am not going to submit any name to the United States Senate, because if I did the United States Senate would not approve him; therefore I will not observe this law which has been passed by the Congress of the United States."

We have a statute on our books. I hope the Senator from Maryland [Mr. TYDINGS] will not leave for one moment.

Mr. TYDINGS. The Senator from Maryland has to leave for 15 minutes in order to keep an appointment.

Mr. LONG. We have a statute on our books which says—and I desire the attention of Senators—

> Whoever conspires to violate any law of the United States is guilty of a crime himself. Whosoever conspires with one or more other persons for the purpose of violating or not observing a law of the United States must go to the penitentiary. Whoever conspires to violate any law is guilty of a penitentiary offense.

Did not the Postmaster General give out an announcement that after consultation with his cohorts they had concluded to violate the law which required names to be sent to the United States Senate? He openly defied the law. He said, "Not only have I decided to violate it, but there has been set forth, in effect, a conspiracy which has been arranged between myself and my cohorts by which we have decided not to violate 1 law, but 2 laws, 10 laws, 100 laws, a thousand laws." If there ever was a criminal conspiracy which had 10,000 or 100,000 violations hung onto it, it has been this proposition not to send names to the United States Senate.

We in the Senate have stood for most of it—that is, my colleagues have, and I have had to. I could not help myself, and the majority of my colleagues have had to do what they thought was the best thing, according to their conscience and

their good motives, and we have stood for it the best we knew how. Now and then there has been a voice raised against it besides my own, but nothing comes of it.

Finally the Supreme Court of the United States, by a unanimous decision, did say that Congress ought to stay in session and legislate a little bit itself. I was really surprised, Mr. President, at the unanimous decision of the Supreme Court of the United States. I did not expect it. I did not anticipate it. I never for the life of me thought that a unanimous decision would come down which I knew ought to come down.

After I spoke on the floor of the Senate for nearly 3 hours against the N. R. A.; when I advised these important Democrats and important Progressives here that the N. R. A. was unconstitutional in that they had no right to prescribe the laws which they undertook to prescribe, and had no right to vest in one man the right to make laws, which even a Congress ought not to make, all what I said was resaid in better language by the Supreme Court of the United States, and not one thing that I said has been other than upheld by the Supreme Court of the United States. Yet our statesmen in this body are the gentlemen who led us on that blind path, and have come here with another blue buzzard, called the "N. R. A.", that must be put through here before Sunday night at 12 o'clock.

It is said this bill must be passed. They have hammered many half-baked measures of this kind through the Senate.

What is this measure to do? Only naturally some Senators felt that there was a genuine intention to observe the Constitution. We had been led to believe that those in charge of this legislation wished to observe the Constitution of the United States. We who had been led to believe that to be true, actually undertook to observe the Constitution of the United States, so we hooked onto N. R. A. a provision which would have compelled no new law, but an observance of the law which is now on the books. Remember this. I desire the Chair to remember it, and I desire my colleagues to remember it. Senators who vote against requiring the United States Senate to confirm these appointees not only vote against the new provisions of this bill but they actually vote against requiring those who appoint them to keep the law as it is now on the books.

It has so happened that every time we have undertaken to get written onto the books some kind of a provision which would have made them keep the word of the law which is now on the books, something has to occur by reason of which such a provision must be excluded on account of the bill being such that some man thinks it should be kept free from that provision; that nothing ought to be tied onto it which could interfere with its hasty enactment.

Mr. President, we have acted entirely too hastily already. We have gone entirely too fast. In fact, I think every Senator here knows that.

Mr. President, I have not yet undertaken, as I probably should have done, to compare two decisions of the United States Supreme Court. However, I am informed that the United States Supreme Court has held the municipal bankruptcy law to be constitutional. I voted against that bill. Then I understand they have held the Frazier-Lemke law to be unconstitutional. I voted for that bill. I was of the opinion that unless the Supreme Court went along the line of declaring the municipal bankruptcy law constitutional and, perhaps, some of the N. R. A. constitutional, it would not declare the Frazier-Lemke law constitutional. However, I do not understand yet—though I believe the Court, no doubt, had found reasons for its views—how the municipal bankruptcy law has been held constitutional and the Frazier-Lemke bankruptcy law has been held unconstitutional. I thought there were many more reasons why the Frazier-Lemke law should be held constitutional than for the municipal bankruptcy law to be held constitutional.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Idaho?

Mr. LONG. I yield.

Mr. BORAH. Will the Senator advise me in what case the Supreme Court passed upon the municipal bankruptcy act?

Mr. LONG. I understand there was some case which came to the Supreme Court in which it was passed upon. I have not looked that up. The Court did not entirely pass on the whole act, but passed upon some section of it. I will inquire from the Senator if he knows just what that case it?

Mr. BORAH. I have not heard that the Supreme Court has passed on it. I am asking for information.

Mr. LONG. I must confess that I only had the word of an excellent lawyer who told me that, and I did not take the time to look up the decision. However, I hope the Senator from Idaho is correct that there has been no decision on the municipal bankruptcy law. If that is true, then I must change my remarks and express a greater confidence in the Supreme Court of the United States until it does declare the municipal bankruptcy law constitutional.

In my State of Louisiana we pay our debts. Louisiana pays its debts, Mr. President. We paid the debts of our predecessors who squandered our money. We paid the debts of the carpetbaggers who came down there. Notwithstanding the fact that following the Civil War the carpetbaggers overran our State, took charge of the legislature, and with a prostituted government down there issued series of bonds after series of bonds for nothing except graft and squandering to the tune of $11,000,000 worth of them, the State of Louisiana, none the less, is paying every dollar of those carpetbag debts which were laid upon us during the Civil War. Why? Because we want the faith and credit of the State of Louisiana preserved forever—and it will be! The State of Louisiana is not only paying the debts which were created there by the carpetbaggers, but the State of Louisiana is paying the reconstruction debt, and the State of Louisiana is paying a tax in order to pay a pension to the Union soldiers of the Civil War, and it is paying another tax to pay pensions to its own Confederate veterans, all of which we do graciously. We pay two pensions instead of one. We pay the pension which goes to the soldier from Illinois and Wisconsin and Ohio and New York who fought in the Civil War, although the man who fought from Ohio and New York pays no tax for pension to the man from Louisiana or Virginia who fought in that war.

Why do we pay these debts? We pay them, as I have already said, in order to preserve the faith and credit of our State. We do not want any bankruptcy of the municipalities in the State of Louisiana. We had a law against it. I say "a law against it"; we had a law providing that in case any body corporate existing under the laws of the State of Louisiana was unable to pay its debts there should be certain processes resorted to by the State so as to pay the debts of the subdivisions of the State. We in Louisiana felt that every municipality holding a charter under our laws and every other body or bureau created by the authority of the legislature or laws of that State owed an obligation to pay its debts, and if it did not pay its debts, that the State of Louisiana owed a secondary obligation, either to see that it did pay its debts or to try to find some way by which the State should pay them.

In order to explain that fully, let me say that I, as Governor of Louisiana, in the year 1930 took over millions and millions of dollars worth of bonds that the State did not think could be paid by the boards that had issued them. I put the endorsement of the State of Louisiana on the bonds that had been issued by the port of New Orleans; I put the signature and endorsement of the State of Louisiana on the bonds that had been issued by the State highway commission. Yea, more, in some instances I put the endorsement of the State of Louisiana on the open accounts that had been issued by the boards and municipalities of that State in order that the credit of the State might be without any scar wherever the name of Louisiana might be heard.

But this wise body, the Congress, this wise National Government, says to my people in Louisiana, "Why, that is love's labor lost. This wise Government here, under the blue buzzard and blue eagle, this wise Government that

hauled down the Stars and Stripes and put up the N. R. A., this wise Government that put the Constitution in the ash can and put a blue buzzard in its place to look at instead, this wise Government said to the people of Louisiana: "What do you mean going through all these hardships during the last 4 years to pay your debts, just or unjust? What do you mean trying to save and economize? What do you mean trying to eliminate graft, extravagance, and pollution from government? What do you mean by resorting to the old folderol systems of economy and honesty and practicability? We are going to give you a law under which all you will have to do is to go into a United States court and say, 'This town or this city or this parish or this county or this road district or this board of the State has decided that it does not want to pay any honest debts it owes', and thereupon they will all be wiped off the ledger. Though your sins be as scarlet, the United States Congress will make them as white as snow." [Laughter.] So we passed that kind of a law, and it is on the statute books today. I am very glad the Senator from Idaho informed me of a mistake in certain information I had received. I say now that the day the United States Supreme Court stamps as constitutional that infernal character of legislation, that is the day they put a premium on rascality and that is the day they pay for dishonesty. That is what I say about the municipal bankruptcy bill.

Louisiana pays its debts. Louisiana is entitled to be paid whatever people owe it. We want a government that says to the 47 other States, "Pay your debts as Louisiana pays hers", rather than one that says to Louisiana, "What do you mean by paying your debts when 47 other States will not pay theirs?" We want laws that are based upon right and based upon honor. Yet we find the N. R. A. coming back here again. We are to have another sample of the blue buzzard, another bite out of this bird. It is to be cooked up again to see if it will not taste better. It reminds of boarding-house hash. One day there is put on the table a lot of victuals which no one can eat, and the next day they are ground up and brought out as hash, and you eat it because you do not know what is in it.

Bringing back this blue buzzard! The Supreme Court says it is unconstitutional. I am told the President of the United States—I was not here at the time, and if I had been I would not have been able to have seen him, and so I would only have had the newspapers to tell me what he said; and I do not always believe them, because they make mistakes, sometimes intentionally and at other times unintentionally, like all the rest of us do—but I am given to understand that the President suggested a kind of plebiscite, more or less, to enable the people to express themselves as to whether they wanted the Constitution and the Supreme Court or the blue buzzard or the Blue Eagle and the N. R. A. and other things of that kind. I have not read the President's statement very carefully, because, as I have said, it might be somewhat misrepresented, and I do not want to take it out of the whole cloth, but I understand that when the Supreme Court of the United States said by nine out of nine of its justices that the N. R. A. was unconstitutional, illegal, and void—something they did not have to tell me, because I knew it already and said so a year or two previously—over at the White House a message went out from our beloved President, in which he said that the people would have to decide whether or not they were going back to "the horse and buggy" days. Lo and behold, I was coming up on the Southern Railway, and I was reading the statement of the President that the people had to decide whether they were going back to "horse and buggy" days, and I looked right out of the car window from the Crescent Limited train on the Southern Railroad system and I saw two or three men out there plowing with bulls. They did not even have a horse and buggy. I said to myself, "Is this a threat or a promise of the President?" He said, "We are going back to 'horse and buggy' days", and, lo and behold, coming up through the most prosperous part of the Southern States, right opposite textile factories and tobacco plants, the farmers, like the peons of Mexico, were plowing with beef bulls. The President will have to improve the kind of times he has brought about in that part of the country or they will not even have "horse and buggy" days.

Poor as my family was, we never did plow with anything but mules and horses, and none of our neighbors, back as far as I can remember, ever tried to farm with much less than a mule to plow with. We might some of the time use oxen, but I have never heard of us not being able to plow with a mule or a horse. But coming up through that section of the country at about the same time the President was fearful that we might go back to the "horse and buggy" days I saw man after man—and I can go right down there and show them to you—plowing with bulls. They reached the point where they could not even have a horse; they could not even have a mule. I guess they found out they had too many of them in this country, as they did with the cattle and the hogs last year, and went out and killed a few of them. I do not know that that is so, but evidently there is even a scarcity of horses and mules for the restricted purposes of raising crops in the United States, and if the farmers get down to the point where they cannot buy a horse and cannot buy a mule, the powers that be will not reduce the prices of horses and mules; they will not give the farmers any money with which to buy a horse or mule, but when they reach the point where they cannot buy a horse or a mule those in authority will do the same thing they did when we got down to where we could not buy meat. They killed the hogs so we could not have any meat, and they killed the cows so we could not have any beef. That will be the system the Government will inaugurate under the sacred principles of the N. R. A.

As I have said, I like to go along with the powers that be. I am a good soldier; I am accustomed to obey the commands of my superiors. I am accustomed to following those commands. I do not know what it is to lead. I am a good follower and a poor leader. I did not even know how to lead when I was the head of a State government, because before I would propose anything I would submit it to the people of the State and let the people of the State say whether they thought it was a good thing or not, and if the people of the State thought it was a good thing, then I would underake to put through what the people's leadership demanded; and I proposed very few things originally of my own. Therefore, in the Congress of the United States, I would prefer to be a good soldier; I would prefer to follow; I would prefer to have a leader; I would prefer that the mistakes might fall somewhere else rather than on my own shoulders. I would prefer even that the credit might be principally shared by others if I had that grant to me of immunity from mistakes that would be charged against me in the beginning.

Imagine coming from the Parish of Winn, in the State of Louisiana, after reading such skimpy phrases from the Constitution as I could understand, knowing very little of the law, to the famous and greatest deliberative body on earth, although it has deliberated very seldom during the last few weeks, and learning of an opinion from the President of the United States, an opinion from the party leaders, an opinion from this man and the other man, the high muckety mucks of public and legal and private affairs, all of them saying that the N. R. A. is a constitutional piece of legislation. A few of us on this side of the Chamber—I do not know how many of us there were, not a great many, I believe 15 or 16—finally voted to reject the advice and the opinion that had been rendered on the N. R. A., because, knowing the law as we had been led to understand it, the N. R. A. could not stand topside or bottom.

What happened? The news went out all over the United States that they were going to cut the heads off of everybody in Congress who did not vote the N. R. A. way. I have a little time left. They could not take my case before the people very soon, but I shall be the first man in this body

to go before the people. I shall come up first. I come up in January next. I have not yet an opponent. I am hoping the blue buzzard will find somebody down there to stand up against me. I know I am going to have an opponent—at least I believe so. I certainly hope so.

I never yet have been given anything without having an opponent, and after I won the election there has always been a proceeding to remove me from office. I have never yet held an office without having to win in the primary and in the general election, and then to resist a suit in the courts and then, before whatever body it was to which I was elected, to resist an effort to remove me and impeach me. I am case-hardened in this matter. None of my friends will give me the slightest offense, and it makes no difference what kind of political opposition may be directed against me, because I shall take it in good faith. By this time I have learned what it all means, and I take it good-naturedly.

But who is going to put up the emblem of the N. R. A. in Louisiana? If a plebiscite should be taken in the State of Louisiana on how they feel about the N. R. A., it would not get enough votes in 40 years to wad a shotgun. Nobody wants N. R. A. in Louisiana. Nobody wants the blue buzzard in Louisiana. Nobody wants unconstitutional government in the State of Louisiana. We are a debt-paying people. We are an honest people. We are an upright people. We believe, under the benignity of the Almighty God, that this country was given a Government and a Constitution which means what it says and when any party tries to supplant the words of Benjamin Franklin, George Washington, and Thomas Jefferson with the words of such characters as Jim Farley, it is undertaking a thing which cannot under any possible circumstances succeed.

Imagine sending a man like Jim Farley down to my State, smeared with the money he has made out of this contracting fiasco and these damnable frauds which they do not dare to have investigated. Imagine a scoundrel like that coming down and telling the people of Louisiana, "Do not talk of Washington. Do not talk of Thomas Jefferson. We are going to give you big Jim Farley, the boxing commission manager from the State of New York, to run Louisiana!" [Laughter.]

The administration is putting them all on the pay roll down there. We are having good times in Louisiana. Yes; we are having good times. We not only were getting along better than any other State in the Union, but they are promising every man in Louisiana who will say he is against HUEY P. LONG a job at $300 or $400 or $500 a head. We are taking them. We are going to take their money, because we know they are going to stop it pretty soon. We are not going to work. Down there the people are taking the money. We are going to eat up the money of the other 47 States. We are going to have a good time while it lasts. There is no reason why we should not have a vacation. We are going to take your money. We are all going to quit work, because we have been told to quit work and come and get all the money we want, that they have $170,000,000 to beat HUEY LONG. They will need not only $170,000,000 but they will need the $5,000,000,000 they have and $5,000,000,000 more. They have not even got a candidate with their $170,000,000, and if they do get a candidate to oppose me he will wonder what it is all about by the time they get through spending all that money which they are dispensing in Louisiana.

These men are not willing for the Senate to pass on who shall control the spending of that money. One of the men they have in charge of it was operating a coffin club down there. He is one of the Jim Farley-Roosevelt leaders down there now, a gentleman who operated a tombstone and coffin club. It was sworn to by an honorable citizen, and never disputed, that this man who was operating that club promising to bury people with a shroud and coffin for $50, and was waiting until after the burial and going out at night, digging up the coffin, taking the body out of it, taking the shroud off the body, and using it to bury another member of the society the next day.

It was actually said that this thumb-rigging, screw-driving character they have down there running things for Mr. Jim Farley and Franklin Delano Roosevelt "the Little" had a tombstone and coffin club business whereby he agreed, if a man paid 10 cents or 25 cents or whatever it was ever so often, that when he died they would give him a decent burial. They promised him a brass band at his funeral and a coffin and a tombstone and a shroud.

They had those things exhibited in the window of the burial society. They had them all laid out there, a fine suit and a nice fine coffin which they promised everybody would get if he would pay his dues monthly until he died, and said, "Here is the way you will be buried." It was said that when a man would die they would put this shroud around him, put him in this coffin, and carry him out to the graveyard and have the funeral. Then while the ground was still soft that night they would go out and dig up the coffin, take out the body, take the shroud off the body, put the body in a pine box, replace it in the ground, and then pack the ground down tight over it, and put the shroud and coffin on sale again and bury another man in them the next day.

The little bird who was running this skin game had to leave Louisiana. He ran for office two or three times. He had to leave the State of Louisiana. He went over to Texas and opened up this skin game over in the city of Orange, Tex. Lo and behold, he has been sent back to the State of Louisiana. They are in need of someone to distribute the millions of dollars which must be paid back by the people of the United States. They are so sadly in need of someone to help them spend this $5,000,000,000 that they sent over to Texas and brought this tombstone-and-coffin-club character back into the State of Louisiana and are giving him millions and millions of dollars of the people's money to spend there. They do not dare submit that kind of name to the United States Senate, because there is not a man in the Senate who would any more dare vote to confirm that kind of man than he would vote to cut his own throat. They do not dare bring that kind of character before the United States Senate for confirmation.

But what did they do? They tried to emasculate the Constitution of the country that was to save us from that kind of swindle. They destroyed the prerogatives of Congress and the United States Senate which were intended not only to appropriate the money but to supervise its expenditure, by having Congress neither appropriate nor supervise the expenditure of these funds. That is the kind of Government we have.

Talk about party? Talk about party? They are the very people who have destroyed the Democratic Party in the United States. They have wrecked the Democratic Party in the house of its friends. They have destroyed the emblem raised here by Jefferson and by Jackson. Instead of the Stars and Stripes and the Declaration of Independence, they have elected the blue buzzard and the N. R. A., an emblem of political degeneration that nobody has ever been able to fathom from that day to this. We are expected to stand for such a thing as that.

It is up to Senators on the various sides of this Chamber to say what shall be done. I say "on the various sides of this Chamber" because we have about five sides now. I did not know until last week that anything but a sovereign State could have a representative in this body. I thought that only sovereign States had a right to have Senators here. But according to the word of the Secretary of the Interior, Mr. Harold L. Ickes, better known as the "chinch bug of Chicago", there are 47 sovereign States and Louisiana. He said to somebody, "This is a Government of 47 States and Louisiana."

It was only after I heard of that pronouncement from Harold the First (and the last) that I found out that anything but a sovereign State had a right to a representative in the United States Senate. Louisiana is here with two Members, none the less; and we, like all the rest of the men in this Congress and in the body in which I am now speaking, are given to understand that unless we vote for the

things that we swore before Almighty God we would not vote for, we shall be ostracized, and patronage taken away from us.

Senators have held up their hands to God, and they have said to the Lord, in the presence of all men, "I swear before Almighty God that I will vote for no law that is contrary to the Constitution of the United States." They signed their names and swore to God that they would uphold the Constitution before they could come in and be Members of this body; and then they have the edict of such characters as James A. Farley that they will either vote for unconstitutional legislation or they will have taken away from them the senatorial prerogatives which belong to Members of this body, and they will be hounded down with the prostitutions that will be brought about in their States in order to accomplish their personal defeat!

I came in with the majority party. I came in ahead of the President, and I helped bring him in; and I can say that he would not be in now if I had not been here just a little ahead of him. I have not yet heard that statement denied. I have yet to hear it denied that Mr. Franklin D. Roosevelt would not have been nominated at the Chicago convention without the help that we were able to give him, which he would not have had if I had not been with him. Now I see him, I see this Government humbled; I see this mighty Nation with its head in the dust; I see law after law declared unconstitutional by the Supreme Court—laws which I knew and nearly everybody else knew were unconstitutional when they passed. The only basis upon which we heard anyone defend these laws was that the Supreme Court would not dare to declare them unconstitutional.

Take the reciprocal tariff law which we passed. We are going to hear more about that before we get through—this reciprocal tariff law under which the President of the United States has a right to make any kind of a tariff he wishes to make. He can make an agreement with the Emperor of Siam, just so long as he can get some foreign country to say that it is a trade agreement, and wipe out the tariff on sugar, and the tariff on shoes, and the tariff on hides, and the tariff on farm products and citrus fruits and vegetables and things of that kind, and leave the industry defenseless and without any business the next day.

As a pretty good example of what this policy has done, the Japanese are selling their toothbrushes in New York, and the people who used to manufacture toothbrushes in New York are walking the streets. The Russians are selling their shoes in Boston, and the Indians are selling their straw hats in Baltimore; and as a result of what this so-called "reciprocal tariff" policy has done they have about wrecked everything that could be wrecked in the way of legitimate foreign or domestic commerce that a tariff ordinarily is supposed to protect.

I am a tariff man. I am a tariff Democrat. I am a Jackson Democrat. I am a Washington Democrat. I am the kind of a Democrat that George Washington and Andrew Jackson said would vote to protect the American people and the American workingman and keep him employed; and when I see these theoretical "brain trusters" running in here from this and that other place and school—and something that is not even half a school—advising that we ought to make a reciprocal tariff agreement to let some foreign country's products come in here, and see the consequences of it, I know that Washington and Jackson were right in the first place, and that this fol-de-rol was wrong all the time.

Also, I may state for the benefit of those friends of mine who do not believe what they read, even though it be true, that we people of the South are having some experiences. I must refer to a neighboring State, because I was told this by a young man—or, rather, he is a middle-aged man now. He was a young man when I began to battle him in controversies before the courts and commissions.

I was talking in my office the other day to a gentleman by the name of Fulbright. Mr. Fulbright represents the interests of the port of Houston, Tex. He was my adversary in the Galveston rate case when I was chairman of the Louisiana Public Service Commission many years ago. He is a very, very brilliant gentleman, as I have always known him to be, and a man for whom I have a very high regard and whose word ordinarily I would accept on anything he is supposed to know anything about.

Mr. Fulbright said to me the other day, in my office, "Senator, during the past year, four shiploads of cottonseed oil were brought from Europe into the port of Houston." Four shiploads, he said, of cottonseed oil were brought from Berlin, I think he said, from Germany into Houston, Tex., which is supposed to be the greatest export market of cottonseed products that the State of Texas has! Four shiploads of cottonseed oil have been brought into Houston, Tex., from Berlin! I do not think Germany makes any cotton, but they raise cotton up in Russia, and they raise it in Turkey, and they raise it in India, and for all I know they may be buying it from South America, because Brazil is raising a big crop. Already we have gone so far under this tariff policy that we are not only not selling cotton to foreign countries, we are not only not selling cottonseed products to foreign countries, but they are actually shipping back to the United States of America the cottonseed oil that has been pressed out of the cotton of probably Russia or Brazil, and selling it within 10 miles of where the biggest cotton fields are in the entire Southern States. That market is soon going to be gone, and they will sit up here with these theorists and these "brain trusters", and they will have this St. Vitus "Ha, ha", and "things are going to be all right", and the poor fool farmers of the South and the West will let them pay them money out of the United States Treasury and think everything is all right; and when the time comes that they have to pay back that money, and the Government has not any more money to give them, and nothing to sell in the United States with which to get any money, it is going to bring on a calamity and a panic that will make 1893 and 1907 and 1929 look like a copper cent with a hole in it. That is what these men are bringing on in this country. They are corrupting the people of the United States with this policy.

My old father is 83 years old this month. I saw him the other day. He is still farming. He still plants a little corn and still plants a little cotton. I said to him the other day, "How are you getting along with the crop you plant this year?" He said, "Well, it is mighty hard to get any help. When I get any help I cannot get any work at all out of it. Everybody is out of work, and you cannot get anybody to do any work."

I said to my father, "Why, you do not mean that as old as you are—83 years old—you are going to try to do the heavy work of laying by that crop with a plow this year?" That 83-year-old man said, "I can do more work than I can get out of some hands that I can hire. The way you can get them to work this day and time, the labor is so trifling", he said—this 83-year-old man—"the labor is so trifling that I would rather do most of it myself than to fool with the kind of help I have to get that is on these relief rolls, and things of that kind. I am better off ploughing myself than watching after those that I cannot even make work."

There you are! There was an unemployment condition in this country which could have been taken care of in a reasonable way. Anybody who does not believe what I am telling him can go down to Winnfield, La., and find out for himself. I will challenge the members of the press gallery to send down to Winnfield, La., and verify my statement, and see if that is not a positive, honest-to-God fact that is going on right down there today.

What did they do there? I will tell you what they did. There was a little pot-bellied fellow down there who ran for the Senate. There were five candidates for the Senate, and he ran fifth out of the five candidates. If there had been 7 he would have run seventh, and had there been 12 he would have run twelfth. There were five candidates for the Senate. There might not have been more than 4, but I know there were at least 4, and I know he ran fourth out of the 4. This little fellow ran for the Senate. He was fourth out of the four, and by fourth I do not mean he got the kind of vote that the fourth man ordinarily would get. I mean that

he could not run lower than fourth because there were only three other men running against him; but if you had been rating him by the kind of vote he got, as to whether he was third or fourth, you would have thought he was one hundred and sixth rather than fourth.

This little pot-bellied character down there, by the name of Bozeman, goes around the streets of that town. He reminds me very much of a chicken snake. I remember, back in the old days in the woods, how we would hear the hens squalling and the chickens raising Cain out in the backyard at night, and we would run out and take a lamp and a shotgun to see what was the matter; and, lo and behold! We would raise up the hen and there would be a chicken snake that had swallowed every egg there was in the nest, and he would be so big—he would be so puffed out in the stomach—that you could hardly see how he could crawl away from there. This chicken snake would be about 1 inch around at one end and about 1 inch around at the other end, and about 8 inches around in the middle; and he would crawl through a rail fence in order to break the eggs—the way a chicken snake works. A chicken snake will swallow every egg there is in the nest and crawl through a rail fence and break the eggs, so as to get the benefit of the nutrition that is in the eggs.

This little pot-bellied politician who ran down there, and ran fourth out of 4 because he had but 3 opponents, has been given the jurisdiction over handling several million dollars of funds of the public. He has been given control and the right to employ, it is said—and he says—15,000 or 20,000 or 25,000 people, drawing all the way from $500 a month down. It is said he is getting $500 or $600 a month, and he has grown so fat and so bloated, and his stomach has become so puffed, that they will have to get a rolling chair, if things keep on as they are, to assist him in getting about. [Laughter.]

Mr. President, that is the kind of character they have put in charge of administering, in Louisiana, millions and hundreds of millions of dollars of money belonging to the people of the United States.

They have taken this fellow, who has to spend some ten to fifteen million dollars, or a million dollars, turning it into the hands of that kind of a character. They do not want to bring his name before the United States Senate for confirmation; they would not dare do it. It does not make any difference how big a majority they have here; they do not dare bring these characters here and allow them to be fumigated before the people of the United States. I have helped fumigate a couple of them within the last 2 or 3 years, and they did not get to taw with them. Since we got through fumigating two of them here last year they have never brought another one to the Senate. They do not want to bring them here.

What do they do? They say to the Senate of the United States, "You have no business passing on these names."

Some Senator says, "I read in the law book and the Constitution that I had to pass on these men."

They say, "That is all a mistake. You do not have anything like that to do here at all. That is all a mistake."

In floats a bill this morning which provides that the Members of the United States Senate will have to pass on the qualifications of these men who are spending these enormous sums of money, more money than we paid for the whole Louisiana Purchase.

"Oh, no," they say, "that is all a mistake. You ought not to tangle that up with this important bill relating to the N. R. A.," which has already been held unconstitutional by the United States Supreme Court.

Oh, no! The N. R. A. unconstitutional bill is so important that you must not infect it by adding on to its unconstitutionality something that has constitutionality about it. Nothing constitutional must be attached to this unconstitutional N. R. A. scheme that is to go through the United States Senate. That is what we are led to believe.

Where are the courage and the merit of the United States Senate? Where is the United States Senate? I am speaking from the desk from which John C. Calhoun, of South Carolina spoke, I have been given to understand. It is said that the desk which bears my name here is the same desk which bore the name of John C. Calhoun, of South Carolina. It is said that this great southern statesman spoke from where I now speak, so far as the desk is concerned, upholding the sacred and sovereign rights of the States.

Where is the logic of Webster, who plead in this body for the Constitution and for the Union, who urged that the Union could survive only as long as the constitutional processes were followed in our Government?

I care not who is the President of the United States, I care not who is the Senator from Louisiana, I care not who may be the controlling force of this Government, but has the time come when Senators will allow the processes of constitutional government to be perverted through the argument that it is necessary to give power into hands which dispense power into other hands? Whenever the time comes that the Farleys and the Tugwells and the Wallaces and their ilk can supplant the Members of the United States Senate, and make them as ignominious as though they had never taken an oath of office, when the time comes when they pay no attention to bringing before this body the names of men for confirmation, then the United States will have disappeared. It has already started, it is away down the road toward where a constitutional government is a thing of the past.

I have a lot of regard for Members of this body. I have a lot of regard for this Government, too. But I have a great deal more regard for the people of the United States. I cannot understand a man who will let another man be "dressed off" by somebody who has no right to attack him. If some man should walk in here and take the coat off my friend from Kentucky and I sat and allowed him to do it, and then he took off his necktie, and then took off his collar, and then took off his shoes, and I sat here and did not remonstrate with him while he took the clothes off the Senator from Kentucky, perhaps I would not be doing my duty, and I might be criticized; but I could not understand how the Senator from Kentucky could sit there and let a man take off his coat and his collar and his shoes and everything he has on and go out of here.

Mr. President, that is what has been done. They have come in here and undressed the United States Senate. They have taken all the power the United States Senate had. We have no power; we have nothing left to do. We ought to adjourn and go home. We, the Members of the United States Senate, are among the unemployed and do not know it. [Laughter.]

The PRESIDING OFFICER (Mr. CONNALLY in the chair). The occupants of the galleries will please be in order. They are here by the courtesy of the Senate, and are not supposed to express approval or disapproval of what may occur in the Senate; and if the occupants of the galleries do not observe this rule, the galleries will be cleared.

Mr. LONG. Mr. President, I hold in my hand an editorial which has been published in the Block newspapers, an open letter to President Roosevelt. This letter states:

> Mr. President, you have often stated that you like to receive constructive suggestions.

That man has this thing all messed up. I have not nearly as much regard for his editorial as I was going to have, although I am going to read the balance of it. The editorial reads:

> Mr. PRESIDENT: You have often stated that you like to receive constructive suggestions. May we take the liberty of presenting one which we believe meets that requirement?
>
> The idea is not at all a new one. We are voicing the sentiments of millions of others.
>
> Whether we have agreed, in the past, with all the new-deal ideas is not of importance at the moment. We know, however, that there is no one more anxious than you are for recovery and for an improvement in the condition of all your fellow countrymen.
>
> Since the recent decision of the Supreme Court in regard to the N. I. R. A., there are many people who believe that business will get better and others who fear things may get worse.
>
> It is well known that the great majority of our business men have sincerely believed that if they were left alone for but a reasonable period, that conditions would improve, unemployment be reduced, and that we would definitely be on the road to real recovery.

Mr. President, why not give them a chance to prove that this can be accomplished? Why not give industry a period of 6 months in which to make good?

With your influence you could arrange for Congress to adjourn now, and as its Members do not convene again until after the new year, business would be given an opportunity to make real progress.

At the moment there is deep concern that the laws which Congress is now considering will prove harmful and, therefore, further delay business improvement.

Why not postpone consideration of these new measures, all of which are for reform rather than for recovery? Congress can always reconsider these bills at a later date.

After all, everyone wants recovery first. Reform is desirable and often necessary, but no harm will come to the country if such proposals are postponed for 6 months and recovery is given a chance.

It happens to be our belief if Congress and the President were willing to give industry the opportunity asked for, that before the year is over the country would be well on its way out of the depression.

You are not being asked to change your ideas even though many of us may not agree with them all. You are being urged to postpone further legislation until early next year. This will give industry its chance to make good, and if this is accomplished, it will mean better times for all, more employment for workers, better wages—in fact it would bring about the very improvement everyone desires.

We have had over 5 years of depression now. Many experiments have been undertaken, but not this one to let industry alone for a few months.

Will you try it out, Mr. President?

PAUL BLOCK.

I do not agree with all Mr. Block says, but I must add my voice to say that, as between what we have done and what we are going to do and what Mr. Block suggests, I am in hearty accord with Mr. Block that if the Congress should adjourn right now, just quit right now and not do the things which have been said it is going to do, that the country will be better off.

It will be said, "What about some things which have been done?" Do not give this administration credit for them. People hear the administration people talk about how Mr. Roosevelt dealt with the banking crisis. Why do they not say who it was who made him save these banks? He sent a bill to the Congress which left out the State banks and condemned them to go to the demnition bowwows of eternity. I offered the amendment here which made him swallow thousands of banks in the United States, later passed under another name, and he has been around all over this country asking people, "How do you like what I did about the banks?"

Who was it made him swallow the guaranty of bank deposits? He did not do it himself. It came here as the result of a bill drawn by HENRY STEAGALL, of Alabama, and the senior Senator from the State of Virginia [Mr. GLASS] and the Senator from Michigan [Mr. VANDENBERG], with whom I had several conversations before he presented the Vandenberg amendment. I think he will admit at least that he told me he was going to do it; and we wrote into the bill, which we had to jam down the throat of the Treasury Department which Mr. Roosevelt had here, the guaranty of State bank deposits. If it had not been for the Vandenberg amendment, which went into that bill, which I was given to understand would be accepted by the Senator from Virginia and maintained in conference, there would not have been any such provision in the law. My regard rose a thousand percent for the senior Senator from Virginia when I heard that in that conference he had maintained and fought to protect and preserve the principles of the Vandenberg amendment. We did not have any help from the administration that I ever saw.

Nothing has been proposed here by this administration that I know of which has done the country any good. I have yet to see the first thing that was proposed by them which has done any good.

I got up in this Senate when they were going to appropriate the $5,000,000,000 and asked them to take $1,000,000,000 of this money and with it put somewhere around 1,000,000 young men into the universities. That was not acceptable to the administration's scheme of the thing, and the administration Senators naturally went along with the administration.

However, today the Government is spending money to get the unemployed off the street; it is paying men $50, $60, to $75 a month, and the only way it is getting them off the street is to give them a lot of money to go and sit down and do nothing. The only way it is getting them off the street is to have them go and take a good seat underneath the bamboo briers in the summertime; in front of the fireplace in the winter and under an electric fan in the summer, or under an air-cooling system in the summertime. Do not do a lick of work the balance of your life! Learn never to work!

A man came in to see me the other day and said to me, "I ask you to consider what good I have done for this country. I am the man who taught two trees to grow where one used to grow before." I said, "You are the worst citizen we have in this State under our system of things. You are the man who ought to be condemned and hung tomorrow morning. The idea of your coming in here and asking for consideration because you taught two trees to grow where one used to grow." We want a man who fixes it so that none can grow. We want a man who can teach the people how none could be raised. That is what we want in this year of our Lord 1935, of Franklin Delano Roosevelt "the little."

That is what we want in this country.

Talk about a government of the people of the United States. Why, there was not a corporal's guard from one end of this country to the other which raised its voice in protest when the United States Supreme Court handed down that decree nullifying everything, topside and bottom, there was in the N. R. A. If an effort had been made to raise an army in rebellion, they would not have had anything but the generals, who raised a regular holocaust trying to protest.

A fine kind of Government we have here in this country when nine judges out of nine say that an act is unconstitutional, contrary to the fundamental law that has been voted by its people, when another part of the Government is going up and down the country raising up a regular cloud of rebellion when the decision is brought in by the Supreme Court of the United States. A fine type of government we have here! Instead of legislating within the Constitution, it proclaims that it must be allowed to legislate without the Constitution!

What has this bill in it right now? I desire the Senators to understand that I am not doing any filibustering. I am speaking on this bill. I have been away a good little while, but I spoke on this bill before, and if every Member of the United States Senate had listened to what I said on the N. R. A. bill when it was up here we would not be in this mess we are in now.

We would not be in this mess, Mr. President. We would not have been in this mess we are in now if they had listened to what I said about this N. R. A. when it was up here before. I told them the facts. I told them the law. They went out and made a great parade and everything else, and now after all that has been done, what I have said and what others like me have said on the floor of the Senate has been resaid by the Supreme Court of the United States, by nine out of nine of the justices. I was astounded when nine out of nine decided that way. I could not believe that all of them would see the law as I really felt it was. But there was not any question in those nine minds.

There was the so-called "liberal or radical" Cardozo. There was the so-called "liberal or radical" Brandeis. There was the so-called "liberal" Stone. There was the so-called "liberal" Hughes. There was the liberal or half liberal and half conservative Roberts. There were the so-called conservatives, four of them in number—whatever they might be. But nonetheless every liberal, every conservative, and every radical was an American! Thank God for that! Nine out of nine as they were, they were men who were not infested with any of the Russian system, nor any of the Italian system, nor any of the German system. There was no Hitler, no Mussolini, no Stalin on that Court. Nine out of nine, regardless of whether we call them conservatives or liberals or radicals or what we wish to call them, they were nine sons of Washington; nine sons of Valley Forge; nine sons of the Declaration of Independence! There was the

spirit of 1776! And if America lives 20 years from this day it will owe its life to the nine men on the Supreme Court of the United States who saved this country from Fascism and Bolshevism when they annulled that detestable, contemptible, despicable blue-buzzard N. R. A. which it had been sought to inflict upon this country!

God save and God bless those men to render service again! For every mistake they have ever made they are entitled to a million mercies.

Try it out on Louisiana in January and see what they think about it! Go down there and tell them I fought N. R. A., and tell them I am still fighting it. I have been telling them. There were about 35,000 or 40,000 of my good people and friends in the town where I lived for 10 years, Shreveport, La., Sunday 1 week ago when I spoke, among other speakers, and if there was one man out of the 40,000 who believed differently from what I believed about this question I could not find an indication of it from that audience, and I do not believe we ever will. Go down there and try it out.

Here is the sad part, though, that we allow prostituted characters of this kind to spend our money; they go down there and they not only spend money we have got to pay back, that taxes have to be levied upon us to pay, but they spend that money not to help our citizenship; they spend that money to destroy our citizenship. They do not spend that money to make honest people out of our people. They spend that money to make idlers and thriftless and shiftless characters. They are not only spending the money we have got to pay back, but they are spending the dollars and tens of dollars and hundreds of dollars, every dollar of which goes to teach our children to be idle, to live to be worthless, to be thriftless, to be no good.

Then after having spent that money, and then after having destroyed the manhood and the womanhood and the fiber of honor and the fiber of intellect that we have spent all our lives to build up, then we have got to take the thing where they leave it, with our citizenship demoralized, with our country plunged into debt, and we have got to build our people back up, and teach them to work, and teach them to earn to pay this money which has been used to wreck instead of being used to build the Nation.

That is what I protest against, Mr. President. That is what we have been trying to avert. God knows we have had a hard time in my State.

When I took the reins as the Governor of the State of Louisiana the flood disaster had swept our State from one end of it to the other. We had to take our people from the flood waters of the Mississippi and the Red River and the Ouachita Rivers; we had to take those people and help them out and get them homes of some kind and character. We had to borrow money and float bonds. We started in 1928 with $100,000,000 worth of bonds which had been floated for building roads, but no roads had been built; and $41,000,000 worth of bonds that they floated for a port and built no port; and millions and millions of dollars for which there was no improvement to show to amount to anything. We shouldered that load, with the flood waters receding; and we rebuilt homes, we paved highways, and built free bridges and free schools, furnished school books free, and established free colleges. We eradicated illiteracy and saw the light and promise of a better day, with an upstanding civilization coming from the curse of illiteracy. Now we see the United States Government flood the State with prostitutes and scoundrels and scallawags and carpetbaggers, who make the carpetbaggers of the 1870's look like a tin-copper imitation! That is what we have got to contend with down there, and we have to try to be relieved of that scourge.

"Oh," they say, "it is awfully bad to intimate that the President of the United States would do that. Oh, yes; is it not bad to insinuate that the President of the United States knows about it?" I do not intimate that he does; I do not insinuate that he does; I say he is doing it. See if I am afraid to say it. He is one of the men who know about it. It is intended, and it is being done from the very orders that come from Washington under him. He knows more about it than does any other one man. Why hide? Why put blindfolds on your face? I do not have to; and if I have to, I do not have to stay here.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Louisiana yield to the Senator from Texas?

Mr. LONG. I yield for a question.

Mr. CONNALLY. It is to ask a question that I am seeking to interrupt the Senator.

Mr. LONG. Very well; I yield for a question.

Mr. CONNALLY. The Senator said so much that I could not keep track of it all, but, in brief, what is it he is charging the President with doing and instructing to be done in Louisiana that is corrupt or illegal? I should like to know for the RECORD.

Mr. LONG. I do not even answer the question of the Senator. I ask him to read my speech. I will ask of the official reporter to make up an extra copy and give it to the Senator from Texas.

Mr. CONNALLY. If the Senator from Louisiana wants to make that kind of a reply, of course, that is his privilege.

Mr. LONG. That is all I can say. I cannot answer the Senator's question otherwise.

Mr. CONNALLY. I assumed when the Senator said he would yield for a question he meant what he said.

Mr. LONG. I did.

Mr. CONNALLY. He is making very serious charges against the President of the United States.

Mr. LONG. I am making very serious charges, and I will prove every one of them if the Senator will investigate them. I cannot yield further.

Mr. CONNALLY. Very well, if the Senator will not yield, I rise to a question of privilege.

The PRESIDING OFFICER. The Senator from Texas will state the question of privilege.

Mr. CONNALLY. When a Senator stands on the floor and makes charges involving corruption and violation of duty in the high office of President of the United States he ought to make those charges in such clear language as we shall be able to hold him responsible or the country may know whether or not those charges are true.

Mr. LONG. All right.

Mr. CONNALLY. The Senator invites me to reread his speech. He has been talking now for 2 hours——

Mr. LONG. And I am not half started. [Laughter in the galleries.]

The PRESIDING OFFICER. The Chair will admonish the occupants of the galleries that they are here as guests of the Senate and any expression of approval or disapproval or amusement is strictly forbidden under the rules of the Senate. If necessary, the Chair will order the galleries cleared.

Mr. CONNALLY. Mr. President, the point I make is that the Seantor ought, when he makes a charge of that kind, to make it definite and clear, so that we may know exactly what he is charging.

Mr. LONG. All right. I think if the Senator will read my speech he will see it is pretty clear and pretty definite. Furthermore, I should like for the Senator from Texas to have the Farley resolution taken up and passed now so that the Senator will have what he wants. If he wants proof, let us take up the resolution.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Texas?

Mr. LONG. I yield for a question. I do not want to lose the floor.

Mr. CONNALLY. The Senator, of course, as usual, is evading the issue. I ask him to state his charges against the President of the United States regarding corruption, and he immediately begins to talk about Mr. Farley, which seems to be his obsession.

Mr. LONG. Both of them; they are the same; there is no difference between them.

Mr. CONNALLY. I protest the Senator has little conception of the duty and obligation of a Senator of the United States when he can treat matters of this kind with such flippancy and with such lack of regard for the dignity of the Senate and the dignity of the duties that are supposed to rest upon a Senator, and with so little appreciation of the high functions of other officers of the Government.

Mr. LONG. The Senate has no functions in these matters I am talking about. The Senator is talking about something that has passed out. The next thing we know the Senator will be talking about Mother Goose rimes or Æsop's Fables. What has the Senate got to do with the things I am talking about? I am talking about the N. R. A.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield further to the Senator from Texas?

Mr. LONG. I yield for a question.

Mr. CONNALLY. The Senate does have something to do with them, though the Senator stands here and talks 2 hours and then says the Senate has not anything to do with the things he is talking about.

Mr. LONG. The Senate has not got anything to do with them.

Mr. CONNALLY. The Senator has protested about how bold and brave and courageous he is about saying these things concerning the President. Let him say them again and put them in black and white. Then we shall know whether he is so brave and courageous.

Mr. LONG. They are all in black and white.

Mr. CONNALLY. Most of them are in black; very few are in white.

Mr. LONG. I ask the Official Reporter to make me a copy of my remarks and charge it to my account. I will pay for it, and then let him furnish it to the Senator from Texas so that he may have no misunderstanding.

Mr. CONNALLY. Mr. President——

Mr. LONG. I cannot yield further.

Mr. CONNALLY. I rise to a question of privilege.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. The question of privilege is that the Senator from Texas has not requested any copy from the Senator from Louisiana. He does not want a copy; he does not want to be involved in any obligation whatever. The Senator from Texas has heard what the Senator from Louisiana has said, and he will have the CONGRESSIONAL RECORD tomorrow if he should choose to read any of it.

Mr. LONG. I would be perfectly willing to pay for a copy if I could get the Senator to read some good sound doctrine.

Mr. CONNALLY. The Senator from Texas would not find it in the remarks of the Senator from Louisiana if he read them.

Mr. LONG. I would buy almost any book I could purchase which would give the Senator from Texas some good, sound Democratic doctrine. If the Senator from Texas would read my speech it would do him more good than his 4 years' study in the law school. [Laughter in the galleries.]

The PRESIDING OFFICER. The Chair again warns the galleries against expressions of amusement, approval or disapproval.

Mr. LONG. I know my friend from Texas does not often agree with me in public. However, let me proceed with this matter, because I take no personal offense at any interchange that has been made. I am a man who never gives offense and seldom takes offense. I believe in the Members of this body being congenial with one another. If it cannot be a deliberate body it ought to be a homogeneous body, at least; it ought to become family like. Let us preserve all the good that we can in this body.

There was a time when we had authority here; we have not that authority now; so let us be friendly. There was a time when we passed upon the important functions of government. We do not do that any more. There was a time when we said whether those appointed to office were men enough to exercise the functions of government under us. We do not do that any more. There was a time when we said what the law was, but we do not do that any more. We say someone else has been endorsed by us to say what the law is. There was a time when the Senate was a deliberative body; it is not any more. So having been shorn of its functions, or, rather, having abdicated them, at least, let us be a friendly Senate. All we have got to preserve is our right to be friendly, and let us let Senators be friendly. Why have a bitter argument between any two of us? What are you arguing about? We have not anything to argue about. We are not concerned in these matters, in view of the action we have taken. Senators have nothing here that ought to be serious; and so why become serious when we have abdicated the functions of the Senate during the last 3 years and have only the right to be friendly here? Some day they will put us under Harry Hopkins and he will say, "You are not entitled to $9,500 a year; as I have started relief at $6 a week up, I see no reason why you should be drawing such salaries for useless services." The only difference practically is one of amount; the only difference between the relief roll and the United States Senate is the difference in the pay, as a matter of fact.

Mr. President, I am going to prove that statement. My friend from Texas has gone. He sat here and acted as if he were interested and asked a question and got up and left. That is the trouble. We will never be able to convert Senators if we cannot get them to listen to us, because they will not read what we say. I am going to prove what I just said.

Where is your power to coin money? I am going to prove right here what I have said. I have been questioned; insinuations have been made against me; charges have been made that reflected upon my legislative ability—which I never even claimed to have, if I had or not—and I am going to answer every living one of them. I am going to take up the Constitution of the United States and answer every one of them. I am not going to have any Senator go out of here and feel that probably something I have said can be disproved without having a chance to be heard. So I am going to take up these points. I will take them all up.

Where is your power to coin money? I will take up the Constitution of the United States and will prove, article by article, and letter by letter, and figure by figure, that the Senate of the United States has not the power under the Constitution that it once exercised. I will turn to them all.

First, I will take up the question of money. Where is your power to coin money? Have you got the power, or if you have the power, does the Senate exercise the power to coin money and to regulate the value thereof? I pause for a reply; I pause for some Senator to rise on this floor and tell me that the article of the Constitution of the United States which says that Congress shall have the right to coin money and to regulate the value thereof is exercised by the Congress of the United States today. No; it is not. I compliment the integrity and the wisdom of all Senators because none has risen. Why? Because we passed a law here providing that the President of the United States should have the right to fix the value of money, and not only fix the value of money but to determine what is money.

I will go further. Has Congress the right to coin money? On the contrary, there is not any money in the United States today. Does anybody want to dispute that? I say there is not a dollar of money in the United States today under the law of Congress—not a dollar. We have not a 5-cent piece of money in America today.

If anybody disputes it, I will take the time to prove what I say to be true. We not only do not fix the value of money, we not only do not coin the money, but we have given the right to coin money to the President, the right to fix the value of money to the President, and under that authority, constitutional or not, he has fixed it, and we have no money.

I will make an illustration similar to one which I have made previously. Here [exhibiting] is a $10 bill, supposed to be $10. I read from this $10 bill which is supposed to be $10, "Redeemable in gold on demand at the United States Treasury." That is what it says on the bill, and yet we enacted another law that any man who goes to the United

States Treasury to get the gold or who gets it anywhere else shall be sent to the penitentiary for having the gold. Here we have on the bill a promise that a man can go to the United States Treasury and get $10 in gold, and yet we have another law that if he goes there and gets the gold, then he goes to the penitentiary for having it.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Oklahoma?

Mr. LONG. I yield.

Mr. GORE. The Supreme Court of the United States in the case of *Banks* v. *Board of Supervisors* (7 Wallace), held that the promise on a bill to pay dollars meant coined dollars under the laws of the United States.

Mr. LONG. The Supreme Court of the United States might have said that, but the law of Congress said, "You cannot go and get it." The Supreme Court decision is that I have a right to go and get 10 coined dollars. That is the law. Then we have another law, under one of the President's proclamations, which says if a man goes and gets 10 gold dollars he may be put in the penitentiary. He cannot get the dollars. It is against the law. The President has promulgated a law providing a penalty to put a man in jail if he has any gold dollars.

Today there is not a single dollar of money circulating in the whole length and breadth of the United States unless somebody is violating the law. I have $10 in gold a man sent me as a gift to my boy for Christmas. He had a $10 gold piece and a $1 gold piece pasted in a frame with a little verse which he wrote. Some day the Government will come in and arrest me and put my whole family in jail for having that $11 in gold.

I believe permission has been granted us to have $100 in gold, but they will soon lower that and get down to where they will get it all. I do not wear a stickpin in my necktie any more. I am afraid I will be arrested if I do. I will not put a gold stickpin in my necktie any more. It is said to be out of style to wear a gold stickpin in one's necktie, but it is even worse than that. It is against the law to have a gold stickpin in one's necktie.

Now let me take up the balance of the Constitution. I shall prove that under the Constitution of the United States the Senate is not exercising any power. With my limited knowledge of law and of all other matters, nevertheless I am sure I shall not be successfully contradicted when I make that statement. I shall read the Constitution of the United States to the United States Senate. Will I offend anyone if I do that? I wonder if anyone would take offense if I should read the Constitution and undertake to explain my ideas of the Constitution of the United States in connection with this N. R. A. bill, because its constitutionality having been decided by the Supreme Court, that is the matter now at issue.

Section 1 of the Constitution of the United States. Listen to this. I want everybody in the Senate to listen to what I read:

All legislative powers herein granted shall be vested in the Congress of the United States which shall consist of a Senate and a House of Representatives.

The legislative powers were vested in Congress. Are they in Congress today? Are the laws regulating the planting of crops vested in Congress? No! Congress never thought it had the right, and it never did have the right, to prescribe that a man had to have a permit to plant anything in the United States, unless it was some narcotic which was prohibited on account of the public weal.

Does Congress have legislative power over money? No. Does Congress have legislative power over appropriations? No; a thousand times no! On the contrary, when there came here the biggest appropriation bill in the history of the world for $4,800,000,000, there was not a single solitary appropriation item in the whole dad-gummed bill from top side to bottom. There was not one provision in there appropriating money. The only thing we could get incorporated in the whole bill was a provision that not more than $100,000,000 should be expended for some certain purpose, and that was all.

Where is the legislative power of Congress under that provision of the Constitution? They have not any. What is the legislative power of Congress? None.

Let me read the next section, inasmuch as I hear no dissent from what I have said, and silence gives consent.

SEC. 2. The House of Representatives shall be composed of Members chosen every second year by the people of the several States.

Hear me there:

The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

How much of that is so? That is so in theory only. Today the House of Representatives is chosen how? A bunch of public money is sent into a State and those having charge of its disbursement are instructed that that public money is to be used to defeat Senator So-and-so or to elect Representative So-and-so. No one doubts that at all. No one denies it at all.

In the case of HUEY P. LONG, in Louisiana, the money was sent in there to be spent and everybody had to sign up and deliver a statement that he was going to vote against HUEY P. LONG and anybody that HUEY P. LONG might run. I am trying to help the United States. I am trying to get them to spend all the money they can down there. The way I used to beat my opponents in the elections was to get them to spend all the money in the city of Shreveport that was possible, because there was about 700 majority against me and they hated me worse than the devil hates holy water, and the balance of them would vote for me if they thought it was the last thing they could do before they went into eternity. I have known times when as much as $60,000 to $75,000 was spent, and they could not change a vote to save their lives, because those who would vote against me would have voted against me anyway, and those who would vote for me would have voted for me in spite of anything that might be done.

I want to save a little popular government in the United States. I want to exhaust as much of that $5,000,000,000 fund as I can. Get them to go down there and put it out! We will get most of it. Out of every hundred men who have been put on the pay roll under these funds I have 90 of them right now eating right up to their ears. [Laughter.] They are going to have to learn more than they know now. These "brain trusters" are going to learn something and they are going to school before they get through with me in Louisiana. I am not afraid of them. If I should get beaten, it would be a good thing for me.

Silence gives consent. I hear no dissent, so I pass along. The Senator from Texas [Mr. CONNALLY] has "flown the coop." The minute the water got hot he left. He would not stay another minute. Where is the Senator from Texas? We had to send soldiers from Louisiana to save Texas in 1836. Now Louisiana is here to save Texas again, but Texas will not be saved. [Laughter.]

I take up section 3 of the Constitution now:

The Senate of the United States shall be composed of two Senators from each State.

Listen to that, Senators:

The Senate of the United States shall be composed of two Senators from each State.

We have the word of Harold L. Ickes, the Secretary of the Interior, better known as the "chinch bug of Chicago", that Louisiana is not one of the States; and yet it has two Members in the United States Senate. He says there are 47 sovereign States and Louisiana, and yet Louisiana has two Senators.

The Constitution then provides that Senators shall be elected for a term of 6 years, "and each Senator shall have one vote." Yet we had the statement given out to the public press that because I had voted against the administration

the State of Louisiana not only could not have any money spent there for public works, but that I could not nominate anyone for Federal patronage. They took my vote away from me! If I have a vote I am the only man in the United States Senate who has a vote.

There is no dispute about section 3, I take it. Again silence gives consent, and I pass on to section 4:

SEC. 4. The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof, but the Congress may at any time, by law, make or alter such regulations.

Thank God, that is still the law. I take back what I said a little while ago. This section of the Constitution remains in power and effect at this time, and therefore I ask permission of the Senate at a later time to go back and make correction in my remarks where I said the functions of the Constitution had been taken away.

The PRESIDING OFFICER. Without objection, it is so ordered. [Laughter.]

Mr. LONG. Is there any objection to that?

The PRESIDING OFFICER. The Chair hears none.

Mr. LONG. I will go back and make that correction.

The times, places, and manner of holding elections for Senators and Representatives, shall be prescribed in each State by the legislature thereof.

That is still the law.

Section 5 of article I:

Each House shall be the judge of the elections, returns, and qualifications of its own Members, and a majority of each shall constitute a quorum to do business; but a smaller number may adjourn from day to day, and may be authorized to compel the attendance of absent Members, in such manner, and under such penalties as each House may provide.

I believe that is still the law. That is, each House can meet, and it can adjourn. We still have that right left.

The two things I have reached thus far in which the rights given in the Constitution are still left are the right of the legislature to say when a man shall be elected and the right of Congress to adjourn. Why in the world do we not exercise that right which has been left to us? That is one thing that we have the right to do, and nothing else this Congress could do today would be so wise as to exercise that one right which still has been left to it; to wit, the right to adjourn if it sees fit. Everybody else wants us to adjourn. Why not make it unanimous? Nobody but Congress wants us to stay here, and I am one that wants us to go. Let us make it unanimous, and adjourn, and get away from here tonight, and everybody will be happier than they will be if we stay here any longer.

Let me read on:

The Senators and Representatives shall receive a compensation for their services, to be ascertained by law, and paid out of the Treasury of the United States.

That is still the law. That is what is going to save us from having a man like Hopkins reduce our salaries. I apprehend—no; I am going too far. I am saying too much here. I must not be too speedy about these remarks. I was about to say that I apprehend that when Harry Hopkins comes here and orders us to reduce our salaries in order that the relief roll may be more consistent, we will protest; but I doubt if we will. We did not protest when they took away from us our right to pass upon Federal appointments. We did not protest when they took away from us our right to coin money and to regulate the value thereof. We did not protest when they took away our other legislative prerogatives. I doubt if we would protest at a reduction of our salaries, but we might. We still have left to us, at least, the right to protest.

Section 7:

All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments, as on other bills.

"All bills for raising revenue shall originate in the House of Representatives!" Let us see how true that is. That is not half true any more. The taxing authority is no longer in Congress. That means that Congress shall have the taxing authority; that in order to raise revenue, a bill has to originate in the House of Representatives. That is not now the law. Does anybody dispute what I say? I will prove it, even without dispute.

The main way by which we used to raise money in this country was by the tariff on foreign imports. Does Congress set the tariff rates any more? No. Congress not only does not levy a tariff, Congress not only does not fix a tariff, but Congress has not a thing to do with fixing the tariff in the United States. The President of the United States can fix it at no tariff or at half a tariff. The President of the United States, within the limits of the last reciprocal tariff act, can levy whatever kind of a tax he desires. The taxing power, because of which Magna Carta had to be signed by King John at Runnymeade; the taxing power, which brought on the Boston Tea Party; the taxing power, which brought on the Revolutionary War; the taxing power, which is held to be fundamental, no longer is exercised by the Congress of the United States. The revenue bills do not have to originate in the House of Representatives. The revenue bills do not even come to Congress at all. Under the reciprocal tariff agreements and under many other revenue statutes of this country taxes are levied without reference to Congress. Processing taxes are levied on the farmers' right to produce cotton, or his right to produce wheat, or his right to produce corn. Are they levied under a law that has to originate in the House of Representatives? No; those taxes are levied by some bureaucrat at the fork of the creek. He makes the tax whatever he wishes to make it.

I say that that provision of the Constitution is no longer the law, and that it is not even necessary to have bills originate in Congress at all.

Is there any dispute about that? I pause. I hear no denial of my statement. Silence gives consent.

Section 8: The Congress shall have power to lay and collect taxes—

We have already quit that.

duties, imports, and excises—

We have already abrogated that, have we not? That is gone.

to pay the debts—

Congress has the power to pay the debts of the United States. It may have power to pay our debts, but it is not going to pay any, the way we have been going. What is the use of having the power? We have power to pay debts, but when our administration came in we owed $19,000,000,000, and now we owe $29,000,000,000. We may have the power to pay our debts, but it is like the crawfish; it goes by reverse locomotion.

To pay the debts and provide for the common defense and general welfare of the United States—

Listen to this, however: I am still reading from the old, worn-out, abandoned, "horse and buggy" Constitution of the United States. I am going to advance. I am not going to go back. I am going to move up a step from the bull-and-plow operations going on in some parts of this country to the "horse and buggy" Constitution.

but all duties—

Listen to this, Senators, and see how far we have gone away from the Constitution:

but all duties, imposts, and excises shall be uniform throughout the United States.

Well, now, let us see—

all duties, imposts, and excises shall be uniform throughout the United States.

That may be true in one sense, technically speaking, but in actual practice it is not. These things are not uniform throughout the United States, because sugar is the same thing to the sugar planter that corn is to the corn planter, or cotton is to the cotton planter, or citrus fruit is to the citrus-fruit planter. Down in the southern part of the United States of America there is a different wage scale than there

is in the North. We do not pay labor in the South what you pay them in the North. We do not have to. Why? Fifty cents in Louisiana is worth a dollar in Ohio. I mean ordinarily, the way a man can live, I should say 75 cents, at least, in Louisiana is worth as much as a dollar in Ohio. Furthermore, it is worth 50 cents more to live in Louisiana. [Laughter.]

That is why my people left Ohio. I am a grandson of the State of Ohio and a great-grandson of the State of Pennsylvania. My ancestors moved down to Louisiana and were arrested and put in the Confederate Army down there. About the time they got down there and got well located they made southern patriots out of them by arresting them and putting them in the army. Naturally, I am the son of a Confederate veteran by reason of that fact. I do not owe Ohio the credit for making me the son of a Confederate veteran. I owe that to the sheriff; but I appreciate it just the same.

However, I may say seriously that relatives of mine fought on each side of that war, and some of them wanted to fight on both sides—not those that just got down there, however.

Under the N. R. A. bill, we had certain disadvantages on transportation but we had certain advantages on climate. In other words, in order to sell our goods up here in the eastern market we had to pay a higher freight rate than did the man over in Cleveland, Ohio, because we had three times as far to haul the stuff. So when they went down there and said we had to pay the same wage that was paid in Cleveland but a higher freight rate to get to the eastern market than was paid in Cleveland they just the same as said we could not sell anything at all in the eastern market. They closed up our business down there as tight as a drum because of the simple fact that while they made us pay a wage that was identically the same as the wage that was paid in Massachusetts and the wage that was paid in Ohio and Connecticut, nonetheless, the producers in those States could ship into the New York market 100 miles for a 100-mile freight cost, and we would ship in there 2,000 miles for a 2,000-mile freight cost.

We closed up. We went out of business. Some of the textile mills of South and North Carolina were moved to Brazil because they could not meet that kind of competition, and they are running down there now, and more of them are going. Where are the textile mills today? Where are the cotton people today? Talk about the good you have done the cotton people! I want to tell you about that, in order to show you that this article of the Constitution is not in effect, topside or bottom, at this time.

Down in the State of Louisiana we have a little town called Arcadia. There was a farmer there who planted cotton. The colored people live on those plantations year in and year out. You could not drive them away. In some cases they would rather live there than anywhere else, and if you drove those colored people away from there it would break their hearts. They live there day in and day out, and they live their lives out there. They are happier there than they would be anywhere else on God's earth, and just as free.

What did the agents of the Government do under the N. R. A. Act? They cut the cotton acreage. They said to the man in Arcadia, "You cannot raise 100 acres of cotton; you can raise only 35 acres." What did he do? All he did was to tell his colored people, "You cannot work here any longer, because what little work is left has to be done by the white people, and I have my family to take care of." So, therefore, what they did with this cotton business was to put the colored people on the relief roll, and to leave the white people to raise the cotton around that town.

I am using these figures; they may not be exactly accurate, but they are about what I think they should be. They said to this man, who had been planting a hundred acres of cotton, that they would not give him a permit to plant more than 5. It was said, "Only the whites can plant. The colored cannot", and they put the man on the relief roll.

What did they do the other day? They went to this man and said, "Aren't you a Huey Long man?" He said, "Yes; I am a Huey Long man, voted for him every time he has ever run, and will vote for him until he dies."

They said, "We are going to take your Negroes off the relief roll. We have been operating this cotton-reduction program, and we let the whites plant the cotton and you put the colored on the relief roll because all of them did not have the right to plant cotton, and now we are going to take the colored off the relief roll and turn them back on you unless you vote the right way."

Is that equality of law? Is that justice?

These charges are very serious. The Senator from Texas thought they were very serious. Why do you not have a congressional investigation if they are so serious? I defy you to have one. I defy the United States Senate to investigate James Aloysius Farley and his whole litter, and everything connected with this matter. I defy you to investigate. If what I have told here is not so, I ought to be thrown out of the United States Senate, and if what I am telling is true, this whole gang of brigands ought to be sent to the United States penitentiary. I defy them to investigate them. I know we will not investigate it. It is a sad condition of affairs that we will not.

I call names, I call dates, I call places. I call them out. I specify. I leave nothing to imagination or to the conclusion of anyone. I specify these things as I have been told them by responsible people, men who I know tell the truth, and who are prepared to prove them in case I should have to prove them.

Mr. LEWIS rose.

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Illinois?

Mr. LONG. I yield.

Mr. LEWIS. I decline to interrupt the eminent Senator in his continuing serial of long chapters.

Mr. LONG. The Senator declines to ask the right to interrupt.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. BARKLEY. The Senator has been making a very able and persuasive address, and I think he has persuaded us that we ought to vote for his motion to reconsider. Will he let us vote on his motion, now that he has convinced us of its wisdom?

Mr. LONG. If the Senator from Kentucky announces he is in favor of the motion, I am going to withdraw it. I want the Senator to think very carefully; because if I find out that after mature deliberation the Senator from Kentucky is going to vote for my motion, I will know it is wrong and I shall withdraw the motion. [Laughter.]

The PRESIDING OFFICER. The Chair again admonishes the occupants of the galleries against any demonstration of approval or disapproval.

Mr. BARKLEY. Mr. President, at the beginning of the Senator's remarks he announced that he made his motion in good faith; and if he withdraws it on such a flimsy pretext as that announced by him, or votes against it when it is voted on, it will, of course, raise some question in our minds as to the accuracy of his original statement.

Mr. LONG. Mr. President, the Senator from Kentucky has not half the right to say that as I have to say what I am saying, for this reason: I have watched the Senator from Kentucky ever since I have been here. In fact, I took a tabulation on him at one time.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARKLEY. The Senator has not watched me half as much as I have been watching him. Probably I do not need watching as badly as he does. [Laughter.]

Mr. LONG. The Senator does not know how much I have watched him. The only time that I have ever seen the Senator vote right in my life was when I told him in advance how I was going to vote, and he voted that way, by accident.

Mr. BARKLEY. If I voted the way the Senator did it was by accident. [Laughter.]

Mr. LONG. The only time I ever voted wrong in this body—and I had to apologize to the present occupant of the chair, who criticized me for it—was the time when I let the Senator from Kentucky advise me. [Laughter.] I will not take the Senator's word for this until he thinks it over very carefully, because he is likely to change.

Mr. BARKLEY. The Senator ought not to be so weak as to admit that I or any other Senator could change his vote on the spur of the moment.

Mr. LONG. The Senator from Kentucky is capable of considerable harm. I have found that to be the case. I do not know how much good the Senator may be capable of, but I know the Senator persuaded me once to do something I have been sorry ever since I did; and it did not take him long to do it.

I am not going to take haphazard judgment on the Senator from Kentucky. If, after mature deliberation, after he has slept over it for some time, the Senator from Kentucky comes back and tells me he is going to vote for this motion, I intend to withdraw it. That is my present intention.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARKLEY. I do not want to take the Senator from the floor by not asking a question, because if I did not propound a question he would be taken from the floor, and far be it from me to take the Senator from the floor; but I want to compliment the speech the Senator is making today by saying to him that he has convinced us that he is right in his motion to reconsider. Whether we vote on it at the end of his speech or whether he withdraws it, I think the result will be the same.

Mr. LONG. Mr. President, I have done considerable good with some of these speeches, and it is possible I may have done some harm. I do not think I will change the Senator from Kentucky. If the Senator from Kentucky is voting for my motion, I have no faith in it at all. I have less faith than none.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. LEWIS. Having been absent on official business, I do not know exactly to what motion the able Senator from Louisiana refers, though I must say that, so far as I am concerned, I regard it as continual motion and the Senator as perpetual action.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. For a question only.

Mr. LEWIS. Mr. President, I was going to ask my able friend a question, who, as I say, I am pleased to recognize at any time as perpetual motion. What is the particular motion to which he now alludes on which he says he desires to have the support of the Senator from Kentucky?

Mr. LONG. I will state to the Senator that I have been delivering a lecture on the Constitution. For the last hour of my time I have devoted my remarks to a lecture on the Constitution of the United States.

Mr. LEWIS. I am afraid I regard that a foreign subject at this particular time. [Laughter.]

Mr. LONG. That is what I was afraid of. I had just made the remark that it was a vanished subject. But we love to talk about the myths of Greece. Grecian mythology is the most engaging of all subjects. Nothing is so interesting as the tale of the wooden horse that was dragged to the gates of Troy.

Mr. BARKLEY. I thought the whole horse got in, not simply the tail. [Laughter.]

Mr. LONG. The horse did get in. The horse probably had things around it like those the Senator from Kentucky might be thinking of.

Mr. BARKLEY. But it did not have anything in it like what the Senator from Louisiana has in him. [Laughter.]

Mr. LONG. I do not suppose it did. We love to read of ancient Greece, or the history of Troy. I do not read Greek——

Mr. BARKLEY. But the Senator talks a lot of it.

Mr. LONG. And I do not even know how to read Latin now. I do know some Latin sayings. I got it all for half a dollar in my early life. However, these things which are foreign, these things which are ancient, these things which are more or less a matter of mythology, are engaging, they are enticing, they are interesting.

I was speaking of the ancient and forgotten lore of the Constitution. Even love is not more bewitching than a discussion of its vanishing precepts. That is why I bring them up, that I may interest some in them. So for the past hour I have been devoting my remarks to a lecture on the Constitution.

As will be recalled by my friend the Senator from Illinois [Mr. LEWIS], who either has read all these things about Troy, or helped to write them, I do not know which. [Laughter.] They dragged a wooden horse right up to the gates of Troy, the Greeks made the Trojans a present of him, and the Trojans carried the wooden horse inside. What they did with the horse after they got it inside I do not know but the horse was there, and we have spent a lot of time talking about that wooden horse. It is the best understood thing there is in the schoolroom today, and my only hope now is to interest the young, rising manhood of this country in the forgotten articles of the Constitution of the United States by arousing in their minds an attraction to these things which are mythical, which are vanishing, and which depend upon tradition for their perpetuity.

I read further from the Constitution, or what was the Constitution—from this foreign substance:

> To regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

We still have some commerce with the Indian tribes, which is regulated by Congress. We still have that to some extent. For all I know they are bargaining to give the country back to the Indians. There is still some commerce with them. The Government is carrying that on. But as regards commerce between the several States, that has passed out of the hands of Congress so completely that it does not even try to exercise the power at all.

As to regulating commerce with foreign nations, the Congress of the United States does not regulate commerce with foreign countries. It does not regulate the exchange with foreign countries. That is handled by the President of the United States. Congress does not regulate the cost of importing and exporting articles. Not a single provision of that article, "To regulate commerce with foreign nations, and among the several States, and with the Indian tribes," has been preserved to Congress except the right to regulate commerce with the Indians. The balance of it is all gone.

I shall yield to any Senator who may wish to undertake to controvert that last statement. Do I hear a dissent? Hearing none, silence gives consent!

> To establish a uniform rule of naturalization, and uniform laws on the subject of bankruptcies throughout the United States.

Now, what did we do about that? "Uniform bankruptcies throughout the United States." Who is there who read the municipal bankruptcy law? We pass a law under that particular article—if it is still an article of the Constitution—on municipal bankruptcy, under which, according to the interpretation which has been given to that law by at least one court about which I know, one class of creditors who have preferred claims have a right to have their claims approved, notwithstanding the fact that the other kind of creditors who may be 25 or 100 times more numerous than are the others, are denied that kind of an adjudication.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Louisiana yield to the Senator from Maryland?

Mr. LONG. I yield for a question.

Mr. TYDINGS. Out of order, I ask unanimous consent to have printed in the RECORD at the conclusion of the remarks of the Senator from Louisiana——

Mr. BARKLEY. Mr. President, I hope the Senator from Maryland will not press his request at this time.

Mr. TYDINGS. Very well.

Mr. LONG. The intense interest which is being manifested in my speech here causes me to proceed with almost

undue caution, and I feel almost impelled to request Senators to restrain themselves lest they applaud me as I proceed with my lecture on this question.

I have already proved that the power of Congress to regulate commerce between the several States and with foreign nations has already been abandoned. I was discussing the municipal bankruptcy law. Let me proceed further with that before I lose my train of thought. There is a provision in the municipal bankruptcy law, if it be a law—and I hope the Supreme Court will hold it to be unconstitutional—that one State can protect its creditors, but if it does so, it is at the hazard of having itself cut off from receiving Federal gratuities. In other words, the hazard of having itself cut off from any of the $5,000,000,000 which we appropriated.

We met down in Louisiana and passed a law providing that municipalities could not go into bankruptcy or borrow money without the consent of the State. One of the cities in Louisiana ran into the United States court with a bankruptcy petition in its left hand and ran up to Washington with an application for $100,000,000 in its right hand, and because the State of Louisiana tried to pass a law to keep them from flimflamming in the name of the State, Harold L. Ickes, the chinch bug of Chicago, in charge of the Public Works money, issued a statement that they would not let the State have any money if it had such a law as that on its statute books. If we had listened to Ickes, we actually would not have been allowed to pass a law which would have prevented the city and the board from repudiating and renouncing its just and honest debts if the city itself was borrowing from Federal funds.

We did not care to have Louisiana municipalities repudiate their debts and borrow money from the Government at the same time. In the first place, they did not need the money. In the second place, they ought to pay the debts which they owe, because Louisiana has told the outside world, "Whenever you have the seal of Louisiana on any kind of obligation which the State has authorized, or which it has authorized any of its municipalities to issue, we are going to try to get you your money for it."

When the State of Louisiana protested against that kind of thing, who was it that rose up and said he would not stand for it? It had to come from Washington, because the State insisted that its valid obligations, incurred through boards and subdivisions of the State, had to be constitutionally paid in the manner in which they were obligated. Is it a crime to be honest? Is it a crime to pay? Yet they call that a uniform system of bankruptcy.

I now come to the next clause:

To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures.

Does Congress exercise that power? If there is a man in the Congress who says that Congress exercises that power I want to take a look at him. I want to hear any man in the Senate who says that Congress still exercises the power "to coin money, regulate the value thereof, and of foreign coin." No one will say that we do. The next is:

To provide for the punishment of counterfeiting the securities and current coin of the United States.

Congress passed out its authority on that subject to the President of the United States and authorized the President to prescribe what was and what was not money, and to prescribe penalties. We still have laws against counterfeiting on the statute books, and that is about all there is to that.

To establish post offices and post roads.

We put that out also. Congress does not appropriate to the several States money for post roads any more. We authorized the President to authorize someone else who says how and to whom he is appropriating and granting money for public roads.

To promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.

That has probably not been bothered as yet.

To constitute tribunals inferior to the Supreme Court.

We have exercised that power in that we have named circuit and district United States judges, but there are now a thousand courts which are more important than the circuit and district courts and which the Congress has practically nothing whatever to do with constituting. All the courts that have been constituted to make rules and regulations, impose preliminary fines, and make adjudications under the N. R. A. and the A. A. A. and the J. U. G., and everything else, have not anything at all to do with Congress. The ordinary man never sees a United States court, but sees over him every day these little bureaucratic tribunals that are now in existence. He lives in constant fear that the time may come some morning or some night when they will say to him, "You cannot plant corn. You cannot plant cotton." Nobody knows what is going to happen. Someone may come around like the lightning-rod salesman who used to come around. The emissaries of Government bureaus go around like the fellows used to come around with their little sample boxes, with one of the portfolios such as a lawyer would take with him.

In my day and time the ordinary country lawyer did not have a portfolio case or a brief case. It was only the man who was a real big lawyer who would carry anything like that around with him. Now we see these little fellows carrying them all around the country. One of these fellows will set himself up in a little school house or on the back porch or in the dining room of some farmer, sit back and put his brief case on the dining-room table, proceed to prescribe rules and regulations, to impose fines and the penalties and make adjudications and then move on, and the people there do not know what happened to them before he came, what happened to them when he was there, or what will happen in the future. Then this man will move on to another place. And next day someone else will move in there who decides he will take a census, and a bureau representative will come to a man's house and ask him what he has; what he has done this year and what he made last year, what his children are doing, and so on. Every one of these men are empowered by some rule or regulation or some law to propound such questions and inquiries, and whoever fails to give information or withholds information can be sent to the penitentiary.

No one knows what they are doing. More bureaus and more courts and more organizations of that kind are settling all over this country. Talk about the king who was troubled by the locusts for 7 years. If we only knew that for the next 7 years the scourges would not be any worse than those we had for 7 years before the last 7 we would feel that we had been given remarkable relief.

There are today in the United States, I suppose, not less than 100,000, at the very minimum, of these adjudicating, fact-finding, tax-raising, law-making bureaucratic traveling ambassadors. No one knows the harm they are doing. The people of the United States are in fear and trembling. No man knows for what he is likely to be prosecuted or held up.

And now we again have this old N. R. A. thing here. I went down to Louisiana and issued a statement. I said over the radio to every man in Louisiana. "In this sovereign State of Louisiana pay no attention to the N. R. A. Take it on my word. If you go to jail I will go to jail with you." I said, "This thing is unconstitutional and a charge on Government. Pay no attention to the N. R. A. in the State of Louisiana." And very few of them did.

The only trouble is when they had to cross the State line with their goods they could not help themselves. They never did indict any of them, to amount to anything, but they were getting ready to indict them by the wholesale. However, just about that time, thank God, the Supreme Court of the United States knocked the whole thing into smithereens. Louisiana is the only State that has conducted a constitutional government for the last 2 years. We live under the Constitution of the United States, thank God! The people of Louisiana are satisfied with it. The Constitution of the United States is good enough for us. What we complain about is the failure to do what can properly be done within

the Constitution, and undertaking to give us these fiascoes and half-baked remedies and flimsy schemes which are cooked up between sundown and sunup, and which are wrecking this country. We are trying to keep them from continuing to plague us.

I will read a little further:

To define and punish piracies and felonies committed on the high seas.

The present Presiding Officer (Mr. POPE in the chair) comes from Louisiana, and ever since he left Louisiana I know that he has been wanting to come back to Louisiana, and some day we may let him come back, for all I know. Some of my colleagues here did not know, perhaps, that the present Presiding Officer of this body came from Louisiana, that he was born within 20 miles of where I was born, which, of course, ought not to be held against him. Inasmuch as he originally came from Louisiana, it is not necessary to inform the present occupant of the chair as to the piracies referred to in the clause of the Constitution I have just read, but to those who come from the interior, those who do not understand the regulations around the ports and the broad streams, I will explain what is meant by the phrase "to define and punish piracies."

There are many who think that the boat called the "*Nourmahal*" would come under this provision of the Constitution. This $5,000,000 yacht of Vincent Astor, in which he runs around, does not come under this clause; it is not covered by it. I will get to that point in a moment and refer to the particular clause under which that yacht is regulated. If the Chair will pardon me, however, I will digress and mention a matter which has just come to my mind. Before we come to the question of regulating the *Nourmahal* let us get through with the *Nourmahal* regulating us. In other words, do not throw stones when you live in a glass house.

The *Nourmahal*, Mr. President, has a good deal more to do with the Government than the United States Senate has been showing it has had to do with it. There are many Senators here who, like me, understand the deliberative functions of the body as they are carried on, but just how laws are thought of and how laws are made and how they are figured out and gotten around and modified and how they are made material to one and immaterial to another—those things do not come within the experience of the ordinary Member of the United States Senate. The laws are sometimes made in one way and enforced in other ways. Take the $5,000,000 yacht, the *Nourmahal*. There are, perhaps, many here who are going to say, "What business has that man got with a $5,000,000 yacht", referring to Mr. Vincent Astor? It is one of the best investments that Mr. Astor has ever made in his life; that $5,000,000 yacht is a splendid investment. Five million dollars for a steamboat on which to float out on the seas—not a steamboat but a ship on which to float out on the seas! I was never on a ship in my life, except some of those that were coming into New Orleans from Honduras for a while during prohibition days. I used to go on board foreign ships that came from countries where they manufactured beer and articles of that kind in order to investigate and see if they were violating the law. [Laughter in the galleries.] I was the Governor of my State, charged with the enforcement of all the laws, and when the big foreign liners would come into the port of New Orleans I quite often visited them and inspected them, most particularly to see that there were no violations of the Volstead law at that time, and, I may say, that the laws were well enforced, in fact, so well that when the prohibition law was repealed nobody could tell the difference in that city. [Laughter.]

The *Nourmahal* is a $5,000,000 yacht. Who is there here who knows the ramifications of the *Nourmahal?* Here are some of the ramifications of the *Nourmahal*. Mr. Vincent Astor is the political side of the Rockefeller business at this time; that is, he is the visible side. Mr. Vincent Astor is a director in the Rockefeller businesses. He is a director in Rockefeller's Chase National Bank. He is hooked up with various and sundry ones of their oil companies. Mr. Vincent Astor is the controlling member of the International Mercantile Marine. Mr. Vincent Astor runs the *Nourmahal*.

Some people are going to tell you, Mr. President, that it does not make any great difference, when one is trying to get a few million or a few hundred million dollars out of the Government, whether he is close to the President or not. Many people will tell you that if you will go to Vancouver and sit there and write the President a letter asking him to let you have a hundred million dollars out of the United States Treasury, you have just as much chance of getting it as though you were with the President day and night out at sea on a yacht for about a month. I am going to say that whoever tells you that does not know about things nearly as well as I do. You have a whole lot better chance of getting the coin from a man who is right in the bed with you than you have from some fellow who is 2,000 miles away. I learned that in McGuffey's First Reader. I learned, beginning with the first reader, that if a man has $5,000,000,000 and you are trying to get a hunk of it, if you can get that man to come and stay in your house for a month you have a whole lot better chance of getting some of that money than if you are in the Philippine Islands and he is in Washington. I know that many will laugh at me and say that is not so; but it is so. I am going to say it again in another way. If you have a friend who has a hundred million dollars on which you are trying to get your hands, if you can get that man, not only in your house, but if you can take the house and move it a thousand miles away where nobody else can get between you, you have two times as good a chance as though you left him with other people messing with him.

I am familiar with this business. I had an uncle who used to lend money. He never wanted to lend me a cent; but if I could just get him to come up to the old country place, 10 miles out of town, and induce him to stay with us over night, and get him off all by himself for a week or two, 9 times out of 10 I wound up by borrowing something from him; but so long as he stayed in town at the bank and everybody else could get hold of him and whisper to him, there was not much chance of my landing any loan from my uncle. I want to tell you that if I were trying to get money out of the President of the United States and Vincent Astor and the Rockefellers were trying to get money out of him at the same time, and I were trying to get to him before they got to him, but they got hold of him and took him 500 miles to sea on a $5,000,000 yacht and left me sitting on the dock in July, with the thermometer at 102° in the shade, they would get the money and I would get the sunshine. [Laughter.] That is the difference.

I do not know what they went out on the *Nourmahal* for. I understand they were fishing; it was a fishing trip; and when the President of the United States got back he said, in a statement he made, that he went fishing to find out what the people were thinking about. I must say that he had good authority for that. He said that the reason he left Washington was that he could not find out about things while he was here; so he went fishing, but I will tell you what they did out somewhere. The International Mercantile Marine of the Astors—I hope the Senator from Missouri is not going to leave the Chamber; I will mention his name in a minute, and it will be a complimentary reference, too.

Mr. CLARK. I will return in just a moment.

Mr. LONG. The International Mercantile Marine, which is owned by Astor and the Rockefellers, has a contract such as nobody else has ever been able to get, under which they are paid sometimes as much as $1,000 or $2,000 or $3,000 for taking a postcard from the United States over to some foreign country. They have a mail contract that is the "sweetest" thing that ever has been heard of, and when they were down there on the *Nourmahal* on one of these trips there was a dispatch found in one of the files up here, which I read on the floor of the Senate, by one of the partners of Mr. Astor, "We have got the party in tow and the thing looks good", or words to that effect. It did look good.

The Senator from Missouri [Mr. CLARK] rose here yesterday and showed that the gas companies had been exempted

from the public-utility holding company bill. I did not hold that against my friend from Montana [Mr. WHEELER], nor against his motives or good purposes, because the Senator from Montana stood here on the floor of the Senate and said that the power of the gas element combined with and added to the utility holding company element was too big a force to fight in one battle.

But do not forget that after the holding-company bill came here, the trip on the *Nourmahal* took place, and there was a change made in the bill which let out the gas companies in which Vincent Astor is interested. I know my friend from Montana was doing his dead level best to hold them in the bill and he was "tickled to death" when the Senator from Missouri [Mr. CLARK] made his motion yesterday and gave the Senator from Montana a chance to vote for it. I compliment my friend from Missouri for having discovered the elimination of the gas interests.

There is a little difference between the gas companies and the electric companies.

Mr. LEWIS rose.

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Illinois?

Mr. LONG. I yield for a question only.

Mr. LEWIS. I propound to my able friend from Louisiana a question for information as well as to sustain his judgment and conclusion. Does the Senator from Louisiana mean to indicate that whoever used the phrase, "We have the party in tow", wherever it was used—the Senator said he had occasion to recite it to the Senate—intended it to apply to and meant the President of the United States?

Mr. LONG. I do not quote those as being the exact words. That was the effect of the words. I shall have to read back in the RECORD and get the message. My opinion is it did refer to the President of the United States.

Mr. LEWIS. Does my able friend mean to intimate to the audience in the galleries, to the public, and to the able representatives of the press that the President of the United States, as a guest of Vincent Astor on a yacht, was amenable to the influence of his host to such an extent that he would grant or permit the money of the United States or the favors of the Government to be granted to his host as the result of and as compensation for the trip on the yacht?

Mr. LONG. I shall answer the question. I do not intimate anything. I stated what the telegram was. I do not know how to intimate, but I tell the Senator that he wired back and said words to the effect, "We have the party here and things are hunky-dory."

What was the question? Do I intimate Mr. Astor would use it for that purpose? Do I intimate Mr. Astor would use that $5,000,000 yacht to make money out of the Government? Yes; just like taking candy away from the baby. Certainly I do!

Mr. LEWIS. My question was, Did the Senator intimate that the President himself would be used or allow himself to be used by Mr. Astor or anyone else for the purpose of granting money to Mr. Astor or his company, but, particularly, may I ask if he thinks the source of the information to which he refers was so reliable that he himself would rest upon it and draw a conclusion from it?

Mr. LONG. The Senator has asked two questions: First, whether I think the President would let himself be used or would he use himself. Do I "think"? I decline to answer the first question on the advice of counsel.

Question no. 2: Would Mr. —— What was the second question? I have forgotten.

Mr. LEWIS. I observe now that the able Senator is saying to me, when I asked if he would think, that he declined to answer the question by advice of counsel, which would seem to indicate that he is conscious he really does not think.

Mr. LONG. Oh, yes; I think. I have my idea, but I do not want to say. The Senator knows what I think. Outside I would not mind telling him, and I would not mind telling him here, really. What was the other question?

Mr. LEWIS. It was, Does my able friend attach a value to whoever this author was as being the kind of person whose word might be relied upon?

Mr. LONG. Oh, yes.

Mr. LEWIS. Would he attach importance such as to believe such a person would have an influence on the President of the United States sufficient to justify the conclusion "we have the party in tow", meaning that the President of the United States was amenable to the influence of whoever sent such a vulgar message?

Mr. LONG. I understand the committee attached enough importance that they called Mr. Astor down here to testify. Mr. Astor was here and testified before the committee. They thought enough about it to call him. He appeared before the committee investigating ship subsidies and air mail subsidy contracts. The chairman of the committee, I believe, was the Senator from Alabama [Mr. BLACK]. I say one does not have to eat a whole beef to tell that it is tainted. When a man is getting contracts out of the United States Government that are netting him hundreds of millions of dollars and he has the grantor of those contracts out on his $5,000,000 yacht week after week and month after month, where nobody can see him, and they come back and he gets another hunk of money, and then they go out and have another trip and he comes back and gets another hunk of money, if I were advising my friend the President, be he the most honest man ever born on earth, I would say to him, in the words of the Bible, "Avoid that appearance."

Mr. BLACK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Alabama?

Mr. LONG. I yield.

Mr. BLACK. The Senator has referred to the fact that Mr. Astor came before the committee of which I am chairman, which is correct. I desire to state, however, that there was no evidence before that committee of any kind that I recall, and if I am incorrect I ask that I be corrected by the Senator from Maine [Mr. WHITE], who was present, that any effort had been made to talk to the President about anything in connection with any contract at any time. I am sure the Senator from Louisiana does not mean to imply, because I know he would not do that, that there have been any new contracts granted to the International Mercantile Marine with reference to mail pay.

I might call his attention to the fact that in the recent report which was filed in the Senate, and a copy of which was put on the Senator's desk—and if he has not read it I hope he will do so—a full and complete report is made by Mr. Farley not only with reference to International Mercantile Marine contracts but the mail contract of every ocean mail company which has a contract with the Government. Mr. Farley made a most interesting report and a very keen and clear analysis.

I am very hopeful that when the ship-subsidy bill comes before the Senate we may be able to obtain the proper legislation to correct not only the contract of the International Mercantile Marine but the contract of every other company which has received any of the mail contracts, where the evidence has shown there has been abuse of law and injustice has been done.

If I am incorrect in my statement about Mr. Astor's testimony I should be glad if the Senator from Maine would make a statement, he having been present at the time, if that is agreeable to the Senator from Louisiana.

Mr. LONG. I have no objection.

Mr. WHITE. Mr. President, I think the Senator from Alabama has stated with accuracy the effect of the testimony of Mr. Astor. He has omitted, however, to make mention of one question which Mr. Astor refused to answer, and that was the question I propounded as to whether, as a matter of fact, the President was as much of a fisherman as the papers reported him to be.

Mr. BLACK. That is correct. He declined to answer whether the President was as good a fisherman as he was reported to be, and I stand corrected on that particular point.

I merely desire to have appear in the RECORD the facts which I have stated, since the Senator from Louisiana has made his statement with reference to what took place before the committee. There has been no additional mail contract of any kind or character granted to the International Mercantile Marine since this administration went into office. On the contrary, if the Senate will follow the recommendations of the Postmaster General's report, which is a very keen and clear analysis of the situation, we will save to the United States some millions of dollars.

Mr. WHITE. Mr. President, will the Senator yield further?

Mr. LONG. I yield.

Mr. WHITE. I hope the Senator from Alabama understands that I am not confirming anything else he said about merchant-marine matters.

Mr. BLACK. I was calling on the Senator with reference to what happened with regard to Mr. Astor; but the Senator can confirm, if he has read it, the statement that the Postmaster General has made a very exhaustive report on the contracts of the International Mercantile Marine, explaining how in some instances, in his judgment, they had been awarded contrary to law.

Mr. WHITE. I should say that instead of an exhaustive report he had made an exhausting report.

Mr. LONG. Mr. President, I do not want the Senators to argue among themselves. I will take the word that is most favorable to the President, and that will be enough to justify my illustration, and that is this:

When I was on the Senate floor I pointed out scores of violations of the contracts by the International Mercantile Marine. I pointed out that they did not repair the *Leviathan*, but that they laid the *Leviathan* up; and I demanded on the floor of the Senate the cancelation of Vincent Astor's contracts. They were far more fraudulent than any air mail subsidy that ever existed. Compared to the ship-subsidy contracts and frouds, the air mail contracts did not amount to a drop in a bucket; but nothing ever was done about it. In the meantime, Astor does not have to have any new contracts. He is better off than the air mail people were. He has the contracts. He has the thing tied up. You did make the air mail people perform their contracts, and the contracts were canceled while they were performing them; but in this instance, the shipping people, they not only had fraudulent contracts but they did not even live up to the contracts, however fraudulently they were acquired, and the Astor-Rockefeller-International Mercantile Marine combination has profited to the extent of millions and millions and hundreds of millions of dollars on this and other matters.

Ah, there is something else! You do not have to eat a whole beef to tell when it is tainted. There was not a chirp; there was some influence against which the Senator from Montana [Mr. WHEELER] and all the committee could not prevail that was slipping this Vincent Astor-Standard Oil-Rockefeller gas interest out of the holding-company bill. They were slipped out of the bill notwithstanding the fact that I had specifically said they had to be kept in the bill if I could do it. They came in here with the holding-company bill affecting electric-light companies and electric-power companies only, and I had to tell some of my friends that I could not object to a man voting against the whole bill with some of the discriminations that they were trying to make in it, and I suspect they were made in it, although I think the bill is good so far as it went, and I am for it whole-heartedly and supported it whole-heartedly; but there is a little difference between the Morgan fortune and the Rockefeller fortune. The Morgan fortune is concerned to a large extent with power companies and railroads. The Rockefellers deal in oil and gas. We have gone after the Morgans pretty well at times in the Senate, but we never have gone after the Rockefellers. The Rockefellers have managed to keep going pretty well. They have run their revolutions down in South America without any interference, and I am told that at the time I was having one of my battles with them there was considerable discussion about interference with Louisiana because I was trying to put a tax on them down there. All this talk of dictatorship in Louisiana came from one thing—because we put a tax on the Standard Oil Co., and maintained the law, and they rose up and said they would not pay it.

I want to tell you that there is not any question whatever in my mind, as far as I can see, and I give my word—and that is all I have—that I am absolutely honest in it, that the Rockefellers and their various and sundry combinations and monopolies have never once been injuriously affected, but, on the contrary, have most monstrously profited by the various things that have been done in this body under the new deal.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question. I do not wish to lose the floor.

Mr. BLACK. I do not desire to ask a question, but I should like unanimous consent that the Senator shall not lose the floor while I make an announcement about some reports which have been placed on the desk of each Senator.

Mr. LONG. I see the book.

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. LONG. Yes, sir; with the understanding that I do not lose the floor.

Mr. BLACK. I desire to announce that there has been placed on each Senator's desk part 3 of the reports by the Postmaster General on the ocean mail contracts. Part 3 contains the agreed statement of facts with reference to each individual contract made for the carrying of ocean mail, and it likewise contains the Postmaster General's report on the contract with the Pan American Airways, Inc., and the Pan American-Grace Airways, Inc. It has been placed on the desk of each Senator for his information in connection with the two previous volumes.

I thank the Senator from Louisiana for permitting the interruption.

Mr. LONG. Mr. President, these people are reaping millions and millions of dollars of profit. We are on toward the end of the third year of this administration. It has been going on for 3 years. At the end of 3 years they make a report. If they had canceled out this thing, they would have saved the United States Government, at the very least, many, many millions of dollars. They are not going to cancel them out.

I make the statement again, as I made it in the very beginning, that there has not been anything done that injuriously affects the monopoly and the control of the Rockefeller-Standard Oil interests in the United States, but, on the contrary, that their competitors have been put out of business in thousands of cases as a result of laws and regulations of this administration.

I make the further statement that when we were talking about abolishing holding companies we said we wanted holding companies abolished which the facts proved to be guilty of irregular and wrongful transactions. We said we wanted companies abolished which had been investigated either by the Federal Trade Commission or by a court, in order that we might be absolutely certain of what we were acting on. That was one statement we made. Although we had a report by the Supreme Court of the United States, in 234 United States Reports, that condemned the entire oil-gas pipe-line combination as a monopoly and a price-fixing criminal agency from top to bottom, we never did a thing about that holding company unless we rather got them in the backwash of the gas interests in this bill. We had a report made by the La Follette committee about the year 1925 or 1926, or perhaps it was in 1923, in which the La Follette committee which investigated the Standard Oil holding-company combination reported that they absolutely had a strangle hold on the whole country; and, if I do say it myself, we had a report of the Louisiana Railroad and Public Service Commission, of which body I was the chairman, which had reported on the same matter and the network in that region or territory. But regardless of those reports and judicial inquiries and judicial proceedings there

never was anything done to affect the holding company of the Rockefeller-Vincent Astor combination; and it never will be done.

I want to tell you right now that I have been a railroad commissioner a long time. I am a friend of Mr. Harvey C. Couch, a Power Trust man, and the president of the Louisiana & Arkansas Railroad Co. Mr. Couch has quite often sent down his private car, or the railroad company has, but we have paid them dollar for dollar. We have paid them the extra fares, and we have paid them the extra charges. I have never allowed them to give me a single scintilla of consideration that was not being given by their competing lines; and I want to tell you that when you are dealing with these big oil combinations that you are not passing any laws against, and these big gas combinations that have the United States by the throat, and these gigantic combinations of the International Mercantile Marine, and you are letting them take you out in the Atlantic Ocean on a $5,000,000 yacht and keep you out there for 4 solid weeks, away from everybody else, it does not look well. I am going to tell you right now that I would a dad-gummed rather see Mr. Vincent Astor sell that yacht to the United States for $5,000,000, plus 10-percent profit, and take the five and a half million dollars and go with it than to see him rolling the President of the United States out there to meet the Duke and Duchess of Kent somewhere around the Bahama Islands for 4 weeks.

They said you had Mr. Astor before you as a witness. I did not summon Mr. Astor as a witness. I would have had too much sense to expect Mr. Astor to give any testimony that would have done any good. You called Mr. Astor in there, and you said, "Mr. Astor"—I do not know what the questions and answers were. I did not hear them, and I did not read them, but I will repeat them to you. I never heard him, and I never read his testimony, and I never asked what it was, but I will tell you what his answers were.

He was asked about this:

"Mr. Astor, did you mention any business of the Government to Mr. Roosevelt?"

"Oh, no! Nothing of the kind was mentioned. I never even thought about business. In fact, I forgot that I had a contract drawing a few million dollars out of the Government Treasury for carrying a postcard down to Timbuktu. Why, no; I never thought about it! I was only interested in fish. There was a peculiar kind of fish down there, and we were having trouble getting the fish in, and these two little hundred-million-dollar contracts did not make any difference with us. We wanted to see if the President could not go down there and bring in a fish, and, for all we know, he might have been able to catch a 'kingfish' while he was down there on that trip." [Laughter in the galleries.]

The PRESIDING OFFICER. The occupants of the galleries will have to preserve quiet.

Mr. LONG. Mr. President, I could tell what the answer would be without reading it: "There is nothing wrong. I was not thinking about business. I was simply on a pleasure trip."

Mr. President, I know something about that. I remember when I was chairman of the railroad commission of Louisiana, and I was the majority controller; they wanted to meet me with a private car, they wanted to give me a dinner, they wanted to give me a banquet, they wanted to see that I had an invitation to all the golf links, and I got them. But lo and behold! one day the railroad commission of Louisiana turned 2 to 1 the other way, and they kicked Mr. HUEY LONG out as chairman and put a new board in, and I did not get any more invitations to ride on the private car, I did not get any more invitations to the golf links, and they never even brought me a hamburger, from the time I got out of control of the railroad commission.

Senators can see that I have had some experience in this business. You do not have to eat a whole beef to tell when it is tainted; remember that.

Now, let us get back to the Constitution. I was delivering a lecture here on the Constitution of the United States when I was diverted. The interest of the Senate was so manifest, nearly 15 Senators were here listening to this speech this morning—I mean afternoon. I was so much interested in my own remarks that I had forgotten that it was even afternoon. I felt as though it was still the morning, I was so much concerned with this very illustrious study of the constitutional mythology.

I will go a little further. I was discussing the rights of Congress to regulate commerce and to regulate other things, and I was making a research in order that I might define what, if any, powers were still left to Congress, and I had found two authorities still exercised by Congress. I had read the first nine pages of the Constitution, and I had found that there still had been left to Congress the right to adjourn, and some other power not quite so important. These two had remained more or less unimpaired.

Let us see. The Congress has some more power:

> To declare war, grant letters of marque and reprisal, and make rules concerning captures on land and water.

Congress has not recognized that power for so many years that it is almost impossible to discuss it. Congress has not had the right to declare war, I now make the statement again, because along about the time we were in the calamity of 1915, 1916, and 1917 we made demands on England and on Germany that they do certain things, and I have been told in private conversation by men who had the negotiations in charge to some extent that for a time they thought that if we went to war we would have to go to war against England. I have been told that in private and confidential conversation by men who were concerned very, very closely in some particular with those matters.

Why did we not declare war against England? Because we were kin to them? No; we were kin to Germany, too. Most of us who had English blood in our veins had German blood also. I had both.

Why did we not declare war against Germany earlier, or against England then? For very obvious reasons. It was because the American financiers were not financing Germany. They had cast their lot with the Allies. They were financing England and France and Belgium, and they financed and financed and financed until the Allies were at the end of their credit resources.

Suddenly the United States was drawn into the war. If the information which was subsequently given out by the State Department is true, the United States had as much right to go to war against England a year before as it did when it went to war later against Germany. But the loans had been made to the Allies, so the United States of America was covered from pillar to post with advertisements of the atrocities being committed by the Germans, with statements that the right arms were being cut off Belgian children, with all the tales of the murders and the outrages and crime against infant humanity.

Those infamous falsehoods were spread throughout this country, justifying the fanaticism under which the powers forced the United States into the World War.

I say now that when the Congress of the United States in April 1917 voted the United States into the World War they did it against the will of at least 75 percent of the people of the United States, and I am being very conservative; I would just as soon estimate it at 90 percent, because it is my belief that 9 out of every 10 were opposed to it.

Listen to this, another power:

> Congress shall have power to raise and support armies, but no appropriation of money to that use shall be for a longer term than 2 years.

Is Congress exercising that right? No. Did they authorize $3,300,000,000 for the sole purpose of the Public Works Administration, and did not the administration take hundreds of millions of dollars of that money, which never had been appropriated by the Congress of the United States for an army or a navy, and spend that money for the purpose of building up the United States Navy? Where was the appropriation of the Congress of the United States that authorized any such thing as that being done? I call on anyone to tell me, where was there in any act of Congress

an appropriation of $100,000,000, or whatever the amount of money was that was spent out of the Public Works Administration appropriation, for the purpose of building a Navy for the United States? Where was that appropriation? It is not in that law. The Constitution says that such things must be done by Congress.

Ah, but there was a reason. It was shown on the floor of the Senate by the senior Senator from North Dakota [Mr. NYE] the other day that when they got ready to spend this unappropriated money for the purpose of building up a better navy for the United States they met behind closed doors, according to the evidence they were able to assemble in writing, and they divided up into equal parts, as nearly equal as it was possible, said the Senator from North Dakota, to cut a pie into three parts—they divided into three parts the contracts for the work to be done in building the United States Navy.

They wrote letters to one another in advance and came down and saw the gang to see that they had everything fixed up, and before they ever got the money, before they ever made a contract, before they ever made a bid, there was a conspiracy between officers of the United States Government and those shipbuilding concerns and munitions makers by which they divided the contracts into three equal parts and set the prices and fixed the costs to be paid out of moneys which never had and never have yet been appropriated by the Congress of the United States. They took the money out of the Public Works relief fund.

Is there any answer to that? No. There is no answer to it. Not an answer has been made, and there will not be a single answer made about it. They go right along with it, talking about the little air mail fraud. They rushed out here, and with all the speed and dispatch possible for human beings to exhibit, they rushed out here between suns and canceled air mail contracts and put the boys of the United States Army to trying to fly the mails, and they killed one, two, three, four, five, six, or a dozen of them so fast that nobody could tell what was going to happen. But they had to cancel the little 2-by-4 pie-dough business of the United States subsidy for mail that the airplanes were carrying, on the ground that there had been a conspiracy by which they had divided up the business when they let out the contracts for carrying the mail. But when they found that the Constitution of the United States had been made a scrap of paper in building up a navy out of money that never had been appropriated for that purpose, when they found not only that, but that there had been a conspiracy by which the munition makers could charge just exactly what they wanted, what was done about it? Nothing. Why? There is not a reason under the sun.

I suppose that about 3 years from now Brother Jim Farley, if he is still in office—and God save the country if he is—will put another book on the table before us. After the horse is gone out of the stable he comes in here with some kind of a milk and water report about what he thinks we ought to do about something. In the meantime, keep on killing the rats. After they have paid out about a billion dollars of our public money on these flimsy frauds they will write a book about it and say, "Look what they did to us." But that will not be the end of what they do. Surely we do not think that is the only thing they know how to do. They will be doing a thousand things before that thing gets far along.

Are we exercising our power under the Constitution? I say that we are not. I pause for anyone to make a statement showing that Congress is exercising its power under this particular clause of the Constitution, and I hear no one speak to the contrary.

I read further:

To provide and maintain a navy.

That was covered in the last point I made.

To make rules for the government and regulation of the land and naval forces.

Mr. President, in this country we have "Constitution Week." It is the week in which we observe the Constitution. One week out of every fifty-two. It is like the joker in a deck of cards; it is the fifty-third card—"Constitution Week." This is one of the few times I have heard the Constitution read in the United States Senate since I have been here. In fact, it is the only time. I believe Senators who are hearing me read these articles one by one and calling to their mind how they are being disregarded today are for the first time calling to their minds how important it is that we return to some kind or form of constitutional government.

I am encouraged by the reception which has been given me by Members of this body. I am actually encouraged by the fact that I have received such splendid attention from Members of the Senate. I thank those who are in attendance for the very marked—whether deserved or undeserved—attention which they have given to me this afternoon. I appreciate it. Never could I have imagined a greater event in my life. I am almost happy when I realize that I am here in the greatest deliberative body in the world reading the Constitution of the United States to the elders.

Mr. President, it is the achievement of more than a life's ambition to be able to read this forgotten lore here in this body and receive such attention as I am receiving, and I thank the Senate for the lack of disturbance and for their quietness in allowing me to proceed with these remarks on the Constitution.

Mr. President, I had expected considerable combat as I progressed. I had expected many, many times to hear some controversy; but as I have read these matters and explained them simply, not as yet has there been more than one contradiction, it being understood, as I have proceeded here, that I have interpreted silence to be an admission on these matters which I am disclosing. So I proceed.

The next paragraph, Mr. President, is as follows:

To provide for organizing, arming, and disciplining the militia, and for governing such part of them as may be employed in the service of the United States, reserving to the States, respectively, the appointment of the officers and the authority of training the militia according to the discipline prescribed by Congress.

That is an authority we do not have to exercise. So that is not important. That brings on no colloquy.

To exercise exclusive legislation in all cases whatsoever over such district (not exceeding 10 miles square) as may, by cession of particular States and the acceptance of Congress, become the seat of the Government of the United States; and to exercise like authority over all places purchased, by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings.

I do not suppose that is involved in the present discussion. There is no war on, but they are erecting such buildings now. They do not ask Congress about it, just as I said when I was speaking of the Navy.

To make all laws which shall be necessary and proper for carrying into execution the foregoing powers.

I have already illustrated that we are not doing that. We are not undertaking to do it.

I now come to section 9. This is what I wanted to read from section 9:

No money shall be drawn from the Treasury but in consequence of appropriations made by law.

In other words, there is no money to be drawn from the Treasury except in pursuance of an appropriation by law. I have already spoken about the Navy. We have appropriated $5,000,000,000. Mr. President, we have not said what is to be done with it. It is for the purposes of relief. What relief? Digging a canal, digging a ditch, blowing up a fort, building a road, hiring somebody—relief. Hiring men to work to take the census, hiring them to sweep the leaves from one side of the street to the other and then to sweep them from the other side of the street back again. Hiring men to do such work. There is not any such thing as an appropriation in regard to any of them. Just handing them out $5,000,000,000.

No one wanted to do much about it. Five billion dollars is to be handed out. I read in the newspapers the other day where one State is to get so much and another State is to get so much, and I saw then that one of the States did not get the money it was to get.

Mr. President, I have always thought that we ought to carry out this law as the law was intended to be carried out. I know how it was interpreted. We always said what the money was for. We always said what we would do with the money. We always said where the money was to go, and how much money. I had never heard of any such thing in my life, but I saw when I came here that the Congress was going to go ahead and give away $5,000,000,000. It is generally referred to outside of Congress as a "campaign fund." That $5,000,000,000 is generally talked of as a campaign fund. They are going to spend it in the States where it will do the most good. They are going to spend the money for votes. Outside of Congress it is generally talked of that the $5,000,000,000 will probably elect the President of the United States and others of the administration. The $5,000,000,000 is generally referred to as the "campaign fund." I have already shown what they are doing with that $5,000,000,000 down in my neck of the woods, and everyone knows what it is doing in the balance of the country. So I will pass that. There is no argument on the matter.

Mr. President, I come to article II. I have now reviewed with some exceptions article I of the Constitution. I will refer to article I at a later point of my address to explain those parts which have been omitted. Those parts, however, which I have not read and explained in article I are purposely eliminated because of the fact that I wished to refer to them in connection with later passages of the Constitution, where their relationship will be more readily understood.

I now come to article II of the Constitution of the United States. I am going along rather fast in this discussion. I have read the most important articles of the Constitution, those relating to commerce. It may be that I can shorten my remarks very materially when I get into these other articles, and just see what they are about, because perhaps they do not touch the powers of Congress.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. THOMAS of Oklahoma. Why has the Senator from Louisiana omitted to discuss the preamble to the Constitution?

Mr. LONG. I suppose I ought to go back and do that. I did skip that.

Mr. LEWIS. Mr. President, may I ask the able Senator when will he reach the conclusion of his remarks?

Mr. LONG. If my friend from Illinois stays here, he will know as soon as I do.

There is no question, Mr. President, that when my friend from Illinois and I get out in making our campaigns for reelection, that we are going to be profiting a good deal by what we hear from each other. We are both going to be candidates for reelection next year, and I am just as convinced as I can be that the good solid logic which I am expounding here this afternoon, which my friend from Illinois is drinking in every word of, is going to be of great benefit to him in the coming campaign.

Mr. LEWIS. May I ask my able friend if I am to go into the campaign with the public announcement that I am being supported by the Senator from Louisiana?

Mr. LONG. I declare that is putting an awful question up to me. I will give the Senator an answer to that question some time next week. If the Senator wants to win he is going to need it but I do not know. I am going to wait a while and decide. I will see how the Senator votes on the resolution. If the Senator votes for my resolution I may support him, but if the Senator votes against it I may hold it against him.

The Constitution of the United States of America.

There is a footnote at this point. I am going to read this footnote. I do not know what is in it, and I do not have time to read it except when I am reading it to the Senate. I am going to read this footnote to see what is in it. It may suggest something which may be important.

In May 1785, a committee of Congress made a report recommending an alteration in the Articles of Confederation, but no action was taken on it, and it was left to the State legislatures to proceed in the matter. In January 1786, the Legislature of Virginia passed a resolution providing for the appointment of five commissioners, who or any three of them, should meet such commissioners as might be appointed in the other States of the Union, at a time and place to be agreed upon, to take into consideration the trade of the United States; to consider how far a uniform system in their commercial regulations may be necessary to their common interest and their permanent harmony; and to report to the several States such an act—

This footnote is pretty long. I can explain it, however, to the Senate because I am now reminded of what it contains.

Following the Revolutionary War and during the Revolutionary War we were living under the Articles of Confederation, and it was realized that this was a rather ineffective, weak combination and aggregation of States. It did not have the power to carry its edicts into effect, so, therefore, the Legislature of the State of Virginia, by a resolution of that body, provided for delegates to meet with delegates to be appointed by other States, if and when other States appointed them to draft improvements and modifications of the Articles of Confederation.

My understanding is that they were not authorized to draft an entirely new Constitution, but they were supposed to improve and to modify the Articles of Confederation under which the War of 1776 was fought, and to make such improvements to the articles as they found to be necessary. I say that is my understanding of it. When the Congress finally met they worked around over the Articles of Confederation for a good while, and finally concluded to strike it all out and to write an entirely new document, which later came to be called the Constitution of the United States. Here is the preamble to that Constitution. The preamble is not a part of the Constitution, the Supreme Court has said, but nevertheless I read the preamble of the Constitution of the United States:

We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

I read the last few lines of that preamble again:

To provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and posterity, do ordain and establish this Constitution for the United States of America.

Mr. President, I turn back now to the Declaration of Independence just for a moment, just as hastily as I can, and read the first few lines of the Declaration of Independence to show that this preamble sought and purported to carry into effect the principles incorporated in the Declaration of Independence on the 4th day of July 1776. I turn back and I read from the Declaration of Independence a few of these lines in order that it may be seen that the Constitution of the United States was practically keeping in effect the Declaration of Independence and its provisions. I read this because there is an apparent conflict between two articles of the Declaration of Independence and the Constitution of the United States which most students would never detect. I read this and I want Senators to notice this particular provision. This is something which has never been understood by 95 percent of the American people. Familiar with the Declaration of Independence as the people may be, I again say that 95 percent of the American people have never understood what appears to be an irreconcilable conflict between two of the clauses of this document. However, I shall explain it as I read:

When in the course of human events it becomes necessary for one people to dissolve the political bands which have connected them with another and to assume among the powers of the earth the separate and equal station to which the laws of nature and of nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

That is a kind of preamble to the Declaration of Independence.

That means to say that we ought to say why we are doing this. That is the preamble—

We hold these truths to be self-evident—that all men are created equal.

I want this to be heard particularly by Senators from the North—by all Senators from the North:

We hold these truths to be self-evident—that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness.

All men are created equal! What did that mean? The next paragraph of this article was prepared by Thomas Jefferson, and it condemned the King of England because he had allowed the institution of human slavery to exist in the Thirteen Colonies. The Declaration of Independence, which was prepared by the southerner, Thomas Jefferson, the Virginian, was presented to the Continental Congress with the statement in it that human slavery had been imposed upon the people of the United States by a corrupt King of the British Empire, and condemning the system of human slavery, and thereby promising its annulment and abrogation. When the Declaration of Independence was presented to the Congress on July 19, 1776, that southern document—hear me, men of the Senate—that southern document contained the provision that human slavery had been imposed unjustly and inhumanly upon the Thirteen Colonies by the King of England.

What happened to that proposed article of the Declaration of Independence? It did not become a part of the Declaration of Independence because representatives of certain of the northern States either absented themselves or voted against the incorporation of that provision in the Declaration of Independence to outlaw human slavery when this country was first founded. It was the father of the Democratic Party, not for any political consideration, who first proposed that human slavery should be eradicated from this land with the birth of the Nation, and if it had not been for the help which was given by representatives of Massachusetts and certain other States, either actively or by absenting themselves, there would have been incorporated into the Declaration of Independence the lines which would have freed the black man on July 4, 1776, instead of the 19th day of June 1863. It was a tie vote on whether Thomas Jefferson's article should remain in the Declaration of Independence to prohibit human slavery. On a tie vote the article was rejected, and so did not become a part of the Declaration of Independence.

If I may go further, Abraham Lincoln did not favor eradicating human slavery, not on your tintype! Time after time Mr. Lincoln gave out statements and made speeches that he was not advocating that the Negroes be made free. Time after time he did that. But as the public mind changed, Mr. Lincoln changed with it as one of the public, and finally Lincoln found himself drifting with the tide until he became an abolitionist. But do not forget that even in 1863, when Lincoln promulgated the proclamation of emancipation, he did not make the black man free. He freed the black men only in the States that were in rebellion; and the part of the United States which was not in rebellion was not included under the emancipation proclamation of June 19, 1863.

There is no greater admirer of Lincoln in this body than myself. I love his memory. I love every thing about the man's work; but the emancipator of this country was Thomas Jefferson by right, and if he had had the proper support the name of Jefferson would have gone down not only as the emancipator of the black man but as the emancipator of both the white and the black man.

So, Mr. President, the Democratic founders of this country were genuine emancipators, not carried on by political storms and fogs but by the consciences of the men assembled in 1776; and if properly supported, the founders of this party would have decreed an annulment of the institution of slavery ab initio.

Therefore, Mr. President, when Jefferson went into the Continental Congress with the Declaration of Independence and presented it for adoption, modification, or whatever they might do with it, they left in it the article that all men are created equal, but they struck out the article that the black man should be free. They did not notice it: but, while they struck out one article of the Declaration of Independence providing for freeing the black man, they left in it the declaration that all men are created equal, not noticing the conflict thereby made, that one would be born free and one would be born a slave.

That has all been cured, however. How? First, it was cured when the people of the United States adopted the amendment to the Constitution against the institution of human slavery. That is one way in which they cured it. That was freeing by law. Now it has been cured in another way. First, we made all men equal by freeing them all. Second, we made all men equal by enslaving them all. We made them free at one time. In 1776 we freed the whites. In 1863 we freed the blacks. In 1932 we completed the enslavement of the whites and the blacks. How? I will tell you how.

This is what we did: We found the United States groaning under an economic readjustment which was disastrous in its effect and result. We found the country enslaved with debt, $262,000,000,000 in debt. That is one thing. We had conducted an investigation to find out how much every man ought to eat; and we promulgated a bulletin—I think it is Bulletin No. 292 of the Agricultural Department—giving the number of pounds of the various types of food that each human being in the United States ought to consume. In the year 1929, what did we find out? We went out with a clamor—they did it here in Washington, and fooled all of us with it; I was one of those they fooled—we went out with a clamor that we had too much to eat and too much to wear, and that the country had collapsed because we had too much of everything. Lo and behold, we came along in the year 1932 with ten or fifteen million people out of work, $262,000,000,000 of debts, too much to eat and too much to wear, and, by proclamation of the President of the United States, acting under the power of Congress through the Department of Agriculture and various other departments, because we had too much to eat and too much to wear, people were hungry, people were starving, people were naked, and people were homeless, we went out to kill cattle because we had too many cattle to eat. We went out to kill hogs because we had too many hogs to eat. We killed the sows to keep them from breeding more hogs that people could not buy. We plowed up the cotton. We burned the corn. We limited the wheat. We took everything, and we christened the Secretary of the Department of Agriculture Lord Royal Destroyer. Out went his agents, destroying the food, destroying the material for clothing, destroying the homes, destroying the reproductive propensities of plant and animal life, because they had found out that there was more to eat and more to wear in the United States than the people had the money to buy!

But, lo and behold, that began in 1929. They said they started with this terrible surplus; and yet when we take the year 1929, and multiply 125,000,000 people or 120,000,000 people against the amount of food that the Department of Agriculture says every man ought to eat and every woman ought to eat and every child ought to eat, 125,000,000 times the amount of food that they said each person ought to eat meant that in 1929, instead of having a food surplus, we had a food shortage. We had 40 percent too little eggs; we had 35 percent shortage of butter; we had 69 percent shortage of dried fruits. We did not have enough of anything to eat. We had 10 to 20 percent shortage in milk; and notwithstanding the fact that in 1929, according to the figures of the United States Government itself, when we had too little to feed the country with, and in some cases we had only one-third as much as the people ought to have had to eat, yet when we got to the year 1932, because of the fact that the people did not have the money to buy the things we said they had to eat, we burned it up, and killed the hogs, and plowed under the cotton.

"People have not the money to buy clothes. Plow up the cotton, and shear the sheep, and put the cotton and the wool in the Atlantic Ocean!"

"People have not the money to buy the dried fruits of California and Louisiana. Dump it into the Pacific Ocean and into the Gulf of Mexico!"

"People have not the money to buy milk and eggs. Pour it into Lake Michigan and put it up somewhere around in Maine to keep it from coming into New York."

"People have not the money to buy hogs. Kill 10,000,000 of them and kill all the sows to keep them from bringing any more hogs, because the people have not any money with which to buy."

Starving, hungry, naked, the poor devils of this country came to the wise men in Congress saying, "We are hungry, we are naked, we are homeless, we have nothing with which to buy, we have nothing to eat", and a "dad-gummed" Congress passed a law to authorize the agents of the Government to go out and kill what few hogs there were in the country, and to pour the milk into the rivers, and to plow up the cotton because the people did not have the money with which to buy!

I said we began the enslavement of whites and blacks in the year 1932, and that was the beginning of the sanctioning by law of the institution of human slavery.

Where does this lead us? I want to say that if the Members of the Senate would stay here and listen to me we would correct these conditions. Here I am making this speech on these facts, about which the Members of the Senate do not know a thing—95 percent of them know nothing about them at all, because they have not listened to me. [Laughter.] Here I am with 14 Senators listening to one of the greatest speeches that has ever been made in this body. [Laughter.] I cannot get them to listen. Again, when we do get them to listen, half of them are like the Senator from Kentucky—they cannot understand the speech after they hear it. [Laughter.]

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. MURPHY in the chair). Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield.

Mr. BARKLEY. I am not responsible for the Senator's inability to make himself understood. [Laughter.]

Mr. LONG. Very well. I had that coming to me. I remember when I first tried to study music; they gave me a very poor grade.

Mr. BARKLEY. Did the Senator learn music?

Mr. LONG. Not much of it; a little.

Mr. BARKLEY. Will not the Senator sing a little? [Laughter.]

Mr. LONG. Mr. President, the Senator wants me to sing to him. There may be some people I will sing to, but they will be better looking than the Senator from Kentucky. [Laughter.]

Mr. BARKLEY. The Senator will never sing looking in the looking glass, then, if that be true.

Mr. LONG. I want to say one thing, Mr. President: I used to go to church, and there was a man up there leading the singing who favored the Senator from Kentucky, both in face and size, and how in the world that man could ever lead a singing class was beyond me. There must have been something that compelled them to sing.

Now let me get down to what I was talking about. This is really serious business. After having given the figures I was saying that 14 Senators were listening to me, only 14 out of 94; there are 80 absentees. Their place is here listening to me today. That is their duty. Where are they? They are scattered around all over this building and around this town attending to less important business.

The figures and the statistics I am giving are undisputed and indisputable; they cannot be controverted, they cannot be contradicted, they cannot be questioned, they cannot be assailed. The things I am presenting to the Congress of the United States no one will undertake to controvert. Had they been understood in this body we would long since have corrected the present conditions.

If the N. R. A. serves any good purpose at all—and I can conceive of none it can serve, topside or bottom, though there ought to be some good come out of it, and perhaps good will come out of it—if any good comes it will be perhaps that Senators may comprehend the figures and tables which I have been explaining to them in the few moments that I have been discussing these principles this afternoon.

I have covered the matter of food supply, and I have covered the debt structure. The Senator from Oklahoma said that the debts of the United States amount to $262,000,000,000. That means that every man, every woman, and every child owes $2,000.

How many of them have $2,000? According to the table of distribution of wealth which was compiled in an examination made by a New York newspaper the other day, there are very few people in the United States who have $2,000. There are hardly any who have $2,000. But there are few of them who do not owe $2,000, or more than $2,000.

The distribution of debt is unlike the distribution of wealth. Wealth is owned by a few at the top, but debts are owed by the masses at the bottom. The ownership of property is in the hands of a few families in this country, but the debts which have been loaded on to this country are on the backs of the masses.

Hundreds of millions of people come into this life with two or three thousand dollars as their share of the debt, and go out of life without ever paying a dime of it. The interest alone in this country is sufficient to kill the race.

The Senator from Oklahoma showed that last year the national income of the United States had fallen to $42,000,000,000. The interest on our debt and our taxes amount to $28,000,000,000. We had an income of $42,000,000,000, and 66⅔ went for taxes and interest alone. That left an income of $14,000,000,000, and according to the tabulation that was furnished, something like 95 percent of all the money that was saved was in a handful of families, and the masses of the people never saved a penny to pay on their debts. They went further into debt. In other words, of the income there is in this country year after year, more of it goes into the hands of the big men and less of it goes to the people.

This used to sound like demagoguery, but it is an admitted fact now. Everybody admits it to be an absolute fact. Year after year more and more of the wealth of this country goes into the hands of the big man and less goes into the hands of the little man.

According to the Government reports, 97 percent of the people of the United States do not make a dime to pay on their debts, but they go further and further and further into debt every year. Thirty percent of the people save a little. Of course, there was a slight savings to about half of the people, but it was too insignificant to count. You have let this $262,000,000,000 of debt fall on the backs of the people, and they owe it today.

The senior Senator from Oklahoma [Mr. THOMAS] showed that next year $262,000,000,000 of debt would not tell the whole story, because the bank deposits were not included as being debt, and some other things were not even listed as being debts. But on one side of the ledger in some instances only the debts of this country added up into the item of $262,000,000,000.

Now, every child that is born gets as a birthday present $2,000 of debts or $2,500 of debts, and that is all he gets. They do not own anything. The common masses in this country do not own a dad-gummed thing, and I mean what I say. They do not own enough to pay their debts. They do not own anything. The profits are in the hands of the financial masters and the debts are on the backs of the common people.

The Lord said you could not pay those debts. It is said by the Constitution that something had to be done about it, not in that exact language, but I am going to show in a moment that that was what was said in effect.

It has been said by every man who had anything to do with making this country, and by every man who had much to do with the making of any other country, that no country could survive which allowed its debt structure to continue. Now people are moping, wondering what to do, wondering how to do, wondering how to go, where to go, when to go; crying over the Constitution prohibiting this and the Constitution prohibiting something else—but there is one thing

the Constitution does not prohibit. It does not prohibit the redistribution of wealth. It does not prohibit the cancelation of debts.

There is one thing which Mr. Franklin Delano Roosevelt would not be restrained from doing and that Congress would not be restrained from doing. Congress can end this depression by 6 o'clock tomorrow morning. Congress, I state again, can end this depression by sunup tomorrow.

By sunup tomorrow morning I can draw the laws, without leaving the floor of the Senate, and wind up the depression by sunrise tomorrow. There will be no trouble to do it. They say they do not know how. They know how, these "muckety-mucks of the brain trust." What they have been trying to do is to try to keep from having to do it. They do not want to do it.

What laws would we have to draw? My friend from Kentucky heard me the other day, but he interrupted me so many times that what I said was more or less disconnected. What law would I draw? I can draw up a law now. I can draw the law without leaving the floor of the Senate. I can dictate the law to this stenographer, right here now without having to correct a word, which will wipe out the depression of the United States by sunrise tomorrow. I will dictate the law right now. [Laughter in the galleries.]

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled—

SECTION 1. That hereafter no one person in the United States of America shall be permitted to own more than 100 times the amount of wealth, property, and assets possessed by the average family of America.

SEC. 2. That every family of the United States, which is to include every head of every family and his dependents, shall be, and is hereby, guaranteed a homestead, to be possessed by such family and to include the things and quantities hereinafter enumerated, of a value not less than one-third the value of the average family wealth of the United States. That the homestead cannot be alienated or encumbered without the consent of the United States, according to regulations hereafter prescribed.

Let me explain what my first two sections of the law mean, and nobody need doubt it being constitutional.

No. 1 means that no man can have a wealth in America of more than 100 times the average. The average family wealth during the good normal times was $17,000 to the family, and 100 times that is enough for anybody. That would mean that the maximum fortune in the United States would be $1,700,000. That is section no. 1. That $1,700,000 would be the limit that any man could own in money, property, food, supplies, wearing apparel, or anything else. That no millionaire could own more than $1,700,000. I would compromise on making it twice that amount.

The second provision is that every family would be guaranteed a homestead. How much? One-third the average family wealth would be guaranteed to every family. Am I outside the Constitution? I will show Senators whether I am outside the Constitution or not.

I will read to them from the Declaration of Independence.

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness.

Remember that—that every American citizen has the unalienable right, the right which he cannot sell, the right which he cannot give away, the right which he cannot lose—that every American is born with the right of life and liberty and the pursuit of happiness.

Under our present arrangement the life and the liberty and the happiness belong to about 1 percent of the people. The pursuit belongs to about 99 percent.

That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. That whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government.

I wonder if Senators heard that. It is said that whenever any government fails to provide life and liberty and happiness to its people, that it is the right of the people to kick that government out and to pick out another one.

Is this Government giving life, liberty, and the pursuit of happiness to its people when it lets one man own more than 5,000,000 people own? Is this Government giving life, liberty, and happiness to its people when it lets one-tenth of 1 percent of its people own more than 99 percent of its people own? That is what the condition of the bank deposits indicates. The answer to that question is "no."

That whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness.

Mr. President, what did they mean when they said that every man was born equal? What did they mean when they said that every Government that we had must give life, liberty, and happiness to all the people? What did they mean? They meant just what they said, because they had before them the law which had been established before the Declaration of Independence was written—the Compact of the Pilgrims, which had been prescribed on the 1st day of July 1620, 156 years before they wrote the Declaration of Independence, lacking 3 days.

What did the Compact of the Pilgrims state?

It said that every 7 years they would cancel out every debt, and every 7 years they would redistribute wealth. That is what the Government was founded on. It was founded on the Declaration of Independence and the Constitution of the United States, carrying into effect the laws of the Pilgrims, which had been promulgated in this country in 1620, and when they wrote the Constitution of the United States, James Madison said that unless they redistribute wealth this Republic will not last. Daniel Webster said that unless they redistribute wealth this country cannot last. Samuel Adams said the same thing. Thomas Jefferson wrote it into the law. Abraham Lincoln said it. Andrew Jackson said it. Ralph Waldo Emerson said it. Theodore Roosevelt said it. And Franklin Delano Roosevelt said it, too.

When Franklin Delano Roosevelt came before the Chicago convention to accept the nomination, what did he say? He said, "We are going to redistribute wealth." He did not say that by himself. He said, "We are going to give the people a chance to share in the redistribution of wealth." He said, "Every man is expecting us to give him a share in the distribution of wealth." Oh, I know the skeptics have been running around over the country talking about the "share our wealth" program I have enunciated; but the word came from Mr. Franklin Delano Roosevelt at the Chicago convention, and that is the promise he made. Has it been kept? No. On the contrary, instead of doing it, the poor people owe more than they ever owed before, and they own less than they have ever owned; and instead of having the food that could be bought to feed them, it has been burned up and plowed under because they did not have any money to buy it.

Now we are supposed to knuckle our neck under that yoke and wear it, or we will not get any Federal patronage. "We will give the jobs to somebody else." So I am arguing the motion before us. We do not want to do that. We want to uphold the Constitution and the laws and vote for the welfare of our people. That is what we want to do.

That being the case, what do we do? We come back to the Constitution. What does our Constitution say, gentlemen of the jury—and this is a jury. What does it say, lady and gentlemen of the Senate? What does the Constitution say? It says we are not going to have legislative whims controlling us; that we are not going to be controlled by the whims or caprices of the President or anybody else. It says we are not going to have the functions of government put into the hands of irresponsible and unworthy people who cannot bear the light of day. It says that whenever we have a man appointed to office who is to handle important business the sovereign States shall have a right to have their ambassadors look into the portfolio and credentials of that gentleman to see if he is the kind of man to handle the business. That is what it says, and that is all it says. That is what it was intended to provide.

What do we say? We come along and say we would like to have the Constitution carried out. "Oh, no; nothing like that. That is not in the cards. That is not the kind

of business we have here. We have something else to talk about. Nothing of the kind. Oh, no! You have been here voting against these unconstitutional bills. You have been here trying to make us do what the Pilgrims said ought to be done. You have been here talking that old worn-out stuff about which Daniel Webster and James Madison and Andrew Jackson and Abraham Lincoln talked, and as long as you do that we are going to see to it that you do not have anything to say about who shall handle the important affairs of this Government. We are going further than that. We are going to take the people's money and send it down to Louisiana and spend it to try to corrupt your people to vote against you unless you will vote for these scandalous unconstitutional things we are trying to chuck down your throats."

That is what it means. It means an end of this Republic if the manhood in this body shall lie down at this time. Now is the time for the manhood of the United States Senate to stand up.

Mr. MINTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Indiana?

Mr. LONG. I yield for a question.

Mr. MINTON. With great deference to the Senator, may I suggest that he do not talk so loudly? A number of people around here are asleep.

Mr. LONG. I am sorry I awakened the Senator from Indiana. [Laughter.] We would have been better off if he had not waked up. The best thing the Senator from Indiana can do is to go back into the cloakroom and go right back to sleep. [Laughter.]

O Mr. President, I am reminded of a speech I read once when I was a boy. Victor Hugo wrote a speech which was supposed to have been delivered and which appeared in one of his great works of fiction. I think the book was entitled "By Order of the King." I believe it is sometimes called "The Laughing Man."

Mr. BARKLEY. Mr. President, was that the king or the kingfish?

Mr. LONG. That was the king. I am going to read from that speech. It is very appropos of this day and time and what is occurring here at this time. It is almost a duplicate situation. There are 22,000,000 people on starvation dole, certain that they will be taken off if they displease the bureaucrats. Twenty-two million of them are starving, countless families are without homes, children are born into this country and placed in the ground to be kept warm because they have not clothes for their body, starting life in the grave instead of starting it in the cradle.

There is laughter! There is mirth! Oh, it is hilarious business! It is almost like the coming of the second jubilee. It is almost a gathering for the chase. It is almost like a fox hunt. Yes, it is a laughable matter to discuss the misery and the poverty and the distraction of these people and to insist that they have a right to the benefits of the Constitution of the United States. It is almost laughable. It is a mirthful matter. It provokes no serious thought. On the contrary, the death rattle of the millions is heard out yonder.

There are more people who will starve to death or who will die from half or malnutrition as a result of the pestilences of the depression of the last 5 years than ever died from the Civil War or from the World War, or any other two wars we have ever had.

In a moment I shall read the speech which I have not read since I was a boy. It covers the present situation pretty well. It is very much like it and I shall refer to it when I get the book. I have sent for it. It is a book by Victor Hugo, "By Order of the King, or The Laughing Man." I shall read that speech to Members of the United States Senate. It is almost a duplication of what occurs and is occurring in America today. It discloses the mirthful manner and elegant ease and abandonment in which the situation is received by the ruling powers in charge of this Nation at the present day and time.

It will almost display the merrymaking on the *Nourmahal*, and many kindred matters relating to the functions of this day. I shall get to it in a moment. I shall come back to it. For the present I shall proceed as I was doing.

Foodstuffs, wearing apparel, America's division. I have dictated section 1 and section 2 of a law for Congress. I shall now dictate section 3. By section 1 and by section 2 I have provided that no one man may own more than 100 times the average; that no family shall be without a home and the necessary comforts of a home. That means that every child born in America shall know that there is a roof above his head. That means that every human being in America has the right to be sheltered. That means that none shall own too much, none shall own too little. That means the fulfillment of the law of the Lord. You will find in the Proverbs these verses:

> Two things have I required of thee; deny me them not before I die:
>
> Remove far from me vanity and lies; give me neither poverty nor riches; feed me with food convenient for me:
>
> Lest I be full, and deny thee, and say, Who is the Lord? or lest I be poor, and steal, and take the name of my God in vain.

So, therefore, having provided section 1 and section 2, I provide section 3. I want these wise legal scholars to listen to this—and we have some mighty wise ones here. As a matter of fact, Mr. President, when one enters this realm of wisdom and intellect, there is a sense of inferiority that is overpowering. The surroundings of wisdom are almost like a lethal chamber; but, none the less, I proceed in the presence of the learned scholars of law, literature, science, invention, and what not, to dictate section 3:

> That hereafter, whenever there shall be a surplus of agricultural commodities——

I pause there for just a minute. Is it not a horrible thing that someone should undertake to dictate in one little section of the law, almost in one sentence, a complete agricultural program? No; I do not have to do it, because the Lord provided the means and the method of doing it, and it has never failed a country that followed it.

> SEC. 3. That hereafter, whenever there shall be a surplus of agricultural commodities or of any particular commodities produced in the United States, such surplus shall be impounded and stored by the United States; and whenever the said surplus shall exceed the reasonable needs for the same over a period of 18 months, such authority as may be designated by Congress shall have the right and power to forbid the raising or planting of the same during the calendar year.

Mr. President, that is providing for something that has never yet happened in America. That is not providing to plow up anything. That is providing that if we have an agricultural surplus we shall store it, and that if we get enough of a particular crop so that we do not need any of it for the next 18 months we shall then use our surplus, and do something else in the meantime for a living.

We never yet have had a surplus. Did you know that the United States never yet has had a surplus of anything? I will tell you that it has not. You think we have a surplus of cotton, but we have not any such thing. If every window that needs a shade in it had a shade, if every floor that needs a rug had the rug, if every bed that needs a bed sheet had the bed sheet, and every pillow a pillow slip, and everyone had the necessary clothing, if the United States were to start out tomorrow and say that it was going to put on the backs of the people the clothes that they reasonably need to wear, and it was going to put in the houses the beds and bed sheets and rugs and pillows and curtains that the houses need, we should not have a surplus of cotton. We should lack 10 million bales of having enough cotton to supply the country what it needed as a result of lack of purchasing power in the past 5 years. We have not enough cotton, but we have not any money in the hands of the people with which to buy the cotton. That is the only trouble. There probably never will be an agricultural surplus if the people of the country have the money with which to buy. The Lord speed the day when there will be. Let the time come when there will be. Then our country will not be a savage-like race of people, but it will impound whatever surplus it has, and lay it up for the years to come.

Suppose we had a pestilence. We have had them. No cotton could be raised. Suppose we had a scourge. No wheat could be raised, no wool could be sheared, no corn could be grown. If we had such a disaster as that, where would be our supply for the next year? Suppose we had an invading army. Suppose we had another war, and wished to send every man to the front. Would not this country be a hundred times better off if it had stored up in advance an adequate supply of food for itself and its allies during that day of disaster? A wise country would store up much more surplus than we have ever claimed to have; but, as a matter of fact, we not only have claimed something we did not have, but we have had an actual shortage.

Mr. President, I have sent for a book. It has not yet arrived. I wish to complete my remarks in connection with dictating the balance of this law. I have now covered the distribution of wealth. I have now covered the homestead. I have now covered the problem of agriculture. What else would I provide in this law? I would provide as follows:

SEC. 4. That the Government of the United States will provide, from funds to be raised by the laws of Congress, a sufficient sum that it may pay to all persons who have reached 60 years of age a sum amounting to —— dollars per month.

SEC. 5. That the adjusted-service certificates held by the veterans of the World War shall be immediately paid at their full face value, and that any and all interest which may have been paid on the same shall be remitted by the Treasury of the United States.

SEC. 6. That the laws of the United States relating to the coinage of money and the value thereof prior to the year 1873 and particularly affecting the value and coinage of silver shall be and the same are by accompanying legislation reenacted in full.

SEC. 7. That where any State, in order to carry out accompanying legislation of Congress, shall provide for the shortening of hours of labor, the elimination of child labor, and the banning of the production of any crops, the Federal Treasury, in accordance with accompanying legislation, shall furnish funds to such State or States as may be necessary to reasonably effectuate the changes required thereby.

There are two details there, Mr. President. We would have to reenact the whole law of 1873. I do not set that out in full. In order that we might effectuate the elimination of child labor and shorten the hours of work by laws of a State it would only be necessary that the Congress of the United States withhold appropriations from the States failing to make such changes.

SEC. 8. There shall be appropriated by the Congress of the United States such sums of money as shall be sufficient to enable all States to furnish education and training, both professional and vocational, to the children and youths of the United States, equally and without distinction, including courses in grammar and high schools and colleges.

There is the law. We would not have to change it much. There is a law giving an adequate supply of money as far as the metal can do it.

I forgot one section.

SEC. 9. That every law that has been enacted by the Hoover and Roosevelt administrations be and the same are hereby repealed in toto.

[Laughter.]

Mr. SCHALL. Mr. President——

The PRESIDING OFFICER (Mr. GUFFEY in the chair). Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. LONG. I yield.

Mr. SCHALL. Does not the Senator think the idea of two chickens in every pot would be better than one blue duck in every window? [Laughter.]

Mr. LONG. I do not know about that. It is hard to say. We never could get Mr. Roosevelt to take as his god anybody but Hoover. I do not know why that was. Somehow or other he had it in his mind that he had to go the Hoover route.

Hoover said, "I want the people to plow up every fourth row of cotton", and we laughed at him. Roosevelt said, "I want the people to plow up every third row of cotton", and we did it. The only difference between Hoover and Roosevelt was that we plowed up one-twelfth more under Roosevelt than Hoover ever proposed.

It is true that Hoover said, "Two chickens in every pot." But Roosevelt said, "A blue buzzard in every front window." [Laughter.]

It is impossible to get away from it; they thought along same lines. That has been our trouble; they were too much alike.

Talk about a campaign coming on in this country with Roosevelt on the Democratic ticket and Hoover on the Republican ticket! I wish to warn these two old parties. You are saying that you either have to have Republicans or Democrats elect anybody President? Let the Democrats nominate Roosevelt and the Republicans nominate Hoover, and we will beat them both put together so dad-gummed bad you will not know that either one of them was running. Just try it, and see if we will not.

Do not get the impression that we will not have the mechanism. Do not think we will not have the mechanism for a party in other States. Just wait and see. We have it now. We can show the mechanism tomorrow morning if necessary. It used to be thought we could not beat the New Orleans ring, that we did not have the mechanism. Go down and ask now if we have not a pretty good mechanism against the New Orleans ring. Do not worry about the mechanism. No system was ever devised that was so perfect that someone else could not improve on it, and if they go out with Roosevelt and Hoover, tweedledum and tweedledee, you will see what is going to happen to them.

I will support anybody for President of the United States who will give the people what Hoover promised to them or what Roosevelt promised to them. Their platforms were all right, their promises were perfect, but their performances remind me of what the Lord said:

Thou shalt not do after their works.

Oh, they make a lot of fancy promises. If either Hoover or Roosevelt kept his word we would have been all right. The trouble was that we could not get either one of them to do what he said he would do.

Mr. Roosevelt wound up by saying the same thing Hoover said. Hoover himself said at Madison Square Garden that America's only system was to take the wealth out of the hands of the few and distribute it into the hands of all. He said that himself, along with his statement about two chickens in every pot and an automobile in every back yard. Roosevelt has said it too. They were party candidates.

A while back my friend the Senator from Nebraska [Mr. NORRIS], came to me one day and said to me, "You have a Representative in the House from Louisiana who is on the Committee on Military Affairs, and he is holding up my Tennessee Valley bill, will not let the bill come up."

I said, "Is that so?" I had noticed the Senator from Nebraska frowning at me for several days. He had not looked exactly right, and I did not know what was the matter with him. Finally he came out with it and said, "One of these Representatives of yours from Louisiana is a member of the Committee on Military Affairs, and he will not let them report out the T. V. A. bill."

I said, "All right."

I sent for that Representative, because I had elected him twice down there, or three times. [Laughter.] I say I had elected him; I was the only one who thought he ought to be elected, and they all voted for him thinking it would do me some good. I brought him in here, and I had him go over to the Senator from Nebraska, and I said, "What is it you want this man to do? Now you just tell him what you want him to do and he is going to do it, because we all down there want this T. V. A. bill."

His people want the Norris bill, and they have confidence in Senator NORRIS, and if he does not do it he will have to answer to the people, and I know what the people will say.

So he went over and saw the Senator from Nebraska, and the Senator from Nebraska told him he wanted the bill out, and he went back and the next day they brought the bill out right off the bat. They put the bill over here and the Senator from Nebraska amended it as he wanted to, and sent it back—the Norris bill 100 percent.

Since that time the Congressman has quit the Long faction. He is no longer with them. He has been converted. He found out he was wrong all the time. I wish we had found out a little bit sooner ourselves so far as that is concerned; we would have had more and suffered less.

Now they have got the Senator's bill over there. The Representative has gone over to the Roosevelt administration. No more Longism for him. He is a thoroughbred Roosevelt man, dyed in the wool, dispensing patronage and promising jobs.

The Senator from Nebraska has got his T. V. A. bill over there in that same committee again, and that same Representative, who, when I had him operating with me, had to go get it out, has got it tied up again.

The Senator from Nebraska is perfectly complacent. He says the administration wants his bill. I know he saw what I could do with that man when he was working with me. He ought to know what the administration can do with him. If he will use the administration as he used me he will get that T. V. A. bill out of there. Call their hand sometime and see what they do. They can make this Congressman do whatever they want him to do. So they will probably hold up that T. V. A. bill. I do not think it is going to come out of committee. They are going to hold it up. However, I want to tell the Senate that they can bring that T. V. A. bill out of committee if they want to, and they ought to be smoked out.

The senior Senator from Alabama heard me talk about that Representative last year when he was supposed to be holding up that bill. He knows that I spoke to him very gently and got the bill out for the Senator from Nebraska.

I do not wish the Senator from Nebraska to fail to get that gentleman to act again, and I want him to know who owns him this time so he will understand who to go to and break the deadlock over there. The Senator from Nebraska can break the deadlock this time just as I broke it last time. I hope he does it in time.

I said history repeats itself. I am going to read from this book a speech delivered many, many years ago by a great fiction writer, but none the less it is a remarkable speech. He tells a story. To those Members of the Senate who have not read it or who do not recollect it, I will say what the story is. It purports to be the story of a waif suddenly discovered to be a peer. This waif was the son of a peer in the bad graces of the king. The king was desirous that this offspring of the peer, who was the king's enemy, would never be seen again, so he provided to have his countenance disfigured and he was exiled into a foreign land. However, following the death of the king the waif was discovered and he was brought back and given his title as a peer in the British House of Lords. In this book we find the speech which he made, and the occasion under which he made it is stated.

[At this point Mr. LONG yielded to Mr. THOMAS of Oklahoma to suggest the absence of a quorum, and, after debate, the roll was called.]

Mr. LONG. Mr. President, I am not anxious to proceed too long. If we can get a unanimous-consent agreement to vote by noon tomorrow on the motion I have made I shall have no objection to voting at that time, or at 12:30 if some other Senator wishes to speak.

Mr. HARRISON. Mr. President, if we could have an agreement that we shall vote tomorrow at 12:30 upon the motion to reconsider, and immediately thereafter vote upon the pending amendment, if the motion to reconsider should be carried, and then limit debate so that no Senator shall speak more than once nor longer than 10 minutes, I should not object so far as I am concerned. I should not like to have the Senate recess now, and tomorrow be delayed by another speech of similar duration. If that suggestion should meet the approval of the Senate, I should ask unanimous consent that we vote upon the motion to reconsider at 12:30 p. m. tomorrow——

Mr. BLACK. Mr. President, before the Senator submits that request I desire to say that I hope he will not ask for any such agreement. I believe it is the will of the Senate to proceed now and let the Senator from Louisiana continue his speech and complete it, even though it takes until Sunday. I sincerely hope the Senator will not ask for any such agreement.

Mr. HARRISON. Very well. I shall not ask for the agreement.

The VICE PRESIDENT. The Senator from Louisiana has the floor.

Mr. LONG. Very well, Mr. President. The Senator from Alabama [Mr. BLACK] has been listening to most of my speech, and I commend his attitude to other Members of this body for favorable consideration. I am satisfied that he will join with me in a request that all Members of this body remain here and listen to me throughout the balance of my speech.

I am about to read from the speech which appears in this book, written by one of the world's great authors. I thought during the call of the quorum I should have a more easy means of locating the exact place, but I was not able to do so. I am going to read from it the best I can.

Mr. THOMAS of Oklahoma. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Oklahoma?

Mr. LONG. Yes; I yield.

Mr. THOMAS of Oklahoma. A while ago the Senator from Louisiana dictated into the RECORD the text of a bill containing as I remember, about eight sections. The bill, so the Senator from Louisiana stated, would cure the depression between now and 6 o'clock tomorrow morning. I suggest to the Senator from Louisiana the advisability of asking unanimous consent to give this bill the current number, consider it as having been introduced, and then ask for its immediate consideration.

Mr. LONG. I should be glad to make the request that this bill, as I dictated it into the RECORD—eight sections, I believe—be considered as having been introduced, that it be printed and lie on the table, and that the Senate proceed to its immediate consideration.

Mr. HARRISON. Mr. President, I should, of course, object; and I desire to ask, Mr. President, is not that business that has now been transacted?

The VICE PRESIDENT. The Senator asked unanimous consent.

Mr. HARRISON. And I objected.

The VICE PRESIDENT. The Senator objected to the consideration of the bill. The Chair had not yet put the question. The Senator from Mississippi objected before the Chair could put the unanimous-consent request of the Senator from Louisiana; but undoubtedly it would be business.

Mr. HARRISON. Does the Senator make the request?

Mr. LONG. Do I understand from the ruling of the Chair that that would be the conclusion of my speech, being the transaction of business?

The VICE PRESIDENT. Not at all. The Senator has the floor.

Mr. LONG. In other words, it would not be construed by the Chair that that would result in concluding any speech?

The VICE PRESIDENT. It would conclude one speech. The Senator could start on a new one. It would be the transaction of business.

Mr. LONG. I would lose the floor, though. Then, for the moment I will defer making my unanimous-consent request, and at a later time I will ask the Official Reporter to make a note of it.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARKLEY. Do I understand that the Senator from Louisiana thinks more of his speech than he does of recovery? [Laughter.]

Mr. LONG. I think more of informing the Senators who are here until they are converted. I think that will help the trouble the country is in. We are going to have to cure the minds of some Senators, and then we shall have recovery.

Mr. President, without losing the floor—and I include in the unanimous-consent request a request that I shall not

lose the floor—I desire to ask that every Senator be made to stay here and listen to me, unless he has himself excused.

Several Senators rose.

Mr. McKELLAR. I object.

The VICE PRESIDENT. Let there be order in the Senate.

In the first place, the Senator from Louisiana could not make that conditional unanimous-consent request. In the second place, in the opinion of the present occupant of the chair, that would be unusual cruelty under the Bill of Rights. [Laughter.]

Mr. CLARK. Mr. President, that would be unconstitutional.

Mr. LONG. I sit here and listen to most of the Senators, and if I can stand them they can stand me. The Senator from Missouri suggested, however, that that would be unconstitutional.

Mr. CLARK. As being cruel and unusual punishment. I will say to the Senator that the Vice President took the words out of my mouth.

Mr. LONG. All right.

Now, let us see what I was going to read. They brought a bill into the House of Parliament. Here was the House of Parliament, according to the story from which I am going to read. They brought a bill in there, and the bill was, as I recollect—I will read the exact words in a moment—to make some additional appropriation for the comfort and welfare of the King, or some bureaucrat of the King. They voted in those days by saying "content" or "not content", to signify the yeas and nays.

Now let us see what this is. I begin to read on page 244.

Mr. CLARK. Of what edition?

Mr. LONG. The de luxe edition.

The doors having been closed again, the Usher of the Black Rod reentered.

This is talking about the Parliament—

The lords commissioners left the Bench of State, took their places at the top of the dukes' benches, by right of their commission, and the Lord Chancellor addressed the House:

"My lords, the House having deliberated for several days on the bill which proposes to augment by 100,000 pounds sterling the annual provision for his Royal Highness the Prince, Her Majesty's Consort"—

This was about a third of the amount the *Nourmahal* would require for one cruise down to the Bahamas.

"and the debate having been exhausted and closed, the House will proceed to vote; the votes will be taken, according to custom, beginning with the puisne baron. Each lord, on his name being called, will rise and answer 'content' or 'noncontent' and will be at liberty to explain the motives of his vote, if he thinks fit to do so. Clerk, take the vote."

The Clerk of the House, standing up, opened a large folio, and spread it upon a gilded desk. This book was the list of the peerage.

The puisne of the House of Lords at that time was John Hervey, created baron and peer in 1703, from whom is descended the Marquis of Bristol.

The Clerk called—

"My Lord John, Baron Hervey."

An old man in a fair wig rose, and said, "Content."

In other words, "I will vote for the £100,000 sterling annual provision for His Royal Highness the Prince, Her Majesty's Consort.

All right.

Then he sat down.

The clerk registered his vote.

The clerk continued:

"My Lord Francis Seymour, Baron Conway, of Killultagh."

"Content," murmured, half rising, an elegant young man with a face like a page, who little thought that he was to be ancestor to the Marquises of Hertford.

"My Lord John Leveson, Baron Gower," continued the clerk.

This baron, from whom were to spring the Dukes of Sutherland, rose, and, as he reseated himself, said, "Content."

The clerk went on:

"My Lord Heneage Finch, Baron Guernsey."

The ancestor of the Earls of Aylesford, neither older nor less elegant than the ancestor of the Marquises of Hertford, justified his device, "Aperto vivere voto", by the proud tone in which he exclaimed, "Content."

While he was resuming his seat, the clerk called the fifth baron:

"My Lord John, Baron Granville."

Rising and resuming his seat quickly, "Content," exclaimed Lord Granville of Potheridge, whose peerage was to become extinct in 1709.

The clerk passed to the sixth:

"My Lord Charles Montague, Baron Halifax."

"Content," said Lord Halifax, the bearer of a title which had become extinct in the Saville family and was destined to become extinct again in that of Montague. Montague is distinct from Montagu and Montacute. And Lord Halifax added: "Prince George has an allowance as Her Majesty's Consort; he has another as Prince of Denmark, another as Duke of Cumberland, another as Lord High Admiral of England and Ireland; but he has not one as commander in chief. This is an injustice and a wrong which must be set right in the interest of the English people."

In other words, Barbara Hutton has a fortune as the Princess Mdivani, but none as the Countess of Denmark—the same thing, only of course, not the same portion. This is chicken money compared to what we do in this country right now.

Then Lord Halifax passed an eulogium on the Christian religion, abused popery, and voted the subsidy.

Lord Halifax sat down, and the clerk resumed—

"My Lord Christopher, Baron Barnard."

Lord Barnard, from whom were to descend the Dukes of Cleveland, rose to answer to his name: "Content."

He took some time in reseating himself, for he wore a lace band which was worth showing. For all that, Lord Barnard was a worthy gentleman and a brave officer.

While Lord Barnard was resuming his seat, the clerk, who read by routine, hesitated for an instant; he readjusted his spectacles, and leaned over the register with renewed attention; then, lifting up his head, he said.

Now is when he came to the name of this waif, discovered to be a peer.

"My Lord Fermain Clancharlie, Baron Clancharlie, and Hunkerville."

Gwynplaine arose.

"Not content," said he.

Mr. GORE. Mr. President——

The PRESIDING OFFICER (Mr. CONNALLY in the chair). Does the Senator from Louisiana yield to the Senator from Oklahoma?

Mr. LONG. I yield.

Mr. GORE. I rise to ask the Senator a question. Is he about to read the speech to which he referred?

Mr. LONG. I am about to read it.

Mr. GORE. I am afraid that those Senators who are not here would not know what the Senator was reading at this point. I therefore make the point of no quorum.

Mr. CLARK. Mr. President, I make a point of order that no business has been transacted since the last quorum call.

The PRESIDING OFFICER. The Chair is of the opinion that no business has been transacted since the last quorum call.

Mr. GORE. I appeal from the decision of the Chair.

The PRESIDING OFFICER. The question is, Shall the opinion of the Chair stand as the judgment of the Senate?

Mr. GORE. I ask for a division.

On a division, the decision of the Chair was sustained.

Mr. LONG. Mr. President, may I inquire what the count was?

The PRESIDING OFFICER. The Senator from Louisiana observed the vote, and I do not think he can have any doubt as to the result.

Mr. LONG. I think the vote was correctly canvassed by the Chair, but I just wanted to know what the vote was so that I could see whether we were gaining or losing. [Laughter.]

The PRESIDING OFFICER. There were no adverse votes.

Mr. LONG. My vote and the vote of the Senator from Oklahoma [Mr. GORE] were adverse.

The PRESIDING OFFICER. The Senators had already voted affirmatively.

Mr. LONG. Very well. Now I come to the point. Said this waif, discovered to be a peer:

"My Lord Fermain Clancharlie, Baron Clancharlie, and Hunkerville."

Gwynplaine arose.

"Not content," said he.

Every face was turned toward him. Gwynplaine remained standing. The candelabra placed on each side of the throne lighted up his features, bringing them out into the same bold relief against the darkness of the chamber that a mask would show against a background of dense smoke.

Gwynplaine had made that effort over himself which, it may be remembered, was possible to him in extremity.

* * * * * * *

"Who is this man?" exclaimed everybody.

Those bristling masses of hair; those dark hollows under the brows; the deep gaze of eyes which they could not see; that head, in wild outlines of which light and darkness so weirdly mingled—were marvelous indeed. It was beyond all understanding.

* * * * * * *

An old man, respected by the whole house, who had seen many men and many things, and who was destined for a dukedom—Thomas, Earl of Wharton—rose in terror.

Mind you, to this one waif peer who yelled "not content" against an additional hundred thousand dollars being given to the queen's consort for his pleasure and abandon.

"What does this mean?" he cried. "Who brought this man into the House? Let him be put out."

Then addressing Gwynplaine, haughtily:

"Who are you? Whence do you come?"

Gwynplaine answered:

"Out of the depths."

And folding his arms, he looked at the lords.

"Who am I? I am wretchedness. My lords, I have a word to say to you."

* * * * * * *

"My lords, you are highly placed," Gwynplaine continued. "It is well."

This is the speech:

We must believe that God has his reasons that it should be so. You have power, opulence, pleasure, the sun ever shining in your zenith, authority unbounded, enjoyment without a sting, and a total forgetfulness of others. So be it. But there is something below you—above you, may be. My lords, I bring you news—news of the existence of mankind.

Assemblies are like children. A strange occurrence is like a jack-in-the-box to them. It frightens them; but they like it. It is as if a spring were touched and the devil jumps up. Mirabeau, who was also deformed, was a case in point in France.

* * * * * * *

All around Gwynplaine arose cries of "Hear! Hear!"

He resumed:

"I am one who has come up out of the depths. My lords, you are rich and powerful. Therein lies your danger. You profit by the night; but beware, the dawn is all-powerful. You cannot prevail over that. It is coming. Nay, it is already come. Within it is the day-spring of irresistible light. And who shall hinder that sling from hurling the sun into the sky? The sun I speak of is Right. You are privileged. Tremble! The real master of the house is about to knock at the door. What is the father of Privilege? Chance. What is his sun? Abuse. Neither chance nor abuse are abiding. For both, a dark morrow is at hand! I am come to warn you. I am come to impeach your happiness. It is fashioned out of the misery of your neighbour."

This speech might well have been made in the United States Senate in the month of June 1935.

I am come to impeach your happiness. It is fashioned out of the misery of your neighbour. You have everything, and that everything is composed of the little of others. My lords, I am an advocate without hope, pleading a cause that is lost; but that cause God will gain on appeal. As for me, I am but a voice. Mankind is a mouth, of which I am the cry. You shall hear me! I am about to open before you, peers of England, the great assize of the people—of that sovereign who is the subject; of that criminal who is the judge.

I am weighed down by the burden of all I have to say. Where am I to begin? I know not. I have gathered together, in the vast diffusion of suffering, my innumerable and scattered pleas. What am I to do with them now? They overwhelm me, and I must cast them before you in a confused mass. Did I foresee this? No. You are astonished. So I am. Yesterday I was a strolling player. Today I am a peer. Mysterious ruling! Of whom? Of the great unknown. Let us all tremble. My lords, all the blue sky is for you. Of this immense universe you see only the sunshine. Believe me, it has its shadows. Among you I am called Lord Fermain Clancharlie; but my true name is one of poverty—Gwynplaine. I am a wretched thing carved out of the stuff of which the great are made, for such was the pleasure of a king. That is my history. Many among you knew my father. I knew him not. His connection with you was his noble descent; his outlawry is the bond between him and me. What God willed was well. I was cast into the abyss. For what end? To search its depths. I am a diver, and I have brought back the pearl of truth. I speak, because I know. You shall hear me, my lords. I have seen, I have felt! Suffering is not a mere word, ye happy ones! I grew up in poverty; winter has frozen me; I have known hunger; I have suffered contempt; I have undergone pestilence; I have drunk of shame. And I will vomit all these up before you, and this ejection of misery shall sully your feet and flame about them. I hesitated before I allowed myself to be brought to the place where I now stand, because I owed duties to others elsewhere, and my heart is not here. What passed within me has nothing to do with you. When the man whom you call Usher of the Black Rod came to seek me by order of the woman whom you call the queen, the idea struck me for a moment that I would refuse to come. But it seemed to me that the hidden hand of God pressed me to the spot, and I obeyed. I felt that I must come among you. Why? Because of my rags of yesterday. It is to raise my voice among those who have eaten their fill that God reared me with the famished. Oh, have pity! Of this fatal world to which you believe yourselves to belong, you know nothing. Place it so high, you are out of it. But I will tell you what it is; I have had experience enough. I come from beneath the pressure of your feet. I can tell you your weight. Oh, you who are masters, do you know what you are? Do you realize what you are doing? No. Oh, it is dreadful!

Now I skip.

The laughter of kings is like the laughter of the gods. There is always a cruel sting in it. The lords set to play. Sneers gave sting to their laughter. They clapped their hands around the speaker and insulted him. A volley of gay exclamations assailed him like bright but wounding hailstones.

"Bravo, Gwynplaine!" "Bravo, Laughing Man!" "Bravo, Snout of the Green Box!" "Mask of Tarrinzeau Field!" "You are going to give us a peformance!" "That's right; talk away!" "There's a funny fellow!" "How the beast does laugh, to be sure!"

This fellow who says that the greatness of the few is the misery of the many!

"Good day, pantaloon!" "How d'ye do, my Lord Clown!" "Go on with our speech!" "That fellow a peer of England!" "Go on!" "No, no!" "Yes, yes!"

The Lord Chancellor was much disturbed.

A deaf peer, James Butler, Duke of Ormond, placing his hand to his ear like an ear trumpet, asked Charles Beauclerk, Duke of St. Albans:

"How has he voted?"

"Not content."

"By heavens!" said Ormond, "I can understand that, with such a face as his!"

I skip a little—

He looked for a moment at these men who were laughing at him. Then he cried:

"So, you insult misery! Silence, peers of England! Judges, listen to my pleading! Oh, I conjure you, have pity. Pity for whom? Pity for yourselves. Who is in danger? Yourselves! Do you not see that you are in a balance, and that your power is in one scale and your responsibility in the other? It is God who is weighing you. Oh, do not laugh. Think. The trembling of your consciences is the oscillation of the balance in which God is weighing your actions. You are not wicked; you are like other men, neither better nor worse. You believe yourselves to be gods, but be ill tomorrow and see your divinity shivering in fever! We are worth one as much as the other. I address myself to honest men; there are such here. I address myself to lofty intellects; there are such here. I address myself to generous souls; there are such here. You are fathers, sons, and brothers, therefore your hearts are often touched. He among you who has this morning watched the waking of his little child is a good man. All hearts are alike. Humanity is nothing but a heart. Between those who oppress and those who are oppressed there is only a difference of rank. Your feet tread on the heads of men. The fault is not yours; it is that of the social Babel. The building is faulty and out of the perpendicular. One floor bears down the other. Listen and I will tell you what to do. Oh, as you are powerful, be brotherly. As you are great, be tender. If you only knew what I have seen! Alas! What gloom there is beneath you! The people are in a dungeon. How many are condemned who are innocent! No daylight, no air, no virtue! They are without hope; and yet—there is the danger—they expect something. Realize all this misery. There are beings who live in death. There are little girls who at 12 begin by prostitution and who end in old age at 20.

We have almost that condition in America today.

As to the severities of the criminal code, they are fearful. I speak somewhat at random and cannot choose my words. I say everything that comes into my head. No later than yesterday, I, who stand here, saw a man lying in chains, naked, with stones piled on his chest, expire in torture. Do you know of these things? No. If you knew what goes on, you would not dare to be happy. Who of you have been to Newcastle-upon-Tyne? There, in the mines, are men who chew coals to fill their stomach and cheat hunger. Look here! In Lancashire, Ribblechester has sunk, by poverty, from a town to a village. I do not see that Prince George of Denmark requires a hundred thousand pounds extra. I should prefer receiving a poor sick man into the hospital without compelling him to pay his funeral expenses in advance.

That, Mr. President, is something which, outside of Louisiana, obtains in the United States. There is only one place in the United States today where a man can go into a hospital to be treated for his last illness without having the money to guarantee the funeral, and that is in the State of Louisiana. There is only one place where a man can be treated when he is sick and hungry and has not a place to go

to, and that is in Louisiana. We have what is known as our "public hospital system" down there which guarantees in some fashion or another treatment to a man in such illness.

In Caërnarvon and at Strathmore, as well as at Strathbickan, the sufferings of the poor are horrible. At Strafford they cannot drain the marsh for want of money. The manufactories are shut up all over Lancashire.

Manufacturers have their places shut up today all over Massachusetts. And there is still the call for ship subsidies in order that there may be more rides on the *Nourmahal*. I continue:

There is enforced idleness everywhere. Do you know that the herring fishers in Harlech eat grass when the fishery fails?

I have seen them cutting grass to eat. We have seen people starving to death in this country. Only yesterday I saw a poor colored man in the city of Washington seeking in the garbage cans for something to eat.

Do you know that in Burton-Lazars there are still lepers confined, on whom they fire if they leave their tan houses? In Ailesbury, a town of which one of you is lord, destitution is chronic. At Penkridge, in Coventry, where you have just endowed a cathedral and enriched a bishop, there are no beds in the cabins, and they dig holes in the earth in which to put the little children to sleep, so that instead of beginning life in the cradle they begin it in the grave. I have seen these things. My lords, do you know who pays the taxes you assess?

I ask Senators whether they know who is going to pay back this $5,000,000,000 which is going to be spent, of which 90 percent will be thrown away? That will be spent by those outside of this Chamber; it will be spent by the bureaucrats.

My lords, do you know who pays the taxes you assess?

What is the answer?—

The dying!

So it is in America today. It is the dying who pay the costs of this riotous performance. The dying! They are dying, according to the statistics of the United States Department of Agriculture, because they are not today receiving one-half of what is required as a necessary diet for subsistence. It is upon them today that the entire weight of taxation and the entire weight of debts, public and private, is resting.

My lords, do you know who pays the taxes you assess? The dying! Alas! You deceive yourselves. You are going the wrong road. You augment the poverty of the poor to increase the riches of the rich. You should do the reverse. What! Take from the worker to give to the idle; take from the tattered to give to the well-clad; take from the beggar to give to the prince! Oh, yes; I have old republican blood in my veins. I have a horror of these things. How I execrate kings! And how shameless are the women.

Here I skip a part of it.

Of what good is a king? You cultivate that parasite, royalty; you make a serpent of that worm, a dragon of that insect. Oh, pity the poor! You increase the weight of the taxes for the profit of the throne. Look to the laws which you decree. Take heed of the suffering swarms which you crush. Cast your eyes down. Look at what is beneath your feet. Oh ye great, there are the little. Have pity! Yes, have pity on yourselves; for the Nation is in agony, and when the lower part of the trunk dies, the upper part dies too. Death spares no limb. When night comes no one can keep his corner of daylight. Are you selfish? Then save others. The destruction of the vessel cannot be a matter of indifference to any passenger. There can be no wreck for some that is not wreck for all. Oh, believe me, the abyss is yawning for all!

I shall not read much further on the subject. After considerable laughter, which the author notes in his story, he proceeds:

Suddenly, his voice rang out in strident bursts.

"How gay these men are! Be it so. Here is irony face to face with agony; a sneer mocking the death rattle. They are all-powerful. Perhaps so. We shall see. Behold! I am one of them; but I am also one of you, oh ye fools. A king sold me. A poor man sheltered me. Who mutilated me? A prince. Who healed and nourished me? A pauper. I am Lord Clancharlie; but I am still Gwynplaine. I take my place among the great; but I belong to the mean. I am among those who rejoice; but I belong to those who suffer. Oh, the whole system of society is false. Some day that which is true will come."

And it did. It came when the Pilgrims landed at Plymouth July 1, 1620, and there and then proclaimed that society should not take from the poor to augment the riches of the rich, but that every seventh year there should be a redistribution and none would be allowed to repress the other. That came true, and then became false with the succeeding year.

Some day that which is true will come. There will be no more lords.

And there were no more. There were no more lords, as was prophesied by this great writer. When the Pilgrims landed and when the Declaration of Independence became the law there were no more lords; but now we have not only made them lords but we have made them overpowering rulers. Their names stand out in letters of power and might and privilege and luxury far more, Mr. President, than had they the prefix of duke or earl or lord or king.

The names of Rockefeller or Morgan or Astor or Vanderbilt or Du Pont stand out in letters—and I include also such as the Mellons. They need no prefix of duke or lord or earl or prince or king. They are common, they are vulgar by reason of their numbers—the earls, the dukes, the princes, concerning whom this complaint was made. But we can number on a few fingers the names of those whose designation means might, power, rulership, all, wealth, abundance, government, and whatsoever it takes of the blood, the marrow, the sinew, the bone, the misery, the pestilence, the starvation, the hunger, and the curses of the many and the masses which go up night by night, though they, overpowered as they are, are still powerful, more powerful in America than the dukes and the lords, the earls, the princes, and the kings in the time when this fiction writer gave us this book.

Such is the future. No more prostration; no more baseness; no more ignorance; no more human beasts of burden; no more courtiers; no more toadies.

Oh, the curse of this country is the toady, the toadies, those who smile into the faces of the mighty and pampered and follow after the ruler, and, regardless of right or wrong, good or bad, lift up their eyes in holy exclamation to those who bear the mace of might and rulership over a country. The toadies! No more toadies! Think of such promises given and fulfilled by our French and English forefathers and then destroyed by ourselves in undertaking to cater to false gods.

No more prostration; no more baseness; no more ignorance; no more human beasts of burden; no more courtiers; no more toadies; no more kings; but light.

Light that makes the man with eyes see what is before him, that makes the man with ears hear what is said to him. No more toadies or prostrations, but light.

In the meantime, see me here. I have a right, and I will use it. Is it a right? No, if I use it for myself; yes, if I use it for the benefit of all. I will be heard, my lords, being one of you. Oh, my brothers below, I will tell them of your nakedness. I will rise up with a bundle of the people's rags in my hand. I will remind the masters of the misery of the slaves, and these favored and arrogant ones shall no longer be able to escape the remembrance of the wretched, nor the princes the suffering of the poor; and so much the worse, if it be the bite of vermin; and so much the better if it arouse the lions from their slumber.

Mr. President, I have read these lines. They are almost prophetic. Hugo, a great writer, evidently picturing conditions as he learned them from history to have existed long before his birth, prophesied as of that previous day the reforms which he had observed to occur on this shore. Hugo was once an exile. He, as no other writer of that day and time, could understand the conditions that existed. So I have sent up to the desk a request that the remarks which I read may be literally copied, and, I hope, perused by Senators before they proceed too far in consuming time and expending funds needed by the people at this time.

Mr. President, I am not going to take advantage of time. I am not one to hasten along events. I am not one to implore people to listen to me. I am giving the Senators here all that I know. It may not be very much, but I am giving Senators everything I know. That is all I can do. I can give them such advice as I am capable of giving, and no more.

Mr. President, the Senate is almost empty. It is a very late hour. I do not mind going on for a good while. I enjoy this work, and I do not mind continuing for a long time tonight. I enjoy discussing this subject as long as I can get anyone to listen to me, and if it is desired to have a vote tomorrow at any time the Senator from Mississippi changes his mind about it I would be glad to yield for a question, or I will be glad to yield for unanimous consent to vote at any hour tomorrow which may be desired on the particular question now pending before the Senate.

I intend to propose some amendments to the rules of the Senate. I am going to propose—and I want Senators to think it over—that Senators either be made to stay here or that the Senate be made to adjourn. Whenever the time comes that we are transacting business here when a majority of the Members of this body are not willing to remain and participate in transacting it, then it is time for the Senate to adjourn. That is my belief about the matter. I think it is time to adjourn when Senators decide that they do not want to listen, do not want to be here, and do not want to participate. I believe the best thing to do is to go home until they get ready to come to the Senate and participate in the public business.

The place for Senators is on the floor of the Senate. That is where Senators belong. I sent out invitations to practically every Member of this body asking them to come here and listen to me today. I have called quorums and done everything else to get them in; the Senators belong here.

There was such excitement here over my remarks at one point during the session today that I thought there would be no question at all that Senators would remain here. The Senator from Alabama likes to hear me, and he stayed, and if others were like him we would get along much better. But I am going to continue these remarks, even though I speak to but 10 Senators or 20 Senators.

Mr. President, there are 22 Senators present in the Chamber at this time.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BANKHEAD. The Senator says he is going to continue. I should like to have him inform me, for my personal convenience, how long he is going to continue.

Mr. LONG. May I ask how the Senator from Alabama voted on this motion?

Mr. BANKHEAD. I voted right.

Mr. LONG. Then the Senator may go. I am now going to excuse all Members of the Senate, Mr. President, who voted against tabling the motion. I am going to agree that they may go. Would it be out of order if I were to ask unanimous consent that all Senators who voted as the Senator from Alabama voted may now go home? I think it is all right for them to go. They can now go ahead and leave. I will take the personal responsibility of every Member of the Senate leaving at this time who voted as the Senator from Alabama voted. They can now go home. That may cause me to lose some of my crowd. I should like to have as large a crowd as possible to remain. Twenty-two Members of the Senate, however, is nothing to be sneezed at. It often happens that there are not that many present in the Chamber and listening to a Senator who is speaking. I doubt whether there are that many now here who know what I have been talking about. The Senator from South Carolina [Mr. SMITH] looked at me as though he wanted to say that he did not think I knew what I was talking about myself.

Mr. President, at any rate, I think it is too bad that we should continue so long. I think we ought to adjourn. I really think we ought to. I think we should take a little recess and come back and vote on this matter at, say, 12:30 o'clock or 1 o'clock tomorrow. However, I do not want to withdraw my right to withdraw this motion. I would not want that in any unanimous-consent agreement. I will think this thing over tonight and decide by tomorrow, if this unanimous-consent agreement is reached, to withdraw my motion. I will think that over.

But, of course, if Senators do not want to do that, and if they want to hear the matter discussed further, we will have to continue. Many of us have dinner engagements. There are many pageants here in the city today; many are going on without the presence of Members of the Senate. Shriners are here from all parts of the United States. Many of them have come here hoping to have the chance, perhaps for the first time or perhaps for the last time, of seeing the distinguished statesmen in the United States, and they are here and there waiting on every corner. The banquet halls are yearning, the dance halls are yawning, the galleries are packed, packed with those who are crying for the presence of Senators, and I should be glad to have every Member of this body attend these functions tonight If they never go again, Mr. President, if they never go to another one I wish they would go tonight. The guests of the city are here, and they want the Senators to attend these functions. "Whosoever will, let him come"—that ought to be changed to "Whosoever will, let him go." That sounds a good deal better. Let them all go.

I think it is a discourtesy to many hundreds of people who are here listening that we should continue this way. There are 27,000 Shriners here in this city today There are enough Shriners here to beat any man for reelection from his own State if they took a notion to go against him The Shriners who are here from Texas could defeat my friend from Texas [Mr. SHEPPARD], who is up for reelection next year, and what a calamity it would be if that should happen. Just think of it, Mr. President. They are all here begging Senators to come and attend these functions. Senators ought to attend them.

Mr President, we ought to have a roll call to find out how many Senators have engagements for the evening and how many have appointments. Why not let us adjourn until 2 o'clock in the morning and come back. That would be all right if they want to have a night session. It would be all right with me. I would just as soon meet in the morning as meet in the evening. It does not make any difference to me. Let us, however, not do an unreasonable thing here. It is going to give a bad odor to the Senate if we do not go ahead here and take care of our engagements.

Mr. President, as is known, I have considerable social obligations in this city myself. I was writing a book here a few days ago on social etiquette, but never got the time to complete it. I have prepared recipes for many celebrated Louisiana dishes that I was instructing people how to mix and prepare. I was preparing a recipe for a very fine New Orleans salad dressing. I have been asked to attend many important social affairs in this city to instruct people how to prepare that salad dressing. Also, Mr. President, people up in this part of the country never have learned to fry oysters as well as we have done down our way.

I have spent a number of evenings acquainting people with how to prepare oysters. I had a bucket of oysters sent to me from Louisiana the other night, and I was asked by a very fine bunch of my friends if I would not drop around with the New Orleans oysters and fry some of them for them in good Louisiana style and way. So, Mr. President, I bought a frying pan about 8 inches deep. I bought the frying pan because I was afraid they would not have a frying pan there in which I could fry the oysters. I bought a frying pan, as I said, 8 inches deep and about 17 inches in diameter.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. TYDINGS. When the Senator fries oysters, is potlikker one of the concomitants?

Mr. LONG. No; that does not go in with the oysters. I will come to that later. I am coming to that because I am going to have my remarks taken down and a copy made and sent out to the several places where I was supposed to go this evening in order that these recipes and directions may be had by those people, and I will ask the stenographer that as soon as possible he give me at least seven extra copies of these recipes which I dictate into the RECORD so that I may have them for ready circulation in case we do not have an early adjournment.

As I was going to illustrate, Mr. President, about these oysters that I got from New Orleans. I bought this frying

pan 8 inches deep and 14 to 16 inches or 17 inches in diameter, and I bought a 10-pound bucket of cottonseed-oil lard, but I forgot to get a strainer, and when I got to the place to fry the oysters I had everything there except the meal and the strainer.

The lady had some meal, but she did not have any salt to salt the meal with, and that was the only bad thing about it. The strainer which they had was not the best strainer in the world, but I could use it all right. However, they had no salt for the meal, but I took the oysters, Mr. President, the way they should be taken, and laid them out on a muslin cloth, about 12 of them, and then you pull the cloth over and you dry the oysters. You dry them, you see, first with a muslin cloth, and then you take the oysters, after they have been dried, and you roll them into a meal which is salted. I did not have it salted this night, but it should have been salted. [Laughter in the galleries.]

Mr. President, you roll these oysters in the dry meal. You do not want to cook the meal or put water in the meal at any time or anything like that. Just salt the meal and roll the oysters in it. Then, let the grease get boiling hot. You want the grease about 6 inches deep. Then you take the oysters and you place the oysters in the strainer, and you put the strainer in the grease, full depth down to the bottom. Then, you fry those oysters in boiling grease until they turn a gold-copper color and rise to the top, and then, you take them out and let them cool just a little bit before you eat them.

Now, Mr. President, most people cannot tell when an oyster is done. They do not know when it has been fried enough. You wrongfully put them on the bottom of a skillet. You have got to have them totally submerged and you wait until they rise to the top, and when they rise to the top, a golden-copper color, then the oyster is cooked just exactly right, and then you take the strainer up out of the grease in the dish and the oysters are there and you let them drip for a little while and allow them to cool a little and then you eat them.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Maryland?

Mr. LONG. I yield.

Mr. TYDINGS. Does the Senator realize when he describes how these oysters are cooked and how appetizing they seem to be, that those of us who are listening are being inhumanly punished? [Laughter.]

Mr. LONG. I had forgotten that. I was trying to make the Senator from Mississippi [Mr. HARRISON] hungry, but he was raised in a part of the country where they do not understand the science of eating anyway. He has left the Chamber. I am afraid I made him hungry.

That is the way to cook oysters. If every Member of the Senate will clip out of the RECORD tomorrow what I have said today and not give it to his wife, but go and do it himself and then teach his wife—learn how to do it himself and then teach his wife—he will know how to fry oysters better than most families in Washington.

There is no telling how many lives have been lost by not knowing how to fry oysters, but serving them as an indigestible food. Many times we hear of some man who was supposed to have had an acute attack of indigestion or cerebral hemorrhage or heart failure, and the chances are the only thing that was the matter with him was that he had swallowed some improperly cooked oysters. [Laughter.]

It is very important that what I say here shall be correctly printed in the CONGRESSIONAL RECORD and that it shall be taken to heart and learned by every Member of the Senate.

Now, I come to potlikker. Now, I will give my recipe for potlikker. First let me tell Senators what potlikker is. Potlikker is the residue that remains from the commingling, heating, and evaporation [laughter]—anyway, it is in the bottom of the pot! [Laughter.]

Here is how potlikker is made. First you get some turnip greens. You have to wash turnip greens many times. One of the principal reasons why people do not like turnip greens is that they never do get them clean. "You have to wash them lots of times," said Cato, "lots of times." They always call him "Cato." [Laughter.]

Take the ordinary green, turnip greens or mustard greens, though turnip greens are better than mustard greens. Turnip greens contain more manganese than do mustard greens. The trouble with turnip greens is that most people never get the greens washed clean. Sand is always in them. You have to wash them and wash them and wash them, particularly if you have not any flowing water. If you have good flowing water to shower them with, you can wash them more easily. But you have to wash them plenty of times. In order to get every vestige of dirt and sand and grit out of the greens you have to wash them many, many times.

That is the first thing you do—wash the greens. You wash the turnip with the greens or you can cut the turnips off and peel them and wash them by themselves, and then wash the greens by themselves if you want to do it that way.

All right this far! Then you take the greens and turnips and put them in the pot. Remember this: Do not salt them. Do not put any salt, do not put any pepper, do not put any mustard, do not put any kind of seasoning in the pot with them. Put the greens in the pot. Cut up the turnips. The turnip greens could be cut up a little, too. Put them all in there together.

Then when you get them all in the pot together, put in a sizable quantity of water, I should say about as much water as you have of turnip greens. Then put in there a piece of salted side meat. I would say if you had a pot of turnip greens about two-thirds the size of this wastebasket which I hold in my hand, or perhaps three-fourths that much, you ought to put about a 1-pound hunk of side meat that is sliced, but not clear through, just down to the skin part. Put about a pound of side meat in there. That side meat is just salty enough and has just salt enough in it that it will properly temper the turnip greens when it has been cooked enough. That will be all the seasoning that is needed.

When you have cooked the greens until they are tender and the turnips until they are tender, then you take up the turnips and the greens, and the soup that is left is potlikker. [Laughter.]

That brings on the real question of the art of eating potlikker, the matter of consuming potlikker. You draw off the potlikker and you eat it separately from the turnip greens.

(At this point Mr. LONG yielded to Mr. MCCARRAN, who suggested the absence of a quorum, and the roll was called.)

Mr. LONG. Mr. President, the quorum call discloses a majority of the Members here, and I am glad they are here. Now, I wish to conclude what I am sending out to the neighborhood in general on the recipe.

I was at the point where I explained the cooking of oysters. I was just down to the preparation of potlikker, and had gotten through the first stages of the explanation of how to prepare potlikker. I had explained everything except to tell that the turnip greens must be cooked long enough. One great trouble here is that they never cook the turnip greens long enough. Do not cook them too long but cook them long enough. Do not steam them. You have to boil them.

I have stated those recipes for the RECORD this afternoon so that they may be had by all Members of the Senate and by the public at large tomorrow. Now that so many Senators have returned, I am no longer talking for the benefit of the RECORD. I am talking now for the benefit of the Senate because I have Senators here. I was speaking to the country a moment ago. The remarks I made were intended more for the country than for the Senate. Of course, I intended them for the Senate, too, but I intended them more for the country than I did for the Senate.

Now, I am talking to the Senate, to the Members here only. I am not concerned with whether or not the country hears about it. I want the Senate to get it. I want each and every Member of the Senate to make himself ready to stay here for several hours, until I get through, and if I

can do so without having to yield the floor, I should like to propound a parliamentary inquiry.

Would it be possible to call the roll and ask every Senator who will sit here and listen to me to indicate that he will stay here, and those who will not let them indicate that they will not do so? I would just like to find out how many of my friends in the Senate are really and genuinely interested in what I am saying. I do not want them to deceive me; I want to know how many Members of the Senate are genuinely glad to listen to me here today.

The VICE PRESIDENT. Does the Senator from Louisiana propound a parliamentary inquiry?

Mr. LONG. I wanted to know whether or not I could, by unanimous consent, have the clerk call from the desk the names of Senators and have them respond. I will put it in this way: Could I ask unanimous consent, without losing the floor, to have the clerk propound an inquiry to every Member of the Senate as to whether he is willing to stay here and listen to me or whether he really does not care about it?

The VICE PRESIDENT. The Chair will say to the Senator that he would have to yield the floor if that were done; but the Chair would suggest to the Senator that he can see the Senators sitting around him and he might ask them individually as to their sentiments.

Mr. LONG. Give me the list. I should like to find out if Senators really want to listen to me. The first name on the list is that of the Senator from Colorado [Mr. ADAMS]. I should like to know if the Senator from Colorado really wants to stay here and listen to me this evening?

Mr. LA FOLLETTE. Mr. President, I make the point of order that the Senator from Louisiana cannot yield except for a question.

The VICE PRESIDENT. The point of order of the Senator from Wisconsin is well taken.

Mr. LONG. Very well.

The VICE PRESIDENT. Any time the Senator from Louisiana yields for anything but a question he loses the floor.

Mr. LONG. Very well. I will not yield it, but I was hoping that, by unanimous consent, we could find out about it. I want to find out how popular I am in this body. [Laughter.] I want to know. If it should get back to Louisiana that the Senators are sitting here this evening listening to me, after I had been speaking for 7 hours——

Mr. ASHURST. Mr. President, will the Senator yield to me?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Arizona?

Mr. LONG. I yield for a question.

Mr. ASHURST. I can answer the Senator as to his popularity at this moment, but I do not want to take him off the floor.

Mr. LA FOLLETTE. Mr. President, I make the point of order that the Senator from Arizona is not asking a question.

The VICE PRESIDENT. The point of order is well taken.

Mr. LONG. I only yield for a question; but I want to say that when the news gets back to Bossum Neck that after having spoken for 7 hours there was no Senator who wanted to leave, it will mean that my standing will have gone up 100 percent.

Mr. ASHURST. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. ASHURST. Is it not true that the Senator's present popularity is about as great as that of a cuckoo clock in a boys' dormitory at 3 o'clock in the morning?

The VICE PRESIDENT. The Chair is not prepared to answer the parliamentary question. Each Senator must answer in his own conscience how popular the Senator from Louisiana is.

Mr. LONG. If we could have a roll call, perhaps we would find out about it. I was going to call the roll; but, if Senators do not want to listen to me, the only gentlemanly thing for me to do is to go to my friend the Senator from Mississippi [Mr. HARRISON], who is a neighbor of mine and who would do me almost any favor in the world he could, and just ask him personally to let them all go home. That is what I was going to do; but, of course, the Senator from Wisconsin [Mr. LA FOLLETTE] gets up and objects and stops the whole business. So there is no way of telling how many Senators want to stay here, and I cannot make a personal request such as that of the Senator from Mississippi without having something to back it up. However, I do not believe the Senator from Arizona has got this right; I think he has it all wrong. I think he has just come back here out of jealousy. I really think the Senator from Arizona is offended because everybody wants to stay here and listen to me after I have talked for 7 hours. It is all right. I want to thank my colleagues for that mark of distinction. I appreciate it.

Now I am going to read again from the Constitution of the United States; I am going to continue the lecture which I started here today on the Constitution of the United States. I have read article I today, except for a few points which I omitted, and now I am going to take up article II, which I will read and explain. I want to say I am not talking only for the benefit of Members of the Senate; I am talking for the benefit of the whole country so that they may read what I say when they get the CONGRESSIONAL RECORD. It will be remembered that frequently one sees the CONGRESSIONAL RECORD lying around on store counters and in printing offices and in lawyers' offices, but nobody will read it at all; nobody will even open it up half the time; but the issue of the CONGRESSIONAL RECORD of this day and date, I will bet, will go down in history as requiring more extra orders for it than ever before, for the people will want to read the various truths and recipes that I have put in the RECORD today, and there will have to be an extra edition of the issue printed today before we get through. It will almost be an education in itself for a man to read the issue of the RECORD which will come out today.

Now I continue. I have read the preamble and section 1 of the Constitution. I now come to article II. Section 1 of article II of the Constitution of the United States reads as follows:

> The executive power shall be vested in a President of the United States of America. He shall hold his office during the term of 4 years, and, together with the Vice President, chosen for the same term, be elected, as follows:
>
> Each State shall appoint, in such manner as the legislature thereof may direct, a number of electors, equal to the whole number of Senators and Representatives to which the State may be entitled in Congress; but no Senator or Representative, or person holding an office of trust or profit under the United States, shall be appointed an elector.

That means that a Senator of the United States cannot be an elector. I would not be allowed to be an elector tomorrow in my State. I do not know whether Senators know that or not, but a Senator can be a delegate to a national convention or he can be a national committeeman. I have been both; I am still a national committeeman and a State committeeman, chairman of a State committee; I am all kinds of a Democrat. But a Senator cannot be an elector. So that has been explained thoroughly. The right to hold office under political committees has not been taken away from us; we still have that right.

There is considerably more to this section that I am not going to read but I will read this other part:

> Congress may determine the time of choosing the electors, and the day on which they shall give their vote, which day shall be the same throughout the United States.

That is how the Congress acts. That does not mean the States have got to do anything. As an example, there is the Democratic Party of the United States, but there is nothing to keep the Democratic Party in Louisiana from nominating its own ticket and saying it has not got anything to do with the National Democratic Party. They did that with me in the case of the Farmer-Labor Party. I was nominated by the national Farmer-Labor Party for President of the United States in the last campaign, but when I went over to the Senator from Minnesota [Mr. SHIPSTEAD] to inform him that I was head of the party, the Farmer-Labor Party, of which he is a member, he refused to recognize me; and when I looked up the law and found there was no way by which I could compel him to recognize me as party

boss I declined the nomination. That party had only one member in the Senate and I could not rule him. So what is the use of being the head of a party if you do not have anybody to rule? [Laughter.]

So I have explained that article of the Constitution thoroughly and satisfactorily.

The President shall, at stated times, receive for his services a compensation, which shall neither be increased nor diminished during the period for which he shall have been elected.

If one should want to have the salary of President Roosevelt raised he could not have it done during his term of office; he would have to wait and make the increase apply to the next President. The same thing is true about cutting his salary. The salary of the President may not be cut nor can the salary of the President be raised during the time he is in office. It is well for us to bear these things in mind. That is something I myself did not know, or I had forgotten all about it, but I am glad to think of that, because there are many people who either think we ought to raise the salary or cut the salary of every President who enters upon the office.

Every time a Senator gets it into his mind that the President is being nice to him he wants to raise his salary. Every time he differs from the President he wants to get his salary lowered. Neither of those things can be done under the Constitution of the United States. The only thing that can be done is to pass a law affecting the salary of the man who next becomes President.

Now I come to section 2.

The President shall be Commander in Chief of the Army and Navy of the United States, and of the militia of the several States, when called into the actual service of the United States.

That does not mean that the President has to go out and fight. I am going to explain that article more vividly so that it will be better understood.

When a man is commander in chief it usually means he is too high to fight. When a man gets so high in the fighting order among the fighters he does not do any fighting. He promotes himself to where he is above fighting. That is the way it is with the commander in chief. The higher the fighter is the less fighting he does. That is the job of the President of the United States.

He may require the opinion in writing, of the principal officer in each of the executive departments, upon any subject relating to the duties of their respective offices.

He may do more than that. He can fire them out of their jobs.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. LEWIS. I should like to know whether the solicitude of the able Senator from Louisiana as to the salary of the President of the United States and his privileges and power as Commander in Chief have been awakened in the Senator in view of his contemplation of being President himself.

Mr. LONG. Not exactly. I would not quarrel over the salary. [Laughter.] I would have no differences. If I were made President of the United States, I would not argue about the salary.

Mr. LEWIS. The Senator would take the job?

Mr. LONG. I imagine I would. I would not pledge myself to it right now; but I might. Provided I could get my friend the Senator from Illinois to act as one of my advisers, I think I would be willing to accept the office right off the bat.

Mr. LEWIS. That gratifies me. I know the Senator's course as President would be eminently wise. [Laughter.]

Mr. McCARRAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield to the Senator from Nevada.

Mr. McCARRAN. If the Senator were President, I wonder if he would transport men from one State to control the political destinies of another under appropriations of Federal funds, where those Federal funds would be used as a political vehicle for political advantage.

Mr. LONG. I am very glad to answer that question, or any other question. I am happy to say that I would not. I would not send into one State a man from another State for the purpose of controlling public funds for politics, or even for anything else.

I am a State-rights man. I am a southerner, but an American first.

State rights! That is the cornerstone of southern civilization, the rights of the State.

The idea of a big State having sent into it someone who is above the United States Senators and the Governor as a relief dispenser, employing this man or that man or another man, giving them jobs and giving them titles. We are not even allowed to vote on them. That is what we have before us now, the question of whether or not we really have a government of the States and a government of the Congress of the United States, or whether or not all these functions have been abandoned. That is what we have before us now. That is why I am talking on this floor at this time to the few Senators who remain to listen to me this evening.

I say to my friend from Illinois, who wants to know whether I would accept the job of President of the United States, that if the present President keeps going as he is going I may have to take the office. [Laughter.] One can never tell. If he does not improve and they do not run somebody against him in the other party better than the man they ran at the last election, the chances are that I will be almost unanimously nominated and elected President of the United States. If there is no improvement. Unless somebody else gets in the way; then there might be another story to tell.

My enemies have given me nearly every job I ever held, strange to say. I deserve practically no credit for getting any position I ever held, even though I got it honestly, or by rugged ways, or by any other methods. I claim to have gotten everyone of my offices honestly.

I do not deserve any credit, even though the job is worth anything—and none of them are worth much. I have held all the jobs that are worth anything up to the one I now hold. I have had every honor that the people could bestow on me. I have had them all.

I have had the people throw roses in my path, and I have had them throw brickbats in my window. [Laughter.] I have had all the experiences that come in politics. I know all about politics. No man has had a wider or more varied experience in politics than have I, for my age. So I know something about politics.

I have had them vote to impeach me one month and banquet me the next month, then vote to impeach me the next month and then give me $100,000,000 to spend the next month. I know the vicissitudes of public and private life to some extent.

I will say this: Time will tell. The only way I can explain how I got the few jobs I have had in politics is that my enemies have had less sense than I have had. They have made the blunders which made the Huey Longs. They are the men who make the Huey Longs.

In Louisiana they so raked the State down that it was practically prostrate, and the only way the State's credit could be restored, the only way the people could have bridges over their rivers and bridges over their lakes free of fees, the only way they could have free school books, the only way they could have good hospitals, the only way they could have a first-class State university, the only way they could eradicate illiteracy, the only way they could have graveled roads for the farmers and paved highways, the only way they could take the insane people out of the jail cells and put them into hospitals, was to elect HUEY LONG; and that is why they did it.

If my fool enemies had had sense enough, they would have done things like that, and there would have been no need of HUEY LONG as Governor or as United States Senator.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. McCARRAN. When the Senator made those appointments did he call in those who had no residential

qualifications within his State and no taxable qualifications within the State? Did he call in carpetbaggers from afar to control the affairs of his State? Is it not true that the Senator's whole regime and control of Louisiana was due to the fact that he dealt with Louisianans all the time?

Mr. LONG. That is what I did; I called in Louisianans only. I never called in scalawags and carpetbaggers from afar or political squanderers, even if they were good men. I let Louisiana run Louisiana. But that is not all. Whenever I proposed a law for the State of Louisiana I allowed the people of that State a chance to vote on it directly or indirectly before I ever put a draft of the proposed law before the legislature or undertook to pass it in the State. That is what I did, and that was the only way to act.

That is the only way to have done. So long as I was Governor of Louisiana there has never been a law that ever was written by HUEY LONG that ever was annulled by the Supreme Court of the United States or by the Supreme Court of Louisiana. I knew how to write constitutional laws, and I wrote some revolutionary laws, and they have been here before the Court and they have stood up. We did not need a new Federal Constitution. We could live within the Constitution. That is what we figured we could do. But I said the only way Louisiana could send their children to school was to elect me the Governor. They tried other Governors and could not get it done. They would not do it. The only way they could get bridges was to elect me Governor, and they had it to do. They tried other Governors and they could not get it done.

Mr. President, we elected Herbert Hoover on the promise of two chickens in every pot, and a home for every family, and a car in every back yard, and we did not get a thing out of him. We elected Mr. Roosevelt on his promise of a redistribution of the wealth for every man, woman, and child in America, but he has not done anything. Beware! If the people of this country cannot get something for their children to eat in any other way, if they cannot get homes for their families in any other way, if they cannot get clothes to put on the backs of themselves and their families in any other way, if they cannot send their children to school, if they cannot educate the young men, if they cannot get a job, if they have got to elect somebody like me to do it, they will do it before they will have the country starve to death. So I give warning to my enemies. Change your course while you have got time! Look about. Now is the time for all good men to search about to see if they should not make the amends which are required to avoid the loss of power they love to hold.

I am not used to power and they are. Josephus said, "There is no calamity like that which befalls a ruling class which loses its power." He said that when a man undertakes to make money or to gain power that he will use evil practices and contrivances to accomplish the end of gaining money or of gaining power. Ah, but he says when he has gained power or gained wealth he will multiply his evil practices a thousandfold in order that he may retain the wealth and power which he has acquired and learn the sweetness of enjoying. As if there were no calamities which could befall him as great as the loss of power, the greatness of which he had become used to exercising.

So it is with this country and with all other countries. All these things I am saying fall on so few ears! So few are listening; there are only 20 now in the Chamber who may be listening, or perhaps only 15. So few are here listening to these wise things I am quoting, and these things which ought to be remembered, things which ought to be heard. There are 15 Senators, Mr. President, listening to this speech. Fifteen Senators listening to a speech which I have been delivering now for a period of nearly 7 hours. Fifteen Senators listening to this speech! Imagine it, Mr. President! Imagine 15 Senators listening to what I am having to say! It is really absurd, it is really pitiful that in this day and time of advanced intellect, that when one undertakes to tell what are the needs of this country so few Senators are willing to sit in the Senate Chamber and listen. It almost brings one to tears to think that there is so little appreciation in the United States Senate. Why should I spend my time here trying to tell people what they ought to be doing if they do not wish to listen to me? Why should I spend my time in doing it? If it were not for the duty which I owe to the people, I would take my seat now. If I thought any Member of the Senate thought I was speaking because I felt I owed a duty to the Members of the Senate, I would stop right now. However, I owe a duty to the country. My people sent me here, and, having sent me, they expect me to tell the Members of the Senate what I know about these matters, and I am doing it to the best of my ability, whether Senators feel like they want to hear it or not.

Mr. President, it has to be done. Someone must speak the truth to the people in the presence of the king. Someone must speak the truth to the king in the presence of the people. The truth must be told, facts must be known, things must be done. Necessary, needful, proper things must be told. It is most essential that these points of information should be developed in the Senate.

Talk about rushing through legislation! The N. R. A. ought to be the last thing we are rushing on. No one ought to be rushing the N. R. A. The Supreme Court just declared the whole thing unconstitutional a few days ago. Yet you want to enact another measure dealing with the N. R. A. before sundown. Think of that. I was one of the very few who advised the Members of the Senate the last time we acted on this question that N. R. A. was invalid and unconstitutional.

Now, why should not the Senate be willing to listen? After giving that kind of advice to the Senate, the Senator from Arizona is under the impression that my advice here this evening is as welcome as a cuckoo clock sounding an alarm at 2 o'clock in the morning.

Mr. ASHURST. In a boys' dormitory.

Mr. LONG. In a boys' dormitory. Can you beat that? The fact that I am telling the truth—"Am I therefore become your enemy because I tell you the truth?"

Mr. BONE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BONE. I missed that quotation. I want to get these words of wisdom from the Senator, but I missed the quotation from the Bible.

Mr. LONG. Mr. President, I knew the Senator would finally be converted! "There is more rejoicing in heaven over one sinner that repenteth than over ninety and nine just persons, which need no repentance."

Mr. BONE. I felt myself weakening. I do not know how I shall be able to stand up under it.

Mr. LONG. That is right, Mr. President. The Senator may finally be converted.

So long as the lamp holds out to burn
The vilest sinner may return.

I will tell the Senator what I quoted. I quoted from the Book of Hosea, chapter 14, verse 16. It might be the seventeenth verse—

Am I therefore become your enemy because I tell you the truth?

Let me get my Bible over on my desk and see just at what place this quotation occurs. Here is the Book of Hosea. Hosea is in the Old Testament. It will be found among the books of the Old Testament. In the index it does not give the page at which the Book of Hosea begins. It is right after the Book of Daniel and just before the Book of Joel. I will see if I cannot find it here, and read that quotation to the Senator from Washington and the other Members of the Senate. It is in the Book of Hosea. Hosea appears right after the Book of Daniel and just before the Book of Joel. I have now found the Book of Hosea and I have come to the fourth chapter.

Mr. President, I am sorry to say that I got that quotation wrong. That is not the verse. I made a mistake there—

Am I therefore become your enemy because I tell you the truth?

I have forgotten just where that quotation is. I had it wrong, and I gave the wrong verse. That is funny. Seldom do I make a mistake like that in reference to the Bible. How-

ever, I will read to the Senate what appears in the Book of Hosea in the fourth chapter.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question to the Senator from Nevada.

Mr. McCARRAN. Did the Senator from Louisiana say that the Book of Daniel was before the Book of Job?

Mr. LONG. No, Mr. President.

Mr. McCARRAN. I just wanted him to be correct.

Mr. LONG. The Book of Job is before the Book of Daniel.

Mr. McCARRAN. I just wanted to know what the Senator said about that.

Mr. LONG. I said that the Book of Hosea was just before the Book of Joel, and it appears right after the Book of Daniel.

I will read the Senate what Hosea said in the fourth chapter and seventeenth verse. I am sorry I made the misquotation. I cannot remember where the verse I quoted appears, but it will come to me. However, I will read the seventeenth verse.

> Ephraim is joined to idols; let him alone.

That, Mr. President, is easily understood.

> Ephraim is joined to idols.

Mr. ASHURST. "His idols."

Mr. LONG. No; it does not say "his idols." It says:

> Ephraim is joined to idols; let him alone.

"Ephraim" refers to a country. The United States might be considered as Ephraim. It is a country. If a race or nation of people are joined to their idols, let them alone. This country is joined to the Astors or to the Rockefellers; you have yourselves tied up here with the big fortune holders and you will not do what you ought to do by your people. Let them alone. They are beyond salvation. That is what the Bible says. I am very pleased indeed to have run across this other passage, although I should like to find—and I promise my friend I will find—the other passage in the Scriptures, but it is exactly as I quoted it:

> Am I therefore become your enemy because I tell you the truth?

There is another passage in the Bible which says:

> Know ye the truth, and the truth will make you free.

Both of those are very important passages of the Scriptures and ought to be known by more people.

I am not going to continue talking on the Bible this evening, because the lecture I am delivering is aimed at disclosing the Constitution of the United States. It is now 7:30 o'clock p. m. Many Members of the Senate who wished to go to their appointments, I believe, ought to be allowed to go. I want to know if it would be out of order if I should move to take a recess until tomorrow at 12 o'clock? Would I lose the floor by moving a recess? Of course, if the motion to recess should carry I know that would mean that my speech would be concluded.

The PRESIDENT pro tempore. Is that submitted as a parliamentary inquiry?

Mr. LONG. Yes.

The PRESIDENT pro tempore. The present occupant of the Chair is of the opinion that the Senator would lose the floor.

Mr. LONG. If I should move a recess?

The PRESIDENT pro tempore. Yes; that is the opinion of the present occupant of the chair.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LONG. Yes; for a question.

Mr. McCARRAN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McCARRAN. If any other Member than the Senator who occupies the floor should move a recess, could it be done without having the Senator who now has the floor lose the floor?

The PRESIDENT pro tempore. If there is any business intervening, then the Senator is construed as starting another speech. If any business intervenes and the Senator allows it to intervene, having the power to prevent the intervention of any business, then if he is recognized it will be regarded as the beginning of a second speech.

Mr. BARKLEY. Mr. President, a further parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. Where the Senator yields to another Senator to make a motion to recess or adjourn or for any other motion, does not that of itself take the Senator from the floor?

The PRESIDENT pro tempore. It is the opinion of the Chair that it constitutes business, and if the Senator is recognized again it is for a second speech.

Mr. BARKLEY. A further parliamentary inquiry. Does the Senator who loses the floor have any prior right to reoccupy it upon the disposition of the motion?

The PRESIDENT pro tempore. Not under the rule. If he rises and addresses the Chair first, then it is the duty of the Chair to recognize him.

Mr. LONG. I have only made one speech today, as I understand. I have not yielded for anything, except straight down the line.

The PRESIDENT pro tempore. The present occupant of the Chair is advised that the Senator from Louisiana is making his first speech.

Mr. LONG. Then, I want to warn every Member of the Senate now that I do not want anyone to ask me to yield for anything except a question. I hope my friends will take warning, because it is up to me to protect my rights about the matter. I do not want anyone to ask me to yield for anything but a question, because I want to make my speech complete and get through with it as soon as I can. I do not want to be disturbed by any interruptions except for questions or parliamentary inquiries or points of order. That is all. Of course, Senators have a right to call a quorum. That has been ruled. I have a right to yield for the purpose of calling a quorum or for the purpose of a Senator asking a question or submitting a parliamentary inquiry or raising a point of order, and things of that kind, but that is all.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LONG. Within the rule only.

Mr. McCARRAN. I ask the question of the Senator from Louisiana—in fact, it is a double question, addressed as well to the Presiding Officer. Could the Senator yield, without losing the floor, to a motion to recess?

Mr. LONG. I would do so if I could yield without losing the floor.

Mr. McCARRAN. I address the question to the Presiding Officer.

The PRESIDENT pro tempore. If the Senator is addressing a parliamentary inquiry to the Chair, it is the opinion of the present occupant of the Chair that a motion to recess is business different from that now pending, and therefore the speech of the Senator from Louisiana would end upon the making of the motion. He could be recognized again.

Mr. McCARRAN. May I, to clarify the ruling of the Chair, state my views as to what I understand, from the ruling of the Chair, as a question to the Senator from Louisiana? If some Member of the Senate should move a recess now, could the Senator from Louisiana have the floor tomorrow upon reconvening?

The PRESIDENT pro tempore. In the opinion of the present occupant of the chair, he could not.

Mr. McCARRAN. A further parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McCARRAN. With the permission of the Senator from Louisiana, under what condition can I move to recess so the Senator from Louisiana would have the floor tomorrow?

The PRESIDENT pro tempore. It is the opinion of the Chair that a speech of a Senator is not business of the Senate; that the business of the Senate to which the Senator from Louisiana is now addressing himself is the pending question; that if he yields for the presentation of an initial question, he ends his speech. He will then be in the same

position, whether this evening or tomorrow, as any other Senator with reference to obtaining the floor for an additional speech.

Mr. LONG. Mr. President, I am almost on the verge of appealing from this ruling of the Chair.

Mr. McCARRAN. Mr. President, may I propound another question to the Senator from Louisiana?

The PRESIDENT pro tempore. The Chair has not ruled. He is merely giving his opinion in answer to a parliamentary inquiry.

Mr. McCARRAN. The Chair has not ruled?

The PRESIDENT pro tempore. The Chair is giving his opinion in answer to a parliamentary inquiry. There is no decision, because no question has yet been raised upon which there may be a decision.

Mr. McCARRAN. That is correct. May I propound this question to the Senator from Louisiana?

Mr. LONG. I yield for a question.

Mr. McCARRAN. Would the Senator from Louisiana yield so that a motion might be made, not that he would lose the floor, but directly against his losing the floor—a motion for a recess or adjournment?

Mr. LONG. I do not know how that can be done. I cannot fathom it. I think, perhaps, we can get the matter before the Senate in this way: It might be that I would ask of the Chair the right to move a recess without losing the floor, and if the Chair declined to grant that right, then I might appeal from the ruling of the Chair and submit it to the whole body. That might be the best way to solve the matter. I ask the Chair to help us out in this matter and try to get it before the Senate in the best way.

Mr. McCARRAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield to the Senator from Nevada.

Mr. McCARRAN. A parliamentary inquiry. If the Senator should yield for the purposes just stated, and the absence of a quorum should be suggested, would the Senator yield the floor, in view of the fact that no business has been transacted?

The PRESIDENT pro tempore. Will the Senator please state his inquiry again? The Chair is not quite clear on the question the Senator asked.

Mr. McCARRAN. Taking into consideration the statement just made by the Senator from Louisiana, if some Member of the body should move a recess now, would that be in order without the Senator from Louisiana losing the floor on the next convening of the Senate?

The PRESIDENT pro tempore. It is the opinion of the present occupant of the chair that the Senator speaking may not yield except for a question; that if he yields for the purpose of a motion he yields the floor, and the Senator making the motion has the floor while making the motion.

Mr. McCARRAN. May I propound another question? Assuming that I should now make a motion to recess, would I have the floor on the reconvening of the Senate tomorrow?

The PRESIDENT pro tempore. The Senator would not. Upon the completion of his speech, or his motion, or whatever it might be, the first Senator who should rise tomorrow morning and address the Chair would necessarily, under the rules, have to be recognized.

Mr. McCARRAN. My question was directed pursuant to the statement the Chair last made.

Mr. LONG. Mr. President, it has been previously ruled that the calling of a quorum does not cause the occupant of the floor to lose it. That ruling was made by the Vice President. May I inquire whether the present occupant of the chair has changed that ruling?

The PRESIDENT pro tempore. It is the opinion of the present occupant of the chair that it is the intent of the rule, taking into consideration the rule that a Senator may not be interrupted by a motion or bill or any other matter except to answer a question, that the Senator speaking has absolute control over the floor until he sees fit to yield; that if he yields for the purpose of a quorum call, the quorum call is the transaction of business by the Senate; and when the transaction of business by the Senate takes place, when it starts on other business besides the roll call, the rule that it is the duty of the Chair to recognize the Senator who first addresses the Chair is in force.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Oklahoma will state it.

Mr. THOMAS of Oklahoma. It has been stated once or twice this afternoon that one Senator can make only two speeches upon any given proposition. My parliamentary inquiry is, Is that the holding of the present occupant of the chair?

The PRESIDENT pro tempore. It is.

Mr. THOMAS of Oklahoma. From that decision I respectfully appeal, Mr. President.

Mr. BARKLEY. Mr. President, I make the point of order that there has been no decision.

The PRESIDENT pro tempore. The Senator from Oklahoma has propounded a parliamentary inquiry, which the Chair has attempted to answer; but there has been no decision, because no question has been raised, and no ruling has been made.

Mr. THOMAS of Oklahoma. In the event the Chair made no ruling, I withdraw my appeal.

Mr. BLACK. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BLACK. Since business was transacted, and the Senator from Louisiana took the floor after that business was transacted and the quorum was called, I ask the Chair if this does not constitute the second speech of the Senator from Louisiana.

The PRESIDENT pro tempore. The present occupant of the chair was not present at the time the occurrence in question took place and is not acquainted with the facts, and therefore cannot answer a parliamentary inquiry of that kind.

Mr. BARKLEY. Mr. President, a further parliamentary inquiry. Aside from the mere calling of a quorum, when an appeal is taken from a ruling of the Chair and a vote is had upon that appeal, is that the transaction of business by the Senate?

The PRESIDENT pro tempore. That is the opinion of the present occupant of the chair.

Mr. LONG. Mr. President, I hope the Vice President and the President pro tempore will not "two time" us on these rulings. The Vice President takes the chair and rules one way, and then the President pro tempore comes back and rules another way. I do not know how that is done. We have not had any election since the last ruling, but we still have another set of rulings. It complicates matters, and I am green in all these matters. I have had very little parliamentary experience. I will ask the Chair to take care of me the best he can. I am going to throw myself in the hands of the Chair and beg for mercy, and ask that if he changes the rules again he will change them in my favor [laughter] and give me a good break out of this thing. At my innocent time of life I undertake to do this.

I have just been handed a copy of the opinion in the Schechter poultry case, delivered by Mr. Chief Justice Hughes. I wish I could get the unanimous consent of this body to ask Senators if they have read this opinion. If they have not, I ought to read it to them. The Senator from Idaho [Mr. BORAH] indicates that he has read it. May I ask Senators if they will make known to me, by whatever sign they can without my losing the floor, whether or not they have read the decision in this chicken-coop case? This is the chicken case which was before the United States Supreme Court.

I see only one hand raised, and that is the hand of the Senator from Idaho [Mr. BORAH]. As a matter of fact, he said this act was unconstitutional before the Court passed on it. He is the only Senator here who did not need to read

it, except myself; and the Senators who did need to read it have not even read the opinion. What do you know about that? Is not that a strange way to legislate?

I have not read the decision, because I did not need to read it. I told them what the law was before they did it. The Senator from Idaho has read it, and he had already told them what the law was, too. So, therefore, he read something when it did not make any difference whether he read it or not, and the rest of the United States Senators have not read the decision at all, and now they want to vote on the measure again!

Let us see whether or not I ought to read this opinion. It is 21 pages long. If I had the absolute assurance of every Senator here that he would remain, I should read this decision. I am going to start reading, and when the first Senator leaves I shall stop reading. I give warning that I am reading this as a labor to myself and as a courtesy to the other Members of this body. I am going to stand here and read this decision from my own desk to every Member of this body.

Supreme Court of the United States.

I see some of the Senators are coming in. The crowd is growing.

Supreme Court of the United States, nos. 854 and 864, October term, 1934.

You see, this is the October term, 1934, but they rendered the decision in 1935. Some of you lawyers do not understand how that is, but that is according to the rules of the Court. They designate the term according to the month in which they meet. Then it stays the same term for the whole year. If the Court had sat for the whole year it would have been the October term, 1934, even though they had sat until September 1935.

A. L. A. Schechter Poultry Corporation—

Poultry means chickens—

A. L. A. Schechter Poultry Corporation, Schechter Live Poultry Market, Joseph Schechter, Martin Schechter, Alex Schechter, and Aaron Schechter, petitioners *v.* the United States of America. The United States of America, petitioner *v.*—

Senators are beginning to leave, so there is no need of trying to read them this decision. One Senator has already walked out. I will continue reading, but if many more Senators leave I will not undertake to burden myself with reading this. They would probably rather hear me speak, and if that is the way they feel I will stay here and speak to them—

A. L. A. Schechter Poultry Corporation, Martin Schechter, Alex Schechter. On writs of certiorari.

I should explain to Senators who are not lawyers what certiorari means. Certiorari is a Latin term, Mr. President; it comes from the Latin. I do not know what the Latin word is it comes from. [Laughter.] A Senator near me says it comes from Cicero.

On writs of certiorari to the United States Circuit Court of Appeals for the Second Circuit.

What "certiorari" means is this: It comes from the Latin.

Mr. MINTON. It is Latin.

Mr. LONG. Oh, it is; I did not know that. Mr. President, the word is a Latin word. The word "certiorari" means that you direct instructions to somebody to send you something.

Mr. McCARRAN. To search for something.

Mr. LONG. Yes. "Search him" would be the proper term. [Laughter.] It is a direction to go look to see what a man has got and bring it in here. That is the meaning of the word. So the case was tried.

On writs of certiorari to the United States Circuit Court of Appeals for the Second Circuit.

May 27, 1935.

Mr. Chief Justice Hughes delivered the opinion of the Court.

Petitioners in no. 854 were convicted in the District Court of the United States for the Eastern District of New York on 18 counts of an indictment charging violations of what is known as the "Live Poultry Code."

I want to explain what that violation was so that Senators will understand in advance. Mr. President, a coop of chickens——

Mr. BARKLEY. Mr. President, I make the point of order that Senators have no right to interrupt the Senator occupying the floor without rising and addressing the Chair.

The PRESIDENT pro tempore. The point of order is sustained.

Mr. LONG. The violation in this case was this: They sent a coop of chickens, I think, from New Jersey to New York. In that coop there were some "dominicker" roosters, a plymouth rock, a buff cochin, white leghorns, and some common chickens that nobody knows by any name except chickens, hill-billy chickens, and various other kinds of chickens. When this coop of chickens got to New York a man opened the coop; the chickens began to flutter around, and he looked into the coop and said to himself, "I believe I like that pullet right over there, that frying-size pullet. I believe I will take that one." The man in charge said, "Hold on there; wait a minute there; before you pull out that pullet hold on a minute; let us get down the N. R. A. rule book and look through it and see what the rule is before you take a chicken out of the coop, because these chickens come in here in interstate commerce and you have got to follow the rule book." So they got down the rule book, volume 6, or whatever volume it was of the code affecting chickens.

I presume there are about 16 or 20 volumes; I do not know as to that; there may not be so many; but let us say, for the purpose of the argument, they got down volume 6 and looked on page 631 of section 4, subsection (z), subdivision 2, and it said there that no man could reach into a coop of chickens and pick out any particular chicken; that he had to blindfold himself and reach in and take whichever chicken came to hand. [Laughter.] That is in the code; that is a part of this wonderful thing that we are sitting here to reenact after a few minutes as soon as I get through talking. Just so soon as I get through speaking that will be the next order of the day.

The rule book of the code said that a man could not reach into a coop of chickens and take whichever one he wanted. "Well," the chicken purchaser said, we will say for the sake of the argument, "that chicken there has got pin feathers that I do not like," or, "I do not want a hen; I want that rooster," or, "I do not want a rooster; I want a frying-size chicken," or, "I want a yellow-legged chicken; I do not want a buff cochin; I want a white leghorn." People are funny that way; they think there is some difference in chickens. As a matter of fact, there is not much difference in chickens; chickens are nearly about the same. Take them up and take them down, a chicken is a chicken, and you cannot make anything else out of it. However, this code said the purchaser had to take whatever chicken he found. He would not do that. So he proceeded to get the chicken that he wanted, regardless of the law and the code. He took the chicken home and put it in his pot, made some dumplings—probably, in violation of the law, being made too big. [Laughter.] So they indicted the poor devil and ordered him sent to the penitentiary because he got out of the coop the kind of a chicken he wanted. He made the dumplings. He fried some dumplings and probably boiled the gizzard, when he should have roasted it. Mr. President, a gizzard is better roasted than boiled. I found that out years ago. Always roast a gizzard; never fry a gizzard. When he got through with the chicken the man was ordered to jail. Of course a man does not like to go to jail if he can help himself. I have been there myself. I was there one time because I did not have any other place to go and another time because they did not want me to go any other place. But this man decided that he would not go to jail. So he went to court. He hired a lawyer. The case was tried and he lost the case.

The judge called him up and said, "Sorry, old man; you violated the law." The defendant asked, "What law?—the law that Congress passed?" The judge said, "No; you vio-

lated a law that the rule maker under this chicken-coop case made, which is found in rule book, volume 6, page 641, paragraph Z, subdivision 2, which provides that a purchaser has to take chickens as they come; that he cannot discriminate between chickens." [Laughter.] I remember a poem about that:

Chickens, chickens, what makes you roost so high?
Chickens, chickens, they are going to get you before you die.

This fellow then gets a lawyer, pays him his cash, and gets convicted. He appeals the case to the circuit court of appeals. That is the next court up. For the benefit of the laymen of the Senate, I will state that a defendant is first tried in the district court. No; I am wrong as to that.

The first thing is that the rule maker, the man in charge of handling it, comes around and passes on the case. Then you appeal to the code authority of that particular industry, and they pass on the case. If they pass on it against you, you can appeal to the district court. That is the third court to which you get. When this man got to that court they convicted him, and he went to the circuit court. This man came here to the Supreme Court of the United States asking for a writ of certiorari directed to the circuit court of appeals to dissolve the whole case and to annul the sentence. The order would have to be from the Supreme Court to the circuit court of appeals requiring them to set aside the judgment of the district court, as I take it. We use the term "certiorari" in Louisiana. Certiorari is one of our writs, and I suppose it would be about the same procedure as that found in the courts here.

The Supreme Court finally passed on the case. It is a case of very great importance. It is one of the most far-reaching cases of jurisprudence in the country. It is more important than anything since the days of the Roman Empire.

Who knows what the Supreme Court held in that case? This is what they held, that a man has the right to any kind of a chicken he wants to eat.

Mr. McCARRAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senator will state it.

Mr. McCARRAN. If at this time, pursuant to the permission of the Senator having the floor, and without his losing the floor, I should ask permission to introduce a bill out of order, by unanimous consent, would that take the Senator from Louisiana from the floor?

The PRESIDING OFFICER. The Chair is unable to answer the question in the form in which it is framed by the Senator from Nevada because he has included in his parliamentary inquiry the question whether the Senator could yield without losing the floor.

The present occupant of the chair is advised that the President pro tempore of the Senate has recently made a ruling, by which the present occupant of the chair feels bound, that the Senator would lose the floor if he yielded for the purpose of the Senator from Nevada introducing a bill. The present occupant of the chair feels bound by the recent ruling of the President pro tempore, and so rules.

Mr. LONG. Mr. President, I do not know how we are to understand these rulings. The Vice President made a ruling before the ruling of the President pro tempore, and the President pro tempore did not feel bound by it. Now the present occupant of the chair says he feels bound by the ruling of the President pro tempore. So we get caught going and coming, and get no ruling at all.

Mr. McCARRAN. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARRAN. That the Chair may understand and that the Senate may understand, the bill I would propose to present and have filed and printed and referred properly would have no bearing on the subject matter now before the Senate. I make this statement in order that the Presiding Officer may be entirely advised. It is a bill which bears on the subject of the Silver Purchase Act of 1934.

The PRESIDING OFFICER. The Chair will state to the Senator from Nevada that the subject matter of the bill would have nothing whatever to do with the subject of the parliamentary inquiry, and would not change the opinion of the Chair in the slightest degree.

Mr. McCARRAN. I did not catch the ruling of the Chair.

The PRESIDING OFFICER. The Chair has not made a ruling except in response to the parliamentary inquiry. The Chair stated that he would feel bound by the recent opinion expressed by the President pro tempore of the Senate, and stated to the Senator from Nevada that the subject matter of the bill would, of course, have no parliamentary significance.

Mr. McCARRAN. Very well. With that in mind, and in keeping, if the present Presiding Officer desires to conform to the former ruling of the President pro tempore, may I at this time introduce by unanimous consent a bill—

The PRESIDING OFFICER. The Chair——

Mr. McCARRAN. May I conclude?

The PRESIDING OFFICER. Yes.

Mr. McCARRAN. Without having the Senator from Louisiana lose the floor?

The PRESIDING OFFICER. The Senator may not. That would be the opinion of the Chair.

Mr. McCARRAN. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARRAN. May I appeal from the decision of the Chair without having the Senator—

The PRESIDING OFFICER. The Senator may not. The Senator may not appeal from an opinion of the Chair on a parliamentary inquiry. The only way in which the Senator can appeal from a decision of the Chair is to have the subject matter of the discussion come up, have a point of order made and a ruling made by the Chair, and from that the Senator may appeal. The Senator cannot interject a parliamentary inquiry into the debate and appeal from the response of the Chair. The Senator from Louisiana is recognized.

Mr. McCARRAN. One further question.

Mr. LONG. I yield.

Mr. McCARRAN. A parliamentary inquiry. I am very sorry that the Presiding Officer did not permit me—

The PRESIDING OFFICER. That is not a parliamentary inquiry, and the Chair recognizes the Senator from Louisiana.

Mr. McCARRAN. A parliamentary inquiry.

The PRESIDING OFFICER. The Chair will state that it is not a parliamentary inquiry for the Senator from Nevada to express regret at a ruling of the Chair. Does the Senator from Louisiana desire to continue?

Mr. LONG. Oh, yes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG. I desire to continue. I want to go ahead with my explanation of the chicken-coop case before I get through. I want to get this chicken matter straightened out in the minds of Senators before I quit the matter. This opinion was delivered by Chief Justice Hughes. Chief Justice Hughes has been on the Supreme Court of the United States twice. He was appointed on the Supreme Court by two different Presidents. He is known as a liberal of the Court, is he not? He is the main liberal up there. He has been doing all the affirming of these things nobody thought we had a right to do, so he was being heavily criticized for his liberal tendencies. He was a liberal. But Justice Brandeis and Justice Stone and Justice Cardozo were known as more liberal than Chief Justice Hughes.

Then there was another man, Mr. Justice Roberts, who was known as sort of half and half, a conservative-liberal. That is the way the papers classify him. Then there were others called conservative and others call ultraconservative. That is how they had the Court composed, liberal, and radicals, and liberal-conservatives, and conservatives, and ultraconservatives. That is about the limit. That is how they had them all sized up, one this, one that, somebody one thing, somebody else something else.

Before I go further in reading this opinion, I wish to say that I am not going to be given the national blame for keep-

ing the Members of the Senate from participating in the Shrine conferences in this city. I want it understood that I now request every Member of the Senate to go to his respective Shrine delegation, if he wants to, to place himself at their disposal, and to do what he can to make them comfortable while they are in this city. It is their duty to do it. They ought to do it. As much as I want them to listen to me, I am not going to complain if they go.

It is a terrible discourtesy that is being shown to the Shriners. I am a member of the Baptist Church, myself. Shriners are a Protestant order. Many people think I am a Catholic, and think I am talking here tonight in an effort to keep people from seeing the Shriners' parade. I want it understood that that is not so. I am a member of the Baptist Church.

The PRESIDING OFFICER. The occupants of the galleries will refrain from demonstrations of approval or disapproval. They are guests of the Senate, and as such should observe the rules of the Senate.

Mr. LONG. Mr. President, I do not mind the occupants of the galleries being here as guests of the Senate, nor do I object to these demonstrations. I will state for the benefit of the Senate and for the benefit of the galleries that those in the galleries are here as guests of the Senate, and that demonstrations of approval or disapproval are not allowed. Of course, if those in the galleries approve of what I say it would be all right for them to write me a nice letter. In case I should run for office you can enclose a little contribution for the next campaign. Things like that are always in the rules of the Senate, but demonstrations in the galleries are not allowed. That is my understanding.

I shall now proceed to read this case. I was interrupted so many times that I never did get started to read it the last time. All I could read was the title and the explanation of the Latin in the title. I attempted to explain the Latin words for the benefit of those who had never studied Latin. If it were not for my digression along that line I should have gotten very much further into this decision. They say:

Petitioners were convicted in the District Court of the United States for the Eastern District of New York on 18 counts.

Imagine that—18 chickens, 18 counts! In my time, Mr. President, if a man came and got a sack full of chickens they did not try him on more than one count. In this case it is divided up—18 chickens, 18 counts, 18 sentences in the penitentiary. One Dominique rooster could send a man to the penitentiary.

Charging violations of what is known as the "Live Poultry Code."

The Live Poultry Code! I wonder if they have another for dead chickens. They must have another rule or another code for chickens after they kill them.

And on an additional count for conspiracy to commit such violations.

Can you beat that? Do you know that if you bought a chicken from a man and it was taken out of a coop in any way other than as it is provided in the code, that that would be a conspiracy? Mr. President, the law provides that whoever conspires to violate a law of the United States is guilty of a conspiracy and he will go to the Federal penitentiary. Any man who bought a chicken out of a chicken coop which was taken out of there in any way except as it was stated in the code that it should be taken out of that chicken coop was guilty of a conspiracy to violate the law. If you took a Dominique rooster and twisted his neck off, when the code said that his head ought to be cut off with a hatchet, you would be violating the law. That would be a conspiracy and it would cause you to be sent to the penitentiary.

Talk about law! Where had we finally gotten to when the Supreme Court of the United States finally said, "Hold on"? They said, "Hold on. All the crazy people are not in the insane asylum," they said. "Hold on. Stop a minute; just a minute," said the nine judges. "Just a minute here, you 21-year-old men. Think a while before you finally get down to where you make this Government the laughing stock of the animals of the woods and the fowls of the air. Stop a while."

There never was a polecat conference that had in it any such thing as was before the Supreme Court of the United States in the poultry case. Eighteen counts, 18 convictions, and the nineteenth conviction on the ground that they wrung the chicken's neck off instead of cutting its head off with a battleax.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. McCARRAN. In order that I may have the construction of the present Presiding Officer, may I propound a parliamentary inquiry based on some experience I have just gone through which is not in keeping with former rulings? If I propound a question of the Senator having the floor, does he lose the floor? I make that parliamentary inquiry.

The PRESIDING OFFICER. The Chair would rule that he does not lose the floor.

Mr. McCARRAN. Very well. I should like to propound this question, in keeping with the thought the Senator has just expounded—whether he has in mind the expression of Gen. Hugh Johnson, who said that the nine judges of the Supreme Court of the United States were old men in kimonos.

Mr. LONG. Is that what Mr. Hugh Johnson said?

Mr. McCARRAN. I so read it.

Mr. LONG. Well, that is about like this thing which has been going on around here. Gen. Hugh "Sitting Bull" Johnson and his type have been running this country pretty well with a gang of bureaucrats. Do Senators know who they had in Louisiana? Who do the Senate reckon they had down there in charge of the N. R. A. for Louisiana, the rule maker par excellence, the high muck of the high-muckety-muckers? They had a fellow down there by the name of Arthur Hammond. I looked that man up. When I was Governor of the State of Louisiana I went down one day and just by accident I saw two pay rolls, which were submitted to me in accordance with a legislative resolution, and on the two pay rolls I saw, just by accident, the same name. I saw the same name on both of them. I thought to myself there must be some mistake here. Here was Arthur Hammond's name on the pay roll of the Cearnarvon Crevasse Commission at $500 a month, and here he was on the pay roll of the port commissioner of New Orleans; Arthur Hammond's name was on that at $500 a month.

Under the law of Louisiana any man drawing double salary on two pay rolls was guilty of holding a dual office, and under such a situation he could go to the penitentiary. And whoever put him on there ought to have gone to the penitentiary if he knew about it.

I looked the matter up, and I said, "Who is this man Arthur Hammond?" They said, "He never held a job paying a hundred dollars a month in his life before he got this job on the board." I said, "Do you know he is on the dock board also?" They said, "What?" I said, "Yes; here his name is." I sent down for the checks so that I might have them before me, and I found that the man had drawn two checks for the same month there for about a year and a half, and I got the checks where he had endorsed them for about $400 or $500 a month from both boards.

As Governor of the State I ordered him dismissed from both pay rolls, because he was not fit to be on either one of them. I have had an investigation made and I have found that he had not made $100 a month before that time, or $100 a month since that time. A newspaper down there gives his wife money to follow me in Washington and take the trains which I ride. She takes every train I ride and goes home with me, and then she chaperons me back, and the newspaper pays his wife money to chaperon me.

Now they want a man to be the ruler over all the businesses, a good, high, honorable, outstanding man of integrity and business sagacity, and whom do they give it to? They give it to this man that I found on those two pay rolls in violation of the law, who never held any other real job before in his life, and he was the rule maker and he would

rule one thing and he would rule another thing and he would rule still another thing. Well, every little man who had a peanut stand he put out of business. Do Senators know what I did? I put out an announcement to the people of Louisiana, "Pay no more attention to this N. R. A. than as though it had never been written, and I will go to jail with you if they convict one of you." These scoundrels and scalawags cannot deter us, they cannot put fear in our hearts in Louisiana. We defy this unconstitutional, criminal skullduggery, and we will not stand for it, and we never did pay the N. R. A. any mind in Louisiana.

We have law and order in Louisiana. We live under the Constitution of the United States. We live under the stars and stripes. The homes down there have the stars of the 48 States and the red and white of the Thirteen Colonies. They do not have the blue buzzard down there. You do not find it down there. They did not pay it any mind at all. They never did and never will. They are not going to pay this thing any mind either. If it is like the last one, and I assume it will be, we will not pay it any mind either unless we have to do so, and I do not think we will have to.

We are going to have law in Louisiana. You have passed a law telling our cities, which I got out of their financial difficulties—I paid them out of debt down there two or three times, some of them—and now you pass a bankruptcy law to let the mayor go into court and write off the honest debts of the city when we told them not to do it. We took the taxes off the cities so they could pay their debts. We paid their taxes out of a special fund of the State. Yet an infernal law is passed here in the Congress of the United States, a municipal bankruptcy law, saying to every municipality, "Do not be honest; do not be straight. This is all a mistake. Squander your money, throw it away, give it to the birds, do not pay any attention to business. Just have a good time and then go into court and get the court to wipe out all your debts, and then start out killing rats again."

An honest, honorable State like Louisiana would not stand for that kind of thing. So we passed a law down there that they could not do it. They had to pay their debts. The chinch-bug of Chicago, the Secretary of the Interior, gave out a statement that Louisiana was not a sovereign State because of the passage of that kind of legislation to make those municipalities pay their honest debts.

I shall continue to read this opinion.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Oklahoma?

Mr. LONG. I yield for a question.

Mr. GORE. I should like to ask the Senator if he does not think this state of facts, which was brought to my attention this afternoon, justifies our insistence on this amendment providing that these appointees shall be confirmed?

An employee of one of the departments here in one of the bureaus sent me a message to insist upon the adoption of the amendment, saying that his chief is receiving $12,000 a year, unconfirmed; that his assistant is receiving $8,000 a year, unconfirmed; that the chief had attached a female relative to the pay roll, a former waitress, a perfectly honorable profession, who is now receiving $4,000 a year, unconfirmed.

Does not the Senator think the Senate ought to have an opportunity to investigate the fitness of those people before paying out of the Treasury and the taxpayers' pockets such lavish salaries as these?

Mr. LONG. I certainly do. I think there is more rascality of the kind the Senator mentions than he has any idea is going on. The statement which the Senator from Oklahoma makes would have astounded me a few months ago, but not now—$12,000! $8,000! $4,000! They are keeping us in session all night long; and does the Senator understand why we are in session? It is to keep the United States Senate from having the right to do what the law says it shall do, and that is all. The law says the United States Senate shall confirm certain people, and this outfit say they do not want us to confirm them; so we are here now fighting for the right to make them present these names to the United States Senate. They are trying to wear down the physical powers of the United States Senate. That is what they are trying to do.

It is the last stand for the Constitution. That is what it is. It is the last stand for the constitutionalists against the ransackers of the country in the bureaus and departments. We are trying to make a Senate out of the United States Senate. We are trying to bring back to this body the dignity and decorum and prerogatives which belong to it.

If I were given every job in Louisiana they could not get me to vote to do to the balance of these Senators like I have seen done to some of them. It would not make any difference to me, and I hope Senators believe what I am saying today. They could give me every job in Louisiana and I would not do that. I have had them. I gave them up for principle. I did not give up my principle to get jobs. I had the jobs. I was the lead-off man in speech making at the Chicago convention. We won on the original test vote for the Roosevelt forces. I was the national committeeman, the senior United States Senator. I had the job. I gave it up because I was a Senator as nearly as I knew how to be. I would not let them tell me I had to vote for the N. R. A. or the A. A. A. or the G. Y. P. or any of them. I gave them up.

The Senator from South Carolina [Mr. SMITH] made a statement the other day which has rung in my ears. He said that God made him a man long before he was ever made a United States Senator. That is a statement which appealed to me. I hope I can say that much myself. I hope I can claim that much for myself, that I was man enough, or had enough manhood of that kind in me, that I would not sell out my principle for a mess of pottage.

They cannot put any Jim Farley in the gallery to send me word how to vote. Oh, no. I have seen his kind before. I have seen his kind at the old poker games where I used to lose my money in the West. The first man I ever saw that looked like him was a peephole man. I have seen his type before. They put a man like that as the peephole man in the United States Senate to look through the door now and then, and poke his monstrous visage in here to scare the Senators. It was in the papers that he would be sitting in the gallery tonight to see how the boys vote.

The Senate of the United States! The Senate of the United States with a man like James Aloysius Farley making contracts and getting a lot of money for himself and his companies, giving away the stamps of the United States Government that were worth on the market hundreds of thousands of dollars, slipping around here and keeping the United States Senate from being a Senate. Stand for that kind of business? Do not forget, Senators, we are going to have an end to this business. Reform the Democratic Party and the Government will reform itself, or the people will reform it. I may be one of the missing number, but there will be more absentees around here some day than we have ever heard of, and I may be among them. There will be plenty of them missing some day. It will be like Goldsmith's deserted village except there will not even be a village left when the people get the straight of this thing, and they are getting it mighty fast.

Now I come back to the opinion:

The circuit court of appeals sustained the conviction on the conspiracy and on 16 counts for violation of the code, but reversed the conviction on 2 counts which charged violation of requirements as to minimum wages and maximum hours of labor.

New York City is the largest live-poultry market in the United States. Ninety-six percent of the live poultry there marketed comes from other States and three-fourths of this amount arrives by rail and is consigned to commission men.

Most of these freight shipments (about 75 percent) come in at the Manhattan Terminal of the New York Central Railroad, and the remainder at one of the four terminals in New Jersey serving New York City. The commission men transact by far the greater part of the business on a commission basis, representing the shippers as agents, and remitting to them the proceeds of sale, less commissions, freight and handling charges. Otherwise, they buy for their own account. They sell to slaughterhouse operators who are also called "market men."

The defendants are slaughterhouse operators of the latter class. A. L. A. Schecter Poultry Corporation and Schecter Live Poultry Market are corporations conducting wholesale poultry slaughterhouse markets in Brooklyn, New York City. Joseph Schecter operated the latter corporation and also guaranteed the credits of the former corporation which was operated by Martin, Alex, and Aaron Schecter. Defendants ordinarily purchase their live poultry from commission men at the West Washington Market in New York City or at the railroad terminals serving the city, but occasionally they purchase from commission men in Philadelphia. They buy the poultry for slaughter and resale. After the poultry is trucked to their slaughterhouse markets in Brooklyn, it is there sold, usually within 24 hours, to retail poultry dealers and butchers who sell directly to consumers. The poultry purchased from defendants is immediately slaughtered, prior to delivery, by shochtim in defendants' employ. Defendants do not sell poultry in interstate commerce.

The Live Poultry Code was promulgated under section 3 of the National Industrial Act.

This "Live Poultry Code" is printed here in 4-point type. It is very small type, and I am 41 years old, and I am not supposed to be able to read 4-point type. It all goes to show that by never paying any attention to these rules and regulations you are likely to have good eyesight for a long time; so I can read this 4-point type.

Before I get into that, however, I should like to tell Senators just how I preserve my eyesight. I seldom wear glasses. I read all I wanted to read, and I did not read too much. If my eyes got to hurting me, I just quit reading at the time, and waited a little while, and then later on I started to read again. I studied by lamplight and by firelight and by electric light, but I did not study too much. The trouble about Members of the Senate is they study too much. It is not going to do you any good to be smart and then be dead. [Laughter.]

There are a whole lot smarter men in the Senate than I am, but I am a liver man than they are. A dumb live man is a whole lot better than a dead smart man. Long years ago I found out that it was not going to do any good to get wise and not be here to give my wisdom any chance to live; so I saved my eyes. I saved all the various and sundry necessary functions that give me sight and give me hearing. I commend to the 94 learned Members of this body that if they will just move around among the people, and not get too far above them in learning and skill, they will do well.

For instance, a man stays here in the United States Senate. He learns so much that when he goes back home and begins to talk to a meeting of the country people, they do not know anything about what he is talking about. He has forgotten the kind of language to which those people are accustomed. That is the trouble. Then some old hillbilly comes out of the woods who understands their language, and licks the Senator to a queen's taste, because he got so smart that nobody understood anything about his smartness. It does not make any difference how smart you are; if the people cannot understand it, that is not going to do you any good. So I never get so smart but that the people know that I am pretty well acquainted with these matters, and thereby I save my eyesight.

So now, having explained that, I read this 4-point type with my 41-year-old eyes. I do not have to have any magnifying glass; I do not have any spectacles, or anything of the kind; I do not have to hold the print at any unusual or any close distance.

SEC. 3. (a) Upon the application to the President by one or more trade or industrial associations or groups, the President may approve a code or codes of fair competition—

That is the law. They said "the Recovery Act." I thought this was the code. No; I will go over to the other a little later on. That is not what I wanted. This is the act of the legislature—I mean, of the Congress. I have been accustomed to making mention of the legislature of my State, and by mistake I mentioned it instead of the Congress. I will write my letter of apology to the legislature tonight, and I now apologize to the Congress for making that mistake. [Laughter.]

The Live Poultry Code was promulgated under section 3 of the National Industrial Recovery Act. That section—the pertinent provisions of which are set forth in the margin—authorizes the President to approve "codes of fair competition." Such a code may be approved for a trade or industry, upon application by one or more trade or industrial associations or groups, if the President finds (1) that such associations or groups "impose no inequitable restrictions on admission to membership therein and are truly representative", and (2) that such codes are not designed "to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them, and will tend to effectuate the policy" of title I of the act. Such codes "shall not permit monopolies or monopolistic practices."

They are supposed to put them all out of business, so that there will not be anybody there that they can monopolize against, and they did not, as I understand this thing.

As a condition of his approval, the President "may impose such conditions—including requirements for the making of reports and the keeping of accounts"—

I am going to skip a little bit there, because that is not important.

Now, let us see. Here is what they said:

The code fixes the number of hours for workdays.

I want to get down to this particular code, and the application that was made of it by the Court.

It provides that no employee, with certain exceptions, shall be permitted to work in excess of 40 hours in any one week, and that no employee, save as stated, "shall be paid in any pay period less than at the rate of 50 cents per hour." The article containing "general labor provisions" prohibits the employment of any person under 16 years of age, and declares that employees shall have the right of "collective bargaining", and freedom of choice with respect to labor organizations, in the terms of section 7 (a) of the act. The minimum number of employees, who shall be employed by slaughterhouse operators is fixed, the number being graduated according to the average volume of weekly sales.

Provision is made for administration through an "industry advisory committee", to be selected by trade associations and members of the industry, and a "code supervisor" to be appointed, with the approval of the committee, by agreement between the Secretary of Agriculture and the Administrator for Industrial Recovery. The expenses of administration are to be borne by the members of the industry proportionately upon the basis of volume of business, or such other factors as the advisory committee may deem equitable, "subject to the disapproval of the Secretary and/or Administrator".

The seventh article, containing "trade practice provisions", prohibits various practices which are said to constitute "unfair methods of competition." The final article provides for verified reports, such as the Secretary or Administrator may require, "(1) for the protection of consumers, competitors, employees, and others, and in furtherance of the public interest, and (2) for the determination by the Secretary or Administrator of the extent to which the declared policy of the act is being effectuated by this code." The members of the industry are also required to keep books and records which "will clearly reflect all financial transactions of their respective businesses and the financial condition thereof", and to submit weekly reports "showing the range of daily prices and volume of sales" for each kind of produce.

The President approved the Code by an executive order in which he found that the application for his approval had been duly made in accordance with the provisions of title I of the National Industrial Recovery Act, that there had been due notice and hearings, that the Code constituted "a code of fair competition" as contemplated by the act and complied with its pertinent provisions, including clauses (1) and (2) of subsection (a) of section 3 of title I; and that the code would tend to "effectuate the policy of Congress as declared in section 1 of title I."

Now, let us see. Here is what the Court said:

Of the 18 counts of the indictment upon which the defendants were convicted, aside from the count for conspiracy, 2 counts charged violation of the minimum wage and maximum hour provisions of the code, and 10 counts were for violation of the requirement (found in the "trade-practice provisions") of "straight killing." This requirement was really one of "straight" selling. The term "straight killing" was defined in the code as "the practice of requiring persons purchasing poultry for resale to accept the run of any half coop, coop, or coops, as purchased by slaughterhouse operators, except for culls."

In other words, you had to let the chickens come out, and take them as they came. If you wanted a yellow-legged chicken, and a buff cochin chicken came out, you could not have the yellow-legged chicken. "Nothing doing." If you wanted a pullet, and a rooster came out, you could not have the pullet. Down my way we are used to having frying-size chickens. A frying-size chicken is a yellow-legged pullet just about 9 inches high.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield.

Mr. TYDINGS. Would it not be just as sensible to abolish the office of the Comptroller General, and have no check on the expenditures made by other branches of the Government, as it would be to abolish the senatorial privilege of confirmation, and have no check on appointments in the Government service?

Mr. LONG. Why, positively. What is the use of having the Comptroller General's office? That does not amount to anything. He only passes on small amounts of money compared to this thing. Yes; I say, in answer to the Senator from Maryland, we might as well abolish the Comptroller General's office. Why have any supervision over this thing? Perhaps some feel that "Just so long as we get our part of it, we ought not to complain." Talleyrand said:

> It is very difficult for one to see the evil of the way by which he prospers.

And there are many of us who might feel, if we did not watch ourselves, that if we get a good hunk of that money it does not make any difference to us whether the other man gets any or not, and we do not care whether we confirm his men or not, because we do not want him to confirm our men, either. But why not abolish the Comptroller General's office? We ought to couple with this act a provision abolishing the Comptroller General's office and every other regulating agency of the kind, because, if we think we are useless, why is not the Comptroller General's office useless in passing upon the kind of men who will expend this money?

A man who sells post cards, though, perhaps, he does not sell $2,000 worth of them a year, has to be confirmed by the Senate; but a man who hands out $150,000,000 or $900,000,000 does not have to be confirmed by the Senate. Why? Manifestly the powers that be do not want him subject to confirmation; I guess, in some cases, they are afraid to have him come up here to be confirmed. That is why they do not want it.

Referring again to the chicken-coop case:

> The charges in the 10 counts, respectively, were that the defendants in selling to retail dealers and butchers had permitted "selections of individual chickens taken from particular coops and half coops.

I want to read here. I do not believe any more definitions are given in a way a chicken has to be picked. The court goes into the law. That is all they say by way of describing the chicken-coop code. I will put this pamphlet in my pocket, though; I will take it home and I will read it tonight, although I do not need to read it, as some of my colleagues do. If any of my colleagues who have been voting for the N. R. A. want this pamphlet, I will give it to them, because they need it much worse than I do; because I voted against the thing, to start with; I know the law was no good from the beginning.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER (Mr. CONNALLY in the chair). Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. Yes, sir.

Mr. McCARRAN. For the purpose of a question, does the Senator realize that the matter now before the Senate is one that involves not only the law but the life of this country? Does the Senator from Louisiana realize——

The PRESIDING OFFICER. Does the Senator from Louisiana yield for two questions?

Mr. LONG. Yes, sir.

Mr. McCARRAN. I am going to propound questions to the Senator from Louisiana. Does the Senator from Louisiana realize that this matter is not one that involves the simple question of the national reconstruction policy in connection with the extension of the N. R. A., but does he realize that it involves more than that; that it involves——

The PRESIDING OFFICER. The Senator from Louisiana, if he is going to yield to the question, must give heed to the Senator from Nevada.

Mr. LONG. I was listening to the Senator.

Mr. McCARRAN. If the Senator from Louisiana does not care to give attention to my questions, of course, I will not propound the questions.

Mr. LONG. I was listening to them, I will say to the Senator.

Mr. McCARRAN. Then I will ask the Senator from Mississippi not to interrupt.

Mr. HARRISON. I was not interrupting.

The PRESIDING OFFICER. The Senate will be in order, as will also the occupants of the galleries. The occupants of the galleries have been repeatedly warned—and this statement includes everyone in the galleries—not to give any signs of approval or disapproval. If that rule shall be violated, the galleries will be cleared. The Chair will ask the attendants to watch those who demonstrate or express approval or disapproval and to escort them from the galleries.

Mr. McCARRAN. I respectfully suggest to the Chair that they not be photographed as they go out.

The PRESIDING OFFICER. The Chair has no control of photographers.

Mr. BARKLEY. Mr. President, I make the point of order that the last statement of the Senator from Nevada is not a question propounded to the Senator from Louisiana.

Mr. McCARRAN. I am propounding a question.

The PRESIDING OFFICER. The Senator from Nevada will proceed in order with his question.

Mr. McCARRAN. Does the Senator from Louisiana realize that involved in the question that is now before the Senate is that which was involved when the Thirteen Original Colonies saw fit to organize a Union, and in organizing that Union saw fit to say in the organic law that each State should be unto itself——

The PRESIDING OFFICER. The Chair will be forced to rule that the Senator from Louisiana withdraws his yielding unless he gives heed to the Senator from Nevada.

Mr. LONG. I am listening to every word.

The PRESIDING OFFICER. Yielding can be withdrawn at any moment.

Mr. LONG. I am listening.

Mr. McCARRAN. I am addressing my inquiry to the Senator from Louisiana in order that he may answer me, and I am sorry the interruption has occurred. I hope, however, to catch my thought. Does the Senator from Louisiana realize that this whole matter was involved in the preparation and presentation and augmentation of the organic law when that organic law was presented to the Thirteen Original Colonies?

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield.

Mr. BARKLEY. I am rising to a point of order. I make the point of order that, under the guise of a question, no Senator has a right to deliver a dissertation on the origin of the Constitution.

The PRESIDING OFFICER. The Chair is of the opinion that the point of order is well taken.

Mr. GORE. Mr. President——

Mr. McCARRAN. I am making an inquiry.

The PRESIDING OFFICER. The Chair does not want to rule against——

Mr. GORE. I appeal from the decision of the Chair.

The PRESIDING OFFICER. Just a moment, until the Chair states his attitude. The Chair does not mean to rule that the Senator from Nevada cannot ask a question; but, the point of order having been raised, the Chair is of the opinion, from what has transpired so far, that the remarks of the Senator from Nevada do not involve a question in the parliamentary sense. If the Senator now wants to ask a question——

Mr. GORE. I appeal from the decision of the Chair.

Mr. McCARRAN. Will the Presiding Officer kindly guide me and inform me what the limitations are?

The PRESIDING OFFICER. The Chair is not here to instruct Senators.

Mr. GORE. I desire to appeal from the decision of the Chair.

Mr. LONG. Mr. President——

Mr. McCARRAN. Mr. President, under the ruling of the Chair, I am presenting——

The PRESIDING OFFICER. The Chair will again say to the Senator from Louisiana that unless he gives heed to the question that is being asked the Chair will rule that he has yielded the floor.

Mr. LONG. I yielded to the Senator from Nevada to propound a question, but the Chair has sustained a point of order against the Senator, and I think that the Senator from Nevada or myself, without yielding the floor, has the right to appeal from the ruling of the Chair. That has been ruled here this evening, and the Chair has ruled that it was a question then for the Senate to decide. I have only yielded for a question, but I want to ask the Chair, does the Chair hold that——

Mr. McCARRAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Chair will state that the Senator from Oklahoma desires to appeal from the ruling of the Chair?

Mr. GORE. Yes, sir.

Mr. LONG. I do not yield now.

Mr. GORE. I should like first to make a parliamentary inquiry.

Mr. McCARRAN. Mr. President, I rise to a parliamentary inquiry.

Mr. GORE. It has been ruled here before this evening that an appeal may be taken—I am propounding a parliamentary inquiry.

The PRESIDING OFFICER. The Chair will hear the Senator from Oklahoma.

Mr. GORE. I desire to propound a parliamentary inquiry. It has been ruled here this evening——

The PRESIDING OFFICER. There is one point of order pending, the Senator from Oklahoma having appealed from the ruling of the Chair. The Chair does not care to entertain another until that shall have been disposed of.

Mr. HARRISON. I ask for the regular order.

The PRESIDING OFFICER. The regular order is for the Senator from Louisiana to proceed in order with his remarks, unless the Senator from Oklahoma wishes to appeal from the ruling of the Chair.

Mr. GORE. I desire first to propound a parliamentary inquiry. I do desire to appeal from the ruling of the Chair, but before doing so I wish to put the parliamentary inquiry whether an appeal would terminate the speech of the Senator from Louisiana. It has been ruled otherwise this evening, but the rulings have been changed rather freely.

The PRESIDING OFFICER. The Chair has ruled only that the remarks the Senator from Nevada was making did not constitute a parliamentary question.

Mr. GORE. I desire to appeal from that ruling, because I thought it was certainly a question.

Mr. HARRISON. I ask for the regular order.

Mr. GORE. What I desire to know is the effect of an appeal from the decision of the Chair. I do not want to fall into a trap.

The PRESIDING OFFICER. The question is, Shall the ruling of the Chair stand as the ruling of the Senate?

Mr. McCARRAN. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARRAN. On an appeal from the decision of the Chair and call for a quorum, does the Senator from Louisiana lose the floor?

The PRESIDING OFFICER. That is a hypothetical question which will be answered when it arises. The Chair does not feel it is necessary to rule on it until it comes up.

Mr. LONG. Mr. President, may I state, I have had the floor——

Mr. McCARRAN. I withdraw my question.

Mr. LONG. And I yielded to the Senator from Nevada to ask a question.

Mr. HARRISON. Regular order!

The PRESIDING OFFICER. The regular order is for the Senator from Louisiana to proceed, because, the Senator from Nevada having withdrawn his question, the appeal falls with it.

Mr. LONG. Very well. I just want it understood that there has been a changing of rulings very fast around here this evening. It does not look good.

The PRESIDING OFFICER. The Chair will state that the present occupant of the chair has not changed any ruling. The Chair merely ruled on what was the holding as to the question of the Senator from Nevada.

Mr. LONG. Without saying that anybody has ruled at all, I am going to ask the Chair and the Members of the Senate for fair play. I am going to ask the Senate to give me fair play, and that is all I am asking.

I am willing to stand here and discuss this matter as Senators wish it discussed; but the Vice President has been in the Chair, and has ruled that a Senator has the right to appeal from the ruling of the Chair, and that it does not take him off the floor to do it. That being the ruling, I wish to say to Members of the Senate that I hope, as the Senator from Oklahoma has said, that we will not fall into any trap or plot.

I ask only for fair play. I am a countryman, coming from the backwoods of Winn Parish. I have had very little experience in cities, and I want to be protected. I ask for fair play.

I have had very little out of this administration. It got my money and got my time and my vote, and about all I can ask of it is that it not change its ruling, that is all, between suns. I do not mind it changing tomorrow morning, but I want a ruling to stand the same during the same night. I just do not want it to be changed between sun up and sun down. I do not mind them changing it again after sun up, but I want it to stay the same during the day. Let us have fair treatment. That is all I want in this body. If I am given fair treatment that is all I am going to ask for. I may not be able to get fair treatment for the people, what I think they ought to have, but I ask for fair treatment in presenting the claims of the people while I am trying to get the wishes of my people respected. I am representing them the best I know how. They do not know of anyone in my State they would rather have right now than me, as is shown by the fact that I have not even an opponent. Senators can realize how badly afflicted my people are when they even have not a man running against such a representative as I am in this body.

With all the deploring that has been done the people have not even a candidate so that they can express a choice for someone else in the election that is only a few months away. So, with that kind of affliction on my people, I ask my colleagues to protect them in allowing me the customary ruling that was made in the beginning of the night.

I am like the old man, when the sun was in eclipse and darkness had spread over the earth, when shadow was shutting out all the light. The legislative body at that time, knowing nothing of the science of the eclipse and the sun and the moon, decided to take an adjournment because they thought that perhaps this sudden sign of darkness was the end of time, the end of the world. This old man said, "Oh, no. I do not know whether this is the end of the world or not. If it is the end of the world I would rather be found here doing my duty than anywhere else, even if this does mean the end of time."

It is only 9 o'clock, and 9 o'clock tomorrow will be early. We will be here at 9 o'clock tomorrow, probably. Years from today there will be great jealousy over the fact that Senators will be claiming that they were among those who heard my memorable speech. [Laughter.]

The PRESIDING OFFICER. The Chair has warned the occupants of the galleries heretofore, and will ask the attendants to see that those who are making audible demonstrations are removed from the galleries. The attendants will be held responsible for this. It is their duty to see that order is preserved.

Mr. McCARRAN. Mr. President——

Mr. LONG. I yield for a question.

Mr. McCARRAN. A parliamentary inquiry. In keeping with the ruling of the Chair, recently made, may I ask whether or not I may propound a question to the Senator from Louisiana without him losing the floor?

The PRESIDING OFFICER. The Senator from Louisiana, under the rules, has the right to yield for a question. If he yields for any other purpose he yields the floor.

Mr. LONG. I yield.

Mr. McCARRAN. Then I ask the Senator from Louisiana whether or not in keeping with the question before the Senate—and I desire to address my question in the entire atmosphere of the question before the Senate, and for no other purpose——

Mr. LONG. I hope the Senator will not state the question so fast that I cannot get it. Will the Senator please state the question slowly so that I can grasp it? [Laughter].

Mr. McCARRAN. I regret that sometimes I have to propound my questions just a little rapidly. I will not do so intentionally.

Does the Senator from Louisiana realize that at the time when our organic law was formulated there could have been no Union had it not been for the fact that all the States then existent, 13 in number, were guaranteed the right of government within their own sovereign statehood and within their own borders? Does the Senator from Louisiana realize——

Mr. LONG. A little bit slower; I want to get the question.

Mr. McCARRAN. Very well. Does the Senator from Louisiana realize that in keeping with the signing of the organic law there was a presentation by letter and by spirit in the organic law itself, the everlasting doctrine, that wherever there was a sovereign State, within that sovereign State there should be a sovereign government to control its internal affairs?

Mr. BARKLEY. Mr. President, I renew the point of order, that under the guise of a question, under the rules, the Senator cannot make a speech; and that he is not propounding a question within the meaning of the rule.

Mr. McCARRAN. I ask that the record be read back to see whether or not it is a question.

The PRESIDING OFFICER. The Chair does not see any occasion for reading the record back for his own information. The Chair heard what transpired.

The Chair does not regard the remark of the Senator from Nevada as being a question in the parliamentary sense. The Chair, therefore, sustains the point of order.

Mr. GORE. Mr. President, I desire to appeal from that ruling, but I wish to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma appeals from the ruling of the Chair.

Mr. LONG. A point of order. Can that be done without taking me off the floor?

The PRESIDING OFFICER. It can be done without removing the Senator from the floor.

Mr. BARKLEY. I make the point of order. That question need not be decided now because if that procedure is followed the Chair will have to rule on it eventually.

Mr. LONG. Mr. President, he has ruled on it twice.

Mr. HARRISON. Mr. President, I make the point of order that the Senator from Louisiana cannot take his seat and rest while making a speech.

The PRESIDING OFFICER. The Chair will say that that question is not before the Senate, because the Senator from Louisiana is now on his feet.

Mr. TYDINGS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. TYDINGS. Is it necessary for the Senator from Louisiana to hold his seat while the point of order is being debated? I do not think it is necessary for him to do so.

Mr. LONG. That is all right.

Mr. TYDINGS. While I am not a part of this filibuster, I think the Senator is entitled to fair play.

The PRESIDING OFFICER. The question is on the appeal of the Senator from Oklahoma [Mr. GORE].

Mr. ASHURST. Is that question debatable, Mr. President?

The PRESIDING OFFICER. Yes; the question is debatable.

Mr. TYDINGS. Mr. President, am I recognized?

Mr. LONG. How am I fixed, Mr. President?

The PRESIDING OFFICER. The Chair has not yet recognized any Senator.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona desire the floor?

Mr. BARKLEY. Mr. President, I should like to be heard for a moment.

Mr. TYDINGS. I desire recognition, Mr. President.

The PRESIDING OFFICER. The Chair has recognized the Senator from Maryland; but, as the Chair understands, the Senator from Arizona is claiming the floor.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Chair will state the situation. The Chair would have recognized the Senator from Arizona, because he was on his feet first.

Mr. TYDINGS. Is the Senator from Arizona recognized?

Mr. ASHURST. I desire only a moment.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. LONG. The Chair has ruled that this appeal does not take me from the floor and is debatable, as I understand; so I now have no right to control the floor, as I understand the situation?

Mr. TYDINGS. That is true. The Senator can take his seat.

Mr. LONG. I take my seat.

Mr. BARKLEY. I offer a privileged motion, Mr. President.

Mr. ASHURST. I yield to the Senator from Kentucky.

Mr. BARKLEY. I desire to move to lay the appeal on the table.

Mr. ASHURST. Will the Senator from Kentucky withhold that motion? I appeal to the Senator to withhold it. All I wish to say, Mr. President——

Mr. LONG. Mr. President——

Mr. ASHURST. Mr. President, I have the floor.

The VICE PRESIDENT. Permit the present occupant of the chair to state the parliamentary situation. Will Senators please restrain themselves for a moment?

The Chair understands that the Senator from Oklahoma [Mr. GORE] appealed from the ruling of the Chair. The Chair also understands that the Senator from Kentucky [Mr. BARKLEY] moved to lay that appeal on the table. That motion is not debatable.

Mr. McCARRAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCARRAN. Does that mean that the Senator from Louisiana loses the floor?

The VICE PRESIDENT. In the Chair's opinion, it does.

Mr. LONG. I appeal from the ruling of the Chair.

Mr. GORE. I withdraw the appeal.

The VICE PRESIDENT. The Senator has that right.

Mr. GORE. I withdraw the appeal.

The VICE PRESIDENT. There is already one appeal pending.

Mr. LONG. Mr. President——

Mr. BARKLEY. Mr. President, a parliamentary inquiry. Can the Senator who makes an appeal from a decision of the Chair, after a motion to lay that appeal on the table has been made and is pending, withdraw the appeal?

The VICE PRESIDENT. He can withdraw it.

Mr. GORE. I withdraw it.

The VICE PRESIDENT. Does the Senator from Kentucky withdraw his motion to lay on the table?

Mr. BARKLEY. If the Senator from Louisiana has moved to take an appeal from the decision of the present occupant of the chair——

Mr. LONG. I have appealed from the decision of the Chair.

Mr. BARKLEY. I move to lay that appeal on the table.

Mr. GORE. I withdraw the appeal.

The VICE PRESIDENT. Senators, there cannot be two motions pending at one time. The Senator from Oklahoma [Mr. GORE] appealed from the ruling of the Chair. The Senator from Kentucky [Mr. BARKLEY] moved to lay that appeal on the table. That motion is not debatable.

Mr. LA FOLLETTE. Regular order.

Mr. McCARRAN. Mr. President, the Senator from Oklahoma has withdrawn his appeal.

Mr. GORE. I desire to withdraw the appeal.

The VICE PRESIDENT. The Senator from Oklahoma [Mr. GORE] withdraws his appeal. The Senator from Louisiana has the floor.

Mr. LONG. Mr. President——

Mr. BARKLEY. Mr. President——

Mr. LONG. I will not yield to the Senator from Kentucky for anything.

Mr. BARKLEY. I rise to a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. BARKLEY. I make the point of order that the Senator from Louisiana, having lost the floor twice on the same legislative day, is not now entitled to the floor for a third speech.

The VICE PRESIDENT. In the opinion of the Chair the Senator from Louisiana has not lost the floor, because the Senator from Oklahoma [Mr. GORE] withdrew his appeal.

Mr. BARKLEY. I am not speaking of that.

The VICE PRESIDENT. The Senator from Louisiana has the same rights now that he had before the Senator from Oklahoma appealed from the ruling of the Chair. The Senator from Oklahoma withdrew his appeal.

Mr. BARKLEY. I appeal from the ruling of the Chair on the question that the Senator from Louisiana has not lost the floor. The Senator from Maryland was recognized and he yielded, and the Senator from Louisiana was recognized; and certainly two Senators cannot occupy the floor at the same time.

Mr. LONG. Mr. President, a parliamentary inquiry.

Mr. TYDINGS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The present occupant of the chair will state that when those matters took place he was not present. He is informed by the parliamentary clerk that the Senator from Arizona [Mr. ASHURST] obtained the floor on a point of order.

Mr. ASHURST. That is true.

The VICE PRESIDENT. Of course, any Senator can rise at any time and make a point of order or a parliamentary inquiry, which does not take another Senator off the floor.

Mr. BARKLEY. Mr. President——

Mr. LONG. Mr. President, I have the floor.

Mr. BARKLEY. Mr. President, I desire to make a suggestion. It is my opinion that when any business is transacted which requires action on the part of the Senate that is business which takes the Senator off the floor. He is not required to yield the floor for any purpose. He can yield only for a question. If he yields to any Senator to make a motion or to take any action which requires a vote of the Senate that is business on the part of the Senate, which takes the Senator from the floor.

Mr. McCARRAN. Mr. President, a point of order.

Mr. BARKLEY. While I do not now wish to make that point and get a ruling on it, I do give notice that in the future I shall do so.

The VICE PRESIDENT. If the RECORD shows that the Senator from Louisiana has yielded to another Senator for anything but a question, it will result in taking the Senator from Louisiana off the floor.

Mr. LONG. I ask Senators to find any place in the RECORD where I yielded for anything except a question by the Senator from Nevada.

Mr. McCARRAN. I verify that statement.

Mr. BARKLEY. Mr. President——

Mr. LONG. I wish the Senator from Kentucky [Mr. BARKLEY] would let me alone until I make my statement. I not only declined to yield to Senators, but I asked the occupant of the Chair whether this parliamentary inquiry could be propounded without taking me off the floor. I said, "Could the appeal be made without taking me off the floor?" The Senator in the Chair at the time ruled that it could be made, and that it did not take me off the floor; that I had no control over that situation. It is the most unfair type of parliamentary practice to come in with these flimsy tactics.

Mr. BARKLEY. Any Senator who has the floor——

Mr. LONG. Mr. President, I do not yield, I ask the Senator from Kentucky to take his seat and listen, or else get out and let me talk.

Mr. BARKLEY. I will not take my seat until the Chair orders me to take it, and nobody else here can order me to take my seat or can compel me to take it.

Mr. McCARRAN. Mr. President, a point of order.

The VICE PRESIDENT. There are too many points of order being made. The Chair cannot keep up with all of them.

Mr. SHIPSTEAD. Mr. President——

Mr. LONG. Mr. President, I have the floor. I refuse to yield.

The VICE PRESIDENT. The Senator from Louisiana has the floor.

Mr. LONG. Let me alone. The situation is getting to the point where it is absurd. The action which is being taken on the part of some Senators endeavoring to take the floor away from me is absurd, Mr. President. Let us have order. Leaders are supposed to show decorum, and to set a good example.

Give a little fellow a chance. I have been speaking for 9 hours and 10 minutes endeavoring to explain my position on the bill and on the amendment which is now pending before the Senate. I warn Senators that I will only yield for a question. If one makes a parliamentary inquiry I cannot help myself. If one makes a point of order I cannot help myself. But I ask the Chair to protect me against such interruptions as when Senators rise and propound points of order and then urge that they have taken me from the floor thereby. It is up to the Senators who are supposed to be leaders here to protect these sacred rules and precepts of the Senate which have been in existence for a hundred and some years—how many years it is I do not know. I am setting an example for other Members of this body. I am keeping within the dignity and prescribed limits of decorum which Senators are supposed to hold themselves to in their conduct here. Those breaking the Constitution will also break the rules of the Senate, the Senator from Oklahoma [Mr. GORE] reminds me.

Now permit me to proceed. We are getting a better crowd here. The news has gotten around after 9 hours that I am making a marvelous speech, and I congratulate the Members of this body for having returned. Mr. President, I spoke here along about 6 or 7 o'clock to only 15 Senators. Look how many are here now. I shall instruct my Secretary, if he hears me now, to wire back home and tell my people that the crowd has grown to where there are now 42 Senators in the Senate seats listening to my speech on this subject. It is bound to be illuminating to have gained such support as that.

Let us be generous to one another here I beg the Senate. As the body which once had authority as a law-making body, before we abdicated, I beg of Senators to preserve about all that is left to recommend this body to the public, that is, our friendship one for the other, in a homogeneous body whose Members have regard for one another, or at least say they have whether they really have or not. Let us preserve that condition. Let us preserve that custom which makes every man call every other man a learned Senator whether he knows he is or is not. Let us preserve these sacred things that mean so much to the dignity of the greatest deliberative body in the world.

It is now 10 minutes past 9 o'clock in the evening. I hope that the Vice President remains in the chair tonight. Let us not change the rules tonight. Let us wait until tomorrow to change the rules. Let us have the thing understood. This gang rule business on the floor of the United States Senate looks bad to the outside public. They like to know

that matters are being considered here as they ought to be. If I could have a vote here now, I think every Senator present would say he has received some good out of the speech I have made here this evening. I should like to know if there is any man here who is not glad he has heard as much of my speech as he has, as far as I have gone.

The Senator from Mississippi [Mr. HARRISON] is not here now. He leaves promptly. He is afraid of the logic of my argument. He is ashamed of himself, I believe. He does not want to stay here and listen to my speech. I noticed him listening to me a moment ago with his head bowed, and he looked like he was having remorse of conscience after listening to what I said, so he went outside unwilling to listen any further, apparently. Senators cannot listen to this sound doctrine without becoming convinced. It is having its weight in the country.

Here is a book somebody laid on my desk and wants me to read. I do not know whether I shall have the time to read it. I do not know that I should acquaint my colleagues with it. If it is good for me to read it is good for my colleagues to read, so perhaps I shall read it to them. It is on the liquor problem. This book was laid on my desk by someone for me to read. I am not going to take the book home and read it by myself. I have only one copy of it. If it is good for me it is good for the balance of the people. If it is good for man, it is good for beast. It is entitled "The Liquor Problem and its Solution", but I am not going to read it now because it is not any part of the argument.

Mr. President, I demand order! I demand order! I demand order!

Mr. McCARRAN. Mr. President, I ask for order in the Senate.

The VICE PRESIDENT. The Senate will be in order, including the Chair.

Mr. LONG. At this point in the argument I want to get the resolution and read it. First, however, I want to read something else. My friend, the Senator from Arkansas [Mr. ROBINSON], is not here. He is over in Arkansas. He gave out a statement over there to the papers. He made the remarks I am going to mention here. I think in his absence I could do him no greater courtesy than to read his remarks on the floor of the Senate. He does not treat my remarks exactly that way, but he did pay me the courtesy of making a radio address about me a while back, so I am going to read these remarks of his after a little while. He spoke about the N. R. A. The Senator from Arkansas was visiting his home people and took occasion to tell the people down there what a bad thing the N. R. A. is. He did this while he was down home. It is showing the trend of things so well that I am anxious that other Members of the body should have the opportunity to hear what he said.

Here is the newspaper report I am going to read. But first, Mr. President, I demand order in the Senate.

The VICE PRESIDENT. Senators will kindly be in order.

Mr. LONG. I was wondering whether or not a parliamentary inquiry could not be directed to the Chair from the floor rather than by a Senator proceeding to the desk of the Vice President and submitting it in private conversation, which disturbs me. I want to have the attention of the Senate and the Chair. I want the Chair to listen to me. Under the rules of the Senate a Senator must address the Presiding Officer, and when I am interfered with by some Member of the Senate talking to the Vice President at his desk, that deprives me of my right to address the Presiding Officer.

The VICE PRESIDENT. May I say to the Senator from Louisiana that the Chair is not compelled to listen to the Senator. The Chair declines to listen to the Senator when he has someone else at his desk who is giving him some intelligent information. [Laughter.]

Mr. LONG. That may be so, but the Chair ought to look at me. Of course, I am looking at the Chair. The Chair cannot be hurt any more by looking at me than I am by looking at the Chair. [Laughter.]

Mr. President, let me get this matter straight. The Senator from Wisconsin [Mr. LA FOLLETTE] is on the rostrum talking to the Presiding Officer, who is the Vice President. I feel in my own mind that the Vice President ought to be listening to me. Does the Chair know why I have that in mind? It is because Wisconsin got $100,000,000 and I did not get anything for Louisiana. That is just one of the incidents that tells me the Chair is getting bad advice right now. When I read in the newspapers that they had given Wisconsin $100,000,000, I knew something bad was going to happen to me. I do not like to have that kind of advice being given to the Vice President right now. It makes me feel that something is wrong. I do not like it. I get fearful.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. LONG. I will not yield except for a question.

Mr. ASHURST. I am going to ask the Senator this question. I should like for him to——

Mr. LONG. Mr. President, you have to get the question too.

Mr. ASHURST. I know.

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Arizona?

Mr. ASHURST. For a question?

Mr. LONG. For a question.

The VICE PRESIDENT. For a question?

Mr. ASHURST. Yes; for a question. Will the Senator yield to me for 3 minutes provided he does not lose the floor?

Mr. LONG. Yes, sir; if I can do that without losing the floor I yield.

The VICE PRESIDENT. The Senator from Louisiana asks unanimous consent, if the Chair may be permitted to assist him——

Mr. LONG. Fine!

The VICE PRESIDENT. He asks unanimous consent that the Senator from Arizona may make a speech for 3 minutes and not take the Senator from Louisiana off the floor. Is there objection?

Mr. BLACK. I object.

The VICE PRESIDENT. Objection is heard.

Mr. ASHURST. I will say this, Mr. President. I am sure the situation could have been composed and we could have passed the bill and adjourned to go home in 5 or 10 minutes if there had not been any objection.

Mr. LONG. Mr. President, I thank my friend from Arizona.

Mr. ASHURST. Mr. President, I renew my request that I be allowed to speak for 3 minutes, provided the Senator from Louisiana does not lose the floor.

The VICE PRESIDENT. The Chair will put the request of the Senator from Arizona. The Senator from Arizona asks unanimous consent——

Mr. LONG. Wait a minute! It does not take me off the floor to put that request, does it?

The VICE PRESIDENT. If the Senator will permit the Chair to make the statement, he will find out.

Mr. LONG. All right.

The VICE PRESIDENT. The Senator from Arizona asks unanimous consent that he may address the Senate for 3 minutes without taking the Senator from Louisiana off the floor. Is there objection?

Mr. BURKE. I object.

The VICE PRESIDENT. Objection is heard. The Senator from Louisiana has the floor.

Mr. LONG. I thank my friend from Arizona for being on my side in this case and giving good constructive help in this matter. I am glad to say I agree with him.

I do not want my friend from Wisconsin or the Chair—may I have the attention of the Senator from Wisconsin?—I do not want my friend from Wisconsin or the Chair—may I have the attention of the Chair?

The VICE PRESIDENT. The Chair cannot compel the Senator from Wisconsin to give attention to the Senator from Louisiana, because that would be an unreasonable request of the Senator from Wisconsin. [Laughter.]

Mr. LONG. I have the highest regard for the Senator from Wisconsin, and the Chair knows I have an almost overwhelming regard for the Vice President, the President of the Senate. My regard for both is very high; and when I was protesting against the entente cordiale that was going on between the Chair and the Senator from Wisconsin a moment ago, I was undertaking to prevent myself from suffering parliamentary loss, because I did not feel that the Senator from Wisconsin was up there trying to do me any good; and unless he came past and told me he was, I was fearful of results. So I was just trying to protect myself from losing something when I was protesting against the Senator from Wisconsin advising the Chair. If it is all the same to the Senator from Wisconsin, I would rather he would move over here and advise me, rather than advising the Chair. I should appreciate it a great deal more.

Here is the Arkansas Gazette, Little Rock, Ark., Sunday, June 9—58 pages—six sections.

Senator concedes N. R. A. erred in past.

Now, you see there, Mr. President; if the Senator from Arkansas [Mr. ROBINSON] had listened to me, and the Senator from Kentucky had listened to me, and all these Senators had listened to me, they would not be back home apologizing to the people. They are back home apologizing to the people for the mistakes they have made.

I should like to have this entire article read from the desk by the clerk, if there is no objection.

The VICE PRESIDENT. The Senator from Louisiana asks unanimous consent that the article he sends to the desk be read. Is there objection?

Mr. BLACK (and other Senators). I object.

The VICE PRESIDENT. Objection is heard.

Mr. LONG. Very well. I will ask to have the article sent back. I have never seen such discourtesy since I have been in the Senate.

Senator concedes N. R. A. erred in past.

I have been here now for a little over 3 years, and the first thing I voted for when I came to the Senate was a motion made by the Senator from Alabama [Mr. BLACK]. That is the first thing I did. He made four motions, and I voted for all four of them, and he lost all four of them. Tonight the Senator from Alabama rises and objects to my simple request, after all I have done for him! I am astonished. I really would not have thought it; but I will talk to him. I am satisfied he is going to feel sorry for doing this.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. BARKLEY. Will the Senator give us the name of the paper from which he reads, and the date?

Mr. LONG. The Arkansas Gazette of June 9, 1935. This is quoting the statement of the Senator from Arkansas [Mr. ROBINSON] back home. You see, Senators talk here one way and then they go back home and talk another way. A good thing about me is that I have only one language. I do not have to do a lot of explaining. It is better not to be nearly so smart, and then you can be a whole lot more consistent.

Senator concedes N. R. A. erred in past.

I will read that headline again. This is the headline of the article giving the statement made by the Senator from Arkansas [Mr. ROBINSON] in Little Rock, Ark.:

Senator concedes N. R. A. erred in past. Too many codes and complex regulations, Mr. ROBINSON says.

I told him that. He was offended here one day when I was describing to him all these complications and codes. Now he sees that what I told him was so. All the Members of the Senate some day are going home, and they will say, "The best friend I ever had was the Senator from Louisiana." Some day you will remember that, and you will regret the way you have treated me here tonight in undertaking to take the floor away from me and in not letting the clerk read this article when I asked that he might do so.

Some day you will regret it when you find out what a mistake you have made, how I tried to keep you out of trouble, and how you got into trouble. Your consciences will hurt you, and your actions will rise to plague you, and you will feel badly about what you have done in days to come, if somebody does not make you feel badly about it before then, just as my friend from Arkansas is trying to avoid it now.

They hear the rattle, you know. The campaign is coming. The boys are marching. Heigh-ho, the boys are marching! They are about to march to the polls down in Arkansas next year. The Senator from Arkansas is down there telling them what a bad thing the N. R. A. is. After voting for it up here, he goes home to tell them how bad the N. R. A. is. He would not have to be down there now if he had voted as I voted. He could have stayed right up here, and there would not be anybody to beat him in the State of Arkansas.

Now, I am going to read this article!

Senator concedes N. R. A. erred in past. Too many codes and complex regulations, Mr. ROBINSON says. Analyzes difficulties.

Now, get that! "Analyzes difficulties!" Do you get that? Do you get all of that?—

Analyzes difficulties.

Think of that! If we party leaders here had stood against the N. R. A., there would not have been any N. R. A. There would not have been any analyzing of the difficulties. There would not have been any explaining—nothing of the kind—if we had done what we ought to have done.

Now, I will read this article again, without interruption:

Senator concedes N. R. A. erred in past. Too many codes and complex regulations, Mr. ROBINSON says. Analyzes difficulties. Prevention of enforcement break-down recurrence among objectives of future policies.

Now, get that. I will read that headline again:

Prevention of enforcement break-down recurrence among objectives of future policies. Too many codes—

Listen to that Huey Long language, will you? Just listen to that good old gospel that came out of the mouth of the Senator from Louisiana, that you heard on this floor before they ever adopted this thing! Did I not stand right back there at the desk of the Senator from Massachusetts [Mr. WALSH] when they were adopting this thing, and tell them that they would have too many codes, and everything on God's living earth? Did I not stand there and tell them they would have 900 law books before they got through with it, and did they not say it was ridiculous and absurd?

Too many codes and attempts to regulate "relatively unimportant transactions"—

Just as I told them!—

complicated the administration of the National Recovery Act and resulted in "confusion and annoyance"—

Just listen to that language! Go back to the RECORD and see how many times I used the words "confusion" and "annoyance." Some day you will apologize to me yet. Other Members of the Senate will apologize to me for what they are doing right here tonight. They will apologize to me for the mistakes they are making. They will thank me for the extraordinary help I have tried to give them, and the attention I have been willing to show to them, to try to keep them from making these mistakes.

I have warned Senators in the past and I warn them now, Do not make these mistakes. Do not make them. Listen to me: Avoid this pitfall. Remember, you who will not hear; remember what Father Abraham said to Dives, the rich man, when he lifted up his voice and said, "I am suffering the torments of hell. Can't you send Lazarus down here to cool my tongue?" "No," said Father Abraham, "there is a wide gulf fixed between the living and the dead, that the dead cannot return to the living, and the living cannot go to the dead." Then said the rich man to Father Abraham, "Won't you send"—listen to me, Members of the Senate—"Won't you send Lazarus back to earth to tell my four brothers there of this torment of hell that I am in?"

Said Father Abraham:

No; they have got Moses and the prophets, and if they will not believe Moses and the prophets, they will not believe a man who has died and risen from the dead and come back to earth again.

And the Senator from Arkansas has gone back home, and the fires and torments of Arkansas are burning around his heels. You have the same prophet here now that he had then. I am trying to keep you out of trouble and you are insisting on getting into the same kind of trouble in which he now finds himself.

Let me read the statement which I started to read. If you will not listen to a prophet, whether he is a prophet or not, to whom will you listen? I think I was a pretty good prophet. I told all about this thing but you would not believe it. You are now warned. Here is the statement issued by the Senator from Arkansas who is back down there in the hot sands of Arkansas where the sweat is rolling and the powder is popping because of the N. R. A. He is explaining to them what a bad thing it is, and you will not listen to the voice that is coming up from the Gulf, "Keep out of this place that I am in now." I am here warning you, as I warned him here then.

Mr. President, I want to ask unanimous consent that this statement may be read at the desk.

The VICE PRESIDENT. The Senator from Louisiana asks unanimous consent that the clerk may be permitted to read the statement he sends to the desk. Is there objection?

SEVERAL SENATORS. I object.

Mr. LONG. Such discourtesies as this are just what get us into all this trouble. We ought to be courteous to one another in this body. It sounds to me as though more Senators objected the last time than objected the first time. Then, I myself will read the statement:

Too many codes and attempts to regulate "relatively unimportant transactions" complicated the administration of the National Recovery Act and resulted in "confusion and annoyance", Senator JOE T. ROBINSON said yesterday.

Difficulties of the N. R. A. have tended to prolong the session of Congress and have added to the problems confronting Senator ROBINSON as Senate Democratic leader.

They have not added to his problems at all; he is out of it all now; he is not even here to hear about it; he has "done flew the coop." He has probably got more important business. And it would not have to be very important business to be more important than fooling with the N. R. A. It would not have to be very important; that is, if he is trying to help pass the bill, for it is not important; it is just the other way.

This article continues:

He believes the present session will not end until late July or sometime in August.

That is good news, that Congress will be in session until August; that is good news for Members of the Senate. As the Senator from Virginia said, we never did enact the Wagner-Costigan antilynching bill; and unless we do enact the Wagner-Costigan antilynching bill, the Senator from Virginia thinks that it would be a bad thing for Senators to go back home, in view of the kind of measures they have voted for since they have been here, because the senior Senator from Virginia said he is afraid that they might be lynched, particularly if they provide revenue with which to pay the money they have voted. It is now 9:35 p. m. by the clock, but I will read on:

"The National Recovery Administration has been partially paralyzed by the decisions of the Supreme Court," he said, "particularly in relation to the power to enforce codes designed to protect unfair competition and to protect laborers against increased hours and reduced compensation."

COMMENT RELATIVE TO ENFORCEMENT TROUBLE

Regarding the number and complexity of the codes, Senator ROBINSON said:

"The best intentions generally have prompted the action of the administration of the act, but I feel it would have been better if comparatively few codes with simple regulations had been prescribed."

In other words, fewer would have been better, and none would have been better than a few. The statement here is the fewer the better, and less of the few would have been still better, and none would have been better than any, as I interpret the statement. Perhaps the Senator from Arkansas will give a different version when he returns. I would not read this statement tonight if I thought the Senator from Arkansas had a chance to get here. We ought to hold this measure up and give our leader an opportunity to get back. I would not even be reading this article tonight if I could help it. We ought to let our leader get back after he has gone home and see how he feels about this thing. He could tell us something about it, I am satisfied.

The enforcement of codes is, for the present at least, impossible.

What are you going to do with the N. R. A. Act, then?—

The enforcement of codes is, for the present at least, impossible—

He says.

What is the use of having another N. R. A. act, then? What is the use of having this N. R. A. skeleton thing we have here now if the enforcement of the codes is impossible? I think it is, as best I can understand.

The enforcement of codes is, for the present at least, impossible, because the Supreme Court held that the Congress attempted to delegate its legislative power to the Executive when it gave him latitude in supervising and imposing codes. This in time probably can be corrected, but to make the corrections in the most helpful manner the President feels it will be necessary to observe and take note of the results of the break-down of code authority.

Every lawyer knew before the decisions were rendered that the power to regulate interstate commerce vested in the Congress does not include the power to regulate business.

Then why did Senators not vote that way? The Senator from Arkansas says, according to this article, that "every lawyer knew that the power to regulate interstate commerce did not include the right to regulate business." Yet we enacted a law to do just the opposite. That is the trouble now. We know what we ought to do, but we do not do it. I think the Senator from Arkansas is probably right about that. In a lot of cases we just blind ourselves to what we ought really to do. I continue quoting from the article:

The power to regulate interstate commerce vested in the Congress does not include the power to regulate business which is carried on wholly within a State if it does not affect or interfere with the regulation of interstate commerce.

The difficulty of a practical nature which is outstanding in connection with the decision grows out of the fact that action by the 48 States is required to prevent unfair practices and to establish maximum hours and minimum wages. In those industries which are not within the regulatory power of the Congress but which, nevertheless, may compete in trade with those individuals and corporations which are subject to the congressional authority to regulate because they operate in interstate commerce.

I will not read the remainder of the article but will send it to the desk and ask that it be put in the RECORD, Mr. President.

The PRESIDING OFFICER (Mr. BLACK in the chair). Is there objection to printing the remainder of the article in the RECORD? The Chair hears none, and it is so ordered.

The remainder of the article is as follows:

"In spite of the difficulties which are only partially described here and the back-set which has resulted from the decisions, I believe the country is well on its way to recovery and will continue to move in that direction.

"EARLY ACTION ON SOCIAL-SECURITY BILL FORECAST

"The social-security bill is one of the large subjects for legislation. The House has passed this bill, the Senate committee has reported it and I expect it to be taken up in a comparatively short time.

"Sponsors of the legislation are convinced that it is only slightly, if at all, affected by the decisions pertaining to N. R. A. because the rules for executive action are clearly defined and that the power exercised in the main is the taxing authority rather than the power to regulate commerce which was involved in the decisions mentioned.

"SESSION TO CONSTITUTE SEVERAL WEEKS YET

"Daily I am asked by Senators and Representatives, as well as by others not directly connected with the Government, when the session will end. Some feel a sense of fear and anxiety while legislation is in progress. They hesitate to go on with business because they think it possible that new rules governing their conduct may be enacted thus creating confusion and uncertainty.

"It should be remembered that government in all the coordinate branches performs a continuous and progressive function which can never be completed in the sense that no necessity for changes in law or in policy will exist or arise. We will finish our task as soon as practicable, but this probably will not be before late July and it may not be before sometime in August."

TO RETURN HERE AFTER ADDRESS AT FAYETTEVILLE

Senator ROBINSON will leave Little Rock this afternoon to drive to Fayetteville, where he will address the graduating class of the University of Arkansas tomorrow.

He will return to Little Rock after the exercises in Fayetteville and plans to remain here Tuesday and Wednesday. He will return to Washington probably on Thursday.

Senator ROBINSON spent a busy day in the office of Grady Miller, his brother-in-law, in the Boyle Building. Visitors trooped in and out all day and often there were several in the other office waiting to interview the Senator. The telephone was kept busy, too, with calls from various parts of the State as well as the city.

Mr. LONG. I proceed here as matters come up in the best way possible. We do all we can. I have done all I could. If I have not done my duty in this matter, I should like someone to tell me what more I could have done. I have advised correctly. If I had been a blind guide that would have been bad, but I have advised my colleagues on what the law is. Nine judges out of nine of the Supreme Court have followed what I said. Whether they read it or not, they have found the same thing. I say, therefore, that I have not played the part of a blind guide. I have been a good friend. I have been what might be called amicus curiae to the Senate. I have done them good service. I have served them in their hour of need better than they knew. My advice has been sound; my intentions have been good; my logic has been irreproachable; my analysis of the law has been illuminating, and had the Senate adopted these views and listened to this logic it would have long before now avoided any of this confusion and disorder and saved its own life and saved the lives of others.

He who loses his life and does not do any good has nothing to brag about, and that is the trouble with what the Senate is about to do. It has destroyed its own life of usefulness as a legislative body. That is the condition.

Mr. President, as I was testifying here the other day, I have tried to convince my friends to do the right thing about this. I am asking my friends tonight to do the right thing.

As the illustrious Presiding Officer would say himself, I came into this body and did right from the start. I voted against Humphrey being confirmed as a member of the Federal Trade Commission the first session I was in the Senate.

I never tried to remove a man from office where the Supreme Court of Louisiana, if it passed on the matter, did not say I had a right to do it.

Do you want to hire a good lawyer? You have one if you only knew it. You have me here to tell you what the law is. You have me here to advise you without charging you a cent, willing to do it and glad to do it. I would volunteer my services as a personal attorney for any Member of the United States Senate and advise him what the law is.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LONG. For a question only.

Mr. McCARRAN. In keeping with my question, may I have a confirmance of the ruling that regardless of the question the Senator from Louisiana will not lose the floor? Am I correct?

The PRESIDING OFFICER. The Chair will not rule until the question is raised.

Mr. McCARRAN. It is raised now, in that I ask the Senator from Louisiana to yield for a question. Does he lose the floor in yielding for a question? That is a parliamentary inquiry.

Mr. LONG. That is all I yield for, a question.

The PRESIDING OFFICER. The Chair understands the Senator from Louisiana is yielding for a question, that he has already yielded in fact.

Mr. McCARRAN. Would the Senator from Louisiana agree to a rule or an amendment to the pending matter which would ensure that no appointment in any State shall be made except by and with the concurrence and approval of the Senate?

Mr. LONG. I should be glad to agree to that kind of a provision in the law; and I will be glad to yield to another question along that line if the Senator wishes to propound one.

Mr. McCARRAN. A further parliamentary inquiry. I may say that this is in keeping with the amendment offered by the Senator from Oklahoma. If the Senate could be assured that none but those within a State could be appointed to administer the laws, whether under new laws or under laws of former enactment, and that none appointed should be capable of drawing salaries except after confirmation by the Senate, would the Senator be content?

Mr. LONG. I should be very happy to see a law of that kind, very happy. If the Senator wishes to ask another question, I shall be glad to yield for one more question.

Mr. McCARRAN. Just one more; and if the Chair rules that it is not a question, I will desist.

Would the Senator be entirely in accord that those who have no residence in a given State to which they are appointed, and who could not find their residence if they were armed with a search warrant, should not be appointed to spend public moneys within the State to which they are appointed?

Mr. LONG. My opinion would be that they ought to be forbidden from serving. I have always contended for that, and that is one of the things they cannot defend in this present undertaking.

Mr. President, this is a very strange case, to my mind. It presents some strange features. The fact of the matter is that I do not see how Senators can justify standing here now and arguing against a provision requiring confirmation of these men. Some of the Members of the Senate have not always voted as they are voting now. I do not know why they have changed. None the less, they have a right to change if they wish to; that is up to them. They do as they please. It is all within the scope of their own intellects.

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator yield to the Senator from Oklahoma?

Mr. LONG. I yield for a question only.

Mr. GORE. I desire to ask a question, and predicate it on what has already been said. I understand the Senator to mean that he believes any Senator has a right to protest against a carpetbagger being sent into his State from some other State.

Mr. LONG. That is exactly what I meant to say. Carpetbaggers were the cause of our fighting the Civil War all over again in the South, and our good friends from the North who come down there have to admit that our guerrilla warfare was the only means we had to save our civilization. We fought a second Civil War in our State to keep the scalawags and the carpetbaggers from coming in and running our South. Yet now the Senator from the State of Mississippi, who sits at the desk formerly occupied by Jefferson Davis, comes here and tries to keep us from having this provision in the law, which would compel the administration to submit the names of these men for confirmation so as to prevent a recurrence of the practices we had. He does not even want to let us go home and sleep and think the matter over. He holds us here and punishes us. He puts our feet to the fire, he bakes us, and he sweats us. He shows neither mental nor physical remorse for the kind of affliction with which he has condemned the Members of the Senate in trying to uphold the principles which have meant so much to our section of the country. Conscienceless, merciless, he holds us right here, and compels us to stay here fighting the war all over again to prevent carpetbaggers from seizing our section of this country.

Mr. President, I seem to have new inspiration. I seem to have been given the strength of the glorious statesmen of old. I seem to have been given strength. After having spoken here for 10 hours today, I seem to hear a voice that says, "Speak 10 hours more! Speak 10 hours more!" [Laughter.]

The Senator from Mississippi leaves the Chamber. He does not dare stand here and listen. He became conscience stricken. His head falls and he falters in the light of the realization of what this disaster means. He will change his mind before this thing is over with if he listens to me talk another hour.

Senators are beginning to change in this matter. They do not look as pert as they did a few hours ago. They have

begun to study the matter, and the questions present themselves in an entirely different light.

As I was saying, I am a lawyer by profession. I practice law for a living. I have resisted here the efforts of the Senator from Idaho to discourage the right to practice law because a man is a Member of the United States Senate. I did it for two reasons. One, because I thought it was a bad law; and second, because it would stop me from practicing law. I have said, and I say again, that I offer my services as a good lawyer to any Member of the Senate in need of legal advice on the constitutionality of these acts which are now being passed, and I will give Senators good references in my recommendations as I go along.

I say to the Senate that as Governor of my State I wrote hundreds of laws, and no law that I have ever written has ever been condemned by the Supreme Court of the United States nor by the Supreme Court of the State of Louisiana. I have written laws imposing taxes into the millions of dollars. I have rewritten the whole system of laws; laws for schools, laws with reference to taxes, laws with reference to education, laws for roads, laws for bridges, laws for contracts, all kinds of laws; laws on election, and every one of them has been upheld by the Supreme Court of the United States and the Supreme Court of the State of Louisiana wherever they have been called upon to pass upon them, and they have been called upon to do so in a great number of cases. That is one reputation which I present.

Then again I have been in the Congress of the United States, and I have advised Members of the United States Senate on the constitutionality of such laws as this N. R. A. law, and the courts have found out that what I was advising was correct, and, therefore, based upon my experience, based upon this record of almost perfection, I offer myself as the legal adviser without charge to any Member of the United States Senate who wants to be properly advised as to how he ought to vote on laws of this kind.

If he will listen to me he will seldom be sorry for the votes which he will cast in this body. In fact, he will be proud of it in days to come, because I will give him advice which, after he has made a study, he will find to be good, and it will protect him in the votes which he will cast, and he will get away from the blind gods that he has been following.

As I was saying a minute ago, every man has the right to do what he wants to do about these matters. Senators may not see fit to follow my advice. They may want to follow other legal lights and go right back and do just what they have been doing before. But if Members of the Senate will listen to me, they will quit all this folderol, and they will adjourn and sleep for 2 days.

Let us take an adjournment now until Saturday. Let me take the Senator from Alabama [Mr. BANKHEAD] off to one side and let us sit down together and be alone and reason this matter together for 3 or 4 hours and see if I cannot point out to him just exactly where he has been wrong, so that he will see it.

Let me have 5 or 6 hours' conversation with his colleague from Alabama and see if I cannot convince him of his errors in this matter.

Let me take my friend the Senator from Washington [Mr. BONE], and if he and I can go over this matter for a whole day, I believe I can convince him. I believe it will take that long. [Laughter.]

Mr. President, let me have time to reason this matter out a little, and by the time I have had a little time to reason with Senators I am satisfied we will have a better understanding here. The situation is due to a lack of association. I have been too busy to give Senators the benefit of my experience. I have had lots of legislation to do, lots of work to do, lots of politics, but I am free now. I would be able to talk to them about it. I would be able to give them the fundamental principles of arithmetic that 2 times 2 is 4; the same thing that you have been taught, that water cannot run up hill, that you cannot put an elephant through a keyhole. Things like that would soon solve this principle of N. R. A. and other things of that kind.

The Senator from Washington [Mr. BONE] looks as if he is about to propound a question to me. I do not know what it is about it.

Mr. BONE. I will come to that question a little later, Mr. President.

Mr. LONG. The Senator is reading a decision from the Supreme Court of the United States. I am surprised that he should be taking to reading decisions of the Supreme Court of the United States. All these things which the Senators are looking up now they ought to have looked up long ago.

Why not let us adjourn here until tomorrow morning and give the Senator from Washington time to read this book here and find out how he feels about this case? It is an imposition on the Senator from Washington not to give him time to read this book. Let us give Senators a chance to read the decisions of the Court and find out about the situation. Let us vote on the resolution tomorrow. Senators are not punishing me by not adjourning, but I plead for these innocent men here; let us not punish them. I appeal to the Senators in the name of these innocent men here who are deserving of better consideration, who are deserving of a chance to study the situation, and not to call upon them to vote before they understand the question. Give them a chance to study the question tonight, and tomorrow they will perhaps come back here with their minds fresh and their countenances aglow and some spiritual intellect will have injected itself into their votes, and the right thing, perhaps, may be done here in the Senate on this vote.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. BARKLEY. Taking the suggestion of the Senator in good faith, would the Senator consent to a unanimous-consent agreement fixing an hour tomorrow morning not only for voting on the motion which is now pending, but for a final vote on the amendment of the Senator from Mississippi [Mr. HARRISON] to the amendment of the House?

Mr. LONG. Mr. President, the reason I cannot include anything but my own motion is that many of our Senators have gone for the evening. Many of them are in bed by this time, and are asleep, and I would not want to foreclose those who are necessarily absent, because we have a very bad quorum here tonight.

Mr. BARKLEY. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield for a question.

Mr. BARKLEY. I understand, then, that the Senator is not willing to enter into any agreement fixing an hour for a final vote tomorrow on the joint resolution?

Mr. LONG. I could not do that, because I do not have that right.

Mr. BARKLEY. The Senator has a right to withhold objection to any unanimous-consent request which may be made.

Mr. LONG. I should like to have that question propounded to me tomorrow, because so many Senators have gone. Many Senators have come to me and said, "I am tired, and I am sleepy, and I do not want to stay here any longer." The Senator knows that all of them are not as young as we young fellows are, and some of them have gone home. Let us wait until tomorrow.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. LONG. I yield for a question; yes.

Mr. BARKLEY. All the Senators here, and those who are not here, understand precisely what this is about. They have already voted on it. They know what the issue is. Why is not the Senator willing to enter into an agreement to fix an hour for a final vote tomorrow, at some hour which may be agreed to, on this entire proposition?

Mr. LONG. I have not that right, and I hope the Senator will understand my position. I must not be presumptuous. I can speak only for my own motion.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. GORE. I should like to ask the Senator from Louisiana, and incidentally the Senator from Kentucky [Mr. BARKLEY], why it would not be practical for us to recess now until noon tomorrow. There are 4 more days left for the life of this measure before it expires. I have discussed the matter with several Senators——

Mr. BLACK. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. BLACK. Does the Senator from Louisiana [Mr. LONG] lose the floor when these remarks are being made?

The VICE PRESIDENT. The Senator from Louisiana yielded for a question.

Mr. BLACK. I call for the regular order.

The VICE PRESIDENT. If the Senator from Oklahoma has a question to ask of the Senator from Louisiana, he has the privilege of doing it.

Mr. GORE. Then I ask the Senator from Louisiana, if an agreement can be entered into to recess until tomorrow, with practical assurances that an effort will be made to arrive at an accommodation of this question, whether that would not be a practical thing for us to do? I do not believe the Senator would lose the floor.

Mr. BLACK. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. BLACK. I make the point of order that the Senator from Oklahoma was not asking a question.

The VICE PRESIDENT. The Senator from Oklahoma has taken his seat. The point of order is not now at issue.

Mr. LONG. Mr. President, I think we are too technical. I hope we shall not be technical. The Senator from Oklahoma is undertaking to do good for the proponents of the bill.

Mr. BONE. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. BONE. In view of the Senator's reference to the decisions of the Supreme Court and my own examination of a volume of Supreme Court reports, may I ask the Senator from Louisiana to read from volume 221 of the United States Reports the portion which I have marked, which is a statement by Mr. Justice Harlan, in reference to a decision of the Supreme Court which interpolated or wrote into the statute words which were not there?

Mr. LONG. I think I know what the Senator is asking me to read. It must be the decision in the antitrust case.

Mr. BONE. I should like to have the Senator read that into his speech.

Mr. LONG. I am very familiar with it. I will ask unanimous consent that I may accommodate my friend from Washington by having the clerk read the parts of the decision which have been marked by the Senator.

The VICE PRESIDENT. The Senator from Louisiana asks unanimous consent that the clerk may read a decision of the Supreme Court. Is there objection?

Mr. BLACK (and several others). I object.

The VICE PRESIDENT. Objection is heard from many sources. [Laughter.]

Mr. LONG. Mr. President, there is so much discourtesy here among Senators that I am actually astounded. I am surprised at the way they are treating their friends here. The Senator from Washington [Mr. BONE] voted with them this morning, and this is the way they treat him. It does not do him a bit of good to side with them. They will not even give him the respectful attention of letting him have a Supreme Court decision read at the desk by the clerk. I wonder how my friend from Washington feels now that he had to come to me for a courtesy, and I gratefully extended it, and put myself out of the way to do it, and the ones he lined up with this morning are unwilling to show him the slightest consideration.

Mr. BONE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I yield for a question.

Mr. BONE. Will the Senator read the extract as a part of his own speech?

Mr. LONG. No; I am not in the reading business here. I want to pick my own reading. I do not want to take up my time in that way, because I have not long to talk, and I do not want to waste my time reading this decision. I know what the Senator is talking about, and I can tell him what he handed me without reading it. Here is what the Senator handed me.

My fellow statesman from Louisiana, Chief Justice White, was the organ of the Supreme Court of the United States in the antitrust case. There had been four or five decisions of the Supreme Court of the United States in which they had held that the antitrust laws of Congress did not include any rule of reason, but that where there was a restraint of trade any restraint of trade was a violation of the antitrust laws. They held that four or five times. The Supreme Court of the United States held that any restraint of trade was a violation of the antitrust law.

In 1908 Mr. William Howard Taft was elected President of the United States, and he promised, or somebody promised for him, that the antitrust laws would be modified or repealed. After Mr. Taft became President of the United States there was introduced in the Senate a bill to provide that the rule of reason should apply—unreasonable restraint of trade instead of any restraint of trade. The bill was referred to the Judiciary Committee. The Judiciary Committee made a report, in which it said that ab initio—I wonder if the Senator from Washington knows what "ab initio" means? [Laughter]—that ab initio that law intended that any restraint of trade was a violation of the antitrust law. The Judiciary Committee reported against writing the common-law rule of reason into the antitrust law.

But about that time a vacancy occurred in the Chief Justiceship of the United States. Who did they appoint? They appointed a Confederate soldier from my State, Mr. Edward Douglas White; and all the magazines and all the press complimented Taft on what a magnanimous act had been done, that this Republican had appointed a Democrat, an old Confederate soldier, to the Chief Justiceship of the United States. We Louisianians felt pride in our hearts.

But why did they do it? That decision finally came out in the antitrust case in which Mr. Chief Justice Edward Douglas White wrote into the law what the Congress would not write into it, what five previous Supreme Court decisions held was not in it. He held in that case with a majority of the Court that "restraint of trade" meant an unreasonable restraint of trade; and we have had no antitrust law since that time to amount to anything. Justice Harlan wrote a dissenting opinion, in which he condemned and severely criticized the decision of Edward Douglas White.

Years ago they were erecting a statue to Edward Douglas White, the great Louisianian. I was asked if I did not want to start a move to have it placed in front of the State capitol of Louisiana and I said, "No, we do not. He was a most distinguished citizen, apparently, but there is not a question on God's living earth in my mind that Edward Douglas White was appointed Chief Justice of the United States Supreme Court to read the word 'unreasonable' into the antitrust law. He sat on the court in decision after decision when they did not put it into the law." I said, "Go ahead and erect your statue down in front of your own building." They put it in front of the courthouse and did not put it in front of the State capitol.

The Supreme Court makes mistakes. All men make mistakes. I never did feel that it was an honest thing that was done, and never will feel that it was. I feel that by that Supreme Court decision they legislated the antitrust law into the discard. But a Congress of the United States would not adopt a Huey P. Long amendment to undo that decision. I introduced in the Senate a bill to undo that decision. I introduced a bill which would have undone that decision. We have had a Republican administration and we have had a Democratic administration since I did that, but neither has done anything about it. The power evidently has been pretty well recognized.

Not only did they do nothing about it but this administration—and I want the Senator from Washington [Mr. BONE] to listen to me—annulled the antitrust law absolutely. This administration did what Taft did not dare to do; he could not do it. The Roosevelt administration did what Hoover could not do, and Hoover did not dare try to do it. This administration took the infernal N. R. A. and suspended the antitrust law. What are we fighting for here tonight? You, Mr. Senator from the State of Washington, are making this fight tonight to annul the Sherman antitrust law. That is what the N. R. A. fight is about tonight. That is the whole bug under the chip.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. VAN NUYS in the chair). Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I yield for a question.

Mr. BONE. I wonder if any agency of the Government—the Senator is a good lawyer, and he will know—has done any more to rip the heart out of the antitrust law than the Supreme Court of the United States in the decision to which I have referred.

Mr. LONG. Yes; the present Roosevelt administration did a little better. They did a litte more.

Mr. BONE. Will the Senator yield again?

Mr. LONG. I yield for a question.

Mr. BONE. I should like to have the Senator discuss for us tonight—because we have plenty of time—what he thinks the decisions of the Supreme Court, beginning with the one I have mentioned, have done to the antitrust laws of the country, under which these vast combinations of capital have been created in the past 20 years.

Mr. LONG. I will tell the Senator what I think they did. I think that decision to a large extent emasculated the whole law, and I think when the Democratic Party got in it ought to have kept its word, and ought to have done something about it. But the Clayton Act of the Wilson administration was a further annulment of the antitrust law, and the Roosevelt administration absolutely killed the law, and it took Democrats to do it. It took a Democratic Chief Justice and two Democratic administrations to kill the antitrust law.

The Republicans did not dare try to do it. They had to use the gimlet tools of the Democratic Party to do it. They could not do it with the Republican Party, to save their lives. It took three organs of the Democratic Party finally to kill the antitrust law—yes, sir! "What do you think about that?" I should say, if I were allowed to say so, to my friend from the State of Washington. Nobody but the Democrats had anything to do with annulling the antitrust law, from the Supreme Court of the United States on down; and I desire to say that long before I met the Senator from Washington I proved how I stood on that matter, before I ever came to the United States Senate; and I have had considerable trouble with some of the high lights of Louisiana because of the open stand I took about that matter. I have had to pay to fight my way. It has been expensive for me to fight my way down in my part of the country. I have had to pay for my convictions. Out in the wide-open spaces in the State of Washington, where they did not have that kind of thing, those convictions were an asset; but down in my part of the country, when I came up underneath them, it was a liability for a man to have them in politics. Yet tonight the Senator from Washington and all the Democratic membership are making a midnight fight.

It is the only time you have ever been able to get them to sit during the midnight hours, and they are here to annul the antitrust law. They want the N. R. A. It is out of business; it is unconstitutional; but the only reason they have the N. R. A. here now is in order to annul the antitrust law. That is all they have it here for now, because as it goes out of existence they have no excuse to annul the antitrust law; and they are here tonight for no other purpose under God's eternal sun than to annul the antitrust law. That is what they are here for.

Oh, it is mighty hard to keep Senators away from these dinner engagements, and from these entertainments, and from these fine Washington hotels; but when it comes to this good old sound work that has to be done to keep the antitrust laws from coming back into life, they will stay up all night and two more nights to do a thing like that. Whoa there! Stay up here! You are called by the leaders and rulers of the trusts and overlords of the country to stand on guard for Mammon tonight. Stand on guard for Mammon! Children are crying, women are weeping, homes are impoverished, destitution sweeps the land, a handful of people have more money than 125,000,000 people. Something is liable to be done about it under the antitrust laws; and so the good old Democratic Party puts up the banner and says, "We are here! We are here to fight, to see that the antitrust laws do not come back on the statute books of the country!"

That is all that the N. R. A. ever was intended to do. They never did intend to do anything with it but kill the antitrust laws. That is the only thing they have done with it—to kill the antitrust laws. That is all they are doing. Do not say you do not know what you are doing. You are slaughtering the people in the house that they themselves own. That is what you are doing.

I am standing on guard tonight as the sentinel stood at Pompeii, trying to keep the Democratic Party from betraying one more promise it made to the American people. Yes; I will read the platform. I have the book here with the platform of the Chicago convention in it.

I will read from the platform before I get through. This platform is a mighty fine thing. It was forgotten a long time ago. We are here now to carry out this platform, or rather to see that the platform is carried out. We are here to embalm it and to bury it and to do away with it.

Here is the platform. Let me see. Where do we refer to the antitrust laws? It is in here. I will get it in just a minute. We advocated preserving the antitrust laws all right, because I remember reading it out in the convention. I was not on the resolutions committee. I went on the rules committee with another man because they wanted me to undo the two-thirds rule, and we were put on there to make the motion and undo the two-thirds rule. I went on that committee and got through the committee all right a motion to undo the two-thirds rule, but we could not get enough votes in the convention. Then we had to undo it; and then they ordered us to do it again; and finally we did it, and undid it again, and I finally got tired of that sort of thing.

Let me see—I am trying to find the anti-trust-law provision here. It is in this platform. We never said anything except that we would do that. I cannot find it now without taking too much time. I will read it after a minute. I will ask the Senator from Oklahoma [Mr. THOMAS] to find it while I am speaking; but we promised the people of the United States that we were going to have a better antitrust law. We were not going to do away with anything; we were going to have a better antitrust law. That was what we were going to do.

So we are here now. Why? Why are we here now? We are here now to try to put the N. R. A. through, and the big boys are in the galleries. They are afraid there will be an antitrust law tomorrow. Monday morning will catch them, and they will not have it wiped off the books; so "Hurry, hurry, hurry, and put the N. R. A. back on the books!"

What is the N. R. A.? The national racketeers' arrangement. [Laughter.] That is what they are talking about putting back on the books. N. R. A.—Nuts Running America. [Laughter.] N. R. A.—Never Roosevelt Again. [Laughter.] Put it back on the books! That is what they are trying to do, to put the antitrust laws off the books and put N. R. A. on the books.

Never did I think the time would come, when I followed the Democratic banner and held the Democratic precepts, when I should ever have to argue with Democrats about keeping

the antitrust laws on the books. I used to think the party amounted to something. Somebody wanted to know if I am a Democrat. Yes; I am a Democrat. I am still a Democrat. I have not quit the Democratic Party, and I have not quit the Democratic principles. I have not quit the Constitution of the United States. I am still a Democrat. I am a genuine Democrat. I am a Democrat who has remained a Democrat, even though the "brain trust" wants me to do something else.

Here is the provision of the party platform. What did we say about the antitrust laws in Chicago?

We advocate strengthening and impartial enforcement of the antitrust laws.

Can you beat that? We advocated strengthening and enforcing the antitrust laws. Do you strengthen them? Do you enforce them? No.

Senators come in here with a proposed new law to wipe them off the statute books because they say they are old, they are antiquated, they have not worked and they will not do any good, and it will not do any good to keep them. That is what has been done with them. A pretty thing! "A Daniel come to judgment." It makes me feel like reading a little from Scripture on this matter, from Ecclesiastes, in which reference is made to such things. I will read something from that book. Ecclesiastes comes in after Leviticus and Deuteronomy and Proverbs. It comes right after Proverbs. In this volume I have it is on page 862. Ecclesiastes was supposed to have been written by King Solomon. Many people have indicated that they are rather confused as to who wrote Ecclesiastes. Now what is the party name? Here is what the party name ought to have been:

A good name is better than precious ointment.

A good name—that is all the Democratic Party had the last time; it had only a good name, the good name that old Jefferson and Andy Jackson left; that is all it had; and the good name that William Jennings Bryan gave it. So we went out and used the only capital stock we had. We promised the people certain things we were going to do. We made them promises giving them to understand just what we would do and then we paid no attention to the promises. If I had the ability to do it, I should like to convince every Democrat in the Senate that the quicker we return to the ancient principles and do justice to the common element, the more surely will we get ourselves out of the morass of calamity and of all kinds of confusion, complications, difficulties, and complexities, messed up in every kind of disaster charged against the party everywhere, moping in the wilderness of confusion and nobody knowing what to do, everybody wondering what is going to be the next move and whether it is going to be possible to move, wondering just like a hen sitting on a nest and not knowing how many eggs she has under her, not knowing even what is there. Mr. President, a hen can count but one. That is something many people do not know. You can rob a hen's nest of a dozen eggs and leave one there and the hen will still go back and lay in the same nest. She does not know that the nest has ever been robbed. She can count but one. That is the way the hen operates. The guinea fowl, however, cannot even count one, but the guinea has the sense of smell, and you have got to take the eggs out of guinea's nest with a long-handled spoon so that the guinea cannot tell that some human hand has been there, or else the guinea will not go back to that nest and lay any more eggs. So long as you will take the eggs from the guinea's nest with a long-handled spoon the guinea will come back and lay eggs all the year; and so long as the prerogatives are taken from under United States Senators with a long-handled spoon they still think everything is all right. [Laughter.] Those desiring to deprive the Senate of its prerogatives have reached the long-handled spoon into the United States Senate and they have taken out every egg the Senate has got any right to hatch out. There is nothing left for the Senate to hatch; but they took the eggs from the Senate with a long-handled spoon, and Senators still think they have got some business being here.

We have no function to perform here tonight, or very little. Why are we here? Why does anybody want to remain here and spend his time? He would be better off at home. It would be better if he had never come here, putting difficulties and confusion in the way.

Mr. BARKLEY. The Senator does not mean for all time, does he?

Mr. LONG. Certainly.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. Did the Senator from Louisiana yield the floor?

Mr. LONG. No, sir; I did not yield the floor. I was trying to be courteous to the Senator from Maryland [Mr. TYDINGS], who spoke to me. But let us fight this thing out while we have it with us. We are here at 10:30 o'clock p. m. They wanted to stay here, so let us stay. I have decided I do not want to go home tonight. [Laughter.] I have seen times when I felt worse than I do now, but I did not want to go home and did not dare to go home. [Laughter.] What is the use of anybody going home now? Where are you going to find any better company than this? There is not any better company than this. It is not costing anybody anything. If I could get home I should want to come right back here anyway. So I think we ought to stay here. We are all learning something—that is, everyone except me. I do not mind imparting information to others. Everybody else is learning something. The Vice President has just come back into the chair. He insists on listening to me after he has had an opportunity to escape quietly. That is the way these remarks are looked upon by people of intellect and learning; they appreciate this logic; and if the lesser lights in the Senate had the same appreciation that the greater lights have, we would get somewhere. That is what we need to do. Everybody needs to listen to me on this particular question and on other questions. He will make very few mistakes who will listen to me all the time. Of course, he might make one now and then, but not often. It is only in the rarest instance that a man makes a mistake when he votes exactly as I vote; but when anybody decides that he is going to go his own way and mess up things, then I am not responsible for it; but if he votes exactly as I vote he seldom has any regrets.

I hope Senators will more and more realize that to be the fact. Senators want to stay here. They want to listen to me. I do not see any reason why they should not be allowed to stay. It is only 10:30 o'clock. This is one of my usual speeches. I have spoken for 10½ hours today and I would not mind speaking 10 hours more. I make the assertion that I will be here speaking at 10:30 o'clock tomorrow morning. I expect to be here. Everybody will be here, I suppose, and, as I said, very likely every member of the Senate will in years to come want to claim he was here whether he was here or not. He will want to claim in years to come that he heard this speech tonight, that he listened to it, and that he abided by it. It is going to be worth something to the members of the Senate.

However, there is no need of anybody punishing himself, as I see it. We have been very nice about this matter. We have offered every kind of agreement on earth. But the others want us to agree to something that has not anything to do with the particular matter before the Senate.

They want us to take a vote. I am the only man who has had time to discuss the pending question before the Senate. Nobody else has had a chance to talk about it. They want a vote on it tonight. It is no time to vote. We have not the time. We ought to take more time to consider this matter.

Now we get back to Ecclesiastes, and I will read some more from Ecclesiastes for the benefit of the Senate.

(Mr. LEWIS passed by the Senator from Louisiana.)

Mr. LONG. Mr. President, I am always glad to look at the Senator from Illinois and it does not disturb me at all when he passes. I am one of the many admirers of the Senator from Illinois. I have greatly admired him for many, many years. A long time before he began to take my advice I

was taking his advice on important questions. I said to him the other day, "Senator LEWIS, I read a book you wrote on injunctions." He said to me, "I congratulate you." The Senator felt that my time had been well spent in reading a book he wrote.

I wrote three books later on and I sent the Senator from Illinois copies of two of them, and he stopped calling on me after that. [Laughter.] The Senator used to call around and pay me a visit every now and then until I reciprocated by sending him copies of a book I had written and he has never been around to see me since. [Laughter.]

I am going to read now from this Book of Ecclesiastes, chapter 8:

> Who is as the wise man? And who knoweth the interpretation of a thing? A man's wisdom maketh his face to shine and the boldness of his face shall be changed.
>
> I counsel thee to keep the king's commandments and that in regard of the oath of God.

I skip a few verses:

> All this have I seen and applied my heart unto every work that is done under the sun: There is a time wherein one man ruleth over another to his own hurt.

That is what I was trying to find.

> All this have I seen and applied my heart unto every work that is done under the sun: There is a time wherein one man ruleth over another to his own hurt.
>
> And so I saw the wicked buried, who had come and gone from the place of the holy, and they were forgotten in the city where they had so done: This also is vanity.
>
> Because sentence against an evil work is not executed speedily.

I am going to pause there just for that statement before going further into a discussion of the question before the Senate. I am going to say to the Members of this body what I think they ought to do tonight. If there is no objection from any Member of the Senate, I am going to advise this body what I think it ought to do from this time on for the balance of the night.

I think we ought to set this motion down to be voted on tomorrow at whatever hour is agreeable. That ought to be the first thing we do. I might withdraw the motion tomorrow after I hear the arguments against it. If any of my colleagues have any arguments against the motion, I should like to hear them. Those who are not going to vote for the motion should not retain their own wisdom within the cells of their own carcasses. They should give me the advantage of their information and knowledge and their ingenuity as to this matter. Let me know what compels them to vote the other way. It might influence me to change my mind. It might influence me to withdraw the motion; I do not know.

Let us have the thing in the open. Let everybody do the best he can for himself. Everyone will be the gainer, no one will be the loser, if this thing goes over a while.

I am astounded. We have been considering this matter for 10 hours and 35 minutes. Ten hours and 35 minutes have I stood here considering this matter with my fellow Senators. That is not a particularly long time. I would just as soon stay here and go 10 more hours if Senators feel like it, and if it is going to do anybody any good.

Let Senators decide that. If it is going to do good, let us stay. If it is not going to do any good, let us go. Let us decide the matter according to what is for the best. But do not think you are punishing me, because you are not. I am enjoying myself. I am having a good time. I want to stay here if anybody else wants to, just so I really know you like to stay here with me. If I felt that you were staying here against your will, and did not want to be here, it would make me feel bad. I do not want to impose my association on any Member of the Senate. But do not think you are imposing any hardship on me. I am having a good time—having a fine time. I am in "hog heaven" here discussing this thing. [Laughter.]

I would not like to have any one think that he is punishing me by punishing himself. I have walked longer than ten hours and a half, when it was pretty cold weather. Right down the railroad track I have walked ten hours and a half, and even longer than that. I have walked 18 hours and counted the ties. That is no trouble, and I know that anybody who can walk 18 hours can talk 18 hours. But I would not want to have anybody think that I am imposing myself upon those of lesser physical powers of resistance. When I see my colleagues here slumbering in their seats, going to sleep on me, I feel sorry for them; I feel that I am the cause of physical punishment and annoyance. It troubles my mind, and I want to acquit myself of any intention of that kind of thing.

Let Senators who are sleeping go home. Let them not stay here on my account. Let every Senator who is sleepy go on home. I beg every Member of this body who wants to throw himself into the arms of Morpheus to go home at once. I mean by the "arms of Morpheus", Mr. President, that whoever wants to go to sleep should go to sleep. Let every man here in the Senate who is staying here on my account go home. Senators do not need to stay here with me. I will be here 24 hours from now getting through with this conversation on this bill. Do not fool yourselves. Mr. President, I will be here a long time. Do not think I am being punished by this thing. I have only made my first speech. I am not yet through with my first speech. I have got another speech coming before this thing is going to be voted on. I am only on speech no. 1.

I am very much in the position that my uncle was in. My uncle was one of the best men who ever lived. He moved from Ohio down to Louisiana. He was a man who always gave his time up to other men. If he saw a man who was in trouble, he would lay down his own affairs and go help him out in his troubles. He knew a young man down in Louisiana who was a bartender, who did not know how to mix drinks, and in private conversation with the young fellow he found out that he was going to lose his job because he did not know how to mix drinks. My uncle went down to the place where he was working one morning and put his foot on the rail and said to the young man, "I am going to stay here with you until you find out how to mix drinks which the people like." And my uncle stayed there with him all that day until closing time that night, and directed him how to mix the drinks, and drank them until he found out that the young man had mixed them right. [Laughter.] He gave his time the whole day long to helping that young man. That is the kind of a reputation my family has. We have always given our time up to other people, and, if it will do anyone any good, we will stay here right now and advise the Members of this body along good, sound, constructive lines.

The Senator from Maryland, as I passed him, asked me in a rather low voice if there was any chance of the Supreme Court of the United States retaining me to give them any advice on the law. The Supreme Court could do worse than that, Mr. President. I gave the Supreme Court some advice on the law—whether they took it or not—the last time they had these cases up. I will tell the Senate what I did. I got that great American newspaper, the American Progress, that great newspaper of culture and thought and judgment. I persuaded the editor of that paper, after giving him the cost of printing the edition, to publish one of my great speeches in it, and I sat down and mailed to every Member of the United States Supreme Court a copy of that newspaper. I mailed a copy to the office of every Member of the Supreme Court and also to his residence.

I mailed to every member of the Supreme Court of the United States a copy of all my speeches for 3 months, some 17 speeches. Some of them were nearly as good as this speech I have made today. I sent them 17 speeches. I sent every member of the Senate a copy of that newspaper. I personally paid the subscription for every Member of the United States Senate in order that he might receive the American Progress.

The Senator from Kansas [Mr. CAPPER] runs some newspapers, but he never has sent the Senators copies of his newspapers free, as I did mine. I was not selfish about it. I was willing that everything I had advantage of should be shared by the other Members of the United States Senate and also by the Supreme Court.

I do not claim to have been responsible for the N. R. A. decision. But it was after the Supreme Court of the United

States, each and every member of it, had received free copies of my paper, that they rendered that wonderful decision on N. R. A. [Laughter in the galleries.]

The PRESIDING OFFICER. The Chair must admonish the occupants of the galleries that they are here as guests of the Senate. The Chair has been indulgent with the occupants of the galleries, but the Senate rules do not permit any expressions of approval or disapproval; and the Chair will request the occupants of the galleries to observe the Senate rules.

Mr. LONG. Therefore, Mr. President, I say that I do not claim all the credit. However, I have done my part. In the words of the Blue Eagle, "We do our part"; so I sent my paper to the members of the Supreme Court and to United States Senators. That is the best I could do. That is all I could do. And I did that, and that ought to suffice.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. McCARRAN. Within the scope of the question before the Senate, and within the scope only of an inquiry addressed to the Senator from Louisiana, I wonder if the Senator has considered, in discussing this matter, and I wonder if he cares to discuss further at length, matters pertaining to the individual sovereign States, as regards those who have been heretofore appointed who do not belong to the sovereign States, or who have been transported from various sources to control the political life of the States.

Mr. LONG. My answer to that is "Yes."

Mr. McCARRAN. A further question, Mr. President.

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield to the Senator from Nevada for another question.

Mr. McCARRAN. In view of the Senator's answer of "Yes" to my inquiry, I ask him if he will address himself, in answer to my inquiry, within the scope of the question now pending, to whether or not States other than Louisiana have been burdened with those who bear the stamp of "carpetbagger", coming from various sources and from various States, including the District of Columbia, and then, if I may go further in propounding my question, does the Senator from Louisiana realize that today we are apparently appointing such officers, so as to destroy the sovereignty of the respective States, which sovereignty was written in no uncertain terms into the organic law of this country?

Then I desire to ask the Senator from Louisiana a further question——

Mr. LONG. May I ask the Senator not to speak so fast?

The PRESIDING OFFICER. The Senator can ask only one question at a time.

Mr. LONG. I can answer them both; but the Senator is speaking too fast. I desire to get what the Senator is asking. I ask the Senator to talk a little more slowly, because I am trying to bear in mind just as much as possible what he said.

The PRESIDING OFFICER. Does the Senator from Louisiana yield further?

Mr. LONG. I yield for a further question.

Mr. McCARRAN. Does the Senator realize and does he understand that there never would have been a Government of the United States under the Constitution of the United States had it not been guaranteed to the respective States that they should govern within their own borders?

Mr. LONG. That is my understanding, beyond any question of a doubt—that the only way in the world we ever got the Constitution adopted was that every State was going to govern within its own border in all matters.

One of the great arguments made in Virginia was that they would have that Kentucky area governed by the Federal Government on account of the navigability of the river. The arguments were to the effect that every matter concerning the internal affairs of a State would be governed by the State. That is my answer to the question.

Mr. McCARRAN. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield further.

Mr. McCARRAN. In keeping with the answer of the Senator from Louisiana I wonder if the Senator would care to answer this further inquiry, which he may in his turn propound to the respective representatives of the Thirteen Original States, as to whether or not they ever would have come into the Union had it not been for the guaranty written in no uncertain terms into the organic law that they should govern their own internal affairs within their borders.

Then I want to ask this further question, which I think the Senator can answer.

The PRESIDING OFFICER. The Chair feels it incumbent upon him to state that under the rule of the Senate the Senator may yield for a question, but the Chair does not believe under the rule of the Senate that a Senator may yield for two questions at one time.

Mr. LONG. I will yield for another question unless I am supposed to answer the first one now.

The PRESIDING OFFICER. The Chair does not desire to take any advantage of any Senator and made the announcement for that purpose.

Mr. LONG. I am glad to yield. Will the Chair allow me to yield again to another question at this time?

The PRESIDING OFFICER. It is not a question of what the Chair allows. It is a question of the Chair's construction of the rules of the Senate. The Chair interrupted the Senator from Nevada to announce, so there could not be any suggestion of any advantage taken by any Senator, that under the Chair's construction of the rule a Senator may yield for but one question at a time.

Mr. McCARRAN. A matter of parliamentary construction and inquiry. Must that question be confined to one sentence or declaration? May it not be a hypothetical question?

The PRESIDING OFFICER. The Chair will not undertake to pass on the form in which any Senator shall propound a question, but in view of the parliamentary inquiries and the points of order which have been raised today, the Chair thought it a fair policy to announce that the Chair's construction of the rule is the Senator may yield for only one question at a time.

Mr. McCARRAN. Must that be a question of one sentence or may it be of two sentences?

The PRESIDING OFFICER. The Chair will not undertake to pass on that.

Mr. HARRISON. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The regular order is demanded. The Senator from Louisiana has the floor.

Mr. LONG. Mr. President, answering the question which has been propounded by my friend from Nevada, it is my belief, as a very close student of the Constitution and of constitutional questions, as one who has given hours of time to reading the Constitution and reading the debates over and about the Constitution by Madison and by Hamilton, by Patrick Henry and by James Monroe, as one who has studied diligently into constitutional history and the arguments pro and con affecting the Constitution, I state—Mr. President, what is that bug that just lit on my arm? At least I ought to be protected from the annoyance of bugs. [Laughter.]

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. McCARRAN. By any chance could that have been a chinch bug?

Mr. LONG. It looked like a chinch bug to me, very much like a chinch bug. [Laughter.] That is what I thought it was, as a matter of fact. It came in here and attacked me! [Laughter.]

I was just fixing to answer the question the Senator propounded. I was going to elucidate a little bit on the question. Here is what I was going to say. I would have said, if I had been back there in those days of 1783, 1789, 1796, and 1803, "We are not willing to travel all over the United

States to get authority to kill a chicken." Why, it got to the point where a man could not even pick one chicken instead of another chicken unless he came to Washington and got a special permit. He had to take whichever chicken came out of the coop. Down my way we would not eat half the chickens. We had lots of chickens in those days and times. Some of them we would not have for fries, some we would not have for broilers, and some we would not have to boil. A dumpling chicken——

Mr. McCARRAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield for a question.

Mr. McCARRAN. I wonder if the Senator will answer this question, if in keeping with his last expression regarding the utterances of Jefferson, in which the great founder of this Nation said,

> If we have to appeal to Washington as to when we shall sow and when we shall reap, sometime we will be without bread.

Mr. LONG. That is right. That is positively the truth. That is what happened, too. When they got to the point where they had to appeal to Washington, they did find they would be without bread, and were without bread.

There were more reasons than that. In 1803 Thomas Jefferson bought the Louisiana Purchase Territory. Thirteen States began to kick about it. Why? They said it would mean, if we took in that territory, that they would have more representatives in the United States Senate than the Original Thirteen States. That all came true. Those States embraced within the Louisiana Purchase Territory probably exercise a greater influence in national affairs today in some respects than do the Original Thirteen States of the Union.

Of course, as I have previously told this body, had they not purchased the Louisiana Territory we would not have had the State of Iowa and we would not have had the Senator from Iowa [Mr. MURPHY] here. We might have been able to do without him. We would not have had here the Senators from Kansas. We might have been able to do without them. We would not have had here the Senators from Oklahoma. We might have been able to do without them. We would not have had here the Senators from Missouri. We might have been able to do without them. But we would not have had the Senator from Louisiana here tonight if Jefferson had not bought the Louisiana Purchase Territory. I will leave it to the Senate what that would have meant to the country. [Laughter.]

Yes, sir; I will leave it to the impartial judgment of the Senate as to what it would have meant if Louisiana had not been brought into the Union. That is an important matter—the State of Louisiana.

Mr. President, I came near forgetting something tonight. I was giving the recipes 5 hours ago. It is now 11 o'clock. I was just going to say that I had one more recipe that I wish to get into the CONGRESSIONAL RECORD. One of my very most famous recipes is not in the RECORD. I want every man who buys the CONGRESSIONAL RECORD tomorrow or day after tomorrow to be able to get in one copy everything he needs to know about the Governement, if I can put it in the RECORD. In other words, I am writing a new textbook on government, and I am including in it a few of my favorite cooking recipes, so that I shall not be bothered and pestered by the people up here in the East who are constantly asking me to come around and show them how to cook these articles. I do not want to be said to be discourteous to these people. I do not want them to think I am selfish. I am willing that they shall know what I know.

I have already put into the RECORD the recipe for frying oysters, and the recipe for "pot likker." I wonder if we could not print these recipes as a Senate document and send them out separately. If we would print two or three million copies, Mr. President, and send them out, and give every Member of the Senate free a hundred thousand copies to send out, it would do an immense amount of good. It would do an untold amount of good. But I will put in my third recipe. I will wait until tomorrow—I have only an hour to wait, and I will wait until tomorrow—to discuss with Members of this body about whether or not there should be a separate Senate document to cover these recipes.

The third recipe I am going to give is on how to make Roquefort cheese salad dressing. There were only two men in the United States who understood how to make it, and I knew how to make it better than the other man, and the other man is dead, anyway [laughter]; so I will now give the recipe.

You take a quantity of cheese, say a pound. It depends upon how many people you want to make salad dressing for. Let us say there are three or four people. They ought not to consume over a pound of Roquefort cheese. You take that Roquefort cheese, and you take a fork. Do not take anything but a fork. Do not take a knife. Do not take a potato masher, or anything like that. That will not do the work. You take a fork, and you mash the Roquefort cheese into a consistency that is soluble. You thoroughly mash the cheese to a point where there is not an unbroken particle in it. Then you put in olive oil. For a pound of cheese you ought to put in somewhere around three tablespoonfuls of olive oil; but you cannot go exactly on the quantity by measurement. You have to be a good judge of cooking. You have to be able to tell when it is mixed to the point of a good consistency. You get that by experience. It gets to be a little bit fluffylike, spongelike; and you mix the olive oil until it is thoroughly mixed, well mixed. It takes a lot of stirring. Any good cooking takes a lot of stirring and lots of mixing. That is what I learned. You have to do lots of stirring and lots of mixing in any good cooking. It takes work to be a good cook.

When you have thoroughly mixed the olive oil with the cheese—it takes about 5 minutes of stirring—then you put in vinegar. If you put in the vinegar before the olive oil, or put in the olive oil before the vinegar, you will ruin the dish. You have to mix them in the right order. Then you put in about two tablespoonsful of vinegar; but, again, you cannot go by exact measurement. You have to put just as much as the cheese will dissolve, and as much as it appears to dissolve to make it fluffy and spongelike. So you stir the vinegar in very slowly. You must not stir it fast. You have to kind of gum it around a little bit, skim over it, until it catches up, and then mix it very slowly. Then, after it gets caught and begins to get spongy, you can stir it faster and faster and faster.

Then, after the vinegar, you put in Worcestershire sauce. I should say you would put in about a tablespoonful and a half; but again, as in the other instance, you put in what appears to be necessary to make it fluffy and spongelike, and of a consistency that appears proper to the sensible discretion of one who is educated in the culinary art. [Laughter.]

After that has been slowly stirred, and then stirred a little faster, you take strained lemon juice, and you put in about, I should say, three teaspoonsful of lemon juice. That thins it out a good deal. You stir it very fast from the start, so that it does not become clabberlike, so that it retains its liquid consistency; and then, when you have stirred it with the lemon juice, you put in paprika pepper. For an ordinary person's taste, you put in enough pepper to give it a fairly good red color.

Mr. President, when you have stirred that up thoroughly, you have the genuine Roquefort cheese salad dressing. It should be eaten with lettuce only. Roquefort cheese salad dressing should be eaten with head lettuce only. About a quarter and a half a quarter of a head of lettuce is about the proper portion for one person.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER ((Mr. CLARK in the chair). Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield to the Senator from Nevada.

Mr. McCARRAN. I inquire of the Senator from Louisiana what his recipe has to do with the recent declaration of the Executive as to the distribution of wealth through taxation?

Mr. LONG. It looks to me as if the President is coming back home again. He did come out for the share-the-wealth program the other day, but he does that every time he gets in bad. Every time he gets a set-back he announces he is in favor of the share-the-wealth program, so I was not surprised at his coming back home again. When things are looking dim and dark, that is a good plank to ride on until they get in.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana further yield to the Senator from Nevada?

Mr. LONG. I yield for a question.

Mr. McCARRAN. In view of the fact that the Senator from Louisiana has answered my last question, I wonder if he would care to discuss the President's view as to taxation of inheritances?

Mr. LONG. Yes; I will discuss that matter. I have said I will accommodate any Senator tonight on any point on which he needs advice or on which he thinks I can give him advice. [Laughter.] The President is said to have remarked—I do not know whether he said it or not—that he was for a redistribution of wealth. He had already said that many times. I see the newspaper which David Lawrence put out here called, I think, "The United States Weekly", says the President is on a share-the-wealth program. The facts are, I guess, that the President said he was for higher inheritance taxes and maybe for higher income taxes. I saw yesterday that it was stated the President did not say that; that he had been misquoted. Well, they usually say that. He comes out one day, and when things are looking mighty bad, in order to hold the hair and hide together, hollers out "share our wealth"; he out-Hueys HUEY LONG two to one. Then the next week they begin to yell and they begin to holler; it is all no good, it is radical, it is impossible. Mr. President, they may decide finally to yield sufficiently—and I think they will, so that maybe some day the income and inheritance levies will be raised, but those who should pay them will get around the law; the law will not amount to much. They never have let the law hurt them. Here is a statement to show 12 ways to dodge paying the income tax:

First. Permit profits to accumulate without distributing them;

Second. Make fictitious loans from corporations to individuals;

Third. Make fictitious gifts to members of one's family;

Fourth. Set up dummy corporations in foreign countries;

Fifth. Sell securities or other property that has depreciated in value in order to show a loss;

Sixth. Sell the property on the installment plan, with first payment of less than one-fourth of total value;

Seventh. Set up a fictitious family partnership;

Eighth. Deed over to members of one's family property that has appreciated in value;

Ninth. Set up a trust for the benefit of minor children, and then rob the trust fund later on if you need the money;

Tenth. Create a personal corporation—"Huey P. Long, Incorporated"; "Homer T. Bone, Incorporated";

Eleventh. Set up a dummy trust to liquidate the assets of a corporation; and

Twelfth. Purchase tax-exempt securities.

Those are just a few of the ways by which the taxes may be dodged. There are other ways besides those. The big taxpayers will not pay any attention to inheritance taxes. They never have. We never do get them; either way they go. When the time comes when we have nearly gotten them to where they cannot get out from under, they will set up a big hue and cry that taxes are too high and ought to come down, and they will get by with it.

Congress repealed the "pink slip" provision a few weeks ago. That was one of the very things we had with which to protect ourselves against tax swindlers. In fact, about the only effective thing we had was the right of the public to examine income-tax returns. They came here protesting, to this Democratic administration, and the reactionary Republicans joined hand in lock with the Democratic administration and repealed the publicity provision we had provided for income taxes. We did not get a chance; they killed it before they even saw us coming. That is how they do. Nobody gains except the big man.

Too much to eat and people continue to starve! If they think there is too much to eat, they burn it up; but there is not too much to eat. The United States Government ought to have a sensible mind. When the United States Government publishes a statement saying that every man ought to have so much to eat, and then, when one takes a pencil and paper and multiplies that by 125,000,000 people he finds that the most we ever have produced is about 33⅓ percent less than what the Government says the people ought to have. Then it goes out and burns up some of the things of which there is known to be a shortage instead of a surplus. They ought to be bored for the hollow horn, and they would be if they were in any other line. That is an old expression down in my section of the country—"bore for hollow horn." We used to bore a cow down there for the hollow horn.

Mr. GORE. I know what the Senator means.

Mr. LONG. The junior Senator from Oklahoma knows what I mean by that. We have bored them for the hollow horn. When a cow began acting funny in the head we would bore a hole in the horn and see what in the devil was wrong with the cow, and 9 times out of 10 that would be the trouble; she had a hollow horn.

Mr. ASHURST. In other words, tapped for simples.

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Louisiana yield to the Senator from Arizona?

Mr. LONG. I do.

Mr. ASHURST. I have finished what I desired to say.

Mr. LONG. The United States Government issues a table and says that every man, in order to keep from starving to death, must have so much to eat; and then when you multiply the amount each one should have to eat by the number of people in the country, you find that the most we have produced is one-third less than the Government says everybody ought to have to eat; and then they go out and burn up some of the two-thirds, instead of getting the other one-third and giving the people some money with which to buy it. I think the administration ought to be bored for the hollow horn, and, if I had my way tonight, I would bore Henry Wallace for the hollow horn before tomorrow morning; I would bore him for the hollow horn as sure as I live; that is what I would do.

Mr. GORE. You cannot bore a muley cow.

Mr. LONG. Yes; and he is a muley; that is what he is. He is from Iowa, but he is a muley. He has not even the Iowa look about him or Iowa western horns about him; he is a muley; and they never are any good. I never could make a muley pull in any wagon I hitched her to. The minute you had a muley cow hitched up to a wagon she never was any good. I do not know why it is, but a muley just is not any good, and never does work. You have got to have them with horns on if they amount to anything.

I should like to hear some Senator answer the statement I made a minute ago; I should like to hear some explanation of the statement of the United States Government, made by its own bulletin, issued under this administration or under Hoover, the same man in each of them. Mordecai Ezekiel was down there under the one and he is down there now under the other. He is the man who did all this fancy figurating.

He said that it took so much for every man to eat, so many pounds of dried fruit, 264 eggs in a year, I think it was—less than 1 egg a day for every man. When we added up all the eggs in the United States we found that, according to the bulletin issued by the United States Government, there were 30 percent less eggs than they needed in 1929, the same year when it was impossible to sell an egg, and they broke them up and threw them into the ocean and destroyed them in every other way because there was no such thing as a market for eggs. Yet the very year when we said we had so many hogs that they went out and killed several million pigs and killed all the sows so that the sows could not give birth to any more pigs, that very year, according to the

bulletin of the Department of Agriculture, there were 10 percent less hogs than we needed to feed the people the amount of meat which the bulletin of the Government said the people of the country would need if 125,000,000 people were fed that year. And with the bulletin showing 10 percent less meat in the country available for all the people than the people needed, the Government officials actually went out and slaughtered millions of pigs and killed the sows so that the sows could not give birth to any pigs the next year.

Bore them for the hollow horn? I would hang them—politically; that is what I would do with them. I would hang them. I would kick them out so fast you would not be able to see them for the dust.

Mr. President, I have learned a great deal in my life. I have learned that you cannot make a duck lay a hen egg. You cannot make it do it; it will not work. You cannot make an elephant change his traits. Whatever environment a man is created under it just stays with him, and I have just found out that it is impossible to make them understand here that they are creating a shortage, and there is no way to do any good with them. They never will be able to see and never will be able to change. That is the condition against which we are struggling.

If you do what the Senator from Oklahoma and I are trying to get done here tonight we would not have this difficulty; we would cure the situation. How? I do not say that the 95 Members of the United States Senate are so smart; but they are average men, at least. There is a system about it, and they would not dare to come in here and put the names up before us of the kind of simlinheaded manipulators in these bureaus and departments they have been choosing. They would not dare to have the practices they have been following examined here in the Senate, where the public has a right to be heard.

The Senate not only considers these questions of appointment, but the Senate gives the public a chance to be heard before the appointments are confirmed. There is more reason why the Senate should pass upon these appointments than just allowing Senators to be satisfied that the men are competent. When the Senate passes upon the appointment they give the public a right to be heard.

Take the case I had before the Finance Committee. The Finance Committee wanted to report the nomination of D. D. Moore, and they were going to report it, but they did not want to bring it up here in the Senate, and they preferred to let it go by the board rather than have the facts discussed in the Senate. Some of the facts in that case smelled too loud. That is why the public is protected and given a chance to be heard. So I say these reasons justify what we are pleading for.

Now, I come back to the question which has been propounded to me by the Senator from Nevada. He asked me about the declaration for an income tax and an inheritance tax, and I answer him in this way. I say that people get religion under various and peculiar circumstances, but none the less they are converted. Sometimes it may not take; it may take more conversions than one to stick, and I am not going to be discouraged at the number of times we have to convert the present powers in order to make the conversion stick.

I have often told about the time when a relative of mine was being baptized. He was a fellow who joined the church every summer. Whenever anyone held protracted meeting, he joined the church at that protracted meeting. If they did not have a protracted meeting every summer, they had the devil with him in the fall of the year. The only thing that would keep him straight at all was about 3 or 4 weeks of good hot sermons on hellfire and damnation, until they scared him up for 7 or 8 months, until the next meeting would come around, and he was always influenced by them.

It finally got to the point where they had to baptize him, and they finally did baptize him, baptized him half a dozen times. They led him out into the water, into the old milling bottom.

Mr. President, I digress to say that I have just been handed a note which says that some smart newspaper has just wired for my Louisiana oyster recipe. People will know how to fry oysters in the United States by this time tomorrow. [Laughter.] I will educate a million people how to fry oysters between now and tomorrow night, and they will know how to enjoy oysters. They have never known before.

To resume; they started to baptize my uncle out in the old milling bottom, and as they led him out there floated out of his pocket the ace of spades. [Laughter.] As he turned around and walked a little further the king of spades came out, then the queen of spades, and just as the preacher was ready to baptize him the jack and 10 spot of spades came out.

His wife was standing over on the bank. She became frantic and threw up her arms and she said, "Don't baptize him, parson. My husband is lost. He is lost." But the young son was sitting on the bank, and he said, "Hold on, Ma. Don't get excited. If he can't win with the hand he's got there, he can't win at all." [Laughter.]

Mr. President, I do not want any Member of the Senate to become excited. You have the cards in your hands. You can play them as you want to play them. You can play them to do good or you can play them to do bad. If you play them according to the Constitution, you cannot help but do good. If you play them against the Constitution, you cannot help but do bad.

There is only one sure lamp to guide our feet, and that is the lamp of experience. There is only one lamp to tell us what is going to happen in the future, and that is the lamp which shows us what has happened in the past.

Every time we have departed from the constitutional and ordinary prerogatives of this Government we have met disaster, we have met sorrow, and we have apologized to ourselves and to our people, and every time we have lived within the Constitution and gone according to the precepts and standards of this country we have had nothing to apologize for, and the country has gotten along pretty well somehow.

The only thing we have done here in these experiments is that the country is loaded down with debt, the country is loaded down with experiments, the country is loaded down with law, the country is loaded down with trials, and tonight the people hold up their hands and they beg you in the name of this country that if you cannot do any different from what you have been doing, adjourn this Congress and go home and do nothing. That if you cannot do something along standard lines, which mean improvement, that the time has come to do nothing and to adjourn and go home. That is what should be done unless we are doing to do something different.

You have the cards in your hands, you are excited, you are frantic, you holler, "The country is lost", when you have a hand with which you can win any game on earth if you will simply play according to the constitutional rules, so this country is not going to be led a way of fanaticism and experimentation in the wilderness which means a public debt and a private debt that can never be paid by the people of the United States. That is what we have got to do—go back to the rules of the Constitution and back to the ordinary things.

I hate to see the Senate lose so much time doing it. I have an idea that there will be an improvement in this body tomorrow. I think many Senators tomorrow will be much more equipped to act on these matters. I wish that we might come back in the fold after we have slept 8 or 10 good hours; I wish we would all go home and sleep and come back here tomorrow and let me make another speech of about 10 or 12 hours on these fundamental principles, and I believe we will all gain as much tomorrow as we have all gained today, perhaps, by listening to a discourse on these questions, and the sound doctrine that I have undertaken to expound here among the Members of this body.

The Senate, however, has begun to thin out again. There are not many Senators listening to me. There are only 20 Members of the Senate listening to this speech at 11:30 o'clock. Soon it will be midnight; 11:30 o'clock, and this small audience here listening to a speech of this consequence at this time of the night. That is what is discouraging about

it. That is why one would feel almost like giving up the effort and not trying to do any good when people do not appreciate what you are saying any more than that. It is discouraging.

However, I will say this for the Senators who are here, and the learned Vice President. The Vice President will be a candidate for reelection next year, and when it is found out over the United States that he is a man who sits here and listens to the speeches that I make, it is going to help him in this country. [Laughter.]

Now, getting down to less consequential matters. What ought to have been done here tonight was to settle this thing along the proper lines. We should have all signed up that we would come here and stick it out and we would work together. We would not have gotten up here and invoked a rule against somebody propounding a question to me. We would have been brotherly to one another. We would have allowed free action among everybody. Let everybody be heard. Let everybody ask questions.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. TYDINGS. Does the Senator from Louisiana think the rule in Shelley's case is applicable to the situation which exists here?

Mr. LONG. The rule in whose case?

Mr. TYDINGS. In Shelley's case.

Mr. LONG. I have forgotten Shelley's case.

Mr. TYDINGS. That was the famous rule against perpetuities.

Mr. LONG. Yes. Well, that is further in arithmetic than I ever got.

Mr. TYDINGS. That is the law.

Mr. LONG. Oh, is that the law? Oh, the Shelley case! I will look that up tomorrow, and write my answer to the Senator, and put it into the CONGRESSIONAL RECORD. I am always very careful of what I answer, because I want to know what it is.

Mr. TYDINGS. May I ask the Senator a question, Mr. President?

The PRESIDING OFFICER. Does the Senator from Louisiana yield further to the Senator from Maryland?

Mr. LONG. I yield for a question.

Mr. TYDINGS. Knowing that the Senator is an eminent student of law, I wish to ask the Senator if he thinks the rule of res ipsa loquitur applies.

Mr. LONG. Now I will show how smart I am. Res ipsa loquitur, that means that the thing just speaks out. That is what it means in Latin, is it not?

Mr. TYDINGS. Yes.

Mr. LONG. I knew that. I could have passed an examination in it.

Mr. TYDINGS. Will the Senator yield for another question?

Mr. LONG. I yield for a question.

Mr. TYDINGS. Does not the Senator think the old Latin maxim of Scuto bonae voluntatis tuae coronasti nos likewise applies in this case?

Mr. LONG. Mr. President, I had another matter in mind which I desired to discuss. I will say that I am like the conqueror of Gaul. That is in a language almost not understandable. The tablets are not so easy to read. These are in a language which to me are the same as though I had found them in Greek. I am not able to answer them. The Senator from Maryland catches me at a great disadvantage. The reporter will not even get what I say.

What was I explaining at the time the interruption occurred? I now remember. What I was saying was that we ought to have been brotherly and neighborly and homogeneous. That does not mean anybody who is akin to the Senator from Washington. It is homogeneous—not Homergeneous; not HOMER BONE. We ought to have been friendly here tonight. In 11 hours and 40 minutes of discussion, such as we have had, twice as much good could have been done as has been done had we been friendly to one another.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. TYDINGS. In view of what the Senator has just said, I should like to ask him this question: Quiere usted que oigamos a nuestras casas?

Mr. LONG. I guess that is Latin, too, is it not?

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Illinois for a question.

Mr. LEWIS. In view of the fact that the Senator from Maryland [Mr. TYDINGS] has presented a question in Spanish, in place of responding in Spanish, will not the Senator adopt the Greek and exclaim, "Zoe mou, sas agapo", taking his quotation from Byron's Maid of Athens?

Mr. LONG. Mr. President, if that means these appointees ought to be confirmed by the Senate, I agree. They ought to be. That is another reason why they ought to be confirmed by the Senate. There is hidden knowledge here which somebody does not know anything about.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. TYDINGS. I should like to ask the Senator what the quid pro quo would be in a case like this to get this amendment adopted?

Mr. LONG. Quid pro quo?

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Illinois for a question.

Mr. LEWIS. I take the liberty of asking the Senator from Louisiana if he might not reply to the able Senator from Maryland in his elevated observation of virtute non verbis—"action; not words"?

Mr. LONG. That suits me! [Laughter.] Nux vomica vox populi! [Laughter.]

Mr. President, if we had had this kind of discussion going on all the time, all of us would have been learning. Everybody would have been better off. I would have had some good out of it. Instead of having to try to acquaint Senators with things that I knew, there would have been reciprocal advantage, and I would have been in a better position in the next few days to give my colleagues the benefit of the added information which I have accumulated.

However, what we ought to resign ourselves to do is to go home tonight and say, "This is the United States Senate." I say, let us go home. That is my invitation. Let us go home. Whosoever will, let him come. Whosoever will not, let him go. [Laughter.] That is what I would say. Let us go home, get out and go; rest, peace, ease, comfort. Imagine how marvelous it would be to lie down on a good Seely mattress at this hour. [Laughter.] Imagine how wonderful it would be just to lie there at ease and in comfort, with nobody to worry and nothing to think about—except my speech. [Laughter.] That is what ought to be done. Senators' minds are not fresh enough to grasp these technical points. [Laughter.] We are going at a rapid gait. Everybody should be willing to go home. Soon I will have contributed the best of my efforts for a period of 12 hours in this legislative Chamber. Soon I will have talked here for 12 hours doing the best I can for the benefit of mankind and my friends here.

The proof of the pudding is in the eating. The fact that Senators are here yet awake proves whether or not I have done something that is good. All are here. All are awake. I can remember when half the men of my day and time went to church half of them were asleep before the sermon was half over. Here Senators are tonight, brothers and descendants of the same kind of people, and they are all awake, wanting to stay awake unnecessarily when everybody ought to be asleep. Twelve o'clock midnight is time for people to be slumbering. People should be asleep. We should not be kept here. I think it is time to rest, time to think. When Senators rise tomorrow they will have a better understanding all the way down the line.

I am pleading for Senators to be sensible about this matter. If they want to wait awhile here and listen to me speak for another hour and then go home and get some sleep, I will speak another hour. If they want to listen 2 hours, let them listen 2 hours. If they want to listen 3 hours, let us make it

3 hours. But let us make up our minds whether we are going to sleep sometime. Do not stay awake unnecessarily. Do not penalize yourselves unless you can do some good by doing it. There is no use doing it.

I imagine many Senators missed the Shriners' march tonight. I would like to be in one of these parades myself. I do not belong to any lodge, but I always like to see the marchers of all the lodges. I do not belong to any lodge, but I am for them all. I am for all the lodges, and I am for all religions, in favor of every one of them. Sometimes it is a little close down in my part of the country—half Protestant and half Catholic. Sometimes somebody wants to pin a man down on a question that is a little bit close, but I am always for them all, and therefore I avoid any colloquy on these various scores. I believe in harmonizing the religions and harmonizing the politics as much as we can.

There is only one way we will ever harmonize the Senate. We have Republicans on the other side and Democrats on this side of the Chamber and we cannot harmonize them. Over on the Republican side we have progressive Republicans and reactionary Republicans who cannot be harmonized. Then we have Farmer-Laborites and Progressives and they cannot be harmonized. On this side of the Chamber we have Democrats and reactionary Democrats and administration Democrats and radical Democrats, and we cannot harmonize them. There is only one way we will ever be able to get going here and that is for everybody to submerge politics and listen to me. [Laughter in the galleries.]

The PRESIDING OFFICER. The Chair must admonish the occupants of the galleries again that they are here as guests of the Senate. Expressions of approval or disapproval are strictly forbidden by the rules. The rules have been more or less relaxed tonight in view of the long session, but from now on the Chair will strictly enforce the rule against expressions of approval or disapproval or of amusement in the galleries.

Mr. LONG. That is one way we can break bread around one table. Let us get around one table and break bread. All will be welcome. All will be received. Let us harmonize these little inconsequential differences of political opinion. I would bend any effort I could to bring about that result in this body. It may never be done, but I shall do my part toward it.

Mr. President, I was named the national candidate of the Farmer-Labor Party for President of the United States in 1932. I was officially named by the official National Farmer-Labor Party. Before accepting that nomination I walked over to the Senator from Minnesota [Mr. SHIPSTEAD], the only member of the party in this body, and said to him, "I am the leader of your party." I did not say to him exactly that I was his boss, but that is what I meant by it [laughter]—that thenceforward he would follow me. But the only member of the party repudiated the leader of the party there and then and refused to stand by his own party.

How can I build up the Senate with things like that taking place? I declined the nomination of the National Farmer-Labor Party because if I was not going to gain anybody what was the use of having the nomination? It added nothing to our strength. We cannot find out who is the Farmer-Labor Party, we cannot find out who is the Democratic Party, and we cannot find out who is the Republican Party.

The Republicans had a "grass roots" convention and some other kind of a convention. The Democrats had a young men's convention and an old men's convention, and the young men's convention ran the Roosevelt people out of the convention, and they went and held another convention over in Texas, and got in a general jamboree, and nobody knows what they have finally wound up by doing or not doing. The first thing you know, the treasurer of one of these parties will run off, and it will be a disaster to the party, because there is nothing in the world that will break up a society like the treasurer disappearing. [Laughter.] Something like that is going to happen to one of these parties before you know it.

Mr. McCARRAN. Mr. President——

Mr. LONG. I yield for a question to the Senator from Nevada.

Mr. McCARRAN. I wonder if the Senator from Louisiana would be willing to yield for an inquiry that might come—I hope it will come—from those who now occupy the floor of the Senate as leaders, looking to a solution of the question now before the Senate.

Mr. LONG. I will yield to any respectable suggestion to dispose of this question at an early date.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield, and, if so, to whom?

Mr. LONG. I yield to the Senator from Nevada for a question.

Mr. McCARRAN. I wonder if the Senator from Louisiana would be agreeable if there might be a meeting of the minds of the respective divisions of the Senate looking to a solution whereby the Senate might recess.

Mr. LONG. I should be willing to recess. I think we ought to recess. I was hoping that we would.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator yield further?

Mr. LONG. I yield for a question.

Mr. McCARRAN. May I make a statement preliminary to my inquiry? I ask that as a parliamentary inquiry.

The PRESIDING OFFICER. The Chair is of the opinion that the Senator from Louisiana cannot yield for anything other than a question; and the Chair feels himself bound under the rules not to recognize the Senator from Nevada for anything except a point of order or a parliamentary inquiry.

Mr. McCARRAN. Very well. Then, first of all, may I make the parliamentary inquiry if it might be possible, in keeping with the history of this body during the past nearly 12 hours, to have a leadership here to guide us out of this situation? Would it be possible to promulgate——

The PRESIDING OFFICER. The Chair is of the opinion that the Senator has not propounded a parliamentary inquiry.

Mr. McCARRAN. I beg your pardon, sir. Then I will propound a question.

Mr. HARRISON. I ask for the regular order.

The PRESIDING OFFICER. The regular order is demanded. The Senator from Louisiana has the floor.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield for a question.

Mr. McCARRAN. I now propound a question to the Senator from Louisiana, and I do this in keeping with what I hope will be the outcome. Will the Senator from Louisiana yield so that if there be a leader in this body he may have a concourse and an agreement that this entire situation may terminate, with an agreement to go on tomorrow?

Mr. LONG. Mr. President, I can only answer for my part. I am prepared to keep going until tomorrow. I shall be prepared to agree on a recess and meet again tomorrow.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Kentucky.

Mr. LONG. I yield.

Mr. BARKLEY. Repeating my assumption, expressed earlier in the evening, that the Senator's suggestion is made in good faith, will the Senator agree to fix an hour on tomorrow at which time we may vote on the pending motion, and an hour at which we may vote finally upon the joint resolution now before the Senate?

Mr. LONG. Mr. President, I have not the right to make that agreement.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Oklahoma?

Mr. LONG. I yield for a question to the Senator from Oklahoma.

Mr. GORE. I should like to ask the Senator if an arrangement or understanding could be arrived at, a sort of gentlemen's agreement, by which the amendment offered by myself could be detached from this joint resolution, and could be attached to the social security bill in substantially the same form, with a few minor changes which I myself think ought to be adopted, with a gentlemen's agreement that the Senate conferees would not allow it to go out of the bill until the Senate itself had voted directly to eliminate it.

Mr. HARRISON. Mr. President, will the Senator yield for a statement? It would not be a parliamentary inquiry; but I ask unanimous consent, without taking the Senator from Louisiana off the floor, to answer the question of the Senator from Oklahoma.

The VICE PRESIDENT. The Senator from Mississippi asks unanimous consent that he may make a statement in reply to the Senator from Oklahoma, without taking the Senator from Louisiana from the floor. Is there objection?

Mr. BLACK. Reserving the right to object, I have no objection if the time of the statement is limited.

Mr. McCARRAN. Just a moment, Mr. President. Under the rulings heretofore made, the Senator from Louisiana would lose the floor?

The VICE PRESIDENT. He would.

Mr. HARRISON. I withdraw the request, and ask for the regular order.

The VICE PRESIDENT. The Senator from Louisiana has the floor, and he can yield to a Senator only to ask a question.

Mr. LONG. Is there any objection to the Senator from Mississippi making a statement? I have heard no objection.

The VICE PRESIDENT. The Senator from Nevada asked a question which was tantamount to an objection.

Mr. LONG. I do not think the Senator from Nevada intends to object. Perhaps we can get together. I ask unanimous consent, without losing the floor, that the Senator from Mississippi be permitted to make his statement.

Mr. BLACK. I object.

The VICE PRESIDENT. The Senator from Louisiana asks unanimous consent, without taking him from the floor, that the Senator from Mississippi be permitted to make a statement. Is there objection?

Mr. BLACK. I object again.

The VICE PRESIDENT. The Senator from Alabama objects. The Senator from Louisiana has the floor.

Mr. McCARRAN. Mr. President——

Mr. LONG. I yield for a question to the Senator from Nevada.

Mr. McCARRAN. I wonder if the Senator from Alabama is entirely content to go on.

The VICE PRESIDENT. Is the Senator now yielding for a question?

Mr. LONG. Yes, sir; for a question.

Mr. McCARRAN. For a question only.

The VICE PRESIDENT. That is the only thing for which the Senator can yield. If the Senator yields for any other purpose, he loses the floor.

Mr. LONG. I do not.

Mr. McCARRAN. And I do not propound anything save and except a question.

The VICE PRESIDENT. The Senator will state his question.

Mr. McCARRAN. All right. I wonder if the Senator from Louisiana would object to any suggestion which might be made to him as to a reconciliation and an agreement that might be arrived at. I say that in all fairness. I say it that we may get out of here.

Mr. BLACK. I call for the regular order.

Mr. McKELLAR. Regular order!

The VICE PRESIDENT. The Senator from Louisiana has the floor. He can answer the question of the Senator from Nevada if he sees fit to do so.

Mr. LONG. I wish to make my speech. I desire to answer both my friend from Kentucky [Mr. BARKLEY] and my friend from Nevada [Mr. McCARRAN]. We not only have here this joint resolution, but we have the amendment offered by the Senator from Idaho [Mr. BORAH], the antitrust-law enactment; and I wonder how my friends will consider accepting that amendment.

Mr. McCARRAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield for a question; yes, sir.

Mr. McCARRAN. For a question only. Does the Senator from Louisiana realize that he is now being held on the floor by an objection coming from the Senator from Alabama, which objection entirely precluded the possibility of an agreement here?

Mr. HARRISON. Mr. President, I ask for the regular order.

The VICE PRESIDENT. The regular order is that the Senator from Louisiana can answer the question.

Mr. LONG. My understanding is that the Senator from Alabama did not wish to have the Senator from Mississippi allowed to say anything, and I am very sorry for that. I rather resent it, but I cannot do anything about it. I think the Senator from Alabama will let my friend from Mississippi speak if he desires to do so; and I am going to appeal to my friend from Alabama not to be too hard against his colleague from Mississippi. If he wishes to make a statement, let him make a statement. It will not hurt anything. Be generous. Be charitable. It will help us all.

What are we going to do about the antitrust amendment of the Senator from Idaho? Is that going to be accepted on this joint resolution? I should like to find out.

Mr. HARRISON. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Mississippi for a question?

Mr. LONG. I do.

Mr. HARRISON. If the Senator will yield the floor, he will have plenty of opportunity to take the floor again, of course, and it may be possible then that we may get together on some proposition.

Mr. LONG. I suggest that the Senator talk to my friend the Senator from Oklahoma and my friend the Senator from Nevada while I continue to speak. I should like to ask them to converse and see if they cannot get together.

Mr. McCARRAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield to the Senator from Nevada.

Mr. McCARRAN. I wonder if the Senator from Louisiana realizes that during the last 3 hours there have been conferences here looking to that same conclusion that the Senator from Nevada and others are interested in, the termination of this interminable proposition, and that, so far as the Senator from Nevada is concerned—and I address this to the Senator from Louisiana—I hope to be able to work it out, and I am ready in behalf of the Senator from Louisiana to work it out to the termination of this apparently——

Mr. BLACK. I call for the regular order.

The VICE PRESIDENT. The regular order is the Senator from Louisiana.

Mr. LONG. I would say to the Senator from Mississippi, and to my friend the Senator from Nevada, and the Senator from Oklahoma, that along the line suggested by the Senator from Oklahoma I see no reason why we may not have an agreement.

Mr. McCARRAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield to the Senator from Nevada.

Mr. McCARRAN. Does the Senator realize and does he understand that the Senator from Alabama [Mr. BLACK] is now an impediment to an agreement here by reason of his objection?

Mr. LONG. That is the way I look at it.

Mr. BACHMAN. Mr. President, I ask for the regular order.

The VICE PRESIDENT. The regular order is the Senator from Louisiana, and he has been the regular order for the last 12 hours. [Laughter.]

Mr. SCHWELLENBACH. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I yield for a question.

Mr. SCHWELLENBACH. Does the Senator from Louisiana realize that those of us who are new Members of the Senate and who for the last 6 months have sat back here in the last row and seen every effort on the part of the Congress to do something for the people of this country who are suffering from unemployment blocked and stifled by the Senator from Louisiana are going to sit in the Senate tonight and tomorrow and all this week and from now on until something is done to stop the Senator from Louisiana from controlling the Senate? I submit that question to the Senator from Louisiana.

Mr. LONG. I do not know what the Senator means. I should like to know what good things they have done here. If somebody will tell me some good they have done, I should like to know it. I did not control or prevent the passing of the N. R. A. That was passed, whether I wanted it passed or not. I did not control the Senate in the case of the municipal bankruptcy bill. They passed that bill whether I wanted it passed or not. If there is anything I have obstructed here, I do not know what it is.

I should like to know if the Senator from Washington wants to repeal the antitrust law. That is one of the things that is up in connection with this matter. I do not know that it will do any good or repeal the antitrust law. Then what is going to be done about the Borah amendment? I should like to find out as to that.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield for a question.

Mr. BARKLEY. Would the Senator be willing to fix an hour upon which we might vote tomorrow on the pending matter and the Borah amendment and the final disposition of the joint resolution?

Mr. LONG. I would say that I would be willing to vote on this amendment and, if the Senator from Idaho consents, on the Borah amendment at any hour that is agreeable to the Senator from Kentucky and the Senator from Idaho; but at this late hour I would not want to agree as to any other matters.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I yield.

Mr. SCHWELLENBACH. I ask the Senator from Louisiana if he had gone out, as I did last November, and told the people of his State, as I told the people of my State, that I was going to come to the United States Senate to try to do something for their benefit, and did come down here for that purpose, and day after day and week after week and month after month had seen the Senate, which is supposed to be the greatest deliberative body in the world, turned into a circus, if he would not, as I am intending to do, sit here and refuse to submit to any sort of an agreement which would permit him to control the Senate any longer?

Mr. LONG. I do not know what the Senator saw last November, but I know what he will see next November. [Laughter.] I was not out there doing any seeing and I was not out there doing any voting last November. I myself have been in a few elections. I have not only been in one but I have been in a number of elections in my lifetime, and I am ready to participate in a few more whenever the time comes. Furthermore, I was in some of the nominating conventions and bodies of that kind. I am rather an old hand at this game for my young age.

I have not delayed any bills here; not as yet; I have my first bill to delay; and, unfortunately, I never have controlled the United States Senate as yet. If I had, it would have been a whole lot better off than it is now. I think all the Members of this body will agree that if they had followed my advice on the N. R. A. they would have been much better off than they are now. It does not make any difference to me how Senators look at it; whether they think it is a good thing for me to have my way or not, I will not have it anyway, not very much here. I will have my way back among the people because they will vote my way. They always have in every election I have been in, with very few exceptions.

I am only concerned in the good that may be done the people. I am holding up a law right now that is going to repeal the antitrust law after the last one failed to do it. That is all this thing is for, and you cannot smoke them out tonight. When you ask them what they will do about the Borah amendment, they want to set a time to vote on that amendment and kill it, too, because the Borah amendment proposes to put the anti-trust-law situation where it ought to be—at least, to some extent. Why do they not speak out on that? No; kill them all with one fell swoop. We have had N. R. A. for how long? For 2 years. What has it done? You have got more unemployed now than you had before you had the N. R. A. and fewer people in business. You have a bigger dole and a bigger public debt. Talk about the N. R. A. doing some good. Who can point to the good it has done? I cannot.

I would not sacrifice this Government to fascism, even though I could be the Fascist King. I would not sacrifice this Government to bolshevism, even though I could be a Stalin. I am interested in this country being a republic; I am interested in people having liberty here; and I, who have been characterized as one who approved the policies of dictatorship, have voted against every kind of fascism and every kind of sovietism and every species of Hitlerism that has ever been proposed in the United States Senate since I have been here.

I want this Republic to survive. This Republic may not survive; it may go. It is tottering right now, I might tell you; it is tottering right now with the St. Vitus dance. I say it is tottering. Whenever the President of the United States and his chief masterpiece, Hugh S. Johnson, get up and denounce and decry and urge a rebellion against constitutional processes which have existed in this country, I say it is a bad sign. Perhaps the tottering is not so bad, but there is a quivver, it is unstable and uncertain. It is a bad sign all the way around. There is not a single thing I have advocated in the Senate up to this time that I know of, but what would have done good.

Mr. BONE. Mr. President——

The PRESIDING OFFICER (Mr. HAYDEN in the chair). Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. For a question.

Mr. BONE. I ask the Senator from Louisiana if the Supreme Court of the United States has ever repudiated the doctrine laid down in Two Hundred and Twenty-first United States Reports, page 1, in the case of Standard Oil Company of New Jersey against the United States, wherein the Supreme Court ripped the Sherman antitrust law all to pieces and tore the heart out of it? No matter what we write into law here, I ask the Senator how we are going to breathe the breath of life into the Sherman antitrust law by anything we say, in the face of that decision?

I should like to have the Senator be specific and tell us how the Senate and the House of Representatives, in Congress assembled, can galvanize the antitrust laws of this country into a semblance of law and reality in the face of that decision.

Mr. LONG. I will tell the Senator how.

Mr. BONE. I should like to have the Senator make the point clear.

Mr. LONG. I introduced a bill here in keeping with our platform at Chicago.

Mr. BONE. Will the Senator yield again?

Mr. LONG. Yes; for a question.

Mr. BONE. I honor the Senator as a good lawyer; but I want him now to tell me how Congress can enact a law which will strengthen the antitrust laws of this country, in the face of this decision, which, in my humble judgment, destroyed the antitrust laws of this country, regardless of what the Senator from Idaho might or anybody else may say.

Mr. LONG. I will tell the Senator from Washington, if he will listen to me, as to how to do it.

Mr. BONE. I am listening to the Senator.

Mr. LONG. I introduced a bill——

Mr. BONE. I asked the Senator earlier in the evening to read Judge Harlan's decision.

Mr. LONG. I do not need to read it; I have read it many times.

Mr. BONE. Then tell us how we can breathe the breath of life into the antitrust laws.

Mr. LONG. If the Senator will listen to me, I will tell him.

I drew a bill, and it is here in the files of the Senate right now, in which I recopied the Sherman antitrust law, as it was, with the words added in each section, "whether the same be reasonable or unreasonable", and so forth.

Mr. BONE. Will the Senator yield?

Mr. LONG. Wait a moment. I added to the Sherman Antitrust Law words which the United States court held were intended by the law in the decisions prior to the case of the Standard Oil Co. and the Tobacco Co.

Mr. BONE. Will the Senator yield now?

Mr. LONG. I yield for a question.

Mr. BONE. I think the Senator understands my very keen interest in the matter.

Mr. LONG. I do; I am with the Senator in his interest in the matter.

Mr. BONE. Judge Harlan said this, and I make it a part of my question:

> The law gives to the Congress and Congress alone authority to regulate interstate commerce, and when Congress forbids any restraint of such commerce in any form, all must obey its mandate.

The physical fact is that the Supreme Court did not obey the mandate of the Congress, which was the sole body which had the right to lay down the rule. If the Supreme Court in this case deliberately overrode the law enacted by Congress, which is the only body under our constitutional form of government which could lay down a rule or establish a maxim, how does the Senator expect his law to escape the condemnation of the Supreme Court?

Mr. LONG. I can tell the Senator why. It is because I took the words and wrote them in.

Let me say something to the Senator from Washington. What he says is true not only of the antitrust law. Legislation in favor of the common people has always been mellowed by the courts in time. It takes constant legislation and revolution to keep the law in favor of the common man at all. They always mellow, color, mold, any law, as time goes on, against the interests of the people.

Mr. TYDINGS. Law is like wine; it mellows with age.

Mr. LONG. That is it, law is like wine; it mellows with age, and they mellowed the law with age against the common people. That is not only true of the antitrust law. It has been true in the case of the Federal Employees' Liability Act. It has been true in the case of the Safety Appliance Act. I will show that any law that is ever put on the books, as time goes on is always interpreted more and more in favor of capital. That is always the case.

Mr. BONE. Mr. President, will the Senator yield again?

Mr. LONG. I yield.

Mr. BONE. One thing I fail to grasp or understand in the Senator's argument is why the Senator has criticized this body for not doing something which the Supreme Court of this country has outlawed. The one agency under our form of government which destroyed the antitrust laws was the Supreme Court.

Mr. LONG. Not entirely.

Mr. BONE. To what extent did it not?

Mr. LONG. To a large extent.

Mr. BONE. In other words, the Supreme Court interpolated into the text of the Sherman Act words which were not there. That is correct, is it not?

Mr. LONG. Yes.

Mr. BONE. If they did that 25 years ago, and the Court has not seen fit to change its viewpoint, how does the Senator expect this body to unwrite a rule of law which has been established for a quarter of a century? I do not want to do the Senator any injustice, but I am wondering why the Senator is so severe in his castigation of this body and has been so lenient in dealing with the attitude of the Supreme Court on the thing he has been spending 12 hours discussing. I think the Senator is able and courageous enough to speak right out in school about this thing. Let us take the lid off.

Mr. LONG. I thank the Senator for paying me the compliment.

Mr. McKELLAR. Mr. President, I make the point of order that the Senator from Louisiana has lost the floor by joining in general debate, not yielding for a question.

Mr. BONE. Mr. President——

Mr. LONG. Just a moment.

The PRESIDING OFFICER. The Senator yielded for a question, and the debate was in the nature of a question, but rather extenuated. The Chair suggests that questions be made questions hereafter.

Mr. LONG. Mr. President, it is very hard to make the questions of all alike. I desire to answer the Senator from Washington right now. I say that it is my view that when the United States Supreme Court put the word "unreasonable" or the words "rule of reason" into the antitrust law, they destroyed two-thirds of the law, or over half of it, but they left some law. There was at least some kind of antitrust law left. But when we annulled it, we wiped it out all at once.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Idaho for a question.

Mr. BORAH. Would the Senator be willing at this time to have us dispose of the amendment relating to the question of the suspension of the antitrust laws?

Mr. LONG. Yes; I should. I should be willing to defer action on our amendment, and dispose of the antitrust law amendment.

Mr. BORAH. Will some one notify the Senator from Mississippi [Mr. HARRISON]?

Mr. LONG. I should be willing just to defer action on this motion of mine and take up the antitrust law instead, for the time being. That would be my idea about the matter.

Here is the Senator from Mississippi. He has just come into the Chamber. I have just been asked by the Senator from Idaho if I would be willing to take up for consideration now the amendment of the Senator from Idaho [Mr. BORAH] to amend the antitrust law.

Mr. BLACK. I object.

The VICE PRESIDENT. The question before the Senate is the motion to reconsider, and no other arrangement can be made, as the Chair understands, until that question is settled. When the Senate votes on the motion to reconsider, after we dispose of the amendment of the Senator from Oklahoma [Mr. GORE], any other amendment will be in order. So the amendment of the Senator from Idaho [Mr. BORAH] will then be in order.

Mr. LONG. It could be taken up by unanimous consent, unless some other Senator should object.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. NORRIS. Is it possible now to take up an amendment to a motion as to which we do not know whether or not it is going to be reconsidered? Does it not follow, as a matter of fact, that that is an impossibility until we first dispose of the pending motion?

The VICE PRESIDENT. The Senator has stated a very obvious fact. Nevertheless, the Senate can do anything on earth by unanimous consent except to amend the Constitution.

Mr. BLACK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BLACK. If it is stated now by a Senator on the floor of the Senate that he will object to any agreement of any kind or character or any nature until the Senator from Louisiana completes his speech, is that sufficient to prevent the consumption of useless time by asking whether or not agreements will be made? No agreement of any kind or character will be made by unanimous consent in this body until the Senator from Louisana completes his speech and gives up the floor.

Several Senators addressed the Chair.

The VICE PRESIDENT. It is impossible to give any Senator recognition until there is order in the Senate.

Mr. CLARK. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. I make the point of order that the parliamentary inquiry of the Senator from Alabama [Mr. BLACK] was not in regular order. I ask for the regular order.

The VICE PRESIDENT. The regular order is the Senator from Louisiana.

Mr. LONG. Mr. President, I will not yield to any one.

The VICE PRESIDENT. The Senator has declined to yield.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield for a question?

Mr. LONG. No; I will not yield. I will not yield to anyone until I get this confusion settled. I wish to get the regular order. I wish to have all this confusion settled, and then we shall know where we are. Any number of parliamentary inquiries and points of order are being made, and it is impossible for me to keep them straight in my head. There are enough parliamentary inquiries and regular orders and declarations of principles going around here to do for 14 national conventions.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield for a question?

Mr. LONG. Not now; later on, but not at this time. I wish to get the matter straightened out. There is something about my speech which quiets Senators, so that they are better off. I avoid all of these hard feelings. I do not want Senators making statements to one another for which they will be sorry a few hours later. I do not like to see the Senator from Missouri making reflections that the point of order made by the Senator from Alabama is not a point of order. I hate castigations of that kind being made by my colleagues. I am trying to promote a note of harmony here which will do good for us all. The trouble with the Senate is that it is mad. The Senate is in a fever. There is too much confusion over nothing. Let us take our time. Be in no hurry. Vote according to principles. Do the best thing. Do not be sorry for what we have done tomorrow. Let everyone follow my example. Let everyone be composed. Let everyone be kind to his fellow man. Let him show the proper respect for his fellow Senators. Let him never question the motives of his colleagues. That is how I am trying to do and act. I have made considerable progress along that line tonight.

There have been very few men who have said anything about one another since I have been on the floor here tonight. There has been very little opportunity for any interchange of personalities. The discussion has all been conducted in a good spirit. It has been fine, wholesome, friendly, well advised, well considered, not half baked; and I believe that when Senators go home tonight and take down my speech, which they will find in the CONGRESSIONAL RECORD, and discover how to fry oysters it is going to help them a great deal. Everyone is going to feel better when they read that speech. They have a recipe in the RECORD here as to how to cook some of the best things that they want to eat, and I have given it to them. I have also put into the RECORD tonight a proposed act of Congress, and if they will adopt it I say it will cure this depression. Eight sections of an act of a proposed act of Congress. Therefore I am trying to get all this confusion out of the way.

I should like to see the Borah amendment adopted. We had an antitrust law. The Supreme Court knocked out part of it, but they had to leave the law. Now we come along with the Democratic platform promising to strengthen the antitrust laws and add to the law to strengthen the antitrust law. It went to the Judiciary Committee. The bill which I drew to strengthen the antitrust law went to that committee; but, lo and behold, while my bill was pending to carry out the party platform, what did they do? They came along with the N. R. A. to upset the antitrust law altogether. That is what they did.

Mr. BONE. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. BONE. I wish the Senator would tell me how Congress can strengthen the antitrust law when the Supreme Court will not allow Congress to do it.

Mr. LONG. Oh, yes; they will.

Mr. BONE. I hope I am patient. I desire the Senator, as an old-time legislator and a lawmaker, to tell me how we can frame legislation when the Supreme Court has restricted it.

Mr. LONG. I have already reframed it. I already have the bill in here.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. SCHWELLENBACH. Does the Senator from Louisiana realize that the new Members of the Senate have determined, after 5½ months, that we are no longer going to permit the Senator from Louisiana to run the Senate, and we are not going to consent to any unanimous-consent agreement so far as the Senator from Louisiana is concerned?

Mr. LONG. I do not know what they have agreed to, but they will be agreeing to something else before they get very far. They may not hear from the White House until a little later on. The man in the White House does all the agreeing for new Members of the body since I have been here.

The law says that we are going to strengthen and enforce the antitrust law. I desire to say to the Senator from Washington that I drew that law. He will find a very well-prepared bill, to which I devoted about a week, which I framed so that there was not a court on earth which could possibly read the "rule of reason" into it.

Mr. BONE. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question only, of course.

Mr. BONE. Let us assume that the Senator's law was enacted, and the Supreme Court should do to the Senator's law what it did to the Sherman antitrust law 25 years ago. Just how would the Senator meet that sort of a situation? No one assumed that the Supreme Court would deliberately wreck the antitrust law by interpolating in it language which ripped the heart out of it; yet that was done.

Mr. MINTON. I ask for the regular order.

Mr. BONE. I am trying to get some light from the Senator.

Mr. SCHWELLENBACH. I ask for the regular order.

The VICE PRESIDENT. The Senator from Washington is out of order.

Mr. LONG. All right. I will end the matter by saying look up the Long bill of 1932, the same bill of 1933, the same bill of 1934, and you will find the answer there. All you need to do is to read the bill and you will be convinced. The bill was well drawn. I drew it myself. It would do the work. I will guarantee that no Supreme Court would dare to say there was any weakness in the law if that amendment to the law were adopted.

The Sherman antitrust law is one of the strongest laws ever drawn. If it had not been that Chief Justice White persuaded the Court to put into that law the implication the so-called "rule of the common law" of England, it would have remained effective. In other words, there was common-law jurisprudence of England that there had to be bad or unreasonable restraint of trade. But for that the law would have stood and might have saved this country from this calamity. I think it would have done it. I undertook in

one of the measures I drew here to get that law amended and to get that bill enacted into law. It was not, and therefore you came along later with the N. R. A. and I was told, "Hold up on your bill. We have decided to suspend the antitrust laws altogether."

The party platform said:

We advocate strengthening an impartial enforcement of the antitrust laws.

That is what we were supposed to do. That is what the party platform said. Therefore, we ought to do what the party platform said, or we ought to go back to the people of the United States and say to them, "We have decided not to carry out our promise." The promise is there. Whether you like it or not, it is there. That is the promise of the Democratic Party.

So you come along with the N. R. A. and wipe out the antitrust law. You put out of business an average of 435 independent businesses every day the N. R. A. was on the books. That is what I am told you did. That is what I understand an analysis of the trade reports shows, that ever since the N. R. A. has been on the books you have put out of business 435 independent businesses every day it has been on the books, and you are proud of it. That is the situation now. That is where we stand. That is the situation we are up against.

No one need doubt that we have reached the point in this country where we are going to have to legislate along constitutional lines and along well-understood lines. Instead of experimenting, I say we do not have to experiment. I say we can adopt expedients, the effect of which is well understood and the constitutionality of which cannot be questioned. I say that the party platform which said we were going to enforce and strengthen the antitrust laws was perverted. I told experienced progressive Members of this body the night they voted for N. R. A. that they were committing a sad mistake.

The labor unions came pretty near getting themselves wrecked on N. R. A. They took a very unwise stand. They were led into a halter. They were led into a halter because unless the little people are permitted to live there will never be a labor union allowed to thrive. They were led into that halter. I never was, never would be, and never believed in it. Many a Member of the Senate who voted for it did so with very serious misgivings. Many of them voted for it who did not want to vote for it. Many of them did not feel it was the best thing to do. Yet today you come back with an N. R. A. amendment, trying to put out another kind of Mother Hubbard provision to cover up any violations of the antitrust law.

Mr. McCARRAN. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I would rather yield a little bit later. The Senator from Oklahoma [Mr. GORE] wants to speak to the Senator from Nevada, so I would rather complete my line of thought and yield later.

The PRESIDENT pro tempore. The Senator from Louisiana declines to yield at this time.

Mr. LONG. You come back here with another one of these provisos, and you always have in it that you are going to upset the Sherman antitrust law. That is nothing on earth but something to permit these gigantic concerns to complete the raid on the business of the United States with which they started out in the first place. I am astounded that Members of the Senate should be standing for that sort of thing. I am astounded at it. It is a discredit to their great record in the legislative history of this modern country to still be standing for the Blue Eagle and the N. R. A. business.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I yield for a question.

Mr. BONE. I think the Senator has in his hand a book containing the platforms of the two great political parties. I will ask if he will look at page 168.

Mr. LONG. I have not that same book.

Mr. BONE. I will ask the Senator if he will read the paragraph which I indicate, which is a part of the platform of the Democratic Party of 1912.

SEVERAL SENATORS. Regular order!

Mr. BONE. May I ask the Senator to read something? I am asking a question.

Mr. SCHWELLENBACH. Mr. President, this group will not agree to anything which will assist the Senator from Louisiana in this filibuster.

Mr. BONE. I am trying to assist myself and not the Senator from Louisiana.

Mr. LONG. I yield for a question.

Mr. McKELLAR. Regular order!

The PRESIDENT pro tempore. The Senator has a right to yield for a question.

Mr. LONG. I yield for a question.

Mr. BONE. I should like to have the Senator read to Members of the Senate the paragraph to which I am pointing, beginning with the words "we regret."

Mr. LONG. Let me see what year that was. This was 1912. That was after the decision.

Mr. BONE. No; the decision was in 1910.

Mr. LONG. All right.

We regret that the Sherman antitrust law has received a judicial construction depriving it of much of its efficacy.

I admit that. I think that is right, and I desire to say that this is a very inharmonious opposition that I have. It is a very discourteous opposition. It seems as though they are working against one another. They are not even courteous to their own standard bearer, who is undertaking to make some logical explanation to confound the marvelous exposition I have made of this matter; and still they are in a fight among themselves.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. SCHWELLENBACH. The Senator realizes that the Members of this group have no fight among themselves. The new Members of the Senate are determined that the Senator from Louisiana shall never again control the Senate. We are going to fight every time the Senator uses the methods he has used in the past five and a half months. We are through. We went out to the people of our States last fall and told them——

Mr. LONG. Is that a question?

SEVERAL SENATORS. Regular order!

The PRESIDENT pro tempore. It is not a question. The regular order is demanded.

Mr. LONG. I wish to be protected against the Senator not asking questions. I do not mind giving him a little time. I should not mind giving him a chance to make a little speech. The fact of the case is, if we can get unanimous consent I will let the Senator from Washington make a speech on this matter, just so it does not take me off the floor.

Mr. SCHWELLENBACH. Does the Senator from Louisiana realize that there will be no unanimous consent so far as the Senator from Louisiana is concerned?

The PRESIDENT pro tempore. The Senator from Washington is out of order in interrupting without securing permission from the Senator from Louisiana.

Mr. LONG. The trouble here is that these Senators who are voting together on the wrong side are working against one another. The Senator from Alabama [Mr. BLACK] is giving the Senator from Mississippi [Mr. HARRISON] to understand that he does not want to hear him talk at all. The senior Senator from Kentucky [Mr. BARKLEY] goes over here and engages in debate, and they jump all over him. They are scared to death to hear him, and he sits down, and does

not say another word. It is getting to be an internecine war among themselves. I do not know what they are going to do.

Mr. LEWIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Illinois?

Mr. LEWIS. I have an inquiry to make of the Senator from Louisiana.

Mr. LONG. I yield for a question.

Mr. LEWIS. If the Senator from Louisiana were quite sure there would be an arrangement made by which a vote might be had upon the matter to which he is alluding, would he be willing to yield the floor now, with the understanding that an agreement might be had between himself and others looking to a vote virtually at once on the motion to reconsider as well as the amendment?

Mr. LONG. You do not have to get me to yield the floor to do that. I do not want to do that. I want to keep the floor. I think there ought to be an agreement. It does not seem as if there ought to be any trouble about it, but I am going to know that there is one before I get through with my speech.

Mr. McCARRAN and Mr. BLACK addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Louisiana yield; and if so, to whom?

Mr. LONG. I yield first, for a question, to the Senator from Nevada.

Mr. McCARRAN. Mr. President, I realize that the Senator from Louisiana must of necessity be very tired; hence, I wish to make my question as short as possible.

I wonder if the Senator from Louisiana has a turn of mind conducive to a settlement and agreement of this controversial question?

Mr. LONG. I certainly have. I am a good compromiser.

Mr. McCARRAN. With that in mind, not to bind anyone, by inference or otherwise, but with a hope that we may bring this situation to a conclusion, I am going to ask the Senator from Louisiana to yield the floor, so that those who may be interested in this subject, and interested in the welfare of the country, may get together and perchance solve the situation.

Mr. BLACK. Mr. President——

The VICE PRESIDENT. The Chair understands the parliamentary situation to be that the Senator from Louisiana has the floor. Does the Senator from Louisiana yield; and if so, to whom?

Mr. LONG. I yield to the Senator from Alabama for a question.

Mr. BLACK. May I ask the Senator this question: Is he willing to accept any kind of an agreement, express or implied, made by anybody in the Senate, with the understanding that there are others of us here who will fight to the bitter end, now and hereafter, any amendment offered under any such agreement, unless the Senator from Louisiana first completes his remarks; the understanding being, to make it clear to the Senator, that there can be no agreement of any kind or character with a large number of the Members of the Senate until the Senator from Louisiana has finished his remarks and yielded the floor?

Mr. TYDINGS. I call for the regular order.

The VICE PRESIDENT. The regular order is that the Senator from Louisiana has the floor. If he desires to answer the question, it is up to him to do so.

Mr. McCARRAN. Mr. President——

Mr. LONG. I yield for a question from the Senator from Nevada, if he wishes to ask me a question.

Mr. McCARRAN. In keeping with my understanding with the Senator——

Mr. LONG. I yield for a question.

Mr. McCARRAN. In keeping with my understanding with the Senator, would the Senator from Louisiana be willing that I might, together with the proponent of the amendment, confer to the end that we may terminate this situation?

Mr. LONG. I should be glad to have them confer, and I think ninety-nine times out of a hundred I would be agreeable to almost anything to which they might agree.

The VICE PRESIDENT. The Senator from Louisiana has the floor.

Mr. LONG. I shall be glad to see them confer. I am not so rebellious as my younger and older colleagues in this body. I am not one of the cantankerous, nonyielding kind of fellows. I have always found out that it is best to compromise and harmonize. Do not try to have your own way all the time. I have been in this business a long time, and I am more willing to be reasonable than my older senatorial colleague from Alabama [Mr. BLACK] or my younger senatorial colleague from Washington [Mr. SCHWELLENBACH]. I always believe that two men can get along pretty well together. There are two sides to a quarrel. It is all right to get up and tell the other fellow that you are not going to agree to anything until you beat him, but it is better to get along without beating anybody if you can.

I say that as a word of advice to my older and younger colleagues. When you can get along without beating anybody, it is always best to do so. Just before every election I always try to make it easy for my adversaries to come in. I always make it simple if I can; so that is our attitude here now. Make it just as simple as you can, because if they listen for another 13 hours the chances are they will be converted anyway, and vote that way.

Think of the great men who served in this body, who have held these principles! Go back and take the first United States Senate we ever had. Take the great men who served here during the days of Thomas Jefferson—Senator John Quincy Adams and others. Consider all these great men, and the problems they have met, and how they have undertaken to solve them. Consider all these matters. It is getting late. The hour is 1 o'clock. The night is dusty, and good souls rusty.

The only fight before Congress tonight is as to whether we shall allow them to repeal the antitrust laws for another 2 years. The only fight before Congress is this effort to repeal the antitrust laws. That is all we have to contend with. The only trouble is whether or not the Democratic platform means what it said.

They may tell you that it cannot be done; but here is the book, the Democratic platform:

> We advocate strengthening and impartial enforcement of the antitrust laws.

That is the point, strengthening the antitrust laws. That is in the platform, to strengthen and enforce the antitrust laws.

Mr. President, there seems to be confusion around the Senate Chamber, lots of talking and much confusion, which is disturbing me. I would like to have order in the Senate.

The VICE PRESIDENT. The Senate is entitled to order in the Senate, and the Chair calls the Senate to order, and asks the occupants of the galleries not to applaud the Senator or to give any indication of their approval or disapproval of his remarks.

Mr. LONG. The disapproval would be so insignificant that it would not worry me. It would be a violation of the rules of the Senate to give approval. I know that what I say here is approved, as a general thing. If that were not the situation, there would not be so many here listening.

Mr. BONE. Mr. President, will the Senator yield?

Mr. LONG. For a question. I am perfectly willing to allow the Senator from Washington to ask me a question; but has the Senator the consent of his colleague? If he has not, I do not know whether he can ask the question or not. I do not want to get him in any more trouble.

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I do for a question.

Mr. BONE. Does the Senator recall in his campaigns before his election calling attention not only to the concentration of wealth, which he has discussed at great length here, but to the elimination of the independent business men and the growth of trusts and monopolies in this country?

Mr. LONG. Yes.

Mr. BONE. Repeatedly?

Mr. LONG. Yes.

Mr. BONE. Does the Senator agree that that growth of monopolies was accomplished under the Sherman antitrust law as it presently is on the books, before the N. R. A. was enacted?

Mr. LONG. Not entirely. It was due to the fact that the people in charge of the law enforcement of the United States lay down, and would not enforce any law at all. They ran rampant against any law.

Mr. BONE. I am not much interested in causes, but will the Senator tell me whether or not it is a fact that these great combinations of capital were accomplished under the Sherman antitrust law; that is to say while that law was on the statute books?

Mr. LONG. Some of them were.

Mr. BONE. Were not most of them?

Mr. LONG. No.

Mr. BONE. How much of them?

Mr. LONG. I think the Supreme Court of the United States destroyed over half the effectiveness of the law if not two-thirds or more, and we ought to strengthen the law and enforce it. I agree with the Senator from Washington. He and I think alike in this matter. He ought to be voting with me. We think alike, and in the last year 435 independent businesses have been closed every day, and the Senator from Washington ought to be voting with me on this bill.

I am right about this bill. It would be unusual if I were not right. It is an extraordinary thing when I am not right on a bill. But I am right about this thing tonight and I am doing things which are for the good of the country. I have given lots of careful study to these remarks. I have given lots of thought to this matter and I have given the best that is in me for the benefit of people, who I would think would be glad to hear more of what I have to say.

Mr. McCARRAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. For a question I yield to the Senator.

Mr. McCARRAN. In that regard may I propound a parliamentary inquiry?

The VICE PRESIDENT. The Senator will state it, but just a little louder, so that the Chair may hear the parliamentary inquiry. While the Senator was interrogating the Senator from Louisiana it was not necessary for the Chair to hear him, but it is necessary for the Chair to hear a parliamentary inquiry.

Mr. McCARRAN. I am very glad that I may be able to raise my voice so that the Presiding Officer may hear me.

The VICE PRESIDENT. I hope the Senator will.

Mr. McCARRAN. I have some trouble in being heard here; hence I hope the Presiding Officer will be indulgent with me.

The VICE PRESIDENT. The Chair will give the Senator diligent attention.

Mr. McCARRAN. I know that, and I am very grateful for it.

I wonder whether the Senator from Louisiana, who has addressed himself to the subject now before the Senate, in keeping with the amendment now before the Senate, considered the matter of whether or not this amendment would open the door to the entire discussion of State sovereignty in this country?

The VICE PRESIDENT. Let the Chair say to the Senator from Nevada that that is not a parliamentary inquiry. The Chair has no decision in a matter of that kind.

Mr. McKELLAR. Regular order!

The VICE PRESIDENT. The Chair understood the Senator from Nevada to say he desired to propound a parliamentary inquiry.

Mr. McCARRAN. Very well.

SEVERAL SENATORS. Regular order!

Mr. McCARRAN. Mr. President, addressing my inquiry to the Senator from Louisiana——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada for an inquiry?

Mr. LONG. I do.

Mr. McCARRAN. I now wonder, and I inquire of the Senator from Louisiana in keeping with the very technical rulings which have been imposed upon us during the evening, as to whether or not the amendment of the Senator from Oklahoma may have something to do with the question of State sovereignty and the right of a State to govern within its own borders.

Mr. LONG. That is my position. I am raising the old battle cry of State rights. I decline to allow any "grass root" Republican convention to become the champion of State rights. I am making the Democratic Party the champion of State rights as it always was. That is what I am trying to do. The doctrine of State rights belongs to the Democratic Party. "Grass root" Republicans are about to take it away from us, and the Senators on this side of the Chamber are trying to help them do it, and we are trying to protect ourselves in our stand for State sovereignty.

Mr. LEWIS. Mr. President, will the Senator allow me to present to him a suggestion in the form of an inquiry?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Illinois?

Mr. LONG. For a question.

Mr. LEWIS. I ask the Senator from Louisiana if he did not in reply a moment past misunderstand the situation and does he not now understand—or does he—that, yielding the floor for the purpose of whatever the leader in the situation may command, he still would have the right to resume the floor following whatever transpired, for further speech upon the subject matter, if he found it was necessary to elucidate the question, or to add further light to the discussion? Did he assume, as he seemed to from his answer, that if he yielded now, for whatever purpose, he could not again take the floor?

Mr. LONG. I understood that; but I thought that the matter could be arranged by my friends without my having to yield the floor. I was hoping that all could get together. I like to be impartial in the matter. I like to allow my friends to settle questions without injecting my personality into agreements, if that is possible.

I would rather let the Senator from Oklahoma and the Senator from Nevada reach a solution of the matter with my friend from Mississippi. They are all good friends and pretty good supporters of mine.

Mr. LEWIS. I take the liberty to ask the Senator would he not then yield the floor so that they could appropriately, and under parliamentary ruling, get together and make such suggestion as is pertinent, and then the Senator, after that, if the new phase of this matter should again appeal to him as being not righteous or calling for further amendment, would still have the right to resume the floor upon that new proposition.

Mr. LONG. They do not need me to get the matter settled. The trouble is that the Senator from Mississippi and the Senator from Kentucky have a recalcitrant set of supporters whom they cannot handle; that is the trouble. The leadership has lost control of the opposition. [Laughter.] The trouble is not with us. It is just a little feeling between the opposition, the anti-Democratic opposition. We are the Democrats and the anti-Democrats are in a row among themselves. I am a Democrat; I know that, and the only way I have of finding out who is not a Democrat is to find out who is not with me, and I know what the answer is. [Laughter.] So the trouble with these gentlemen is that they are feverish. The big, strong, powerful leaders like the Senator from Kentucky and the Senator from Mississippi do not command the power with their followers that they ought to command. That is because they have given them such bad advice in the past that they do not let them tell them what to do now; they are afraid of them; they are suspicious of them. The Senator from Alabama looks at both of them at the same time. The Lord blessed him with two good eyes, but the way he looked at the Senator from Kentucky and the Senator from Mississippi it looks like he is wall-eyed. He is watching them both at the same time and trying to look at me to see that nothing happens. There

is suspicion of one another. It goes to show that there is something wrong.

They ought to take a room here and lock these gentlemen up together and let them be together for about 3 hours to decide among themselves. That is what they ought to do. They are penalizing one another; they are penalizing themselves and their party. They are all good men; they all mean well. Let me say to the Senator from Kentucky, the senior Senator from Washington, the senior Senator from Alabama, the junior Senator from Washington, the junior Senator from New Jersey, the junior Senator from Pennsylvania, the junior Senator from Indiana, the junior Senator from Nebraska, and the senior Senator from Mississippi, stop being afraid of one another; stop hurling these accusations at one another. You are all good men; I know you all; I will vouch for the conduct of each and every one of you, and I will stand back of you. Now, get together and stop this family row. [Laughter.]

Mr. McCARRAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield for a question.

Mr. McCARRAN. Would the Senator from Louisiana care now to yield the floor to one who is entirely in consonance and in agreement with the battle that he has made during this entire day in order that he might confer with the leaders on this floor and thus end the situation?

Mr. LONG. I would rather let the Senator from Nevada handle the matter. He is a better compromiser than am I. Let him and the Senator from Oklahoma negotiate with them. I do not have to leave the floor. Let them all agree. You do not need me; I am all right. I am agreeable; I am a harmonizer; I am one of the fellows who are compromising. I do not ever cause trouble. I am one of the fellows who try to keep everybody on good, friendly terms all the time. You never find me fighting on the same side with a man and trying to shut his mouth like they have been shutting up one another over there. They will not let one another talk.

Mr. McCARRAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield for a question, but I do not want to give up the floor. I would rather my friend from Nevada would handle it with them.

Mr. McCARRAN. If the Senator from Louisiana were assured that on the conclusion of my presentation to the body he might have the floor, if he so desired, would he be inclined to yield the floor to me to hold it for 1 hour?

Mr. SCHWELLENBACH. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I have yielded to the Senator from Nevada.

Mr. McCARRAN. I want an answer to the question.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield so that I may ask a question of the Senator from Louisiana before he answers the question?

Mr. LONG. Yes; I yield for a question.

Mr. SCHWELLENBACH. I ask the Senator from Louisiana if he realizes that the group of new Senators will not agree that the Senator from Louisiana may have the floor after the Senator from Nevada shall have yielded the floor?

Mr. LONG. We would not have to have the consent of the new Senators to get the floor; we would get it anyway if we wanted it. [Laughter.]

Mr. SCHWELLENBACH. Mr. President——

The VICE PRESIDENT. The Chair will admonish the occupants of the galleries to refrain from demonstrations of any kind or else the galleries will be cleared.

Mr. LONG. Mr. President, I want to answer the question of the Senator from Nevada. Let me make this statement to the Senator. We had better hold on to what we have, and let me stay here and let the Senator from Nevada and the Senator from Oklahoma do the negotiating, because it will be daylight after a little while here, and then we can go ahead with a new day, bright and fresh, and proceed into the morrow with this matter. I do not want to yield the floor under any circumstances. I want to hold the floor.

Mr. McCARRAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield to the Senator from Nevada for a question.

Mr. McCARRAN. I desire to submit a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCARRAN. May I, without having the Senator from Louisiana yielding the floor, suggest the absence of a quorum, in view of the present parliamentary situation?

The VICE PRESIDENT. There has been no business transacted since the last quorum was called, and under the custom of the Senate, not according to the rules, but under the custom of the Senate, established on numerous occasions by yea and nay votes, the suggestion of the absence of a quorum cannot be made without business intervening.

Mr. McCARRAN. I should like to submit another parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCARRAN. Does custom prevail over rule?

The VICE PRESIDENT. It has done so thus far.

Mr. McCARRAN. It is doing so now—is that correct?

The VICE PRESIDENT. It is the ruling of the Chair, that, according to the custom of the Senate, regardless of the rule, where no business has been transacted, there cannot be another quorum call. The Senator may appeal from that ruling, if he desires, in order to let the Senate declare itself once more on this question of policy or precedent.

Mr. McCARRAN. I submit another parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCARRAN. If I should appeal from the ruling of the Chair, would the Senator from Louisiana lose the floor?

The VICE PRESIDENT. The Chair thinks he would. The Chair is going to say to the Senator——

Mr. LONG. Regular order!

The VICE PRESIDENT. The Chair is going to make a statement, and that is the regular order. The regular order is for the Chair to answer the parliamentary inquiry of the Senator from Nevada.

Mr. LONG. Very well.

The VICE PRESIDENT. The Chair thinks that there is an indefinite period in which a Senator can retain the floor by continuous appeals from the decision of the Chair, for regardless of how meritorius the appeal may be, it is the transaction of business, and gives every Senator an opportunity to make one more speech. The present occupant of the Chair is going to make a ruling if that question shall come up; it is not necessary at the present moment, but he notifies the Senator at the present time that he is going to make a ruling on that point at the proper time if it shall be necessary. The Senator from Louisiana has the floor.

Mr. LONG. I may not have understood the Chair, and I should like to make a parliamentary inquiry. Did the Chair state he was going to rule and did he state what the ruling would be?

The VICE PRESIDENT. No; the Chair did not.

Mr. McCARRAN. Mr. President, a parliamentary inquiry.

Mr. HARRISON. I ask for the regular order.

The VICE PRESIDENT. The regular order is the Senator from Louisiana.

Mr. McCARRAN. Mr. President, a parliamentary inquiry.

Mr. HARRISON. Mr. President, I ask for the regular order.

The VICE PRESIDENT. When the Senator makes a parliamentary inquiry, that is the regular order.

Mr. HARRISON. Is there no end, Mr. President, to parliamentary inquiries?

The VICE PRESIDENT. There is none that the Chair knows of. The Senator will state his parliamentary inquiry.

Mr. McCARRAN. Then may I have order?

The VICE PRESIDENT. There is order in the Senate, the Chair thinks.

Mr. McCARRAN. In keeping with the last expression of the President of the Senate, will the President of the Senate kindly indicate what that rule is as he understands it?

The VICE PRESIDENT. The present occupant of the chair will make that ruling when it is necessary to be made.

Mr. BLACK. Regular order, Mr. President!

The VICE PRESIDENT. The Senator from Louisiana is the regular order.

Mr. LONG. Mr. President, it is now 1:10 o'clock in the morning. Soon the sun will be rising again, and I am satisfied that with the new day we will all feel refreshed, and we will be better able to do our work here. If I am let alone for the next hour I will get harmony in this body whether I get agreement or not. I will get this feeling. I am going to speak to these Senators tonight on the matter of our being brotherly about one another. I am going to speak, Mr. President, on the matter of good will. That is what I am going to speak on. I am going to read from Timothy. I am going to show the Senate what is wrong. I wish to read from First Timothy, the sixth chapter, tenth verse. Oh, yes; I was speaking a while ago and the expression I then used came out of Galatians. I just happened to think of that. I believe it is Galatians, fourth chapter.

Mr. BARKLEY. Mr. President, will the Senator yield for a question?

Mr. LONG. Yes.

Mr. BARKLEY. Will the Senator turn to the fifteenth chapter of Job and read the second and third verses?

Mr. LONG. I think those things ought to be read by the Senator from Kentucky in private, because I do not know anyone in the Senate who needs them as does the Senator from Kentucky.

Mr. BARKLEY. Does the Senator from Louisiana know what they are?

Mr. LONG. Oh, yes; I know what they are.

Mr. BARKLEY. What are they?

Mr. LONG. I do not have to say to the Senator. The Senator from Kentucky is the man who needs that.

Mr. BARKLEY. Will the Senator from Louisiana tell the Senate what they are?

Mr. LONG. No; I will not. There is no one in the Senate who needs them more than does the Senator from Kentucky.

Mr. BARKLEY. Will the Senator yield to me to read those verses?

Mr. LONG. No; I will not yield to the Senator to read those verses, because there is no one in the Senate who needs to have them read to him except the Senator from Kentucky. If he will go and read them to himself, that is all that needs to be done about them.

Mr. BARKLEY. Will the Senator yield further?

Mr. LONG. I will yield for a question.

Mr. BARKLEY. If the Senator does not know what is in those two verses, how does he know that I need them?

Mr. LONG. I will take a chance on that. I think I know what is in them.

Mr. BARKLEY. What is in them?

Mr. LONG. I am not going to say. That is none of my business. I am trying to keep this thing on a friendly basis, and I am just trying to get the Senator to realize that we have some recalcitrant Members here, and they are holding our feet to the fire.

I am now going to read from First Timothy, sixth chapter, twelfth verse:

> Fight the good fight of faith.

Fight the good fight. I read that from the first line of the twelfth verse of the sixth chapter of First Timothy.

> Keep that which is committed to thy trust.

I read from First Timothy, the twentieth verse of the sixth chapter.

> Keep that which is committed to thy trust.

What was committed to your trust, gentlemen of the Senate? Here is what it was.

You promised that you were going to strengthen and enforce the Sherman antitrust law. What have you done? You are here trying to annul it. Instead of trying to strengthen it you are trying to destroy what little is left of it. "Fight the good fight." Keep the trust that has been given to you. That is what I am asking of Senators. There is always confusion and eternal trouble in anybody that is not acting right. We always have trouble with one another then. The only way you will ever agree among yourselves is to be right. You must be right to agree among yourselves. Build your foundation on a rock. See that you are right. That is the first thing to do. Be right.

> If, when the one great scorer comes,
> And writes against your name,
> He writes not that you won a lot,
> But that you played the game—

Play it on the square. Be right, be generous, be peaceful, and be harmonious. "Love thy neighbor as thyself."

These recalcitrant Members who have gone out and kicked their own leaders in the pants and will not listen to anyone have caused lack of harmony among the opposition which threatens to break them to pieces.

Here is a picture of Daniel Webster, which appears in the morning papers. This is what it says under that picture:

> With so many conflicting viewpoints now existing in Washington the stage is all set for a major debate on the Constitution. One hundred and five years have passed since the great Webster-Hayne debate took place in the Senate of the United States, yet "Black Dan's" reply to Senator Hayne is still considered the greatest speech ever made in the Senate, and clinched for him the title of the "Expounder of the Constitution." Any one of several questions today might develop a real debate and reveal some brilliant oratory.

This was almost prophetic. The paper had hardly gone to press when I started to make the speech today at noon on the Constitution of the United States. There is no debate about it, because everyone agrees I am right—and half of those are going to vote the other way. That is our trouble. All the trouble with them now is just that thing. The Senate Chamber is almost empty again. Senators have deserted. They have all gone. I hope they are undertaking to get this matter all straightened out. I will be mighty happy to see it done. For the benefit of others I shall be mighty happy to see it done. All this evening I have labored for one thing, and that is to promote harmony in this body. All this evening I have labored with the Republican side and the Democratic side to have harmony in this body, and to have as little debate and as little bitter feeling engendered as can possibly be developed. Harmony is the keynote here in these days of distress, in these days of confusion, of lack of understanding, of lack of charity of opinion, just as well as charity in various other lines. In all I have said I have reached one conclusion here today.

It is 1:20 in the morning. Thirteen hours and 20 minutes ago I began my speech expounding and lecturing on the Constitution of the United States. Thirteen hours and 20 minutes ago I began. Still there are some who remain. Still there are some who are here. I hope they will still be here when I shall have concluded my remarks this morning or this afternoon. It will be a fine thing if 24 hours of uninterrupted defense might be given to the Constitution of the United States. If it could be said that 24 hours of good, stanch, stable, sincere, faithful, wholesome defense had been given to the Constitution of the United States in the Senate, it would encourage every market in the whole civilized world tomorrow. Nothing would have greater influence.

There are Members of this body who are older than I am and who perhaps had rather go to bed than to stay up this late at night. I am very sorry that we are not to have a vote on this thing at a later date when everybody could be happy. That is what we ought to do. Everybody could be happy. Everybody could be neighborly. Everybody could be satisfied. There is no harmony that would be other than good. There would be no discord.

I am sorry we do not agree. It is not my fault we do not agree. I think it has been because of a rather unreasonable stand that we have not agreed on this matter long before now.

Mr. McCARRAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield for a question.

Mr. McCARRAN. In consonance with the Senator from Louisiana yielding for a question, I propound a question. Does the Senator from Louisiana know that those who are interested in this subject to which he is addressing himself have been for the last 2 or 3 hours trying to work out a settlement of the subject?

Mr. LONG. I did not know that they had. I am glad to know they have been trying. Apparently it has been without success.

Mr. McCARRAN. I do not say that.

Mr. LONG. I understood a moment ago they were practically reaching an agreement, but it seems it has been more or less without success up to this time. I hope we may have better success.

Mr. McCARRAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield for a question.

Mr. McCARRAN. I propound a question to the Senator from Louisiana as to whether or not he realizes that there are those who are interested in this subject as much as he is, who are trying their best to solve the problem. I may say to the Senator from Louisiana that in an attempt to solve the problem we are not unmindful——

Mr. SCHWELLENBACH. Regular order!

The PRESIDING OFFICER. The regular order is the Senator from Louisiana.

Mr. LONG. I thank the Senator from Nevada.

Mr. McCARRAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield for a question.

Mr. McCARRAN. Sometimes these demands for regular order are not altogether in keeping with conditions prevailing.

The PRESIDING OFFICER. Does the Senator from Louisiana yield for a question or a statement?

Mr. LONG. I yield for a question.

Mr. McCARRAN. I am going to propound a question. I am sorry that those who are not familiar with the situation demand the regular order. I wonder if the Senator from Louisiana would care to answer this question as to whether or not he might be willing to yield the problem that he has before him and to which he has been addressing himself now for nearly 12 hours——

Mr. LONG. Thirteen hours and a half.

Mr. McCARRAN. I thank the Senator for the correction—that those who are interested in the same proposition might get together to solve the problem and thus relieve him of the arduous task he has carried on.

Mr. LONG. I thank the Senator, but I think my friends will get together, and I will continue. I hope they can get together. I shall be glad to have them get together. I do not know what the difficulty is that they do not get together. They ought to be able to get together. Everything ought to be settled. Everybody ought to be happy. Everybody could be happy if they would only get together. I am sorry they do not get together. I wish they would. I wish they could. There seems to be no reason why they should not.

I see Senators in every quarter yawning. Everybody wants to go to sleep. Everybody is tired. Everybody is worn out. Everybody is sleepy. They can imagine how marvelous it would feel to close their eyes and let things go by without worrying about them. The Senator from Kentucky [Mr. BARKLEY] rubs his eyes. The Senator from New York [Mr. WAGNER] looks about as bad. The Senator from Pennsylvania [Mr. GUFFEY] is all worn out. They all want to go to bed.

Mr. SCHWELLENBACH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I yield for a question.

Mr. SCHWELLENBACH. Does the Senator realize that we are going to stay here if it takes all night and all day tomorrow and all week and all month until the Senator finally yields the floor?

Mr. LONG. I do not know whether I realize it or not, but I might come to realize it later.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield for a question.

Mr. McCARRAN. I wonder if the Senator from Louisiana realizes that there may be those who are injecting themselves into this question who had better not inject themselves into it but that it might be advisable that some of us in harmony with the situation prevailing in the Senate should be permitted to solve the situation?

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I yield for a question.

Mr. SCHWELLENBACH. I ask the Senator from Louisiana if he realizes that those of us who have made the fight here, who have stood by in fights in which the Senator from Nevada was very much interested and for whose support the Senator from Nevada was very appreciative, have just as much right, representing sovereign States, as any Senator who has been here for 2 years or for 30 years? We came here to represent our States and the people of our States, and we resent the fact that anybody may say that we should not inject ourselves into the existing situation.

Mr. McKELLAR. Mr. President, I make the point of order that the Senator from Louisiana has lost the floor.

Mr. BARKLEY. I ask for the regular order.

The PRESIDING OFFICER. The Senator from Louisiana is the regular order.

Mr. LONG. I can yield only for a question. I am willing to yield for a question, but that is all I can do.

The PRESIDING OFFICER. The Chair is not willing to enforce the rule that the Senator from Louisiana has lost the floor by reason of the fact that the Senator who asked him to yield for a question did not ask a question. The Chair will enforce the rule, however, against further statements in the guise of questions. The Senator from Louisiana is recognized.

Mr. McCARRAN. I wonder if the Senator realizes—and, if he does, I hope he will answer—that there is a primary question here that involves the sovereignty of States, and that the Senator from Louisiana might be a turning-point in the sovereignty of States.

That is one question; and, under the ruling of the present Presiding Officer, I may not have a right to ask another one until that is answered.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. McKELLAR. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER. Does the Senator from Louisiana yield; and, if so, to whom?

Mr. LONG. I yield to the Senator from Tennessee for a question.

Mr. McKELLAR. Does the Senator know that there will be absolutely no agreement of any kind until he yields the floor?

Mr. SCHWELLENBACH. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana has the floor. Does he yield; and if so, to whom?

Mr. LONG. I think I shall decline to yield at this time.

Mr. SCHWELLENBACH. I should like to ask the Senator from Louisiana a question.

The PRESIDING OFFICER. The Senator from Louisiana declines to yield.

Mr. LONG. I think I shall decline to yield. There have been so many questions asked that I do not know whether I realize the meaning of them.

I am sorry the Senator from Tennessee made that remark. I am sorry for that, because I never have said that I would not make an agreement as long as the Senator from Tennessee spoke. I never in my life said that I would do that, and I would not say it now.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. Yes, sir; for a question.

Mr. SCHWELLENBACH. I ask the Senator from Louisiana if he realizes that so far as the junior Senator from Washington is concerned, he is not interested in any threats upon the part of the Senator from Nevada or the Senator from Louisiana concerning politics in the State of Washington; that he is perfectly able to take care of himself so far as the State of Washington and the liberal elements of that State are concerned?

Mr. McCARRAN. Mr. President, I ask that the remarks of the junior Senator from Washington be expunged, because under the rule they have no place in the RECORD.

The PRESIDING OFFICER. The Chair will rule that there is no violation of the rules in the remarks of the Senator from Washington. The Senator from Louisiana yielded for a question, and the Senator from Washington asked a question to which the Senator from Louisiana has not yet replied.

Mr. LONG. I do not intend to reply.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. For a question.

Mr. McCARRAN. Out of this situation—and I say this preliminary to a question——

The PRESIDING OFFICER. The Senator from Louisiana yields only for a question.

Mr. LONG. That is all.

The PRESIDING OFFICER. And in view of the points of order which have been made, the Chair feels it incumbent upon him to enforce the rule. Therefore, the Chair is constrained to state to the Senator from Nevada that the Senator from Louisiana yields only for a question.

Mr. McCARRAN. I now propound the question. I wonder if the Senator from Louisiana realizes that there may be, out of a condition such as that which now prevails in the Senate of the United States——

Mr. BLACK. Mr. President, a point of order. The Senator from Louisiana cannot possibly hear the question. He is talking to someone else.

The PRESIDING OFFICER. The Chair will state to the Senator from Alabama that the matter of the Senator having the floor listening to the Senator propounding a question is not within the control of the Chair.

Mr. BLACK. Then I raise the point of order that no question can be asked. Certainly it is not in order to ask a question to which the Senator having the floor does not listen.

Mr. LONG. Mr. President, I have remarkable capacity for listening.

The PRESIDING OFFICER. The Chair overrules the point of order.

Mr. McCARRAN. Mr. President, I wonder if the Senator from Louisiana realizes that there are those of us who are engrossed in national affairs and in affairs pertaining to the welfare of the country who have been trying to get together here for the past 2 or 3 hours in keeping with the activities of the Senator from Louisiana; and I wonder if he realizes that in keeping with that it might be well for those who lead the Senate to get their heads together for a few minutes and forget partisanship and some other things that are going on here.

Mr. HARRISON. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The regular order was for the Senator from Nevada to state his question. Now the regular order is that the Senator from Louisiana has the floor.

Mr. LONG. All right, Mr. President. I, myself, should like to see the leaders lead; but if they do not want to lead, and the others do not want to let them lead, I do not see how they are going to be able to do it. They had better get together, I think, and figure out something.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield to the Senator for a question.

The PRESIDING OFFICER. The Senator yields for a question only.

Mr. BARKLEY. I have no desire to take the Senator from the floor; but this intimation from the Senator and others has gone unreplied to for about long enough. I have no pride, so far as I am concerned——

Mr. LONG. Is that a question?

The PRESIDING OFFICER. The Senator from Louisiana states that he yields only for a question.

Mr. BARKLEY. Does the Senator know that neither the Senator from Mississippi [Mr. HARRISON] nor I, nor anybody else who has had anything to do with any conferences that have gone on at the suggestion of the Senator's friends, looking to a composition of this unfortunate and disgraceful juncture in the history of the United States Senate—does he know that so far as I am concerned, I came here today and I came here tonight prepared to stay all night, and all tomorrow, and all tomorrow night, and all any other night, in order that we might reach a conclusion with respect to this matter, and that other Senators on this side did the same thing? At the suggestion of some of the Senator's friends, does he know that we did have some conversations looking to an effort to settle this matter in order to get a vote on it tonight; and does the Senator know that his own refusal to cooperate with his own friends has been the thing that has stood in the way of a disposition of this matter tonight, without any agreement, without any understanding, but on the vote of the Senate of the United States?

Mr. LONG. I do not know about that. I thought I was a very agreeable person. I really thought I was. I am really hurt at that statement.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield for a question.

Mr. McCARRAN. I again ask, in keeping with what has gone on during the past few hours, whether the Senator from Louisiana would be willing to yield the floor to me for 1 hour, that he may confer with the leadership of the floor, looking to a solution of this problem.

Mr. McKELLAR. Mr. President if that is a request for unanimous consent, I object.

Mr. HARRISON. I ask for the regular order.

The PRESIDING OFFICER. The regular order is the Senator from Louisiana.

Mr. LONG. At a later time I will yield for an hour.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield for a question.

Mr. McCARRAN. I ask the Senator from Louisiana whether or not he now realizes that the leaders here are unwilling to go into a settlement of this situation?

Mr. LONG. I do not know who the leaders are. The Senator from Washington says they are leading. The Senator from Kentucky rather intimates that he and the Senator from Mississippi [Mr. HARRISON] have something to do

with the leadership, which I doubt; and not being able to identify the leadership here, I just kind of remain good friends with everybody. I am on good terms with everybody here.

The Senator from Tennessee [Mr. McKELLAR] wanted to get up and start a row with me, but he cannot start a row with me. I will not row with anybody tonight. I am at peace with the world. I am right, and right men do not have to lose their tempers. I will not row with anybody. Nobody here can have a fuss with me. I am only begging you to save yourselves. I am here as an evangelist, begging you to adopt the salvation that is necessary for your own souls. I am not going to have a row with any of my good friends in this honorable body. I am here undertaking to do for you, for your good; and I would not undertake to have a controversy with someone upon whom I am spending my wit and my energy, such little as I may have of both, for the good of men.

It is only natural, however. We are now sending missionaries back to the Holy Land. All the teachings of Christianity came from the Holy Land, but now we have to send missionaries back from America to teach the Christian religion in the Holy Land, the cradle of Christianity! It goes to show how men can forget the principles they are here to represent, that need now and then to be revived.

I should be happy indeed to see this matter settled, but there is an issue at stake here. Do not expect us to sacrifice these principles. There are principles of State rights involved in this matter, and they ought to be settled in the right way.

I am not going to row with anybody. I hope Members of the Senate who make these harsh remarks about one another, and now and then one somewhat aimed at me, will sooner or later feel sorry for that kind of statement, and that we will have harmony in this body again, and we will all realize that we are doing what we think is best for the people of the country.

I am sorry Senators do not see this matter in the way I do, but I do not think we ought to annul the antitrust laws for another 2 years. Some Senators think we should. I do not think so. I do not believe half the Senators think we ought to annul the antitrust laws.

I read from the paper which has just come in to see just what the press is saying about us. This is a morning paper. Look at this. Here they say in the headlines:

Senate N. R. A. vote blocked by Long's new-deal attack.

when I am trying to get an agreement for an early vote. [Laughter.] That is the kind of unjustifiable headline that has gone out, when all in the world I am trying to do is to get an agreement for an early vote. If I had had my way, we would have been gone from here several hours ago; we would have been back here in 10 hours, and the whole thing would have been over.

No one has to do much in this day and time. It is all a mistake, quite a mistake, to think that we must do something. Everybody makes a mistake now and then. I make my share of mistakes, and everybody else makes his share of them. It is all a mistake; nobody has to do anything.

There is not a man here who could not talk at least 40 hours if he wanted to. Do I not know that? There is not a Senator here who could not talk a couple of days if he wanted to. Anyone can do that. I could do it. Any of my colleagues could do it.

Why have that kind of a fiasco? Why not let us meet here at 12 o'clock and vote? If Senators go home now, by the time they get home and get back they will not be able to sleep over 7 hours at the most and get back and vote. There will be only 10 hours before 12 o'clock noon. Why not agree? Just as soon as Senators are ready to go home and sleep I am ready to vote. That is a fair proposition.

We may be here until 12 o'clock and still no vote. I am pleading for harmony. The only thing I ask Senators to do is to go home and sleep and come back and vote. They will not lose any time. It is already another day. All I am asking them to do is to sleep before they vote. That is all. Sleep and then vote.

Sleep, sleep, close your eyes in sleep. [Laughter.]

Mr. BARKLEY. Mr. President, I ask that the Chair enforce the rules of the Senate with respect to demonstrations in the galleries. If they are not enforced, I shall ask that the galleries be cleared.

The PRESIDING OFFICER. The point of order is well taken, and the Chair will ask the occupants of the galleries for the last time that they are here as the guests of the Senate, and demonstrations of any sort are strictly forbidden. If necessary, the Chair will order the galleries cleared.

Mr. GORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GORE. I wish to raise the point of no quorum. Only 30 Senators are in the Chamber by actual count. It has been many hours since a quorum call was had, and I desire to know if I can raise the point of no quorum without taking the Senator off the floor.

Mr. BARKLEY. I make the point of order that no business has been transacted since the last call.

The PRESIDING OFFICER. The point of order is well taken.

Mr. GORE. I appeal.

Mr. LONG. I do not yield for that purpose if it would take me off the floor.

The PRESIDING OFFICER. The Chair will state to the Senator from Louisiana that the Chair will rule, if the question arises, that if the Senator yields for the purpose of an appeal it will take the Senator off the floor.

Mr. LONG. I do not yield for that purpose. I want to keep the floor and get the matter settled. I want to get everybody to forget these little temperamental outbursts and get together in this matter. It is 14 minutes before 2 o'clock right now. Ten hours from now it will be noon. If we go home now and spend an hour getting home and getting to bed and an hour getting up and getting back here, the earliest we can get back here will be 12 o'clock.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARKLEY. In view of the Senator's apparent anxiety for an early vote, and in view of the fact that the way for the Senate to get together on the pending matter is to vote on it, is the Senator willing to agree that the Senate shall vote on the pending motion at 2 o'clock?

Mr. LONG. Does the Senator mean 2 o'clock this morning?

Mr. BARKLEY. Yes.

Mr. LONG. Oh, no. I am willing to agree to vote at 12 o'clock.

Mr. BARKLEY. I thought the Senator wanted an immediate vote.

Mr. LONG. No; I want everybody to sleep.

Mr. BARKLEY. I thought the Senator wanted us to get together.

Mr. LONG. I do.

Mr. BARKLEY. The way to get together is to vote.

Mr. LONG. Not at 2 o'clock. The Senator from Nevada wants to speak an hour or two, but I think I can persuade him to cut that down to 30 or 40 minutes. The Senator from Oklahoma wants to say a little something, and I believe I can persuade him to shorten his talk down to a few minutes. I would quit now, and we could all go home and come back and vote at 12:30, or even 12 o'clock; come back at 11 and vote at 12. Let us go now and come back at 11 and vote at 12. All in the world I am asking is that Senators shall sleep before they vote. I am just begging Senators to take a little nap before they vote.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. LEWIS. I ask the Senator from Louisiana, in view of the question asked by the Senator from Kentucky, if the Senator from Louisiana would be satisfied that if he were yielding the floor there would be some arrangement made

that would dispose of both of these motions, would he then be willing to yield the floor?

Mr. LONG. I beg the Senator's pardon. As I understand it, the Senator is asking me whether, if there should be some arrangement made to dispose of both of the motions——

Mr. LEWIS. I mean to ask this of the Senator: If he were satisfied that by yielding the floor there would be a disposition of both of these motions to the satisfaction of those who are engaged in the controversy, would he yield the floor?

The PRESIDING OFFICER. The Chair will state to the Senator from Illinois that only one motion is before the Senate, and that is the motion to reconsider.

Mr. LEWIS. I thank the Chair, but I have understood from the remarks of my able friend from Kentucky that in view of both motions——

Mr. BLACK. Mr. President, I desire to ask whether the Senator from Louisiana has lost the floor?

Mr. LONG. I have not done a thing except yield for a question, and so stated.

The PRESIDING OFFICER. The Senator from Louisiana yielded for a question, and the Chair possibly improperly injected an observation as to the parliamentary situation. The Chair will not be disposed to consider that the Senator from Louisiana has lost the floor.

Mr. LEWIS. I suggest that in his parliamentary rights the Senator did not yield the floor, and ought not to be taken off the floor because I was making an inquiry.

The PRESIDING OFFICER. The present occupant of the Chair will say that the Senator from Louisiana will not lose the floor as long as he keeps within his parliamentary rights.

Mr. BORAH. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. BORAH. Mr. President, I should like to ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Idaho?

Mr. LONG. I yield.

Mr. BORAH. Does not the Senator from Louisiana feel very grateful to the gentlemen for assisting him?

Mr. LONG. They have been marvelously helpful tonight, and I feel very grateful to them. They have taken up half the time. I thank them very much. They have contributed to this argument most spicily. They have helped to keep my comrades awake through the night. I appreciate it very much. I would say further, if I may be permitted to talk of this matter, that I want harmony. I do not want argument; I do not want any fight; I do not want any ill feeling. I want harmony. I only beg you to sleep before you vote; that is all. All I ask you to do is to sleep; that is all I ask you to do. Take a little nap before you vote; that is all. What is the difference in taking a nap before you vote and taking a nap after you vote? Take a little sleep. Lie down and sleep.

When you have an important question to decide, take a little sleep on the matter. Soon it will be 2 o'clock a. m. I am willing to come back at 10 o'clock; and I will make a deal with you now that we will all come back at 10 o'clock—that will be 8 hours from now—and vote, or vote 1 hour after we come back, if you want to. That shows whether I am reasonable or not. That puts me in the clear. It shows I want to do the right thing. I have nothing but peace in my mind—peace and harmony and good will toward men. I am not trying to do anybody any harm. You do not want to hear me talk; you want me to quit talking; and yet none of the other Senators want to hear one another talk. Every time the Senator from Mississippi gets up to talk the Senator from Alabama objects to the Senator from Mississippi talking. The Senator from Tennessee does not care, but he wants the regular order, too. He says, and all of them say, there will be no vote until I quit. Why not let us all agree that we will all quit and all go home? I will tell you what I will do. I will tell the Senators what I will do. When we come back I will not undertake to make any speech at all until we vote on this motion. I will tell you what I will do about it. I will withdraw my motion; we will adjourn; and I will promise not to remake it when I come back tomorrow. Now, how about that? What a fair proposition I make to my colleagues. I will withdraw the motion.

I read the following telegram:

Senator HUEY P. LONG,
Senate Building, Washington, D. C.:
This association is on record as being strongly opposed to any extension of N. R. A.
THE NEW ORLEANS GROCERY ASSOCIATION.

One thousand five hundred grocerymen in New Orleans, nearly all of whom have always fought me in every election I have ever had, are now solidly back of me. That is what good this argument is, and if we continue the filibuster that my opposition is keeping up—and my opposition will have to take the responsibility for turning this argument into a filibuster by the tactics which have been employed—you are going to find the country will keep on writing here. They are against the N. R. A. 100 percent.

Here is another telegram:

Radio News announced you are still going strong. God bless you.

Think of people wiring that kind of message to me here. They are sore against this infernal N. R. A. and this effort here tonight to repeal the antitrust laws.

Who was it that you had handling all these industries? You had my friend Donald Richberg. He was a friend of mine the last time I saw him. Under the N. R. A. the industries were being handled by Richberg. Do you know what experience he had for that kind of a job? I will read what he says:

I have had nothing of what you would call industrial experience in the way of managing any plant operations or industrial operations.

He never had any business experience in his life. Yet you call the man in here as a great executive over sawmills, grocery stores, factories, and all other industries and put him in control, although he said he never was in business of any kind before in all his life. Do you think the Senate would have confirmed the nomination of that kind of man for this particular position? No. I would have voted for Don Richberg to have been Attorney General; he might have been qualified for that position, and I think he was; but do you think I ever would have voted that he should have occupied such a position as that? No. Well, here is an item from the evening paper:

The warring forces on the codeless N. R. A. extension resolution yesterday had reached some agreement.

Well, why do we not agree?

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Texas?

Mr. LONG. I yield.

Mr. CONNALLY. What does the Senator want us to agree to? We can not agree to anything until he finishes his speech.

Mr. LONG. I want us to agree to vote at an early date.

Mr. CONNALLY. We are ready to vote now.

Mr. LONG. Oh, no, not tonight; this is not any time to be voting. Half of your men are asleep and the other half are half asleep. This is not the time to be voting.

Mr. CONNALLY. Mr. President, will the Senator further yield?

Mr. LONG. Yes.

Mr. CONNALLY. The Senator has been speaking for 12 hours.

Mr. LONG. For 14 hours.

Mr. CONNALLY. He has been asking all the time to get an early vote and we have been wanting an early vote all that time. Nobody is standing in the way of an early vote except the Senator from Louisiana.

Mr. LONG. No; but they have been filibustering against it. [Laughter]. Filibustering tactics have been injected into my speech. The Senator from Washington announced that he is going to filibuster for 2 days.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I yield for a question.

Mr. SCHWELLENBACH. Does not the Senator realize that I said we would filibuster for 2 years or 2 centuries——

Mr. LONG. Or something like that.

Mr. SCHWELLENBACH. And that we are not going to have any unanimous-consent agreement today?

Mr. LONG. That is the point. I was just saying they are turning a legitimate argument into a filibuster. I am undertaking to make a sound legitimate argument, and they throw a filibuster into it, and threaten me that I have got to give up the floor. Can you imagine such a thing, when the Constitution of the United States says I have got a right to the floor, they say I have got to quit? [Laughter].

They have been listening to the Senator from Alabama over here. He has been spreading that around. He is making a mistake. The Senator from Alabama had better listen to me. I will give him some good advice.

It is now 2 o'clock. I make a proposition that we all go home and come back and vote any time Senators want to vote. I make the proposition that if you will give these Senators as much as 4 hours' sleep or more, we will come back and vote any time Senators wish to. All I am asking is to give these men who have all gone to bed a chance to wake up and come back. Let us have just a little sleep—just a little sleep. That is all I am trying to ask the Senators to take. That is all I am asking you to do.

Just sleep a little while before you vote. That is not much for me to ask. I have asked so little of this body since I have been here. I have made only one request, and I do not make it for myself; I only ask that you give every man a chance to sleep a little while and then come on back and we will all vote, and then I am satisfied we will hurry through then with a legitimate discussion.

Just a little sleep! Just a little sleep! That is all I am asking for the Senators. Everyone wants to sleep. Everybody wants to sleep; everybody wants to sleep. Let them all have a little sleep. That is all we need.

Ten hours from now it will be noon. Two hours and one-half from now the sun will be coming up over the eastern horizon, and the lazy mist will be driven before it; the darkness will fade as the mist fades, as though it were driven by the sea-borne gale. The honeysuckle in all its myriad splendor will glisten in the sunshine. The humming birds will be singing about, and everything will be gay and everything will be happy.

At sunrise every soul is born again. Just 2 hours and 30 minutes until sunrise! Two hours and 30 minutes till the sun shall rise! [Laughter in the galleries.]

The PRESIDING OFFICER. The Chair will again admonish the occupants of the galleries to refrain from expressions of approval or disapproval.

Mr. LONG. Two hours and one-half, and the sun will rise!

There is hardly anyone in the Senate Chamber. The lights have been turned out in the cloakrooms. All are asleep. You go in the dark room and wake up a Senator to come in and vote out of that kind of an atmosphere, on a close vote like this, and the vote is likely to be decided on human temper. A man is likely to wake up and holler "no" when he means "yes", or "yes" when he means "no." It does not give him time to think.

Mr. President, I wish we would adjourn. I say that. I am begging the Senate to adjourn. What difference does it make whether you sleep and then go to vote or vote and then go to sleep? All I am asking is that we be given an opportunity to have a little sleep before we vote. I am just asking everyone to go home and sleep a little while and then come back. That is all I am asking. I am asking that everyone will take a little sleep. That is all I have requested the whole night long. The only thing I have asked from anyone all night long is to go home and sleep. That is all I have asked. I do not believe after you sleep you will be willing to throw away the sovereign rights of States. I do not believe after you sleep you will be willing to throw away the prerogatives which belong to the United States Senate. I do not believe after you sleep you will be willing to betray the antitrust laws which we promised to strengthen in the Chicago convention.

All I am asking is that Senators be given a little sleep before the vote. It is very little to ask. It really amounts to nothing whatever on this N. R. A. bill. That is all I am asking Senators. That is everything I am requesting on the whole matter. What difference does it make whether you sleep now and then vote or vote now and then sleep? So why do we not get together? Why do we not get together? It amounts to very little. I am asking Senators to agree to do a very little thing. That is all.

Well, I guess I might as well go ahead on the Constitution. I might as well continue my lecture on the balance of the Constitution.

I have devoted 1 hour on the effort to get everyone to agree. Now I take up the Constitution and continue with my lecture on the Constitution of the United States where I left off. I was on article II.

What do Senators want—a little sleep and then vote, or a vote and then sleep? What do they want? Do I understand that anyone is going to object if I desire to withdraw my motion? Do I understand that kind of parliamentary advantage will be taken of me here that if, having made a motion I later decide to withdraw it, that I do not have a right to withdraw my motion?

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senator will state it.

Mr. LONG. Have I a right to withdraw my motion?

The PRESIDING OFFICER. The Senator has not, except by unanimous consent.

Mr. LONG. That is funny.

The PRESIDING OFFICER. It may be funny, but it is the rule of the Senate.

Mr. LONG. That is surprising to me. I wonder if anybody is going to object.

The PRESIDING OFFICER. The Chair cannot answer that, if that is a parliamentary inquiry.

Mr. LONG. I hope not. I hope no one will object if I wish to withdraw my motion. No one ought to object. This bill means very little in one respect, and it means a great deal in another respect.

Mr. President, they say the longest time any Senator ever spoke in the Senate was 18 hours. I do not want to break that record. I would hate to have it said that I made the longest speech in the United States Senate. I would not want that record. I will do everything I can to avoid it. I do not want to be talking here at 6 o'clock. I want to be away from here asleep. I want to see these important officers of this Government asleep. Think what would happen if some ill health should come from overextension of the physical capacity of some of the important members of this body. Think what would be the result if some fatality afflicted the Senator from Alabama [Mr. BLACK]! Where would we be? What would we do? Think of the consequences of that kind with which you constantly threaten yourselves in uselessly prolonging this session. Filibustering against lawful argument; invoking a filibuster that if I give up the floor they will execute a filibuster or else we will not have any right to speak at all; everyone has got to give way.

That is what I am protesting against. That is all I am protesting against. That is what I am seeking to avoid. I am asking a vote, trying to get an agreement for a vote at 12 o'clock today or 11 o'clock today or any time today anybody wants to vote. I am ready to vote at any time. That is all I am asking. All we want is a vote at an early hour after we have a little sleep. We are trying to get a vote. We are trying to get an agreement to vote. We are trying, Mr. President, to get an agreement to vote. I am trying to get an agreement to vote on the motion I have pending here. No one will enter into an agreement to vote. They

will not enter into an agreement at all. They do not want to have any agreement. All I am trying to do is to get a vote. That is all I am asking, is the right to vote.

Here is a suggestion which has just come to me.

The VICE PRESIDENT. Does the Senator desire to make the suggestion public?

Mr. LONG. Yes. I shall not disclose any names. I have been asked to relate the history of Frederick the Great. [Laughter.]

Everybody remembers Frederick the Great. The things I have related about Frederick the Great have appealed to people, but the thing which appealed to most people was his taking of Vienna. Frederick the Great, when he undertook to take Vienna, was told by one of his military generals that he could not afford to take Vienna because there was no war. The military leaders said, "You have not any right to take Vienna because there is no war. You cannot afford to take Vienna", they said. Frederick the Great said, "I will take Vienna and the professors at Heidelberg will write out explanations justifying my taking Vienna after I have accomplished what I have set out to do."

That is one thing which is accredited to him. So it is today. We have the N. R. A. What is the law for it? None. What is the justification for it? None. We will repeal the antitrust law. It is said, "You cannot repeal the antitrust laws." It was proposed in the convention at Chicago to strengthen them. They said, "We will go ahead and repeal them and we have friends who will explain later why we did it." That is how they aped the policies of Frederick the Great.

Frederick the Great had some very great military generals. One of those generals was ordered to attack in a certain way by Frederick the Great. He declined to do it. He routed his troops another way. Frederick the Great sent him word that he would behead him the next day. The old general sent back word that, "Though the King takes my head tomorrow, I will use my head today to save the King." It was through his sagacity that Frederick the Great remained the military power of that time.

These are examples of Frederick the Great which I have discussed time after time. Frederick the Great had been recognized as the greatest general of Europe—that was the record he had. Soon thereafter, when George Washington became leader of the United States Revolutionary forces and accomplished the great victory, and when Cornwallis had laid down his arms at Yorktown, Frederick the Great sent his sword to Washington and sent a message to Washington in which he said, "I am sending the sword, given to me as the greatest general of Europe, to George Washington, the greatest general of the world." So among the treasures that George Washington had at his death was the sword which was sent to Washington by Frederick the Great.

I wonder whatever became of that sword? I wonder if that is in the Smithsonian Institution or if it is in some other historical museum? I have not taken the time to look that up. I should be very grateful to any of my friends if they could inform me what happened to the sword sent to George Washington by Frederick the Great. I should like to find out about it. I had intended some day to make a search here in Washington and see what became of that historic weapon.

The VICE PRESIDENT. Did the Senator make an inquiry of the Chair?

Mr. LONG. May I make that as a parliamentary inquiry?

The VICE PRESIDENT. Yes. The present occupant of the chair is very much surprised that the Senator from Louisiana does not have this information. He seems to have all other information and ought to have had at least this information. [Laughter.]

Mr. LONG. But I have not. By accident it happens to be one of the few things I have not yet dug up. That is why I was asking the Chair, who either knows or has a way of keeping everybody from knowing that he does not know what has happened to that sword which Frederick the Great sent to Washington. [Laughter.] I propounded that as a parliamentary inquiry in good faith. I should like to have it answered in some way by some of our statesmen.

Mr. President, I shall have to ask for order in the Senate.

The VICE PRESIDENT. Senators will be in order, in order that the Senator from Louisiana may be heard by Senators in the Chamber.

Mr. LONG. It looks like two of my friends are double teaming on me.

Mr. BLACK. Mr. President, I ask the Senator from Louisiana to speak a little louder.

The VICE PRESIDENT. The Senator from Louisiana will speak loud enough for Senators on the floor to hear and for the occupants of the gallery to hear. [Laughter.]

Mr. LONG. I shall undertake to do that. If the Senator from Alabama is complaining, I shall undertake to do that. I always did know he was hard of hearing, not that there is anything wrong with his ears, but he cannot even hear what comes into his ears. There are none so deaf as those who, having ears, hear not, and none so blind as those who, having eyes, see not. The Senator falls in that category—blind, deaf, and dumb. He does not want to be any other way, either. He did not hear what I said.

Mr. BLACK. Speak a little louder.

Mr. LONG. I was telling about Frederick the Great sending his sword to George Washington, and I propounded a parliamentary inquiry to the Chair, whether the Chair knew what became of the sword sent by Frederick the Great to George Washington. The Chair never did say. The Senator from Alabama could go out and dig up that information for me in a few moments if he had a mind to do it, and I could put it in the RECORD right now.

What became of the sword sent by Frederick the Great to Gen. George Washington? That is the question I invoke before the Senate now. Where did it go? That is what I am trying to find out.

Mr. McKELLAR. Perhaps one of the Senator's bodyguards up in the gallery has it.

Mr. McCARRAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. For a question.

Mr. McCARRAN. Would the Senator from Louisiana consider that the question he has under discussion might be terminated by an agreement here which would solve the situation?

Mr. LONG. I thought so. It could be terminated by an agreement that would solve it entirely.

The VICE PRESIDENT. The Senator from Louisiana has the floor.

Mr. McCARRAN. Mr. President, a further question of the Senator from Louisiana.

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada for a further question?

Mr. LONG. If I am asked to yield for another question, I will yield for one more question. Is that the request?

Mr. McCARRAN. That is the limitation of the request that I can make. In other words, I must propound it by way of a question.

I am wondering if the Senator from Louisiana would be willing to have this matter on which he is holding the floor of the Senate solved by the leaders of the Senate and by his friends?

Mr. LONG. I should be glad to consent to almost any arrangement they might make. I think I could do so.

The VICE PRESIDENT. The Senator from Louisiana has the floor.

Mr. LONG. I shall be glad to have it made.

Mr. President, I myself never was much of a hunter. I never did do much hunting. I never did take the time to hunt and fish. You can always buy fish cheaper than you can go and catch them, and you can save your reputation for truth even after that.

I once heard that a distinguished statesman of this country shot a deer while he was sitting in a tree, and then fell out of the tree after shooting the deer. I always wondered what kind of an experience that was, for a man sitting in a

treetop to take a stand against a deer, and then shoot the deer and fall out with the deer, so that they did not know whether they had killed the hunter or the deer. I heard about that at one time, and my sympathies went out to the hunter.

It goes to show that we need lessons of many kinds in this country. There is so much to be learned, so much to be done, so much instruction to be had that anybody can tell anybody else something on almost any subject in this day and time. There are no more smart men. The idea of a man with a shotgun sitting in the top of a tree and then shooting a deer and then himself falling out on the ground! He was scared of the deer, or scared of the gun, or scared of both. What kind of pleasure is there in that kind of hunting business going on in the United States today? Everything I do I enjoy.

Yes; there is the Bible. That is the book I have been looking for. That is indexed. I will now find the passage I could not find awhile ago, where it says:

Am I therefore become your enemy, because I tell you the truth?

Let me see: That ought to be over here in the "e's", under "enemy." It forbids the returning of evil for evil, and so forth. They have not got that in the concordance in the back; but I will find it in the concordance I have over in my office in a few days. I will find it tomorrow. I should like to complete my remarks and then put it in.

Why do we not get an agreement? The only thing in the way of an agreement is that you want me to sit down and agree, instead of agreeing and then having me sit down. That does not make any difference. That is too infinitesimal to argue about. If we have an agreement, I will sit down; or I will sit down and then we will agree; either way you want it done. I have no pride of opinion about the matter.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield for a question.

Mr. O'MAHONEY. If the Senator has no pride of opinion about it, why does he not sit down?

Mr. LONG. I want to understand something about what we are about to agree on.

Mr. McKELLAR. We are not going to agree on anything for the Senator from Louisiana so long as he has the floor.

Mr. LONG. Just a moment. I call for the regular order. I want my rights protected. The Senator from Tennessee ought not to look at me mad in that way. I am in a good humor. I am not mad at the Senator. What is the use of being mad?

Mr. McKELLAR. I am not mad at the Senator, but I am greatly put out with him for his ridiculous performance here tonight.

Mr. LONG. The Senator ought not to expect any better than that.

Mr. McKELLAR. Well, I do not.

Mr. LONG. Now, you see, the Senator is not disappointed. He is just mistaken with himself. He thought he was surprised and he finds out that he was not.

Mr. McKELLAR rose.

Mr. LONG. The Senator will have to get my permission to propound a question.

Mr. McKELLAR. I will not ask one.

Mr. LONG. All right. The Senator understands, of course, that I am trying to be good-natured. I try to be a friend of the Senator from Tennessee and he repulses my efforts to be his friend all the time. I have wasted any amount of effort in trying to be a friend of the Senator from Tennessee.

Mr. McKELLAR. I think I am going to be more active in the future than I have been in the past, too.

Mr. LONG. I call for the regular order.

The VICE PRESIDENT. The regular order is the Senator from Louisiana. The Senator has had the regular order now for 13 hours.

Mr. LONG. I am going to persist in being a friend to all Senators. I am not going to let them get me feeling provoked at them just because they want to annul the antitrust laws so badly that they want to vote before sleeping. It is not going to turn me against them. I never saw anybody so wild to do anything as this effort to annul the antitrust laws. I never saw anything like it in my life.

I had something to do, as one of the delegates at Chicago, with adopting this platform pledge of the Democratic Party.

I consider myself bound by it, and I consider myself bound to use all reasonable arguments I can think of to persuade Senators against nullifying the promise of the party at the Chicago convention. That is how I feel about it.

If we had a little time to sleep, Senators would not want to do this. If these Senators go home and sleep and get up in the morning and find out that while they were up here tonight they were trying to annul the antitrust laws, and that I kept them from doing it, they will be ashamed to look at themselves in the looking glass in the morning, and they will not even want to get up, they will be so ashamed of what they tried to do tonight, attempting to annul the antitrust laws, something they promised they were going to strengthen.

My distinguished and learned colleagues do not want a vote. I am trying to get an agreement to vote, and they will not agree to a vote. I am trying to get an agreement for us to go home and sleep a little while and come back and vote, and they will not even agree to go to sleep.

Talk about me not being able to get the Lord's Prayer through the Senate. We cannot even get one of them to agree to go to sleep. They are more obstinate than anything I have ever seen. Let us have rest and sleep, and then come back and talk these things over. I venture the assertion we will all be friendly and will wind this thing up in a short time. I just make that as a prophecy. That is my prophecy. I do not mind saying so. But Senators want to have this thing prolonged.

Mr. President, it is 2:30 o'clock in the morning and will soon be daylight. Four o'clock will soon be coming, and the sky will be all lighted with the sunshine which China had last night. Everything will be ablaze and abloom. The fields will be glowing with the splendor of the dawn. Farmers will be raising more cotton to plow up next month. Think of it; we are on our way to this wonderful, constructive work, and here we are obstructing ourselves by holding a session of the United States Senate at 2:30 o'clock in the morning.

Mr. President, it is almost a disgrace on the United States Senate. It is one of the most disgraceful things the Senate has ever done to sit here until 2:30 o'clock trying to get an opportunity to annul the antitrust laws of the Democratic Party. That is what Senators are trying to do. They do not want to agree to anything, but they want to annul the antitrust laws. That is all they want to do.

I promised my friend from Minnesota that I would undertake to continue my speech for the next 2 or 3 hours so that he might address the Senate for an hour and so that other Senators might speak. It is easy to be seen that we will be discussing this matter until 12 o'clock, at the very least, if we stay here tonight. We are bound to be here that long discussing the matter. But let us get an agreement to go home and vote at an early hour, and let everybody rest.

My friend the Senator from New Jersey [Mr. MOORE] shakes his head. He does not even know what I am proposing. He is so sleepy he cannot even hear me, and he is sitting here shaking his head. That is why I do not want to have a vote now.

Someone has sent me a note:

Can you inform the Senate about the life of Judah P. Benjamin?

Certainly I can. The only thing I cannot inform the Senate about is what became of Washington's sword. I propounded a parliamentary inquiry in regard to that, and it will be the duty of the Chair to get the information together at the earliest possible moment.

My understanding of the rules and duties of the Presiding Officer is that the Vice President has to get up an answer to all parliamentary inquiries within a reasonable time. I have propounded this as a parliamentary inquiry, and I will probably have an answer some time this afternoon

in time to give it to the Senate before concluding my remarks.

Mr. McCARRAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield for a question.

Mr. McCARRAN. Does the Senator from Louisiana know and understand that under the rule he has but two speeches to make in this matter, and that he is now in the course of his last or second speech?

Mr. LONG. I did not know that. I thought I was making my first speech. It has been so ruled by the Chair.

Mr. McCARRAN. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCARRAN. Am I correct in my statement?

The VICE PRESIDENT. The Senator is correct. The Senator from Louisiana is now making his final and last speech on the subject.

Mr. McCARRAN. A further inquiry of the Senator from Louisiana. In view of the ruling of the Chair, of which he is now apprised, would the Senator from Louisiana care to yield to me that he might confer with those in leadership and in sympathy with his ideas, and that he may thereafter return to the floor, although he cannot again have the floor?

Mr. LONG. No; I would not want to do that right now. It was ruled that I was in my first speech, Mr. President.

The VICE PRESIDENT. The present occupant of the Chair has not been here all the time, but the parliamentary clerk has informed the Chair that the Senator is now in his second and last speech.

Mr. LONG. The President pro tempore ruled that I was in my first speech, and I do not know how it got to be the second. I did not yield the floor for anything except a question.

The VICE PRESIDENT. Of course, the Senator can appeal from the ruling of the Chair. That is the privilege of the Senator.

Mr. McCARRAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. For a question.

Mr. McCARRAN. I should rather put it by way of parliamentary inquiry, that I might have a ruling clarifying the situation. Is the Chair now entirely content with his ruling that the Senator from Louisiana is making his second speech on the subject?

The VICE PRESIDENT. That is the opinion of the present occupant of the Chair.

Mr. McCARRAN. A parliamentary inquiry. If I should now appeal from the decision of the Chair, would the Senator from Louisiana lose the floor?

Mr. BARKLEY. Mr. President, I make the point of order that the ruling of the Chair cannot be appealed from until and unless the Senator from Louisiana seeks to obtain the floor again and a ruling is made as to his ability to do so.

The VICE PRESIDENT. If the Senator from Nevada appeals from the ruling of the Chair, the Chair is going to make this ruling—and he is sorry there are not more Senators here to hear it; if the Senator from Nevada appeals from the ruling of the Chair——

Mr. McCARRAN. I have not appealed; I just asked what would happen if I did.

The VICE PRESIDENT. The Chair will not rule until he has occasion to rule.

Mr. McCARRAN. I propounded a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCARRAN. I tried to state it. I am sorry I did not make myself clear. I desired to clarify the situation. If I should appeal from the decision of the Chair as to whether or not the Senator from Louisiana was now in his second and last speech on this subject, might I appeal from the decision of the Chair without having the Senator from Louisiana lose the floor?

The VICE PRESIDENT. In the opinion of the present occupant of the chair, the Senator from Louisiana would not have a right to the floor.

Mr. GORE. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GORE. Suppose the Senator from Louisiana or the Senator from Nevada or myself should at this point move to take up House bill 7260, which is the social-security bill; would not that motion be in order?

The VICE PRESIDENT. It would be.

Mr. GORE. And would be subject to debate?

The VICE PRESIDENT. It would be.

Mr. LONG. Very well, Mr. President. For the present we will just content ourselves with concluding this masterful speech which I have been proceeding to deliver for 14 hours and 40 minutes.

Someone asked me to inform him about the life of Judah P. Benjamin. I am the successor of Judah P. Benjamin in this body. Judah P. Benjamin was formerly United States Senator from Louisiana, but when the Civil War was declared he resigned from this body, and I am now filling out a succeeding term of office in the same senatorial seat that Judah P. Benjamin occupied in the United States Senate. That is what I am now doing. Following the Civil War, Judah P. Benjamin went to England, and while he was in England he secured practically no law practice at all. His practice was so small while he was in England that he nearly starved to death. So Judah P. Benjamin decided that he had to convince the people of England that he understood the English law, and there and then this citizen of Louisiana, who had moved to England, wrote that great work called "Benjamin on Sales", which became a textbook, a standard and accepted work and authority on sales throughout England and throughout America.

Afterwards Judah P. Benjamin became Queen Victoria's counsel. Many years later he died and was buried in Paris, and the body of Judah P. Benjamin lies today buried in a graveyard in Paris where, I understand, up to a little while ago there was not even a monument placed at the head of his grave. Judah P. Benjamin was attorney general of the Southern Confederacy, located at Richmond, Va. I have given, in a brief way, the story of Judah P. Benjamin, as nearly as I can recollect and as I have learned it.

If we stay here much longer, Mr. President, it will soon be time for the senior Senator from Texas [Mr. SHEPPARD] to make his annual speech on prohibition. [Laughter.] It is almost approaching that time. If he wants to make that speech on prohibition today, he will have the right to do it. I do not know whether this is the day or whether it is a few days later, but if he does not make it, I will make it for him sometime soon. He has made the speech on prohibition and on the birth of the eighteenth amendment. He never has got down to its obituary as yet. In time, for all I know, they are liable to adopt prohibition again.

Someone, Mr. President, may ask me what is the purpose of my speech? The purpose is this: I am trying to preserve the right and prerogative of the Senate to be consulted as to the qualifications of important officers, and I am trying to save to the sovereign States their rights and prerogatives. That is all I am undertaking to do; that is the full force of everything I have to say at this time.

I wish I knew how many Senators were here and in the cloakrooms about. I wonder if we have got anything like all of them here. I understand there are 64 here. That is not very many. It would be very bad to have a vote tonight. I am willing to make an agreement, Mr. President, to vote tomorrow. I say "tomorrow" but it really is today, for in 15 minutes it will be 3 o'clock in the morning, and we ought to keep getting this thing in better shape than it is. Three hours ago we were about to get together, but the "young Turk" element in the United States Senate kept us from doing it. Three hours ago, but for them, we could have gotten together; we could have settled this matter without all this trouble, if everybody had been as reasonable as I have been about it. I have not stood out for anything. I announced in the very beginning that I was ready to compromise. I announced that I was ready to have an early vote, the earlier the better. The earlier we can vote on this thing the better it suits me. The quicker we vote the better

we will all be, provided we have a little sleep. This is Thursday, the 13th day of June. Everybody ought to be going home. Men are yawning; men's eyes are bleary; men's souls are tired; their feet are sore; their heads are heavy; they are needing rest; they are needing sleep; they are needing nourishment; and it is only 2 days from Saturday, when most of them will want to take a bath. [Laughter.] We ought to be getting ourselves ready to take some sleep tonight.

Fifteen hours ago I started this speech, and have continued just as specifically to the point as I possibly could. I have not done as some have done here and discussed broad and unrelated subjects, but I have kept right down the narrow path, discussing the question before the Senate and only such other matters as were necessary and incident to my discussion.

I do not believe in filibustering, and I resent the filibustering tactics, and before I will stand for the threat that has been made here that young Senators will speak for 2 weeks to keep me from speaking again, which means we would never be able to pass this N. R. A. joint resolution by Sunday, I will hold the floor and talk a while longer.

These Senators want to filibuster; it is in their blood somewhere. They have got it in their blood that they want to filibuster. We should not have anything of that kind. The quicker we agree to a vote on this matter the better off we are going to be. An early vote, a very early vote, as quick as possible with the least delay that we can possibly have, the better off we are. I would say now, fix the time at 2:30. That is 3 hours later than the suggestion made awhile back. I would say now, fix it around 2:30 o'clock, and if you want to make it 12 o'clock, I will make it 12 o'clock, and will come here at 10 or 11 o'clock. It suits me if it suits everybody. I am not going to quarrel about it.

Here is the Democratic platform. Here is the platform from which I was reading. Mr. President, I ask unanimous consent to have the Democratic platform read by the clerk.

The PRESIDING OFFICER. The Senator from Louisiana asks unanimous consent to have the Democratic platform read by the clerk.

Mr. BARKLEY, Mr. BLACK (and several other Senators). I object.

The PRESIDING OFFICER. Objections are heard on all sides.

Mr. LONG. Mr. President, Senators do not want to hear their own platform read. Can you beat that? I am going to make my last effort to see what the Senate is trying to do to me. I just want to see who will object to my last request. I just want to see if there is any one in this body who will object to my next request. That is what I want to see.

I am now going to make another request, Mr. President. I am going to send to the desk and ask the clerk to be allowed to read the Lord's Prayer into the RECORD.

Mr. GUFFEY, Mr. SCHWELLENBACH, Mr. MOORE (and several other Senators). I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LONG. I do not understand that kind of sentiment. All right; I see now that the Senators will not listen to reason. It is beyond reason. It is clear and it is obvious to my mind that they do not want to hear their own party platform read. They do not want to hear the Lord's Prayer read.

"The guilty flee when no one pursueth." They flee from their own incriminating consciences that they are violating the platform of the party, that they will not even let it be read, and they will not let the Lord's Prayer be read.

Mr. ASHURST. Mr. President, I make the point of order that the Senator is out of order for reflecting on other Senators.

The PRESIDING OFFICER. The Senator from Arizona makes the point of order, under rule XIX, against the Senator from Louisiana for reflecting on other Senators.

Mr. LONG. I did not intend to do so.

The PRESIDING OFFICER. Under rule XIX, the Senator must take his seat. The question is, Will the Senator be allowed to proceed?

Under rule XIX, the Senator from Louisiana is required to take his seat until the question is decided.

Mr. LEWIS. Mr. President, I move that the Senator be allowed to proceed in conformity to the rule.

The PRESIDING OFFICER. The Senator from Illinois [Mr. LEWIS] moves that the Senator from Louisiana be allowed to proceed in order.

Mr. ASHURST. On that I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. As many as favor allowing the Senator from Louisiana to proceed in order will signify it by saying "aye." Opposed, "no." The noes seem to have it.

Mr. GORE. Mr. President, I ask for a division.

The PRESIDING OFFICER. The Senator from Oklahoma demands a division. Those who are in favor of permitting the Senator from Louisiana to proceed in order will stand and be counted.

Mr. PITTMAN. Mr. President, a parliamentary inquiry: What is the question?

The PRESIDING OFFICER. The question is whether the Senator from Louisiana, having been called to order, shall be allowed to proceed in order.

Mr. BLACK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BLACK. Does that mean for the Senator to proceed with his second speech which he is making? That would not mean that he would have the right to make two more speeches?

The PRESIDING OFFICER. The Chair would hold that that would not be an interruption of his present speech. The ayes have it, and the Senator from Louisiana will proceed in order.

Mr. LONG. Mr. President, I am sorry the other side did not win. I was hoping they would win. I wanted to give them a sample of how long a speech could last in the Senate, if they should win.

I desire to compliment my colleagues on their generosity.

The PRESIDING OFFICER. The Senator from Louisiana will please suspend until Senators are in order. Senators desiring to converse will please retire to the cloakroom.

Mr. LONG. Of course, we are not supposed to reflect on Members of the Senate. I did not intend to reflect on Members of the Senate. I did not know there was anyone here who did not understand that I did not intend to reflect on Members of the Senate. It is pretty bad sportsmanship to engage in parliamentary tactics and take advantage of such a situation. That does not look very smart to me. It never has. It reads more like something happening in the second reader than in the United States Senate. That is why we never get down to seriousness here as we should. It is child's play.

Mr. President, I understand that the Vice President says that the parliamentarian has told him I am on my second speech. I am told now that the parliamentarian says that he did not advise the Vice President that I am on my second speech.

Mr. GORE. Yes, Mr. President; he did.

Mr. LONG. Did he?

Mr. GORE. Yes; he did.

Mr. LONG. The Senator from Oklahoma says he did. I want to find out about it. I should like to find out where the second speech started. I make a parliamentary inquiry of the Chair: Where did the second speech start?

The VICE PRESIDENT. Did the Senator from Louisiana make a parliamentary inquiry?

Mr. LONG. Yes, Mr. President. Where did the second speech start?

The VICE PRESIDENT. It is sufficient for the Chair to say that he has ruled that the Senator from Louisiana is now on the second speech. If the Senator desires to appeal from the ruling, the Chair will entertain the appeal.

Mr. LONG. No; the Senator from Louisiana is not going to appeal from anything. I am going to stand here on my rights and speak.

The VICE PRESIDENT. The Senator will be recognized so long as he can stand up.

Mr. LONG. I will be here longer than the Vice President can sit down. [Laughter.]

What I was trying to find out was when this second speech started and when the first speech ended. The rulings have switched around here pretty fast, also. One time one thing is ruled and another time another thing is ruled. I made inquiry of the President pro tempore. He ruled I was on my first speech. Nothing had happened except to yield to questions, and parliamentary inquiries. The Vice President comes back and rules I am on my second speech. It is a funny situation. I do not understand it. I never have. Then they rule that a quorum call is no business. Next they rule that it is. Rulings are just vacillating one way and the other, like the blue buzzard government is expected to be doing outside the Senate, one way and then the other. No law to it. I should like to find out where I am here, sometime. I do not want any child's play. I want it to be serious enough to be regular at least. Let it go at that, as it may be. I am not going to hurry through this speech. I am going to take my time and deliver this speech like it ought to be delivered. I am not going to hurry through it.

Senators do not want me to hurry through it. Senators think I ought to be permitted to continue at length ad libitum, and I am going to undertake to continue until I reach a proper conclusion of the speech.

Defeating this motion of mine or adopting it does not settle the matter. We still have plenty of other motions to debate. If anybody was trying to filibuster he would wait and do it on motion after motion and roll call after roll call. Instead of trying to do that I am trying to speak on the motion and get through with the one motion. It will do nobody any good to take me off the floor on this motion. We have another one coming right behind it. Suppose we adopt the motion to reconsider, we then have to pass on to a vote to adopt it, and we have a right to speak on that and we have a right to speak on the other amendment. We have a right to vote to take up the social-security bill, and if there is anybody here who is going to conduct a filibuster, he ought to realize there are plenty of ways to do it other than on this motion. This one little motion will not do it. This is just shooting from taw.

I am not filibustering. I have spoken 15 hours and have tried to condense my remarks. Half my time has been taken up in yielding to questions, parliamentary inquiries, and things of that kind. If it had not been that I was so generous with my colleagues in this body in that way, I would have been nearly through with all the speech I have to make on the subject and would have had very little more to say. But foreign matters have been injected into the discussion and there is no way to wind it up sooner.

Let me invite the attention of the Members of this body to a cartoon. It shows the N. R. A. blue buzzard on the operating table. It shows Dr. Senate trying to give a stimulant to the N. R. A., and it shows Dr. House trying to give a stimulant to the blue buzzard. The date, June 16, is up on the wall. Everybody is afraid that we are going to have something done that will prolong the life of N. R. A. There is no demand for N. R. A. to be prolonged. There is no demand from any public body that I know anything about that wants N. R. A. continued. Where is the State government that wants it continued? We do not in my State, I know. No other State government wants it continued. Where is the municipality that wants it continued? We do not want it. We do not want it at all. Now, we have our chance to kill it and it ought to be done, but I am not undertaking to do it.

Mr. McCARRAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield for a question.

Mr. McCARRAN. I propound this question to the Senator from Louisiana and I do it in all good faith, and I do it in keeping with the hour and in keeping with the zeal he has put into the discussion, in which I am very much interested. Would the Senator from Louisiana yield the floor to me for 30 minutes that he might in turn confer with the leaders so that an agreement might be reached, thus to terminate the entire situation?

Mr. LONG. I should be glad to do that except for the fact that I would lose the floor.

Mr. McCARRAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCARRAN. Under such a statement as I have made would the Senator from Louisiana lose the floor?

The VICE PRESIDENT. If the Senator from Nevada should ask unanimous consent of the Senate that he might occupy the floor for 30 minutes and the Senator from Louisiana might return to the floor by unanimous consent, that could be done.

Mr. McCARRAN. I now ask unanimous consent that——

Mr. McKELLAR. I object.

The VICE PRESIDENT. Let the Senator state his request.

Mr. McCARRAN. I ask unanimous consent that I may occupy the floor for 30 minutes, with the understanding that at the end of that time, it now being 6 minutes after 3 o'clock in the morning, on the occasion of the return of the Senator from Louisiana he may have the floor.

The VICE PRESIDENT. Is there objection.

Mr. BLACK, Mr. McKELLAR, Mr. MINTON, Mr. GUFFEY, Mr. SCHWELLENBACH, and Mr. BURKE. We object.

The VICE PRESIDENT. Several Senators object. [Laughter.] The Senator from Louisiana has the floor.

Mr. GORE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GORE. A vote was taken a few minutes ago as to whether or not the Senator from Louisiana had offended against the rules of the Senate. As I understand it, that is business. If so, I desire to make the point of no quorum, which I think I can do without interfering with the rights of the Senator from Louisiana.

Mr. CLARK. Mr. President, I make the point of order against the point of no quorum, on the ground that the call to order of the Senator from Louisiana was incidental to his debate. The vote taken on that was incidental to the question of whether or not the Senator from Louisiana should be allowed to hold the floor. Therefore there was no transaction of business.

The VICE PRESIDENT. There has been no transaction of business. Let the Chair make this statement with reference to the business of the Senate. If Senators will examine the rules they will find that there is no rule of the Senate that there must be intervening business. The rule is specific that the Chair shall call a quorum, but the precedents are that when there has been no business transacted there cannot be another roll call.

Mr. LONG. All right, Mr. President; let me continue my speech. I have the foundation pretty well laid. [Laughter.] Now I should like to go into detail on some of the points and discuss them more or less so they may be understood.

There is no question about the rules of the Senate being the other way, I will say to the Senator from Nevada, but the ruling of the Chair is the other way from the rule. There is no question about the rule being one way on that matter. There is no doubt at all. However, I am not going to quarrel about it. I am now arguing my motion.

I want to announce to the Senate that after having spoken 15 hours and 10 minutes I have decided I am against the motion I have made. I make that confession frankly. I feel that in justice to the Senate and myself I should now announce that I have changed my mind, or, rather, my position, but not my mind. I now oppose the motion which I made. Regardless of how irreconcilible it may be, I propose to vote against the motion I have made. Now, let my colleagues emulate my conduct. When I find I am

wrong I am going to vote against it, even though I made the motion.

I should like to get the concluding part of this opinion in the RECORD. I shall not ask to take any of the time of the Senate. It is only a little less than half a page that I send to the desk, and ask that the clerk may read the last half page in this decision of the United States Supreme Court.

Mr. McKELLAR, Mr. GUFFEY (and other Senators). I object.

The VICE PRESIDENT. What is the request?

Mr. LONG. I ask unanimous consent that the clerk may read just the last half page of the opinion of the United States Supreme Court—just a little half page concluding the opinion.

The VICE PRESIDENT. Is there objection?

Mr. McKELLAR, Mr. MOORE, Mr. MINTON, Mr. GUFFEY (and other Senators). I object.

The VICE PRESIDENT. There is objection from several sources.

Mr. LONG. It is impossible to get these matters in the RECORD, so I will put them back in my pocket.

I am asking as a final, concluding request, if any Member of the Senate wishes me to furnish him anything on this matter, that he inquire, and I shall be glad to supply it. I have been refused all night long the right to put matter in the RECORD, and I shall not make any further request to accommodate the Senate unless I am protected in this effort to do something about it. The fact that I have spoken for 15 hours and 10 minutes shows my zeal to be fair and to do right about this matter. If, after 15 hours, I cannot convince Senators that I am right, I shall now talk to the people of the country and to myself.

I now have announced, however, that I shall vote against my own motion; and I wish to say to those of the Senate who have intimated that they desire to have it understood that I am not going to run the United States Senate that I shall vote against my own motion to prove that I am not trying to run the United States Senate. I made the motion to reconsider this vote, and I am going to vote against it. I should like to withdraw the motion at this time.

The VICE PRESIDENT. The Senator from Louisiana asks unanimous consent to withdraw the motion for reconsideration.

Mr. McKELLAR, Mr. MINTON, Mr. GUFFEY (and other Senators). I object.

The VICE PRESIDENT. There is objection. There seem to be numerous objections. They come from every source.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HARRISON. As I understand the rule, in order for the motion to be withdrawn, the request will have to be granted by leave of the Senate, which would be a majority vote of the Senate.

The VICE PRESIDENT. It has to be by unanimous consent or else by majority vote of the Senate.

Mr. McCARRAN. Mr. President——

Mr. LONG. I yield for a question.

Mr. McCARRAN. A parliamentary inquiry, Mr. President. Do I understand the ruling of the Chair to be that a Senator who makes a motion cannot withdraw it without consent?

The VICE PRESIDENT. He can except in the case of a motion to reconsider.

Mr. McCARRAN. I respectfully draw the Chair's attention to the rules of the Senate.

The VICE PRESIDENT. If the Senator will call the Chair's attention to a rule which permits that, the Chair will be glad to hear it.

Mr. McCARRAN. I would rather have the Parliamentarian call the Chair's attention to it, because he has it in his hand.

Mr. LA FOLLETTE. Regular order!

The VICE PRESIDENT. If the Senator from Nevada will permit the Chair, since this criticism comes to the Chair, paragraph 2 of rule XXI provides that—

> Any motion or resolution may be withdrawn or modified by the mover at any time before a decision, amendment, or ordering of the yeas and nays, except a motion to reconsider, which shall not be withdrawn without leave.

That is the rule of the Senate.

Mr. McCARRAN. That is exactly the rule which I invoke.

The VICE PRESIDENT. That is the rule which the Chair has just read to the Senator from Nevada.

Mr. LA FOLLETTE. Regular order!

Mr. McKELLAR. Regular order!

The VICE PRESIDENT. The Senator from Louisiana is the regular order.

Mr. LONG. That seems to settle that point of procedure—that a motion to reconsider cannot be withdrawn without leave. I see that is in the rule book. We ought to adhere to the rule book as closely as we can.

The VICE PRESIDENT. It is the rule of the Senate, and the Chair is obligated to enforce the rules of the Senate.

Mr. LONG. I think the Chair ought to enforce the rules of the Senate. I am not going to argue about that point.

On this question, however, I am going to vote "nay." I ask the Chair, have I a right to vote against my own motion? I make that as a parliamentary inquiry?

The VICE PRESIDENT. The Senator from Louisiana has a number of rights, and one of them is to vote as he pleases concerning any motion in the Senate of the United States.

Mr. LONG. Does that mean that if I make a motion I can still vote against it?

The VICE PRESIDENT. The Senator certainly can.

Mr. LONG. I am going to vote against my motion.

The VICE PRESIDENT. Let us have a vote, then.

Mr. LONG. I am going to vote against it when the time comes.

SEVERAL SENATORS. Vote! Vote!

Mr. LONG. When the time comes, I shall myself vote against the motion.

SEVERAL SENATORS. Vote! Vote!

The VICE PRESIDENT. The question is——

Mr. LONG. No; I am not through. I am talking. I am fixing to talk for some time.

The VICE PRESIDENT. The Chair thought the Senator wanted a vote.

Mr. LONG. I do. I want to agree on a vote. I agree that I should like to have a much earlier time set to vote than we are going to vote, the way this filibuster is being carried on by my adversaries.

I have been trying to have a time fixed for a vote. I know that if one of these Senators gets the floor, he is liable to talk for a whole day to prevent a vote. That is why I am trying not to be made to yield the floor until I can get an agreement for a vote at an early date. That is what I am trying to do.

If I can get an agreement to vote at 12 o'clock, or 11 o'clock, or 10 o'clock, I am all ready and willing to vote. Fifteen hours and sixteen minutes ago I started this speech, and I hope to finish it during the next several hours.

Why have a filibuster here when we do not have to have it? Nobody has to have a filibuster here. I see no reason for it. Someone wants to show that he can stay up all night, perhaps, in the Senate. Well, I admit that. I admit that almost any Senator can stay up all night long, and a number of them have stayed up tonight; but that is not the point before the Senate.

We ought not to vote for this motion to reconsider. If we do, we shall stultify ourselves. If, after having voted, we come in here without any reason or excuse and vote the other way, we are the same as acknowledging that we made a mistake the first time. Therefore, I shall not vote for the motion.

If we vote for this motion, it is going to mean prolonged and interminable debate, and perhaps a filibuster by some

Senator who does not desire to see this legislation go through. If we were to vote in favor of this motion, we should still have to vote on whether or not we were going to adopt the original amendment of the Senator from Oklahoma [Mr. GORE], and that would open up another great field of debate. That would bring up again the whole question at issue, and every Senator would have to decide what he was going to do on the next motion; and then, when we got through with that, we should have more motions than that. We should have motions to reconsider. So let us all have harmony out of the matter, and get through with it at the earliest possible time, and with the least possible friction.

Personally, I am in a good humor. I am open for an agreement right now. I myself will accept a reasonable agreement. If there is somebody here who will not agree to it, it is not necessary to have unanimous consent. We can have an agreement here and say that we are going to do this and do that, and have it pretty well understood between ourselves, and it will possibly go through. Why not just let us have a gentlemen's agreement, based on faith, that we shall vote on this matter some time around 12 o'clock? That is what I am trying to have done, but Senators do not want to do it. It is all right. I am not getting any telegrams from anybody for this joint resolution. I have not heard from anybody who is in favor of the joint resolution. Nobody that I have heard from South, East, West, or North has told me that he is in favor of this joint resolution.

Mr. CLARK. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. Will the Senator from Louisiana speak a little louder? I see that the Senator next to him has gone to sleep. [Laughter.]

The VICE PRESIDENT. The Senator from Louisiana will kindly raise his voice so that the Senator from Missouri may hear what he is saying.

Mr. LONG. I will raise my voice. I was talking in as loud a tone of voice as I could for fear the Senator from Tennessee had gone to sleep, and I wanted him to hear what I was saying.

Nobody is wiring me on behalf of the N. R. A. Who in the Senate has received a wire that his constituents want the N. R. A.? Who has? Nobody. Nobody has received a single application or request for the N. R. A. measure to be passed. Nobody wants it. Nobody in the whole country wants the N. R. A. except a few bureaucrats and job holders, about five or six thousand of them up here, drawing a lot of money, sitting around under the electric fans in the summertime and in front of fireplaces in the wintertime. They are the only people who want the N. R. A. Nobody else wants it. Nobody else cares anything about it. Therefore, I do not care anything about it. I do not want the N. R. A., and I know the people do not want the N. R. A., and it ought not to be adopted. If left to me it would not be adopted. That is the way I look on it. There are plenty of things here to be done of importance to the Senate which ought to be done besides this. There is some social-security legislation, which is important, and which ought to be passed.

I know the best thing we could do would be to go ahead and knock this whole thing out. That is the best thing to do. The best thing that could be done right now would be to table this whole thing. If the whole N. R. A. thing were tabled now it would be a good thing, and I hope that will be done. But it will not be, I suppose, and I will not undertake to delay. I will undertake to speed this legislation through if Senators will adopt the Borah amendment regarding the antitrust law. If there is anything my feeble voice might contribute toward expediting the passage of the legislation I would be happy to do all I could. I would do my level best to have it passed.

Perhaps the Senate does not want to do it so fast. They want to take time and do what they can do on this Gore amendment to emasculate it. The best thing for us to do is to have the Senate pass upon the qualifications of the men spending these large sums of money. Some of them get more money than I get. Some of them get thousands and thousands of dollars. They get large sums of money themselves. They put their families on the pay roll, and they put everybody on the pay roll they can get on it. If they have any friends working and making two or three dollars a week they put them on the pay roll at two or three thousand dollars in some cases.

They wind up here, as the Senator from Oklahoma read this afternoon, with a pay roll of five or six or four or eight thousand dollar employees stacked up. What I am standing for is that there should be a provision that they ought to be confirmed. It is a ridiculous thing for the Senate to stay here at 3:25 in the morning for no purpose in the world except just to prolong this debate and create interminable confusion, when we could have come back here at 9 or 10 or 11 o'clock and have passed on this matter, and there would have been nothing to it by 10 or 11 o'clock in the morning. Why all this hurry?

Mr. McCARRAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield.

Mr. McCARRAN. May I inquire of the Senator from Louisiana again, as I have on several occasions during the afternoon, as to whether or not the problem to which he is addressing himself might be solved by those who have as much interest in the subject as he has, and whether or not the solution at which they might arrive might be acceptable to him?

Mr. LONG. I think it would be.

Mr. SCHWELLENBACH. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield; and if so, to whom?

Mr. LONG. I yield to the Senator from Washington.

Mr. SCHWELLENBACH. I ask the Senator from Louisiana if he realizes that any agreement in the matter of a solution of this problem will have as its first condition precedent, so far as the new Members of the Senate are concerned, that the Senator from Louisiana will sit down and yield the floor to somebody else?

Mr. McCARRAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield?

Mr. LONG. I yield for a question.

Mr. McCARRAN. I wonder if the Senator from Louisiana would be willing to yield the floor that he might enter into negotiations——

Mr. HARRISON. Mr. President, I ask for the regular order.

The VICE PRESIDENT. The Senator from Louisiana has yielded to the Senator from Nevada for a question, and under the rules of the Senate he has a perfect right to ask the question.

Mr. McCARRAN. Mr. President, may I say that I resent the attitude of the so-called "leader"——

Mr. HARRISON. Mr. President——

Mr. McCARRAN. In interrupting——

Mr. CLARK. I make the point of order that the Senator from Louisiana has no right to yield to the Senator from Nevada to resent something.

The VICE PRESIDENT. He has not.

Mr. HARRISON. I ask for the regular order.

The VICE PRESIDENT. The Chair will state to the Senator from Louisiana that if he yields to the Senator from Nevada to make a statement he will lose the floor.

Mr. LONG. I yielded for a question, and I did not even yield to the Senator from Mississippi. I yielded for a question. How can I tell that the Senator from Nevada is going to make a statement?

The VICE PRESIDENT. The Senator from Louisiana must protect himself with reference to his yielding.

Mr. LONG. I have not yielded for anything except a question. I specifically told the Chair that I would yield for a question only. Am I to go over and investigate and see what a Senator is going to say?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. For a question.

Mr. McCARRAN. In order that I may propound the question without interruption, in the view that we might solve this situation, I ask the Senator from Louisiana as to whether it might be possible to solve this situation if the leaders in control of this problem now on the floor of the Senate would get together and would advise with the Senator who has control of the floor?

Mr. LONG. I say we could get together. I think we can unless they are very unreasonable about it. All I want is to agree for an early vote, to start voting at a very early date. I would be willing to stop talking right now and start voting at 12 o'clock.

The VICE PRESIDENT. To start now?

Mr. LONG. The trouble is that there are three Senators who desire to speak. I have talked one of them out of speaking, but there are two others who have speeches which ought to be made. The Senator from Oklahoma has a short speech and the Senator from Minnesota has a short speech which they wish to make. They will take about an hour and a half to make those two speeches, and after that there would be nothing in the way of voting.

Mr. BARKLEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. If the Senators referred to would forego their speeches, would it be agreeable to the Senator from Louisiana to have the Senate proceed to a vote now?

Mr. LONG. No; not right now.

Mr. BARKLEY. Mr. President, will the Senator yield for a further question?

Mr. LONG. I yield for a question.

Mr. BARKLEY. In view of the Senator's anxiety that the two Senators mentioned be allowed to speak, why does not the Senator yield the floor in order that they may have the opportunity to do so?

Mr. LONG. I have been trying to get, and hoping we could get, a gentleman's agreement here to vote on this thing at a certain hour; thereby they will be able to speak, and I will be able to get them to cut their speeches down to suit the occasion. I still hope that we will all see the futility of this needless bickering over nothing. We are not fighting over anything. Why not let us agree?

It is now 3:30 o'clock a. m. I have been on the floor 15 hours and 30 minutes. Why not let us agree that we will come back at 11 o'clock this morning and vote at 12 o'clock, if you want to, or come back at 12 o'clock and vote at 1 o'clock, if you want to? I do not care. Just give us a little halfway break here to save our faces any way you will do it, and we will be satisfied with any little gesture you make. That will suit us; but you cannot tell me that I have got to sit down, because I will tell you you will have to go to sleep, for I can stand on my feet and continue to expound the logic of this bill in accordance with my natural desires. Nothing in my whole life has grieved me so much as having to discontinue making speeches on the floor of the Senate, or anywhere else, for that matter.

We ought to get together on this thing. Why all the bickering about it? I will promise that I will not make any speeches; I will be through if we will agree on a time to vote. I will not make any more speeches; I will be through about the matter. Set it at 11 o'clock; set it at 12 o'clock; set it at 1 o'clock; set it at any time you want to set it; I will meet the date, and that will be the end of it with me. I do not see why we cannot agree. We will be talking and arguing until 10 and 11 o'clock, and we will still have no agreement about this thing. Four and a half hours ago I tried to get an agreement for an early morning vote but could not get it.

I have not been doing all the talking. My friends have done a lot of the talking in the form of questions.

Therefore, I say the responsibility cannot be said to be mine, but it must lie on the shoulders of those who must bear it. I want this thing to get out of the way and to have a clear sky so we can consider the antitrust features of the measure. The last time we had this bill up we debated the antitrust law for about a day, and finally reached a solution that was satisfactory, to some extent, or sufficiently satisfactory that all parties accepted it, and perhaps they will do the same thing this time. That is what I am hoping we will be able to do. I am saying to the Senator from Kentucky that is what we ought to do. I want to state that I would appreciate Senators agreeing to an early hour for a vote. They will do me a personal favor if they will consent to a vote on this matter at 12 o'clock or 1 o'clock today. I will appreciate it as a personal favor if Senators will agree to that. Then that would not cut anybody out.

I have made few requests of this body; this is about the only request I have made in a long time—that you allow this matter to be voted on at an early hour, say, 12 o'clock or 1 o'clock; that is all. I do not like to take up 15 hours' time with the galleries getting empty and nobody to listen to me. The floor is getting thin; very few Senators are here, and I hate to speak to a small crowd like this. I would like to speak when people want to hear, but you cannot expect to see them get out of bed and come here at this time of the morning. About everybody has gone to bed except the Shriners, and they are not going to come here. So I should like to see us agree on this matter.

I am not going to propound a unanimous-consent agreement, but I am going to say a word by way of parliamentary inquiry, that the Senate recess until 11 o'clock and vote on the question now before the Senate at 12 o'clock. I would be willing——

Mr. SCHWELLENBACH. There will be objection.

Mr. GUFFEY, Mr. MINTON, Mr. MOORE, and Mr. BURKE. We object.

Mr. McKELLAR. I object.

Mr. LONG. If there should be no objection, we would all be happy; everybody would be happy. The 15 hours and 40 minutes of good sound logic that I have delivered here could be pondered by every man. That is what could be done.

Mr. President, I think that I am going to give my friends a chance here on this matter. I think we have had enough time spent on this measure. Senators do not want to vote on the bill, so let us take up another bill; let us pass to something else. I am going to make a motion that will be subject to debate, and I urge my friends in the Senate to debate it just as little as possible. I am going to make a motion now. Let us get rid of this bill for the time being.

Mr. President, I want to propound a parliamentary inquiry. Would it be in order for me now to move that the Senate proceed to the consideration of the social-security bill, which is Calendar No. 661?

The VICE PRESIDENT. It is in order for the Senator to move to take up another bill.

Mr. LONG. And the motion would be debatable, would it not, Mr. President?

The VICE PRESIDENT. It would.

Mr. LONG. I now move that the Senate take up for immediate consideration House bill 7260.

Mr. McKELLAR, Mr. PITTMAN, Mr. LEWIS, and other Senators rose.

Mr. LONG. Just a moment. If there is going to be a lot of objection to this proposal, I withdraw the motion.

Mr. PITTMAN. Mr. President, a parliamentary inquiry.

Mr. LONG. I withdraw the motion. I am not going to get confused here now. I am going to get the thing down in good order. I am not going to get a lot of confusion about this question. I feel that we ought to be friendly, and if I am going to get Senators "all het up" over nothing, I will not make the motion at all.

Mr. LEWIS. May I ask the Senator if the objection came from the new braves of the rear column?

Mr. LONG. I do not know, but I answer that I was going to move that the Senate temporarily lay the pending measure aside and take up the other bill, but, apparently, somebody was going to object to that. If there was going to be any objection to it, I was not going to throw any confusion into the body; there is too much confusion already. It would be better to get rid of this in the quickest and the best

way possible. However, if there is going to be any objection and confusion about it I am not going to worry anybody about anything of the kind. That is the way I am going to look on it.

The Senator from Minnesota [Mr. SCHALL] is very anxious to speak on this motion, and I am very anxious that he shall speak on it at such length as he shall see fit; but before I conclude my speech I should like to get an agreement, if possible. However, there is no chance—no chance of agreement!

Mr. McKELLAR. None whatever.

Mr. LONG. No chance!

Mr. McKELLAR. None whatever.

Mr. LONG. That is the toughest thing I ever ran into. No one wants to agree to anything. Some Members of the Senate have gotten into a bad humor. We almost had everything harmonized, and thought we could agree; but some one seemed to think I was fixing to quit. Well, I am not. I have no idea of quitting for a while yet. I have a great deal more to discuss about the bill. Soon I shall have been talking 16 hours. That is not a long speech to make. Many men have made speeches of 16 hours long before now, and if I should speak 18 hours there would still be men who have spoken longer than I did on the floor of the Senate, and probably did not say as much as I said.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. CLARK. Does the Senator realize that while he is still short of the record, the record was set by a man who talked exclusively to the bill before the Senate—the elder Senator Robert M. La Follette, from Wisconsin.

Mr. LONG. Yes. Well, I have talked about this bill exclusively tonight. Of course, some Senators may not see it as I do, but that is the way I interpret it.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Nevada for a question.

Mr. McCARRAN. In keeping with questions which I have propounded to the Senator from Louisiana in the past, and in keeping with the spirit of the matter before the Senate, and with the hope that there may be a leadership here, I ask the Senator from Louisiana if the leaders who have charge of this measure were to present to him, he having the floor under the rule of the Senate, a solution of this entire question, would he acquiesce?

Mr. LONG. In any reasonable solution.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Washington for a question.

Mr. SCHWELLENBACH. I hope the Senator from Louisiana realizes that in order to get any unanimous-consent agreement from the Senate he must, in addition to the leaders who have been referred to, get the consent of the new Members of the Senate, taking into consideration the fact that within the last half hour each one of them has gone out and drunk three cups of coffee, which will enable them to stay here for another 12 hours while the Senator from Louisiana speaks.

Mr. LONG. Mr. President, they have not drunk any coffee. They think they have drunk coffee. That stuff is nothing but slop. If Senators had ever had a cup of coffee down in Louisiana, they would realize that there was no one in Washington who knew how to make coffee.

They do not know how to make coffee up in this part of the country. I know what I am speaking of. They boil the coffee grounds with a little water, all right; stew it up, burn it a little bit, but that is not coffee. I will tell Senators how to boil coffee. I have given the Senate three recipes tonight. But it takes a whole lot of science to make coffee. Of course, so long as the young Senators imagine they have had coffee that may keep them going just as well as if they had had real coffee. It may have some kind of a mental effect on them. They may get some mental stimulus out of what they have drunk, from imagining that they have had coffee. The young generation here is just kind of rebellious.

Mr. BONE. "Youth will have its way."

Mr. LONG. As the Senator from Washington said, youth will be served

Mr. SCHWELLENBACH. The Senator means the senior Senator from Washington.

Mr. LONG. Yes; I mean the senior Senator from Washington. Neither the senior Senator from Washington nor I have been here long enough to be called old Members. I was elected in 1930, and by all rules of war I should have been here about 5 years now, but I did not come here until 2 years after I was elected. I lost that part of my service as a Senator. I could not come here; I had to sit on the lid down in Louisiana in the Governor's office; and my friend, the senior Senator from Nevada, was peppering the Senate at that time with questions which were very embarrassing to me, and it was all I could do to get to the Senate and take my seat. I managed to do it by means of a great deal of fortitude.

Senators, I propound a question: Does the Senate want to confirm these men? How many Members of the Senate will say that they think they are not intelligent enough or that they do not think it proper to confirm appointees, or whether they think any harm is going to be done by the Senate confirming the members of these various boards who draw $4,000? What is the justification for opposing such a measure? That is what I am trying to get at. What is the reason and the logic and the force behind the objection? Who makes the objection? I ask. Who objects? I ask. Why do they object? I ask. What is the answer? There is no answer. No one knows the reason for objecting. No one gives any reason at all. There is no reason, I assume. If there were a reason it would have been stated, but none has been stated. No justification has been given.

Soon the sun will be rising. Four o'clock will soon be here.

The VICE PRESIDENT. Before the Chair gets someone else to occupy the chair, if the Senator from Louisiana will permit, the Chair will say that he ruled awhile ago that the Senator from Louisiana was making his second speech. After consulting with the parliamentary clerk, whose statement the present occupant of the chair misunderstood in view of the ruling by the President pro tempore of the Senate, and the fact that the RECORD shows that the Senator from Louisiana is making his first speech, the Chair desires to correct his ruling in justice to the Senator from Louisiana.

Mr. LONG. I thank the Chair. I am now making my first speech, and I have one more coming on this motion. Members of the Senate, I know, are delighted at that announcement. I know they are delighted. I can see the smiling countenances as there creeps into their understanding the hope that there might be 16 hours of sound logic coming along the lines as previously indicated. That being the case, Mr. President, I am not disposed to be hoggish about this matter. I should like to have a conference with the Senator from Mississippi [Mr. HARRISON] and the Senator from Kentucky [Mr. BARKLEY] and the young Senators at a very early date to see if I cannot convince them that we ought to vote on this bill sometime shortly after noon today. If I could get that kind of an agreement I would be happy. I should like to call in the whip of this side, the distinguished Senator from Illinois [Mr. LEWIS], to pour oil on the troubled waters and see if we cannot all reach harmony in this matter. I feel duly appreciative to that Senator in view of the motion he made for me tonight.

We need wise and sagacious counsel to see if we cannot harmonize this thing and agree on a vote by tomorrow—not tomorrow, but today. Agree on a vote on this whole question. That is what I propose to try to get an agreement for.

So, Mr. President, if the Senator from Minnesota [Mr. SCHALL] wishes to speak now, I will not detain him further from delivering his speech on this case, and I will solicit a conference with the rebellious element in this body and undertake to get harmony and understanding.

I yield the floor on my first speech.

Mr. SCHALL rose.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on the motion of the Senator from Louisiana [Mr. LONG] to reconsider the vote by which the amendment of the Senator from Oklahoma [Mr. GORE] was agreed to. [Putting the question.] The ayes have it.

Mr. LONG. Mr. President, the Senator from Minnesota has the floor.

The PRESIDING OFFICER. The Senator from Minnesota has not claimed the floor. The Senator from Louisiana cannot demand the floor for the Senator from Minnesota.

Mr. LONG. Mr. President, I demand a division.

The PRESIDING OFFICER. The Senator from Louisiana demands a division on the motion to reconsider.

Mr. SCHALL. Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. SCHALL. Mr. President, courage is an attribute of God. If I had but one word with which to describe the Senator from Louisiana [Mr. LONG] I should use the word "courageous." He has put up the gamest fight I have ever witnessed or heard. He is entitled to the admiration of every American. He has taken his punishment like a man. He has displayed moral and physical stamina. He has made the sacrifice. He has been upon Mount Sinai and seen the lightning flash and heard the thunder's roll. He has partaken of the meal of locust and clothed himself with camel's hair. I admire this tremendous man and the courage he has displayed here today in preserving, so far as he can, the Republic of the United States.

Mr. President, with the aid of the clerk I desire to make some further observations and ask consent to use his eyes.

The PRESIDING OFFICER. The Senator from Minnesota——

Mr. McKELLAR. Mr. President, I object at this late hour.

The PRESIDING OFFICER. Let the Chair state the request of the Senator from Minnesota.

Mr. SCHALL. Mr. President, I cannot understand why the Senator from Tennessee should object to my having the same privilege that he has. If I had my eyes I could have the benefit of my notes, I could have the benefit of the use of my manuscript. I cannot understand why the Senator from Tennessee presumes to object to my having the same right that he has.

Mr. McKELLAR. I would not object to the Senator putting the speech into the RECORD but if the Senator undertakes to have it read at this late hour, I object.

Mr. LA FOLLETTE. Regular order!

The PRESIDING OFFICER. The regular order is the request of the Senator from Minnesota that a statement be read from the desk by the clerk. Is there objection?

Mr. McKELLAR. In view of the character of speeches that have been made here tonight, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. SCHALL. I yield.

Mr. McNARY. This courtesy uniformly has been extended to the Senator from Minnesota. I am advised the speech is pertinent to the resolution now before the Senate for its consideration. I think under those circumstances and in view of the physical condition of the Senator, the courtesy should be extended to him.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Just a minute. The Senator from Minnesota has the floor. He has yielded to the Senator from Oregon. The Senator from Oregon has not completed his statement.

Mr. LA FOLLETTE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state the point of order.

Mr. LA FOLLETTE. The Senator from Minnesota cannot yield except for a question.

Mr. BARKLEY. Mr. President, will the Senator yield to me for a question?

Mr. SCHALL. I yield for a question.

Mr. BARKLEY. May I inquire of the Senator how long is the address that he wishes the clerk to read?

Mr. SCHALL. About an hour.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Nevada?

Mr. SCHALL. For a question.

Mr. BARKLEY. May I inquire of the Senator further——

The PRESIDING OFFICER. Does the Senator from Minnesota yield; and, if so, to whom?

Mr. McCARRAN. Mr. President, a point of order.

Mr. BARKLEY. I wanted to ask the Senator from Minnesota if the speech he has asked to have read is his own production?

Mr. SCHALL. Oh, yes, indeed.

Mr. McCARRAN and Mr. McNARY addressed the Chair.

The VICE PRESIDENT. Does the Senator from Minnesota yield; and if so, to whom?

Mr. McCARRAN. Mr. President, a point of order.

The VICE PRESIDENT. The Senator from Minnesota has the floor.

Mr. McCARRAN. A point of order.

The VICE PRESIDENT. The Senator will state the point of order.

Mr. McCARRAN. In view of the physical impediment of the Senator from Minnesota, he should be advised as to who is rising.

The VICE PRESIDENT. There is no rule in the Senate concerning impediments of Senators.

Mr. SCHALL. Mr. President, I have had an amendment to the rules of the Senate pending for months before the Rules Committee of the Senate asking that a blind man may be given the same privileges as are given to those who can see. I cannot get a hearing and I cannot get the resolution reported out. Some day I am going to ask to discharge the committee and let the Senate vote upon the question of whether, simply because God has provided most Senators with a pair of eyes and deprived two other Senators in the Senate of the means of communicating through a written manuscript, the two latter Senators shall be denied the privilege and equality had by other Senators. I cannot understand why any Senator should assume the authority to rise in his place and object to my stating some proposition of my own. It only is equaled by the patience with which the blind man must endure such persecution.

Mr. McCARRAN. Mr. President, I suggest the absence of a quorum.

Mr. SCHALL. Will that take me from the floor?

The VICE PRESIDENT. It cannot.

Mr. SCHALL. All right; let us have a quorum.

The VICE PRESIDENT. The Senator from Minnesota has the floor.

Mr. McNARY and Mr. BORAH addressed the Chair.

The VICE PRESIDENT. Does the Senator from Minnesota yield; and if so to whom?

Mr. SCHALL. I yield for a question to the minority leader.

Mr. McCARRAN. Mr. President, a point of order.

Mr. LA FOLLETTE. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state the point of order.

Mr. LA FOLLETTE. I make the point of order that no business has intervened and, therefore, the absence of a quorum cannot be suggested.

Mr. McCARRAN. Mr. President on the point of order I am ready for a ruling.

The VICE PRESIDENT. The Senator from Minnesota has not yielded for the purpose of a quorum call. After the Senator from Minnesota yields for the purpose of calling a quorum the Chair will pass on the question of the parliamentary status, and whether there can be a quorum called.

Mr. SCHALL. Does that take me from the floor?

The VICE PRESIDENT. It does not.

Mr. SCHALL. I yield for that purpose.

The VICE PRESIDENT. The Senator from Minnesota has the floor.

Mr. McCARRAN. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. McCARRAN. The Senator having the floor has not the privilege or the right to yield on a call for a quorum, has he?

The VICE PRESIDENT. The Senator having the floor can decline to yield for the purpose of suggesting the absence of a quorum. The Senator from Minnesota has the floor.

Mr. McCARRAN. Mr. President, will the Senator from Minnesota yield to me for the purpose of calling a quorum?

Mr. SCHALL. Yes.

Mr. McCARRAN. I suggest the absence of a quorum.

Mr. LA FOLLETTE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LA FOLLETTE. If the Senator from Minnesota yields for the purpose of suggesting the absence of a quorum, will it not deprive him of his first speech on this question during this day?

The VICE PRESIDENT. Not under the practice of the Senate, as the Chair understands.

Mr. LA FOLLETTE. I respectfully request the Chair to recall that no business has intervened.

The VICE PRESIDENT. No business has been transacted; and if a Senator makes the point of order, as the Senator from Wisconsin indicates he will, there will be no call of a quorum.

Mr. LA FOLLETTE. I make the point of order.

The VICE PRESIDENT. The point of order is sustained. The Senator from Minnesota is recognized.

Mr. BARKLEY. Mr. President, will the Senator from Minnesota yield to me for an inquiry?

Mr. SCHALL. Yes.

Mr. BARKLEY. If the Senator will let me make an observation preliminary to the inquiry, I realize that many Senators have become impatient at this proceeding, and impatient at previous speeches delivered here and read by the clerk on behalf of the Senator from Minnesota. Notwithstanding that, however, I hope the Senators here will consent to let the clerk read this speech, in order that no charge of discourtesy or lack of patience on the part of the Senate may be brought in connection with this matter. I feel that we probably should gain time by adopting that procedure.

Mr. CLARK. Mr. President, before that request is put, I should like to propound a parliamentary inquiry, which I dislike to do, because I have recently come down to the floor from the occupancy of the chair.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. CLARK. Was the motion for reconsideration carried or lost? The occupant of the Chair at the time, who was myself, understood that the motion for reconsideration had been carried. Following that decision, the occupant of the Chair had been unable to hear any request for recognition on the part of the Senator from Minnesota, although he had been previously advised by the minority leader, the Senator from Oregon [Mr. McNARY], that the request would be made. The occupant of the Chair at that time—the present Member on the floor speaking—understood that the motion for reconsideration had been put and decided.

The VICE PRESIDENT. The Chair will say to the Senator from Missouri that he is informed that the question was put, and the "ayes" appear to have it, and no Senator objected.

Mr. SCHALL. No; I was asking for recognition.

Mr. LONG. O Mr. President, I called for a division, and the Chair granted it, and then recognized the other Senator.

The VICE PRESIDENT. Very well; then the correction will be made that the question is still pending as to whether or not the Senate will reconsider the motion. That still is the question before the Senate, the Chair is informed.

Mr. LA FOLLETTE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LA FOLLETTE. May a Senator be recognized while a division of the Senate is taking place?

Mr. LONG. Certainly; he may call for the yeas and nays, or call for a quorum.

The VICE PRESIDENT. Yes; a Senator may be recognized for the purpose of calling for a quorum.

Mr. McCARRAN. I call for a quorum.

The VICE PRESIDENT. The Senator from Minnesota [Mr. SCHALL] has the floor.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. I grant that the entry in the Journal would control the matter; but my distinct recollection is, as the occupant of the Chair, that I declared the motion carried.

The VICE PRESIDENT. The Chair so understands, but a number of Senators say otherwise.

Mr. LONG. I was on the floor, and it could not be done. There is no question that the Senator tried to do it.

Mr. CLARK. If I may be pardoned——

The VICE PRESIDENT. Just a moment.

Mr. CLARK. The Senator from Louisiana was on the floor claiming that the Senator from Minnesota was claiming recognition, which he was not doing at the time; but the question is whether the Senator from Minnesota had claimed recognition in time to block the announcement of the vote.

Mr. BARKLEY. Mr. President, will the Senator yield? My recollection of what occurred is that the Senator from Missouri, in the chair, put the question on the motion to reconsider, and declared the motion carried. The point then was raised that the Senator from Minnesota [Mr. SCHALL] was demanding recognition; and the Senator from Missouri [Mr. CLARK], in the chair, announced from the chair that the Senator from Minnesota had not claimed recognition. That occurred after he had declared the motion carried.

Mr. LONG. Mr. President, a point of order.

The VICE PRESIDENT. The Senator from Louisiana has had the floor for 15 hours. Just a moment to let the Chair understand the situation.

Mr. LONG. All right; I desire to tell the Chair what the situation is. I desire to make a point of order.

The VICE PRESIDENT. The Senator cannot do that without permission of the Senator from Minnesota.

Mr. LONG. I will ask the Senator from Minnesota to yield to me in order that I may make a point of order.

Mr. SCHALL. I yield.

The VICE PRESIDENT. The Senator will state his point of order.

Mr. LONG. The point of order is this:

What happened was that the Senator from Missouri [Mr. CLARK], in the chair, with lightning speed, with the Senator from Minnesota on his feet, began to say, "All in favor of the motion to reconsider will say 'aye'; those opposed will say 'no';" and so forth; and I jumped up and called for a division, and he granted a division, whereupon he had to recognize the Senator from Minnesota.

That is what happened. I hope nobody is going to dispute that simple statement, which the RECORD will show absolutely, that I called for a division in order to have that poor blind man recognized.

Mr. LA FOLLETTE. Mr. President, I renew my point of order.

The VICE PRESIDENT. Just a moment. Let us have order in the Senate, please. Let us have an orderly procedure.

Mr. LA FOLLETTE. I rise to a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. LA FOLLETTE. The point of order is that no Senator may be recognized while the Senate is dividing on a question.

The VICE PRESIDENT. The Senator is correct.

Mr. McCARRAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCARRAN. Has a Senator who has been the Presiding Officer a right to decide his own decisions when he returns to the floor?

The VICE PRESIDENT. He certainly has, if he tells the truth about it, and the Chair believes he does.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BARKLEY. Assuming that the decision of the Chair was that the motion for reconsideration was carried, then is the Senator from Minnesota entitled to the floor, if recognized by the Chair, on the amendment that would be pending?

The VICE PRESIDENT. No; he is entitled to recognition by virtue of the fact that he can talk about anything he wishes to talk about.

Mr. BARKLEY. I understand; but the pending matter then would be the amendment, the vote on which was reconsidered?

The VICE PRESIDENT. It makes no difference on what subject the Senator from Minnesota rises; he can talk about anything he wishes to talk about. The Chair understands, however—and he has sent for the record—that the motion to reconsider has been agreed to. The Senator from Minnesota now can talk about anything on earth he wishes to talk about.

Mr. BARKLEY. The question I propound, though, is that he is recognized on the amendment that is pending.

The VICE PRESIDENT. The Senator is recognized on any subject. He may talk about anything, including the state of the Union.

Mr. BARKLEY. I agree that he may talk about anything; but his recognition is on the Gore amendment, which is now before the Senate?

The VICE PRESIDENT. No; the Chair will state to the Senator from Kentucky that there is no question on which a Senator is recognized to speak. He may speak about anything on God's green earth when he gets the floor.

Mr. BARKLEY. Assuming that the motion for reconsideration was adopted, what is now before the Senate?

The VICE PRESIDENT. The question now before the Senate is the motion of the Senator from Mississippi [Mr. HARRISON] to concur with an amendment.

Mr. BARKLEY. I raise the point that the question before the Senate is the amendment offered by the Senator from Oklahoma [Mr. GORE] to the amendment offered by the Senator from Mississippi.

The VICE PRESIDENT. The Senator from Kentucky is correct. The question is on the amendment offered by the Senator from Oklahoma [Mr. GORE] to the amendment offered by the Senator from Mississippi [Mr. HARRISON].

Mr. McNARY and Mr. LA FOLLETTE addressed the Chair.

Mr. SCHALL. I yield for a question.

Mr. McNARY. Mr. President, the Senator from Minnesota has frankly stated that his speech will not require more than an hour. In view of the unbroken practice of the Senate, I ask unanimous consent that the clerk be directed to read the remarks of the Senator from Minnesota.

Mr. LA FOLLETTE. I object.

Mr. McNARY. Mr. President, I move that the clerk be directed to read the remarks of the Senator from Minnesota.

Mr. LA FOLLETTE. On that motion I ask for the yeas and nays.

Mr. CLARK. Mr. President, Senators on this side of the Chamber have been unable to hear what is transpiring.

The VICE PRESIDENT. The Senator from Oregon has moved that the clerk be directed to read a speech or a statement prepared by the Senator from Minnesota.

Mr. McCARRAN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bailey	Black	Bulow
Austin	Bankhead	Brown	Burke
Bachman	Barkley	Bulkley	Byrd
Byrnes	Hastings	Maloney	Schall
Capper	Hatch	Minton	Schwellenbach
Clark	Hayden	Moore	Sheppard
Connally	King	Murphy	Smith
Costigan	La Follette	Murray	Thomas, Okla.
Dickinson	Lewis	Norris	Thomas, Utah
Duffy	Lonergan	O'Mahoney	Townsend
Frazier	Long	Pittman	Trammell
Gore	McCarran	Pope	Vandenberg
Guffey	McKellar	Radcliffe	Van Nuys
Harrison	McNary	Russell	Wagner

The PRESIDENT pro tempore. Fifty-six Senators having answered to their names, there is a quorum present.

The question is on agreeing to the motion of the Senator from Oregon that the clerk be directed to read the speech of the Senator from Minnesota [Mr. SCHALL].

Mr. McNARY. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Arkansas [Mr. ROBINSON], which I transfer to the senior Senator from Maine [Mr. HALE], and vote "yea."

Mr. THOMAS of Utah (when his name was called). On this vote I have a pair with the senior Senator from Rhode Island [Mr. METCALF]. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. AUSTIN. I desire to announce the following general pairs:

The Senator from New Jersey [Mr. BARBOUR] with the Senator from Missouri [Mr. TRUMAN];

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN];

The Senator from Vermont [Mr. GIBSON] with the Senator from New York [Mr. COPELAND];

The Senator from North Dakota [Mr. NYE] with the Senator from Virginia [Mr. GLASS]; and

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Mississippi [Mr. BILBO].

I am advised that the Senator from Minnesota [Mr. SHIPSTEAD] would vote "yea."

Mr. LEWIS. I desire to announce the following general pairs on this question:

The Senator from California [Mr. McADOO] with the Senator from New Hampshire [Mr. KEYES];

The Senator from Illinois [Mr. DIETERICH] with the Senator from Oregon [Mr. STEIWER];

The Senator from Georgia [Mr. GEORGE] with the Senator from Maine [Mr. WHITE];

I also desire to announce that the Senator from Arizona [Mr. ASHURST], the Senator from Mississippi [Mr. BILBO], the Senator from Washington [Mr. BONE], the Senator from Arkansas [Mrs. CARAWAY], the Senator from New Mexico [Mr. CHAVEZ], the junior Senator from Massachusetts [Mr. COOLIDGE], the Senator from New York [Mr. COPELAND], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Arkansas [Mr. ROBINSON], the Senator from Maryland [Mr. TYDINGS], the Senator from Montana [Mr. WHEELER], the senior Senator from Massachusetts [Mr. WALSH], the Senator from Illinois [Mr. DIETERICH], the Senator from Ohio [Mr. DONAHEY], the Senator from Florida [Mr. FLETCHER], the Senator from Georgia [Mr. GEORGE], the Senator from Rhode Island [Mr. GERRY], the Senator from Virginia [Mr. GLASS], the Senator from Kentucky [Mr. LOGAN], the Senator from California [Mr. McADOO], the Senator from Kansas [Mr. McGILL], the Senator from West Virginia [Mr. NEELY], the Senator from Louisiana [Mr. OVERTON], the Senator from Missouri [Mr. TRUMAN], are necessarily detained from the Senate.

Mr. BULKLEY (after having voted in the affirmative). I inquire if the senior Senator from Wyoming [Mr. CAREY] has voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming, and not knowing how he would vote, I transfer my pair with him to the junior Senator from Louisiana [Mr. OVERTON], and allow my vote to stand.

The result was announced—yeas 38, nays, 17, as follows:

YEAS—38

Adams	Duffy	McCarran	Sheppard
Austin	Frazier	McNary	Smith
Bachman	Gore	Maloney	Thomas, Okla.
Barkley	Hastings	Minton	Townsend
Bulkley	Hatch	Norris	Trammell
Byrd	Hayden	O'Mahoney	Vandenberg
Capper	King	Pope	Van Nuys
Clark	Lewis	Radcliffe	Wagner
Costigan	Lonergan	Russell	
Dickinson	Long	Schall	

NAYS—17

Bailey	Burke	La Follette	Pittman
Bankhead	Byrnes	McKellar	Schwellenbach
Black	Connally	Moore	
Brown	Guffey	Murphy	
Bulow	Harrison	Murray	

NOT VOTING—40

Ashurst	Cousens	Johnson	Reynolds
Barbour	Davis	Keyes	Robinson
Bilbo	Dieterich	Logan	Shipstead
Bone	Donahey	McAdoo	Steiwer
Borah	Fletcher	McGill	Thomas, Utah
Caraway	George	Metcalf	Truman
Carey	Gerry	Neely	Tydings
Chavez	Gibson	Norbeck	Walsh
Coolidge	Glass	Nye	Wheeler
Copeland	Hale	Overton	White

So Mr. McNARY's motion was agreed to.

The PRESIDENT pro tempore. The Clerk will read.

The Chief Clerk read the speech of Mr. SCHALL, as follows:

THE TWO RICHBERGS AND THE LITTLE RICHBERGS

Mr. SCHALL. Mr. President, there is a provision of the United States Constitution which reads:

Article X of the Bill of Rights: The powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States, respectively, or to the people.

There is another provision—article IV, section 4—which reads:

The United States shall guarantee to every State in this Union a republican form of government.

Because Donald R. Richberg, one of the accredited "brain trust" authors of the N. R. A., and the fourth successive administrator thereof in 2 new-deal years, and the special attorney of the administration in the "sick chicken" case recently decided by the Supreme Court, overlooked these two provisions of the Constitution he has now penned his resignation and returns to his private law practice in Chicago.

He has lost his reputation as a lawyer following the declaration of the Supreme Court which decided the "sick chicken" case pursuant to the above provisions of the Constitution.

Richberg has lost his standing with the very class—organized labor—whose chief counsel he once was. John L. Lewis, head of the mine workers, denounces him as a "traitor to labor."

President William R. Green, of the American Federation of Labor, gives Richberg this unsavory parting shot:

There are two Donald Richbergs—the one who was attorney for the railroad brotherhoods and the Richberg of the Recovery Administration. The legal opinions of the two are so diametrically opposite we wonder what has happened.

The reason for this conflict of legal minds in the two Richbergs is not hard to find. As attorney for labor in former days he was bound by the Constitution, which begins with the preamble:

We, the people of the United States.

On the other hand, the second Richberg is bound by the edict of the Commander in Chief of the Army and Navy, the orders of the "chief allocator" of the new deal, whose will became the law of the land to the extent that he commandeered both the legislative and executive powers of Government and assumed the judiciary.

The first Richberg followed the Constitution which represented the will of the sovereign people. The second Richberg attempted to follow the changing will of the new Fabius Maximus.

The first Richberg knew as his sovereign guide the people of the United States who reserved to themselves and the States the powers not delegated by them to Congress, the President, and the United States Supreme Court.

The second Richberg as in the case of that English archbishop who exclaimed:

Had I served my God with half the zeal I served my king, He would not thus have left me naked to mine enemies.

In the "sick chicken" case, which the second Richberg had chosen as the perfect test of the N. R. A., he found himself between Scylla and Charybdis. He had charted his official skiff between those two rocks in the narrow strait between Italy and Sicily, under the cliff of one of which dwelt the monster who sucked up all wayward boats, and in the cave of the other of which dwelt the "fierce monster who barked like a dog", as tradition tells us.

The Supreme Court had wrecked his legal craft by citing the Constitution with regard to the rights and powers of the States. The White House, from its cave, had barked about the 48 State laboratories which cramped the style of the Commander in Chief of the Army and Navy and the bureaucratic ascaridae.

So, twice shipwrecked, and his Blue Eagle flag gone with the wreck, there was nothing for the navigator of the N. R. A. to do but to swim for home—the very Chicago in which his Commander in Chief had in 1932 pledged his 100-percent support of the platform which carried the pledge:

Strict and impartial enforcement of the antitrust laws to prevent monopoly.

A 100-percent pledge which both the Commander in Chief and the N. R. A. itself had repudiated by suspension of the antitrust laws.

What will be the reaction in the home towns of our Senators and Congressmen who are lawyers, as a result of their votes for this unconstitutional legislation? In order to be consistent with the new deal those who have joined in this program, when they return to the practice of law, will no doubt have on their stationery and on their signs appended after their names as lawyers "Unconstitutional law guaranteed."

The lesson of the two Richbergs and the little Richberg lawyers seems to be plain. It applies not only to Richberg, but to all officeholders and statesmen who sail under the banners of a "double deal."

Just as no navigator can avoid the rocks of both Scylla and Charybdis, so no statesman can at one and the same time embrace both the Constitution and the new deal. He cannot stand at one and the same time on Prof. Rexford Guy Tugwell's "government of men" and on the Constitution's "government of laws" which Tugwell says is a "fiction."

The statesmen who for 40 years have stood for the Sherman Act and the Clayton Act and for Theodore Roosevelt's and Woodrow Wilson's Federal Trade Commission Act, and have stood 100 percent for "strict and impartial enforcement of the antitrust laws to prevent monopoly", cannot with impunity turn about face and suspend those antitrust laws and extend a Federal franchise to monopoly.

In short, if we serve our God and the Constitution with half the zeal we serve our White House king, who is allocator of $5,000,000,000, the people of the United States will not leave us naked to our political enemies. If we march under the Stars and Stripes with half the enthusiasm with which we march under the Blue Eagle of dictatorship, we shall not be in the case of "Cracker-down" Johnson and the two Richbergs.

In the administration of the N. R. A. in the 2 years of its disastrous voyage and shipwreck, the future historian, following the example of the prophet, may say:

"Here dwelt under the folds of the Blue Eagle these four—Richberg, Walker, Williams, and 'Cracker-down' Johnson—but the greatest of these was 'Cracker-down' Johnson, because 6 months before the funeral Johnson had said, 'The N. R. A. is dead as a dodo.'"

Three administrators succeeding Johnson had dwelt under the illusion—dead but not buried. They waited for the Su-

preme Court to order the funeral. They seemed to think that the people of the United States had no sense of smell. But they could not fool the nine Justices of the United States Supreme Court.

So, Richberg is departing for Chicago without waiting for the funeral, while Franklin D. Roosevelt departed for Hideaway Park to sulk, ostensibly to look after his political fences and livestock. Indeed, the newspaper photo of the rear-platform scene at Union Station showed the two dukes of Dutchess County, N. Y., both Franklin Delaware Roosevelt and H. Morgenthau, Jr., going back to their feudal estates for a week and leaving the remains of N. I. R. A. in the hands of Congress with "Cracker-down" Johnson as the sole pallbearer.

Since the House bill, which it is claimed leaves nothing of the N. R. A. but the tail feathers, has reached the Senate, what is the Senate going to do with the tail feathers? Shall we embalm the tail feathers and mount them in the Smithsonian Institution or shall the tail go with the hide?

If we embalm them, as this administration is now conniving to have us do, this queer administration of megalomania ideas which has no respect for its own word, the fundamental laws of our country or of God, will immediately try to make some strange monster of it in whose name it could reusurp more intimidating tyrannical power to further its reelection in '36. Revelation by St. John predicted this seven-headed monster, in whose name "the one who came after", ruled and placed upon the brow or the hand of those who labored by brain or brawn, in the marts of trade, the mark of the beast. Is the mark the Blue Eagle, the N. R. A., the A. A. A., or any or all the other 57 varieties of bureaus, 731 codes, and the 13 commissions which this administration has stamped upon the forehead and the hand of Uncle Sam?

It is written by the Revelator that there were those who would not bow down to the beast and accept the mark in their forehead and in their hand but who remained loyal to the principle of righteousness and thereby retained the mark of the living God in their forehead and in their hand. The "beast wore out the saints of the most High" for a certain time, but the Lord raised them up and gave them power and strength and sent them forth to represent his kingdom. How like the foreign Fabian Society the actions of this beast!

Our Republic, founded upon the teachings of Christ, attempting to keep the faith, is persecuted, maligned, and threatened with destruction because that Constitution guarantees freedom of speech, freedom of press, and freedom to worship and serve God as we choose.

And John further said of the seven-headed monster that one of the heads was wounded and bleeding, and while he looked it healed. The Supreme Court has dealt the mortal wound to the illegal trust combinations, and even now while we watch, the healing process, through the wiles of this administration, is taking place. The House, at his command, passes what is called the "retention of the skeleton of the N. R. A." But in that skeleton is secretively hidden the power, with the aid of the Executive, to nullify the antitrust laws for his favorite international trusts, while putting the political pressure upon those who believe in the Constitution, upon those who still have upon their brow and in their hand the sign of the living God, the very thing the unlawful N. R. A. was created to do, and the very thing the Supreme Court says it cannot do.

Such persistence to annul our fundamental law can only be attributed to those of willful intent, bent upon the destruction and the annihilation of the Republic of the United States.

I pray that honest labor will not be led blindfold into this international Fabian trap to create strife and strikes to help further the planned chaos, that he as Commander in Chief of Army and Navy will be given the foundation upon which he can issue his riot edict. Let them look for no mercy or favor or keeping of promises from this ruthless man, who is leaving no stone unturned to realize his prediction that he will be the last President of the United States.

If, through the profligate use of the five billion campaign fund, and another five billion to be allotted by this spineless Congress in the next session, he succeeds in his reelection ambition, the Republic of the United States will be a thing of history, for upon its shattered ruins this Caesar, this Napoleon, this Chief of the Army and Navy will have built his throne.

Are we going to represent the folks at home and support the Constitution we are sworn to uphold, or shall we follow the example and deserve the fate of the two Richbergs?

We are happily faced with an honorable solution, namely: Restore the antitrust laws and refer the remains of N. I. R. A. to the Federal Trade Commission, our official undertaker.

We have the opportunity to renew our allegiance to those provisions of the Constitution, article X, in which the people reserve to themselves the powers not delegated to the Government, and article IV, section 4, in which the Constitution guarantees to every State in the Union a republican form of government.

We can be true to our respective States, true to ourselves, true to our God, and true to the interests of the people who elected us if we embrace these opportunities to perform our plain duty.

But we cannot trim and straddle—one foot on land and one on sea—one on the Constitution given us by the people and one on the shifting quicksands of "bold experiment", betraying every word of the very platform upon which the President was elected; one foot on our pledges to support the Constitution and one on the fears of a $5,000,000,000 White House allocation, unless we elect to emulate the example and the fate of the two Richbergs and the two Dromios.

A once famous favorite of a fickle king finally closed his career with the wail, "Farewell, a long farewell, to all my greatness." Let us not succumb to the wiles of that "double deal", though it may, like the forces of dark, make promises it can never keep and never intends to keep. The bribe, which has always been the devil's method of destruction, will not swerve those who are loyal. Paul says, "You can't serve the devil and God at the same time." Joshua says, "Choose you this day whom ye will serve. As for me and my house, we will serve the Lord."

Let us by our vote against this N. R. A. redeclare our Republic and renew our devotion to the people, the sovereign power, the Constitution.

LAWYER BURTON ON COMMUNISM

Mr. President, I want, while I have the floor, to digress a few minutes from direct discussion of the pending issue, but which is indirectly tied up with it.

Mr. President, France in 1789 decided, by way of a bloody revolution, to throw off the yoke of an absolute monarchy where the king could do no wrong and accept a government drawn on the American plan, which plan had been drawn in accordance with the philosophies of French philosophers such as Rousseau and Montesquieu. During the 150 years since, France has had her ups and downs, but now appears to face the inevitable result of an unbalanced budget, either raise taxes or devalue the currency. Four ministries have fallen in a week and the Communists are bent on the destruction of her Republic.

Conditions that led to her crisis are at work here; the symptoms are the same. "Are We to Surrender to Communism" is the title of an article written by Mr. H. Ralph Burton, a prominent lawyer in the District of Columbia, which sets forth the steps taken by the Bolsheviks on the theory that the end justifies the means. The end sought is the abolition of private property, the nationalization of women, and the destruction of the church. Their planned economy or collectivist state cannot be attained with these institutionals of a capitalistic society remaining to support it. Only by obliteration of the church, family, state, and schools and their subjugation to the end that the state may be all powerful can their model plan be put into effect.

Comrade Tugwell represents this philosophy in the new deal. He approves of a government of men, not of laws. He advocates a planned economy and changes in the Con-

stitution to bring about such a state. He wants the Constitution amended or destroyed, so as to transfer powers now exercised by the States to Washington, placing farming, mining, and manufacturing under the President, as has been done illegally and unconstitutionally under the new deal up to now on the pretext of a war on depression and an emergency necessitating such powers.

Governor Olson of my State says the capitalistic system has failed and that banking, manufacturing, mining, packing, and public utilities should all be functions of the State and if the Minnesota Leader is a criterion, he is now ready to support Mr. Tugwell on the proposition that the Federal Government should be given the necessary powers that President Roosevelt deplores the Constitution does not contain that he may change the Government from what is was in the "horse and buggy" days back to the Roman-chariot days when the first emperor of Rome, Sulla, ruled for 2 bloody years and Cataline bribed the public with doles.

For some reason the President has completely reversed himself on the proposition of State rights from his stand of years ago, when he said it is fortunate that we have 48 States to work out the problems of our Nation and heartily defended the right of the State to look after its people and not have all functions transferred to the Federal Government such as he now advocates.

The Roosevelt-Tugwell-Olson combination may deplore the fact that our Federal Government does not have the powers that the central governments of Europe have and may seek to enlarge upon the right of the Federal Government to encroach on the rights of the State in accordance with the totalitarian state ideas of Russia, Germany, and Italy, but the American people may rise in their wrath and say as did Daniel Webster on the one hundredth anniversary of the birth of George Washington when he said:

"Other misfortunes may be borne or their efforts overcome. If disastrous wars should sweep our commerce from the ocean, another generation may renew it; if it exhaust our Treasury, future industry may replenish it; if it desolate and lay waste our fields, still, under a new cultivation, they will grow green again and ripen to future harvests. It were but a trifle even if the walls of yonder Capitol were to crumble, if its lofty pillars should fall, and its gorgeous decorations be all covered by the dust of the valley. All these might be rebuilt. But who shall reconstruct the fabric of demolished government? Who shall rear again the well-proportioned columns of constitutional liberty? Who shall frame together the skillful architecture which unites national sovereignty with State rights, individual security, and public prosperity? No; if these columns fall, they will be raised not again. Like the Coliseum and the Parthenon, they will be destined to a mournful and melancholy immortality. Bitterer tears, however, will flow over them than were ever shed over the monuments of Roman or Grecian art; for they will be the remnants of a more glorious edifice than Greece or Rome ever saw—the edifice of constitutional American liberty."

On this very day the land of Lafayette and of Rousseau is struggling with the question of surrendering to the Communists. All about us there surges the propaganda that we must have a strong centralized bureaucracy in Washington to cope with our problems. A constitutional amendment is suggested as our solution granting this authority for the sake of a planned chaos—a totalitarian state. President Roosevelt, no doubt, will advocate such an amendment. Governor Olson, of Minnesota, who said he is not a liberal but is what he wants to be—a radical—has endorsed similar doctrines of an all-powerful state. In March 1934, in a speech to the Farmer-Labor convention, he predicted that the United States Government would take over the industries of the country in 6 months. He had undoubtedly been reading of the six great holding companies organized secretly by the Government in Delaware, which his platform of that year closely followed, and which are prepared when the time becomes propitious for this administration to take over all private industry of the country.

In 1924, at the Farmer-Labor convention in St. Cloud, William Dunn, one of the three Communist brothers famous strike agitators, was the floor leader of the forces that nominated Governor Olson as candidate for Governor. Norman Gallentine, who was at that time an organizer of the Communist Party, lined up the delegates for Governor Olson. William Dunn spoke on the floor in Olson's behalf.

It is impossible for the people to know the facts under the strict censorship of this administration; but when they do, they, and they alone, should decide the question. The hour of decision is at hand, and every American should lend his voice and pen and money to seeing to it that the people do understand what has been going on here at Washington and elsewhere behind the scenes in preparation for the destruction of the Republic and the Constitution.

I desire to read into the RECORD as part of my remarks the following article, by Mr. Burton, printed in the Carolinas Magazine for June 1934, and an article on communism and socialism, by Henry Whitefield Samson, from the Presbyterian for March 15, 1934:

ARE WE TO SURRENDER TO COMMUNISM?

By H. Ralph Burton

We consider the article which follows extremely timely, in view of the fact that so many of our people are all too prone to embrace and adopt some of the strange "isms" and dogmas that are represented as a certain cure for our economic ills. To steer clear of that borderland of woe which is so ably portrayed herein, it behooves us all as loyal American citizens to think with clear minds before we would ally ourselves or have anything in common with any group or groups whose purposes and aims are in conflict with the great principles of government so ably sponsored by those two great Americans, Washington and Jefferson.

"Government of the people, by the people, and for the people", for the first time since the great Lincoln emblazoned those words across the skylines of our democracy, expressing the prayer that it might not perish, is in danger through insidious activities on the part of the reds. Call them by any other name you choose, but nothing conveys the picture to the average person quite so well, although the appellations of "Bolshevik", "Communist", and others have come to be quite synonymous, so far as the various principles are concerned. Ever since Russia, in 1917, fell under control of the forces of communism, the United States has been marked for slaughter by the same leaders, their satellites, or their disciples, now in our midst, and, strange as it may seem, their intention to subject this country to their revolutionary doctrine has been no secret. It is, indeed, a sad commentary that our people have consistently overlooked the peril which has been slowly advancing through deceptive measures disguised as emergency needs until its talons have become so firmly fixed on our throats that only a Herculean effort will prevent us from being destroyed or, what is worse, enslaved as have been the Russians under the autocracy of despots.

It is very difficult, almost impossible, for people generally to believe in the existence of a definite plan by one element of society against another, particularly where the motives are, for the time, somewhat obscure, and execution of the plan a matter of years, even generations; and periods of depression, such as that through which we are passing, and "passing" is used with reservations, are anticipated and selected as conducive toward, and opportune for, the furtherance of such purposes.

It is our purpose in this article to deal particularly with the Communist principle "that the end justifies the means", with their ruthlessness, and their disregard for human rights, human contentment, human suffering, or human life itself, all to the end that communism may reign supreme.

Do not be lulled into apathy by glowing reports and eulogies of the present regime in Russia, for Russia today is under control, its people intimidated by Soviet agents; their resistence reduced to nil, and their every act supervised by secret police, and its rulers can now approach other nations in the guise of altruists, believing that the heinous offenses committed by them in subjugating the Russian people have faded into the dim past. But it was another story back in bloody November of 1917, and the several years that followed when thousands upon thousands, without the mockery of a trial, were murdered; when people were driven into concentration camps where they starved or died from the frightful conditions; when churches were destroyed, and robbed of their treasures, which acts, and similar ones, are described in official British reports, the authenticity of which the editors will guarantee, examples of which follow:

Report by Colonel Kimens, acting British vice consul at Petrograd, dated November 12, 1918:

"The state of affairs in Russia is becoming daily more critical, and the reign of terror is assuming proportions which seem quite impossible, and are incompatible with all ideas of humanity and civilization. Government, properly speaking, has ceased to exist in Russia, and the only work done by the Soviet authorities is inciting of class hatred, requisitioning and confiscation of property, and destruction of absolutely everything, and world propaganda of bolshevism. All freedom of work and action has been suppressed; the country is being ruled by an autocracy which is infinitely worse than that of the old regime; justice does not exist, and every act on the part of persons not belonging to the 'proletariat' is interpreted as counterrevolutionary and punished by imprisonment, and in many cases execution, without giving the unfortunate victim a chance of defending himself in a tribunal, as sentences are passed without trial.

"The whole legislation of the country is done by decrees, which are published by the central Soviet authorities at Moscow and the northern commune at Petrograd, and are supposed to be en-

forced everywhere, but in reality this remains only on paper and the local authorities obey only such orders from which they can derive a personal profit, and ignore all others. The chaos has gone so far as the central authorities are no longer obeyed, and as a result of it every province has become a state in a state. Anarchy is rampant everywhere, villages rise against villages, peasants against peasants, and the country is entering upon an era of open interior warfare, so that if this state of things is allowed to continue only the fittest will survive.

"The prima facie reason of this state of affairs is the expropriation of landed property, and the subsequent abolition of all other property. This is the root of the whole evil which has brought Russia to the present condition.

"The first step taken in this direction was the expropriation of landed property belonging to the peasants, followed by the nationalization of town property and houses. In December 1917 the banks were seized, and soon afterwards began the nationalization of works and factories. Now all furniture is being confiscated, and people are allowed to have only a small quantity of clothes. The nationalization of trade which has now been decreed will be the final death blow to life and Russia's productive power will come to an end."

Mr. Alston to Mr. Balfour (received Jan. 4). (Telegraphic.)

VLADIVOSTOK, *January 2, 1919.*

"With the exception of the Bolsheviks, the whole population is terrorized almost to a point of physical paralysis and imbecility. Slender supplies of even the simplest food are only to be had when the watch of the Bolshevik guard weakens, and three-quarters of the people are slowly starving to death. At the expense of the poor, hoarders see their chance to realize enormous profits. Throughout the daylight hours, long queues wait to try to get half-pound of tea, potatoes, or a bit of fish. Tea may be anything up to 100 rubles per pound, coarse black bread varies from 15 to 20 rubles per pound, according to the section of the town in which it is sold, and sugar is 50 rubles a pound, when obtainable. A second-hand suit of clothes costs anything up to 2,000 rubles, and a pair of boots 800 rubles. Horseflesh is the mainstay of the population at present, but even supplies of that are fast dwindling. Five hundred hostages were taken to Kronstadt for reprisals, soon after attempted assassination of Lenin, and these were subjected to most horrible tortures. The people often prefer to starve rather than risk torture at the hands of Chinese and Lettish hooligans who form 'militia' on streets, and cower in their cellars, numbed with cold. To avoid extermination, the 'intellectuals' have largely gone into the service of Bolsheviks. Their wages are insignificant if compared even with the camp followers of Bolshevik garrisons, who, at any rate, get fed fairly regularly.

"All officers were ordered in July to report to Alexandrovsky school to be registered. About 20,000 appeared, and were shut up for three days without air, food, or sleep. Many went mad, and Lettish and Chinese Guards mercilessly bayoneted those who attempted to escape when they were finally let out.

"Residents in area around Butirsky prison abandoned their houses owing to the numerous executions of 'counterrevolutionary intellectuals.'

"Every day typhoid and tuberculosis are increasing, and ordinary population are quite unable to procure medical supplies even at the most outrageous prices.

"Infants have been nationalized and become property of State upon attaining the age of 18.

"As Petrograd has ceased to be the Bolshevik headquarters, military situation there is better. In spite of this, after the murder of Uritsky, the Bolshevik commissary, the town virtually ran with blood. Owing to there being less food even than in Moscow, the death toll from disease is much higher. This is also due to the fact that, without being buried, corpses of horses, dogs, and human beings lie about in the streets.

"Cholera took very heavy toll in summer, as all the canals are polluted with decomposed bodies of men and animals.

"Things are considerably better on Viborg side, but although Bolsheviks get food themselves, they take good care that none gets to the burgeoisie from Finland side."

General Poole to War Office—(Received Jan. 12). (Telegraphic.)

JANUARY 11, 1919.

"From intercepted radios and leaflets it is clear that, to allay hostility abroad, Bolsheviks are conducting a double campaign. Leaflets are distributed among German troops, while decrees which are not intended to be put into force, and appeals are radioed to Berlin, which show Bolsheviks in sufficiently liberal light to bring them into line with German Socialists. Appeals to unite and force world-wide revolution are made at the same time to proletariats. It is manifest from numerous deserters and refugees from central Russia, efforts to destroy social and economic life of country have not abated. There is evidence to show that commissariats of free love have been established in several towns, and respectable women flogged for refusing to yield. Decree for nationalization of women has been put into force, and several experiments made to nationalize children. I trust His Majesty's Government will not allow peace conference to be influenced by Bolshevik presentation of their case abroad, as their action at home is diametrically opposed to this."

Above taken from "A Collection of Reports on Bolshevism in Russia." Presented to Parliament by command of His Majesty, April 1919. Published by His Majesty's Stationery Office, London.

Not satisfied with torture, robbery, and murder, these Communists have proceeded upon the principle, mentioned previously, that the end justifies the means, sought the support of certain classes, offering them respectable women of Russia, and put into effect in Saratov the decree for the nationalization of women, which, subject to slight errors in translation, is as follows:

DECREE

"This decree is proclaimed by the free Association of Anarchists of the town of Saratov. In compliance with the decision of the Soviet peasants, soldiers, and workmen, deputies of Kronstadt, the private possession of women is abolished.

"Social inequalities and legitimate marriages having been a condition in the past which served as an instrument in the hands of the bourgeoise, thanks to which all the best species of all the beautiful have been the property of the bourgeoisie, who have prevented the continuation of the human race. Such ponderous arguments have induced the organization to edict the following decree:

"1. From March 1, 1918, the right to possess women having reached the age of 17 and not more than 32 is abolished.

"2. The age of women shall be determined by birth certificates or passports or by the testimony of witnesses, and in the failure to produce documents their age shall be determined by the Block Committee, who shall judge her according to appearance.

"3. The decree does not affect women having five children.

"4. The former owners may retain the right of using their wives without waiting their turn.

"5. In case of the husbands resisting, they shall forfeit the rights given in the last paragraph.

"6. All women according to this decree are exempted from private ownership and are proclaimed to be the property of the whole nation.

"7. The distribution and management of appropriated women in compliance with the decision of the above organization are transferred to the Saratov Anarchist Club. In 3 days from the publication of this decree all women given by it to the use of the nation are obliged to present themselves to the given address and give the required information.

"8. Before the information that the Block Committee are formed for the realization of this decree, the citizens themselves will be charged with such control. Each citizen noticing a woman not submitting herself to the decree is obliged to inform the anarchist club.

"9. Men have the right to use one woman not oftener than three times a week for 3 hours, observing the rules specified below.

"10. Each man wishing to use a piece of public property should be the bearer of a certificate from the Factories Committee, Professional Union of Workmen, Peasants and Soldiers Council, certifying that he belongs to a working class.

"11. Every workman is obliged to discount 2 percent from his earnings to the general fund of general public action.

"(This discount is made by the committee of popular power which are obliged to put these discount funds with the specifications of the names and lists into the State banks. Other institutions shall hand over these funds to the Popular Government.)

"12. Male citizens not belonging to the working class in order to have the rights equally with the proletariat are obliged to pay 100 roubles monthly into the public fund.

"13. The local branch of the state bank as well as the savings Bank are accredited places.

"14. All women proclaimed by the decree to be national property will receive from the funds an allowance of 238 roubles a month.

"15. All women who become pregnant are released from the direct duties for 4 months, 3 months before and 1 month after childbirth.

"16. Children born are given to an institution for training after they are 1 month old, where they are trained and educated until they are 17 years old at the cost of the public funds.

"17. In case of birth of twins the mother is to receive a prize of 200 roubles.

"18. All citizens, men and women, are obliged to watch carefully the health and to make each week an examination of the urine and the blood. (The examinations are made daily in the laboratories of the eugenic bureau.)

"19. Those guilty of spreading venereal diseases will be held responsible and severly punished.

"20. Women having lost their health may apply to the Soviet for pensions.

"21. The chief of the anarchists will be in charge of perfecting temporary technical measures concerning the recognition and support of this decree by proclaiming saboteurs, enemies of the people and counterrevolutionists, and they will be held to severe responsibility.

(Signed) COUNCIL OF THE CITY OF SARATOV."

How long this continued, no one can know, because of the strict censure of news; and in recent years it was denied by the now saintly Communist leaders; but there are reports by English officials issued under the authority of the Government and presented by His Majesty, the King, to Parliament as authentic, by his officers, one of which reports quoted above states that the nationalization of women was actually put into effect.

Let any one who does not believe this, and who will accordingly take the trouble, write to the Ambassador of Great Britain, Washington, D. C., and ask him if that telegram was not sent, and if it was not included in a "Collection of Reports on Bolshevism in Russia", an official British Government document.

It is contended that those who at present are engaged in advancing the principles of communism or collectiveism or planning, advocate such horrors?

Let us turn back some pages of history and determine what the record of communism is, so the reader may there find the answer to the question asked.

Three times within a hundred years communism reared its hydra head in the stricken city of Paris when it was torn by the desperation of its suffering peoples; three times in a century, in one country alone, Communist leaders stood ready to inflict their doctrines at a time when human resistance was at a low ebb, susceptible to the luring lies of those ready for the long and patiently awaited opportunity. Each time repeated efforts were made to destroy government and supplant the leadership of the people with their own through ruthless murders without trial, and above all, to eliminate religion and put atheism in the place of Christianity. In November of 1793, midst the horrors of the great revolution of that period, atheism reigned supreme; the national convention abolished the Sabbath and the leaders of the Paris commune declared that they intended to dethrone the King of Heaven as well as the monarchs of the earth. Finally, November 10, 1793, the leaders of the Paris Commune—Herbert Chaumette, Nomore, and the Prussian anarchist, Clootz, prevailed upon the national convention to decree the abolition of the Christian religion in France.

Again in 1848 there was a revival of the Paris Commune with its same doctrines, and in the revolution of 1871, when all France was suffering from a devastating war, the Commune came into being with atheism to the forefront, and human carnage so horrible that words fail to describe it.

When this insurrection began in May 1848, it was only a prelude to the great Communist Rebellion of June. Fearing another demonstration of an extensive scale, the government made the necessary preparations to meet it. Finding the burdens imposed upon the national treasury too heavy to be borne, the government, in June, resolved upon the discharge of the immense army of workmen, more than one thousand in number, uselessly employed in Paris at the public expense. This alarmed the workmen, who immediately organized for another desperate struggle, for the purpose of bringing about the realization in practice of the theory of communism and socialism—a community of goods and manners.

Once more and with greater horror, if such can be conceived in the imagination of humans, communism took its toll, when after the communal elections in Paris on the 26th of March 1871, which resulted in an overwhelming majority for the Revolutionists, the Commune was organized, having its first sitting on the 29 of March. A reign of terror was now inaugurated in Paris and the outrages of 1793 were repeated. The cry of the Socialists and red Republicans was:

"Death to the priests!" "Death to the rich!" "Death to the property owners!"

Aristocrats and wealthy persons were in constant danger of being dragged to the guillotine, and more than 100,000 of the more respectable Parisians fled in consternation from the city. Priests were arrested and thrown into prison, churches were sacked and religious service was suspended, journals which supported the Versailles Government were oppressed, and several journalists were sentenced to death. The insurgents boldly avowed their determination to march to their side and disperse the national assembly, overthrow the Thiers government, and establish the "universal republic."

The Paris Commune finally grew desperate and the most shameful outrages and revolutionary excesses were perpetrated. Additional numbers of priests and nuns were thrown into prison, and at length a demand was made on the church for 1,000,000 francs, the insurgents threatening to kill the archbishop of Paris if the sum was not paid. The archbishop suffered later, with others of the church, the most shameful treatment from a band of infuriated reds.

Persons of prominence in both social and official circles have openly advocated the introduction of Communist doctrines, limitation of constitutional rights, control by centralized authority, economic planning for the entire United States, breaking down of State lines, and the establishment of a strong Federal police force—in other words, a "red army"—to enforce the orders of autocratic bureau chiefs seeking to regulate the activities of every individual, the use of his property, the hours of his work, and, in fact, every activity of his daily life. Public expressions of others, either directly or by analysis and comparison with the principles of communism, show only too clearly a desire to substitute Russian Communist institutions for those existing under our Constitution; and, that being so, where can the line of demarcation be drawn?

I think it is very fitting to conclude by quoting from the address of Daniel Webster on the one hundredth anniversary of the birth of George Washington, when he said:

"Other misfortunes may be borne, or their efforts overcome. If disastrous wars should sweep our commerce from the ocean, another generation may renew it; if it exhaust our Treasury, future industry may replenish it; if it desolate and lay waste our fields, still, under a new cultivation, they will grow green again and ripen to future harvests. It were but a trifle even if the walls of yonder Capitol were to crumble, if its lofty pillars should fall, and its gorgeous decorations be all covered by the dust of the valley. All these might be rebuilt. But who shall reconstruct the fabric of demolished government? Who shall rear again the well-proportioned columns of constitutional liberty? Who shall frame together the skillful architecture which unites national sovereignty with State rights, individual security, and public prosperity? No; if these columns fall, they will be raised not again. Like the Coliseum and the Parthenon, they will be destined to a mournful and melancholy immortality. Bitterer tears, however, will flow over them than were ever shed over the monuments of Roman and Grecian art, for they will be the remnants of a more glorious edifice than Greece or Rome ever saw—the edifice of constitutional American liberty."

COMMUNISM AND SOCIALISM

By Henry Whitefield Samson

In this day of unrest and uncertainty, many have lost faith in Almighty God and humanity; therefore, we must look at the chart and compass, which mark and point out the principles set forth by Christ in our Christian religion for guidance in this crisis.

Communism would banish God, the church, religion, the family and marriage, the home, individual initiative, and property rights and the Constitution of the United States. With consummate skill the proponents of socialism and communism have made much headway, without noise or display, in this Christian land of ours. Communism through insidious propaganda is active day and night in this country, through 300 established agencies which, under the guise of fantastic and appealing theories, are doing all in their power to abolish our religion and our Constitution. The disintegrating influence of communism is manifest in our educational institutions, where communistic, socialistic, and atheistic professors daily poison the minds of the youth of our Christian land, by these pernicious and false doctrines. Everything we are, and much that we have, is due primarily to the uplifting influence of the Christian religion. To this we owe our civilization laws, culture, art, and our philosophy. Without its uplifting influence all would be chaos.

Communism has for its avowed purpose and ultimate aim the overthrow, by armed revolution, of our Government and all other noncommunistic forms of government. This world-wide subversive effect of the communistic movement is being universally felt.

Socialism, by Karl Marx, who prided himself on being a Communist, holds up to the unemployed, hungry, homeless masses its fascinating utopias.

Socialism and communism deride all thought of God. They divide society into two classes, the wage earner (or proletariat) and the capitalist (or bourgeoisie), the former being arrayed against the latter.

Socialism advocates the abrogation of the right of all profit made in legitimate business by the alleged capitalist, claiming this must be handed over to the wage earner. Marxism claims that all profit be paid the worker, not the investor. The injustice and fallacy of such a conception are too evident. Furthermore, just exactly what a capitalist is has never been accurately defined by Marx or his followers. Evidently it is one who upholds the right of private property.

The extreme Socialist is the Communist, therefore one can appreciate their intimate relationship and similarity. Socialism and communism are founded upon class hatred and jealousy, their theories have been frequently tried, and always proved a failure. They seek to deprive those who have acquired property of the ownership thereof.

The attitude of Christ is clear in this particular, and may well receive our careful consideration. Christ unquestionably recognizes the right of private property, and its protection, and approves of a fair and adequate return therefrom. In the twenty-fifth chapter of Matthew we find the Lord went into a far country, presenting to one servant 1 talent, to another 3 talents, to another 5 talents. After a long sojourn the Lord returned, and the servants made their reports of stewardship. The 2 servants who had received 3 and 5 talents reported they had put them to the exchangers. The one receiving 3 talents had earned 3, the one receiving 5 talents had earned 5.

To these the Lord said: "Well done, thou good and faithful servant, thou hast been faithful over a few things, I will make thee ruler over many things; enter thou into the joy of thy Lord."

But the servant who had been given one talent reported he had hid his talent in the earth, returning it to his Lord. With righteous indignation his Lord severely rebukes him, saying: "Thou wicked and slothful servant, thou oughtest to have put My money to the exchangers, and then I would have received Mine own with usury" (usury meant interest). "Take, therefore, the talent from him and give it to him which hath 10 talents. For unto everyone who hath shall be given, and he shall have abundance, but from him that hath not, shall be taken away even that which he hath. And cast ye the unprofitable servant into outer darkness; there shall be weeping and gnashing of teeth."

Christ again recognized personal property rights in the Gospel of Matthew (22:17). We find the Pharisees attempting to entrap Him, saying: "Tell us therefore, what thinkest thou, is it lawful to give tribute to Caesar or not?" Then said Christ, "Show Me the tribute money", and they brought unto Him a penny, and He said unto them, "Whose is this image and superscription?" They said, "Caesar's"; then said He unto them, "Render unto Caesar the things which are Caesar's and unto God the things that are God's."

Christ clearly taught in this loyalty to the government and obedience to its law. The Roman law extended protection of

property to its citizens as well as the right to enjoy the income therefrom. Christ also emphasizes obedience and loyalty to God, thus covering the temporal and spiritual.

We must supplant certainty for uncertainty, known, tried, and proved values for theoretical and the unknown. We must "seek the shadow of the Rock in the weary land", and with childlike simplicity reach forth our hand, and allow God to lead us. Then and not till then will we find rest and "Peace, perfect peace."

May He who is the Way lead us;
May He who is the Truth teach us;
May He who is the Light guide us
Till daybreak and shadows flee away.

UNCONSTITUTIONAL DELEGATION OF LEGISLATIVE AND JUDICIARY POWERS

Mr. SCHALL. Mr. President, I was unable last Tuesday to get the floor by reason of the time limit and have been unable since on account of the scrap on the proposed N. R. A. extension to get the floor to make some further remarks on the political power bill which ought to be known as the Corcoran-Cohen Act of 1935, for the erection of a Federal utility dictatorship.

It proposes to regulate not only the interstate operations of holding companies, but the intrastate business of all persons "the substantial part of whose business" is with such companies. In short, this new "commission" has all the powers of the six holding companies having royal charters from the chief potentate for "permanent existence" as Delaware corporations.

The intrastate business of the copper company or the junk peddler "a substantial part of whose business" is to furnish copper for the transmission wires comes under executive, legislative, and judiciary powers of the Federal "commission"—notwithstanding the numerous decisions of the Supreme Court regarding unconstitutional delegation and the invasion of the powers of the States.

The intrastate business of the logging company which gets out the cedar and tamarack or other poles for carrying transmission wire, the lumber company which furnishes the cross-pieces, the glass company which furnishes the wire holders, the rubber company and cotton mill which furnish the insulation, the tool or nail or screw or paint or white-lead company which furnish materials for construction or transmission, the iron and steel company which furnishes sundry metal materials, the machinery company which supplies sundry machines, the boiler and engine company which supplies the motive-power adjuncts, the coal mine which furnishes fuel, the owner of riparian rights, the electric-machine people who furnish sundry equipment, the real-estate agency which secures the power and transmission sites, the contractors who handle the numerous contracts involved, the wholesale and jobbing houses who handle the essential materials, and doubtless, the banks "the substantial part of whose business" is to finance such companies and meet their pay rolls and purchase bills—all of which are engaged in intrastate business—come under not only the executive power but under the "discretion" or legislative power, and also under the punitive or judiciary powers of this new-deal commission appointed by the Commander in Chief of the Army and Navy.

On the assumption of Attorneys Corcoran and Cohen, that a judge appointed to the bench by former Presidents may be corrupt, while a Federal commission appointed by a new-deal President will be as pure as Caesar's wife—the commission itself may be the receiver for all the holding companies in the United States, except, of course, those companies standing in royal favor and substantial subscribers to the campaign fund.

In that capacity the commission will exercise the powers of the court in naming one of its office force as receiver. Thus the Federal commission will exercise not only the executive and legislative powers over intrastate business, but likewise the judiciary powers and the powers of referee in bankruptcy through receivership and become a chancery court under the "star chamber" proceedings of English history.

Speaking of the so-called "purity" of Caesar's wife, which wife of Caesar do Attorneys Corcoran and Cohen, or their spokesmen here, mean? It must be borne in mind that Julius Caesar had a second wife, de facto, the mother of two of his sons. This wife, whom he betrothed in Egypt without benefit of clergy and brought to Rome where he kept her up to the date of his assassination by the senators, was named "Cleopatra." Was she the "Caesar's wife" upon whose purity this bill was framed? Moreover, may I inquire if her two sons, by any chance, were named Corcoran and Cohen?

This bill is unconstitutional in so many respects that it is inevitably destined for the coop of the "sick chicken", that egg-bound chicken, known as the "Blue Eagle."

It proposes to override the States. It is an unconstitutional delegation of legislative power. It proposes to invade the province of the courts. It exercises the dictatorial powers of the new deals "over there." It aims to set up here in Washington, D. C., another Kremlin, as in Russia.

Eventually it will go the way of the N. R. A. Yet, before it gets to the Supreme Court a year hence it may serve its ultimate planned economic end, namely, to destroy private ownership in pursuance of plank 14 of the Socialist platform of 1932, and in pursuance of the "planned control", which Comrade Tugwell imported from Moscow. It may accomplish its end by robbery of investors and by the bankruptcy of all private enterprises. Thereby it will be a logical Fabian measure—destroying by the process of harassment instead of by physical force of arms. It is pure collectivism, with the purity of Caesar's de facto wife, Cleopatra.

It will carry out to the end the Lenin formula—socialism plus electrification spells communism.

I note that one of the supporters of the Corcoran-Cohen Act, namely, the distinguished Senator from Louisiana [Mr. LONG], has pointed out one notable exception to the drastic rule of this bill, and that is, the section under the provisions of which there is an exemption of penalties for "Mr. Vincent Astor's Chase National Bank-Standard Oil Rockefeller Co." Will Attorneys Corcoran and Cohen explain why? Or, shall we have to consult Julius Caesar? It is very evident from the scrappy and hasty discussion that marked our deliberations on this 150-page bill that few, if any Members here, except alone the distinguished Senator from Montana [Mr. WHEELER] have any well-digested idea of this bill or group of mixed-up bills.

If the House attempts to swallow all the Corcoran-Cohen bills and patent medicines which these "brain trust" doctors have dumped into that chamber, it will have acute indigestion which may result fatally in the elections of 1936. I hope my remarks may help as a preventative. It was apparent when the bill was before the Senate from the numerous inquiries by Senators in the Chamber, that few knew which of several bills they were amending or seeking to amend and to which of several pages of the bill collection their amendments should be hung.

In short, to paraphrase an old Sunday-school hymn: "Nobody knows but Corcoran and Cohen", our unelected Senators for the State of a "raw deal" which seeks to override the 48 States abiding under the Constitution.

This Fabian socialistic measure will not be passed until Rayburn for the White House and Corcoran and Cohen for the Senate, with the White House on the telephone, constitute the congressional conference committee. Even in that event, an entirely new bill unseen by anyone except Corcoran and Cohen and/or the White House will forthwith appear in the United States Statutes as the "Corcoran-Cohen edition of the second Rayburn-Roosevelt electric communications act of the sadly cracked new deal."

ELECTRIC POWER FOR FARMS AT 1½ CENTS PER KILOWATT

Mr. President, 25 years ago the first rural electric service was established in Minnesota at 1½ to 2 cents per kilowatt-hour for surplus daytime current used by farm cooperative creameries, threshing machines, and farm homes, when the "peak time" local service for the Twin Cities was 8 to 10 cents.

At a new farm creamery station on the Minnesota River, a few miles west of Mankato, this up-to-date electric-powered farm cooperative was managed by one young man, a graduate of the State Dairy School, who turned over in his bunk on the wall when the 4 o'clock alarm clock rang,

touched a button and slept on, while the electrically operated separators did all the rest—until at breakfast time, 3 hours later, the butter was ready for salting and stowing in the refrigerator car at the side door.

And all of this work was done by the power of the stream, which by a holding company was joined to the powers of other streams that hitherto had wasted their energies in trying to carry good farm soil down to the Gulf of Mexico.

And this productive and fruitful service was done at the minimum cost of 1¼ cents per kilowatt or the fraction of a mill per pound of butter, because a holding company provided the needed unit of cooperation.

That was 25 years ago, after a holding company power system had tied into one amply financed and ably managed system the rainfall districts and scattered small water powers of Minnesota and western Wisconsin.

The reason why the city domestic rate was 8 to 10 cents per kilowatt-hour, while the rural rate was less than one-fourth of that, is simple and known to all students of electric-power organization.

It seems that 85 percent of the production and transmission cost was in the "fixed charges" on the plant and investment, such as interest on the heavy investment, the taxes, insurance, riparian royalties and damages, and sundry overhead. The current operating cost was only 15 percent. Consequently, as the stream and the "fixed charges" run 24 hours a day and 365 days in the year, the problem of low-cost electric current was solved by securing 100-percent consumption of the full power of the stream or coordinated streams.

The "peak service" of the Twin Cities was for not over 2 hours in the morning and 6 hours in the evening, or less than half the 24-hour run of the stream and of the 85-percent fixed charges. This "peak service", therefore, had to pay the maximum rate to justify the existence of the plant and the investment.

The other half or two-thirds of the total tied-in rainfall and united stream capacity got the minimum rate charged for daytime industrial use in quantity, or for industrial use in quantity after "peak hours" between midnight and morning, or for rural daytime use by farmers, creameries, and other rural industries.

Thus the surplus power beyond the needs of high-cost "peak service" was marketed in the farm sections as so much byproduct, or extra revenue, after the "peak service" of the cities had met the outstanding costs, including pay rolls and maintenance, depreciation and dividends. Thereby the farmers and their cooperatives got the minimum rates to encourage the consumption of the daytime byproduct surplus. That is the simple explanation of 1½ cents to 2 cents in the country, as against 8 cents to 10 cents for city dwellers. The chief beneficiary of the holding-company system was the farmer.

But that is only a part of the story. Rainfalls in general are not uniform over any great extent of territory. Around the Twin Cities the rainfall might be 20 to 25 inches in a year. Up around Lake Superior, particularly at the great lake and swamp watershed of northwestern Wisconsin, which is the source alike of most Wisconsin rivers and one of the main sources of the Mississippi, the annual rainfall might be 40 to 50 inches. On the other hand, out on the western frontier prairies of Minnesota the rainfall might be less than 20 inches.

Thus, operated singly without a holding company to tie in the different sections into one effective system, one district would be short of power half the time, while another district might be wasting the bulk of its power capacity by drainage to the Gulf of Mexico. It was by tying in a dozen rainfall districts, both of Minnesota and western Wisconsin, into one system through the operating holding company that enabled the industries and municipalities of the entire interstate district to have adequate power at reasonable rates—with the rural districts getting the surplus at the minimum rates. It was a holding-company organization covering a wide range of rainfall districts that gave efficiency and economy to the various constituent units.

In low-water stages on the Mississippi—in the St. Anthony Falls milling district at Minneapolis, or at other Twin City, Hastings, and Winona industrial centers—it sometimes happened that street lighting and electric-car service, or mill and factory operation hung upon the heavy rainfall on the Wisconsin watershed along Apple River or in the lake and swamp district near the Lake Superior headwaters. This could be accomplished only through the holding company tying a score of water powers into one effective and dependable industrial system, at minimum costs to all, and without wastage to any because of drainage to the Gulf. There was a special need for rural consumption in the summertime, because long daylight hours cut down city lighting.

So the greatest beneficiary of all in this system of united-we-stand and divided-we-fall program was the farmer and the rural companies who got theirs at 1½ to 2 cents per kilowatt. This low rate helped build up the greatest creamery industry in the world.

I have been in Washington, in Senate and House, now 20 years. I do not know through direct knowledge how the rural service which augured so well for the rural sections 25 years ago has been working out through the intervening years. It may have been largely extended and expanded to the vast advantage of Minnesota's dairy and grain and livestock interests, and the municipal plants of the rural towns. Advancing drought area may have cut down rainfall and advanced rates. On the other hand, as in all industries and sections, unscrupulous and ambitious capitalists or politicians may have got undue control. Arbitrary executives may have been subservient electric-power tools.

It is difficult to say whether the world has suffered more from unscrupulous and ambitious politicians lusting for power or from unscrupulous and overambitious capitalists and controlled labor leaders. Many of the largest strikes of the country, within the memory of Senators seated here, have been financed by the capitalistic trusts who carried labor racketeers and strike producers on the corporation pay roll. This has happened, not only in the coal sections of the East, but even in the railroad history of the Northwest. Sometimes trusts and their labor racketeers combine to "soak" consumers. Wherever you see a self-seeking buccaneer posing as a labor leader and assuming to dictate terms to Congress and the country, it is time to investigate the source of that buccaneering attitude. Read again your Shakespeare, who asks—

> On what meat doth this our Caesar feed,
> That he is grown so great?

Under any economic or political system that may be invented the evils of the human factor—especially if you have "government by men" instead of "government by law"—are bound to creep in, for it is written:

> Man is as prone to sin as the sparks to fly upward.

One thing is certain, in the light of history—that the best government is government by and for the people under a constitution and bill of rights, under free speech and a free press, and under a government where the legislative powers are not usurped by the executive to form a Fascist dictatorship or a Soviet bureaucracy.

Self-government within the States and within the counties and municipalities affords the one dependable foundation for that eternal vigilance which is the price of liberty.

This much is fairly evident regarding rural electrification today as compared with 25 years ago: What Minnesota did then under the guidance of an intelligent and independent electorate, exercising the power of eminent domain under the police power of the State and through the cooperation of neighboring States, Minnesota can do today. All it needs is the faith of the people in their own political and moral power, without dependence on the hullaballo of strutting dictators and self-seeking bureaucrats either at home or in Washington.

"Clean the rascals out" should be the people's slogan. And that slogan is just as effective as applied to holding companies as applied to buccaneering bureaucrats. It was as effective in Jefferson's day as in Lincoln's day, in the day

of Theodore Roosevelt as in the time of the Franklin Roosevelt "emergency chaos."

Clean the rascals out! "Recovery" means recovered America. Clean the rascals out and restore government by and for the people. Clean out the Wall Street-Tammany system. Clean out the "brain trust" imitators of Moscow. Clean out the Fascist imitators of Mussolini, who are seeking even now to plunge the world into another world war to meet the Fabian ends of the war lords and munition makers.

The outstanding aim of our recovery program should be the recovery of Americanism in the United States. Recovery of the Constitution and the Bill of Rights. Recovery of a free press from the toils of one Rayburn Act, the Communications Act of 1934, and recovery of industry from the toils of another Rayburn bill drafted by the Siamese twins, Corcoran-Cohen, who now essay to assume the legislative powers of Congress.

Clean the rascals out, get the lobbyists out of this Senate Chamber, and let the men elected by the people draft our Federal laws, in the light of our Constitution as construed by our Supreme Court.

Washington and Jefferson, Lincoln and Theodore Roosevelt, Chief Justice John Marshall and Chief Justice Hughes, are safer guides than Tugwell and Richberg, than Moley and Frankfurter, and sounder jurists than Corcoran and Cohen—whatever may be the White House edict or the "brain-trust" patronage plan.

Our business here in the Senate seats of presumed statesmen is to help cure the ills that infect the body politic. Our presumed aim is to cure the ills and not kill the patient. It is plainly not our duty to kill the patient who is the victim of the ills and preserve all the ills of the holding company by a socialistic epidemic sweeping over all the States and all the powers of Government—the very disease that has engulfed the people of Russia and threatens other new-deal countries in the chaos of uncontrolled dictatorship.

Above all, we shall preserve our States, the foundation rocks of our Republic. And in this patriotic American work of 150 years, which has built here the world's greatest and freest institutions and maintains here the world's most progressive and prosperous electorate under wage and living standards elsewhere unknown, we shall preserve that Constitution which is the bulwark of our liberty and Union—the safe harbor of our destiny and the beacon of our Ship of State in a world-troubled sea.

Mr. LA FOLLETTE. Question!

Mr. McCARRAN. Mr. President, I move that House bill 7260 be made the order of business of the Senate.

The PRESIDING OFFICER (Mr. KING in the chair). The question is on the motion of the Senator from Nevada.

Mr. BARKLEY. What is the motion, Mr. President?

The PRESIDING OFFICER. The question is on proceeding to the consideration of House bill 7260.

Mr. McNARY. Mr. President, what is the bill, may I ask?

Mr. McCARRAN. The social-security bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Nevada that the Senate proceed to the consideration of the social-security bill.

Mr. McCARRAN. Mr. President, I understand that motion is subject to debate.

Mr. CLARK. I move to lay the motion on the table.

Mr. McCARRAN. Mr. President, I have the floor. I should like to know why that motion comes in at this time.

The VICE PRESIDENT. The Senator from Nevada has the floor.

Mr. McCARRAN. Mr. President, in furtherance of my motion, and in keeping with it, there are many things which the Senate might consider, and there are many things which I hope the Senate will consider, because the bill which I have moved to be made the order of business is a bill which appeals to the heart of America. When I say it appeals to the heart of America I mean that it appeals to the heart of the rank and file of the country; and when I say that it appeals and has appealed to the rank and file of the country I mean that it was possible during the past few months for a rather humble individual to gain the nomination for the governorship of a great sovereign State when, as a matter of fact, all that he stood upon so far as proclamation was concerned was the very bill which I have now moved to make the business of the Senate, except, perchance, that he dwelt upon it with respect to other phases and from other angles.

He dwelt upon it from the standpoint of what they chose in the West to term "EPIC"—"End Poverty in California." Without a single dollar, charging admission every time he held a meeting, he had overflowing audiences, so much so that it required a marshaling of the entire force of the monetary power of the great golden State of California to defeat him. Something that he spoke for—not much, but something that he spoke for—is before the Senate in House bill 7260, which I have moved to make the business of the Senate.

I think it is time that bill should come on for consideration. I think it is time that the lowly and the humble people of the country may know whether or not they are to have some consideration at the hands of the legislative branch of the Government. If they are not to have it, then perchance it may be well for them to know it now.

In that connection, may I draw the attention of the Senate to the fact that on Senators' desks and in their offices, as in my office, there are thousands of letters and post cards supporting the movement behind this particular bill. When I say "supporting the movement", I mean that people are thinking about it. They are thinking whether or not those who are out of employment in this country, who have grown into age, may have something to look forward to other than the poorhouse.

That is entirely in keeping with the situation, because, Mr. President, it is just a little while ago that we passed the greatest appropriation measure in the history of the world—a measure carrying $4,880,000,000. We were urged to pass that measure, and pass it promptly, because there were those on the relief rolls who needed the money. Those who are members of the Committee on Appropriations of the Senate will recall how representatives of the Government agencies came before the committee and asked that that joint resolution be passed, and passed quickly; but up to this hour there has not been, according to reports as I get them, a single dollar expended for work relief. Many millions of dollars, perchance, have been expended for direct relief.

Mr. SCHALL. Mr. President, will the Senator yield for a question?

Mr. McCARRAN. I yield.

Mr. SCHALL. Does the Senator admit that a start will not be made on the expenditure of this money until about the 1st of September?

Mr. McCARRAN. Mr. President, I can only answer from what appears in the columns of the press and from the reports which I receive; and I might, with propriety, say in answer to the Senator's question that a very outstanding member of the Senator's own party, and I refer to the Senator from Michigan, has introduced a resolution providing for an investigation of the Federal emergency relief fund. I am not advised as to the status of the resolution, but I think it worth while.

Mr. SCHALL. Mr. President, I join the Senator in thinking it very much worth while.

Mr. McCARRAN. I think I may with propriety express the views of the Senator from Michigan. I do not quote him, because he is not on the floor of the Senate, but his views were—and if they are not his views now, they are my views—that an investigation of this fund is imminent because the expenditure of the fund under present conditions, as I know them, may lead to something which the country will never want to hear of again. For instance, if I may quote something of which I know, the record coming from my own State, we have 95,000 population, something over 9 percent on relief, and the overhead expenses are 17 to 19 percent. I wonder where we are going when it comes to handling public funds through this peculiar agency?

Mr. SCHALL. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Minnesota?

Mr. McCARRAN. I yield.

Mr. SCHALL. Has the Senator read the recent report of the Secretary of the Treasury which states that seventeen-billion-six-hundred-and-seventy-million-and-odd dollars has been spent and contracted for over and above the receipts of the Government—$17,670,000,000 expended by this administration in a couple of years?

Mr. McCARRAN. I regret that I have not before me and have not read the report to which the Senator from Minnesota makes reference.

Mr. BONE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Washington?

Mr. McCARRAN. I yield for a question.

Mr. BONE. I desire to ask the Senator a question. I realize that what seems a very large amount of money has been expended in what the Senator has referred to as an "overhead cost of disbursing useless money", but I wonder if the Senator is able to state whether or not the personnel engaged in the disbursement of the money might not themselves have been out of work and if they, not being employed, were not themselves recipients of this aid who might otherwise merely have been on the relief rolls?

I know the Senator will understand the point at which I am driving. Perhaps I can put it in another way. If I were unemployed and I were taken into the relief service and put on the rolls as an official, would not I be merely one of those receiving relief, and would it not be rather unfair to charge the relief service with the money being paid to me as a salary or compensation, whereas if I did not get it I would merely be on relief. Is not that really a part of the relief program, to expend the money, and is not the cost of administering the relief fund really a part of the rolls? I am sure the Senator will understand the point at which I am driving.

Mr. McCARRAN. I think I understand the Senator's question. I have a peculiar view about it, and I am going to answer the question in the atmosphere of my own view.

Where men are on the breadline and where 20,000,000 of the people of this country are seeking relief—and when I say 20,000,000 I refer to the report of Mr. Hopkins—I do not believe it is time for fancy salaries to those who sit in swivel chairs and administer the relief funds. I do not believe that those who sit in the offices and pay out the relief funds should be paid out of line with those who receive relief. In other words, if this is a relief situation, for God's sake, put it on the basis of relief. If a man cannot receive over $50 a month, although he may build a brick wall or a stone foundation, using just as much intellect and just as much physical energy as some other man who may sit in a swivel chair and tell the bricklayer and stonemason what he can have, then I think it is time for a scaling down if we are going to scale down at all.

As a matter of fact, I have been opposed and I am now opposed to a reduction of the wage structure of the country. I am opposed to the tearing down of the wage structure of the country, because the moment we tear it down or start to tear it down then who will tell me where the bedrock is and to what extremity we may go?

But it is said that we should start in to tear down the wage structure because we cannot compete with the labor of Japan. I draw the attention of the Senate to the fact that if we should turn over the fezzes worn by our visitors, the guests of the city of Washington, and should look closely on the flags and the bunting hung out, we would find somewhere in a corner "Made in Japan."

I wonder what that means. Do we want to tear down the wage structure of this country so that the laborer must compete with the fellow who is willing to live on a bowl of rice, and who lives because his heart is a part of the heart of the Mikado? Do we want to tear down the earnings of this country and its wage structure thus, that our toilers may have to compete with the toilers in Japan? When that day comes, I hope we shall revive the amendment which we tried to put into the $4,800,000,000 appropriation measure; and that brings me to a new thought in keeping with that subject.

I do not know whether or not other Senators have received telegrams or letters similar to those which I have received; but I may with a reasonable degree of propriety say that within the past 10 days telegrams and letters have been coming into my office, not from the toilers of the country, but from the contractors of America, asking: "Is it not possible to revive your amendment in some other bill, the reason being that now we are called upon to bid on certain projects, and when we are called upon to bid on those projects we do not know and we cannot determine what the prevailing wage scale is. Therefore, we are at a loss."

That was not unknown to us when we were making the battle for that amendment. It will become more and more known to us as we go on. It will become more and more known to those who will administer the $5,000,000,000 appropriation as they go on, because they will find themselves, day in and day out, confronted with that condition.

Mr. President, it seems to me that in keeping with the hour there should be some attention here, especially on the part of the leaders. I notice that my friend on the right is wide awake. I respectfully draw the attention of the Senate to a further situation in keeping with the bill which I have asked and moved to make the order of business. That is that unless this legislative body enacts some legislation looking to the welfare of the lowly and the humble in this country during the present session of Congress, I am at a loss to know what may be the mental attitude of millions upon millions of our people. Being at a loss to know, I wonder why we should defer the consideration of the bill; and if we should not defer it, then I ask that it be now taken up.

Mr. LA FOLLETTE and other Senators. Vote!

Mr. BARKLEY. Mr. President, I move that the motion of the Senator from Nevada [Mr. McCARRAN] be laid on the table.

The PRESIDING OFFICER (Mr. BONE in the chair). The Chair understands that the question now before the Senate is the motion of the Senator from Louisiana [Mr. LONG] to reconsider the vote by which the amendment of the Senator from Oklahoma [Mr. GORE] was adopted. The present occupant of the chair may be in error as to that.

Mr. BARKLEY. No; that vote has already been taken, and the vote by which the amendment was adopted was reconsidered.

The PRESIDING OFFICER. The present occupant of the chair, then, is in error.

Mr. BARKLEY. The Senator from Nevada [Mr. McCARRAN] has now moved to proceed to the consideration of the bill to which he has referred. It is that motion which I move be laid on the table.

Mr. McCARRAN. Mr. President, a point of order, in order that we may clarify the RECORD. My understanding is not as stated by the acting leader, but that the motion of the Senator from Louisiana [Mr. LONG] is pending; and I have moved the consideration of House bill 7260.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. The measure before the Senate is the joint resolution extending the N. R. A.; is it not?

The PRESIDING OFFICER. It is.

Mr. CLARK. And the motion of the Senator from Nevada [Mr. McCARRAN] is to supplant that joint resolution with the social-security bill?

The PRESIDING OFFICER. The Chair understands that the Senator from Kentucky [Mr. BARKLEY] has moved to lay that motion on the table.

Mr. CLARK. In other words—this is a parliamentary inquiry—if I am correct in my view of the parliamentary situation, the effect of the motion of the Senator from Kentucky would be to leave before the Senate the joint resolution extending the N. R. A.

The PRESIDING OFFICER. That is correct. That is the way the Chair understands the matter.

Mr. HARRISON. Mr. President, a parliamentary inquiry. That would not in any way disturb the amendment offered by me. This question is only on the amendment to the amendment?

The PRESIDING OFFICER. That is the understanding of the present occupant of the chair.

Mr. BARKLEY. Mr. President, this motion does not in any way affect the extension of the N. R. A. This motion applies only to the motion of the Senator from Nevada that the Senate proceed to the consideration of the social-security bill.

Mr. HARRISON. That is the way I understood it.

Mr. GORE. Mr. President, in order to clear up the situation, so that there may be no doubt about it, I will state that I was absent from the Chamber when a division was called for on the motion of the Senator from Louisiana [Mr. LONG] to reconsider. As I understood, the ruling of the Chair was that the division was called for, but had not commenced, and that the Senator from Minnesota [Mr. SCHALL] was recognized. If that be true, the pending motion is that of the Senator from Louisiana.

Mr. NORRIS. Mr. President—

Mr. BARKLEY. The situation is not exactly that. The Senator from Minnesota would have been entitled to recognition if the Chair had recognized him on the Senator's amendment. After the reconsideration had been granted, and the motion to reconsider was declared adopted, the Senator from Minnesota was recognized on the amendment of the Senator from Oklahoma [Mr. GORE].

The PRESIDING OFFICER. The Senator from Kentucky has stated the situation as the Chair understands it to be.

Mr. GORE. That is what I desired to make perfectly clear. I was not certain about it.

Mr. NORRIS. Mr. President, I have been here, and have heard the motion made by the Senator from Nevada. It seems to me it is immaterial, so far as the present vote is concerned, whether or not the original motion has been reconsidered.

The Senator from Nevada made a motion, which under the rules he had a right to make, that the Senate proceed to consider the social-security bill. The Senator from Kentucky has moved to lay on the table the motion of the Senator from Nevada.

The PRESIDING OFFICER. That motion is not debatable.

Mr. NORRIS. It is not debatable.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kentucky [Mr. BARKLEY] to lay on the table the motion of the Senator from Nevada [Mr. MCCARRAN].

Mr. GORE. On that I call for the yeas and nays.

Mr. MCCARRAN. I suggest the absence of a quorum.

Mr. LONG. I suggest the absence of a quorum.

Mr. BARKLEY. I make the point of order that, no business having been transacted since the last roll call, the quorum call is not in order.

Mr. LONG. Mr. President——

Mr. GORE. Mr. President, business has been transacted, because the very fact that the motion of the Senator from Louisiana to reconsider was voted on, and the motion carried, certainly constitutes business.

Mr. BARKLEY. Yes; but subsequently to that a point of order of no quorum was made, and the roll was called to ascertain the presence of a quorum.

Mr. LONG. Mr. President——

Mr. CLARK. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Missouri will state the point of order.

Mr. CLARK. Subsequently to the vote on the motion to reconsider there was not only a vote but a yea-and-nay vote, which developed a quorum, on the subject of whether or not the Senator from Minnesota [Mr. SCHALL] should be permitted to have read at the desk a certain speech.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Byrnes	Lewis	Radcliffe
Ashurst	Capper	Lonergan	Russell
Austin	Clark	Long	Schall
Bachman	Connally	McCarran	Schwellenbach
Bailey	Costigan	McKellar	Sheppard
Bankhead	Dickinson	McNary	Thomas, Okla.
Barkley	Frazier	Maloney	Thomas, Utah
Black	Gore	Minton	Townsend
Bone	Guffey	Moore	Trammell
Borah	Harrison	Murphy	Vandenberg
Brown	Hastings	Murray	Van Nuys
Bulkley	Hatch	Norris	Wagner
Bulow	Hayden	O'Mahoney	
Burke	King	Pittman	
Byrd	La Follette	Pope	

The PRESIDENT pro tempore. Fifty-seven Senators having answered to their names, a quorum is present.

The question is on the motion of the Senator from Kentucky [Mr. BARKLEY] to lay on the table the motion of the Senator from Nevada [Mr. MCCARRAN].

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. The motion is not debatable. [Putting the question.] The ayes seem to have it; the ayes have it, and the motion is agreed to.

The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. GORE] to the amendment offered by the Senator from Mississippi [Mr. HARRISON].

Mr. BARKLEY. I move to lay on the table the amendment offered by the Senator from Oklahoma [Mr. GORE] to the amendment.

Mr. LONG. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. LONG. I suggest the absence of a quorum.

Mr. BARKLEY. I make the point of order that a quorum has just been developed.

Mr. LONG. Mr. President, a moment ago business was transacted.

The PRESIDENT pro tempore. The Chair rules that business has been transacted, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Byrnes	Lewis	Radcliffe
Ashurst	Capper	Lonergan	Russell
Austin	Clark	Long	Schall
Bachman	Connally	McCarran	Schwellenbach
Bailey	Costigan	McKellar	Sheppard
Bankhead	Dickinson	McNary	Thomas, Okla.
Barkley	Frazier	Maloney	Thomas, Utah
Black	Gore	Minton	Townsend
Bone	Guffey	Moore	Trammell
Borah	Harrison	Murphy	Vandenberg
Brown	Hastings	Murray	Van Nuys
Bulkley	Hatch	Norris	Wagner
Bulow	Hayden	O'Mahoney	
Burke	King	Pittman	
Byrd	La Follette	Pope	

Mr. LEWIS. It is now 6 o'clock in the morning and I cannot announce absent Senators as being at the departments. In this emergency, I am compelled to admit that many of them have not been able to rise to the occasion. [Laughter.] I therefore merely announce they are necessarily detained. [Laughter.]

The PRESIDENT pro tempore. Fifty-seven Senators having answered to their names, a quorum is present.

The question is on the motion of the Senator from Kentucky [Mr. BARKLEY] to lay on the table the amendment of the Senator from Oklahoma [Mr. GORE] to the amendment of the Senator from Mississippi [Mr. HARRISON].

Mr. MCNARY, Mr. HASTINGS, and Mr. LONG asked for the yeas and nays.

The yeas and nays were not ordered.

The motion to lay on the table was agreed to.

Mr. BORAH. Mr. President, I now understand we have reached the amendment offered by the Senator from Mississippi [Mr. HARRISON] to the amendment of the House to Senate Joint Resolution 113. On page 2, line 2, of that amendment I desire to strike out the words "offend against existing law" and insert in lieu thereof the words "violate the antitrust laws", which would make it read:

Prohibiting unfair competitive practices which violate the antitrust laws or which constitute unfair methods of competition under the Federal Trade Commission Act, as amended.

Mr. HARRISON. I have been unable to secure a copy of the amendment which I have discussed with the Senator and with other Senators. Do I understand the Senator to offer his amendment in the form suggested by some of us, inserting the words "including the antitrust laws" after the words "offend against existing law"?

Mr. BORAH. I offer the amendment as I desired it in the first instance, but the Senator suggested a little change which I do not think will materially affect it.

Mr. HARRISON. I was going to suggest and intended offering an amendment on page 2, after the words "prohibiting unfair competitive practices which offend against existing law", to insert immediately following and before the word "or" the words "including the antitrust laws."

Mr. BORAH. How would it read then?

Mr. HARRISON. In accordance with that suggestion, I modify the amendment I have offered so that it will read:

(2) Prohibiting unfair competitive practices which offend against existing law, including the antitrust laws, or which constitute unfair methods of competition under the Federal Trade Commission Act, as amended.

Mr. BORAH. I think the legal effect of that would be the same as the effect of the amendment proposed by me.

Mr. HARRISON. The effect would be the same.

The PRESIDENT pro tempore. Without objection, the amendment, as modified, is agreed to.

The question now is on the motion of the Senator from Mississippi to concur in the amendment of the House with the amendment as modified. [Putting the question.]

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. The ayes have it, and the motion is agreed to.

Mr. LONG. Mr. President, I want to speak on this matter. Do I understand that the amendment of the Senator from Idaho has already been held to be adopted?

Mr. HARRISON. The amendment which I have suggested is acceptable to the Senator from Idaho and other Senators and is included in the amendment which I have offered and which I have asked to incorporate in my motion.

The PRESIDENT pro tempore. That amendment was agreed to, and the motion to concur was agreed to. The question now is on the——

Mr. LONG. Mr. President, I want to speak on this matter a little further. As I understand, we have adopted everything except the last part of this measure?

The PRESIDENT pro tempore. That is correct.

Mr. CLARK. Everything except the joint resolution itself.

Mr. LONG. Yes; everything except the joint resolution. So there is little to be done and very little left. I want to make my remarks very brief; I will not take up much time of the Senate.

The PRESIDENT pro tempore. May the Chair state to the Senator, so that he will understand the parliamentary situation as the Chair understands it, and so that he may take any action he sees fit, that the amendment of the Senator from Mississippi, as modified by the amendment of the Senator from Idaho, was adopted, and by a viva voce vote, the motion of the Senator from Mississippi to concur in the House amendment with the amendment as modified, was agreed to.

Mr. McNARY. Mr. President, a parliamentary inquiry. What is the pending motion at this time?

The PRESIDENT pro tempore. There is no pending motion at this time.

Mr. McNARY. What is, then, the pending question before the Senate?

The PRESIDENT pro tempore. There is no question pending at the present time except the amendment to the title.

Mr. LONG. Mr. President, I wish to ask the Senator from Idaho a question.

Mr. McKELLAR. As I understand, the action on the joint resolution has been completed except for the title?

The PRESIDENT pro tempore. It has been completed.

Mr. McNARY. Mr. President, I should like to know what the parliamentary situation is.

The PRESIDENT pro tempore. The Senator from Idaho offered an amendment to the motion offered by the Senator from Mississippi, which was adopted by unanimous consent; and on a viva voce vote the motion of the Senator from Mississippi, as amended by the amendment of the Senator from Idaho, was adopted.

Mr. BARKLEY. Then there is nothing pending?

Mr. McNARY. Mr. President, that statement may be very fair; but, that being so, what is the pending amendment or motion, or what is the parliamentary situation?

The PRESIDENT pro tempore. The Chair knows of nothing at all except the amendment to the title.

Mr. McNARY. We have not reached the point of a final vote on the joint resolution?

Mr. BORAH. Yes.

The PRESIDENT pro tempore. The Chair is of the opinion that every question before the Senate has been disposed of except the amendment to the title.

Mr. HARRISON. May I say to the Senator from Oregon that I moved to concur in the House amendment with an amendment? That motion has been agreed to. I now want to offer one other motion, and that is that the Senate concur in the House amendment changing the title of the joint resolution.

Mr. McNARY. Then, that will be the final vote and it will be a complete disposition of the joint resolution. So the final vote has not been taken as yet?

Mr. HARRISON. Not until the amendment to the title shall have been agreed to.

Mr. LONG. Mr. President, I want to ask the Senator from Idaho a question. I understand the Senator from Idaho has offered an amendment to the amendment of the Senator from Mississippi by which violations of the antitrust laws are not condoned under the joint resolution?

Mr. BORAH. My understanding is that the effect of the amendment, as adopted, leaves the antitrust laws in full force and effect.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the title.

Mr. HASTINGS. Mr. President, upon the final vote there are many Senators who would like to have a yea-and-nay vote. So far as I am concerned, I am not trying to keep this session here longer than is necessary but there are many Senators who want to be recorded on the final passage. I ask for a yea-and-nay vote on it.

Mr. CLARK. Mr. President, the only question left, as I understand the situation—and that is the purpose of the parliamentary inquiry—is on the amendment to the title?

The PRESIDENT pro tempore. That is correct.

Mr. CLARK. The Senator from Mississippi made a motion to concur in the House amendment, with an amendment, which has been agreed to. I understand the request of the Senator from Delaware is to have a roll call on the question of the amendment to the title. Is that correct?

Mr. McNARY. No, Mr. President. I think the Senator has quite misunderstood. The Senator from Delaware simply desires a regular record vote on the question of the final passage of the joint resolution.

The PRESIDENT pro tempore. The final vote will be on the amendment to the title.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CLARK. What is the pending question?

The PRESIDENT pro tempore. The pending question is on the amendment to the title of the joint resolution.

Mr. McNARY. In the disposal of this question, the title does not affect the final vote on the joint resolution.

The PRESIDENT pro tempore. The final vote has been taken.

Mr. HARRISON. All we have done is to concur in the House amendment with a Senate amendment.

Mr. McNARY. Yes. That was the final vote.

The PRESIDENT pro tempore. That was the last vote; but it is not the final vote on the joint resolution.

Mr. McNARY. Mr. President, if that is the final vote on the joint resolution, I think we are entitled to a record vote. Let us have the yeas and nays.

Mr. BORAH. Mr. President, the situation as it now stands is that the joint resolution itself has been disposed of. The only remaining question is the changing of the title, which, of course, is of no significance whatsoever. The resolution of concurrence has already been voted upon.

The PRESIDENT pro tempore. That is the opinion of the Chair. The question is on amending the title.

Mr. McNARY. That is not my understanding; but if that be so, in a great spirit of fairness, I ask unanimous consent of the Senate that the vote by which the amendment of the House was concurred in with an amendment be rescinded, so we may have a yea-and-nay vote.

Mr. HARRISON. Does that request carry with it that there shall be no further debate?

Mr. NORRIS. If the Senator will couple with his unanimous-consent request that we have a roll call, to which I think he is entitled, without any further debate, there will be no objection.

Mr. McNARY. Yes, Mr. President, I ask unanimous consent that we have a record vote on the Harrison motion to concur in the amendment of the House with the Senate amendment, together with the amendment to the title, without further debate.

Mr. HARRISON. What the Senator from Oregon desires is a roll call on the motion I made to concur in the House amendment with the amendment which I offered?

Mr. McNARY. Yes.

The PRESIDENT pro tempore. The Chair understands that unanimous consent is asked that the vote by which the House amendment, with an amendment, was concurred in, be reconsidered, and that a record vote be had on the motion of the Senator from Mississippi [Mr. HARRISON] to concur in the House amendment, with an amendment, together with the amendment to the title, without further debate. Is there objection? The Chair hears none. The vote by which the House amendment to the joint resolution was concurred in, together with the Senate amendment, as modified, is reconsidered, and the clerk will call the roll for the purpose of the record vote.

The legislative clerk proceeded to call the roll.

Mr. KING (when his name was called). I have a general pair with the junior Senator from Louisiana [Mr. OVERTON], and therefore withhold my vote.

Mr. McNARY (when his name was called). I have a pair with the senior Senator from Arkansas [Mr. ROBINSON]. If he were present, he would vote "yea." If at liberty to vote, I should vote "nay." I withhold my vote.

Mr. FRAZIER (when his name was called). My colleague the Senator from North Dakota [Mr. NYE] is unavoidably absent. I understand he is paired. If present, my colleague would vote "nay."

Mr. THOMAS of Utah (when his name was called). On this question I have a pair with the senior Senator from Rhode Island [Mr. METCALF]. I transfer that pair to the junior Senator from New Mexico [Mr. CHAVEZ], and will vote. I vote "yea."

The roll call was concluded.

Mr. LEWIS. At this point I announce that were my colleague [Mr. DIETERICH] present and voting he would vote "yea."

I also announce the unavoidable absence of the senior Senator from Arkansas [Mr. ROBINSON], who, if present, would vote "yea" on this question.

I also wish to announce that the Senator from Kentucky [Mr. LOGAN] and the Senator from Missouri [Mr. TRUMAN], if present and at liberty to vote on this question, would vote "yea."

I also wish to announce a special pair on this question between the Senator from Virginia [Mr. GLASS] and the Senator from Georgia [Mr. GEORGE]. If present, the Senator from Virginia [Mr. GLASS] would vote "nay", and the Senator from Georgia [Mr. GEORGE] would vote "yea."

I further desire to announce that the Senator from Arkansas [Mrs. CARAWAY], the Senator from New Mexico [Mr. CHAVEZ], the junior Senator from Massachusetts [Mr. COOLIDGE], the senior Senator from Massachusetts [Mr. WALSH], the Senator from New York [Mr. COPELAND], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Florida [Mr. FLETCHER], the Senator from Georgia [Mr. GEORGE], the Senator from Rhode Island [Mr. GERRY], the Senator from California [Mr. McADOO], the Senator from Kansas [Mr. McGILL], the Senator from West Virginia [Mr. NEELY], the Senator from Louisiana [Mr. OVERTON], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. SMITH], the Senator from Maryland [Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

Mr. AUSTIN. I wish to announce the following general pairs:

The Senator from New Jersey [Mr. BARBOUR] is paired with the Senator from Missouri [Mr. TRUMAN];

The Senator from Pennsylvania [Mr. DAVIS] is paired with the Senator from Kentucky [Mr. LOGAN];

The Senator from North Dakota [Mr. NYE] is paired with the Senator from Illinois [Mr. DIETERICH];

The Senator from Vermont [Mr. GIBSON] is paired with the Senator from New York [Mr. COPELAND];

The Senator from Minnesota [Mr. SHIPSTEAD] is paired with the Senator from Mississippi [Mr. BILBO];

The Senator from Maine [Mr. HALE] is paired with the Senator from Florida [Mr. FLETCHER];

The Senator from Maine [Mr. WHITE] is paired with the Senator from Kansas [Mr. McGILL];

The Senator from New Hampshire [Mr. KEYES] is paired with the Senator from North Carolina [Mr. REYNOLDS]; and

The Senator from Oregon [Mr. STEIWER] is paired with the Senator from California [Mr. McADOO].

The Senator from New Jersey [Mr. BARBOUR], the Senator from Pennsylvania [Mr. DAVIS], the Senator from North Dakota [Mr. NYE], the Senator from Maine [Mr. HALE], and the Senator from Maine [Mr. WHITE], if present and at liberty to vote, would vote "nay" on this question.

Mr. BYRD. My colleague [Mr. GLASS] is unavoidably absent. Were he present, he would vote "nay" on this question.

Mr. BULKLEY (after having voted in the affirmative). I announce my general pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent. Not knowing how he would vote, I transfer my pair with him to the junior Senator from Wisconsin [Mr. DUFFY], and will allow my vote to stand.

Mr. CLARK. I announce the unavoidable absence of my colleague [Mr. TRUMAN]. If present, he would vote "yea."

Mr. BARKLEY. I desire to announce the unavoidable absence of my colleague [Mr. LOGAN], and to announce that if present he would vote "yea."

Mr. HARRISON. I announce the unavoidable absence of my colleague [Mr. BILBO]. If present, he would vote "yea" on this question.

The roll call resulted—yeas 41, nays 13, as follows:

YEAS—41

Adams	Burke	Maloney	Russell
Ashurst	Byrnes	McKellar	Schwellenbach
Bachman	Clark	Minton	Sheppard
Bailey	Costigan	Moore	Thomas, Okla.
Bankhead	Duffey	Murphy	Thomas, Utah
Barkley	Harrison	Murray	Trammell
Black	Hatch	Norris	Van Nuys
Bone	Hayden	O'Mahoney	Wagner
Brown	La Follette	Pittman	
Bulkley	Lewis	Pope	
Bulow	Lonergan	Radcliffe	

NAYS—13

Austin	Connally	Gore	Schall
Borah	Dickinson	Hastings	Townsend
Byrd	Frazier	Long	Vandenberg
Capper			

NOT VOTING—41

Barbour	Carey	Copeland	Dieterich
Bilbo	Chavez	Couzens	Donahey
Caraway	Coolidge	Davis	Duffy

Fletcher	King	Neely	Smith
George	Logan	Norbeck	Steiwer
Gerry	McAdoo	Nye	Truman
Gibson	McCarran	Overton	Tydings
Glass	McGill	Reynolds	Walsh
Hale	McNary	Robinson	Wheeler
Johnson	Metcalf	Shipstead	White
Keyes			

The PRESIDENT pro tempore. The amendment of the House is concurred in as amended by the modified amendment of the Senator from Mississippi [Mr. HARRISON], and the title of the joint resolution is amended.

Senate Joint Resolution 113, with the amendment of the House as concurred in with the amendment, as modified, of Mr. HARRISON, is as follows:

Resolved, etc., That section 2 (c) of title I of the National Industrial Recovery Act is amended by striking out "at the expiration of 2 years after the date of enactment of this act" and inserting in lieu thereof "on April 1, 1936."

SEC. 2. All the provisions of title I of such act delegating power to the President to approve or prescribe codes of fair competition and providing for the enforcement of such codes are hereby repealed: *Provided*, That the exemption provided in section 5 of such title shall extend only to agreements and action thereunder (1) putting into effect the requirements of section 7 (a), including minimum wages, maximum hours, and prohibition of child labor; and (2) prohibiting unfair competitive practices which offend against existing law, including the antitrust laws, or which constitute unfair methods of competition under the Federal Trade Commission Act, as amended.

And the title was amended so as to read: "A joint resolution to extend until April 1, 1936, certain provisions of title I of the National Industrial Recovery Act, and for other purposes."

Mr. LA FOLLETTE. Mr. President, may I understand the parliamentary situation? Has the joint resolution been passed?

The PRESIDENT pro tempore. The situation so far is as follows: The Senator from Mississippi [Mr. HARRISON] moved to concur in the amendment of the House with a Senate amendment as modified. The Senate amendment, as modified, has been agreed to, the House amendment has been concurred in, and the amendment to the title of the joint resolution has also been concurred in.

Mr. LA FOLLETTE. I now move to reconsider the vote whereby the House amendment was concurred in with an amendment.

Mr. HARRISON. Mr. President, I move to lay that motion on the table.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Mississippi to lay on the table the motion of the Senator from Wisconsin.

The motion to lay on the table was agreed to.

SOCIAL SECURITY

Mr. HARRISON. Mr. President, I move that the Senate proceed to the consideration of House bill 7260, the so-called "social-security bill." I desire to state that if the motion shall be agreed to, we will not proceed with the bill today, but will do so tomorrow.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes, which had been reported from the Committee on Finance with amendments.

NOTICE OF SESSION ON SATURDAY

Mr. BARKLEY. Mr. President, in order that Senators may understand the program for the remainder of the week and make their arrangements accordingly, it ought to be stated that it is contemplated that the Senate will hold a session on Saturday next.

ADDITIONAL REPORT OF A COMMITTEE

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 7235) to amend the act entitled "An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes", reported it without amendment and submitted a report (No. 872) thereon.

SOCIAL AIMS OF ADMINISTRATION

Mr. LEWIS. Mr. President, I submit for publication in the RECORD a brief article appearing in the Washington Star of June 10, 1935, entitled "Roosevelt Explains Social Aims at Press Conference", together with a definition of the new deal by the junior Senator from Nebraska [Mr. BURKE].

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star of June 10, 1935]

ROOSEVELT EXPLAINS SOCIAL AIMS AT PRESS CONFERENCE

By J. Russell Young

President Roosevelt today in a brief and extemporaneous statement at his press conference explained the social objectives of his administration.

"The social objective, I should say, remains just what it was, which is to do what any honest government of any country would do—to try to increase the security and the happiness of a larger number of people in all occupations of life and in all parts of the country; to give them more of the good things of life; to give them a greater distribution not only of wealth in the narrow terms but of wealth in the wider terms; to give them places to go in the summertime—recreation; to give them assurance that they are not going to starve in their old age; to give honest business a chance to go ahead and make a reasonable profit and to give everyone a chance to earn a living.

"It is a little difficult to define it, and I suppose this is a very offhand definition, but unless you go into a long discussion it is hard to make it more definite. And I think, however, that we are getting somewhere toward our objective."

His remarks were in reply to a question.

DEFINITION OF THE NEW DEAL

By Senator EDWARD R. BURKE, of Nebraska

The new deal is an old deal—as old as the earliest aspirations of humanity for liberty and justice and good life. It is old as Christian ethics, for basically its ethics are the same. It is new as the Declaration of Independence was new, and the Constitution of the United States.

Its motives are the same; it voices the deathless cry of good men and good women for the opportunity to live and work in freedom, the right to be secure in their homes and in the fruits of their labor, the power to protect themselves against the ruthless and the cunning.

It recognizes that man is indeed his brother's keeper, insists that the laborer is worthy of his hire, demands that justice shall rule the mighty as well as the weak.

It seeks to cement our society—rich and poor, manual workers and brain workers—into a voluntary brotherhood of free men, standing together, striving together, for the common good of all.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 20 minutes a. m., Thursday, June 13, 1935) the Senate took a recess until tomorrow, Friday, June 14, 1935, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 12, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Father in Heaven, let us hear the voice of Thy unuttered word and feel the touch of that longing which worldly pleasure cannot satisfy; out of Thy fullness may we all receive. Enlarge our charity, ennoble our sacrifice, soften our tempers, and beautify the altars of our family life. Send out Thy light, O Lord. Let it radiate in our streets, byways, and alleys. Oh, may it lift financial fogs, clear business embarrassments, and revive heavy hearts. Hearken, gracious God; may we hear the song that the wayfarer sighs in silence and see the robe revealed in his rags. In the garden of our

hearts may the thorn become a fir tree and the brier a myrtle tree, and bless us all with the joy of a common fellowship. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 320. Joint resolution to extend from June 16, 1935, to June 16, 1938, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2073. An act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes; and

S. 2796. An act to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2591. An act for the relief of Lyman C. Drake.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4665) entitled "An act authorizing the filling of vacancies in certain judgeships."

ELECTION TO A COMMITTEE

Mr. SNELL. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the desk.

The Clerk read as follows:

House Resolution 248

Resolved, That BERTRAND W. GEARHART, of California, be, and he is hereby, elected a member of the Committee on the Disposition of Executive Papers.

The SPEAKER. Is there objection?

There was no objection.

The resolution was agreed to.

PRINTING AND DISTRIBUTION OF GOVERNMENT PUBLICATIONS TO THE NATIONAL ARCHIVES

Mr. LAMBETH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6836) to provide for the printing and distribution of Government publications to The National Archives, with Senate amendments thereto, and concur in the Senate amendments, which I send to the desk and ask to have read.

The Clerk reported the title of the bill.

The Clerk reported the Senate amendments, as follows:

Page 1, line 3, strike out "That title 44 of the Code of Laws of the United States be" and insert "That chapter 23 of the Printing Act, approved January 12, 1895, as amended (U. S. C., title 44, ch. 7), be."

Page 1, line 6, strike out "the" and insert "The."

Amend the title so as to read: "An act to provide for the printing and distribution of Government publications to The National Archives."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. BLANTON. Mr. Speaker, I reserve the right to object, though I do not intend to object, but ask the gentleman to yield so that I may get some information.

Mr. LAMBETH. I yield.

Mr. BLANTON. The gentleman is Chairman of the Committee on Printing. I rise to refer to the splendid work of our colleague, Mr. CANNON of Missouri, who spent about 15 years revising Hinds' Precedents. I understood that the money was provided for the completion of the printing of them. The plates are all up, and all that is needed is the money to print them. That is one of the most valuable works that Congress will possess, and is invaluable. What has been done about that?

Mr. LAMBETH. The bill is now on the Consent Calendar, and we hope that it will be reached next Monday.

Mr. O'CONNOR. Mr. Speaker, if the gentleman will yield, I introduced the bill and spoke to the Chairman of the Committee on Printing about it. The bill has been reported, and we hope to pass it under consent; and if not, then to pass it in another way.

Mr. BLANTON. I hope that an amendment will pass increasing the number of sets from 2,500 to 3,000. The matter is so important that I am hopeful that the gentleman from New York [Mr. O'CONNOR] and the gentleman from North Carolina [Mr. LAMBETH] will get the bill up by unanimous consent and pass it now.

Mr. LAMBETH. We hope to pass it soon.

Mr. BLANTON. The Rules Committee cannot get along without these precedents, nor can anyone else.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object, to comment on the statement made by the gentleman from Texas [Mr. BLANTON]. He states that he would like to have the gentleman from North Carolina ask unanimous consent to pass the bill today. If members of the committee report bills in the usual way, they can be passed through the House under orderly procedure, but so far as asking unanimous consent to pass these bills is concerned, we are going to object to it, because it is not the correct way to legislate. We want time to consider the bills. It has been stated by the gentleman from North Carolina [Mr. LAMBETH] that this bill will come in here in the usual way, the orderly way. I hope the Membership of the House will pass it when it comes before the House, because it is a meritorious measure, but we are not going to permit under a unanimous-consent request, nor any other legislation without time to consider them carefully.

Mr. BLANTON. And my friend from Pennsylvania will be in favor of it next Monday, I hope, and then help us to pass it.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were agreed to, and a motion to reconsider the vote by which the Senate amendments were agreed to was laid on the table.

ALIEN VETERANS—EXTENDING FURTHER TIME FOR NATURALIZATION

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2739) to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932, to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 1, line 8, strike out "1936" and insert "1937."

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. What is meant by "allied countries"?

Mr. DICKSTEIN. A number of persons of Polish descent and also of other national stocks with whom we were allied, who had been for some time living in the United States, joined the armed forces in the World War of their native nationalities, white people with whom the United States were allies in the war, and served honorably in the World War for the same cause our soldiers fought. This simply extends the short form of naturalization as a privilege to this class of cases permitting them to appear before the Naturalization Bureau and take the oath and become citizens of the United States. The law enacted during the Seventy-second Congress, extending the time veterans under our own flag to have this short method of naturalization,

has expired and this bill continues that privilege. This bill was passed by unanimous consent in the House. Every patriotic organization and the American Legion and Veterans of Foreign Wars have supported it. It is a humane act due to the veterans who served in the World War.

Mr. SNELL. This bill has passed the House and the Senate and the gentleman is asking to agree to the Senate amendments?

Mr. DICKSTEIN. Yes. The Senate feels they ought to get more time and clean them all up.

Mr. SNELL. How much is it extended?

Mr. DICKSTEIN. One year.

Mr. BLANTON. Reserving the right to object, that is 1 year in addition to the House provision?

Mr. DICKSTEIN. Yes.

Mr. BLANTON. How many will this effect?

Mr. DICKSTEIN. I do not think there will be more than several thousand.

Mr. BLANTON. How many thousand?

Mr. DICKSTEIN. About two or three, I think.

Mr. BLANTON. Does it limit it to those who served in combat service in France?

Mr. DICKSTEIN. It limits it to those who served in our war.

Mr. BLANTON. To those who actually had combat service in France?

Mr. DICKSTEIN. That is true.

Mr. BLANTON. It does not permit aliens who did only a few months uniform service to have this privilege?

Mr. DICKSTEIN. I do not believe that. If the gentleman will remember——

Mr. RANKIN. Mr. Speaker, for the time being I am going to object. I think this ought to be looked into a little more carefully.

The SPEAKER. The gentleman from Mississippi objects.

NATURALIZATION OF CERTAIN RESIDENT ALIEN WORLD WAR VETERANS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2508) to authorize naturalization of certain resident alien World War veterans.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. RANKIN. Mr. Speaker, reserving the right to object, I want to say to the House that there has been too much of this frittering away of our immigration laws. From this time on no bill which affects immigration and naturalization in this country is going to be taken up and passed without due consideration if I can prevent. I object, Mr. Speaker.

INTERSTATE COMPACTS

Mr. TOBEY. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. TOBEY. Mr. Speaker, the Federal Constitution makes provision for the adoption of interstate compacts between States in various portions of the country on legislation pertaining to that section.

The recent decisions of the Supreme Court have focused attention upon the possibility of utilizing such compacts to enact legislation in the interest of labor, industry, and agriculture.

It is my pleasure today to introduce in this House such a compact embracing the New England States, New York, and Pennsylvania.

A meeting was held in Concord, N. H., a year ago and signed by the representatives of those States. These signatures made the compact an accomplished fact. It has now been ratified by the Legislatures of Massachusetts and New Hampshire, and when and if it shall be adopted by the Congress, it will become law. It will be the first interstate compact on labor legislation in the country. This compact, in the last analysis, provides uniform standards for conditions of employment, particularly with regard to the minimum wage.

Senator WALSH in the Senate and I in the House have today introduced this legislation, and I count it a privilege and an honor to so do in behalf of my State.

CENTRAL STATISTICS BOARD

Mr. HARLAN, from the Committee on Rules, presented the following report (Rept. No. 1165) on the bill (H. R. 7590) to create a Central Statistical Committee, Central Statistical Board, etc., for printing in the RECORD:

House Resolution 249

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 7590, "a bill to create a Central Statistical Committee and a Central Statistical Board, etc." That after general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Expenditures in the Executive Departments, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendments the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

CUSTODY OF FEDERAL PROCLAMATIONS, ORDERS, REGULATIONS, ETC.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6323) to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SUMNERS of Texas, CELLER, and PERKINS.

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

Mr. VINSON of Georgia (when the Committee on Naval Affairs was called). Mr. Speaker, I think it pertinent to call to the attention of the House that the Committee on Naval Affairs is asking consideration of three bills—S. 1611, H. R. 5532, and H. R. 5730.

EXCHANGE OF LANDS BETWEEN RICHMOND, FREDEPICKSBURG & POTOMAC RAILROAD CO. AND UNITED STATES AT QUANTICO, VA.

Mr. VINSON of Georgia. Mr. Speaker, I call up the bill (S. 1611) to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States at Quantico, Va. I ask unanimous consent that the same may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized on behalf of the United States to accept from the Richmond, Fredricksburg & Potomac Railroad Co., a corporation of the State of Virginia, free from all encumbrances and without cost to the United States, all right, title, and interest in fee simple in and to the following lands, together with all the right, title, and interest in and to the platted streets and riparian rights in Quantico Creek as may attach to the lots conveyed in subsection (a):

(a) Lots nos. 21, 22, 23, 38, 39, 51, 58, 59, 72, and 85 in the town of Carborough, county of Prince William, State of Virginia, as shown on the original plat filed with the condemnation of the above lots by the Potomac Railroad Co., that lie to the east of a line drawn 100 feet east from and parallel to the present center line of the Richmond, Fredericksburg & Potomac Railroad Co., purchased from the Potomac & Manassas Railroad Co. by deed dated August 15, 1871, recorded January 1, 1872, in the clerk's office of Prince William County in deed book no. 28, page 452, excepting therefrom that portion of lot no. 22, sold by the Potomac Railroad Co. to J. W. Norton by deed dated November 24, 1883, recorded in the clerk's office, Prince William County, on December 8, 1883, in deed book no. 34, page 424, which portion is more particularly designated and described as lot no. 22–A on plan marked "V. D. 41–4, R. F. & P. R. R. Co. Proposed exchange of lands at

Quantico, scale 1"=100 feet, dated October 1, 1932, revised September 4, 1933", beginning at the United States Marine Corps Reservation corner no. 154 along the boundary between the United States Marine Corps Reservation and lot no. 23, south 55°16' E., a distance of 38.3 feet to the corner of lot no. 23, the place of beginning; thence along boundary line of United States Marine Corps Reservation south 55°16' E. 131.7 feet to boundary monument no. 153 of United States Marine Corps Reservation; thence on said boundary line north 34°44' E. 141.6 feet to a point; thence leaving said boundary line north 64°46' W. 60 feet to a point; thence north 78°46' W. 48.5 feet to a point; thence south 59°54' W. 64.5 feet to a point; thence south 34°43' W. 53.8 feet to the point of beginning, containing 0.343 of an acre.

(b) That certain parcel of land lying on the west side of the right-of-way north of Potomac Avenue, town of Quantico, county of Prince William, Va., beginning at a point where the western right-of-way line of the Richmond, Fredericksburg & Potomac Railroad Co. intersects the northern curb line of Potomac Avenue; thence along said western right-of-way line in a northerly direction 316.3 feet to a point; thence at right angles in an easterly direction 20 feet to a point; thence by a line parallel to the present western right-of-way line and 20 feet east from it in a southerly direction 175.3 feet to a point; thence at right angles in a westerly direction 7.5 feet to a point; thence in a southerly direction by a line parallel to and 12.5 feet east from the present western right-of-way line, 139 feet to a point on the northern curb line of Potomac Avenue; thence in a westerly direction along said northern curb line of Potomac Avenue 13.2 feet to the point of beginning, containing 5,256 square feet, subject however, to the easement for a right-of-way for ingress and egress to the rear of the building leased to the Mutual Ice Co. over and through the above-described lot; said parcel being more particularly shown outlined in red on the map marked "R. F. & P. R. R. Co.—Location Plan Buildings, Tracks, etc., Potomac Avenue, Quantico, Va., dated November 13, 1931, no. 10-D-27."

The above properties, when transferred to the United States shall become a part of the Marine Corps Reservation, Quantico, Va.

SEC. 2. In exchange for the above-described lands, the Secretary of the Navy is authorized to transfer by appropriate conveyance to the Richmond, Fredericksburg & Potomac Railroad Co., free from all encumbrances, and without cost to the Richmond, Fredericksburg & Potomac Railroad Co., all right, title, and interest of the United States in and to the lands contained within the Marine Corps Reservation at Quantico, Va., described generally as follows:

(1) Those two small parcels of land, part of what is known as the "Shipping Board tract" as shown on the map of the United States Marine Corps Reservation, Prince William County, Va., dated June 25, 1920, signed Thomas J. Brady, Jr., Public Works officer, that lies to the west of a line drawn parallel to and 100 feet east from the present center line of the Richmond, Fredericksburg & Potomac Railroad Co., and lying within the right-of-way of said railroad company, such land being shown more particularly in yellow on the map marked "V. D. 41-4—R., F. & P. R. R. Co.—Proposed exchange of land at Quantico, scale 1"=100 feet, dated Oct. 1, 1932, revised Sept. 4, 1933."

(2) That parcel of land ajoining the present eastern right-of-way line of the Richmond, Fredericksburg & Potomac Railroad Co. between Fifth and Sixth Streets in the town of Quantico, Prince William County, Va., beginning at a point where the present southern line of Fifth Street intersects the present eastern right-of-way line of the Richmond, Fredericksburg & Potomac Railroad; thence in an easterly direction along said southern line of Fifth Street 10.13 feet to a point; thence in a southerly direction by a line parallel to and 10.13 feet east from the present eastern right-of-way line of the Richmond, Fredericksburg & Potomac Railroad 56.58 feet to a point; thence bearing to the east by a line that is at right angles to the northern line of Sixth Street 180.17 feet to a point in said northern line of Sixth Street; thence in a westerly direction 39.57 feet to the eastern right-of-way line of the Richmond, Fredericksburg & Potomac Railroad; thence in a northerly direction along said right-of-way line 239.14 feet to the point of beginning; containing 5,047 square feet, all as more particularly shown in yellow on the map marked "V. D. 41-101—R., F. & P. R. R. Co. Easement desired from U. S. Govt. of Quantico, Va., dated Sept. 12, 1932."

Mr. VINSON of Georgia. Mr. Speaker, I offer an amendment to correct a date.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: On page 2, line 20, strike out the figure "4" and insert the figure "14."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PORTRAIT OF THOMAS WALKER GILMER

Mr. VINSON of Georgia. Mr. Speaker, I call up the bill (H. R. 5532) to provide for the acquisition of a portrait of Thomas Walker Gilmer.

The Clerk read the title of the bill.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that this bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized and directed to procure the painting of a portrait of Thomas Walker Gilmer, Secretary of the Navy under President John Tyler, and to add such portrait to the collection of portraits of Secretaries of the Navy in the Department.

SEC. 2. There is authorized to be appropriated the sum of $1,000 to carry out the purposes of this act.

Mr. VINSON of Georgia. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: Page 1, line 9, strike out "$1,000" and insert in lieu thereof "$750."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF ACT OF MARCH 27, 1934, AUTHORIZING CONSTRUCTION OF CERTAIN NAVAL VESSELS

Mr. VINSON of Georgia. Mr. Speaker, I call up the bill (H. R. 5730) to amend section 3 (b) of an act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5730) to amend the act of March 27, 1934, approving the construction of certain naval vessels, with Mr. WILCOX in the chair.

The Clerk read the title of the bill.

Mr. VINSON of Georgia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VINSON of Georgia. As I understand the rules, I am entitled to 1 hour and the gentleman from Pennsylvania [Mr. DARROW], the ranking member of the committee, 1 hour, in general debate.

The CHAIRMAN. The gentleman is correct.

Mr. TOBEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TOBEY. Mr. Chairman, I do not think the gentleman has correctly stated the rules. As I pointed out, the rules of the House governing the consideration of bills on Calendar Wednesday provide for 2 hours of general debate, 1 hour to be controlled by those in favor of the legislation and 1 hour by those opposed to it.

Mr. VINSON of Georgia. Mr. Chairman, I will state to the gentleman from New Hampshire that the control of the time will be as provided under the rules of the House, which is one-half for the chairman of the committee and one-half by the ranking minority member of the committee. I shall endeavor to see that the gentleman is granted full opportunity in which to present his views.

Mr. TOBEY. All I want is an equal division of time according to the rules of the House, Mr. Chairman.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. VINSON of Georgia. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, if the members of the committee will do me the courtesy of bearing with me for a few minutes, I shall endeavor to explain this bill so they will thoroughly understand the amendments that are proposed.

At the outset I think it important to call attention to the fact that this is an amendment to section 3 of the act which authorized the construction of ships, which act was passed on March 27, 1934, and which had for its purpose to bring our Navy up to treaty strength. That act, among other things, provided the following:

The Secretary of the Navy is hereby directed to submit annually to the Bureau of the Budget estimates for the construction of the foregoing vessels and aircraft; and there is hereby authorized to be appropriated such sums as may be necessary to carry into effect the provisions of this act: *Provided*, That no contract shall be made by the Secretary of the Navy for the construction and/or manufacture of any complete naval vessel or aircraft or any portion thereof, herein, heretofore, or hereafter authorized unless the contractor agrees—

(a) To make a report, as herein described, under oath, to the Secretary of the Navy upon the completion of the contract.

(b) To pay into the Treasury profit, as hereinafter provided shall be determined by the Treasury Department, in excess of 10 percent of the total contract price, such amount to become the property of the United States: *Provided*, That if such amount is not voluntarily paid the Secretary of the Treasury may collect the same under the usual methods employed under the internal-revenue laws to collect Federal income taxes.

This bill seeks to amend section 3, subsection (b) which I have just read. That is its object and purpose, and I shall disclose to you in what particular we desire to amend this bill. I may state at the outset that this bill in its major portions has the endorsement and the approval of the Navy Department and also of the Treasury Department, and there is in the files a letter from the Secretary of the Treasury endorsing the changes proposed in this bill.

It will be observed that the rules and regulations in reference to excess profits are prescribed by the Treasury Department and not by the Navy Department, so it was highly important that the Treasury Department's viewpoint be obtained in reference to these proposed amendments. Now, let us see briefly what this bill proposes to do:

Mr. Chairman, the purpose of this proposed legislation, which is recommended by the Navy Department and the Treasury Department, is fourfold. First, it relieves the surety under the contracts of the liability for the payment of excess profits. Second, it provides for the calculation of excess profits on all contracts completed during an income taxable year. Third, it authorizes the Treasury Department to make refunds of overpayments of excess profits. Fourth, it exempts from the operation of the act contractors for certain scientific equipment.

Those are the fourfold objects and purposes of this bill, and I shall endeavor to state them in chronological manner so that you can thoroughly understand the provisions of the bill.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. With pleasure.

Mr. COLDEN. On the recent letting of contracts for the building of certain ships for the Navy, Pacific coast bidders complained of excessive surety bonds. Does this bill affect the cost of those bonds?

Mr. VINSON of Georgia. Not at all; that phase is not involved in this at all. Now, I want to go back over this so the Committee can thoroughly understand what we are driving at, and I respectfully request your indulgence and patience, because this is a matter of considerable importance to the industry and to the proper handling of this enormous expenditure in the Treasury Department and in the Navy Department.

The purpose of this bill, in the first instance, is to relieve surety companies from the responsibility of seeing that the contractor pays into the Treasury excess profits.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. CARTER. Mr. Chairman, I think the gentleman from Georgia misunderstood the gentleman from California.

Mr. VINSON of Georgia. Not at all; I am thoroughly conversant with what is in the mind of the gentleman from California [Mr. COLDEN], and this bill does not apply at all to that phase of the gentleman's inquiry, not at all.

Mr. CARTER. The surety company is relieved of certain responsibilities.

Mr. VINSON of Georgia. With respect to excess profits.

Mr. CARTER. Would not the premium on the bond therefore be less?

Mr. VINSON of Georgia. It would; and that is the very reason we are bringing in this bill.

Mr. CARTER. That was the point of the question by the gentleman from California [Mr. COLDEN] as I understood it.

Mr. VINSON of Georgia. No. The purpose of the gentleman from California was to develop the thought that shipbuilders who could not give bond on account of the high premium, not dealing with excess profits.

The second proposition is to permit the Treasury Department to calculate excess profits over 1 taxable year instead of on each individual contract, as under the law today.

The third proposition is to permit a contractor who has made an overpayment of excess profits to be refunded the amount of excess profits. The fourth proposition is to exempt entirely all contractors who are engaged in the manufacture of scientific instruments from the 10-percent provision. I think it fair that I should state to the committee that the first three propositions are endorsed and recommended by the Navy Department and by the Treasury Department. The latter provision to exempt manufacturers of scientific instruments is not a departmental recommendation. While the Department—and the record bears out my statement—does not disapprove the provision, they do not approve it. They think it is a matter that can be administered by the rules and regulations of the Treasury Department. However, the committee, after listening to industry and after listening to naval officials, reached the conclusion it was highly important to exempt the contractors who make these scientific instruments so vitally necessary in having a successful Navy from this 10-percent provision.

Mr. TRUAX. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Ohio.

Mr. TRUAX. The contractors that the gentleman has mentioned make money on their contracts? They make a profit?

Mr. VINSON of Georgia. In some instances they do and in some instances they do not.

Mr. TRUAX. Why should they be exempt over other contractors?

Mr. VINSON of Georgia. I will get to that later on.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. FITZPATRICK. The manufacturers of scientific instruments that would be relieved from paying excess profits could sell their instruments to some other country after being released by this country?

Mr. VINSON of Georgia. No.

Mr. FITZPATRICK. They could not make a profit, then, by selling them to some other country?

Mr. VINSON of Georgia. No.

It became necessary, in the judgment of the Navy Department and the Treasury Department, that section 3 of the act of March 27, 1934, should be amended for the following reasons: First, the lessening of competition and the refusal of surety companies in some cases to write bonds covering contracts subject to the act of March 27, 1934; second, the increased cost to the Government resulting from the higher premium rates on such bonds; and, third, the tendency of contractors to increase their price, since a limitation of profits under the existing law on the basis of individual contracts and loss of profits cannot be recouped on later contracts.

Let us get down to the first objective of the bill. What was it? It was to relieve surety companies under a contract of the liability of the payment of excess profits. You will understand that as the law is written today a performance bond given by a contractor must carry in it a clause that the surety will see that whatever excess profits are made by the contractor will ultimately be paid into the Treasury of the United States though it may be 2 or 3 years after completion of the contract. Under the law today a contractor or a sub-

contractor is required to agree to pay into the Treasury any profit in excess of 10 percent on any contract or subcontract involving a price in the amount of $10,000 or over.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. MARCANTONIO. What is the purpose of relieving the surety company? I did not understand that feature.

Mr. VINSON of Georgia. I am coming to that right now. It is a valid reason.

I invite the attention of the gentleman from New York to the fact that the surety company giving a performance bond is responsible for the payment of profits in excess of 10 percent of the contract price. In the case of every contract there must be a performance bond, and in addition to the performance bond there is an increased responsibility requiring the surety company to see that excess profits, if and when made, are paid into the Treasury. The surety company contends that under the law today the responsibility to see that all excess profits over 10 percent are paid into the Treasury places an additional obligation and an additional risk on them; therefore they raised the premium price and the small companies have had a hard time getting a bond. The large companies or companies with greater assets probably do not have any more than ordinary difficulty. All they had to do was to pay a larger premium, but the smaller companies could not get a bond because the bonding company raised its premium rates.

Now, how did they raise them? In one case there was an increase of rates from $5 per thousand to $40 per thousand. The bonding company took the position that this was an increased responsibility, and if they had increased responsibility they must necessarily be paid for assuming this responsibility, therefore, they raised their rate from $5 a thousand to $40 a thousand, or an increase of 800 percent.

Who pays for the premium? The taxpayers of the United States, through the Treasury, pay the premium because in every contract that the Government makes the premium is charged to the contract price in the award made by the Navy Department. So you can readily see that while the bonding company has assumed an additional responsibility it is costing the taxpayers, and it is costing the Congress in its appropriations more money to carry out these contracts on account of the higher premiums that the bonding company are demanding and this because of their increased responsibility. It is estimated that under the present set-up it will cost the Government between $500,000 and $1,000,000 a year more to construct these ships on account of the high rates which the bonding companies are carrying because we have put into the law the provision that they must see that the excess profits are paid into the Treasury of the United States. The Treasury Department proposes, and correctly so, to collect the excess profits just like it collects any other income taxable obligation. It may be seen that this is clearly a fair and equitable matter to permit the surety company not to be required to assume this additional obligation and the proposed amendment to the bill should be agreed to.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. DICKSTEIN. When the gentleman talks about excess profits does the Government fix an amount of profit the contractor should make?

Mr. VINSON of Georgia. The law in the original instance put it at 10 percent, and all over 10 percent must be paid into the Treasury of the United States. I am heartily in accord with this provision of the original bill, but it does not apply to sales made to the War Department, or sales made to the Coast Guard, but only applies to sales made to the Navy Department.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. FITZPATRICK. How would it affect the small contractor if it were stated in the manner the gentleman has referred to? It would come out of the Treasury and out of the taxpayers, and could not the small contractors pay that as well as the large contractors?

Mr. VINSON of Georgia. No; the small contractors are the very ones that will be benefited by this change. The small contractors have been unable to get these contracts on account of their inability to pay the enormous premiums that the bonding companies are requiring.

Mr. FITZPATRICK. But if it comes out of the Treasury of the United States——

Mr. VINSON of Georgia. It is in the interest of competition, it is in the interest of the sharpest competition, and in the interest of the small contractor to relieve him of being required to give a bond to see that the excess profit is paid into the Treasury.

Mr. FITZPATRICK. But that would come out of the Treasury, as the gentleman has stated.

Mr. VINSON of Georgia. In the long run it would; yes.

Mr. FITZPATRICK. Then why should it affect the small contractor?

Mr. VINSON of Georgia. Listen to this: Here is a case exactly in point. One company on a $23,000 contract under the former custom was required to pay a premium of $111. Today the premium on that $23,000 contract is $823. It affected the small contractor because he had to dig up $823 to be able to get this contract, whereas in the first instance, under the old system, he only had to pay $111.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. COLDEN. Does the chairman of the committee think that these surety companies are justified in raising their rates from $5 a thousand to $40 a thousand merely because of this provision with respect to excess profits?

Mr. VINSON of Georgia. That is a question that the surety company will have to answer for itself, but the gentleman will admit there is an additional responsibility, and if there is an additional responsibility, then they certainly must be paid for such additional responsibility.

Mr. COLDEN. How can it be eight times as great?

Mr. VINSON of Georgia. Of course, there is no way to regulate that. They can regulate the premium on these bonds just like they regulate the insurance rates.

Mr. DOCKWEILER. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. DOCKWEILER. Has the gentleman any assurance that when we repeal this provision so as to go back to the old status quo that the surety companies will go back to their former premium rates?

Mr. VINSON of Georgia. Of course, we have, because we have already had the premium rates on such performance bonds.

Mr. DOCKWEILER. I am happy to hear that.

Mr. VINSON of Georgia. The premium rate on the average performance bond was $5 a thousand. Requiring the surety company to be responsible for the excess profit has raised this to $40 a thousand, and of course, no person would pay a premium of $40 on a thousand-dollar bond under a performance contract, and that is all that the bond would be—a performance contract bond.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Ohio.

Mr. TRUAX. Is it not a fact that the rate was advanced 600 percent because of the probability that there would be excess profits that must be paid into the Treasury and for which the surety company would be responsible?

Mr. VINSON of Georgia. Not at all. The bonding company is not going out and sit over each one of these contractors to see whether or not he is making excess profits. The bonding company is going to rely entirely upon the audits of the Treasury Department. The bonding company took advantage of this situation to the detriment of the

small contractors throughout this country, because they took the position that this requirement put an additional responsibility on them and, of course, there is an additional responsibility, and they said, "If you adhere to that, then you must pay us for it."

Mr. TRUAX. But why the responsibility and why the advanced premium?

Mr. VINSON of Georgia. Just because they had the opportunity due to the fact we had put an additional responsibility upon them.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield myself 10 minutes more.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Texas.

Mr. McFARLANE. Does the gentleman have any information as to what particular companies have been charged these excess rates?

Mr. VINSON of Georgia. I will read a portion of the testimony and I may say that it was not one company, but all of them under an agreement, and here is a concrete case:

> In the case of the Ford Instrument Co., the premiums on performance bonds required on the individual contracts have been increased from one-half of 1 percent, or $5 per thousand, to 4 percent, or $40 per thousand, an increase of 800 percent.

I am reading to you the testimony of one of the witnesses from the Bureau of Supplies and Accounts, who has to audit these accounts and these contracts.

Now, reading further:

> Edward G. Budd Manufacturing Co. reports that the surety companies have changed the bond from a supply bond, which costs one-half of 1 percent, to a financial guaranty bond, which costs $4 per $1,000 on the contract price subject to a maximum of 4 percent on the bond amount. It is reported that these figures are furnished by the United States Guaranty Co., while the conference companies quoted $5 per $1,000 on the contract price subject to a maximum of 5 percent on bond amount.
>
> In the report of the Budd Co. it is claimed that the bonds are considered to be financial guaranties for two reasons: First, the Government auditor might not appear for 2 or 3 years after the work had been completed; and, second, the manufacturer might have made 30 or 50 percent on a contract, but by reason of heavy losses under other departments would be unable to pay back what was due the Government. A specific case is cited whereby a bond for $22,300 executed on the old rate cost $111.50, and then the surety later claiming that the new rate should apply, which would increase the cost to $891.50.

So the Treasury Department and the Navy Department and the committee reached the conclusion it was nothing but fair, equitable, and just and in the interest of competition that this requirement on these sureties to pay in the excess profits should not be demanded.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. BOLTON. I do not know whether this is the appropriate time, but may I inquire whether the committee has given consideration to the subject which I discussed with the gentleman with reference to the general material men?

Mr. VINSON of Georgia. That is in this bill and I shall come to that later on.

I now invite the attention of the gentleman from Texas [Mr. McFARLANE] to this quotation:

> The committee was advised that the Pratt & Whitney Co.'s rates increased eight times by the United States Guaranty Co. and this surety declined to write a bond on an aircraft contract, containing the provisions of the act of March 27, 1934.

Now, let us come to the next proposition:

The second objective of the bill, as I have previously stated, provides for the calculation of excess profits on all contracts completed during an income taxable year. Under the act of March 27, 1934, section 3, the excess profits are determined on each individual contract. Now the bill changes the method of determining excess profits from each individual contract to contracts completed during an income taxable year.

Let the committee bear in mind the fact that under the law today the Treasury Department recovers whatever excess profit is made on each separate and individual contract, and a contractor may have a half a dozen different contracts running along at the same time.

The Treasury Department in following out the law is compelled to audit each separate contract and determine if there has been an excess profit of 10 percent. We propose to change that and permit the excess profit to be calculated over one taxable year. That is on the recommendation of the Treasury Department and the Navy Department.

Mr. WHITE. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. WHITE. Has the gentleman any figures to show what the Government has collected as excess-profits tax?

Mr. VINSON of Georgia. No; this has just started.

This bill provides for the determination of such excess profits on the basis of one income taxable year. It is felt that under the present law there is a tendency on the part of contractors to unduly increase their prices in order to insure that they would receive a profit of not less than 10 percent on their contracts; also as the determination of profits is on the basis of individual contracts, the contractors could not, as would be the procedure under ordinary business practice, recoup actual losses under subsequent contracts, owing to the 10-percent limitation profit on each contract.

You can readily understand that. Here is a contractor who has a contract, and he knows that he cannot get but 10 percent. He knows that it must be determined on the completion of that contract. So what does he do? He raises the price of his bid so that he can be absolutely sure that he will be guaranteed the 10-percent profit and that he will at least have an opportunity to make 10-percent profit.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. FITZPATRICK. What guaranty has the Government got that they will get back the excess of 10-percent profit? Did the committee take into consideration the fact that the Government might hold up the last payment until it was decided?

Mr. VINSON of Georgia. That goes to the basic law. That was worked out in conference with all the experts of the Treasury Department. The form that it is put in was considered the most feasible and workable way.

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Connecticut.

Mr. KOPPLEMANN. In what way would the Government's interest be conserved by guaranteeing the 10-percent profit?

Mr. VINSON of Georgia. There is nothing in the law that guarantees the 10-percent profit.

It is realized that with strong competition some contractors may, in working up bids for Navy contracts, figure too closely, and thus lose money in executing these contracts. In order that such contractors may not be too severely penalized on such contracts, it is proposed to liberalize the present law by allowing them to count a year in which to determine their excess profits and at the same time allow them to credit the net loss, if any, incurred on naval contracts subject to the act in an income-taxable year against excess profits in the next succeeding taxable year.

In other words, the effect of the amendment would be this: Suppose a contract was let for $100,000 for building some particular article and that contract was entered into in 1935. If it was finished in 1935, then the Treasury Department would, by this amendment which we propose, carefully examine these contracts for 1935, and all over 10 percent excess profits would be paid into the Treasury. Suppose he lost $10,000 in 1935 and he had a contract that was completed in 1936. The amendment would permit him to carry the losses from 1935 to 1936, and the Department would reach it in this way: If his contract in 1935 was for $100,000, and he lost $10,000, and he had a contract finished in 1936 for $100,000, on which he made $20,000, then the Department would first permit him to earn $10,000, or 10 percent on the

contract finished in 1936, and it would permit him to offset the loss of $10,000 in 1935 against the gain of $10,000 in 1936, so that on these two contracts, which would be $200,000 worth of business, under the example that I have used, instead of making 10 percent, the contractor would make a profit of only 5 percent.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. FORD of California. It seems to me that under such an arrangement as that anybody having a contract running over 2 years would make it a point to see that he showed a loss on the first year in order that he might gain on the second.

Mr. VINSON of Georgia. What good would it do, because he does not make any profit at all?

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. VINSON of Georgia. Mr. Chairman, I yield myself 10 minutes more.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. ZIONCHECK. Most contracts let out by the Navy for construction of planes or ships take over a year to complete.

Mr. VINSON of Georgia. That is correct.

Mr. ZIONCHECK. Usually the contract takes from 2 to 3 years to complete.

Mr. VINSON of Georgia. That is correct.

Mr. ZIONCHECK. So that the example the gentleman used is not applicable.

Mr. VINSON of Georgia. It is applicable for the simple reason that whatever income taxable year it is, it does not make any difference how long the contract runs, and whenever it is finished, the excess profit is determined in that taxable year. If he has sustained a loss in a previous year, he would be permitted after he has been allowed a 10-percent profit in the taxable year in which he made his profit, to offset his loss in that previous year.

Mr. ZIONCHECK. Is it not the gentleman's opinion that the greatest deterrent to excess profits in the building of naval ships is the competition of the navy yard and their smaller cost of construction?

Mr. VINSON of Georgia. This does not apply at all to navy yards. Navy yards are right. We maintain them and we must do so. We need them to haul down the cost, but nothing in this bill deals with navy yards.

Mr. ZIONCHECK. They are the best yardstick?

Mr. VINSON of Georgia. I shall not agree to that. There are good navy yards and good industrial yards, and we are not committing ourselves to building everything in Government yards. We have taxpayers in the country and they have to live just the same as people on the Government pay roll have to live.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. COLDEN. To ask a question not exactly germane. An engineering company in California and the Los Angeles Ship Yard of San Pedro last year were low bidders on three destroyers, but they did not file bonds because of the exorbitant price, as they stated. Can the gentleman give us any information as to why these rates are so high?

Mr. VINSON of Georgia. I could not. The next proposition is one that permits a contractor, if he overpays the amount determined to have been due in excess profits, to have an opportunity to get a refund. That is so fair and equitable that I would not be justified in taking up the time of the Committee in discussing it. In other words, all the Government wants is what is due to it; and if a man has made an error and has paid too much excess profits, it is nothing but honorable on the part of the Government that he be given an opportunity to have it repaid.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. CHRISTIANSON. Does not the gentleman believe there should be some machinery for regulating the rates of these bonding companies?

Mr. VINSON of Georgia. I know of no authority by which Congress can pass any law regulating the rates, because that is a contractual relationship between the Government and some private citizen.

Mr. CHRISTIANSON. Certainly, I think the Government could regulate the rates on bonds which are paid for ultimately by the Government itself.

Mr. VINSON of Georgia. It could only say that it would not enter into a contract where the rates are higher than these.

Mr. CHRISTIANSON. But it could do that?

Mr. VINSON of Georgia. Yes; it could do that.

Mr. KENNEY. It could regulate the rates of pay on the building of ships authorized by the Government, in the contract that the Government makes with individual shipbuilding companies.

Mr. VINSON of Georgia. The Government has the right to prescribe terms and conditions of contracts, and it can set out in any terms and conditions it desires, and it is up to the contractor whether he will accept.

Mr. KENNEY. Has not that been done up to the present with respect to providing for prevailing rates?

Mr. VINSON of Georgia. Under the code that was done, but, of course, the code has gone. Of course, the Government has authority, if it desires to do so, to write into the terms of the contract every provision that was in the shipbuilders' code. It could set those terms up as a condition on which the contract is made.

Mr. KENNEY. Does not the gentleman think we ought to do that?

Mr. VINSON of Georgia. I cannot answer that now. I will state to the gentleman that I have prepared a bill dealing with that, but I have not yet introduced it.

Mr. FORD of California. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. FORD of California. Why is it that we give the shipbuilder an advantage we are not giving anybody else? I lost money this year and I cannot charge it off next year.

Mr. VINSON of Georgia. Of course, the gentleman can. We are doing nothing more than putting him exactly on an equality with any other income-tax payer. Of course, the gentleman has a right, under the income-tax law, to carry forward his loss, to offset his losses. Now, let me say this so that it can be thoroughly understood——

Mr. DELANEY. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. DELANEY. I think the gentleman from Georgia is in error in making the statement he did to the gentleman from California.

Mr. VINSON of Georgia. I mean his losses for that income taxable year.

Mr. DELANEY. I am afraid the gentleman did not understand the question which the gentleman from California asked. I think he might clarify that before going further.

Mr. VINSON of Georgia. If I misunderstood the gentleman, I shall be glad to correct any wrong impression.

Mr. FORD of California. Are we not giving the shipbuilder an opportunity to make losses in one year and gains in another, and then use the losses to take up his profit?

Mr. VINSON of Georgia. Assuming we are, are we not holding him down as to the amount of profit he can make? We are holding him down to not over 10 percent, so that he cannot make over 10 percent. In other cases, the sky is the limit as to profits.

Mr. THOMPSON. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. THOMPSON. Will a shipbuilder have to pay the regular income tax on the 10 percent?

Mr. VINSON of Georgia. Of course; yes.

Now, let me say this so that it can be thoroughly understood. These provisions which I have been discussing are

recommended to you by the Treasury Department and the Navy Department.

Mr. McFARLANE. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. McFARLANE. I believe the gentleman is slightly erroneous in that statement to this extent, that while one of their representatives was before our committee the Treasury Department representative, Mr. Moore, who was before our committee, was trying to work out an amendment as suggested by the Judge Advocate General of the Navy; but the Treasury Department, as I understand it, was trying to work out some kind of a program in keeping with the wishes of the Navy Department, and is not sponsoring any legislation before this Congress at this time.

Mr. VINSON of Georgia. In reply to the gentleman I will state that in the hearings is a letter from Secretary Morgenthau.

Mr. McFARLANE. Will the gentleman put it in the RECORD, please?

Mr. VINSON of Georgia. I will put it in the RECORD. It was in the RECORD when the gentleman was listening to this bill being discussed. It endorses every word that I have said with reference to the amendments to this bill. The Treasury Department and the Navy Department endorse these provisions which I have been discussing. As I said in my opening remarks, there is this provision which is not endorsed by the Navy Department and which is not endorsed by the Treasury Department, but the Navy Department and the Treasury Department reached a decision that it was a matter for Congress, and if Congress saw fit to do so, they had no objection to it. Now, what is that provision? I think probably this will be the only phase of the bill over which there will be any controversy. This is very important. The committee proposed this amendment after long hearings. Bear in mind that this 10 percent relates to all character of contracts that an individual makes in regard to airplanes and the construction of ships:

And provided further, That this section shall not apply to contracts or subcontracts for scientific equipment used for communication, target detection, navigation, and fire control as may be so designated by the Secretary of the Navy, and the Secretary of the Navy shall report annually to the Congress the names of such contractors and subcontractors affected by this provision, together with the applicable contracts and the amounts thereof.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. VINSON] has again expired.

Mr. VINSON of Georgia. Mr. Chairman, I yield myself 5 minutes more, and then I must conclude.

Now, this is the reason why the committee asks you to adopt this exclusion of scientific-instrument feature from the provision of the 10 percent. It is of vital importance. It goes to the very heart of keeping the Navy abreast with the latest scientific developments that the engineering ingenuity and genius of men in this country can bring about. The efficiency of the Navy and national defense as a whole depends upon the advancement in scientific-instrument fields. This is particularly true in the Navy with reference to the art, first, of fire control, which requires higher developed instruments, such as target detection, range control, range keeping, range finding, and coordination of gunfire.

In using the words "fire control", it means all those scientific instruments that are developed to locate the range, the control of the range, and all matters of that technical, highly developed art.

It provides for that in contracts under what is known as "ship control", which pertains to the interior communication within a ship, compasses, flying instruments and navigation instruments, air control, which has to do with radio both in ships and airplanes, and flying instruments for aircraft. In order to advance in those arts, research development along particular lines is necessary for continuous improvement. To carry on such research-development work requires the expenditure of large sums of money. Some of this work will result in success, while some will result in failure. These instruments are not made the first time some genius and some inventor seeks to develop them.

It takes long years of time to make them and costs hundreds of dollars in engineering talent to develop them so that industry may receive returns from funds invested in research and development. It is necessary to allow them to have credit for funds expended on failures, in other words, research.

The Government does not possess facilities to carry on such work, nor does it have at its command the required inventive genius necessary for the full and complete research and development work to continually get the best scientific equipment were it to have the required facilities and the necessary funds. For this reason the committee considers it equitable, both to the Government and to industry, to exempt, in determining excess profits, contractors for certain scientific equipment which requires extensive research and development for perfection, such exemption to be determined by the Secretary of the Navy, with the proviso that Congress shall be informed annually of all cases so exempted.

Now we propose to give these makers of scientific instruments that are designated, exemption from this 10-percent provision, and we propose to permit the Secretary to enter into contracts with them on that basis. The Secretary necessarily will have to report to Congress the exemptions. So we seek to safeguard it. We have brought it down to only four things that are used in the Navy, but they are so highly technical that it is absolutely necessary that these companies be not required to limit their profits to a mere 10 percent, because they may lose hundreds of thousands of dollars a year in scientific development. If they have no way in which to recoup the loss they would cease their engineering investigations and the country would suffer because it would not be able to keep abreast of modern scientific developments.

Mr. Chairman, I reserve the balance of my time.

Mr. DARROW. Mr. Chairman, I think the distinguished Chairman of the Committee on Naval Affairs [Mr. VINSON] has gone into this bill in its various details in a most thorough, and, to me, a most convincing manner. Personally, I am very much in accord with the views he has expressed. I think it is in the interest of our Government and will correct certain conditions which to me seem to be detrimental to our keeping abreast of the times in the development of scientific equipment used for communication, target detection, navigator and fire control, particularly as they apply to aircraft development, and which are so essential to the efficiency of our Navy and protection of its personnel. It does seem to me consideration should be given to the experimental work that is always necessary in order to maintain the highest standards of naval efficiency; and the final provision of the bill, in this respect, appears to me to be very essential.

Mr. Chairman, I yield 15 minutes to the gentleman from New Hampshire [Mr. TOBEY].

Mr. TOBEY. Mr. Chairman, while the gentleman from Pennsylvania has allowed me 15 minutes, it is very probable that I shall ask unanimous consent to continue longer, for the reason that I think it is appropriate that I have sufficient time to deal properly with this subject in view of the history of this amendment.

One afternoon in January 1934 as I sat in this Chamber the Vinson bill was under consideration.

For many years I have known of the great amount of money that had been expended by certain shipbuilding, aircraft, and other large interests in this country to influence legislation, to corrupt men in public life, to send men overseas to disrupt a Geneva conference, to bring about not peace but rather to foment war through their sales of munitions, ships, and aircraft to foreign governments.

Late in that afternoon I talked with a friend from the press gallery, Mr. Edward Lewis, of the United Press, and also with my son. With an earnest desire to do something to thwart such practices we united in an effort and drew up an amendment to the bill, which I offered on the floor of the House and fought through. The House by a large majority adopted

the amendment. So much for the origin of the Tobey amendment to the Vinson Navy bill.

After passage in the House we thought we had won, but we were misled. The bill came up in the Senate Naval Affairs Committee for sudden hearing, and there was Henry Roosevelt, Assistant Secretary of the Navy, speaking through a letter offered by Admirals Land and Standley, opposing this amendment, and the admirals joined in this opposition. I took the floor there and urged its adoption. It was approved by the subcommittee, and later by the full committee.

Again we thought we had won, but it went to conference. The point is that the bill finally came out of the Senate with the amendment reported advocating the 10-percent limitation. My amendment had been much improved by the Senate, and I had conferred with several of them on the subject. But, as you all know, the place where legislation is finally shaped is in the conference committee.

While this bill was before the conference committee a proposed amendment was sent down from the office of the Director of the Budget, accompanied by a letter stating that the enclosed amendment had his approval, and he hoped it would be accepted as a substitute.

This amendment consisted of 35 lines, and in 3 of the lines of this amendment we found verbiage which, if it should become law, would entirely emasculate the provisions of the 10-percent limitation on profits.

Under the proposed amendment which affected any 2 successive income-tax years they could have made 49 percent each year and even more.

When this was discovered I called at the Budget Director's office and conferred with him, and the man who drafted the amendment, and finally he assented to my position, and the amendment was later withdrawn.

When the conference report was brought on the floor of the House I found that the conferees had exceeded their authority under the rules of Congress and had written into the bill two provisions, one of which would have postponed the date at which the bill would be effective, until June 30, some 3 months thereafter. In this time millions of dollars' worth of contracts could have been awarded, all of which would have been exempt from the profit limitation; and the second proposal was to limit the amount of the contracts effective under my amendment to $50,000. After conferring with the Navy Department I learned that this would have nullified probably $100,000,000 of contracts under the Vinson bill and make them also exempt from profit limitation.

I made a point of order against these provisions, and Speaker Rainey sustained me, and the bill went back to conference and these features were eliminated.

So, in final form, after many vicissitudes, and having to overcome many obstacles put in its path, the 10-percent limitation of profits was written into the bill, and is now the law.

This is the history of my amendment to the Vinson bill of 1934.

The gentleman from Georgia, who preceded me, the Chairman of the Naval Affairs Committee [Mr. VINSON], speaking here today for this bill, took up first the exemption of surety companies for liability. I will take up first the surety feature, and I challenge the arguments which the gentleman made. He called attention to the fact that the surety companies issued bonds for the performance of contracts and that the Treasury Department ruled that the recovery and return to the Treasury of excess profits was an obligation under that contract. When this profit-limiting law passed these surety companies got together, through their conference board, and set up new rates for these surety bonds. They jacked them up 800 and even 1,000 percent.

I ask the gentleman from Georgia [Mr. VINSON] why that was justified. Some of the Members have asked him the same thing on the floor today. In the hearing room, when his committee was considering this matter, the gentleman from Massachusetts [Mr. ANDREW] asked Admiral Bloch, of the Navy Department, why it was necessary to jack up these insurance rates. Then Chairman VINSON asked the admiral this question:

Why are the bonding companies getting together and hiking up the prices, which is not justified, because the risk is not very much greater than it was before, is it?

The admiral's answer was that the contention was made by the surety companies that their risk was increased; it was also contended that some of the contracting companies involved may go broke 2 or 3 years after the contract had been completed, and then the surety would have to come forward and make good the excess profits. Then the gentleman from Texas [Mr. MCFARLANE] asked him very pertinently, "Has that ever happened?" And Admiral Bloch conceded that it could not, because the bill has only been in effect 1 year. I was there in the room when Admiral Bloch was giving his testimony, and there were many surety-company representatives there. The admiral called attention to this and said he recognized seven or eight of them. Now, Mr. Chairman, would you not naturally feel that when the several members of the Naval Committee raised such questions that these surety-company representatives would have taken the floor and defended their jacking up of rates to 800 percent? But no; not one of them got up. They were as silent as oysters. They were as men dumb. But who presented their case in that hearing room? Admiral Bloch, of the Navy. He was their spokesman there. Why did not these surety men there get upon their feet and state their case, subjecting themselves to the cross-examination of those members of the Committee who were present? This shows the farce of the whole thing. Admiral Bloch gave very little excuse for the highjacking of these rates. He simply voiced their contention and said, "They claim that it is due to the risk."

Mr. Chairman, the Navy took this thing lying down. I thought the Navy connoted fight, but they supinely surrendered in this matter.

Mr. Chairman, I submit the jacking up of these rates is eloquent testimony that there will be excess profits under the Vinson naval building program. If the surety companies did not believe there would be increased profits, why would they raise the rates? Their action proves the need for the Tobey amendment limiting the profits to 10 percent. Based upon this percentage of jack-up, which, according to the statement of the gentleman from Georgia [Mr. VINSON], is 800 percent, I submit that jacking up these premiums 800 percent is simply evidence of the likelihood and assurance of excess profits. Based on their 800-percent rate increase, it would indicate that the probability of excess profits was 800 times greater under the Vinson bill than before the Tobey amendment prevailed. I challenge this proposed surrender to the surety companies.

Mr. FORD of California. Will the gentleman yield?

Mr. TOBEY. I yield to the gentleman from California.

Mr. FORD of California. Is not the Vinson bill a very effective bill for the carrying out of the things that the Congress had in mind?

Mr. TOBEY. There is no question about that; and I think I will prove the gentleman's position and mine in this matter before I get through.

Mr. TRUAX. Will the gentleman yield?

Mr. TOBEY. I yield to the gentleman from Ohio.

Mr. TRUAX. The gentleman stated that there were several Representatives in this body representing surety companies at the hearing.

Mr. TOBEY. No. There were 7 or 8 representatives of surety companies at the hearings.

Mr. TRUAX. I misunderstood the gentleman.

Mr. TOBEY. Mr. Chairman, as to the second recommendation of the Naval Committee, the present profit-limiting amendment provides for determination of excess profits on each contract by itself. The contractors want the right to offset losses in 1 year against profits in 1 year. This bill further provides that losses incurred in 1 year, say 1935, should be held as a set-off, or as a sort of suspense account, against any profit occurring in the followng year—say, 1936. This feature offers opportunities for manipulation and thimble rigging by the contractors. Suppose the gentleman from Iowa [Mr. BIERMANN] is a contractor, and he

had a naval contract coming due in December this year. Suppose he is quite sure he is not going to make a profit.

Suppose, further, that he also had a contract for a battleship coming due in 1937 and could not get it done before that. He would say, under those circumstances, "I want to hold this loss and chalk it up against the profit 2 years from now, not 1 year." Therefore he will slow up work on the 1935 contract so it will be completed early in 1936 and apply it to offset the profit he may make on the contract he will finish construction under in 1937. The whole purpose of these amendments in this bill before us today is to set aside the Tobey amendment in the Vinson bill. As I stated, these new amendments present opportunities for manipulation and thimble rigging.

Mr. Chairman, I believe the present law is sound and just, and that each contract should stand on its own feet. These contractors will look out for themselves. There is no need of the Government becoming a nursemaid to them. It is up to them to figure their contract, based on the specifications, and to secure a profit.

Here is something that very few Members of this House realize, and I do not believe all the members of the committee know it either, speaking of the likelihood of loss and profit.

The Navy Department put into effect in 1934—almost coincident with the beginning of the great naval program under the Vinson bill, which will involve an expenditure of $1,000,000,000—the adjustment-cost basis in connection with contracts. Under this new plan every contractor under the Vinson bill can go to work and make his bid, and if he gets the contract then, as he goes along, in the next 2 or 3 years if, in contrast to his contract terms, he finds his labor charges are higher and his materials cost him more, all he has to do is to make a sworn statement to the Government to that effect and he will be paid all the increased cost.

Let them leave the Vinson bill alone as it now stands, because they are almost guaranteed immunity from any loss by reason of this new basis I mention.

The third recommendation, as the gentleman has stated, is the nub of the whole thing. It eliminates scientific equipment for communication, target detection, navigation, and fire control, subject to designation of the Secretary of the Navy.

The gentleman who framed this amendment and who presented it to the committee was no less a man than Mr. Gillmor, the head of the Sperry Gyroscope Co., and a former naval officer. You will find that many of these great concerns have as the key men in their organizations former naval officers. This gives them a point of contact here in Washington. I mention this as nothing against him. I honor him for the association, but the fact remains he is a former naval officer, and he states that he represents 400 manufacturers in this matter, and they contend through Mr. Gillmor that they have spent large sums in research and development of products, and that they cannot include these in their costs. The facts are that the Treasury Department specifically allows the prorating of these charges into the costs of every contract, and Mr. Gillmor later admitted this, and also on cross-examination he stated that if experiments cover 3 or 4 years, the proportionate part of the expense would be allowed. What could be fairer than this?

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TOBEY. I yield.

Mr. VINSON of Georgia. I am inclined to think the gentleman's statement is a little misleading, although the gentleman does not intend it, of course. If a contract is accepted on the finished article, the experimental cost is permitted; but if the contract is rejected, then it is not permitted.

Mr. TOBEY. The gentleman is correct.

Mr. VINSON of Georgia. And expenditures on experiments that fail to bring forth a satisfactory offer are not allowed.

Mr. TOBEY. I may add that the gentleman is a little ambiguous in his statement, although not intentionally so, because the fact remains that the Navy Department has spent approximately $20,000,000 in payment to concerns for experimental work, some of which is never accepted.

Now, going on, most of the scientific manufacturers are operating under patents granted by the Government, and thereby they are given a monopoly, and if you put in this limitation exempting this scientific work, they can charge the blue sky, 2,000 percent profit or more, and there is nothing at all to hold them down.

To confirm this, one company sold 76 radios to the Government at $832. Under this amendment this company would be immune.

What this association of 400 manufacturers, represented by Mr. Gillmor, really wanted to do was to charge the entire burden of this work to the Government itself, and I protest against this. They want to make our Treasury an inverted pyramid and put all their burdens on the Government.

I hope the gentleman from Texas [Mr. McFARLANE] in his remarks will bring in the question he asked of Mr. Moore, of the General Counsel's office of the Bureau of Internal Revenue, who confirmed this statement in the hearings in response to a question by Mr. McFARLANE.

One of the most pertinent questions asked in the hearings was asked by the gentleman from Massachusetts [Mr. ANDREW], who made this remark:

Is there anything in connection with ships or aircraft not subject to scientific investigation and possibility of development?

This was answered very conclusively by Captain Bowen, of the Navy. Let me read you his testimony on this point.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TOBEY. I yield.

Mr. VINSON of Georgia. As a matter of fact, the scientific instruments are enumerated in the bill.

Mr. TOBEY. Yes.

Mr. VINSON of Georgia. And the provision is not open to the criticism the gentleman is now endeavoring to make, because it is limited to four different things.

Mr. TOBEY. But the four different things cover a multitude of sins, as I shall point out before I get through.

Here is the answer to Mr. ANDREW'S question, by Captain Bowen, who is the Assistant Chief, Bureau of Engineering, of the Navy Department.

I have a short statement prepared, Mr. Chairman. In order to make clear to the committee the position which the Bureau of Engineering occupies in connection with these hearings, I wish to state that the Bureau of Engineering is charged with all that concerns the propulsion machinery, auxiliary machinery, with certain exceptions; radio, sound, searchlights, generation and distribution of light and power, interior communication, and fire control up to the mounts of the gun. This is a general and not a specific description.

The Bureau of Engineering has dealings from time to time with most of the industries represented before this committee. From the point of value it probably has more contracts with these industries than all the other bureaus put together; that is, the heavy industries and equipment.

* * * * * * *

Since the enactment of the 10 percent profit clause of the Vinson bill no company has refused to bid on any contract, as far as this Bureau is concerned, due to the 10 percent profit clause; therefore there are no facts available to substantiate any statement as to whether or not the 10 percent profit clause has had any effect on economy and efficiency of that part of the naval administration represented by the Bureau of Engineering.

[Here the gavel fell.]

Mr. TOBEY. Mr. DARROW, I bespeak from you enough time to present this case decently and in order. It is an important matter and I am only half through.

Mr. DARROW. Mr. Chairman, I yield the gentleman from New Hampshire 10 additional minutes.

Mr. TOBEY. I do not know about these time-limit rules, Mr. Chairman. What we are after in this House is the truth, and I am not going to be tied by any 10-minute rule. I want to give you the facts, the honest-to-God facts, in refutation of some of these statements that have been made by ship manufacturers and others.

Now, Captain Bowen says further:

This Bureau is loath to see any discrimination between the various branches of industry. Research, experimental, and develop-

ment charges are not restricted to any particular branch of engineering. It is not an uncommon event for engine builders and boilermakers to find that they are confronted by heavy research and development charges long before any contract is awarded. It is not unusual for a contract with heavy industry to prove some months after award of contract that it is really a development contract.

Then Mr. ANDREW asked him this question:

For instance, on such matters as equipment, range finders, is there not more opportunity for research in the matters of scientific equipment than in the field of actual construction of the vessel? I think the range finders are very complicated instruments.

Captain BOWEN. I do not think I can say that more research is connected with producing a range finder than a new boiler or a new engine. There is an enormous amount of research work going on all over the world in metallurgy.

Now, Mr. Chairman, these 400 manufacturers of scientific instruments have asked for this exemption, and I again point out the testimony that scientific experimental work has been permitted to be charged against costs by the Treasury, and, furthermore, that many millions of dollars have been paid by the Government for experimental work by private companies in recent years.

This amendment which is being discussed states what this scientific exemption covers, and I submit this question to the gentleman from Georgia. In his report he makes the statement, which I think is misleading, that this bill meets with the approval of the Navy Department, as is indicated by the letter of the Secretary of the Navy. It does no such thing in my judgment. The letter referred to and made a part of the committee report was written before this bill was before us, and there is not a single mention in the Secretary's letter of this amendment exempting scientific instrument manufacturers.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TOBEY. Yes.

Mr. VINSON of Georgia. Does not the gentleman think the construction that he puts on it is not justified, because I distinctly stated in the beginning that the committee assumed complete authority for the scientific instruments and said that the Navy Department did not recommend, nor did the Treasury Department at that time recommend, the last proviso in the bill.

Mr. TOBEY. I accept that statement, but the report says the contrary.

Now, on page 3 of the committee report, in qualifying this scientific exemption, the gentleman states:

This is particularly true in the Navy in reference to the arts of (1) fire control, which requires highly developed instruments for target detection, range control, range keeping, range finders, and synchronizing of gunfire; (2) ship control, which pertains to interior communications within the ship, compasses, flying instruments, and navigational instruments; and (3) air control, which has to do with radio, both in ships and airplanes, and the flying instruments for aircraft.

Does that include aircraft or aircraft engines?

Mr. VINSON of Georgia. No.

Mr. TOBEY. What does that include?

Mr. VINSON of Georgia. I may not be able technically to explain it, but I thought I made it so plain that it would show exactly what it does control. I know that it would not include aircraft engines, but that is a matter to be left to the Secretary of the Navy.

Mr. TOBEY. Not to the Secretary of the Navy. It should be left to Congress. The Secretary of the Navy is not telling us, we are telling him.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. TOBEY. Yes.

Mr. FITZPATRICK. Did the gentleman vote for the Vinson bill?

Mr. TOBEY. I did.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. TOBEY. Yes.

Mr. McFARLANE. In this scientific-instrument clause, let me call the gentleman's attention to these words, which I think are sufficiently broad to bring all of these concerns, including Navy equipment, under this limitation, and that is the purpose of it.

Mr. TOBEY. I know.

Mr. McFARLANE (reading):

And provided further, That this section shall not apply to contracts or subcontracts for scientific equipment used for communication, target detection, navigation, and fire control as may be so designated by the Secretary of the Navy, and the Secretary of the Navy shall report annually to Congress the names of such contractors and subcontractors affected by this provision, together with the applicable contracts and the amounts thereof.

And that covers 100 percent of the contract.

Mr. TOBEY. That is the intent of my position.

Hardly had the Vinson bill become law—containing my amendment limiting profits—before the large contractors had a conference seeking to meet the situation brought about by the profit-limiting amendment. Representatives of the Big Three, Newport News, Bethlehem, and New York Shipbuilding, were in attendance, as well as some of the lesser concerns, Westinghouse, Sperry Gyroscope, Electric Boat, and others. The shipbuilders got together and wanted to definitely decide what predetermined proportion they would agree upon as an overhead charge. A discussion was held as to what factors were going to be allowed to be put in as overhead to keep down profits, and finally Mr. Powell, of United Dry Dock, said:

This will go along all right until somebody turns back money.

Mr. Gillmor said:

I think the only thing to do is to act in unison.

Mr. Smith testified:

It seems to me very desirable that, so far as the outstanding items of overhead are concerned, there should be unanimity of opinion.

Later on in this discussion, Mr. Gillmor again said:

If the shipbuilders, boiler manufacturers, and electrical manufacturers act in accordance with uniform rules it will be so strong that I think the Income Tax Bureau would have a hard time resisting it.

Mr. Bardo said, referring to Gillmor's statement:

They could not break it down.

And further adds—

I think we should get our accounting officers together first and we should get our shipbuilders on a uniform plan.

Mr. Smith asked Mr. Homer, "What do you think about it?" Homer replied that the method of determining the 10-percent profit is to be established by the Treasury Department and the obvious thing is that the industry would have to establish something for its protection.

Mr. Blewitt, speaking for Newport News, made the point that shipbuilders could definitely agree upon an overhead that was normally uniform but was definitely considerably higher for Navy work than for merchant-marine work, and testimony was that he was trying to get it on a fixed basis higher than other work, 20 percent. Mr. Smith showed considerable anxiety that everything was going to be put into cost by everybody, so that some of the shipbuilders should not charge too little; and he said:

I would not do that. This group ought to go away satisfied as to what items should go into cost. Each and every one of us should be assured that we are going to put into cost everything that should be put there.

A little more interesting information—Mr. Shick, of Bethlehem, makes the point:

We should decide what we are going to do. For our own protection it would be a good thing if we did have an understanding, so that on the completion of these contracts the overhead rates will not be out of line. If Bethlehem had 60 percent, Newport News 50 percent, and somebody else 40 percent, they will ask what is wrong.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. TOBEY. Yes.

Mr. LUNDEEN. It was collusion to gouge the Government.

Mr. TOBEY. Yes; and gouge the taxpayer.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. TOBEY. Yes.

Mr. BOLTON. What is the gentleman's thought with reference to the material man, the subcontractor, who supplies material for the finished subcontract?

Mr. TOBEY. I think he should come under the 10-percent limitation.

Mr. BOLTON. In other words, the man with a general contract for steel should agree under the terms of subsection (e) that he should limit his profits to 10 percent to the subcontractor?

Mr. TOBEY. Yes, sir.

Mr. BOLTON. Of course, that is quite contrary to ordinary business practice.

Mr. TOBEY. I mean that only a subcontractor producing materials or goods to be used in performing a contract awarded under the Vinson bill should be subject to the profit amendment.

I am trying to bring out here that back of all this are master minds representing these great concerns, and they get together to act very much as a unit. There was a man here by the name of Homer, a representative in Washington for shipbuilders. Homer came down to Washington, and he wrote a letter back to the Bath Iron Works at Bath, Maine, in which he told the president of that company:

> From what I can gather we are going ahead to a full treaty strength Navy, and we are going to do it quick. I think it would be very wise for you to come down to Washington in the near future and talk to the gang.

Talk to the gang! Before the Nye committee they put him on cross-examination and asked him, "Who do you mean by the gang?" He would not answer until he had consulted counsel. After he had consulted counsel, he said he referred to admirals in the Navy Department in Washington.

Referring to Mr. Bardo, I quote further from a speech by Senator NYE on May 22 as follows:

> Mr. Bardo, the president of the New York Shipbuilding Co., after weeks—yes; months—here in Washington, getting his share of the plunder, or arranging for bids upon the ship contracts that were to be advertised, reported in June of 1933 what was to be expected in the way of awarding the contracts for shipbuilding by the Navy Department in a letter to the chairman of the board of directors of his corporation. I read but two paragraphs from his letter:
>
> "I know from my talks with some of the representatives of the Navy—"
>
> And it turned out that they were the same men to whom Mr. Homer referred as "the gang"—
>
> "I know from my talks with some of the representatives of the Navy, who are keenly interested in this work, that they are desirous of finding some substantial reasons for awarding this work to the largest possible extent to private yards upon whom they must rely for the necessary engineering to complete the ships.
>
> "There was also expressed to us the desire that the builders themselves should get together and agree, as far as we could, on what each would bid, and then bid on nothing else."
>
> Mr. Bardo did undertake to tell the chairman of his board of directors, 10 days before the bids were opened, just what ships each of these "big three" shipbuilders would get; and then, to make it clearer to his chairman, he undertook in the same letter to show what the break-down, the division between the three companies, would mean in dollars; and he said:
>
> "This new work would amount approximately to the following values:
>
> "Newport News, $30,000,000.
>
> "Bethlehem and New York Ship, $28,000,000 each, although the final estimates may slightly change these figures."
>
> I defy any Senator, upon reaching his home tonight, to take a pie or cake and cut it into three more equal parts than that pie or cake was cut into by the shipbuilders 10 days before the bids were opened; and when, 10 days later, the bids were opened, it was revealed that Mr. Bardo had not missed his guess by a single, solitary ship! To the last ship he knew which company was going to be awarded the contract.

Here is my plea in closing: The amendment now in the law, which limits profits to 10 percent, was a timely measure. It was passed coincident with the bill and made a part of it. I cannot admit the soundness and fairness of these new amendments. I believe this bill is an attempt to make an opening wedge to emasculate the limit clause of the bill. I believe it is a letting down of the bars and, unless we stand guard, will nullify this legislation, which has been so sorely needed and which means so much in the interests of the taxpayers of this country.

I ask the House to vote down this bill, to see this thing not as the Navy Department, not as the shipbuilders and supply men that bid on Navy contracts, but in the light of the tremendous profits made on aircraft, steel, and shipbuilding contracts for many years in this country.

I ask you to hold fast and maintain this constructive profit-limiting amendment as a component part of the Vinson bill, just as it passed the House and Senate and as it received the approval of the President.

Preserve this amendment which is in the interest of the taxpayers of the Nation.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. TOBEY. I yield.

Mr. ZIONCHECK. Does not the gentleman feel that this assures a profit in war, and that the real limitation is not the 10 percent, but that the Government should come in and manufacture its own munitions and supplies and take all the profits out of war?

Mr. TOBEY. In my own opinion, that is the only way to get rid of these people.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. TOBEY. I yield.

Mr. VINSON of Georgia. The gentleman gave some information with reference to collusion among shipbuilders. We are trying to prohibit the same kind of collusion among bondholders. Under the gentleman's argument, he is in favor of permitting them to form a collusion to charge high prices.

Mr. TOBEY. The gentleman is entirely out of order in saying that. I made the point to you that the thing to do was for the Government to stand up and fight and put them down in their seats. They had no justification for such rate increases.

The CHAIRMAN. The time of the gentleman from New Hampshire [Mr. TOBEY] has again expired.

Mr. DARROW. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, the so-called "Tobey amendment" was adopted in the House without any consideration, without any opportunity to study the possibility of its effects upon the Vinson bill. As a matter of fact, I think it is the most unintelligent piece of legislation I ever saw. The purpose of the amendment may have been very high, although there are many who were behind that amendment—and I do not include its author—but there were many who inspired that amendment, whose purpose was, not to save the Government or the taxpayers money but to hamstring the Navy. The purpose of the Tobey amendment, or, at least, its effect, is to destroy the efficiency of the American Navy. I call attention to the fact that there is no other nation on the face of the earth that has any such restriction.

Mr. TOBEY. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. TOBEY. I want to read the testimony of Mr. DELANEY, a distinguished member of the committee, on the point that the gentleman just spoke of:

> You know that an amendment was passed in the House recently, presented by Congressman TOBEY, of New Hampshire, which would limit the profits of these manufacturers to 10 percent. That will save the Government a considerable amount of money. It will tend to put these manufacturers and these men who have been supplying material to the Departments of the Navy and the Army on guard to watch what they are doing in the future.

Mr. MAAS. I do not remember in what connection that testimony was offered. I know that by itself it means nothing, being offered here at this time in this manner. I know that the gentleman to whom the gentleman refers is as substantial an American as there is in this House.

The American Navy is not an aggressive instrument. We have a Navy solely to defend against invasion of our own shores. We are not trying to build a Navy that can go out for conquest. We do not want the territory of any other nation; but we do not propose to have anybody else take one inch of our territory. We are going to have a Navy that will see that they do not. We want peace. We want to be let alone. We are going to have a Navy that will insure our being let alone. The effect of the Tobey amendment, which we are trying to correct today, is to lessen competition. As a matter of fact, if there is collusion in Navy

bidding, to retain the present provisions will stimulate and increase the collusion.

When you place such a restriction as 10 percent, without the opportunity to recapture when there is loss, you induce and enhance the opportunity, almost create the necessity for collusion. Just think of it! A contractor makes a product for the Government this year and loses 30 percent. Next year he gets a contract and, perhaps, makes 15 percent. He is allowed to take only 10-percent profit. Under our proposal he will be permitted to charge so much of that loss of the year before in the excess profit. He will not make a profit on the first year's business. All he has an opportunity to do is to recapture the loss of the previous year up to that limitation, but not a cent of profit.

Consider concerns who are doing business with the Government, and we are talking particularly now of those who are making devices that take a great deal of research, research that requires a great deal of invested capital and with frequently very small unit sale price; if they do not average up with a profit, they cannot stay in business. There is no secret source of income for these concerns.

The present Tobey amendment to the Vinson Act makes the Government a preferred customer. It means that a concern dealing with the Government cannot charge a proportionate share of its general overhead on the business it does with the Government. There is certainly nothing fair about that. There is no reason why private industry dealing with this manufacturer should have to bear all of the overhead while the Government gets its business without paying any share of the overhead; but under the existing act, all that can be charged is the development expense and overhead of the actual contract itself, and only on the completion of that contract, but not the general overhead of the concern. Those Members familiar with business practices know that in the items of cost of doing business, overhead is included and a proportionate share of the overhead is charged on every item that is sold. It is very obvious that no one could stay in business very long on any other basis. If we are to be logical, we should prohibit anyone in any business from making more than 10-percent profit, regardless of whom they deal with.

We have had about a year to study the effect of the Tobey amendment. I think there are many features that may be made to work. Personally, I think the whole 10-percent restriction is unintelligent and should be repealed; but if we are going to retain it, let us at least make a workable bill, because, I submit, the present bill will not work. It is going to cost the people of this country a great deal more if we retain this amendment the way it is at present.

The effect is going to be to drive the small manufacturer out of business. The great manufacturer may be able to stay in, he can weather the storm for a few years, he may be able to go ahead with development and take a loss this year and again next year and the year after, but if the little man who is trying to do business with the Government suffers a loss this year and another loss next year he is going to be put out of business, that is all. No one is going to continue to invest in his concern if it cannot make a profit.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. SABATH. A great many manufacturers who have been doing work for the Government have gone bankrupt and lost a great deal of money.

Mr. MAAS. Yes.

Mr. SABATH. For a long time I was under the impression that they had been making a great deal of money.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. VINSON of Georgia. It is interesting in this connection to bring out the fact that the prevailing profit in the aircraft industry on its construction work for the Government is between 5 percent and 6 percent.

Mr. SABATH. That is what they show.

Mr. VINSON of Georgia. That is what is shown by the statisticians from the Bureau of Supplies and Accounts who have the right to go through their books. Only one concern, and that one having a monopoly, ever made any money out of contracts out of proportion to a fair return on Government aircraft work, and that was the Whitney Co., which made about 30-percent profit, but the Government has gone into the business of manufacturing engines in an effort to hold down that enormous profit.

Mr. SABATH. It became necessary for the Government to do that.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. DONDERO. The Tobey amendment is directly in line with the McSwain bill to take the profits out of war, which passed the House sometime ago. Does not the gentleman think that perhaps the only way to reach a solution of the problem of profits on Government work is for the Government to build its own ships?

Mr. MAAS. No; I will say to the gentleman I think that is very unwise. I have for a number of years given a great deal of study to the question of the Government manufacturing its own munitions and its own instrumentalities of war. I am not discussing the subject now, but in passing I would like very briefly to call the attention of the House to the fact that there are only a few, and a very few, nations on earth that manufacture their own munitions. If we go into the business of manufacturing our own munitions and instrumentalities of war, we have destroyed even the possibility of democracy among nations and the self-determination of governments, because five nations of the earth could and undoubtedly would control the rest of the world. The other nations are not in a position to manufacture their own munitions, and it would mean that they would be absolutely at the mercy of their neighbors who could and did manufacture munitions. Otherwise it would mean that every nation on earth would have to go into the business of creating huge supplies of war reserves which would take billions of dollars out of the normal circulation of commerce, and it would certainly increase the jitteriness of the world. A government manufacturing munitions cannot sell to any other people, because if a government sells munitions, it is in itself an act of war. This Nation was created out of physical resistance against tyranny, and we have no right now to say that no other nation shall have the right to defend itself against aggression. No; I do not think that is the answer.

To go on: A large concern dealing with the Government today can weather the storm and can continue to suffer losses, gentlemen, until all the small concerns are weeded out. Then you will have real collusion. Then you will find what this amendment will cost. Then we will pay the price, and pay it through the nose.

Our greatest protection to an economical Navy is to keep just as many people in business competing for the Navy's business as possible. Mr. Chairman, there is not any very great danger of excess profits on the items which are included in this proposed amendment. The impression has been given that these manufacturers are going to get together and try to recoup all of their losses in their industrial field by one contract with the Government.

Mr. DELANEY. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from New York.

Mr. DELANEY. As a matter of fact, the total amount of the cost of these articles is very small in comparison to the cost of a ship? I think it is less than one-tenth of 1 percent.

Mr. MAAS. Very small. I thank the gentleman for that contribution.

Mr. Chairman, the effect of excluding scientific apparatus manufacturers from the 10-percent restriction is to insure a continued development of the latest scientific apparatus for our airplanes, for fire control, and communication. In those fields the Government is practically the sole customer of these concerns. The impression that has been left with you that these concerns are going to try to recoup great losses in the industrial field in a single contract with the Government is a lot of bunk and hooey. In the first place, in the scientific field the Government is the only customer, practically, of these concerns; and, in the second place, natural

competition will prevent any very great excess of profits. If a concern had a loss of $100,000 on previous experimental work and they tried to charge it all in on a single contract, there are other competitors whose price would be so low that the original company simply would not get the business. Natural competition is going to protect the Government against excess profits, and we should take measures that will insure natural competition. The only way we are going to suffer is if we destroy competition.

Mr. LUCKEY. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Nebraska.

Mr. LUCKEY. Is it not a fact that the Bethlehem Steel Co. is furnishing a large amount of steel for these battleships and gun ships?

Mr. MAAS. That is true; and we are protected by the 10-percent amendment in their case.

Mr. LUCKEY. And the Bethlehem Steel Co. in the last 4 years has paid to their officers in bonuses all the way from one and one-half million dollars to $3,000,000.

Mr. MAAS. Well, I think they are wrong in that respect, and I think we should put a restriction on them. But the thing we are trying to prevent is collusion. Let us go directly to that subject. Let us draft intelligent legislation that will prevent collusion, and then enforce the legislation; but let us not try to do it in this round-about way and thereby hurt all business along the line as we go. Let us strike directly at the problem we are trying to meet.

Mr. SCOTT. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from California.

Mr. SCOTT. The gentleman talks about keeping prices down by means of natural competition that would arise. When Admiral Bloch was testifying before the committee he said that there would be a tendency on the part of the contractors to unduly increase their prices in order to insure they would not receive less than 10 percent on their costs. A little bit later he said there was a possibility that a manufacturer might have made 30 or 50 percent on a contract. There may have been collusion before the adoption of this amendment, and there may be collusion after the adoption of the Tobey amendment, but going back to preceding conditions is not going to guarantee matters.

Mr. MAAS. We are proposing to make an intelligent workable law in the way of a 10-percent restriction on the general business of the Navy.

Mr. SCOTT. Let us keep it, then, until we pass an intelligent law.

Mr. MAAS. I am willing to do that, but in this bill we are asking you simply to remove this 10 percent on scientific apparatus. Do you think the concerns that have developed the automatic pilot, the earth inducter compass, and other things would have developed them if they had been restricted to a 10-percent profit, without any chance to charge in the cost of developing them? Frequently these concerns spend $100,000 on the development of a unit which will sell for perhaps $500.

[Here the gavel fell.]

Mr. DARROW. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MAAS. Mr. Chairman, these scientific manufacturers for whom we are providing an exclusion are not members of the patents pool. If we want to do something, we should abolish the patents pool in aviation. These concerns are not in that pool. It is readily understood that a manufacturer experimenting with fire-control apparatus has no other customer than the Government.

Mr. Chairman, 90 percent of the scientific advancement in the Navy has come from private initiative in the first instance. The Navy could not and would not be justified in allocating huge sums of money to blind experiments. This has to be left to private industry. But unless private industry has an opportunity to sell a successful commodity to the Government at a reasonable profit there is not going to be a continuation of scientific development and our Navy is going to go to wrack and ruin and every dollar we spend for the Navy will be wasted, because a navy that cannot accomplish its mission to defend our shores is worse than no navy at all, because the people think they have a navy. It would be better and fairer to abolish the Navy outright so that the people would know they were undefended. With the scientific development that is going on the size of ships have been made smaller and more effective. What good would it be to have great lumbering battleships if a 10,000-ton cruiser is developed that could blow the battleship out of the water without even being seen perhaps? Unless we keep abreast of the latest scientific developments we are wasting every dollar that we spend for the Navy and we are failing in our constitutional obligations to provide an adequate national defense. If we were building a navy that was designed to go out for conquest or if we had a roving navy trying to take in other parts of the world, the situation might be different, but we have no such navy. We do not want any more territory. In fact, we are giving away territory that other nations would have kept and exploited. However, we have the obligation to defend our own shores against the possibility of invasion and you and I have not the right to overlook that obligation.

Mr. Chairman, the committee has reported almost unanimously a bill which we feel will make workable the Tobey amendment. I think perhaps there are many wise provisions therein though I do not personally agree with all of them, yet I defer to the members of the committee who have studied the matter. I think we are retaining all of the benefits we can get out of the Tobey amendment in this bill, and at the same time eliminating those features which will help destroy the efficiency of the Navy and which will only increase the cost of doing business to the Navy and which will, if anything, increase the danger of collusion. It will certainly deny us and our Navy the benefit of the latest scientific developments, because soon there will not be any more scientific developments.

Mr. TOBEY. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. TOBEY. Does the gentleman believe the statement he has just made, that there will be no more development if this bill does not pass?

Mr. MAAS. Certainly no comparable development——

Mr. TOBEY. The gentleman said there would be no more development. Does the gentleman stand on that?

Mr. MAAS. It depends on what the gentleman means. Does the gentleman want me to qualify my statement?

Mr. TOBEY. I think the statement should be qualified; yes.

Mr. MAAS. I say there will be no more scientific developments——

Mr. TOBEY. If this bill does not pass?

Mr. MAAS. Yes.

Mr. TOBEY. The gentleman says there will not be any more scientific development in the Navy Department of this country——

Mr. MAAS. I did not say in the Navy Department, but in private industry.

Mr. TOBEY. Does the gentleman really mean that?

Mr. MAAS. Of course I mean it or I would not say it. There will be no more development in the field I am talking about.

Mr. TOBEY. I am very sorry for the gentleman.

Mr. MAAS. The gentleman need not be sorry for me.

Mr. TOBEY. I am very sorry for the gentleman.

Mr. MAAS. I thank the gentleman for his consolation, but I assure him that I do not need it.

Mr. TOBEY. Your argument does.

Mr. MAAS. What does the gentleman know about the Navy? Has the gentleman ever been on a battleship?

Mr. TOBEY. Yes.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McFARLANE. Both the ranking majority and minority members of the committee are distributing the time

and they are in favor of the legislation. I rise at this time in opposition to it and I ask unanimous consent for 1 hour's time.

The CHAIRMAN. The gentleman has been recognized for 10 minutes.

Mr. McFARLANE. Mr. Chairman, I submit a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McFARLANE. May I ask whether or not we who are opposed to this legislation are entitled to our proportionate part of the time under the rules of the House?

The CHAIRMAN. The Chair stated the rule at the opening of the debate. Under the rules of the House, the Chair stated debate would proceed for 2 hours, one-half of which was to be controlled by the chairman of the committee and one-half by the ranking minority member of the committee.

Mr. McFARLANE. I understand that.

Mr. TOBEY. Mr. Chairman, will the gentleman yield to me?

Mr. McFARLANE. Yes, sir; I yield.

Mr. TOBEY. Mr. Chairman, the gentleman yields to me and I wish to make this point. The rules of the House state that on Calendar Wednesday there shall be 1 hour for those in favor of a bill that is called up and 1 hour for those in opposition.

The CHAIRMAN. The Chair has ruled. The gentleman from Texas is recognized for 10 minutes.

Mr. McFARLANE. Mr. Chairman, I am very sorry I shall not have sufficient time to develop and answer the arguments that have been made here as I would like to. In the brief time I have I do want to point out some of the arguments against this legislation, and I hope you will give me your attention.

Mr. Chairman, this measure should be entitled "A bill to take all of those dealing with the Navy out from under the limitations of the 10-percent excess-profits clause enacted by the last Congress." Now, why do I say this? If you will refer to the bill itself, you will find that the exemptions are sufficiently broad, and if there is any doubt about the matter, they leave it up to the Secretary of the Navy to broaden them, and any Secretary of Navy we have had, certainly since the World War, has never failed at any time that I have ever heard of, when called upon, to make his general provisions broad enough to allow those dealing with the Navy to get out from under any procurement law we have passed.

Let me relate to you a little history in this regard. You older Members will remember that in 1926 the Congress enacted what is called the "Aircraft Act" of that year, and under that law there was required competition in the purchase of all aircraft equipment by the Army and Navy Departments. Contrary to this law and contrary to the opinions of the Judge Advocate General of the Army and the Judge Advocate General of the Navy, the procurement divisions of both the Army and the Navy, year after year since that time, have bought their equipment in violation of the provisions of this law, according to the Comptroller General's construction of the contracts on file with him, which I placed in the CONGRESSIONAL RECORD as a minority report on the investigation which we made and which clearly showed that more than 92 percent of all the aircraft equipment purchased since 1926 down to that time had been bought in open violation of the law, and that the record from the Comptroller's office stands today before you uncontradicted. I trust the Membership will read my report filed in the RECORD, pages 10034 to 10064, of the Seventy-third Congress, second session, which report goes thoroughly into the system of procurement of aircraft equipment of the Navy Department.

Under this bill you are going to give the Secretary of the Navy this broad power. There are several other limitations, but this is the last one, and in case all the others fail to work they put in a clause which will, in effect, exempt them all and which provides that "this section shall not apply to contracts or subcontracts for scientific equipment used for communications"—broad as the heavens—"target detection"—no limitation—"navigation"—that covers the whole field of navigation and there is no limitation there—"and fire control"—no limitation, and all these terms to be left to such discretion and control as may be so designated by the Secretary of the Navy.

Does this leave any doubt in your mind as to what this provision means? Certainly not. It means that any kind of equipment that is purchased by the Navy will come out from under this 10-percent limitation in any contract if you enact this law.

Now, there has been some question raised about who is interested in this legislation. Some Members would have you believe, according to their speeches here, that they are interested in the little fellow. Oh, how we set him up as a straw man and knock him down. Who is it that comes before Congress advocating this legislation? Is it the taxpayer? No. Is it the little fellow wanting Navy business that he will never get? No. Well, who is it? I will tell you who it is, and the hearings show it, and you can read the hearings—they speak for themselves—the president of the Sperry Corporation, a holding company for many of these scientific-instrument manufacturers and one of the largest sellers of naval equipment to the Navy. This is no. 1 of the little taxpayers or little concerns that appeared before the Naval Affairs Committee wanting to come out from under the provisions of this law. Who else appeared? Of course, all the admirals down there in the Department. Somehow or other they are always before our committee when legislation of this kind is pending, pleading to take the lid off.

If there is any chance of competition when contracts are let, we failed to find it. It is familiar to you gentlemen—I do not have the record of the Nye investigating committee before me, but Senator NYE has frequently made statements to the effect that they have found to his satisfaction that there was collusion in the letting of certain contracts of the Navy, and also facts were found bordering on fraud and collusion in the manufacture of munitions. You can draw your own interpretation of the investigation—you have read the results of their hearings from day to day as related by the press—I have given you mine. Is it going to help any to loosen the law before it has had a chance to operate?

Mr. LUDLOW. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman.

Mr. LUDLOW. The gentleman is convinced, is he not, that the Tobey amendment is salutary legislation? Does not the gentleman think that it is wise legislation; that it has accomplished a great deal of good; and that it should remain on the statute books unimpaired?

Mr. McFARLANE. I certainly do.

Mr. LUDLOW. And the gentleman thinks, does he not, that this legislation that is proposed in the pending bill will emasculate the Tobey amendment?

Mr. McFARLANE. It is going to strike out and emasculate it before it has had a chance to operate.

What is the situation? Here the Treasury Department has not had even time to make the estimates under the law. Let me read you the testimony of Captain Bowen, who appeared before our committee. You will find it on page 1550 of the hearings:

> Captain BOWEN. Since the enactment of the 10-percent profit clause of the Vinson bill, no company has refused to bid on any contract, as far as this Bureau is concerned, due to the 10-percent-profit clause; therefore there are no facts available to substantiate any statement as to whether or not the 10-percent-profit clause has had any effect on economy and efficiency of that part of the naval administration represented by the Bureau of Engineering.

Mr. MAAS. Will the gentleman yield?

Mr. McFARLANE. Yes; I yield.

Mr. MAAS. Was not there testimony that some contracts had been completed at cost or at a loss?

Mr. McFARLANE. There were some statements made before our committee of that character, as shown by the memorandum handed me by Mr. Moore. However, the rulings of the Internal Revenue Department show that all these companies have been dealt with very fairly on all allowances and deductions, and I see no reason why we should give special allowances to these corporations dealing with the Navy. History records that they have been gen-

erously dealt with in the past. Most all these companies operate under patents that give them monopoly, and they are not satisfied with that; they want to further profiteer.

Mr. MAAS. Has anybody made a 10-percent profit?

Mr. McFARLANE. There has been no definite information brought before the committee on either side, except the testimony of Captain Bowen and the statement made by Mr. Moore, of the Treasury Department, as contained in the above memorandum, which does not cover, as I understand it, any full taxable year for any company. Mr. Chairman, I ask unanimous consent to extend my remarks and to include therein this record from the Treasury Department and certain other excerpts of testimony from the hearings.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

Contractor	Date of report	Details reported				
		Contract price	Cost	Profit	Loss	Profit ratio
						Percent
The Babcock & Wilcox Tube Co.	Jan. 4, 1935	$11,332.19	$11,053.53	$278.66		2.46
Eclipse Aviation Corporation	Mar. 21, 1935	17,187.57	19,167.50		$1,979.93	
Do.	Feb. 2, 1935	19,910.00	17,979.50	1,930.50		9.7
Farrel-Birmingham Co., Inc.	Mar. 27, 1935	48,321.00	71,316.88		22,995.88	
Pratt & Whitney Aircraft Co.	Dec. 7, 1934	10,739.25	11,029.44		290.19	
Hirsch Lumber Co.	Mar. 7, 1935	11,460.20	11,152.48	307.72		2.7
Hunterspoint Lumber & Supply Co., Inc.	Mar. 14, 1935	36,036.89	35,329.41	707.48		1.9
The International Nickel Co., Inc.	Mar. 12, 1935	24,844.80	15,501.08	9,343.72		[1]37.6
The M. W. Kellogg Co.	Apr. 1, 1935	21,704.00	21,341.61	362.39		1.7
The Louis Allis Co.	Dec. 22, 1934	17,158.50	15,979.94	1,178.56		6.8

[1] Amount of excess profits paid into Treasury, $6,859.24.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. ZIONCHECK. Has the gentleman had the information that cruisers which cost the Government nine or ten million dollars in 1932 now cost thirteen or fourteen million dollars?

Mr. McFARLANE. The gentleman was a member of the committee and knows that battle cruisers that cost us seven or eight million dollars in 1932 are now costing from thirteen to fifteen million dollars, depending on the company that gets the contract.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. VINSON of Georgia. I yield to the gentleman 2 additional minutes.

Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. VINSON of Georgia. In response to the question of the gentleman from Washington [Mr. ZIONCHECK] as to the cost of ships going up from 1932 and 1933 to what they are today, around about nine or ten or eleven million dollars——

Mr. McFARLANE. The gentleman does not mean that is what they are now costing the Government?

Mr. VINSON of Georgia. What the last bids were.

Mr. McFARLANE. Thirteen million dollars to fifteen million dollars.

Mr. VINSON of Georgia. Whatever it is, was it not brought about by the Shipbuilders' Code of the N. R. A., and is not the tendency of the whole administration to increase the cost of everything and reduce the value of the dollar?

Mr. McFARLANE. Oh, that is the excuse the shipbuilding contractors have given for increasing the price of their bids, but I have never believed it.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. Yes. I yield.

Mr. WOOD. Is it not a fact that the shipbuilders themselves drafted the code?

Mr. McFARLANE. The shipbuilders drafted their code, just like big business generally has drafted every other code, and the Members of this House know that is true.

Mr. ZIONCHECK. The navy-yard costs have not increased in proportion to the private-yard cost.

Mr. McFARLANE. That is true, to the best of my knowledge.

Mr. VINSON of Georgia. Oh, the gentleman from Washington [Mr. ZIONCHECK] and the gentleman from Texas [Mr. McFARLANE] both make the statement with reference to the navy yard not increasing in the same proportion to the industrial yard.

Mr. McFARLANE. Yes; and I believe the records will show that.

Mr. VINSON of Georgia. The records do not show anything of the kind. The records show that the price of steel to the navy yard is the same as the price of steel to the industrial yard.

Mr. McFARLANE. We are talking about total ship cost to the Government.

Mr. VINSON of Georgia. The record shows that the labor in the navy yard costs more than the labor in the industrial yard.

Mr. ZIONCHECK. That is true.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McFARLANE. I ask unanimous consent to extend my remarks in the RECORD and to include therein certain excerpts.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. VINSON of Georgia. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. Three minutes.

Mr. VINSON of Georgia. I yield those 3 minutes to the gentleman from California [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, of course, it is not right to stand here and discuss this bill with so few Members of the House present, because when it comes to a vote, a lot of Members will come in, just as they do in the committee, to cast their vote, without knowing what the discussion is about. I have seen it happen in the past. When they come in they will find out how the chairman is voting and vote with him. I am sorry that this is going to happen on this bill. I do not approve of the bill. With the first part of it, having to do with holding companies, I am not so much concerned. It is with the second provision that I am concerned. Under the original bill the profit of 10 percent was limited to each contract. When the shipbuilder had a contract, if he made more than 10 percent on it, he had to give that excess back to the Government. What they want to do here is to provide that he may take his contracts for the entire year and figure his net profit or loss for the year. If he has a net loss for one year, he is given the privilege of going into the next year to offset that loss against a possible gain in that following year. If you know anything at all about the bookkeeping of modern corporations, you know that they have three sets of books. The first set of books is for their own use. The second set usually goes to the income-tax collector. The third set of books is for their stockholders, so that when it comes time, if they have to show what their profits have been this year, they can cover it up, and you know that that has happened time after time. It has come out in all kinds of investigations. What is to prevent a company this year showing a loss by

manipulation with the operating companies under the control of the holding companies, and then coming back next year and asking that they may make their 10-percent profit, so as to cover up all this fictitious loss of the preceding year?

Mr. MAAS. This does not apply to holding companies. The Government cannot deal with a holding company. It must deal direct with the manufacturing company.

Mr. SCOTT. But a manufacturing company can be a holding company.

Mr. MAAS. Does not the gentleman realize that, if they show an enormous loss this year, next year the profit would be so high that they would not get it?

Mr. SCOTT. That does not make any difference. As Admiral Block said, when they come back next year they will show a profit.

Mr. MAAS. The price would be so high that they would not get the award.

Mr. SCOTT. Not if they all get together and have the same price.

Mr. McFARLANE. The gentleman from Minnesota [Mr. MAAS] voted for the amendment to strike out the whole 10-percent limitation entirely.

Mr. MAAS. And I am in favor of striking it out now.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. DARROW. Mr. Chairman, in the first place, this 10-percent limitation applies only to the Navy Department. Why that limitation should be placed upon the Navy Department only I was never able to thoroughly understand.

As I recall, in all of our investigations, particularly in the case of aircraft, the Navy Department showed a better record than any other department, as far as profits were concerned. Now, it is my feeling that as long as we are to have a Navy, that Navy should be equipped with the best devices and the most up-to-date scientific equipment that it is possible to get. This limitation on scientific equipment in particular does put a handicap on scientific investigation and retards it.

I hope that we may never again send our Navy into battle, but if we do I want the men who are on our ships to have the best equipment that can be provided. [Applause.]

I do hope that this bill will pass. I think it is in the interest of the Government itself and that competition will solve the question of excess profits if it is permitted to operate in the natural way. In my judgment, there is no necessity for placing undue restrictions upon it. That applies particularly to that last amendment which seeks to exempt scientific equipment of a specific character. I appeal to my colleagues to help us pass this bill.

Mr. MILLARD. Will the gentleman yield?

Mr. DARROW. I yield.

Mr. MILLARD. With the N. R. A. out, it allows competitive bidding?

Mr. DARROW. It does allow competitive bidding, and I am sure there will be competitive bidding if the field is left wide open for it.

If we are to maintain the principle that there shall be an arbitrary limitation of profit on naval contracts, we are doing our utmost to discourage scientific development and experimentation for the advancement of naval efficiency.

Many examples could be presented to show how enormous sums have been expended in experimentation before an instrument or scientific device had been perfected, as anyone with only a slight knowledge of such work is aware; and if such a product when completed and marketed can be sold at only a 10-percent profit over its cost of manufacture, you will find future experimentation will be considerably limited or restricted.

I want our Navy to have the full benefit of science as it may be developed by American initiative, and for that reason am pressing for the passage of this bill.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. All time has expired.

Mr. TOBEY. Mr. Chairman, has all time expired?

Mr. McFARLANE. Mr. Chairman, a parliamentary inquiry. I would like to have about 10 minutes on this bill.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. DARROW] was recognized for the remaining time. The gentleman from Pennsylvania spoke on the bill and at the conclusion of his remarks did not attempt to yield any of the time remaining to him.

Mr. TOBEY. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TOBEY. I refer to the rules of the House. I read:

Provided, That not more than 2 hours of general debate shall be permitted on any measure called up on Calendar Wednesday, and all debate must be confined to the subject matter of the bill, the time to be equally divided between those for and against the bill.

Now, we come here and 1 hour's time is given the gentleman from Georgia [Mr. VINSON] and 1 hour to the gentleman from Pennsylvania [Mr. DARROW]. As a matter of fact, the time used against the bill has been 25 minutes by the gentleman speaking and 10 minutes by the gentleman who just concluded, 35 minutes in all. We have had 23 minutes short of our allotted time, and I make the point of order that it is not right to hold that all time has expired.

The CHAIRMAN. Eleven minutes remain of the time of the gentleman from Pennsylvania [Mr. DARROW].

Mr. TOBEY. Will the gentleman yield me half of that time?

The CHAIRMAN. If the gentleman sees fit to allot the balance of his time, that is his privilege. If he does not and yields the floor, the Chair will recognize some Member in opposition to the bill.

Mr. DARROW. Mr. Chairman, I divided my time equally between those for and against the passage of the bill.

I yield back the balance of my time.

Mr. McFARLANE. Mr. Chairman, I ask recognition for the remaining 11 minutes in opposition to the bill.

The CHAIRMAN. Nine minutes remain. The gentleman from Texas [Mr. McFARLANE] is recognized for 9 minutes.

Mr. McFARLANE. Mr. Chairman, I hope I may have close attention in these few remaining minutes, so that I can go further into this measure now pending before us. As to the tax provision of this bill, it reads as follows:

Provided, That if there is a net loss on all such contracts or subcontracts completed by the particular contractor or subcontractor within any income taxable year, such net loss shall be allowed as a credit in determining the excess profit, if any, for the next succeeding income taxable year.

Mr. MAAS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MAAS. Under what parliamentary situation is the gentleman from Texas now occupying the floor?

Mr. McFARLANE. Mr. Chairman, this should not be taken out of my time.

The CHAIRMAN. The Chair ruled that 1 hour having been allotted to the gentleman from Pennsylvania in opposition to the bill, he having used 51 minutes of that time altogether, and having yielded the floor, under the general rules of the House any Member is entitled to recognition to use the time remaining in opposition to the bill.

Mr. MAAS. Mr. Chairman, I think the Chair is in error. The gentleman from Pennsylvania reserved the balance of his time.

The CHAIRMAN. The Chair has ruled, and the gentleman from Texas has been recognized. The gentleman from Texas will proceed.

Mr. McFARLANE. Mr. Chairman, as to this income-tax provision change in this bill over the present law, it is giving to contractors dealing with the Navy Department a right to deduct their losses for income-tax accounting in the following year, which no other income-tax payer now has under existing law.

Why should we favor those dealing with the Navy Department and give them a special right that individual taxpayers do not have, by which these large concerns will cover up any losses made this year in the profits they will make the next year? It is not right. It is not fair. It is not

just. That is in keeping with the whole intent and purpose of this bill. This bill ought to be defeated. It ought to be voted down. The Tobey amendment ought to be given a chance to function. Let us see what it does. We do not have any definite information before this Committee now that will tell us or give us any definite idea as to what the Tobey amendment under existing law will do. Those are the net facts; you cannot deny them.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. VINSON of Georgia. Is it not a fact that on the gentleman's own motion, as is disclosed by the hearings, he suggested substituting the taxable-year basis for the individual contract basis?

Mr. McFARLANE. Yes; and I am willing to open it up and still make the tax accountable on a whole year's business, just such an accounting as each of us has to make. My amendment, which would have treated these corporations as you and I are treated and cause them to make their tax returns on the taxable year, was voted down. These companies dealing with the Navy want the right under this bill to hide any losses made this year by deducting those losses from the profits they make next year. This amendment goes further than that. They were not willing to have the same right allowed the individual taxpayer as well as all others under existing tax laws. They want a 2-year tax accountability and today no one else has that right. This bill makes an exception of those dealing with the Government and allowed them to offset their losses this year, the following year; and this is not fair; it is not right; it is not fair to the Government. There was not a single little taxpayer who appeared before our committee for this legislation, no little business concern asked for this legislation; it was asked for by the subsidized trades, big business. Big business asked for this. No one else appeared before the commttee asking for this legislation other than representatives of the Navy Department. Bear that in mind, gentlemen. They are not interested in protecting little business; they want to put further brass rivets in the laws to protect big business. [Applause.]

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. Mr. Chairman, I decline to yield. The gentleman tried to keep me off the floor even after I had secured time, in spite of the fact that more than three-fourths of the time during the consideration of this bill has been used by those favoring the legislation—you have tried to keep us from fully discussing the merits of this legislation.

Mr. Chairman, that has been the purpose during the consideration of this bill; that has been the purpose of those in charge of the consideration of this legislation. They do not want to give us a chance. They do not want to give us an equal division of time, because they know their arguments will not stand up on it.

As to scientific instruments, if there was any doubt left it has been completely taken out of it for manufacturers of such instruments are taken from under the provisions of this law, and are given a 2-year accounting period within which to further exploit the Government. That is what it does. These highbinders come here with such clean hands. I believe in an old axiom of equity, "That he who asks equity must do equity; and that he who comes into a court of equity must come with clean hands." These gentlemen have not done that; these men who come here asking for this relief. They come here before they have suffered any loss or applied for any allowable deduction for experimental or development work, such as they are allowed to do under the rules of the Treasury Department. They are allowed to offset that in their income-tax returns under the Tobey amendment. Let me quote from the hearings on this point:

Mr. McFARLANE. I want the Government not to pay this research and development expense that they want to saddle off on us on stuff we are not interested in. They are taking the whole plant from which we are buying only certain articles. If we let that procedure go through the whole overhead expense is charged to the Government.

Mr. MAAS. No; they would be permitted to charge a proportionate share of their overhead. If you, as an individual, go and buy an engine you are charged with the engine proportionate share of the overhead of that concern. Why should not the Government do the same thing?

Mr. McFARLANE. The Government does that now, as I understand the situation. Mr. Moore, is it not true that the Internal Revenue Department allows all of the allowed deductions for overhead on all products that are purchased by the Navy Department now under the 10-percent clause, and that what they are trying to do under this procedure is that they want their allowances made for complete overhead on development charges of their entire plant—in other words, on stuff other than what the Government is buying from them? Is that true?

Mr. MOORE. That is my understanding of it. They want to extend it.

What do they want to do? They want to be allowed to offset experimental and development cost that has nothing to do with any Government contract. Let me read you some of the charges they are making the Government under these contracts—these high pirates who come here and ask to be taken out from under the 10-percent limitation law. It has cost the Government about $25,000 for the education of Mr. B. E. Gillmor, president of the Sperry Co.; and, by the way, we are educating practically all of the executives and technical men in the key positions of most of the concerns who sell the Army and Navy equipment; their personnel receive their training in the Army and Navy War College. About 75 percent of their experts they obtain from the Government for reasons that are quite apparent.

I find here the testimony of Mr. Gillmor, a former commander in the Navy, and he was the principal witness who appeared before the committee advocating this legislation. The hearing of our subcommittee last year made a study of aircraft procurement. I went as carefully into the subject as I could—see my minority report, pages 10034–10064, of the RECORD last session. I showed from this report what some of these same concerns now asking for this legislation charged us under noncompetitive contracts paid for out of P. W. A. funds.

Propellers cost us $2,389.54 each, buying them in lots of 22. When we bought propeller hubs in lots of 50 we paid $1,315 for them. This is what happened last year under a situation where there was no competition. For transmitting equipment we paid $564.92 each; octants, $220 each. For directional gyros we paid $401.92 each; and that was on a contract for 480 directional gyros purchased, by the way, from the Sperry Co., of which Mr. B. E. Gillmor is president, and the principal witness before our committee asking for this legislation.

Mr. GRAY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. GRAY of Indiana. Mr. Chairman, will the gentleman explain why if a so-called "experimental contractor" suffered a loss it should be made up to him in his contract?

Mr. McFARLANE. I am sorry I have not time to go into the subject. My time has expired. I ask you to vote down this bill and give the Tobey amendment a chance to work out. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 3 (b) of an act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934 (48 Stat. 505), is hereby amended by inserting the words "*Provided*, That such excess profit under contracts and subcontracts under this section shall be determined on the basis of periods of 2 taxable years of the contractor or subcontractor and the surety under the contracts shall not be liable for the payment of such excess profit," after the words "the property of the United States;" by inserting the word "further" after the word "*Provided*" and by deleting the word "may" after the words "Secretary of the Treasury" and substituting therefor the word "shall", so that, as thus amended, said section 3 (b) will read as follows:

"SEC. 3. (b) To pay into the Treasury profit, as hereinafter provided shall be determined by the Treasury Department, in excess of 10 percent of the total contract price, such amount to become

the property of the United States: *Provided*, That such excess profit under contracts and subcontracts under this section shall be determined on the basis of periods of 2 taxable years of the contractor or subcontractor and the surety under the contracts shall not be liable for the payment of such excess profit: *Provided further*, That if such amount is not voluntarily paid the Secretary of the Treasury shall collect the same under the usual methods employed under the internal-revenue laws to collect Federal income taxes."

With the following committee amendment:

Beginning on page 2, line 4, after the word "amended" strike out the remainder of the bill and insert the following: "by striking out the word 'price' and inserting the words 'prices, of such contracts within the scope of this section as are completed by the particular contracting party within the income-taxable year', after the words 'of the total contract'; by inserting the words 'but the surety under such contracts shall not be liable for the payment of such excess profit: *Provided*, That if there is a net loss on all such contracts or subcontracts completed by the particular contractor or subcontractor within any income-taxable year, such net loss shall be allowed as a credit in determining the excess profit, if any, for the next succeeding income-taxable year:' after the words 'property of the United States'; by inserting the word 'further' after the word '*Provided*'; by deleting the word 'may' after the words 'the Secretary of the Treasury' and substituting therefor the word 'shall'; and by adding at the end of the section the following proviso: '*Provided further*, That all provisions of law (including penalties) applicable with respect to the taxes imposed by title I of the Revenue Act of 1934, and not inconsistent with this section, shall be applicable with respect to the assessment, collection, or payment of excess profits to the Treasury as provided by this section, and to refunds by the Treasury of overpayments of excess profits into the Treasury: *And provided further*, That this section shall not apply to contracts or subcontracts for scientific equipment used for communication, target detection, navigation, and fire control as may be so designated by the Secretary of the Navy, and the Secretary of the Navy shall report annually to the Congress the names of such contractors and subcontractors affected by this provision, together with the applicable contracts and the amounts thereof.' so that as amended said section 3 (b) will read as follows: "

"SEC. 3. (b) To pay into the Treasury profit, as hereinafter provided shall be determined by the Treasury Department, in excess of 10 percent of the total contract prices, of such contracts within the scope of this section as are completed by the particular contracting party within the income taxable year, such amount to become the property of the United States, but the surety under such contracts shall not be liable for the payment of such excess profit: *Provided*, That if there is a net loss on all such contracts or subcontracts completed by the particular contractor or subcontractor within any income taxable year, such net loss shall be allowed as a credit in determining the excess profit, if any, for the next succeeding income taxable year: *Provided further*, That if such amount is not voluntarily paid the Secretary of the Treasury shall collect the same under the usual methods employed under the internal-revenue laws to collect Federal income taxes: *Provided further*, That all provisions of law (including penalties) applicable with respect to the taxes imposed by title I of the Revenue Act of 1934, and not inconsistent with this section, shall be applicable with respect to the assessment, collection, or payment of excess profits to the Treasury as provided by this section, and to refunds by the Treasury of overpayments of excess profits into the Treasury: *And provided further*, That this section shall not apply to contracts or subcontracts for scientific equipment used for communication, target detection, navigation, and fire control as may be so designated by the Secretary of the Navy, and the Secretary of the Navy shall report annually to the Congress the names of such contractors and subcontractors affected by this provision, together with the applicable contracts and the amounts thereof."

Mr. McFARLANE. Mr. Chairman, I offer a preferential amendment.

The Clerk read as follows:

Amendment offered by Mr. MCFARLANE: Strike out the enacting clause.

Mr. McFARLANE. Mr. Chairman, I hope I may have the attention of the Membership for just a few minutes. I have offered an amendment that will cure the evils in this bill, and I hope the Members will vote for it. It is an amendment to strike out the enacting clause of the bill. Why do I offer it? I do so for many reasons: First, because the present law has not had time to operate. Let us give it a chance. There has not been definite information before our committee upon which we should base such legislation as that contained in the pending bill. The Department has reported that nobody failed or that nobody has refused to bid on contracts under the Tobey amendment limiting profits to 10 percent. We do not have any information from the Internal Revenue Department that would justify us in repealing this law before we have had a chance to see how it operates.

If this bill is passed, what have we done? What do we do? We are undoing the work of the last Congress that passed this 10-percent limitation provision, limiting the profit to all those dealing with the Navy Department. That is what they did under the present law, and this bill comes in with two specific amendments which in effect will nullify the good provisions of the 10-percent limitation provision placed in the law last year; there is no use denying that.

Mr. FITZPATRICK. It is not 10 percent under the present bill.

Mr. McFARLANE. Yes; under existing law it is 10 percent excess profits limitation in each contract with the Navy, but if this bill is passed they will be in effect guaranteed 10-percent profit. The bill itself does not say that, but under the provisions written into it very carefully that result is permitted. Now do not forget that. Let the issue be clear and plain. Let us take all the sugar coating off. If you are in favor of giving the Department a chance to see what the present law will do vote for my amendment. There are only two or three concerns which sell the Government its ships. There is very little competition, as the record will show.

The situation certainly cannot be tied up any worse than by the patents pool which grants a monopoly for 17 years. Yet the holders of these patent rights are not satisfied. They want to come down here and sandbag the Government and want us to take the 10-percent limit off them on each contract and allow them to make tax accounting on a 2-year basis rather than a 1-year basis as required of all other taxpayers. Of course, they want to come out from under this law, and they will not even wait until the ink dries before they come in here demanding this be done—this bill was reported out of the committee only day before yesterday. They are closing on this legislation like the Sentinels of the Republic did in repealing the "pink slip" law—they just cannot wait to give it a chance; it might hurt big business.

I hope the membership will vote to strike out the enacting clause so that we may give the present law an opportunity to function. Let us give it a chance to do what it ought to do.

As to these scientific instruments, Mr. Chairman, that came in with the last catch-all amendment, may I say that the hearings before our committee last year brought out clearly the enormous profits made by these gentlemen. You read them in the papers every day for 2 or 3 months last year as to the enormous profits that were made. If this bill is passed, it will take off the only amendment we have that will limit those profits. This bill, if passed, has the effect of guaranteeing a 10-percent profit to those dealing with the Navy Department.

In final conclusion, may I say that the cost of construction to the Navy Department during the past 3 years has been more than doubled in many instances. Those are the facts that the taxpayer has to face. They pay the bill. The cost of equipment to the Navy Department as well as the other departments using similar equipment has more than doubled, yet these companies come in and ask that you practically nullify that law. [Applause.]

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Texas [Mr. MCFARLANE], just before he concluded, stated that this bill guaranteed a 10-percent profit to naval contractors. In all deference to the gentleman from Texas [Mr. MCFARLANE], he is absolutely in error, and there is not a scintilla of evidence nor a single word in the bill that can justify that statement. Before the gentleman proceeded to obtain five additional minutes by offering an amendment to strike out the enacting clause, he saw fit to arraign and belittle the Navy and even the Secretary of the Navy. He stated that the Secretary of the Navy would include everything as scientific instruments. The trouble about my colleague the gentleman from Texas

[Mr. McFARLANE] is that he talks so much he does not know half the time what he is saying. When this bill was pending before the committee the gentleman had this to say:

This is a question of efficiency, and I think the Navy Department is one of the most efficient departments of the Government.

Mr. McFARLANE. Where is the gentleman reading from?

Mr. VINSON of Georgia. I am reading from the gentleman's statement on page 1412. I wish the Members of the House had an opportunity to read all of these hearings. On the motion of the gentleman from Texas [Mr. McFARLANE], in the committee, the Department's bill was changed from 2 years to 1 year.

Mr. McFARLANE. Will the gentleman yield? He wants to be fair I know.

Mr. VINSON of Georgia. No. The gentleman should get his time. I have mine.

Mr. McFARLANE. Is the gentleman going to state the facts as the record shows?

Mr. VINSON of Georgia. I will prove it to the gentleman right now. On page 1410 the gentleman from Texas [Mr. McFARLANE] had this to say:

It should be on the same taxable-year basis as under existing law.

Mr. McFARLANE. But this bill does not do that.

Mr. VINSON of Georgia. It does do that. The Navy Department when it first sent the bill in suggested that they should have 2 years to compute their excess profit. Here is a letter from Secretary Morgenthau, which appears on page 1407, recommending the 2 years. During the hearing it was at the instance of our distinguished and learned friend, the gentleman from Texas [Mr. McFARLANE], that the committee changed the language to read from 2 years to 1 year.

The gentleman from New Hampshire [Mr. TOBEY] talked about collusion of shipbuilders. This bill has nothing in the world to do with any collusion of shipbuilders, but it has a great deal to do with collusion of bondholders. We are trying to stop this collusion between bondholders, holding the taxpayers of this country in the amount of $800,000 to $1,000,000 a year, and the learned gentleman from New Hampshire is advocating the permission of them to continue to do so. This is the issue here.

The Treasury Department and the Department of the Navy say we should stop this collusion and stop these bondholders from being permitted to charge these high rates, and the gentleman from Texas [Mr. McFARLANE] and the gentleman from New Hampshire [Mr. TOBEY] are rallying to these highjackers in the bond business holding up the taxpayers by increasing the rates from $5 to $40 a thousand on these bonds.

Mr. McFARLANE. The gentleman has used my name; will he yield for a question to correct the RECORD?

Mr. VINSON of Georgia. Not now.

Mr. COLDEN. Mr. Chairman, will the gentleman yield at this point?

Mr. VINSON of Georgia. Yes.

Mr. COLDEN. Since this bond matter has assumed the appearance of a racket in jumping from $5 to $40 a thousand, why cannot these bonds be eliminated and the Government allowed to deal directly?

Mr. VINSON of Georgia. You have got to have a performance bond. It is in the interest of the Government, and it is in the interest of economy to have this amendment, which the Treasury Department and the Navy Department have suggested.

[Here the gavel fell.]

The CHAIRMAN. The question is on the motion of the gentleman from Texas to strike out the enacting clause.

The question was taken; and on a division (demanded by Mr. VINSON of Georgia) there were—ayes 56, noes 71.

Mr. McFARLANE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. VINSON of Georgia and Mr. McFARLANE.

The Committee again divided; and the tellers reported that there were—ayes 66, noes 76.

So the motion was rejected.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WILCOX, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5730) to amend section 3 (b) of an act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington February 6, 1922, and at London April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934, had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

Mr. VINSON of Georgia. Mr. Speaker, I move the previous question on the bill and the amendment to final passage.

The previous question was ordered.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. McFARLANE. Mr. Speaker, I offer a motion to recommit.

The Clerk read as follows:

Mr. McFARLANE moves to recommit the bill to the Committee on Naval Affairs.

Mr. VINSON of Georgia. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit the bill.

The question was taken; and on a division (demanded by Mr. MARCANTONIO and Mr. McFARLANE) there were—ayes 59, noes 88.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 130, nays 208, not voting 92, as follows:

[Roll No. 93]

YEAS—130

Adair	Fiesinger	Luckey	Sanders, Tex.
Amlie	Fletcher	Ludlow	Sauthoff
Arnold	Focht	Lundeen	Schaefer
Ashbrook	Ford, Calif.	McAndrews	Schneider
Beam	Ford, Miss.	McFarlane	Schuetz
Biermann	Gehrmann	McGehee	Schulte
Binderup	Gilchrist	McGroarty	Scott
Boileau	Gillette	McKeough	Secrest
Buckler, Minn.	Goldsborough	Mahon	Sirovich
Cannon, Mo.	Gray, Ind.	Marcantonio	Smith, Wash.
Carlson	Greenway	Mason	South
Carpenter	Griswold	Massingale	Spence
Cartwright	Gwynne	Maverick	Stefan
Chapman	Hildebrandt	Meeks	Stubbs
Christianson	Hill, Knute	Mitchell, Ill.	Taylor, Colo.
Coffee	Hill, Samuel B.	Mitchell, Tenn.	Terry
Colden	Hoeppel	Monaghan	Thomason
Colmer	Hoffman	Moran	Thompson
Connery	Hope	Moritz	Tobey
Cooper, Tenn.	Hull	Mott	Truax
Costello	Jacobsen	Nelson	Turner
Crawford	Johnson, Okla.	Nichols	Umstead
Crosser, Ohio	Johnson, Tex.	O'Brien	Utterback
Dietrich	Jones	O'Day	Vinson, Ky.
Dobbins	Kenney	Parsons	Wallgren
Dondero	Kimball	Patterson	Wearin
Doxey	Knutson	Patton	White
Dunn, Pa.	Kocialkowski	Pearson	Wood
Eagle	Kopplemann	Pierce	Young
Eicher	Lambeth	Polk	Zimmerman
Ellenbogen	Lanham	Rankin	Zioncheck
Engel	Lemke	Rogers, Okla.	
Faddis	Lucas	Sabath	

NAYS—208

Allen	Ditter	Johnson, W. Va.	Reed, N. Y.
Andresen	Dockweiler	Kahn	Reilly
Andrew, Mass.	Dorsey	Kee	Rich
Andrews, N. Y.	Doughton	Keller	Richards
Arends	Drewry	Kelly	Richardson
Bacharach	Driscoll	Kennedy, Md.	Robertson
Bacon	Driver	Kerr	Robinson, Utah
Barden	Duffy, N. Y.	Kinzer	Robsion, Ky.
Bell	Duncan	Kleberg	Rogers, Mass.
Blackney	Eaton	Kloeb	Rogers, N. H.
Bland	Eckert	Kniffin	Rudd
Blanton	Edmiston	Kramer	Ryan
Bloom	Ekwall	Lehlbach	Sadowski
Boehne	Englebright	Lewis, Colo.	Scrugham
Bolton	Evans	Lord	Sears
Boylan	Fenerty	McCormack	Seger
Brewster	Ferguson	McGrath	Shanley
Brown, Ga.	Fernandez	McLaughlin	Smith, Va.
Brunner	Fish	McLeod	Smith, W. Va.
Buchanan	Fitzpatrick	McMillan	Snell
Buck	Flannagan	McReynolds	Snyder
Buckbee	Frey	McSwain	Somers, N. Y.
Burch	Fuller	Maas	Stack
Burnham	Gavagan	Maloney	Starnes
Caldwell	Gifford	Mapes	Stewart
Carmichael	Gildea	Martin, Mass.	Sullivan
Casey	Gingery	May	Sutphin
Castellow	Granfield	Mead	Taber
Cavicchia	Gray, Pa.	Merritt, Conn.	Tarver
Church	Green	Merritt, N. Y.	Taylor, S. C.
Citron	Greenwood	Michener	Taylor, Tenn.
Clark, N. C.	Greever	Millard	Thom
Cole, Md.	Gregory	Norton	Thurston
Cole, N. Y.	Haines	O'Connell	Tinkham
Collins	Halleck	O'Connor	Tolan
Cooley	Hamlin	O'Leary	Tonry
Corning	Hancock, N. Y.	O'Neal	Turpin
Cox	Harlan	Owen	Vinson, Ga.
Cravens	Hart	Palmisano	Wadsworth
Crosby	Harter	Patman	Walter
Crowe	Higgins, Conn.	Peterson, Fla.	Warren
Crowther	Higgins, Mass.	Peterson, Ga.	Welch
Culkin	Hill, Ala.	Pettengill	West
Cullen	Hobbs	Pittenger	Whelchel
Cummings	Hollister	Plumley	Whittington
Daly	Holmes	Powers	Wilcox
Darrow	Hook	Ramsay	Williams
Deen	Houston	Ramspeck	Wilson, La.
Delaney	Huddleston	Randolph	Wilson, Pa.
Dempsey	Imhoff	Ransley	Wolcott
Dickstein	Jenckes, Ind.	Reece	Wolverton
Dingell	Jenkins, Ohio	Reed, Ill.	Woodruff

NOT VOTING—92

Ayers	Dear	Lambertson	Quinn
Bankhead	DeRouen	Lamneck	Rabaut
Beiter	Dies	Larrabee	Rayburn
Berlin	Dirksen	Lea, Calif.	Romjue
Boland	Disney	Lee, Okla.	Russell
Brennan	Doutrich	Lesinski	Sanders, La.
Brooks	Duffey, Ohio	Lewis, Md.	Sandlin
Brown, Mich.	Dunn, Miss.	Lloyd	Shannon
Buckley, N. Y.	Farley	McClellan	Short
Bulwinkle	Fulmer	McLean	Sisson
Burdick	Gambrill	Mansfield	Smith, Conn.
Cannon, Wis.	Gasque	Marshall	Steagall
Carden	Gassaway	Martin, Colo.	Sumners, Tex.
Carter	Gearhart	Miller	Sweeney
Cary	Goodwin	Montague	Thomas
Celler	Guyer	Montet	Treadway
Chandler	Hancock, N. C.	Murdock	Underwood
Claiborne	Hartley	Oliver	Weaver
Clark, Idaho	Healey	O'Malley	Werner
Cochran	Hennings	Parks	Wigglesworth
Cooper, Ohio	Hess	Perkins	Withrow
Cross, Tex.	Kennedy, N. Y.	Peyser	Wolfenden
Darden	Kvale	Pfeifer	Woodrum

So the motion to recommit was lost.

The following pairs were announced:

On the vote:

Mr. Withrow (for) with Mr. Wolfenden (against).
Mr. Lambertson (for) with Mr. Wigglesworth (against).

Until further notice:

Mr. Smith of Connecticut with Mr. Cooper of Ohio.
Mr. Cary with Mr. Treadway.
Mr. Bulwinkle with Mr. Dirksen.
Mr. Cochran with Mr. Goodwin.
Mr. Oliver with Mr. Marshall.
Mr. Dies with Mr. Short.
Mr. Woodrum with Mr. Thomas.
Mr. Steagall with Mr. Perkins.
Mr. Rayburn with Mr. McLean.
Mr. Parks with Mr. Hess.
Mr. Miller with Mr. Carter.
Mr. Mansfield with Mr. Hartley.
Mr. Bankhead with Mr. Doutrich.
Mr. Boland with Mr. Guyer.
Mr. Cross with Mr. Gearhart.
Mr. Disney with Mr. Burdick.
Mr. DeRouen with Mr. Kvale.
Mr. Romjue with Mr. Werner.
Mr. Farley with Mr. Kennedy of New York.
Mr. Hancock of North Carolina with Mr. O'Malley.
Mr. Celler with Mr. Murdock.
Mr. Lamneck with Mr. McClellan.
Mr. Ayers with Mr. Lloyd.
Mr. Darden with Mr. Montet.
Mr. Chandler with Mr. Beiter.
Mr. Lea of California with Mr. Brennan.
Mr. Larrabee with Mr. Carden.
Mr. Dear with Mr. Lee of Oklahoma.
Mr. Pfeifer with Mr. Duffey of Ohio.
Mr. Sandlin with Mr. Healey.
Mr. Gassaway with Mr. Quinn.
Mr. Weaver with Mr. Rabaut.
Mr. Underwood with Mr. Sanders of Louisiana.
Mr. Gambrill with Mr. Russell.
Mr. Fulmer with Mr. Sweeney.
Mr. Sumners of Texas with Mr. Hennings.
Mr. Gasque with Mr. Sisson.
Mr. Berlin with Mr. Claiborne.
Mr. Lewis of Maryland with Mr. Dunn of Mississippi.
Mr. Montague with Mr. Buckley.
Mr. Brooks with Mr. Brown of Michigan.

Mr. KELLY and Mr. FREY changed their votes from "aye" to "nay."

Mr. KNUTSON changed his vote from "nay" to "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the bill was passed.

On motion of Mr. VINSON of Georgia, a motion to reconsider the vote whereby the bill was passed was laid on the table.

The SPEAKER. The Chair will state to the House that under the special order exercises in memory of the late Speaker Henry T. Rainey will begin in a few moments. Members are requested to remain in their seats.

GEORGE ROGERS CLARK SESQUICENTENNIAL COMMISSION

The SPEAKER laid before the House the following announcement:

Pursuant to the provisions of the act approved May 23, 1928 (45 Stat. 723), as amended by the act approved February 28, 1931 (46 Stat. 1459), the Chair appoints the gentleman from Ohio [Mr. BOLTON] to fill the vacancy on the George Rogers Clark Sesquicentennial Commission.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BROOKS (at the request of Mr. BOLAND), indefinitely, on account of illness.

To Mr. OLIVER (at the request of Mr. HILL of Alabama), indefinitely, on account of illness.

To Mr. SADOWSKI, indefinitely, on account of illness.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 67. An act to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels;

H. R. 2204. An act for the relief of Robert M. Kenton;

H. R. 2422. An act for the relief of James O. Greene and Mrs. Hollis S. Hogan;

H. R. 2466. An act for the relief of John E. Click;

H. R. 2553. An act for the relief of Eva S. Brown;

H. R. 2683. An act for the relief of Henry Harrison Griffith;

H. R. 4448. An act to provide funds for acquisition of a site, erection of buildings, and the furnishing thereof for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland;

H. R. 4798. An act to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army;

H. R. 5456. An act relating to the powers and duties of United States marshals;

H. R. 5564. An act for the relief of Capt. Russell Willson, United States Navy;

H. R. 5720. An act to amend the National Defense Act of June 3, 1916, as amended;

H. R. 6371. An act to authorize an increase in the annual appropriation for books for the adult blind;

H. R. 6437. An act to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain land in the county of Los Angeles, State of California";

H. R. 6987. An act authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 7 meets Texas Highway No. 87;

H. R. 7081. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.;

H. R. 7781. An act to define the election procedure under the act of June 18, 1934, and for other purposes;

H. J. Res. 26. Joint resolution requesting the President to proclaim October 9 as Leif Erickson Day;

H. J. Res. 27. Joint resolution providing for extension of cooperative work of the Geological Survey to Puerto Rico;

H. J. Res. 204. Joint resolution authorizing the erection of a memorial to the late Jean Jules Jusserand;

H. J. Res. 285. Joint resolution to permit the temporary entry into the United States under certain conditions of alien participants and officials of the National Boy Scout Jamboree to be held in the United States in 1935; and

H. J. Res. 320. Joint resolution to extend from June 16, 1935, to June 16, 1938, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended;

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2591. An act for the relief of Lyman C. Drake.

MEMORIAL EXERCISES FOR THE LATE HENRY T. RAINEY

Mr. SABATH took the chair as Speaker pro tempore.

The SPEAKER pro tempore. Under the special order of the House, the Chair will recognize the gentleman from Illinois [Mr. LUCAS].

Mr. LUCAS. Mr. Speaker, when the Seventy-third Congress convened America was at the crossroads, facing the most momentous problems of state in all of her peace-time history. In this crisis the Members of that House selected HENRY T. RAINEY, of Illinois, as their Speaker. As the presiding officer in that era of conflicting economic theories, this veteran of many a legislative battle met every test of leadership with malice toward none and with charity for all. It was indeed a blow to the Nation when he was boldly challenged by the grim specter of death and soon thereafter was summoned to a conflict from which no mortal may triumph.

America has always paid homage and fealty to the memory of the dead. America believes in perpetuating the deeds of those who in life were good and great. Death has no right to wrap its cloak of oblivion around a leader, who, through many years of public life, commanded the utmost respect of this Republic. It is for the living to combat the eternal shroud of death by frequently speaking and properly recording words of praise and admiration for distinguished citizens who were ever faithful to public trust. It is for the living to keep alive the achievements of HENRY T. RAINEY so that the future may understand that—

> His life was gentle and the elements so mixed in him
> That Nature might stand up and say to all the world,
> "This was a man."

It was the gentle elements of his noble life which permitted him for a quarter of a century and more to live with fame in this old, stately Hall. It was those manly attributes, coupled with his long service and experience, which permitted him to scale the heights and reach the exalted position of Speaker.

It is that long period of devoted public service which directs my attention to the interesting past. Let us conjure upon the grave responsibilities and duties of American leadership from our inception as a nation in keeping the Ship of State from being surreptitiously dashed against the rocks in the many treacherous storms. Let us remember that this Hall of antiquity bears mute testimony to the inexorable tread of those statesmen, who, with fidelity and candor, eagerly embraced every opportunity to place a perpetual crown upon the great principles of self-government. This fleeting moment recalls the actors in patriotic drama who walked these aisles, sometimes calm, sometimes in storm, and sometimes in compromise, invoking the doctrines of political philosophy which either nurtured, tested, or sapped the lifeblood of the Nation. Upon this altar of representative government was delivered the golden key to political wisdom and mental toil, as Webster, Clay, Lincoln, Douglas, Calhoun, and hundreds of others of lesser importance, but equally loyal and earnest, poured forth their burning eloquence in their conception as to what should be done in order that the free institutions of America might endure forever. These dominant characteristics of American life were not conceived in the skyline of yesterday, but were born from the sea shells of oppression and tyranny in the long ago. The noble deeds and virtuous thoughts of those who championed constitutional liberty have molded the opinions and guided the way for the greatest race of people upon the face of the earth. God forbid that evolution or revolution shall ever destroy the basic and fundamental principles of the Constitution. And when American historians of liberty shall meet on the day of judgment, may they be able to say to one another, "Well done, thou good and faithful servants."

I proclaim it a mark of greatness for a mighty people to honor the mighty dead. It is the voice that is still which resounds through the ages. It is the voice of the patriots of yesterday who gave their best in peace and war which causes the American people to gird their loins and carry on for God and country. What a privilege for us, the living, to pause and pay a brief tribute of affection and remembrance to one who for 30 years as a Member of this House matched his intelligence and enthusiasm with the Nation's best in promoting principles of government which he honestly believed to be in keeping with the best interests of his America.

HENRY T. RAINEY, by inheritance and training, was bound to explore new and untrodden paths. Coming from a pioneer stock of courage and daring, he had an unquenchable thirst for the better things in life. As a student in the fields of literature and art at Knox College and Amherst, he became a master of the ancient and modern classics. He was next fascinated by the arts and science of law, and, after graduating from Union College in Chicago, he returned to the city of his birth and immediately embarked upon a legal career which ultimately carried him to the mountain's peak in public life. He knew the principles of equity; he knew the principles of law; he always wanted to know the facts; he sought the reason for everything, and in those early days of mental expansion he took little for granted. As master in chancery of Greene County, he showed a remarkable talent for plumbing the depths of all legal foundations before him. This studious attitude made him a power in the court room, but he was even more successful in the courts of review because of his clarity and style of expression as well as his familiarity with the stream of legal authorities which were applicable to the facts before him.

In November 1902 Mr. RAINEY was elected to the Fifty-eighth Congress. He served continuously until his death, except in the Sixty-seventh Congress, when he was defeated in the "Harding landslide" by a few hundred votes. Removal from private to public life did not alter his conception of duty well done, and, as a Member of this House under seven different Presidents, he leaves a record which has seldom been equaled or surpassed in the annals of legislative history.

Those accomplishments are well known throughout the Nation. His service on the Committee on Labor during his early years in Congress, and at the beginning of the mechanized era which brought with it the multifarious problems involving machines and human labor, gave him an opportunity to express and to put into effect many of his principles upon one of the most important questions of the day. He was a leader in all of the fights for the rights of laborers, and he worked with the pioneers in the movement to give to labor the position it justly deserves in this land of the free. And throughout all his years of public life he gladdened the

hearts of humanity by his firm and consistent defense of the man who toils.

Later his service on the powerful Ways and Means Committee gave him even greater opportunity to uphold the rights of the oppressed and to assail special interests, which he abhorred. He courageously challenged the right of the privileged few to reap unjust benefits or collect exorbitant profits at the expense of the masses. The positions which he took on the questions of tariff and taxation many years ago, when he was, as expressed in his own words, " as a voice crying in the wilderness ", have since been upheld and many of his principles adopted as the fundamentals of sound economics. His education, his experience, his capacity for sound reasoning, and his magnificent ability to comprehend all angles of these technical and weighty problems rendered him peculiarly adapted for service on the leading committee of the House of Representatives. For more than 20 years he studied these far-reaching economic problems, always fighting for what his judgment and his conscience told him was right, though frequently alone and in the face of great odds. The fruits of his labors in these battles are a valuable contribution to his country.

HENRY T. RAINEY was an honest man, with the courage of his convictions upon all public questions. He had determination and character. He had no time for the political clown or the designing demagogue. He detested sham and hypocrisy in every form, and during his long tenure of office the breath of scandal never touched his garment, nor was the finger of suspicion ever leveled against him. He was always pleased to hear from his constituents, and every opinion advanced was given a respectful hearing. His friends were legion, and in the Twentieth Congressional District of Illinois, which he represented so faithfully, his name is intricately interwoven into the life fabric of every household. He was endowed with a native genius which gave him a sympathetic understanding of human beings. He was known as a commoner, and was ever solicitous and intensely interested in the welfare of others. In the later years of his life he resided on a farm on the outskirts of the city of Carrollton, and, obviously, the farmer's problems were the special object of his tender solicitude. His home was his castle, and his constituents and friends were always received and treated with the utmost consideration. He never failed in his long career to answer a letter of importance or an inquiry of interest properly addressed to him.

Such was the type of a man who died in the evening of life and at the zenith of his career. And when the hands of the Almighty touched his eyelids into eternal sleep we knew that a scholarly and kindly man had left us.

The Nation's sympathy was extended to his intellectual and lovable widow. She had traveled constantly by his side in the vehicle of his life's ambition, but death changed the course of their companionship. And today Mrs. Rainey lives alone in her beautiful home by the roadside, completely surrounded by unique and interesting memories of her late husband.

The funeral rites were marked with simplicity but gave voluminous testimony to the love Illinois and the Nation bore for this picturesque man. Twenty thousand strong the friends of this beloved citizen came, from the President of the United States down to the meek and humble. They came as a sincere mark of recognition to the memory of one who in life was good and great. They came to register a last and final, affectionate farewell.

Today the canopy of heaven spreads its benevolent base over the peaceful remains of this immortal man. But the undying spirit of his useful life has not been taken from us. That spirit is a living force of national power pleading in this great emergency that the citizens of this Republic cling tenaciously to the Ship of State. The undying spirit of RAINEY remembers with admonition the words of Longfellow:

> Sail on, O Ship of State!
> Sail on, O Union, strong and great!
> Humanity with all its fears,
> With all the hopes of future years,
> Is hanging breathless on thy fate!

Yes, sail on, sail on, O Ship of State. [Applause.]

The SPEAKER pro tempore. The Chair recognizes the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, we pause for a few minutes in a hectic and difficult legislative session that we may pay tribute to a beloved colleague, a great statesman, and, above all, a man in the fullest sense of the word.

To know the late HENRY T. RAINEY was to love him. Picturesque and impressive he was, with his flowing white hair and his kindly face, which fairly radiated the kindness he showered upon all.

It is not necessary for one to agree with the policies he fervently and honestly advocated to appreciate the great contribution he made to the historical pages of this House and of the American Republic. He entertained strong views on many economic questions and he was always a ready and warm advocate of his convictions. In sunshine and in storm, he steadfastly voiced his honest sentiments, and the CONGRESSIONAL RECORD of 30 years teems with his philosophy of government.

His rise to high position was not meteoric. It came only after years of conscientious and patient toil. He was always contented to do well and unostentatiously the day's work. Quietly and efficiently, he performed the many tasks which were assigned to him, winning as he went along the confidence of his associates. Finally, there came a day when his party was intrusted with the responsibility of the control of legislation. Leaders were needed, and instinctively his associates turned to the towering statesman from the great Prairie State of Illinois: First as floor leader and then promotion to the Speakership of the greatest legislative forum in all the world. It was a high honor and, at the same time, a grave responsibility, in one of the most trying periods in our history.

This historic forum in the 2 years he served as Speaker echoed and reechoed with many imperishable debates which made real history. Partisanship at times rose to high heights, and the exchanges were sharp and bitter. As one who is not of his party; as one who differed sharply with him on many occasions, I can safely say, and in doing so I am sure I voice the sentiments of all who were in the opposition, that he filled his great office with dignity and impartiality. He never forgot that in legislative bodies the minorities have certain rights which it is essential to protect, if we are to have a democratic form of government.

HENRY RAINEY was true to the noble traditions of his great office. He served loyally his party, and he gave justice and fair play to every single Member of the House regardless of his party affiliation. It was his devotion to his country and his absolute fairness which won for him the high esteem of all.

My own State of Massachusetts was ever proud of its contribution to the career of the Illinois statesman. It was at Amherst, that splendid little college at the foot of the Berkshire Hills, where he formed his philosophy of government. The atmosphere of this small town college gripped HENRY RAINEY, as it did many others who went out from Amherst to win the highest honors in the political, business, and civic life of our Nation. It is with pride Massachusetts recalls its part in the making of this great statesman.

It is not my purpose to proclaim in detail his fine record and his many notable achievements. They have all been recorded here—in this legislative body which he loved and cherished. That record will perpetuate his memory long after we, who honor him today, have departed to tread the unknown paths of life which are ahead.

Speaker RAINEY has gone from this world, but yet he still lives in the fond memories of his associates. A good life, like a good deed, never dies. It goes on to the end of time, influencing mankind to strive for the higher ideals of life and to bring to the world a nobler civilization.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois [Mr. ARNOLD].

Mr. ARNOLD. Mr. Speaker, I would be, indeed, remiss in the debt of gratitude I owe to the distinguished man we honor here today should I fail to express a few words on this occasion. It is quite fitting and proper that we turn aside

from the business of the hour and spend a short period in commemorating the life, character, and public services of this outstanding man of Illinois.

HENRY T. RAINEY was elected 15 times as a Member of this House. He would have rounded out 30 years of active, fruitful service in this body had his life been spared to the end of the Seventy-third Congress. During his long, active career he became a veteran in many a hard-fought battle in political campaigns and in this forum. His adversaries realized that in him they had a worthy foe, who knew no surrender of the principles he deemed right and just. He was elevated by his colleagues to the highest position of honor, trust, and confidence within their gift. Whatever his lot or station in life, he was found fighting the people's battles.

During his long, memorable career, by his fairness, by his aggressiveness, by his ability, he won and held the respect and esteem of friend and foe alike.

Mr. RAINEY was, indeed, a friend to me, as I believe he was to every man who served in these Halls with him. My contacts and association with him were intimate and most pleasant. I will ever cherish his memory for the many kindnesses and favors shown me.

Always willing and ready to aid and assist when within his power, he endeared himself to all with whom he came in contact. Quiet, soft-spoken, unassuming, suave, and courteous, he naturally appealed to his fellow men. I do not believe he ever knowingly deceived or betrayed any man. He was ever faithful to the high ideals and service to which he devoted himself from early life.

His great heart beat in sympathy with the mass of the American people. He was thoroughly imbued with the Jeffersonian principles of equal rights to all and special privileges to none. He would not swerve from those principles in calm or storm. His long service here was marked with a devotion to that principle and to a furtherance of all things that tend to make life more pleasant and happy for the rank and file of our people. Slow to ire, calm and deliberate in approaching all public questions, when once aroused he was like a lion in a fight; and he fought to the finish, showing no quarter to the interests he deemed subversive to the happiness and prosperity of mankind.

By instinct, by training, and by experience, with a great humanitarian heart, he measured his course by the yardstick of the general welfare of the people of America.

While at the height of his fame as Speaker of this body, the highest honor that can be conferred upon any Member by our colleagues, while his star was yet in the ascendancy he unexpectedly passed on to the Great Beyond. The final chapter has been written. The record of his life is now a closed book, but those who scan its pages in memory will be impressed by his ability, his honesty, and sincerity of purpose. Who is there who knew him well but can truthfully say the world was made better by his presence here?

He left a heritage of a life well spent, of deeds well done. His unexpected passing in these dark hours of our country's existence was a distinct loss to the country. His wise counsel and advice, his matchless and sincere leadership, his eloquence, are needed in these hours of turmoil and stress. He is gone but the memory of his life, character, and deeds well done live on. His character and public service is an inspiration to those who follow.

In after years, when the events of this period are recorded in the book of history and the roll of outstanding Americans is inscribed on its pages, the name of HENRY T. RAINEY, beloved son of Illinois, will be found written there, well up on the list of noble and distinguished patriotic American statesmen.

The SPEAKER pro tempore (Mr. LUCAS). The Chair recognizes the gentleman from Pennsylvania [Mr. SNYDER].

Mr. SNYDER. Mr. Speaker, on my first visit to Washington, after being elected to Congress, I found myself over here in the Speaker's office, opposite the table of HENRY T. RAINEY. After 10 minutes of conversation I left that office an inspired man. He never asked me to support him for Speaker. While there, he never referred to the Speakership. There was that something about HENRY T. RAINEY, that personality, which set him apart and made me feel when I had left that I had sat at the feet of not only a scholar but a statesman and a Christian gentleman. My contacts with him in the weeks and the year or two that followed justified my belief. The more I saw of HENRY T. RAINEY and his activities the more I was convinced that HENRY T. RAINEY truly was a great humanitarian. He was always dependable; he was always courageous in fighting for those things which stood for the common good of all humanity.

Late one afternoon as we were traveling by airplane toward my home in Pennsylvania we ran into a rather rigorous snowstorm in crossing the mountains. It grew fiercer and fiercer. The pilot climbed higher and higher until we reached an altitude of almost 8,000 feet to escape the storm. Suddenly, as if by magic, we came out into the sunlight in the late evening; and yonder in the West was the most beautiful sunset I had ever seen. Mr. RAINEY, sitting right across the aisle, leaned toward me and said, "That was very rough." I was going to say something in reply, but he took my attention from my own thoughts when he exclaimed, "Look at that beautiful sunset!" We drifted slowly, calmly, in silence. No one said anything as we floated into that airport, crawled into the automobile, and started toward my home. As we set out a great and beautiful star shown in the twilight. I said, "Mr. RAINEY, that sunset and this star remind me of Tennyson's Crossing the Bar. Like a flash, he repeated these lines of that immortal poem:

Sunset and evening star,
And one clear call for me!
And may there be no moaning of the bar,
When I put out to sea.

Twilight and evening bell.
And after that the dark!
And may there be no sadness of farewell,
When I embark.

But there was a sadness throughout this Nation when HENRY T. RAINEY embarked. Members of Congress and his friends were sad because of the loss of his fellowship, his guidance, and his inspiration. The masses throughout the Nation were sad because they had confidence in HENRY T. RAINEY as a leader. His beloved wife and his family were sad because that vacant chair could not be filled.

In closing, let me remind you that there is always a silver lining back of every cloud. All groups were glad in the thought that HENRY T. RAINEY had left his home, his community, his State, his Nation a better place in which to live because of his unselfish efforts in behalf of the fundamental principles of humanity. Those of us who were fortunate enough to know the real humanitarian, HENRY T. RAINEY, will always think of Sir Thomas Moore's beautiful lines when his name is mentioned or his deeds are recalled.

Long, long be my heart with such memories filled!
Like the vase in which roses have once been distilled;
You may break, you may ruin the vase if you will,
But the scent of the roses will hang round it still.

Mr. BYRNS. Mr. Speaker——

The SPEAKER pro tempore. The Chair recognizes the gentleman from Tennessee.

Mr. BYRNS. Mr. Speaker and fellow Members, I wish to say just a few words in simple heart-felt tribute to the memory of my good friend, HENRY RAINEY.

When on August 20 last year word was flashed over the Nation that HENRY RAINEY had passed away, there was no one who had ever served with him in Congress during the more than 30 years of his able and splendid service, there was no one who ever knew HENRY T. RAINEY who did not feel a deep sense of personal loss. Those of us who were Members of the Seventy-third Congress will remember that when less than 2 months preceding his death he closed this Congress, he seemed to be and was in the full vigor of health, and no one ever dreamed that in so short a time HENRY T. RAINEY would have passed to his reward.

He was a personal friend of mine. I loved him, as you all loved him. He was a Member of Congress when I first came here, and had served for several terms. Two years after I came here the House became Democratic, and HENRY RAINEY

was a member of the powerful and important Committee on Ways and Means. He had already attained a place of leadership in the House and had the confidence and respect of Members on both sides of the aisle.

If I may indulge in a personal reminiscence, may I say that I remained over after Congress adjourned on March 4, with the understanding that a new Congress would be convened in April, to interview the Democratic Members of the Ways and Means Committee and to seek their support for a committee assignment which I coveted. I had the outspoken support of nearly every Democratic member of the Committee on Ways and Means. I talked to Mr. RAINEY about the matter. He gave me no indication as to just how he felt about the matter, but on the day the committee met in executive session to frame the membership I happened to meet him after the adjournment of the committee, and he stopped me and was the first to congratulate me. He said, "Joe, I am happy to tell you that you have been made a member of the Appropriations Committee." I thanked him, and I said, "Would you mind telling me how the vote stood?" He said, "Certainly not. It was unanimous, and I was delighted to propose your name."

He and I were close friends from that time on. He honored me with his friendship, and I tried as best I could to deserve it. He was able; he was courageous in his views; he was a progressive in the truest and best sense of the word. He loved his country and he took the greatest pleasure in attempting to serve it according to his convictions and his ideas as to what was best for the country.

May I say that when he was candidate for Speaker, when the time came it was my pleasure to give him my vote and to nominate him in the Democratic caucus. I did so because I knew the man, because I admired his honesty, his courage, his love of the people, and his love of his country, to which he gave the greater portion of his life during the thirty-odd years he served here in the House of Representatives.

The philosophy of his life was to serve. He loved to serve the individual. He liked to be able to do something for somebody. It was hard for HENRY RAINEY to say "no" to anyone, although he had the courage whenever he felt it was necessary to say "no" to say it and mean it. After all the philosophy which carried HENRY RAINEY through his years of splendid service here is the philosophy, I am sure, that all of us without exception entertain. There is nothing like the service we come here to render. We labor day by day. We have our differences about legislation, but after all I love to think and to know that the Members of this House, not only in this Congress but in all previous Congresses in which I have served, have been actuated by a spirit to serve their country and devote themselves to the passage of those measures which in their judgment they feel to be for the best interest of this great country in which we live.

HENRY RAINEY has passed away. He has passed over to the reward which he so well deserved. But he has left behind him, with you and with me and with those whose privilege it was to know him, a record, an example of service, which it would be well for all of us to emulate.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I had the great honor and privilege to have served longer with HENRY T. RAINEY, the late Speaker of the House, than any other Member of the House.

From my youth I admired HENRY T. RAINEY and those things for which he fought and stood. I came to the Sixtieth Congress, and at that time the Republican Party was in power and represented by some very great men on that side. Although I am obliged to make the statement today, notwithstanding the great reputation that these great men had and perhaps the "big four" enjoyed, I honestly believe that we have today in the House, and on the Republican side, just as great men and just as good Republicans as I found when I entered the House.

We in this country love to give credit to those who have departed and to those who have served before. I know in years to come it will be said of us, and this Congress, that it was composed of efficient, able, loyal, and patriotic men, all endeavoring to serve the Nation to the best of their ability.

The lot of the Democrats when I first came here some 28 years ago was not quite as pleasant as is the lot of the minority today. At that time the House was presided over by one of the greatest Republicans that ever presided over the House, the renowned, departed Uncle Joe Cannon, who had complete and full power to do as he pleased. He named the members of the committees, both on the Republican and Democratic sides. It was said of him that he was the czar of the House, and he was.

Within a few days after the start of my service I observed the man whom we are honoring here today resenting and smarting under that one-man control. Within a few days I observed him and Champ Clark, Shackleford of Missouri, and a few others start a fight for recognition of the minority, and it was due to his great effort that you gentlemen of the minority enjoy the great privileges that you enjoy today and which we as the minority of nearly 30 years ago were deprived of.

The House and the country have been benefited by the service which HENRY T. RAINEY rendered to the House and to the country.

I hope that gentlemen who have known him will emulate his work and follow in his footsteps. I would wish we had more HENRY RAINEYS, courageous, unafraid, determined to fight for the rights of mankind and to fight for the oppressed and the masses who always, and even at this time, need a man of RAINEY'S character to battle for their interests and to secure for them the rights and privileges which are often denied them.

Mr. Speaker, indeed, perhaps more than anyone else, I deplore his going. I was extremely honored in having the privilege of aiding in his work here in the House and to some extent in aiding to bring about his election to the speakership.

If I never have an opportunity to serve my country in any other way in this House, I shall always believe I have rendered the Nation and the House a service in having aided, and cooperated with, this great statesman, this great patriot, this great American, HENRY T. RAINEY.

Mr. Speaker, if a stranger had been in the city of Carrollton, Ill., on the morning of Wednesday, August 22, 1934, he must have observed that something out of the ordinary was taking place.

Groups of men were standing about the streets conversing in low tones and in every countenance there was an expression of sadness. As the day advanced the size of the crowds increased. By midday thousands of persons had assembled.

Carrollton on that day was a grief-stricken city. The stranger might have sensed the reason in the presence of many American flags, each at half mast, and in a large sign, which read "Carrollton, home of Speaker HENRY T. RAINEY", heavily draped in black.

Carrollton had sent HENRY T. RAINEY, more than a quarter of a century previously, to the Halls of Congress because it had believed in him, and throughout all the long years since he had proven true to the trust that had been reposed in him; and now he had come back to them in death.

The thought that occurred to me when I visited the little city of Carrollton on the day of the funeral was that it would be a mistake to conclude that this great throng of people had gathered to pay homage to HENRY T. RAINEY simply because he had been a Member of Congress or even because here he had risen to the high office of Speaker.

It seemed to me that there was something deeper than his official position that had so genuinely touched the hearts of these people. It was, I thought, that they were mourning for the HENRY T. RAINEY who had been their lifetime friend and fellow townsman. For HENRY T. RAINEY had been very close to these folk. He had lived among them as a neighbor all his life. He was born in Carrollton, and in its public schools received his precollege education, and later, after he had graduated from college, it was here he had opened his law office and practiced before the bar.

And it was here he had brought his talented young bride, Miss Ella McBride, of Harvard, Nebr., following his marriage on June 27, 1888. So it was not strange that the throngs gathered in Carrollton on the day of the funeral of our beloved Speaker were mourning not only their Congressman but in the case of hundreds of them their boyhood companion, their lifetime friend, and their ever faithful, courteous, and sympathetic counselor in time of trouble, adversity, and sorrow.

The death of HENRY T. RAINEY was a loss not only to his own city of Carrollton, his congressional district, his State, and to this House, but to the entire Nation as well. Said President Roosevelt, referring to the death of Speaker RAINEY:

> It must always be an occasion of national regret when a public servant who has given the greater part of his life to unselfish service passes away. This is especially true in the loss of Speaker RAINEY at a time when the experience of many years has culminated in his unselfish leadership of the Nation's House of Representatives. I shall always think of him as a humanitarian whose fine patriotism thought first of all of what he conceived to be the well-being and the interests of the common man.

To myself personally the news of the Speaker's death came as a great shock and a great loss. I had known him intimately for nearly 40 years. I met him during the course of the great battle of democracy of 1896, and from that time on had worked shoulder to shoulder with him for progressive democracy in the State of Illinois.

When I was sworn in as a Member of the Sixtieth Congress, in 1907, I found that our late colleague, who had preceded me here by 4 years, had, although still a comparatively young man, already won recognition as a courageous and militant fighter for democracy.

I recall as if it had occurred but yesterday his fearless exposé of certain officials who were using the building of the Panama Canal for their own selfish benefit. As a result of his efforts conditions surrounding the building of the Canal were greatly improved. He started this reform movement in 1908 and kept hammering away until he finally succeeded in obtaining a congressional investigation. The entire Nation profited by his efforts, and RAINEY thus early had made a reputation for himself.

By 1920 RAINEY had obtained a very prominent position in the House as a member of the Ways and Means Committee, and then, through one of those unexplainable landslides that sometimes occur in politics, the country was deprived of his services. I considered RAINEY one of the best posted men in the House at that time on the subjects of tariff and revenue laws, and as I felt absolutely certain that he would be returned to Congress at the first election following his single defeat, I made an endeavor to have his rank on the Ways and Means Committee retained for him when he should come back to the House. Long-established precedents in matters of this kind prevented my success in this undertaking, but I cite the incident to indicate the confidence I had in RAINEY and the confidence I had in the good sense of his constituents. And subsequent developments showed that I was right.

Mr. RAINEY was reelected, and in due time became Chairman of the Ways and Means Committee.

With the election of Speaker Garner to the Vice-Presidency came RAINEY's chance for the Speakership. I felt that due to his long and splendid service and his position as majority leader he was entitled to the office. And naturally I was glad of the opportunity to be of some slight service to my longtime friend and coworker, and did what I could to help him obtain the highest office within the gift of this House, and one of the most honored and responsible parliamentarian positions on earth. And I feel confident that even my Republican colleagues will agree with me that while Speaker RAINEY was a stanch Democrat first, last, and always, he was conscientiously fair and impartial as a presiding officer. Sometimes he "leaned backward", seemingly, to see that no injustice was done our Republican brethren.

In legislative matters Speaker RAINEY was a stanch supporter of President Roosevelt. I know that at times he was not in full accord with legislation that was recommended. But his loyalty to the administration and his desire for harmony were so great he submerged his own views and thus made possible the speedy enactment of the most important and far-reaching legislation ever enacted in such a short space of time in the history of the Nation.

As a political leader, RAINEY was well-balanced, tolerant, patient, and careful. And as a party Democrat, always he kept the faith. During the darkest days of the depression he viewed the situation calmly. He always said that he relied upon the initiative and courage of the people to pull the country through.

He often spoke in homely figures of speech. Once, when he was majority leader, he gave his philosophy on taxes in these words:

> The ideal way to raise money is to get the most feathers with the least squawking of the goose.

Speaker RAINEY's heart beat in sympathy with the hopes and ambitions of the plain people from whose ranks he sprang. For more than a quarter of a century he stood like a sturdy oak on this floor espousing the cause of men, women, and children. I observed that whenever the line was drawn here as between the forces of special privilege, on the one hand, and the welfare of all the people, on the other, HENRY T. RAINEY, without hesitation and without apology, took his place on the side of that vast majority that Mr. Lincoln loved to call the plain people.

Of him it may well be said what the angel spoke to the wise man of the Far East:

> Abou Ben Adhem (may his tribe increase!)
> Awoke one night from a deep dream of peace,
> And saw, within the moonlight in his room,
> Making it rich, and like a lily in bloom,
> An angel writing in a book of gold:
> Exceeding peace had made Ben Adhem bold,
> And to the presence in the room he said,
> "What writest thou?" The vision raised its head,
> And with a look made of all sweet accord,
> Answered, "The names of those who love the Lord."
> "And is mine one?" said Abou. "Nay, not so",
> Replied the angel. Abou spake more low,
> But cheerily still, and said, "I pray thee, then,
> Write me as one that loves his fellowmen."
> The angel wrote and vanished. The next night
> It came again with a great awakening light,
> And showed the names whom love of God had blessed,
> And lo! Ben Adhem's name led all the rest.

As we all know, Speaker RAINEY personally was a most affable and kindly man, considerate and courteous to all. He was fiery only when challenged in debate on the floor. Once he had concluded his remarks, any bitterness of the moment was immediately forgotten, and he was once more the mild-mannered, kindly man we knew and loved so well. In the early part of my career, particularly, I was much in his company. It was our regular custom to go hiking together on Sundays. There were few woods or parks in or near Washington that we were not familiar with. It was his custom to have a pedometer attached to one of his ankles to keep accurate account of our mileage, which would average 8 or 10 miles. As RAINEY had been quite an athlete in his college days and was always in excellent physical condition, these 8- and 10-mile walks were a little hard on me, sometimes much to RAINEY's amusement.

When the end grew near for our great Speaker, he was calm, just as he had been throughout life. He was ready, for he had lived in accordance with the injunction conveyed in the immortal words of William Cullen Bryant in Thanatopsis:

> So live, that when thy summons comes to join
> The innumerable caravan, which moves
> To that mysterious realm, where each shall take
> His chamber in the silent halls of death,
> Thou go not, like the quarry-slave at night,
> Scourged to his dungeon, but, sustained and soothed
> By an unfaltering trust, approach thy grave,
> Like one who wraps the drapery of his couch
> About him, and lies down to pleasant dreams.

Because he served as Speaker in a time of one of the Nation's greatest crises, and kept his head, it is my belief that the name of HENRY T. RAINEY will go down in history as that of one of the great Speakers of the House. For as we look back at him in retrospect he looms in stature like some stal-

wart tower upon the sea. When he died, he left, to quote Markham's great line—

A vacant place against the sky.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Speaker, this is an hour devoted to tender memories. It is one in which our hearts unite in one sentiment and one sympathy. It is devoid of partisanship and of sectionalism. It is inspired by our desire to express our affection and esteem for a most able and patriotic American with whom it was our pleasure to serve.

In my reflections I am not concerned today with the place of Mr. RAINEY's birth. The site of one's birth one does not control. It was his distinction to represent ably in these Halls a wonderful Commonwealth. This country of ours has need of all its sections. The body politic requires all its members, as does the body physical, and one outstanding feature of him whose memory we seek to honor today was that he was a broad-minded American who saw our country throughout its bounds and knew the needs of our people of every class.

Nor am I thinking just now specially of his preeminent record as a statesman. Robert Burns was right when he said:

The rank is but the guinea's stamp,
The man's the gowd for a' that.

As our colleague, we remember this genial gentleman today not specially because of his record, of the honors he won and the fame he achieved, but, rather, because he was one of those big men, easy to approach—a characteristic of great men—with whom we had real companionship.

Though he was a powerful factor in the forum, my thoughts go back to him in his office and in the cloak room. I see his picture indelibly outlined in my memory, with that beautiful shock of gray hair, with that loose-flowing tie, and with that smile that gave one a welcome into his heart. He was kind and gracious and companionable. Such things, after all, endear men to us.

I think that in these commonplace touches of life he exemplified that greatness to which men have so eloquently testified here today.

We accord to those with whom we live and labor and who have rendered conspicuous service for their country an earthly immortality. We do not forget them. They live in our thoughts, they influence our lives, and I like to think of that eminent statesman from Illinois in that way. Certainly I feel in my own heart that we have not separated permanently.

In the days long gone by it might have been difficult to have persuaded some pagan of the early centuries that the time would come when one in a room in a large city could speak and be heard across the ocean. But it would not have been difficult to persuade him that men live again. That belief has been a heritage of the ages.

Fortunately our beloved friend, HENRY T. RAINEY, was spared for a long and useful service. But, as in nature, material things are used when they have reached their maturity, so with reference to His crowning work the God of Nature must have a purpose also when man has attained his maturity.

And so I feel that with hope and with confidence, as we reflect upon the life of this wonderful man and statesman, each of us is saying in his heart:

Good-bye good friend,
In God's good time,
In God's good clime
We'll meet again.

And in that land
Where we shall know
No pain or woe
We'll understand.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Speaker, at this time I shall read the telegram which I dispatched to Mrs. Rainey upon the receipt of the shocking news of the untimely passing away of this distinguished man and friend of ours. At this time I want to reiterate and reaffirm by the reading of this message the noble devotion and lifetime ideals that at all times governed the career of this illustrious friend of ours. This telegram is addressed to Mrs. Henry T. Rainey and reads as follows:

BUCYRUS, OHIO, *August 20, 1934.*

Mrs. HENRY T. RAINEY,
Carrollton, Ill.:

The English language seems inadequate to find words sufficiently expressive to convey to you my deep sorrow and grief. Totally unaware of his illness, the announcement in press dispatches today of the passing of your illustrious husband and my leader and friend was both shocking and stunning. The Nation loses one of the men who restored order from economic chaos, the common people a dauntless champion and protector. Always firm, yet kindly, while in the chair he was respected by all Members and loved and revered by those who knew him best. Commanding in appearance, distinguished in manner, matchless in character, unexampled in courage, unsurpassed in humility, unequaled in magnetic personality, and as true to his friends as the stars to their appointed courses, he was a knight of Nature's nobility. Unquenchable patriotism always transcending base, selfish, or ulterior motives, the sincerity and honesty of his leadership was never questioned. Known as a "commoner", his passing will be felt most keenly by those for whom he labored, namely, the masses of the people. The average individual is but an atom. He is born, he lives, he dies; but not so with HENRY T. RAINEY. His name and memory will live on perpetual record. He takes his place with those immortal humanitarians whose names, portraits, and statues grace the Nation's Capitol, adorn and embellish the tablets of American history, and whose utterances rush to American lips like songs learned at the mother's knee. His great heart beats on, his noble soul lingers with us, while his deep, resonant voice will ring like sacred music in the slumbering House galleries for the generations yet to come.

CHARLES V. TRUAX,
Congressman at Large.

[Applause.]

Mr. Speaker, the friends of HENRY T. RAINEY were legion. His acquaintances were not counted within the narrow confines of any congressional district. They could not be bordered by State lines. As the later years rounded out a full life most generously embellished with wisdom and statesmanship, his leadership and sterling worth were universally recognized throughout the world. It was my good fortune to meet Congressman RAINEY as a fighting, courageous Member of the House of Representatives many years ago. As has been mentioned by the distinguished gentleman from Illinois [Mr. SABATH], Mr. RAINEY served during those days when the Democrats were not in the majority. I well recall his recital of the years he was compelled to sit on the side lines in Congress and was permitted very generously to be seen but not to be heard.

Well do I remember those dark days for Democrats following the inauguration of Warren G. Harding, the twenty-ninth President of the United States. We needed a two-fisted, hard-hitting Democrat to address a Jackson Day banquet in Marion, Ohio. As State central committeeman for that congressional district, the eighth, it was my duty to secure that speaker. HENRY T. RAINEY received the invitation and accepted. Never indulging in bitter partisan attacks, he outlined the fundamentals of the Democratic Party as contrasted with those of the Republican Party in such a forceful manner as to win the admiration of all within the sound of his eloquent voice.

It was my distinction and privilege to have been selected by him prior to his election as Speaker of the House of the Seventy-third Congress as one to make a seconding speech in the party caucus. During his term as Speaker he was loved, honored, and respected by all.

Mr. RAINEY had the simplicity and love for his fellow men possessed by Jefferson, the rugged courage of Jackson, and the common honesty of Lincoln. He enjoyed a distinguished career. He was a lawyer, but during the recesses of Congress preferred to spend his time on his farm. To one born of the soil and who loves the soil, it was only necessary to visit that farm, as I did, to understand why. Not only the abundant acreage of the farm and the generously proportioned yard with the large, spreading shade trees but the old spacious colonial home were strong factors in understanding that preference. After visiting the farm, the barns, the dairy herd, and the fine old home, it was easy to discern why HENRY T. RAINEY was a commoner. Born and reared in this simple environment, living among the plain people of

his community, he loved them, and he in turn was loved by them.

It has been well said by the Speaker and others that service was the watchword of HENRY T. RAINEY—service to family and friends, service to his constituents, service to his State and his Nation. When the sincerity and honesty of purpose of some were doubted, he was unquestioned—he never faltered. He was ever genuine. He always rang true. Life seems to move by contrast if not by rhythm. The darkness is more opaque because of light; the rose all the sweeter because of the companionship of the lowly dandelion blooming at the side of the dusty, weed-fringed road; and so the nobility of purpose, the lofty devotion to principle, of HENRY T. RAINEY, his unswerving adherence to duty, are appreciated all the more when contrasted with the insincerity, inhumanity, and selfishness of some public servants.

He believed in, espoused, and championed the rights of the common people. He was a stanch defender of human rights as against property rights. He believed in the commonness of human origin, common rights, common duties, common responsibilities, and a common destiny.

Hazlitt says, "No really great man ever thought himself so." So it was with HENRY T. RAINEY. Modesty and humility were his invaluable assets. That brief sentiment of Longfellow when he said, "Great men stand like solitary towers in the city of God" is most fittingly exemplified and perpetuated when speaking of our illustrious and distinguished former colleague.

Mr. PARSONS. Mr. Speaker, I ask unanimous consent that all those who have spoken may have opportunity to revise and extend their remarks, and that any other Members who desire to do so may extend their remarks in the RECORD upon the life, character, and public service of the late Speaker, Mr. RAINEY.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

ADJOURNMENT

Mr. PARSONS. Mr. Speaker, as a further mark of respect to the late Speaker Henry T. Rainey, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 41 minutes p. m.) the House adjourned until tomorrow, Thursday, June 13, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

383. A communication from the President of the United States, transmitting a supplemental estimate of appropriations for the Railroad Retirement Board for the fiscal years 1935 and 1936, amounting to $35,000 (H. Doc. No. 228); to the Committee on Appropriations and ordered to be printed.

384. A letter from the Acting Secretary of War, transmitting draft of a proposed bill to authorize the Secretary of War to acquire by donation approximately 1,460 acres of land near Valparaiso, Fla.; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HARLAN: Committee on Rules. House Resolution 249. Resolution for the consideration of H. R. 7590; without amendment (Rept. No. 1165). Referred to the House Calendar.

Mr. ROBINSON of Utah: Committee on the Public Lands. S. 1307. An act to establish the Homestead National Monument of America in Gage County, Nebr.; without amendment (Rept. No. 1168). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. S. 578. An act authorizing the Secretary of the Interior to permit citizens of Bear Lake County, Idaho, to obtain timber from Lincoln County, Wyo., for domestic purposes; without amendment (Rept. No. 1169). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 109. A bill to provide for the acquisition by the United States of Red Hill, the estate of Patrick Henry; with amendment (Rept. No. 1170). Referred to the Committee of the Whole House on the state of the Union.

Mr. PETERSON of Florida: Committee on the Public Lands. H. R. 2737. A bill extending and continuing to January 12, 1936, the provisions of the act entitled "An act authorizing the Secretary of the Interior to determine and confirm by patent in the nature of a deed of quitclaim the title to lots in the city of Pensacola, Fla.", approved January 12, 1925; with amendment (Rept. No. 1171). Referred to the Committee of the Whole House on the state of the Union.

Mr. PLUMLEY: Committee on Military Affairs. House Resolution 243. Resolution extending the felicitations and congratulations of the House of Representatives to Brig. Gen. Aaron Simon Daggett, United States Army, retired, upon the occasion of his ninety-eighth birthday on June 14, 1935; without amendment (Rept. No. 1172). Referred to the House Calendar.

Mr. CROSSER of Ohio: Committee on Interstate and Foreign Commerce. House Joint Resolution 319. Joint resolution extending the effective period of the Emergency Railroad Transportation Act, 1933; with amendment (Rept. No. 1173). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. H. R. 7659. A bill to provide that tolls on certain bridges over navigable waters of the United States shall be just and reasonable, and for other purposes; without amendment (Rept. No. 1174). Referred to the Committee of the Whole House on the state of the Union.

Mr. TURNER: Committee on Military Affairs. H. R. 3420. A bill to amend the act entitled "An act to amend an act entitled 'An act to prohibit unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department, approved February 24, 1923', approved April 21, 1928", so as to include the Navy; without amendment (Rept. No. 1176). Referred to the House Calendar.

Mr. TURNER: Committee on Military Affairs. H. R. 3421. A bill to authorize credit in disbursing officers' accounts covering shipment of privately owned automobiles from October 12, 1927, to October 10, 1929; without amendment (Rept. No. 1177). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. J. Res. 120. Joint resolution to provide for the erection of a suitable memorial to the Fourth Division, American Expeditionary Forces; without amendment (Rept. No. 1178). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BEITER: Committee on War Claims. S. 794. An act for the relief of the Bowers Southern Dredging Co.; without amendment (Rept. No. 1166). Referred to the Committee of the Whole House.

Mr. BEITER: Committee on War Claims. H. R. 704. A bill for the relief of Thelbert Davis; with amendment (Rept. No. 1167). Referred to the Committee of the Whole House.

Mr. ANDREWS of New York: Committee on Military Affairs. H. R. 2469. A bill for the relief of Michael P. Lucas; without amendment (Rept. No. 1175). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 8153) granting an increase of pension to Julia Peart, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KING: A bill (H. R. 8452) to provide for the issuance of certificates of citizenship to citizens of the United States residing in the Territory of Hawaii; to the Committee on Immigration and Naturalization.

By Mr. SCHAEFER: A bill (H. R. 8453) to amend the World War Veterans' Act of 1924; to the Committee on World War Veterans' Legislation.

By Mr. SUTPHIN: A bill (H. R. 8454) to regulate computation of percentage of active pay to be paid as retired pay to officers of the Army; to the Committee on Military Affairs.

By Mr. WILSON of Louisiana: A bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes; to the Committee on Flood Control.

By Mr. BLAND: A bill (H. R. 8456) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection; to create a marine casualty investigation board and increase efficiency in administration of the steamboat inspection laws; and for other purposes; to the Committee on Merchant Marine and Fisheries.

Also, a bill (H. R. 8457) to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion, and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to maintain discipline on shipboard; and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. RAMSPECK: A bill (H. R. 8458) to provide for vacations to Government employees, and for other purposes; to the Committee on the Civil Service.

Also, a bill (H. R. 8459) to standardize sick leave and extend it to all civilian employees; to the Committee on the Civil Service.

By Mr. WHITE: A bill (H. R. 8460) to add certain lands to the Weiser National Forest; to the Committee on the Public Lands.

By Mr. HILDEBRANDT: A bill (H. R. 8461) providing for the conservation of health among Indians (Sioux Sanitorium and employees' quarters, Pierre, S. Dak.); to the Committee on Appropriations.

By Mr. CANNON of Missouri: A bill (H. R. 8472) for the relief of stricken agricultural areas; to the Committee on Appropriations.

By Mr. CONNERY: Resolution (H. Res. 250) providing for the consideration of S. 1958, a bill to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes; to the Committee on Rules.

By Mr. TOBEY: Joint resolution (H. J. Res. 321) granting the consent of Congress to the minimum-wage compact ratified by the Legislatures of Massachusetts and New Hampshire; to the Committee on the Judiciary.

By Mr. WHITE: Joint resolution (H. J. Res. 322) to provide for calling an international monetary conference to establish a stable medium of exchange in the several nations by the use of both gold and silver at stipulated ratio, standardizing the coinage and stabilizing international exchange to facilitate international trade; to the Committee on Foreign Affairs.

By Mr. WOOD: Joint resolution (H. J. Res. 323) proposing an amendment to the Constitution of the United States of America with respect to the powers of Congress, and for other purposes; to the Committee on the Judiciary.

By Mr. HAMLIN: Concurrent resolution (H. Con. Res. 27) to print and bind the proceedings in Congress and in Statuary Hall upon the acceptance in the Capitol of the statue of Hannibal Hamlin, presented by the State of Maine; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EVANS: A bill (H. R. 8462) for the relief of Robert Bennett; to the Committee on Naval Affairs.

By Mr. GRAY of Pennsylvania: A bill (H. R. 8463) granting an increase of pension to Susanna Calhoun; to the Committee on Invalid Pensions.

By Mr. LEE of Oklahoma: A bill (H. R. 8464) for the relief of Thomas L. Essex; to the Committee on Military Affairs.

Also, a bill (H. R. 8465) for the relief of Zoe A. Tilghman; to the Committee on Claims.

Also, a bill (H. R. 8466) for the relief of S. A. Rourke; to the Committee on Claims.

By Mr. LEWIS of Maryland: A bill (H. R. 8467) granting a pension to Beulah E. Coleman; to the Committee on Pensions.

By Mr. REECE: A bill (H. R. 8468) granting a pension to Mary Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8469) granting a pension to Ophelia Laller; to the Committee on Invalid Pensions.

By Mr. SHORT: A bill (H. R. 8470) granting a pension to Alice L. Stemmons; to the Committee on Invalid Pensions.

By Mr. WELCH: A bill (H. R. 8471) granting an increase of pension to Miriam Glanville Skelly; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8804. By Mr. AMLIE: Petition of the industrial division of the Beloit Commercial Club, urging the defeat of the labor-disputes bill; to the Committee on Labor.

8805. By Mr. BOYLAN: Resolutions adopted by the Medical Society of the State of New York, regarding the Banking Act of 1935; to the Committee on Banking and Currency.

8806. By Mr. BUCKLER of Minnesota: Petition of Arthur N. Barnard, president, and K. G. A. Springer, secretary, of the Civic and Commerce Association of Fergus Falls, Otter Tail County, Minn., praying for opposition to the passage of House bill 5423 (the so-called "Wheeler-Rayburn public-utility bill"); to the Committee on Interstate and Foreign Commerce.

8807. Also, petition of Cyrus A. Field, chairman of the legislative committee of the Civic and Commerce Association of Fergus Falls, Otter Tail County, Minn., praying for the passage of an amendment to the Agricultural Adjustment Act of 1933 which provides that if and when the processing tax on cotton wholly terminates, all persons, including retailers, will be entitled to a refund in the amount of the processing tax previously paid on stocks held on the day of termination of the tax or act; to the Committee on Agriculture.

8808. By Mr. CONNERY: Resolution of the General Court of Massachusetts, memorializing the President and Congress of the United States in behalf of the watch industry and the persons employed therein; to the Committee on Ways and Means.

8809. Also, resolution of the General Court of Massachusetts, memorializing Congress relative to the use of granite in the construction of public buildings; to the Committee on Public Buildings and Grounds.

8810. By Mr. DORSEY: Petition of residents of Philadelphia, Pa., urging active support of House bill 2827, the workers' unemployment, old-age, and social-insurance bill; to the Committee on Labor.

8811. By Mr. KENNEY: Resolution of the town of Bloomfield, N. J., requesting that the proper Federal authorities be urged to retain the Newark Airport as its eastern air-mail terminal; to the Committee on the Post Office and Post Roads.

8812. By Mr. KRAMER: Resolution adopted by Native Sons of the Golden West, urging passage of House bill 2772,

making the 9th day of September of each year a legal holiday for Federal employees in the State of California; to the Committee on the Judiciary.

8813. By Mr. SADOWSKI: Petition of the general committee of immigrant aid at Ellis Island, endorsing the Kerr bill (H. R. 8163); to the Committee on Immigration and Naturalization.

8814. Also, petition of the Foreign Trade Club of Detroit, endorsing reciprocal trade program; to the Committee on Interstate and Foreign Commerce.

8815. By Mr. TINKHAM: Resolutions of the General Court of Massachusetts, memorializing the President and Congress of the United States in behalf of the watch industry and the persons employed therein; to the Committee on Ways and Means.

8816. Also, resolutions of the General Court of Massachusetts, memorializing Congress relative to the use of granite in the construction of public buildings; to the Committee on Public Buildings and Grounds.

8817. By Mr. WELCH: Joint Resolution No. 43 of the California Assembly, relative to memorializing Congress to furnish aid in the construction of check dams in the Salinas River Valley; to the Committee on Flood Control.

8818. By the SPEAKER: Petition of the Ladies Auxiliary Division 6, A. O. H., Utica, N. Y.; to the Committee on the Post Office and Post Roads.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 13, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord, our Heavenly Father, they that wait upon Thee shall renew their strength. We tarry that we may prepare and adjust ourselves to the ever-changing day. Enable us always to cherish the place of prayer; to neglect it is to allow the higher powers of life to droop and languish. However weak the body, keep the mind strong; however severe the day, let the outlook be unclouded. We entreat Thee to free us from any paralysis of indifference which holds captive and deprives the larger life of the spirit. Guard us from that self-will and from that storm of passion which prevent our emancipation. Let the light of a gracious God break through upon our wandering vision that we may comprehend our city with its needs, and may it encircle our country. O let the glory rest upon them and unite us all in confidence, cooperation, and sacrifice. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendment of the House to the joint resolution (S. J. Res. 113) entitled "Joint resolution to extend until April 1, 1936, certain provisions of title I of the National Industrial Recovery Act, and for other purposes", with an amendment in which the concurrence of the House is requested; and agrees to the House amendment to the title.

FORWARD, MR. PRESIDENT

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, I read in the daily papers with great satisfaction that President Roosevelt is planning to send Congress a special message calling for "far-reaching increases in estate and gift taxes and imposition of Federal inheritance levies."

The article to which I refer said that this program would "tax estates, inheritances, and gifts in this Nation to a greater extent than in any nation in the world, it was believed."

I greet this announcement with much pleasure. I know that it will evoke warm approval from millions of others. America is at the crossroads—the dividing of the ways—and if Franklin D. Roosevelt will really take the initiative in leading us down the highway whose destination is a cooperative commonwealth, his name will be blazoned on the path of the ages for all time as one of humanity's saviors. This step is a tremendously important one. It means a break from the old policy of retention of an evil system and a turn toward better things. By all means let the step be taken. Let other steps be taken as well.

As I have repeatedly pointed out in my remarks in this session of Congress, there must be a fundamental, basic readjustment of our social system. Palliatives are not sufficient. There must be a complete and full cure of the economic disease. I have given my support to many temporary and incidental measures because they offered immediate relief for the suffering, although nobody understood better than I that they were only makeshifts that delayed the inevitable crash—for it is certain that a crash will come if we do not furnish a new social set-up whose objective is the welfare of everybody.

In my comments regarding our President I have uniformly attempted to make clear my personal admiration and respect for this lovable, human, kindly man—unquestionably the most progressive President America ever had. I have also sought to indicate my appreciation of his generous and earnest desire to help the suffering. At the same time, I have endeavored to show that I did not approve of a permanent policy of hand-outs and loans and doles. We cannot go on forever lending and borrowing money, and shifting funds back and forth. We must sooner or later evolve a type of society that can take care of itself—that pays its own way—that provides for the people who are engaged in productive work. Why not face this obligation now? "Eventually—why not now?" Why put it off? Somebody must take the leadership and direct the job? For my part, I would rather see Franklin D. Roosevelt assume that responsibility and receive the credit than someone who is a demagogue and whose motives are purely selfish. Yet the fact remains that we are certain of our destination and we shall undoubtedly reach it—whether led by one man or another.

Ella Wheeler Wilcox, years ago in a beautiful and inspiring poem, said:

No question is ever settled
Until it is settled right.
Though proudly the victor comes
With fluttering flags and prancing nags
And echoing roll of drums,
No question is ever settled
Until it is settled right.

Ella Wheeler Wilcox's words were true. We who have observed the long and patient struggle for social justice and who have tried to aid in bringing about this ideal, believe—in spite of disappointments and discouragement and delays—that "no question is ever settled until it is settled right" and that economic liberation will finally come for our people.

TLINGIT AND HAIDA INDIANS OF ALASKA

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2756) authorizing the Tlingit and Haida Indians of Alaska to bring suit in the United States Court of Claims, and conferring jurisdiction upon said court to hear, examine, adjudicate, and enter judgment upon any and all claims which said Indians may have, or claim to have, against the United States, and for other purposes, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 12, after "Indians", insert: "or for the failure or refusal of the United States to protect their interests in lands or other tribal or community property in Alaska, and for loss of use of the same."

Page 2, lines 19 and 20, after "therefor", insert: "and the loss to said Indians of their right, title, or interest, arising from occupancy and use, in lands or other tribal or community property, without just compensation therefor, shall be held sufficient ground for relief hereunder."

Page 3, line 23, strike out "which" and insert: "under contract approved by the Commissioner of Indian Affairs and the Secretary of the Interior, and said contract shall be executed in behalf of said Indians by a committee chosen by them under the direction and approval of the Commissioner of Indian Affairs and the Secretary of the Interior."

The SPEAKER. Is there objection to the request of the gentleman from Alaska [Mr. DIMOND]?

There was no objection.

The Senate amendments were concurred in.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent that on tomorrow after the reading of the Journal and conclusion of matters on the Speaker's table I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BLANTON. Mr. Speaker, suppose the House should adjourn this afternoon to meet until Monday. There would not be any tomorrow, would there?

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT TO SHERMAN ANTITRUST LAW

Mr. RICHARDSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. RICHARDSON. Mr. Speaker, the bill which I have introduced today amends the Sherman Antitrust Act, and should, if enacted into law, remove the last excuse of those who assert that they would be glad to enter into agreements and understandings to guarantee living wages and proper working conditions but fear to do so because they might be prosecuted for a violation of the antitrust laws. My amendment specifically provides that such agreements are legal and exempt from the provisions of the antitrust laws of the United States.

The National Recovery Act, which has been, in effect, declared unconstitutional, is being renewed in emaciated form for a limited period of 9 months. This act sought to establish in trade and industry standards of fair competition and declared that competition through the lowering of wages, the lengthening of hours, and the establishment of sweatshop methods was not fair competition. It, perhaps for the first time in American jurisprudence, laid down the legal principle that the exploitation of labor is no essential or necessary part of economic competition.

This principle should be preserved and written into the permanent law of the land insofar as that is possible, and I believe my amendment is a step forward in the accomplishment of that object.

The Sherman Act and antitrust laws sought to prevent monopoly and unfair competition. The purpose of these acts is to preserve free markets and economic competition. My amendment also has that purpose. By making agreements to establish minimum wages and maximum hours of labor possible and legal, it does not seek to destroy or impair the principle of economic competition. It seeks to civilize competition by limiting it to competition in quality, style, price, and above all, service. It substitutes economic competition for savage, cutthroat competition—the narrow and erroneous Darrow concept. I would, if possible, outlaw the latter type of competition as unsocial, and therefore, undesirable in a democratic nation. I assert that in the future, competition, under the law, should be made to stand the social test.

My amendment, therefore, in no sense contradicts or destroys the principles underlying the antitrust laws. It asserts the same principles and joins with those progressive acts in attempting to establish, by law, economic competition in the national economy of the United States.

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTE HILL. Mr. Speaker, I ask unanimous consent that on Monday next after the reading of the Journal and disposition of matters on the Speaker's table I may be permitted to address the House for 30 minutes.

The SPEAKER. The Chair hopes the gentleman will withhold that request, under the custom which has prevailed during the session, until a later date.

Mr. KNUTE HILL. I will withhold the request, Mr. Speaker.

ADMIRAL STIRLING

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Speaker, I read an article in the newspaper the other day by an admiral in the United States Navy. Of course, I have said a lot about admirals in the United States Navy. It has been stated that Senator Tom Heflin mortally hated and despised the Pope. If he had ever met the Pope he would have probably found out that he was a nice gentleman, and he would have come to like him. So I am not particularly anxious to meet admirals; more than likely, from a personal viewpoint, they are like anyone else. This is not personal; I view them only from an official angle and what they do officially. Mr. Speaker, I desire to discuss an article written by Admiral Yates Stirling, Jr., published in last Sunday's Washington Herald (June 9, 1935). In this article he in effect makes an absolute advocacy of war by the nations of Europe, and all "capitalistic nations", which, of course, includes the United States, against Russia. Let me state here that the subject of communism is absolutely irrelevant to the point at issue, and the issue is that of foreign relations and our relations with Russia. Communism has absolutely nothing to do with the question. We, the United States of America, have recognized Russia, and it is not the business of an admiral to be sticking his nose into things that do not concern him. That is what this admiral is doing.

Mr. McFARLANE. Will the gentleman yield right there?

Mr. MAVERICK. I yield.

Mr. McFARLANE. The gentleman would not intimate that an admiral would do anything like that, would he?

Mr. MAVERICK. I am going to say something. I am not going to intimate it. Admiral Stirling made this statement, which will lead us into war if we keep on. This is what he said in reply to a criticism of it. He said:

The whole point is that Congress is afraid of the Communists because the Members have so many in their own districts. New York is a hotbed—

And so on; if you want to see the full article read the Washington Herald of Wednesday, June 12, 1935.

In other words, this admiral when it comes to the attention of the public, that what he says does not concern his business, then he says that you Congressman are afraid, that you my fellow Congressmen, are afraid of Communists, that you are cowards, that you are afraid to legislate properly and do not do so honestly and patriotically. That is the implication in what he said. We sit here and appropriate him money; will we let him help start a war in which he will be absolutely safe?

Mr. BLANTON. Will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. BLANTON. Has the gentleman asked Admiral Stirling whether the newspaper correctly quoted him?

Mr. MAVERICK. No; I have not.

Mr. BLANTON. I hope the gentleman will do that, because newspapers misquote people so much that the gentle-

man ought to find out whether the statement is authentic or not before he charges a man with it.

Mr. MAVERICK. I think the newspapers do misquote the gentleman from Texas.

Mr. BLANTON. And that is what makes me a little suspicious of any article I see purporting to quote an official.

Mr. MAVERICK. But they rarely misquote an admiral. [Laughter.]

Mr. Speaker, I am proceeding on the basis that Admiral Stirling said this, and I feel sure that he will not deny it. In other words, he said that Congress is afraid. In other words, there is an admiral getting his money from the Congress of the United States——

Mr. BLANTON. Will the gentleman yield further?

Mr. MAVERICK. I yield.

Mr. BLANTON. I will guarantee to my friend from Texas—and he is my friend—that he will not find an admiral in the United States Navy who will ever make an improper remark about Congress. That is one thing admirals are taught not to do when they go to school. [Laughter.]

Mr. MAVERICK. I think there possibly must be an exception; this admiral must not have learned very much. [Laughter.]

Mr. SCOTT. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. SCOTT. Is it not true these admirals have forgotten a lot of things they learned in school?

Mr. MAVERICK. I think these admirals not only forget a good deal they learn in schools, but they know too much. Apparently, this one did not learn anything about discipline, good manners, or the propriety of an admiral interfering in the policies of the State Department.

Mr. SCOTT. And after they have been through a while it does not make any difference.

Mr. MAVERICK. I should like to finish this talk, if the gentleman does not mind.

Mr. DARDEN. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. DARDEN. I think the gentleman would do well to follow the suggestion of the gentleman from Texas [Mr. BLANTON]. Admiral Stirling is a capable, efficient officer, and I do not believe he would reflect on the Congress of the United States.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. I yield to the distinguished critic of the Democratic Party, the gentleman from Pennsylvania, Mr. RICH.

Mr. RICH. I would say that if the admiral criticized Members of Congress it probably was not entirely unjustified. It is time the Democratic Party stopped putting legislation through Congress which is detrimental to the country. If Members of Congress had backbone enough they would not stand up here and take the things they do take from the other end of the Avenue, which are all wrong, but would stand up here and do the things they know to be right.

Mr. MAVERICK. Mr. Speaker, I thank the gentleman for his learned discussion of Admiral Stirling, the laws of the sea, and international law.

Mr. Speaker, I must refuse to yield further. Let me finish my point, because this is really a serious matter and I should like for you to be serious about 5 minutes.

Listen: Admiral Stirling has written numerous articles of the kind which stir up trouble with friendly nations. He may be, as Mr. Darden says, an efficient officer. I am going by what he has written. The admiral proceeds to say in the article that Russia would be a fertile field for colonization. In other words, what he means is that we should invade Russia—with our Army. Now, it is perfectly safe for an admiral to say that, because Russia has not got any navy and he would not have to get into the fighting. You seldom hear generals advocating war, because some of them know something about war. My boy and your boy are the ones who have got to go to war; they are the ones who would be killed, in the infantry, cavalry, air corps, and artillery; not some of these soft admirals riding around in their flagships.

It is time Congress asserted its parliamentary power and stopped these admirals interfering with the Secretary of State. The foreign policy of this country is a matter for the Secretary of State to determine, and Secretary Hull is an able and intelligent man who has peaceful intentions. These admirals ought to be told to shut their mouths and keep out of international affairs.

Mr. Speaker, we talk about the respect of the people of the United States for representative government and for the Congress of the United States. We vote huge sums to the Navy and then let the admirals tell us what to do.

And that is not all. Speaking generally, when a bill comes up, we rush it through like lightning, without very much consideration; if any thoughtful amendments are offered, we crush them down, and then it goes to the Senate. For instance: In the extension of the N. R. A., I offered an antitrust amendment—that is, an amendment to enforce the Antitrust Act and to make it so that we could break up these combines and protect the rights of the small merchant—but it was defeated, I will admit, by a very small number, about 15 votes. But when the bill goes to the Senate, they add the antitrust amendment—precisely the amendment I offered and was defeated in the House—and I predict now that we will finally approve it because of the Senate. We jammed the relief bill through in no time, and the Senate took their time and passed numerous amendments, and then we agreed to nearly everything.

Time after time we give up our parliamentary and congressional powers; we forget our rights; and if we forget ours, we forget our duties and responsibilities; then gradually we lose our position of strength in our Government.

Yes; admirals criticize us, and I do not think that it does a great deal of damage. We are not immune to criticism. But when the bitter criticism of an admiral takes the form of contempt for parliamentary government, along with his blatant advocacy of war against a friendly nation, certainly Congress should take cognizance of this and exercise our parliamentary powers in disciplining such actions, and certainly we should provide for the protection of the State Department in its right to have full control of foreign relations. But from a viewpoint of local self-government, of national integrity, from the protection of parliamentary government, we must take cognizance of the tendency of any military or naval man who treats with contempt the representatives of the people. The Government of Germany was defeated because her military men gradually taught the people of Germany to hate the Reichstag, and the Reichstag became impotent, and that was the end of parliamentary government there. The same thing happened in Hungary and has happened in many other countries.

The time has come when Congress should assert itself not only in reference to admirals but to all persons or groups seeking to nullify or take away parliamentary power.

Let me repeat that the subject of communism is wholly irrelevant. There is only one point involved and that is our relations with a friendly nation. Then, if we go into the ramifications of the point, we find our friendly relations being disturbed by an admiral whom foreign countries will believe is talking officially for the President and Congress; we find also the other point which I brought out very thoroughly, and that is the disrespect for parliamentary government.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. BLANTON. If Admiral Stirling had eulogized Russia, or affairs in Russia, would my colleague have castigated him?

Mr. MAVERICK. Yes; I would have castigated him because if he had eulogized Russia to the extent of having Russia declare a war on France it would have been a very bad thing, and exactly the same thing that he has done. Certainly I would have castigated him. The point of the matter is Russia is a government which is on friendly terms with the United States Government and it is none of an

admiral's business to stick his nose in foreign relations. The question is not Russia's form of government but of contemptuous assumption by a member of the naval forces of the functions of the State Department which is absolutely none of his business.

Mr. BLANTON. Just one other question: If there should be—and God forbid it—an attack on our country from some eastern power would not my friend from San Antonio be dependent largely on Admiral Stirling and other admirals as a first line of defense?

Mr. MAVERICK. Yes; just exactly like I would be dependent on the police department of San Antonio to defend me; but I do not want the police department to be settling the policies of Texas. That should be done by the legislature and the proper sections of the State. I want protection from the police, not nosey and presumptuous lectures on subjects they know nothing of. I want the same from admirals; and if Admiral Stirling had a decent respect for the State Department he would discontinue infringing on their authority. An admiral is no more than a dignified policeman—in this case an undignified one—and he should keep his mouth shut and do what he is told.

The basis of discipline in an army, and I presume also in a navy—and an admiral is supposed to understand discipline, at least as much as a doughboy private—is to keep one's personal opinions out of the policies of the Nation, and do your duty unflinchingly. A military man who is patriotic follows the beacon light of duty and does not whine, cry, argue, and debate, nor try to get our boys killed in a war.

Mr. HOEPPEL. Will the gentleman yield?

Mr. MAVERICK. I yield to the gentleman from California.

Mr. HOEPPEL. My memory may be somewhat hazy, but if I recall correctly, Admiral Sims, prior to our entering the World War, made a speech at a banquet in London which had as its intent to bring the United States into the World War.

Mr. MAVERICK. I do not know about that. Lately, that particular admiral, now retired, has made some intelligent statements on the subject of neutrality. I believe the position of a retired officer is different from that of one on active duty. Admiral Stirling is on active duty, as an officer of the Navy; he is not an officer of the State Department. That is the distinction I draw.

Mr. Speaker, when we get on the subject of war, I have a hope that some day all of the archives of the various governments, including our own, will be fully opened to the public. I understand there exist certain documents—in fact, I know that they do exist—in which various officials regret very much to state that Mr. Morgan and the private bankers could not handle the debt to the allied governments any more, and that the Government of the United States would have to come in and take these debts over and enter the war. This has happened before, and the point that I make clear is that if we are going to stay out of war, if we are going to stay out of trouble, it is no business of the hired hands of the Government to go completely outside of their duties attempting to make policies for Congress and the President of the United States. We are supposed to make those policies; the admirals are not supposed to. And if an admiral, in active service of the Government of the United States, is constantly writing articles and agitating his subversive ideas, advocating war—a war in which he will not have to suffer at all—it certainly will have an effect on our international relations because foreign countries believe that the admiral must be speaking with the authority of Congress and the President of the United States. We cannot let a thing like that go unchallenged.

Mr. HOEPPEL. I should like to state that, in my opinion, admirals are good propagandists and lobbyists for the Steel Trust.

Mr. MAVERICK. When the Nye-Clark Munitions Committee report is finally made public, and the American people really know all the facts which will be brought out, it will shock the Nation.

Under unanimous consent, and in order that the RECORD be made clear and that no isolated paragraphs be used against Admiral Stirling, I herewith offer the full article printed Sunday, June 9, 1935, in the Washington Herald:

EUROPE, RIPE FOR STRIFE, FACES MENACE OF RUSSIAN RED FORCES, WARNS STIRLING—"SOVIET IS PREPARING FOR WAR WITH MILLIONS TRAINED TO FOMENT WORLD REVOLUTION"

(By Rear Admiral Yates Stirling, Jr., Commandant Brooklyn Navy Yard, formerly Commander United States Naval Base, Pearl Harbor, Hawaii)

The political situation in Europe today is so complicated and confusing that it seems well-nigh impossible to grasp and analyze it as a concrete whole. It appears most baffling, even to the veteran students of the shifting sands of European politics.

Basically, the main cause of this vast unrest is economic. Some of it, doubtless, is the result of restrictions put upon Germany, Austria, and Hungary by the Versailles Treaty, and the failure of the League of Nations to administer the treaty and carry out all its exacting functions.

Germany and Japan now stand aloof from the League. France considers her security has been threatened by the announced rearming of Germany. She has turned to Soviet Russia and negotiated with the Soviet a pact for mutual assistance.

Great Britain once again is in her historical role of peacemaker.

THREE AND ONE-HALF MILLION MEN UNDER ARMS

Europe is an armed camp. Nearly three and a half million men are under arms, backed by over 9,000 war airplanes, ready to fly across frontiers and sow destruction in enemy's territory.

Rearmed Germany appears to stand alone in Europe and believes herself faced by the threat of violence, not only from the west but also the east.

Against such an array of force it would seem impossible for Germany to consider war. Her new army of six hundred and odd thousand effectives and her 1,500 war airplanes could be no match against the rest of Europe's armies of nearly 3,000,000 men, ready to strike, backed by over 6,000 airplanes, to say nothing of over 2,000,000 tons of warships.

We have been told that world unrest today primarily is the result of the unequal division among the nations of the essentials of industry—raw materials, cotton, rubber, iron, oil, nickel, lead, wool, coal, steel, copper, tin, wheat, and many other articles needed by factories in the production of goods.

Germany and Italy in Europe, with rapidly increasing populations, are almost destitute of many of these raw materials within their borders. They have embraced an autocratic form of government and are feverishly training their citizenry in the arts of war.

The unbalanced, explosive situation of Europe today, in fact, of the world, may undoubtedly be said to be greatly aggravated by the existence of bolshevism in Russia.

Russia has, to all intents and purposes, withdrawn a fertile and populous land over 8,000,000 square miles in extent, with a population of 165,000,000 from the usual economic intercourse with the world. This has upset the delicate economic balance of Europe.

The Russian Soviet Republics sprawl across the map of Europe and Asia from the Baltic to the Pacific Ocean, extending from longitude 30 degrees east to longitude 180 degrees east, with an average depth of 35 degrees of latitude.

This vast area contains 1⅙ percent of the world's land area. The soil of Russia is fabulously rich in minerals and can be used to develop all manner of raw materials for which the world is now hungering.

Russia's yearly production in raw materials today in percentages of world production bulk large:

Cotton, 8 percent; iron, 16 percent; coal, 6 percent; oil, 12 percent; copper, 4 percent; steel, 12 percent; wool, 4 percent, and wheat, 21 percent.

Yet Russia's trade with the outside world is but 2 percent of the world's trade. The impounding of these essential materials and the methods used in their production in the last 18 years has been a factor in the present economic situation.

The cornerstone of communism in Russia is to "guarantee the dictatorship of the proletariat for the purpose of suppressing the bourgeoisie" (Soviet Constitution.)

The words of Lenin, whose body is now enshrined in a magnificent tomb in the Red Square in Moscow, were: "Our task—world revolution. Direct assistance must also be rendered to the revolutionary movements among the dependent nations or those without equal rights in the colonies. We must have leaders, who, in respect to the bourgeoisie feel nothing but mortal hatred, who do not hesitate to use the most violent means toward those who stand in the way."

REICH CONVINCED SOVIET A PLOTTER

These are none too cheering words to Germany and the other nations of the world whose economic security is built upon capitalistic principles and the dictatorship of the bourgeoisie, nor to those nations whose resources of raw materials and man power are locked up in their dependencies and colonial possessions.

Germany seems convinced that Soviet Russia is a threat to the political integrity of the nations of Europe and a deliberate plotter against their economic recovery.

Soviet Russia is said to have trained 12,000,000 men and women for the world revolution; that is the avowed aim of the Third International. The Soviet Army is modern and well equipped with all the new instruments of war. The Soviet air forces and the tank corps are the boast of Moscow. On May 1 it is reported that 2,000 tanks and 3,000 war planes were displayed in Russia.

Russia is preparing for war! Is it an offensive or defensive war in Russia's mind? Her outspoken leaders glory in her isolation. They point with unconcealed pride to the declared fact that they are proving that only a Soviet State can make itself self-sufficient and independent of the products of other nations. The capitalistic nations, they declare, must draw their life blood from outside economic contacts.

FEELS SHE'S BULWARK AGAINST COMMUNISM

Germany insists that her rearmament is not against France but for security against Russian communism. She declares herself to be the bulwark against a fully armed Russia. She fulminates that blinding oneself to a nation whose first precept of government is the overthrow of all other governments on earth is a most dangerous venture, no matter what the temporary advantages of an alliance with a nation of unlimited resources and man power. She condemns Great Britain and France for supporting Russia and walking into the spider web of communism.

Soviet Russia remains an important, if not the most vital, factor in any plan for the stabilization of Europe, yet the doctrines of bolshevism ever remain a menace to all capitalistic nations.

Will the rest of Europe divide against itself and give Russian propaganda an opportunity to drive a Red wedge between the divisions?

Maybe, at the same time, letting in a Red army and air force, trained and equipped, an avalanche, carrying in every knapsack the seeds for the undoing of the capitalistic world.

Germany appears to be planning for the day when Austria, Hungary, Czechoslovakia, Poland, Yugoslavia, Rumania, Bulgaria, and Italy will stand with her, a wide and united barrier against communism, a barrier bristling with bayonets from the Baltic to the Mediterranean.

REDS IN CHINA IRK JAPANESE

Japan in the Far East is finding the red tide in China most inconvenient, and Germany can count on her to keep occupied or immobilized a Red army in the Russian eastern provinces.

France and the Little Entente (Czechoslovakia, Yugoslavia, and Rumania) were united against Germany. If Germany can make Europe believe that her rearming is against Russia, and that Russia is a great danger, might not the Little Entente fly asunder and realine itself with Germany against a common enemy—communism? Where then would be the Franco-Russian Pact?

Europe today seems ripe for strife. Can these great armies, fully panoplied, be effaced without war? Will the full force of this universal desire for conflict be expended in a fratricidal war in Europe? Or may we not look for a united front against communism?

COMMAND OF SEAS BALANCE OF POWER

Will a leader appear who will have the eloquence, appeal, and driving power to bind together these discordant nationalities and set the armed forces marching under a single banner?

Germany, in such an alliance, must become the great organizer and industrial producer. In her factories the instruments of war on a colossal scale could be turned out.

The resources of the world can be assured to such an alliance only through the command of the seas. This would be obtained should Great Britain throw in her sword on that side. With the seas open for trade, the American markets could not be expected to remain closed.

In the guise of such a great crusade, maybe yet inarticulate in men's thoughts, cannot one see the outlines of a daring plan, not only forever laying the ghost of bolshevism but for opening up the fertile lands of Russia to a crowded and industrially hungry Europe?

This article should be closely studied. The insidious advocacy of war runs through the whole article. This article will at least show, in the permanent record, what our admirals are saying and thinking—that is publicly—and privately no one knows how much further they go, nor how much money they got for these activities.

Mr. Speaker, I get sick of hearing about communism and I think that what Congress ought to do is to make the necessary legislation to preserve this country. We are not going to accomplish anything by violence ourselves, or by evading issues. Communism as such has no part in this speech and is not a part of the subject matter. However, several articles have appeared in the Daily Worker for the past few days, starting Sunday, June 9, and then the 10th, 11th, 12th, and today, which is the 13th. On Wednesday, June 12, there appears a long article with a headline like this:

Admiral openly backs vigilante terror; attacks the Jews and condones Hitler; Capitol seeks to dodge responsibility.

Then, another headline:

Says he was forced to speak at Nazi rally by Washington—supports Hitler.

I do not know whether any of this is true. The article is rather long and, therefore, I do not include it in the RECORD. However, I have asked for an investigation of the statements of Admiral Stirling; I have suggested that the State Department take charge of foreign relations and, if we really want to find the truth, we ought to have an investigation to set these matters straight. There is one way to down a controversy. If the Daily Worker is not telling the truth, then they can be prosecuted and sued for libel. In any event, with all of the statements and all the fuss stirred up by this admiral, something certainly should be done. We should not stand mute and let an admiral be the beginning of leading us into war.

I likewise offer various and sundry other quotations from the Daily Worker:

On Monday, June 10, 1935, Major General Graves is quoted as saying:

From my observation of Russian affairs ever since I was in the Far East in 1918, I can say that as far as I can see, there is no justification for a war against the Soviet Union.

Graves, in his book America's Siberian Adventure, published in 1931, created a sensation with his exposure of the fact that the "atrocities" attributed to the Bolsheviks, actually were committed by Kolchak and other White Guard generals whom the United States was supporting at the time with troops and money.

In the same article, it also says:

LEGION MEMBER SCORES ATTACK

Thomas J. Sullivan, former lieutenant commander in the United States Navy, and a member of the Elmhurst American Legion Post 298, told the Daily Worker:

"It is most unbecoming that a naval officer of high rank, in an active-duty status, should advocate a ganging up of nations to wage war against a friendly power merely because that power has vast natural resources which, it appears, are not being exploited for profit. This officer in the past has called for war with Japan to curb that nation's ambitious program in China. Yates has about reached the retirement age, and it is our experience that admirals at that age become exceedingly bloodthirsty. The necessity for prompt disciplinary action is evident."

The following appears in The Nation of June 19, 1935:

Naval and Army officers on active duty should be forbidden to write or speak publicly about international affairs unless in their official capacities they are interpreting the views of the Government. Otherwise foreigners will read official importance into what may be sheer personal ignorance or prejudice. Rear Admiral Yates Stirling, Jr., commandant of the Brooklyn Navy Yard, in the New York American of June 9 gives a picture of the European situation which may express the ideas of Hitler, but does not, we trust, reveal those of the President. Though he writes with less sensationalism than Mr. Hearst likes from his contributors on this theme, Admiral Stirling finds Russia the chief obstruction to recovery in Europe, comments sympathetically on Germany's belief that it is the bulwark against communism in Europe, and anticipates the coming of a united front under Germany's leadership. "Russia has, to all intents and purposes", he says, "withdrawn a fertile and populous land of over 8,000,000 square miles in extent, with a population of 165,000,000, from the usual economic intercourse with the world. This has upset the delicate economic balance of Europe." This is a new interpretation of the depression; 2 years ago Russian "dumping" was one of the causes. It will strike the Russians with some irony after their meager success in borrowing foreign capital. Writing of the German dream to line up the world against Russia, Admiral Stirling concludes with the question: "In the guise of such a crusade, cannot one see the outline of a daring plan, not only for laying forever the ghost of bolshevism but for opening up the fertile lands of Russia to a crowded and industrially hungry Europe?" If that is how the European struggle looks to the admiral, his superiors at Washington should send him some non-German reading matter. But whatever his opinions, he should resign from Government service before airing them.

Also, I offer an article from the New York Herald Tribune of June 11, 1935, and this is to give all angles in the case. I have tried, as much as possible, to give quotations from all parts of the national press and this can be the basis of an investigation. The Herald Tribune is a Republican paper, but an excellent newspaper. Let us get all the truth. The article is as follows:

STIRLING DRAWS HOUSE FIRE FOR ARTICLE ON REDS—ADMIRAL'S PLAN FOR WAR ON SOVIET BRINGS THREAT OF CONGRESSIONAL INQUIRY—RUSSIAN EMBASSY SILENT—STATE DEPARTMENT DISAVOWS OBSERVATIONS OF OFFICER

WASHINGTON, June 10.—Rear Admiral Yates Stirling, Jr., commandant of the New York Navy Yard, was under fire from three Members of the House today and a Congressional investigation was threatened as the result of an article written by the naval officer suggesting that an international alliance for a war on Russia and Bolshevism was possible, and that American markets would be open for the support of such an enterprise.

In addition to the threats from Capitol Hill, the State Department disavowed the observations of the admiral, and the Navy Department was quietly making an investigation. The Russian Embassy had not taken cognizance officially of the article.

"These are the personal statements of the admiral," the State Department said. "They do not in any way represent the views of the Government of the United States."

The Congressional fire against Admiral Stirling also was intensified by a demand upon President Roosevelt from the Womens' International League for Peace and Freedom that he dismiss him because he "had implied a war against Russia would be wise and advisable."

Representative VITO MARCANTONIO, Republican, of New York, announced he was introducing a resolution tomorrow in the House under the title of "What Price Patriotism." It would call upon the Naval Affairs Committee to find out how much money the officer received for his article. The Representative said he was also studying Navy regulations to determine if he would be justified in calling upon the Secretary of the Navy for disciplinary action.

"What kind of government Russia has is her own business," Mr. MARCANTONIO declared. "We recognized her, and she is therefore to be considered a friendly nation."

Representative BYRON N. SCOTT, Democrat of California, supported by Representative MAURY MAVERICK, Democrat, of Texas, announced he would introduce two resolutions tomorrow. One requests the House Naval Affairs Committee to investigate whether the admiral was trying to participate in the formation of diplomatic policy. The other calls on the House Foreign Affairs Committee to inquire into the implications of the speech, State Department policy, and the role of admirals in foreign relations.

The admiral's article, published in Hearst newspapers, cited bolshevism as in Russia as exaggerating the "unbalanced, explosive situation of Europe." He declared that Russia was "preparing for war" and said that the Soviets' "impounding" of essential raw materials had upset the "economic balance."

He asked if "a leader" would appear who would bind discordant elements together against Russia. He continued:

"The resources of the world can be assured to such an alliance only through the command of the seas. (This would be obtained should Great Britain throw in her sword on that side.) With the seas open for trade, the American markets could not be expected to remain closed.

"In the guise of such a great crusade, maybe yet inarticulate in men's thoughts, cannot one see the outlines of a daring plan, not only forever laying the ghost of bolshevism, but for opening up the fertile lands of Russia to a crowded and industrially hungry Europe."

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, William Randolph Hearst is performing one good service to the United States Government, and that is the fight he is making against communism. And because of this good fight he is making, I am constrained to forgive him for many of the evils for which he is responsible. Is there a man on the floor of this House who advocates what is going on now in Russia? If there is, I yield to him, because I want to see the color of his eyes.

Mr. HOEPPEL. Will the gentleman yield?

Mr. BLANTON. Does the gentleman advocate what is going on there now?

Mr. HOEPPEL. Will the gentleman yield?

Mr. BLANTON. Does the gentleman advocate what is going on in Russia now?

Mr. HOEPPEL. Will the gentleman yield for a question?

Mr. BLANTON. I asked the gentleman if he advocates what is going on now in Russia?

Mr. HOEPPEL. In reference to Russia; yes.

Mr. BLANTON. Then, the gentleman ought to leave this House; he ought to leave California; and he ought to go to Russia and stay there if that is the case. I do not yield further.

Mr. HOEPPEL. Will the gentleman yield? He did not get my question.

Mr. BLANTON. I yield to the gentleman from California.

Mr. HOEPPEL. I should like to say that I attended a banquet recently where Mr. Gannett, publisher of the Gannett newspapers, was the principal speaker, and he stated, as I understood it, that there is more democracy in Russia today than in any other nation in Europe except England. I am merely quoting Mr. Gannett.

Mr. BLANTON. If Mr. Gannett loves democracy as I do, and he thinks that way about it, he ought to quit the United States and go to Russia. May I make this suggestion to those who are always preaching Russia and who are at least sympathetic toward communism. Why do you not go where communism exists if you believe in it and do not like this country? If you do not like the country of Washington and Jefferson and the country of democracy go somewhere else where you think conditions are better.

Now, may I say also that the gentleman from Texas [Mr. MAVERICK] is a good soldier. He is just a little effervescent. He is just "popping off" here every day; but do not get the wrong idea about the gentleman from Texas [Mr. MAVERICK]. He comes from one of the best families in the United States and nothing bad should come from the loins of his progenitors. This is just a wild whirlwind he has got himself into. Do not get the wrong impression about him. Wait until he is here a little while and settles down and you will find that he will become one of the most substantial and dependable men in this House. Just wait until he adjusts himself.

Mr. MAVERICK. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Texas.

Mr. MAVERICK. I just want to say that I hope the House will not get a bad impression of my colleague from Texas, Mr. BLANTON, either.

Mr. BLANTON. Mr. Speaker, I am getting tired of hearing American statesmen in the American Congress get up here and give aid and comfort to, and preach sympathy for the infamous Communists who are now trying to disrupt every government on the face of the earth. I am not going to lend aid and encouragement to such enemies of good government.

If I had my way about the matter—and I hope Congress will make provision for it before we adjourn—no Communist Party would ever again have their name on any ticket in any election in the United States. [Applause.] Why, if they believed in orderly government of any kind, it would be all right. If they believed in some form of orderly government, it would be all right. But they do not believe in order; they do not believe in law; they do not believe in a constitution; and they do not believe in government.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

Mr. KVALE. Mr. Speaker, reserving the right to object, I hope the gentleman will not advocate the taking away of the privilege of the ballot from the Farmer-Labor Party.

Mr. BLANTON. Not unless they get mixed up with the Communist Party.

Mr. RICH. Mr. Speaker, I should like to have a half minute——

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, I want to remind you colleagues again about Emma Goldman and Alexander Berkman. During the war they were two of the most notorious anarchists in history. We spent thousands of dollars to deport them and send them to Russia. They stayed there a while and sent back word to the United States over their signatures that they would rather spend the rest of their days in a penitentiary in the United States than to live free in Russia.

My God, are there any men in this House who would preach and advocate what is now going on in Russia? I do not ask you to read anything in the Hearst papers except what he is telling you about Russia. [Laughter.] But read what he tells you about Russia. The people there have been deprived of all rights. They are told when to go to bed, when to get up, what to do, and how to do it, and then most of the product of their labor is taken from them. Read the statements that Hearst's representatives have brought back from Russia and they ought to turn every sympathizer in this House into a unanimous and concerted fighter against communism and against lawlessness and against disorder. [Applause.]

This is all I have to say, Mr. Speaker.

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, in reference to the statements of condemnation of Russia, I want to ask the gentleman from Texas whether Russia is the country which the President of the United States recognized about a year ago?

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

Mr. SNELL. Mr. Speaker, reserving the right to object, are we going to consider bills on the Private Calendar or listen to speeches all the afternoon?

Mr. TABER. Mr. Speaker, I object.

Mr. SNELL. Mr. Speaker, I object to any more speeches.

Mr. MAVERICK. The gentleman is missing a lot of wisdom. [Laughter.]

Mr. BUCKLER of Minnesota. Mr. Speaker, I ask unanimous consent to address the House for 7 minutes.

Mr. SNELL. Mr. Speaker, I object.

LEGISLATIVE APPROPRIATION BILL, 1936

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Indiana? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. LUDLOW, SNYDER, ZIONCHECK, DOCKWEILER, MORAN, BUCHANAN, and POWERS.

JUDGE OF DISTRICT COURT OF MASSACHUSETTS

Mr. SUMNERS of Texas submitted a conference report on the bill (H. R. 4665) to authorize the appointment of a district judge to fill the vacancy in the district of Massachusetts occasioned by the death of Hon. James A. Lowell.

AMENDMENT TO MIGRATORY BIRD HUNTING STAMP ACT

Mr. JONES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7982) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes, with a Senate amendment, and agree to the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 15, after line 13, insert:

"TITLE VII—CONTINUANCE OF APPROPRIATIONS

"That there is hereby appropriated out of the unexpended balance of the sum of $3,300,000,000 appropriated by the act of June 16, 1933 (48 Stat. 274), making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and for other purposes, the sum of $6,000,000, which shall remain available until expended, to enable the Secretary of Agriculture to acquire by purchase or otherwise such lands as may be necessary in his opinion adequately to provide for the restoration, rehabilitation, and protection of migratory waterfowl and other wildlife and to erect and construct thereon and in connection therewith such buildings, dikes, dams, canals, and other works as may be necessary; and in the execution of this joint resolution the Secretary of Agriculture is authorized to make such expenditures for personal services in the District of Columbia and elsewhere as he shall deem necessary."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Speaker, I move to concur in the Senate amendment with an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. JONES moves to concur in the amendment of the Senate with an amendment as follows: Strike out the words "joint resolution" wherever they appear therein and insert in lieu thereof the word "act."

The motion was agreed to.

A motion to reconsider was laid on the table.

CENTRAL STATISTICAL COMMITTEE AND CENTRAL STATISTICAL BOARD

Mr. HARLAN. Mr. Speaker, I call up House Resolution 249.

The Clerk read as follows:

House Resolution 249

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 7590, a bill to create a Central Statistical Committee and a Central Statistical Board, etc. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Expenditures in the Executive Departments, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendments the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. HARLAN. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. RANSLEY] 30 minutes. I do not know that there will be much opposition to the rule.

This is a rule to provide for the consideration of H. R. 7590, a bill to provide for the establishment of a Statistical Board and a Statistical Committee. Following the dissolution of the Efficiency Bureau, the President, under authorization from this House, appointed a Statistical Board, a Board to perform the functions of the Board provided for in this bill. That Board will go out of existence on the 16th of June unless this Congress takes some action.

Mr. MANSFIELD. Will the gentleman yield?

Mr. HARLAN. I yield.

Mr. MANSFIELD. Would it not be proper to have this work done under the Bureau of the Census?

Mr. HARLAN. The Bureau of the Census is one of the group taking statistics for the Government. The gentleman from Mississippi, who will explain the bill, will go into that question with greater detail than I can.

The Bureau of the Census has not existing powers sufficiently broad to cover this work. There are a great many types of statistics that are being gathered by different agencies of an entirely different work than that which is done by the Bureau of the Census. The Bureau of the Census will function under this Statistical Board.

Mr. TABER. Will the gentleman yield?

Mr. HARLAN. I yield.

Mr. TABER. Does the gentleman mean that this bill abolishes the Bureau of the Census and puts it under this Board.

Mr. HARLAN. Oh, no; this is not a board that commands any other governmental agency now operating. It is a coordinating board acting under Executive powers. There will be three members of the Cabinet appointed as a committee that will direct the Board. The purpose of this bill is to give the different bureaus that are overlapping activities in many cases work as a unit, and have one place where Members of Congress can go for information, no matter as to what type of statistics they want—they can go to this one place and get it. It will be a matter of collecting information and avoiding duplication.

Mr. TABER. Would it not be better if we conferred this authority upon some organization already set up?

Mr. HARLAN. It is the continuation of an organization already set up.

Mr. TABER. But it has not been functioning; and how will it in the future?

Mr. HARLAN. I would rather have the gentleman from Mississippi [Mr. WHITTINGTON] answer that question.

Mr. WHITTINGTON. Mr. Speaker, if the gentleman will permit me to answer the gentleman from New York [Mr. TABER], this bill provides for continuing the functions of the present Statistical Board, which has been functioning and, according to the hearings before our committee, quite efficiently for the past year and a half, or 21 months.

Mr. HARLAN. Mr. Speaker, I reserve the remainder of my time.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, inasmuch as I was not privileged to attend many of the hearings, I have asked the gentleman from Pennsylvania to take charge of the time. However, I have quite carefully gone into this legislation and I am taking time under the rule to explain some of its main features. I am hesitatingly approving the legislation, knowing that we are already overburdened by too many boards and too much bureaucracy. This, however, is simply carrying on emergency legislation, making it permanent for a period of 5 years. I am inclined to think that the administration might, if it would, make good use of this. One of the persuasive arguments that appeals to me is that President Roosevelt has said:

> I wish to use this position of high responsibility to discuss up and down the country, in all seasons, at all times, the duty of reducing taxes and of increasing the efficiency of the Government, and of cutting out the underbrush about our Government, and getting the most public service for every dollar.

I am inclined to think that this is an opportunity that we may give him for cutting out a good deal of underbrush. How many of you have read that recent book, Handout? Perhaps there may be something in it that will excite your curiosity, even if you do not fully approve of it, or may challenge some of the statements in that book, but we all know that large numbers of employees have been added to practically all departments in gathering censuses and statistics, and, of course, it is high time that these be at least coordinated. Under the National Recovery Act, the President was allowed to set up this Central Statistical Board.

I cannot go into that at length, but any Member of this House can read the hearings and judge of the results claimed by those who compose this Central Statistical Board. The bill does not carry a large amount of money. There is to be a chairman of the Board, and no one seems to be able to speculate as to whom he shall be. He will be appointed by the President and receive a salary of $10,000 a year. There will be 13 other members, 10 of whom must already be on the pay roll of the United States Government, and they will receive no further salary. Three others may be appointed who are outside the Government at the present time, and they shall receive $25 a day and expenses. The total amount paid is to be $180,000, of which all but $10,000 will be expended for personal services in the District of Columbia. The committee will consist of the secretaries of three departments—the Department of Labor, the Department of Commerce, and the Department of Agriculture. These three are the principal departments that gather most of these statistics. Amendments may be offered here asking that other Cabinet members be placed on the committee, lest their departments be interfered with. The Department of Justice expressed a little concern lest it may be forced to disclose information that it might not properly disclose.

An important feature of this bill, and it will be challenged, is that it has no teeth in it. Those who came before the committee claim that thus far they did not need to put teeth in it; that every recommendation made by the Board had been accepted in all departments. Therefore they need only to investigate and advise in these matters. There is in the bill, however, authority to advise with and help any statistical service in the United States. That may well be looked into when the bill is read—whether or not we should set up a large department of employees who could go into any part of the country to offer help and advice to any statistical agency.

I might comment on many features of this report, but I do not intend to take the time to do so now.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. SNELL. The gentleman says the Commission has been in force about 2 years. How many statistical departments in the various bureaus have been dropped because of that?

Mr. GIFFORD. I cannot answer that, but it would be ridiculous to assume that they have dropped any in this administration. They claim to have brought about coordination in various bureaus doing overlapping work, suggesting better methods, and have brought about much saving in the expense of gathering of statistics.

Mr. SNELL. How many men are gathering statistics in the departments at the present time as compared with 2 years ago?

Mr. GIFFORD. I cannot answer that, because we have not the figures. The gentleman knows that under the F. E. R. A. they have put a lot of people to work gathering statistics on almost everything.

Mr. SNELL. I would be for this Commission if I thought it was going to do anything along the line of decreasing the number of employees in the Government, but if it is going to increase them, then I am opposed to it.

Mr. GIFFORD. The answer to that is that this bill ought to bring about a weeding out of a great many of these agencies which are duplicating agencies. If we have the right man at the head of it, and he is free from executive interference so that he can be independent, I think if he does his duty, he could weed out a tremendous amount of these census-taking things that are now being operated.

Mr. WHITTINGTON. Will the gentlemen yield?

Mr. GIFFORD. I yield.

Mr. WHITTINGTON. It is a fair statement from the hearings that already, during the tenure of this Statistical Board, there have been eliminated many duplications.

Mr. GIFFORD. Yes. I call attention to the fact that in the report, which we do not have time to discuss at this time, there are many statements made showing that they have made real progress. The persuasive argument to me has been that prominent men in the country have indicated they are for it. I will refer to Professor Bullock of Harvard University, who wrote me a letter stating that he has given this bill careful consideration, and he says that for many years this has been a much-desired act of legislation. He comments that when a new department head comes in, all the work of the foregoing department head may be laid aside, new methods are advanced that are perhaps no better than they had before, and often postpone results until too late to be useful.

The State Department related that this agency gathered for them very often figures on the economic conditions of the country that were put over the Navy radio to inform their representatives in foreign countries of the economic conditions in this country. However, we know in recent days that the economic conditions of the country can be and have often been very badly misrepresented.

Mr. Speaker, on the whole, as I said before, while this is an attempt to set up something that we already have under an emergency, I am inclined to believe, and I know that if properly administered, it would do a lot of weeding out and would save a lot of duplication. Therefore, I am constrained to support the bill.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. GIFFORD] has expired.

Mr. RANSLEY. Mr. Speaker, we have but one other speaker. I prefer that the gentleman from Ohio would use some more of his time.

Mr. HARLAN. Mr. Speaker, I do not believe we shall use any more time on the rule.

Mr. RANSLEY. Then I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this bill creates a board to have charge of certain statistical operations. It is a board of Cabinet officers. Then it provides for a board of 13 additional members, the chairman of the board to be the chief executive officer, to receive a salary of $10,000 a year. It provides for appropriating $180,000.

There is nothing in the world that is worse than the creation of boards. The efficiency of Government is reduced every time a board is created. If we were doing anything that would accomplish anything, I should be for it, but the trouble with this is that it is another board, the creation of a set-up that will just spend a lot of Government money. This kind of a set-up could be just as well established under some Cabinet officer. It could be put under the Department of Commerce, under the Bureau of

the Census, and we would know where every bit of it was and we would know where to go, and we would be able to work out something. But in creating this kind of a board we scatter our fire all over the lot. It becomes perhaps as the old Bureau of Efficiency became, a bureau for the promotion of new activities and larger activities. That is why I do not like to see such a thing as this established.

I am frank to say I had never heard of this organization prior to the time I came into this Chamber today. I am sorry that no one has attempted to explain what it might do. For that reason I cannot say just what I would like to say about it. The whole set-up looks bad, and I hope that the Congress will not go into this sort of thing and create, as an almost permanent proposition, a new organization and a new set-up that will cost a lot of money. Once a new set-up is established, we almost never get rid of it.

Mr. HARLAN. Will the gentleman yield?

Mr. TABER. I yield.

Mr. HARLAN. The gentleman is aware, of course, that it is provided in the bill that the members of the Board, if drawing salaries otherwise under the Government, shall not receive any salary for this activity?

Mr. TABER. Aside from the chairman of the Board.

Mr. HARLAN. And under present conditions, the man who is supervising this thing is an officer in the employ of the Government, Mr. Dickinson, and he will not draw any salary, and the committee members will not draw any salary. The proposition is simply the continuation of a board that already exists. It is not the creation of a new board.

Mr. TABER. There is a general statement that there will be and have been certain accomplishments. There is no specific statement of the accomplishments of this Board which would justify anything in connection with it.

Now, I think that the tendency has been all wrong in going ahead and creating new boards to do things which ought to be done under the general set-up of the Government. I think we ought to go along without setting up this Board with statutory authority.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. TABER. I yield.

Mr. WHITTINGTON. I am just wondering if the gentleman has read the hearings and statements furnished to the committee with respect to the eliminations that have been made and the savings that have been made by this Board since it has been in existence for a year and a half?

Mr. TABER. Does the gentleman just mean that?

Mr. HARLAN. Yes.

Mr. TABER. With respect to duplications that have been made by this Board?

Mr. HARLAN. No. I said the elimination of duplications and the economies that have been made as a result of the activity of this Board.

Mr. TABER. I have not had a chance to read them in detail. I do not see how the setting up of a board can accomplish anything. I have always favored having this sort of thing set up under an executive whose business it was to do that sort of thing and not under a board of 15 or 16 members, to divide up authority and prevent in itself efficiency in its operation.

Mr. WHITTINGTON. May I suggest to the gentleman that those who have been connected with the collection of Government statistics advise us that this is the very best board they are able to recommend to the Congress, the very best agency; and I think the evidence supports their statement that it has resulted in economies and has eliminated and especially will eliminate duplication.

Mr. TABER. I would like to hear of some of the duplications that have been corrected, for I have not been able to find any in the hearings of the Committee on Appropriations, and I have followed them pretty closely for the last 12 years.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. CARTER. Can the gentleman tell me how many employees have been dispensed with by reason of the operation of this Board, or how much money has been saved to the Federal Government by reason of the operation of this Board up to this time?

Mr. TABER. No; I cannot. I really doubt if there have been any savings, but I am open to conviction.

Mr. HOUSTON. Just an observation there: The different agencies of the Government asked an appropriation of $16,000,000 in the last year to gather statistics, but through the operation of this Board over $13,000,000 was saved, as the gentleman from Mississippi just stated, by the elimination of duplication and overlapping of different agencies gathering statistics.

Mr. TABER. I would like to see some of the details of that, because nothing of the sort has been reflected in any of the appropriation bills.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. RICH. I would like to state to the gentleman from New York that the duplications that were corrected were mostly all under the new set-up in the last 2 years, the new Government organizations; and very little work has been done on the old departments of the Government.

Mr. TABER. Oh, it was a coordination of the activities of the so-called "emergency organizations."

Mr. RICH. The gentleman is absolutely right.

Mr. TABER. And those items that were paid for out of relief money, so-called, rather than a coordination of the regular governmental activities.

Mr. RICH. That is right.

Mr. TABER. There is no question but that coordination and consolidation are needed. They should have one man at the head instead of a great big board of from 14 to 17; then something would be accomplished.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. CARTER. Under the authority granted the President, has he not ample power to coordinate any of the regularly established Government bureaus or departments?

Mr. TABER. I doubt if the President had the authority that it would result in very much along that line. I think the authority has about expired.

Mr. WHITTINGTON. It has, absolutely; he has no authority whatever along this line.

Mr. MAY. Mr. Speaker, will the gentleman from New York yield that I may ask a question of the chairman of the committee?

Mr. TABER. I yield.

Mr. MAY. I do not know anything about this bill and I have not had an opportunity to read the hearings. As a general proposition I take the word of the committee that reports a bill and usually vote that way. When a board is set up and they seek further power or authority they usually have a good story to tell. What I want to know is whether or not the hearings disclose any opposition to this board; and, if so, who was heard in opposition?

Mr. WHITTINGTON. Mr. Speaker, will the gentleman from New York yield that I may reply to the gentleman from Kentucky?

Mr. TABER. I yield.

Mr. WHITTINGTON. I may say that, as I understand it, there is no opposition either in the committee or from any source on the outside. I may also say that I am sure the committee, as is the usual custom, considered the bill on its merits and from all angles. We are now considering the rule and not the bill.

[Here the gavel fell.]

Mr. HARLAN. Mr. Speaker, does the gentleman from Pennsylvania desire to use any more time?

Mr. RANSLEY. No.

Mr. McFARLANE. Mr. Speaker, will the gentleman from Ohio yield me a few minutes for the purpose of asking a question?

Mr. HARLAN. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. I should like to know the expense involved in the continuation of this Board.

Mr. WHITTINGTON. The bill provides an authorization of not exceeding $180,000. That is the maximum amount

that has been spent by the Board since it has been in existence.

Mr. McFARLANE. How can the gentleman reconcile the creation of this Board with the pledge in the national Democratic platform to reduce expenses 25 percent, to abolish useless boards, and to stop creating additional boards and commissions?

The 1932 Democratic platform reads as follows on this point:

> We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

Mr. WHITTINGTON. I know of no better way to answer the gentleman's question than to point out the economy of creating some agency that will enable the Executive to make those reductions.

Mr. McFARLANE. Have any such reductions been made?

Mr. WHITTINGTON. I think there have been reductions in the cost of collecting statistics, which is the matter under consideration.

Mr. McFARLANE. What reductions have been made? That is the point I am coming to.

Mr. WHITTINGTON. I shall be very glad to discuss that when the bill comes up for consideration. I call the gentleman's attention to one particular request enlisting the services of this Board which has been in existence only during the emergency. The Board was requested to pass upon the advisability of an application from the Department of Agriculture for a farm-housing survey for the expenditure of around $11,000,000 to promote better housing in the United States. I am not saying that this Board is entitled to credit for the reduction, but as a result of the studies of this Board only $1,000,000 was spent instead of $11,000,000 for this survey in the United States.

That is but one instance. I shall be very glad to enlarge on this further when we dispose of the rule and take up the bill for consideration.

Mr. HARLAN. Mr. Speaker, I yield 2 minutes to the gentleman from Maine [Mr. HAMLIN].

Mr. HAMLIN. Mr. Speaker, I have attended punctually the meetings held in reference to this bill. I have heard it discussed thoroughly from all standpoints. I have heard the Members who are committee members speak in reference to this matter, and without serious objection the bill has been agreed to by the committee, and they believe that it will save money and will not result in additional expenditures. This will simply give the sanction of Congress to this committee. All of the members of the Cabinet who have spoken have asked for this measure. I am thoroughly in favor of the bill as a matter of economy, efficiency, and of good democracy. [Applause.]

Mr. HARLAN. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. GASQUE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7590) to create a Central Statistical Committee and a Central Statistical Board, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7590, with Mr. RANKIN in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. GASQUE. Mr. Chairman, I yield 15 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, the bill under consideration provides for the creation of a central statistical committee and a central statistical board to plan and promote the improvement, development, and cordination of and the elimination of duplication in statistical services carried on by or subject to the supervision of our Federal Government, and, so far as may be practicable, of other statistical services in the United States.

Those who do the work contemplated by this legislation are experts and economic advisers trained in economics and in statistics. These experts in statistics and economic advisers are not only important in the work of the Government, but they are exceedingly important in business, in commerce, and in banking. There are many statistical agencies in the Government of the United States. In the very nature of things it is important for the various executive departments to have power and authority to provide statistics for the use of their departments and for the use of the public. Business men and business institutions rely upon the statistics furnished by the Government in the conduct of their business. Farmers throughout the Nation look to statistical reports furnished by the Government in connection with their agricultural pursuits. For more than 25 years there has been a need for just such an agency as contemplated in the pending legislation.

President Theodore Roosevelt created an interdepartmental committee as far back as 1908 to accomplish the purposes contemplated in the act. Upon the declaration of war in 1917 statistical bodies were provided that were necessary in the very nature of the case for the prosecution of the war. As has been suggested in the argument on the rule, we had an efficiency committee, but that was abolished under the act of 1932, the first of our so-called "consolidation acts" passed just before the Hoover administration retired. During the depression and with the large expenditure for the relief of unemployment and to provide for the return of recovery, at once the need for a statistical clearing house was apparent.

There was created under the Budget a Federal Statistics Board in 1931. Its functions were limited so that shortly after the passage of the National Industrial Recovery Act and by virtue of authority vested in the President under the terms of that act, by Executive order a Statistical Board was created. This Board's functions for the first 6 months were largely to examine all of the statistical information submitted to the various emergency agencies by those who desired public expenditures, and, as I stated a few moments ago, among other applications made to the Public Works Administration was an application by the Department of Agriculture for an allotment of approximately $11,000,000 to make a national survey to determine the farm-housing needs of the Nation. This committee was able to cooperate and to examine the matter, go into statistics already available and, in other words, get to the very root of the problem. As a result, instead of an allotment of $11,000,000 having been made, an allotment of a million dollars, as I recall, was finally made for this purpose.

By Executive order in 1934 the functions of this Board, having been created under the National Industrial Recovery Act in August 1933, were enlarged to provide for supervising the various statistical agencies of the Government and rendered, as disclosed by the hearings, very efficient service.

Dr. W. W. Riefler, the Economic Advisor of the National Emergency Council was transferred by the third Executive order to this Board. He received a salary of $10,000 a year as economic advisor to the National Emergency Council, and acted as chairman of the Board. He resigned some time ago and the Assistant Secretary of Commerce, Mr. Dickinson, has been acting as chairman of this Board, which has been functioning now for something like a year and a half.

The hearings disclosed that the Board has examined some 200 statistical inquiries projected by the various Government agencies and have been of valuable assistance in the statistical work of the Government in addition to providing for economies. Under the terms of the National Industrial Recovery Act this Board will cease to function on June 16, 1935. There was passed the act in 1933, that gave the President the power to regroup and eliminate commissions and bureaus. That was an amendment of a similar act passed in June 1932.

As is well known to the membership of the House, I have advocated efficiency and economy, the elimination of useless bureaus and the elimination of useless commissions. I have advocated this both under Republican and Democratic administrations. Usually the only way that can be done is by conferring that power and authority on the Executive, because I agree with the general statement that it is exceedingly difficult for the Congress or any other legislative body to abolish bureaus and commissions.

This bill provides for a supervising board. There are many important governmental statistical agencies.

We have had legislation session after session to base the currency of the United States very largely upon statistics issued by the Department of Labor, by the price index of some 785 articles. I know of no more important work than the statistical work that is being done by the several agencies of the Government.

I am opposed as much as any man to the creation of additional agencies unless they can accomplish good. It is the province of the Congress of the United States to create such an agency when it can accomplish good, and it is for the Executive to make use of it, and this bill, like any other law, depends for its success upon its administration.

Now, inasmuch as there are cases of duplication in the various statistical agencies of the Government, and inasmuch as those who deal with statistics are experts, so to speak, this bill provides for the creation first of a committee——

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. In just a moment. I should like first to make and finish a connected statement, and then I shall be pleased to yield to the gentleman.

This bill provides for the creation of a committee of the Cabinet composed of the Secretary of Agriculture, the Secretary of Labor, and the Secretary of Commerce. The Bureau of the Census is in the Department of Commerce. Important statistics, as I have stated, are issued by the Department of Labor. All of us know that in the Department of Agriculture daily, as well as annually, important statistics are issued. Now, the agency is a board operating under the supervision of this committee and under the direction and authority of the President, and this board is to be composed of 13 members. At least 10 of these members are to be officials in the various executive departments that are engaged in the business of collecting statistics for that department, and they are to be brought together under the supervision of a chairman who is to receive $10,000 a year.

I favor efficiency; I favor economy; but if this bill, legislatively, is to be made effective, the chairman of this Board will be an important official. He will be called upon to deal with Cabinet members, and he should be a man of outstanding prominence and professional competence, so that his opinions will command the respect of Cabinet officers and the respect of those who receive similar salaries engaged in the collection of statistics in all the branches of the Government. It is provided there may be three other members appointed, and while in the actual discharge of their duties they are to receive $25 a day.

Mr. TABER. Will the gentleman yield for a question at this point?

Mr. WHITTINGTON. I yield to the gentleman from New York.

Mr. TABER. The gentleman has made the statement there are duplications in the gathering of statistics. I wonder if the gentleman would now tell us about some of those duplications.

Mr. WHITTINGTON. I cannot go into the details, but I may refer the gentleman to pages 45 and 170 of the hearings and the statements of those who appeared before our committee, and the report of the Board, and I will also repeat, for the benefit of the gentleman from New York, what I said a few moments ago that for the first 6 months' period of its existence this Board was engaged primarily in undertaking to coordinate the emergency work. There was not the opportunity, and there has not been during its period of existence, the opportunity or the time, because of the tremendous expenditures that we have made to promote employment for this Board, to go into the matter of the elimination of duplications, such as the hearings indicate could be done. As a matter of common knowledge, you and I and others receive reports from various executive agencies of the Government and from various Cabinet departments that are in a measure duplications. This bill provides that in the future operations of this Board, these duplications, largely, may be eliminated. The work, information, and important economies of the Board are set forth in the hearings, and especially the report of the Board, pages 121 to 128, and 128 to 140, inclusive, of the hearings.

The bill provides that the employees, largely, as I say, experts, with, of course, clerical help, under the Board that now exists and that will automatically expire in June, upon taking competitive tests, may be covered into the classification service.

The powers of this Board are set forth in section 5 and are as follows:

(a) At the request of the President or the committee, or may of its own motion, investigate and make recommendations with respect to any existing or proposed statistical work carried on by an agency of, or subject to the supervision of, the Federal Government.

(b) Have the power, with the consent of the agency concerned, to investigate and make recommendations with respect to any existing or proposed statistical work carried on by any agency in the United States other than the agencies specified in subsection (a) of this section.

According to the hearings, many business institutions furnish the Bureau of the Census with information which ought to be kept confidential, without being generally circulated, and in the collection of statistics in the Department of Justice respecting crime there are many statistics that are not available to the public and ought not to be available and by special law are not available at times. This information, in order to detect crime, particularly in the Department of Justice, must be retained by that Department and not promulgated by this Board or by any other agency of the Government, and for this reason your committee has suggested an amendment to paragraph c, providing:

That this subsection shall not be construed to require or to make lawful any disclosure of confidential information when such disclosure is specifically prohibited by law.

The committee also recommends an amendment that this agency be limited to an existence of 5 years. Our thought was that this would be a spur to greater efficiency. As a matter of common knowledge, we know that there must be, in the very nature of the case, many duplications in the matter of the collection of statistics in the Government that can be eliminated by the work of this Board, and for this reason it was the judgment of the committee that the functions of the Board should be limited to 5 years.

I may say here that it has been suggested that this Board might have been placed under the Bureau of the Census.

A moment's reflection will convince one that such action would be unwise. The whole purpose is to supervise all departments, and for that reason I think it would be unwise for any existing department to act as a supervising agency for all.

Now, it was suggested that there should be teeth in this act. The powers of the Board are advisory and directory rather than mandatory. In the very nature of things they must be advisory and directory and not mandatory.

[Here the gavel fell.]

Mr. GASQUE. I will yield the gentleman 3 minutes more.

Mr. WHITTINGTON. In response to the suggestion made by the gentleman from Massachusetts, the gentleman from Ohio [Mr. HOLLISTER] and other lawyers on the committee, suggested that if we undertook to make the powers of this Board, responsible to the President, mandatory, we would interfere with the Executive in the performance of his functions through his Cabinet officers and the interference might be illegal. So we require the Board to make reports to the committee and then the committee will doubtless make reports to the President of the United States. They should be available to Members of Congress. If the President as he

has demonstrated by the creation of the existing Board desires, as he most assuredly does, to economize and eliminate waste and duplication the work of this Board will be of benefit to him in the execution of his policy. The success and benefit of all laws depends more upon their administration than upon their terms. President Franklin D. Roosevelt as a result of his advocacy of the Economy Act became the outstanding statesman of his day.

Mr. DONDERO. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. DONDERO. Will the statistics collected by this Board be available to Members of Congress?

Mr. WHITTINGTON. Yes; through the committee.

Mr. RICH. Will the gentleman yield?

Mr. WHITTINGTON. I will.

Mr. RICH. My colleague made the statement that he wants to eliminate boards. I question in my own mind whether it would not be better to have the committee eliminate overlapping and duplication rather than trying to have it put up to the President.

Mr. WHITTINGTON. This was the best possible agency we could devise. If we undertook to make it mandatory, we would interfere illegally with Executive powers and functions. The Secretary of Agriculture might say that he required certain information, and the Secretary of Labor might maintain that she requires certain information. If the President sees that there is duplication, the President can correct it.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, under the leave to revise and extend my remarks, I include the following report from the Committee on Expenditures in the Executive Departments:

[H. Rept. No. 1084, 74th Cong., 1st sess.]

CREATING A CENTRAL STATISTICAL COMMITTEE AND A CENTRAL STATISTICAL BOARD

Mr. WHITTINGTON, from the Committee on Expenditures in the Executive Departments, submitted the following report to accompany H. R. 7590:

The Committee on Expenditures in the Executive Departments, to whom was referred the bill (H. R. 7590) to create a Central Statistical Committee and a Central Statistical Board, and for other purposes, report the bill with amendments and recommend that the bill as amended do pass.

The hearings conducted on the bill disclosed that for 25 years there has been need for a central coordinating agency for statistical services. In 1908 an interdepartmental committee was appointed to investigate the problem. An effective coordinating agency was established during the World War, but it was subsequently allowed to lapse. The number of Federal agencies engaged extensively in statistical work was already large in 1929. Since that time the number has been materially increased. The Federal Statistics Board, established in 1931, was inadequately equipped. The coming of the depression made the need for a statistical coordinating agency vastly more urgent than it had previously been. Policies toward economic recovery, and for the revival of business activities, brought demands for more extensive and for more economical conduct of statistical work.

The Central Statistical Board was, therefore, by Executive order, and pursuant to authority vested in the National Industrial Recovery Act, established by the President on July 27, 1933, and by Executive amendatory orders on May 4, 1934, and April 8, 1935, the powers of the Board were enlarged and the office of the economic adviser to the National Emergency Council was transferred to the said Board. The regular expenditures made, and the estimated expenditures to be made, for the year ending June 30, 1935, by the Board, and by other agencies for the Board, aggregate approximately $180,000.

The Central Statistical Board during substantially the 1½ years of its existence has rendered valuable service in the coordination, improvement, and economical operation of the statistical services of the Government. During the first 6 months after its establishment, of necessity, it was occupied by problems of emergency nature which were referred to it by Federal statistical agencies demanding urgent attention. For the past 12 months, in addition to handling said problems, the Board has devoted itself in an advisory capacity in planning and promoting the improvement, coordination, and economical conduct of statistical work. It has taken the initiative in devoting itself to problems for the long-range development and improvement of statistical services. As a result of reviewing statistical problems that have been submitted by other Federal statistical agencies important economies have been effected by the elimination of unnecessary inquiries, and duplicate inquiries have been avoided by the coordination of mailing lists.

More careful planning of inquiries has been encouraged and better information has been obtained.

The comparability of data collected by different agencies and of their classifications has also been improved.

The problem of coordination and the improvement of statistics is a continuing one. The Board was created by Executive order under the National Industrial Recovery Act as an emergency agency and will cease to function on June 16, 1935. The progress that has been made in the coordination and improvement of statistical work warrants a statutory authorization for the continuance of the services heretofore rendered by the Board. The bill under consideration is to provide for such a board, inasmuch as the President is without authority by Executive order to create or continue the Board, or a similar organization.

ANALYSIS

The bill provides for the creation of a board to consist of a chairman to be appointed by the President, with not to exceed 13 additional members, 10 of whom shall be persons already in the service of the United States. All of the executive departments provide for statistics, and the plan is that the representatives from the executive departments trained in statistical work shall be members of the board. The chairman will be the executive officer, and inasmuch as members of the board are technically trained in statistics, economics, and public administration, and inasmuch as the board is empowered to advise and inform executive departments respecting statistical services, the chairman of the board must be a man of outstanding professional competence. The dignity of the office should merit the respect of the executive heads of the Federal Government and the statisticians in their departments. No additional compensation is to be paid members of the board already employed in the service of the United States.

The board shall have the authority to appoint its employees, subject to the civil-service laws and the Classification Act of 1923, with provision for the appointment of temporary employees who may pass competitive tests.

An appropriation not to exceed $180,000 annually is authorized.

The bill provides for a committee to be composed of the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Labor. It was suggested that other Cabinet members be added to the committee, but it was thought that a smaller committee would be more efficient. The Board is to report to this committee and is to perform such duties as the President or the committee may authorize, and make such reports as the committee may require. The Board is empowered to investigate and make recommendations with respect to any existing or proposed statistical work carried on by any agency of, or subject to the supervision of, the Federal Government. It may require any governmental agency to furnish it information and records. It is empowered to plan and promote the economical operation of agencies in statistical work and the elimination of unnecessary work, both on the part of such agencies and on the part of persons called on by such agencies to furnish information.

While there is no comparable existing organization or agency, it is believed that a limitation on the period of the existence of the agency would result in greater efficiency. The bill provides that it shall cease to exist after the expiration of 5 years.

Inasmuch as the Board deals with the executive agencies of the Government, the powers of the Board are directory and supervisory. In the very nature of the case they cannot be mandatory. Moreover, as the Board performs such duties as the President, or the committee, may authorize, it is believed that the power of the Board would be most persuasive. Duplications will be eliminated and economies will be effected.

FUNCTIONS

The Board will improve statistical information. It will promote economy in statistical work. It will furnish better information. It will eliminate duplications.

Such an agency is needed for the improvement of basic statistical information—

(1) To make it easier to locate available data on any given subject.

(2) To provide for the comparability of data compiled by different agencies.

(3) To plan for and to promote the filling of important gaps in available information either by dependable estimates or by the collection of additional data.

(4) To establish and maintain high standards of accuracy and honesty in the collection and compilation of statistics.

(5) To insure giving information as to the limitations and proper uses of available statistical data.

(6) To encourage greater promptness both in the operation of existing collection services and in the adaptation of these statistical services to changed needs for information.

Again, the statistical agency provided in the bill is needed for the economical conduct of statistical work—

(1) To prevent unnecessary work and unnecessary duplication of work both on the part of statistical agencies and on the part of those called on for information.

(2) To promote the interchange of data and of ideas among the several statistical agencies.

(3) To plan and promote the most effective allocation of statistical work among the several agencies and to facilitate, when appropriate, the joint use of equipment and personnel.

(4) To spread information concerning and to widen the use of the best administrative practices, methods of work, and labor-saving devices.

SUPPORT

The President and the Cabinet are in accord with the purposes of the proposed bill. The Secretary of Agriculture, the Secretary of Labor, and the Assistant and Acting Secretary of Commerce

appeared before the committee and submitted constructive statements and arguments in behalf of the legislation. The bill is approved by the Secretary of the Treasury, by the Secretary of the Interior, by the Governor of the Federal Reserve Board, by the Chairman of the Tariff Commission, by the Director of the Budget, and by the statisticians and economists in charge of the statistical services of the several executive departments.

The bill will provide for the continuation of economic and improved information and for the elimination of duplication, as well as for the coordination of statistical work in the executive departments of the Government.

Mr. RICH. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I am sure the members of the committee want to act carefully and intelligently on this subject. I am going to present the picture of this situation, as I think every Member of the House ought to have it before him as he approaches this problem.

This is an attempt to set up a coordinating body in the Government to pass on the statistical operations of the Government.

We are told that it will cut out and eliminate waste. This is, as you will see, if you will follow me for a moment, the setting up and creation of a board for duplication and waste. The expenditures of the Government are supposed to be controlled and recommended to Congress by the Bureau of the Budget. The Bureau of the Budget is supposed to go over the activities of the different departments and commissions of the Government, and to cut out those things which create and bring about duplication and waste. Every time you scatter your fire and create other boards and bodies for the purpose of doing that same thing, you destroy the effectiveness of the Bureau of the Budget. It is supposed to present to Congress a picture of the situation that is before the Government, a picture of the whole Government, so that the appropriations recommended for the different bureaus and departments of Government can be gone over and those things which are bad can be eliminated.

Mr. WHITTINGTON. As I stated a few moments ago, the functions of the very board that the Budget said was essential to aid it in its activities was transferred to this Board, and its functions are being carried on, and will be continued, and the Bureau of the Budget was one of the first executive agencies of the Government to endorse this bill.

Mr. TABER. Let me tell you what has been done and what is before the Congress right now in connection with the appropriation for the Budget. There is before the Congress at the present time an estimate providing for 2 executive officers and 8 investigators to go into the estimates of the different departments in more detail and coordinate them. This bill simply means a scattering of our fire in connection with possible economy measures. It means that instead of having an effective organization on the part of the Bureau of the Budget to cut down duplications and cross-fire activities, we are going to have a lot more scattering of the fire. This bill itself is a contradiction of the principles which it purposes to enunciate. The Bureau of the Budget is the authority which we have set up to do the job. They have the outfit to do it. If we pass this bill we scatter our fire and destroy the effectiveness of that Bureau which has its finger on the purse strings of the Nation, and is able to cut down by cutting down the estimates by refusing the transfers between the bureaus of the Government which would increase the funds for different purposes, and it is entirely destructive instead of constructive. It seems to me that if we are going to give the Bureau of the Budget this extra money and let them go ahead and do what they say they can do if they get it, that we are making fools of ourselves in creating another board which will work independently of the Budget Bureau to accomplish the things which the Bureau of the Budget ought to do itself. That is just what this bill does.

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. MILLARD. This Central Statistical Board was created by the National Recovery Act.

Mr. TABER. Yes.

Mr. MILLARD. It was brought about by reason of that act.

Mr. TABER. I suppose by the tremendous duplication of activities that were created under the authority that was given the Executive.

Mr. MILLARD. It was never thought necessary before the N. R. A. was in existence, was it?

Mr. TABER. I suppose that is so.

Mr. MILLARD. And this bill will save the employees under the N. R. A. and will do nothing else.

Mr. TABER. It will do more than that.

Mr. MILLARD. Will it create more jobs?

Mr. TABER. If the gentleman will permit me to call his attention to the hearings that this committee held, on page 45, to which we were referred by the gentleman from Mississippi [Mr. WHITTINGTON] when he stated that would show some of the accomplishments of the Board, I think I can convince him of what I say. I shall read some of the items on that page so that the gentleman may see the accomplishments.

Exhibit F. Central Statistical Board.

Regular expenditures by quarters and balance available April 1, 1935.

Skipping the details of the quarters to April 1, 1935, the total expenditures have been $70,318.18. That is for almost 2 years' activity, which means an average of $35,000 per year practically. This bill provides for an appropriation of $180,000 a year, or almost five times what was expended by the Board before, so that it does more than preserve the jobs. It creates more jobs.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. WHITTINGTON. I referred the gentleman to page 45, and I should have said that page gave a part of the costs of the Board, instead of the matter of economies and the elimination of duplications. The gentleman will find the work of the Board on pages 121 to 128, and 128 to 140 of the hearings, and I may also say that, instead of the cost being the amount shown on page 45, that is just a part of the cost, which is around $180,000, as disclosed by the hearings in a letter to our committee dated May 9, 1935, from the Board.

Mr. TABER. Does that mean that the statement on page 45 is not correct?

Mr. WHITTINGTON. No; it does not. It is correct. I said that was a part of the expenditures, but there have been other expenditures and other agencies that have been paid, not directly by this agency but by other agencies of the Government in the emergency period, that makes the aggregate about $180,000, and from now on these other agencies will be paid by this Board.

Mr. TABER. Does not the gentleman realize that if the Bureau of the Budget goes into this thing and coordinates it and cuts out the bad activities that accomplishes something, because it reduces the estimates sent up here and enables the Committee on Appropriations to eliminate them, while this operation is just a superimposed overhead and a duplication of activities of the Bureau of the Budget?

Mr. WHITTINGTON. Pardon me for repeating, but I stated that this Board, established by Executive order of the President, supplanted and took the place of the Federal Statistics Board that was under the supervision of the Bureau of the Budget, established by the Budget in 1931, and that it was really a continuation of the work of that Board in this emergency period, so that this is not an entirely new organization.

Mr. TABER. What board did it supplant?

Mr. WHITTINGTON. The Federal Statistics Board established by the Bureau of the Budget itself in 1931, no longer functioning, preserved by this Board which will expire in June.

Mr. TABER. Does not the gentleman think it ought to expire and let this job be done by the Bureau of the Budget, and cut out some of these expenditures instead of creating $180,000 more?

Mr. WHITTINGTON. I may say that Members of the Cabinet, practically without exception, disagree with the gentleman, and recommend the passage of this bill.

Mr. TABER. They generally are in favor of increasing expenditures.

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. RICH. Mr. Chairman, I yield myself 10 minutes.

I wish to say to the Membership of the House that H. R. 7590, creating a Central Statistical Board, is a bill presented to the Committee on Expenditures in Executive Departments for the purpose of perpetuating a committee that was established under Executive Order No. 6225 of the President of the United States, Mr. Roosevelt, July 27, 1933.

In committee we have conducted hearings on this particular bill. The representatives of the various departments were there. The Department of Agriculture, the Department of Commerce, and the Department of Labor were very much interested in being represented on the committee, as is stated in the bill, for they compose the committee under section 2. Other departments were represented as well, and they favored the enactment of this law, but every department that was represented, by either the head of the department or some other representative, wanted the bill to be enacted into law as is, without any authority given to the statistical committee to coordinate or eliminate the statistics that were found in one department, and to be overlapping in another department. They wanted the committee to sit down quietly and reason out with these various departments and try to have them eliminate certain overlapping functions. But every representative that was heard before the committee, who did not represent the head of one of the major departments of Government, wanted to have teeth put into this bill so that if a department was collecting certain data over the country and they found that another department was collecting similar data, then this committee could say to either department A or department B, "You are collecting data in your department, and department B is collecting very similar data to yours, and you should eliminate the work you are doing and accept the recommendations or data that is collected by the other department." They should enforce their findings.

As I say, every individual who was not directly representing a department said that the committee should have the power to ask one of the major departments to eliminate that excess work, as it were, thus cutting down the costs of government in gathering this data, and trying to coordinate the work so that it would be less expensive and less burdensome to the taxpayers of this country.

I want to call attention to one individual who represents a department. He has been a good Democrat for 35 years. He said that the bill will never function properly unless we have authority in the statistical committee to eliminate this duplicate work by enforcing their orders. I agree with him thoroughly. I think he was one of the most conscientious men who appeared before the committee, and I had hoped that we might add to the bill as proposed the power or authority that this Statistical Board might have in causing departments to eliminate undue and unnecessary statistical gathering work in the Government.

I want to insert in the RECORD at this time the personnel of this old Board. I want to show you the salaries that the members of this Board are receiving.

Mr. Chairman, I ask unanimous consent to insert this statement in the RECORD at this point as a part of this proceeding.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The matter referred to is as follows:

PRIMARY STAFF CENTRAL STATISTICAL BOARD

Leonard P. Adams, associate research assistant, $3,200: A. B., Alfred University 1928; M. A., Cornell University 1930; Ph. D., Cornell University 1935; graduate and assistant instructor in economics at Cornell University 1928–34, and at Colgate University 1934 to February 1935.

Morris A. Copeland, executive secretary, $8,000: A. B., Amherst College 1917; Ph. D., University of Chicago 1921; instructor and professor of economics, Cornell University 1921–27; Brookings Institution 1927–28; member of staff, President's Committee on Recent Economic Changes, 1928; Staff member, Federal Reserve Board 1929; member of Special Advisory Committee on Census of Manufactures 1929; professor of economics, University of Michigan 1930–33; member, Advisory Committee to Secretary of Labor 1933.

Calvert L. Dedrick, associate research assistant, $3,600: A. B., University of Wisconsin 1924; Ph. D., University of Wisconsin 1933; statistician and lecturer in public health, Wisconsin Anti-Tuberculosis Association 1924–25; instructor in sociology, extension division, University of Wisconsin 1926–30; research assistant, department of sociology, University of Wisconsin 1930–33; Social Science Research Fellow 1933–34.

Samuel J. Dennis, associate research assistant, $3,600: A. B., Dartmouth College 1928; work on doctorate partially completed; staff member, Harvard Economic Society 1928–32; instructor and tutor, Harvard University 1931–34; associate editor, Review of Economic Statistics 1931–34.

Edward R. Gray, assistant secretary, $6,000: A. B., Tusculum College 1916; M. A., Harvard University 1921; accountant and auditor, foreign department, Irving Trust Co., New York City 1919–20; assistant professor of economics, Duke University 1929–31; professor of economics, Duke University, 1923–25; Chief, Division of Research and Statistics, Treasury Department 1926–28.

Ludwig Hellborn, assistant research assistant, $2,600: Degree of "Matura", University of Berlin, Germany, 1924; doctorate partially completed, New York University; staff member Commerz-und-Privat Bank, Berlin, 1923–28; staff member National City Bank of New York, N. Y., 1929–33; economist and statistician for National Federation of Textiles, Inc., 1934–35.

William M. Hoad, research assistant, $4,000: A. B., University of Michigan, 1927; M. A., University of Michigan, 1930; investment analyst, Union Trust Co., Detroit, 1928–30; instructor in economics, University of Michigan, 1930–33; staff member, committee on Government statistics and information services, 1933–January 1934.

Roger W. Jones, assistant to the executive secretary, $3,200: A. B., Cornell University, 1928; M. A., Columbia University, 1931; doctorate partially completed; newspaper reporter, 1928; instructor and executive officer Miami Military Academy, 1928–29; staff member Doubleday, Doran & Co., 1929–31; tutor and private research, 1931–December 1933.

Aryness Joy, chief statistician, $6,000: A. B., University of Washington, 1922; M. A., University of Chicago, 1924; professor of statistics and economics Mount Holyoke College, 1924–28; staff member Division of Research and Statistics, Federal Reserve Board, 1928–December 1933; chief statistician Office of Economic Adviser to the National Emergency Council, December 1933–March 15, 1935; vice president American Statistical Association, 1935.

Hildegarde Kneeland, Chief of Economics Division, Bureau of Home Economics, B. A. E., $5,600: A. B., Vassar College, 1911; Columbia University, University of Chicago, Ph. D.; Brookings Graduate School of Economics and Government, 1930; assistant in physics, Vassar, 1911–12; instructor in chemistry of nutrition, University of Missouri, 1914–17; lecturer in statistics, Barnard College, 1918–19; professor and head of department of household economics, Kansas State Agricultural College, 1919–22; Chief of Division of Economics, Bureau of Home Economics, Department of Agriculture, 1923 to date.

Vladimir S. Kolesnikoff, associate research assistant, $3,600: Graduate Samava College (Russia) Petersburg University; M. S., Columbia, 1929; staff member, National Bureau of Economic Research, 1929–32; Brookings Institute, 1932–34.

William R. Leonard, associate research assistant, $3,200: A. B. Whitman College, 1926; M. A. Tufts College, 1928; Ph. D. Cornell University, 1934; formerly instructor in economics, Cornell University, 1928–34.

E. R. Lerner, assistant research assistant, $2,600: A. B. University of Wisconsin, 1932; M. A. University of Wisconsin, 1933; partially completed doctorate; member of research staff, Consumers Advisory Board, N. R. A., and committee on Government Statistics and Information Services, 1933–34.

Howard H. McClure, acting director, Division of Current Business Statistics, $4,500: B. A. Dickinson College, 1922; M. A. Columbia University, 1925; extensive business experience in field of investment banking, 1925–32; professor, Department of Political Science, Dartmouth College, 1932–34.

Edwin M. Martin, assistant research assistant, $2,600: A. B. Northwestern University, 1929; graduate work Northwestern, 1929–35; work on doctorate partially completed; formerly teaching assistant, Department of Political Science, Northwestern University, 1933–35.

Ernest F. Randall, junior research assistant, $2,300: A. B. University of Missouri, 1933; work on doctorate partially completed; graduate assistant, University of Missouri, 1933–35.

Donald C. Riley, associate research assistant, $3,200; B. S., Wooster College, 1927; M. A., Princeton University, 1928; instructor in economics, Union College, 1928–31; Harvard, 1931–32; Princeton, 1932–33; work on doctorate partially completed; professor of economics, Huron College, 1933–34.

R. F. Schwartz, junior research assistant, $2,300; George Washington University, 1920–23; statistical experience in public-utility companies, 1921–32, and commercial firms, 1932–33; real property inventory, Department of Commerce, 1933–35.

Dorothy Sells, senior research assistant, $4,500; A. B., Wellesley College, 1916; M. A., University of Chicago, 1917; Ph. D., London School of Economics, 1923; Bureau of Labor statistics cost-of-living

study, 1919; director of Education for Women, Texas, 1920; International Labor Office, Geneva, 1922–23; Metropolitan Life Insurance Co., research, 1923–25; assistant professor in social economy, Bryn Mawr College, 1924–28; executive secretary, International Vital Interests, New York City, 1929–34; National Labor Relations Board, 1934–35; Bureau of Labor Statistics, 1935.

Lewis B. Sims, assistant research assistant, $2,900; A. B., University of California at Los Angeles, 1932; M. A. (Berkeley), 1933; work on doctorate partially completed at University of Chicago; research assistant, bureau of public administration, University of California (Berkeley), 1932–33; research and teaching assistant, department of political science, University of Chicago, 1933–35; assisted on study of Government-operated enterprises, Panama Canal Zone (winter), 1934; member of research staff, New York State Commission for the Revision of the Tax Laws, 1934–35.

M. F. Thurston, associate research assistant, $3,600: Assistant in physics, Cornell University, 1908–09; A. B., Cornell University, 1909; research assistant, General Electric Co., 1910–11; teaching in secondary schools, 1911–22; instructor, Cornell University, 1922–27; agent, Department of Agriculture, 1925–27; Ph. D., Cornell University, 1928; special agent, United States Tariff Commission, 1928; associate professor of economics, Albion College, 1928–30; professor of finance, University of Detroit, 1930–32; emergency agricultural assistant, Michigan, 1933; assistant professor of economics, University of Delaware, 1933–34; real property inventory, Department of Commerce, 1934.

H. Haines Turner, associate research assistant, $3,200: A. B., Swarthmore College, 1930; London School of Economics, 1930–31; Columbia University, 1931–33; work on doctorate partially completed; Bureau of Foreign and Domestic Commerce, 1933–34; research assistant, National Emergency Council, 1934–35.

Elizabeth M. Whitney, librarian, $2,300: A. B., George Washington University, 1929; assistant librarian, Brookings Institution, 1931–34.

Jean H. Williams, junior research assistant, $1,800: A. B., University of California (at Los Angeles), 1932; graduate work, University of California, 1932–34; instructor in economics and accounting, University of California, 1932–34 (at Los Angeles).

PRIMARY STAFF, DIVISION OF CURRENT BUSINESS STATISTICS, CENTRAL STATISTICAL BOARD

Ruth Eisner, junior research assistant, $2,000: A. B., Cornell University, 1932; M. A. Columbia University, 1934; study of textile industry, Bureau of Labor Statistics, 1934.

Richard L. Funkhouser, assistant statistician, $2,900: A. B., Dartmouth College, 1930; M. A., Princeton University, 1934; instructor in preparatory school, 1930–32.

David Jones, junior economist, $2,600: A. B., Columbia College, 1932; A. B., honorary, Cambridge, England, 1934; real property inventory, 1934; assistant statistician, Coded Industries Section, Bureau of Labor Statistics, 1935.

Grace W. Knott, research assistant, $3,200: George Washington University, 1921–30 (intermediate); assistant chief of Industrial Marketing Section, Census Bureau, 1930–32; research assistant to David Friday, study on capital formation, 1932–33; National Bureau of Economic Research, continuation of study under Simon Kuznets, 1933; associate statistician, Current Statistics Section of Division of Research and Planning, National Recovery Administration, 1933–35.

Frederick S. Miller, technical assistant to the director, $2,900: A. B., Haverford College, Haverford, Pa., 1922; graduate School of Business Administration, Harvard University, 1922–23; law school, 1923–26; active legal practice, 1926–30; business and investment management, 1930–35.

Peter M. Rouzitsky, assistant research assistant, $2,900; University of Cincinnati, degree in commerce and engineering, 1928; American University, Washington, D. C., 1930; junior statistician in New York engineering firm, 1928; regional expert on foreign trade, Bureau of Foreign and Domestic Commerce, 1928–33; scientific aide, United States Coast and Geodetic Survey, 1933–35.

Andrew Stevenson, associate research assistant, $3,600; A. B., Wooster, Ohio, 1926; M. A., Yale University, 1928; Ph. D., Yale University, 1930; extensive business experience in the fields of transportation, utilities, and general corporate finance, 1925–27 and 1932–34; associate professor of economics at Kalamazoo College, Mich., 1929–32.

Mr. RICH. All of the representatives now in this Statistical Board are given as college men, giving the name of the university and the year of graduation and the degree they hold. It also contains information giving to the House the salaries that are being paid to those individuals. There are not on this Board any practical men who have had experience in gathering data, outside the experience they have gained here as members of this Board. Their average age is less than 30 years. They do not have old, conservative individuals with a desire to try to force the various committees to eliminate duplication in gathering statistics. I hope that when the Board is formulated permanently, if that be the desire of the House of Representatives in passing this bill, that this committee that is appointed by the President of the United States, will cause the departments to eliminate all duplication.

The Secretary of Labor, Miss Perkins, appeared before our committee and recommended that the committee be small in number. She stated why certain information would be necessary in gathering data in assisting her Department.

We had a request from the Treasury Department and a request from the Attorney General to add their Departments to this committee. I asked Miss Perkins a pertinent question, she having stated that this committee should be small, if she would not give up the position that the Secretary of Labor should have on the committee and permit us to put on one of the other departments. Well, that simply displayed to the membership of our committee what you do when you try to eliminate anything that is functioning in their own department. They will not give it up. Miss Perkins was no exception. She said that her work was so important, and I believe she thought that by being on the Board she might influence the committee to the extent that she could probably keep in her Department the fact-finding data that she now has and that she did not want it interfered with, even if the data might be available in another department.

So, as Representatives of Congress, we find that once a department establishes a bureau it remains always. We cannot get rid of it; and when we establish a new department or a new bureau the question in our minds is, will we ever be able to get rid of it? This commission can be of real service, if it will, to coordination of duties and a saving to the taxpayers of the country if it functions properly and in a good business way.

Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, because of the fact that we do not want to establish additional bureaus, I have always believed that if I could not get a full meal I better take a sandwich. I shall go along with the committee on the bill solely because a provision has been inserted to the effect that if this board cannot show within 5 years that it is worthy of continuation that it will automatically go out of business. For this reason and this reason solely am I supporting this bill. I do not believe it will function as it should, although I can say to the Membership of the House, and to the Republican Members as well as the Democratic Members, that if this committee is composed of men who are really, honestly, and conscientiously desirous of trying to eliminate these duplications, and if they will go to the President of the United States with the determination to hammer and hammer and hammer until the departments give up the work they recommend, then it will be worth while. For this reason I am in hopes that the board will do a good job if it is ever established, and I have confidence, almost, that it will be established, because the administration is back of this measure. My hope is that the board will strive earnestly and conscientiously to do a real good job once it is established.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. LUDLOW. The gentleman has there the salary list of the existing set-up. What are the top salaries?

Mr. RICH. The chairman of the board receives $10,000. The associate research assistant receives $3,200. The executive secretary receives $8,000, and another associate research assistant $3,600, and others of various amounts. See list.

Mr. LUDLOW. What is the total of the salary list?

Mr. RICH. I do not have the total salary list. It is not recapitulated.

Mr. LUDLOW. What is the gentleman's recollection of the total salary list?

Mr. RICH. They figure that it cost a year ago to administer this function about $190,000. The committee saw fit to reduce that to $180,000. Thus, the committee cut down the request of the statistical board.

Mr. GRISWOLD. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. GRISWOLD. The gentleman is mistaken in the $190,000 figure for last year. It is my understanding that $190,000 represented the greatest expense. The total for last year was approximately $100,000.

Mr. RICH. If I am not correct, I wish to be corrected, for I do not want to misquote anybody; but I understood from the Secretary when he presented the figures that the cost was about $190,000 a year.

Mr. WHITTINGTON. Mr. Chairman, if the gentleman from Pennsylvania will yield, I may say in response to the request of the gentleman from Indiana that the salaries are governed absolutely by the Classification Act. This basis of salaries is recited in the bill.

Mr. LUDLOW. As a matter of fact, if as my colleague from Indiana says, the salaries have been running $100,000 a year and the bill specifies an authorization for personnel of $170,000, there is an increase of $70,000. I am wondering how anyone could justify the creation of this new bureau with this additional expense.

Mr. WHITTINGTON. That is for the entire expenses of the board.

Mr. LUDLOW. In the District of Columbia?

Mr. WHITTINGTON. Yes. The entire service is in the District of Columbia.

[Here the gavel fell.]

Mr. RICH. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, I was rather interested in the statement made by the distinguished gentleman from Mississippi in which he said that if there were an economical administration this board could be a very efficient factor. I believe I quote the gentleman from Mississippi correctly when I say that he referred to an administration of economy as a necessary precedent to effectiveness of this present Board; and I believe that we can very rightfully say that if the present administration's efforts at economy are to be taken as the standard or the criterion for the effectiveness of this Board, then certainly no Member of the House would want to support the present measure. On this basis the Board is certainly a useless agency.

I believe, instead, of calling the board set up in the pending bill a statistical board we should call it a propagating board. I think this board is to be used for two particular purposes: One, to propagate and continue some jobs that otherwise might expire, propagate, in other words, a continuity of this program of increasing and ever more increasing jobs for worthy members of the group on the Democratic side; and, second, if we do not call it a propagating board, let us call it a propaganda board. I believe they want to get statistics so that the fireside chats can be used to inform the country how many marvelous accomplishments the present administration is supposed to have brought to the people. I believe, for instance, they want to get propaganda to use in next year's election, gathering together statistics as to the marvelous accomplishments of the present administration. The taxpayers are to be called upon to pay the bill, to provide the statistics by which the present administration's program is to be put over to the country. That is the truth of this whole thing. They do not want the Democratic National Committee, because it has a deficit at the present time, to be required to gather the information for next year's election. Instead of that the taxpayers of the country are to provide the sinews of war for next year's program in the national election.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield.

Mr. HOUSTON. Does this committee gather the statistics?

Mr. DITTER. As I understand it, this committee absorbs the statistics. In other words, the statistics come in from the multitudinous array of departments, commissions, bureaus, and all the other agencies the present alphabetically inclined administration has created. These statistics come in to this Board and, in turn, are disseminated by this Board to the ends of the country, to the West, to the East, to the South, and to the North, in order that the imaginary marvelous achievements of the present administration may be brought home in fireside chats and the many other radio programs embraced in the present administration's publicity program.

Mr. HOUSTON. Is it not a fact that when one of these statistical-gathering agents of any department is about ready to gather statistics they will submit it to this Board for consideration and the Board in turn may be in position to counsel and advise and to cut down the expense?

Mr. DITTER. That is true, but we also must be mindful of the fact that the chairman of this Board is appointed by the President with no confirmation by the Senate, and he has two worthy cohorts who are paid $25 per diem to assist him. The probabilities are that rather than deleting and making it an expurgated volume, they will have the ability to add to the statistics otherwise provided to the best possible advantage of the party now in power.

Favorable statistics will be featured, others will be forgotten. Statistics excusing the experimental extravagances and the monumental mistakes will be broadcast, others will be outcasts. Statistics of the costs of the conception of the Blue Eagle, that blatant bird that was beaten recently by a bantam rooster, and the costs of the nursemaids for its nurturing, and the costs of proclaiming its potential powers, and the costs of compelling compliance to its canons, and the costs of defending its defects, and the costs of lamenting its lifelessness, and the costs of reviving its remains; ah, these statistics will be obscured by the window dressings of glittering and gaudy figures. The Statistical Board can truly be a most valuable contribution to the cause of party showmanship and salesmanship. Had the patriarchs of old been blessed with publicity agents such as the taxpayers provide for the many Federal bureaus and departments, and had they been assisted by a statistical service such as the present bill creates, they could have convinced the weary children of Israel that the wilderness was the promised land of milk and honey.

[Here the gavel fell.]

Mr. GASQUE. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. GRISWOLD].

Mr. GRISWOLD. Mr. Chairman, I am surprised that the gentleman from Pennsylvania [Mr. DITTER] is now objecting to our nurturing the child of his party which was created in 1931, when the Statistical Board was established. If we divest our minds of this much ado about nothing as to the continuation of this Board, we will discover that we are not creating anything. We are continuing merely the existence of what was started and initiated in 1931. The Board now has 16 members. It has a staff of 52. This is one of the ablest personnel set-ups in the Government. I wish other agencies were as efficiently equipped with employees.

Mr. RICH. Will the gentleman yield?

Mr. GRISWOLD. I yield to the gentleman from Pennsylvania.

Mr. RICH. This Board was established by Executive Order No. 6225 on July 27, 1933, and not in 1931.

Mr. GRISWOLD. To continue the functions of the Board created in 1931.

Mr. RICH. No. If the gentleman will examine the data he will find the Board was created by President Roosevelt's order No. 6225 on July 27, 1933.

Mr. GRISWOLD. They established the present Board to continue the functions of the Statistical Board which was created in 1931.

Mr. Chairman, I call attention to some of the other things that the gentleman stated, and I hope the gentleman will give me his attention. The gentleman spoke about the present staff being composed of college men. I appreciate the fact that practically every member of the staff is a college man, but I am sure the gentleman does not want to leave the impression with the Members of the House that this staff, even down to the telephone operators, has not had adequate business experience prior to time of their entering into this service.

Mr. RICH. Will the gentleman yield?

Mr. GRISWOLD. I yield to the gentleman from Pennsylvania.

Mr. RICH. May I say that the average age of the heads of the departments involved in this bill is less than 30 years of age.

Mr. GRISWOLD. The gentleman would not make it a crime to be young. May I say to the gentleman that every associate director and research director as well as statistician on this staff has had experience in private industry ranging from 3 to 5 years in addition to his college work.

Mr. RICH. Will the gentleman insert that information in the RECORD?

Mr. GRISWOLD. I am inserting my remarks in the RECORD. If the gentleman will give me additional time I will insert it all.

Mr. RICH. Just insert in the RECORD where these men have been employed.

Mr. GRISWOLD. The Government now has 81 agencies collecting statistics. Twenty-two of these are in three Departments: Labor, Commerce, and Agriculture. There are many duplications. This bill will coordinate them and eliminate the needless duplications.

[Here the gavel fell.]

Mr. GASQUE. Mr. Chairman, I yield 7 minutes to the gentleman from Kansas [Mr. CARPENTER].

Mr. CARPENTER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein certain portions of the hearings that I shall refer to, as well as certain tables.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CARPENTER. Mr. Chairman, I am a member of the Committee on Expenditures that has this bill under consideration, but I believe that as such member I approached this matter under consideration in somewhat the same manner and with somewhat the same things in mind as many other Members of this Congress, because in the first place I am fundamentally opposed to an increase in boards and bureaus. In the next place I am fundamentally opposed to the operation of this Government through boards and bureaus and may I say now that I believe I am as much or more opposed to further expenditures for boards and bureaus and what they have been trying to do in running this Government than any of my friends over here on the Republican side, or any other Members of this Congress regardless of what side they may sit on.

Mr. SNELL. Will the gentleman yield?

Mr. CARPENTER. I yield to the gentleman from New York.

Mr. SNELL. Will the gentleman vote against this bill and cut out a few of these boards and bureaus?

Mr. CARPENTER. I am going to tell the gentleman now why I think the bill is important. I may say to the gentleman that I have had a speech written and prepared on my desk for 2 months setting forth my ideas. Most everybody has a plan in regard to how the Government should operate and I have my own plan, which is the decentralization of the Government, the cutting down of the expenses of the Government; and I wish to say further to the gentleman that I am absolutely as much opposed as I can be to any constitutional amendment or change in the form of our Government which will permit the taking away of the power of government from the people where it is now vested, bringing it here to Washington, and giving it to some board or bureau.

Mr. RICH. Will the gentleman yield?

Mr. CARPENTER. I yield to the gentleman from Pennsylvania.

Mr. RICH. May I say that the gentleman from Kansas is one of the most conscientious men in this House and he objects to things he thinks are not right.

Mr. CARPENTER. Mr. Chairman, as I stated before, I am opposed to unnecessary boards. We all campaigned to reduce expenses and useless boards and bureaus.

Now, suppose we were going to reduce the boards and commissions, what would we have to do? We would have to appoint a committee. We would have to get a group together to see what duplications could be gotten rid of. That is just what this bill proposes to do, in my judgment, and, having these views in mind, I approached it from that angle as a member of the committee and I listened to the arguments as to why it was or it was not a good bill.

I wish to call the attention of the Members of the House to the part of the hearings appearing on page 21, in which Mr. Dickinson, answering a question of Mr. CRAVENS, stated that the Board has already saved over $12,000,000. This is pointed out here in a table that I am going to insert in the RECORD in which the committee recommended careful rewriting and drastic curtailment of the original plans in reference to this Board to the precise things intended. This table shows the savings that have been made. The Federal Housing Survey wanted $11,137,320, and were reduced to $1,058,120. They wanted for other services, $4,266,800, which was reduced to about $2,560,330.

Another item was for a census for which they wanted $480,000, and this was reduced to $168,032. I think this was a census, because it states, "Urban tax delinquency, census."

I quote from the committee hearings, page 40, the statement setting forth the economies that have already been brought about by this Board together with the table to which I just referred:

ECONOMIES

Federal civil-works projects.—The Board, through a special committee, reviewed some 40 statistical projects proposed by various Federal departments as undertakings to be carried on with civil-works funds. A number of these projects had been carefully worked out, and the committee was able to recommend them with minor changes to the civil-works administrator. Several projects, however, were not planned so as to obtain the information desired with a minimum expenditure of funds and burden on the business houses and individuals called on to furnish information. The Board's committee recommended careful reworking and drastic curtailments of the original plans and budgets in order to adapt these projects more closely to the precise needs they were intended to meet. The following table shows, for each of four projects, the name of the project, the sponsoring agency, the amount originally requested for its conduct, the amount finally allotted on the basis of the committee's recommendations, and the amount spent:

Projects	Sponsoring agency	Amount originally requested	Amount allotted	Amount spent
Farm housing survey	Agriculture	$11,137,320	[1] $1,058,120	$1,021,398
Real property inventory	Bureau of Foreign and Domestic Commerce, Census.	4,266,800	2,560,330	[2] 2,338,000
Retail price reporting	Bureau of Labor Statistics and interested agencies.	183,750	71,050	41,387
Urban tax delinquency	Census	480,000	168,032	150,006
Total		16,067,870	3,857,532	3,550,791

[1] The revised plans for the survey were submitted on the basis of a 10-percent sample of the counties in the United States instead of on the basis of 100-percent coverage.
[2] Approximate figure.

The total estimated savings were in excess of $12,000,000.

I also want to call the committee's attention to the hearings at page 73, when Mr. Austin, Director of the Bureau of the Census, was appearing before the committee and I asked him the following questions:

Mr. CARPENTER. Mr. Austin, I understood you to state that by reason of your personal contacts with business men who come to call on you and talk to you from time to time, and your correspondence with business men in general, you had come to the conclusion that the people were getting rather sick and tired of the great number of these governmental inquiries and questions that are being asked them from time to time. Did I understand you correctly?

Mr. AUSTIN. Yes.

Mr. CARPENTER. I was rather impressed with that statement, because I have come to the same conclusion by interviews with my constituents in my district, and by correspondence that I receive every day. I understood you to say there ought to be some power to stop this.

Now, I should like to ask you this question, if, in your judgment, that power is not inherently within the legislative power of Congress to stop that, and should not Congress stop that; or is that an administrative power?

Mr. AUSTIN. I think it could be stopped, a great deal of it, if the secretaries of the various departments would issue orders and enforce them. If the secretary should issue an order to a statistical service of his organization that certain schedules are not to be used and certain censuses are not to be made, or investigations or surveys, they have the authority to do that. They can do it.

Mr. CARPENTER. They have that authority now?
Mr. AUSTIN. Yes.
Mr. CARPENTER. And you think it would be a great saving to this Government if they would do that?
Mr. AUSTIN. Yes; and it would stop a great nuisance to the public at large.

[Here the gavel fell.]

Mr. GASQUE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CARPENTER. Then my colleague, the gentleman from Kansas [Mr. HOUSTON], asked the following question of Mr. Austin:

Mr. HOUSTON. I understood Mr. Carpenter to imply in one of his questions that the rank and file of the public was sick and tired of these various census takings.
Is it not a fact that one of the primary functions of this bill is to eliminate unnecessary gathering of statistics through any of the officials of your department?
Mr. AUSTIN. That is the way I take it; I do not see how you can stop it in any other way.

Then when the Secretary of Labor was before the committee, I stated that it was one of the duties of the committee to curtail expenses and asked the Secretary the following question:

Mr. CARPENTER. This particular committee is especially interested in the reduction of Government expenditures, keeping them down so far as possible.
In your judgment, Madam Secretary, would the enactment of such a bill as that pending before us tend to reduce the cost of government and the cost of the present statistical units in the various departments?

And the Secretary replied—

Secretary PERKINS. Very much, sir; because of the fact that it has already shown a method of coordinating the various activities.
For instance, in the preliminary studies of the census of unemployment, the Board has already canvassed every department as to what information it would like to have. Some of the information that the departments want cannot be gathered, but it can all be coordinated into one inquiry, and one big questionnaire can be made and one set of investigators and one set of tabulators used. You can really get, I think, a great deal more service than at present by coordinating the personnel in the various statistical units of the Government, coordinating their activities in the way here proposed.

Mr. TABER. Mr. Chairman, will the gentleman yield?
Mr. CARPENTER. I yield, briefly.
Mr. TABER. Is it not a fact that all this bill does is to set up a new board whose work will be a duplication of the work of the Bureau of the Budget?
Mr. CARPENTER. As set forth in the hearings, the Bureau of the Budget has approved this measure and has indicated the result of it, they think, will be to cut down the expenses of the Government.
Mr. WHITTINGTON. Mr. Chairman, will the gentleman from Kansas yield?
Mr. CARPENTER. I yield.
Mr. WHITTINGTON. If the gentleman from New York [Mr. TABER] will refer to page 120 of the hearings, he will find that the Statistical Board in the Bureau of the Budget was absorbed and five of the executive staff of that Board transferred to the Board now in existence.
Mr. CARPENTER. I am acting in good faith in this matter. The gentleman from New York [Mr. SNELL] asked me a moment ago if I were going to vote against the bill. I am making these remarks in explanation of my position, and I think the committee is entitled to have information as to what this bill will do.
In addition I wish to call the attention of the House to the last paragraph of the report of the Committee on Expenditures in reporting this bill, which reads as follows:

The President and the Cabinet are in accord with the purposes of the proposed bill. The Secretary of Agriculture, the Secretary of Labor, and the Assistant and Acting Secretary of Commerce appeared before the committee and submitted constructive statements and arguments in behalf of the legislation. The bill is approved by the Secretary of the Treasury, by the Secretary of the Interior, by the Governor of the Federal Reserve Board, by the Chairman of the Tariff Commission, by the Director of the Budget, and by the statisticians and economists in charge of the statistical services of the several executive departments.
The bill will provide for the continuation of economic and improved information and for the elimination of duplication, as well as for the coordination of statistical work in the executive departments of the Government.

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That there are hereby established a Central Statistical Committee (hereinafter referred to as the "committee") and a Central Statistical Board (hereinafter referred to as the "board") to plan and promote the improvement, development, and coordination of, and the elimination of duplication in, statistical services carried on by or subject to the supervision of the Federal Government, and, so far as may be practicable, of other statistical services in the United States.

Mr. HOEPPEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOEPPEL: Page 1, line 10, after the word "States", strike out the period and insert in lieu thereof the following: "Including the statistics of displacement of human labor by machinery installed and in operation since 1915."

Mr. WHITTINGTON. Mr. Chairman, I make a point of order against the amendment.
Mr. HOEPPEL. Mr. Chairman, I should like to have the gentleman state the grounds for his point of order, and then I should like to answer the gentleman.
Mr. WHITTINGTON. Mr. Chairman, it strikes me this amendment is not germane. The amendment begins with the word "including", and it is not in proper form; section 1 deals with existing statistical services of the Government to plan and promote the improvement, development, and coordination of, and the elimination of duplication in, statistical services carried on by or subject to the supervision of the Federal Government. It strikes me that if the amendment were germane, it would not be germane to section 1, and therefore I make the point of order against the amendment.
The CHAIRMAN. The Chair will hear the gentleman from California on the point of order.
Mr. HOEPPEL. Mr. Chairman, this bill refers to Government statistics, and I am offering an amendment referring entirely to statistics which are authorized to be taken by the Federal Labor Board if that Board would take them. This amendment simply expresses the intention of the Congress to have these same statistics gathered. Mr. Chairman, I contend the amendment is in order and I hope the Chair will so rule.
The CHAIRMAN [Mr. RANKIN]. The Chair is ready to rule.
The Chair thinks the amendment brings in a new matter which is not germane to the bill and therefore sustains the point of order.
Mr. LEE of Oklahoma. Mr. Chairman, this debate has taken a decided partisan turn. The Republicans seem to oppose it unanimously. I favor it because the memory of the Republicans cannot be trusted; therefore, unless we have a statistical department to assemble and preserve the facts, the Republicans will forget the records. For instance, it seems that they have already forgotten their own party principles and are claiming the Democratic doctrines, as evidenced by the resolutions of the "State rights grass-roots Republican convention" they have just held at Springfield, Ill.
Mr. RICH. Will the gentleman yield?
Mr. LEE of Oklahoma. No, sir.
Mr. RICH. Mr. Chairman, I make the point of order that the gentleman from Oklahoma is out of order. He is not speaking to the amendment.
The CHAIRMAN. The gentleman from Oklahoma moved to strike out the last word. The last words are "United States." The gentleman will proceed in order.
Mr. LEE of Oklahoma. Now, as to the program in this bill. The Republican grass-roots convention is of interest. They only have a lambskin——
Mr. MILLARD. I make the point of order that the gentleman is not proceeding in order. His political speech can wait until next week.

Mr. LEE of Oklahoma. This bill deals with statistics. I have been speaking of the Republicans in the "grass roots" convention. What has been the record of that party?

Mr. RICH. Mr. Chairman, I make the point of order that the gentleman is not speaking to his amendment.

Mr. LEE of Oklahoma. They vetoed the McNary-Haugen bill.

Mr. RICH. Mr. Chairman, I make the point of order that the gentleman is not talking to the bill. If he wants to talk about something in reference to the bill and the promises of the Republican Party, he ought to get the President of the United States to carry out some of his promises in fulfilling the Democratic platform.

The CHAIRMAN. The gentleman from Oklahoma will confine himself to the amendment.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. LEE of Oklahoma. Yes.

Mr. HOUSTON. Was it not appropriate that they should hold this "grass roots" meeting at somebody's tomb?

Mr. LEE of Oklahoma. Mr. Chairman, I see I shall not be able to finish what I have to say and I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LEE of Oklahoma. The Republicans have held a "grass roots" convention in the Middle West in order to get the farmers' votes in 1936. The high-tariff party courts agriculture. Wall Street goes farmer. Do not be surprised if you see a picture in the papers of J. P. Morgan dressed in overalls and milking a cow in order to find favor with the farmers. The next thing you know Ogden Mills will come out in favor of the honest dollar. The Republicans will be quoting Alexander Hamilton in defense of State rights, and Andrew Mellon will be singing, "I got hayseeds in my hair."

The once Federalist Party now champions State rights in a "grass roots" convention. I therefore favor a statistical department to keep the records, otherwise the Republicans will deny that they ever elected Hoover. Why, I cannot believe what I see. It would not be any funnier if Al Smith should start lecturing for the Anti-Saloon League. You cannot tell by what people will say what they mean any more. When five automobiles come together, they call it a "collision." If it is babies, they call it "quintuplets."

"Grass roots" State-rights Republicans, white blackbirds, and painless dentists. I shall never doubt Ripley's "believe it or not" again, for he never invented a stranger paradox than State-rights "grass roots" Republicans.

Of course, you can label a bottle anything, but the label does not change the contents. You can label a bottle of castor oil pure honey, but it does not keep you from gagging when you take the contents.

They have woven the wolf of Wall Street a lambskin coat of grass roots, but it does not conceal the predatory animal underneath. Little Red Riding Hood will discover before election day that the long sharp teeth are not her grandmother's.

The only "grass root" aid the farmers have ever had at the hands of that party has been to wear clothes of grass and root for a living.

What has been the record of the Republican Party on farm legislation?

First, there is the tariff policy. In the Senate tariff investigation, old Grundy brazenly boasted that he had written every tariff law for 25 years, and chided the farmers by saying, "You have no chips in the game", and now the Grundy tariff party holds a "grass roots" convention in the Middle West to court these same farmers who "have no chips in the game."

The "grass roots" Republican convention criticized the new deal for its cotton program of idle acres. But how does this compare with the Republican Farm Board cotton-buying program? When the Republicans started their Farm Board program, cotton was 16 cents per pound. When they finished, it was 4 cents per pound. When the Democrats started their acreage-reduction program, cotton was 4 cents. When they finished, it was 12 cents. Now, which of these was neighbor to the man who fell among thieves?

The "grass roots" Republican convention criticized the new deal for allowing monopolies. But the record which they would like to forget shows that all the monopolies had already been formed. There was nothing left to monopolize when the new deal began. For instance, when was the Sugar Trust formed? What about the Tobacco Trust? When did the oil combines form? When were the chain stores organized? What about the steel mergers and all the long list of well-known trusts and monopolies? I do not believe I would have mentioned that word if I had been the State rights "grass roots" Republicans.

The "grass roots" Republican convention charged the new deal with putting the Government into business. The only incentive the Government has to go into business is to protect the people's rights. When monopoly exists, there is no competition to guarantee fair prices to the consumer. Therefore, the only power that can protect the people against the piracy of monopolies is the Government. Why have government in the first place, if its purpose is not to protect the rights of the individual? The survival of the fittest is the law of the jungle, but civilized man has instituted government to prevent the strong from exploiting the weak. No matter whether that strength be financial or physical, it is the duty of Government to protect the weak against the strong. We had reached the place in this country where the Government had to go into the business of protecting the weak against the strong or else go out of the business of being a government.

Then again the "grass roots" Republican convention charges the new deal with extravagance. Would the severest critic of the new deal say that people should be allowed to starve in a land of plenty? The expenditures of the new deal that are not expected to return to the Treasury are those for outright relief. If the expenditure of money that has been used to buy food and shelter for the destitute is extravagance, then we plead guilty.

If giving jobs to the unemployed in order that they might feed their children is extravagance, then we plead guilty.

If taking the youths of America from off the highway and out of the box cars and placing them in clean conservation camps with three squares a day and through them sending money to feed their mothers and sisters and brothers is extravagance, then we plead guilty.

Whose depression is this, anyway? Who is responsible for it? Who was in power for the 12 years leading up to this depression? The nerve of the Republicans in charging the Democrats with extravagance for feeding the multitudes that were thrown on relief by a Republican depression is indeed refreshing. It reminds me of the fellow who murdered his mother and father and then plead to the court for mercy on the ground that he was an orphan.

This depression began under President Harding in 1920 when the high priests of the Republican Party decided that dollars were too cheap and farm commodities were too high. They had a meeting and decided to deflate the dollar. They accordingly called in $20,000,000,000 of credit from the grass roots. The little country banks had loaned this money on livestock and crops, and many of them were unable to meet this demand. The result was that over 7,000 "chain-harness" banks in the rural districts of the United States closed.

Thus, by a financial coup the financial masters created a dishonest dollar that robbed the farmers of their property. Wheat went from $1.25 to 25 cents a bushel, cotton went from 20 cents to 4 cents a pound, corn went to 10 cents a bushel, eggs went to 5 cents a dozen, good horses sold for $5 a head, and you could not get a bid on cattle.

The farmers were foreclosed because they could not pay their debts with the same dollars they borrowed. They borrowed 1 bushel of wheat and had to pay back 5, they borrowed 1 bale of cotton and had to pay back 5, they borrowed 1 cow and had to pay back 5. I ask you, Was this justice? Yet the preamble of the Constitution states that the purpose of the Constitution is "to establish justice." Where

were these Constitution savers then? And now this same party poses as the champion of agriculture.

Then, next, was the administration of Mr. Coolidge. A progressive Congress passed the McNary-Haugen bill, which was for the benefit of agriculture, but Mr. Coolidge vetoed it. He said in his veto message that it was class legislation; and now the Republicans are courting that class with a "grass roots" convention.

Then next there was the export debenture plan to help the farmers, but it likewise was cooled by Coolidge and defeated by the party that has now gone "grass roots."

Then the clouds of the depression began "Hoovering" over us. Do you remember those last hectic days under Mr. Hoover? Do you remember those last 3 months of his administration? The soup lines lengthened; Communism was knocking at our doors; there were street riots; the feet of the unemployed wore down the grass in our public parks; the gaunt wolf of starvation crouched at a million doors. One morning we picked up the paper and read where the banks of Arkansas had closed; next, the banks in California went, and Minnesota followed with her bank holiday; then Ohio closed, then Michigan, then New York. People stood around on the street corners and whispered to each other, "What is going to happen to our Government?" "Will our Constitution stand?" "Will our Government endure?" In Russia, Joseph Stalin laughed up his sleeve; in Germany, Adolph Hitler pointed to the United States as an example of the failure of democratic government.

In that critical hour there arose a clarion voice calling the people to a crusade; a crusade against selfishness, a crusade for the forgotten man, a crusade to place human rights above property rights, a crusade for a new deal—that means but one person, that spells but one name, Franklin Delano Roosevelt.

And now the Republicans in their "grass roots" convention charge the new deal with destroying the Constitution. Why, if we had had 6 months more of the Republican rule, we not only would have lost our Constitution, but the whole Government of the United States. The new deal not only saved the Constitution but saved democratic government.

And may I again refer to the record. This is not the first time that the Democratic Party has saved that document; for instance, when Thomas Jefferson was elected in 1800, the Federalist Party, the then Republican Party, was as dead as a door nail. It did not even have a ticket in the field. The Democrats took care of the Constitution then without the aid of the extinct Republican Party.

Then again when Andrew Jackson was elected we see the second demise of the Republican Party and once more the Democrats were the sole and only custodians of the Constitution, but it emerged unimpaired.

The Republicans are not afraid that the Constitution will be destroyed, but they are afraid that it will be revitalized. The Republicans were only able to find that part that protected property rights. They passed over the part that would "establish justice"; they ignored the part that would "promote the general welfare."

The concentration of wealth into the hands of the few means misery for the many and is not in keeping with the spirit of t he Constitution. When the new deal came into power, according to the Federal Trade Commission, 1 percent of the families owned 59 percent of the wealth and 10 percent of the families owned 90 percent of the wealth. The rich were getting richer, while the poor were getting poorer.

But the new deal has made a distinction between liberty and license, between right and privilege. It has said that one man's right to make money is tempered by another man's right to live. Will such a humanitarian program as that destroy the Constitution? On the contrary, it will breathe the breath of life into it, and make it a living document. It will make it what its framers intended it to be, a tower of strength for the weak; a haven of refuge for the distressed.

The record shows that the Constitution was safe in the hands of the Democratic Party during at least two periods of history when there was no other party in existence, and now the twice-dead Republican Party is once more on its back gasping for life. Yes, sir; the Republican Party is under the oxygen tent and a few die-hards are trying to revive it by pumping fresh air in from the "grass roots."

Mr. HOFFMAN. Mr. Chairman and Members of the committee, I rise in opposition to the pro forma amendment.

In answer to the gentleman from Kansas [Mr. HOUSTON], who asked the preceding speaker if it were not appropriate to hold the "grass roots" convention at "somebody's tomb"—the tomb of the immortal Lincoln—let me say I think it was, in view of the present Democratic administration's policies, because all the liberties, the rights of the States, for which that great Southern Confederacy fought so long, shed so much blood, and expended so great a treasure, are gone, taken away by this last administration, or, if not all actually taken from us, some remain only because of the recent unanimous decisions of the Supreme Court.

The right of the States and of the political subdivisions of the States to local self-government, to the control of their own domestic affairs, would have, had the advisers of the administration succeeded in their purpose, been taken from them.

The theories advanced, the practices adopted, by the present administration and the heads of its various departments would, had they not been stopped by the decree of the Supreme Court of the United States, in the end, have stripped from the States, counties, cities, townships, and villages, yes, from the individual himself, those privileges, those rights, those liberties, won by our forefathers through 8 long years of bitter strife.

Prefaced by words of solicitude, of sympathy for the assumed condition of a large portion of our people, of promises for the relief of those not so fortunately situated as others, the actual purpose of some of those in authority has seemed to many of us to be to create and foster unrest and class feeling, so that, in the end, when there came the natural and inevitable result of the sowing of such seeds of discontent, the planting of such thoughts of envy of the condition of others in the minds of a portion of the people, there might arise the opportunity for friends of those who had created such a condition to call for the establishment of a dictatorship.

When a great national party, granted power because of its advocacy of certain principles, of certain policies, because of the making of certain promises, deliberately and with its eyes open, with no apology for its conduct, forsakes those principles, repudiates those promises so solemnly made, it is time indeed that thoughtful, patriotic Americans gather together and once again pledge their loyalty to the purpose of maintaining freedom from oppression by bureaucrats and guaranteeing a constitutional form of government.

Yes, perhaps no better place in all the world could have been found for such a convention, for those liberty-loving men must have met in sorrow as well as in resentment as they contemplated the unauthorized, unlawful impositions put upon them by Federal and quasi-Federal officials. They must have met in a spirit of reverence, as they realized the high purpose upon which they were embarking, the purpose so similar to that which guided and sustained the man at whose tomb they were meeting. That tomb must have given them inspiration, courage, to inaugurate and to carry on the fight for honesty in government, for actual, practical, rather than theoretical, sympathy for the oppressed.

From those surroundings, realizing that there lay all that was mortal of that great character which combined so much of simplicity, so much of rugged honesty, so much of high resolve and determination to see that justice, even to the most humble, should prevail, they could not go forth other than to do battle with those who would destroy, insidiously but nevertheless effectively, what he who lay buried there had given his life to save.

If, some night, when the spirit moves you to contemplate the future of your Government, you will drift over to the far end of the Memorial Bridge, go up to the old home of the great Lee, who fought so courageously but mistakenly for the principles in which he believed, who, although found

by the gage of battle to be in error, nevertheless followed his honest convictions to the logical end, the lesson may be learned that, while he fought in opposition to the Government then in power, he fought for liberty as he conceived it to be. He fought for the right of local self-government and, while perhaps the central thought of the Confederacy was the right of freedom from Federal domination, those in control of the Democratic Party today have not only attempted to impose the Federal power upon their States, but they have endeavored, by subtle means, by indirection, to throw away the guaranties of freedom which no patriotic citizen at the end of the Civil War attempted to deny them; and, when from those hills, where lie the bodies of those thousands who have sacrificed their lives to maintain that which we here so carelessly fritter away, and from that home of the great leader of the Confederacy, you have learned the lesson of loyalty to State and to principle, as, from the tomb of Lincoln, these other men a day or so ago learned the lesson of loyalty to the Federal Government, of duty to serve, of the necessity of the preservation of our constitutional form of government, if our Nation is to survive, then look eastward toward the Capitol and you will see the Monument erected by a grateful people to the man at whose tomb these other patriots renewed their pledges of loyalty and of service. Walk across to that memorial and there, as you come around to the east and face the west, in that marble temple, you will see the statue of the statesman who gave his life so patiently——

Mr. McFARLANE. Mr. Chairman, I make the point of order that the gentleman must confine himself to the amendment pending before the House.

The CHAIRMAN. The gentleman from Michigan will proceed in order.

Mr. HOFFMAN. So painstakingly, so ungrudgingly, so completely for the preservation of the Union, for the freedom of human beings.

Mr. McFARLANE. The gentleman is not confining his remarks to the amendment.

Mr. HOFFMAN. Look, I beseech you, at that majestic figure which, with the light reflected down upon it, even as though it came as a benediction from heaven, looking across at the Capitol, at this House where we meet each day, expresses, through the cold marble of its substance, gentleness for our fits of anger, patience with our bickering, pity for us in our moments of egotism, sorrow for our petty ambitions and for our envy perhaps of each other and of others in places of authority, sympathy for us with our problems, understanding of our shortcomings, faith in our integrity of purpose, and, because of his faith in God, supreme confidence that in the end our Nation, through us, will continue to show the world the way to true equality, to enduring happiness. Let us, then, here, like those other men at the tomb of the great martyr, consecrate ourselves anew to the fulfillment of our oath of office, to the preservation of the Government under the law.

The CHAIRMAN. The gentleman from Michigan will confine his remarks to the amendment.

Mr. HOFFMAN. I trust the Chairman will pardon me. Coming here for the first time in January, having heard so many things from various Members of the House on so many subjects, listening, as I have, to the old, experienced Members, it has been extremely difficult sometimes to know whether a Member was talking about a bill or an amendment before the House or was making a speech for political purposes.

The purported purpose of this bill is, like all Democratic legislation which is proposed here, set forth to be for betterment. The purpose of these bills, as stated in them, is always fair on its face. Like the platform of the party in power, the purpose as stated is good. We realize that, but the trouble is that the results, the works, never follow the words, and so as to this bill we all agree with the purpose stated, but the bill is not drafted so as to accomplish that purpose. There is an amendment that I shall offer later on which may prove helpful.

I only avail myself of this occasion to speak because of the remarks of the gentleman from Kansas, to which I have referred, and, for myself, claiming no greater degree of patriotism, no more loyalty to our Constitution, than is granted to him and to every other Member of the House. I only wish to remind you as I remind myself that, if some night you will go down to the other end of the pool and stand there in contemplation of the image of the man at whose tomb these other men gathered, you will realize, as do all of us when there, if, in the world for which we are all bound, there is recollection of the things which have gone before, of knowledge of what is here transpiring, something of the satisfaction, the gratitude, the renewal of faith which must have come to the original of that figure, when the Supreme Court read the decision in the Schechter case and gave us a new emancipation proclamation, this time coming from nine men and freeing us, all of us, not just a part of our people, from unjust burdens, restrictions, imposed arbitrarily by those without legal authority. [Applause.]

[Here the gavel fell.]

Mr. McFARLANE. Mr. Chairman, if the gentleman from Michigan does not remember what is in the bill, he should have one before him.

Mr. MILLARD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MILLARD. Is it a fact that only Democrats can speak out of order?

The CHAIRMAN. Oh, no. Republicans sometimes speak out of order.

Mr. HOEPPEL. Mr. Chairman, I move to strike out the last two words. While those preceding me have discussed politics, I will not discuss politics, but will discuss common sense. First, I wish to read from a post card that I received from Modesto, Calif. Modesto is not in my district. This post card, which is dated June 4, 1935, reads as follows:

DEAR SIR: According to CONGRESSIONAL RECORD of May 31, 1935, you indulged in another oratorial abstraction on the evils of machinery. O. K.! Fine! But when will idealists and political progressives like you and TRUAX and MAVERICK and LUNDEEN and MARCANTONIO learn the utter futility of parliamentary legislation to effect reform of these galling social abuses? You sit in Washington, nearly 600 of you, at $10,000 per, and build up neat houses of legislative cards of reform.

I dare not read the rest of it, because my Republican friends would applaud. [Laughter.]

The Committee has opposed my proposal to amend this bill to provide for the obtaining of statistics on the displacement of human labor by the machine. The President of the United States has shown an inclination to survey this proposal which I have advanced, to ascertain how labor-saving machinery is contributing to our unemployment situation.

If we are going to have statistics, let us have statistics which will be worth while and which the Members of Congress will not throw into the wastebasket. I quote from a letter received from the National Emergency Council. It states:

At the direction of the President of the United States, I am acknowledging your letter and enclosure under date of May 16, which has been referred to this office for attention. You are interested in investigating the effect of the introduction of machines on unemployment, and suggest that a tax be placed upon such machines which displace labor.

The Bureau of the Census, Department of Commerce, have filed application with the National Emergency Council for an allotment of $9,370,000 for a census of business. Since you suggest that it may be possible to incorporate your suggestion in the proposed census, this office has transmitted the file you submitted to the Bureau of the Census for their consideration.

Your interest in advancing this suggestion is much appreciated, and I trust that you will not hesitate to call upon this office for information regarding the works-relief program.

Sincerely yours,

T. P. CARROLL,
Special Assistant to the Executive Director.

I cannot understand why, if we are going to appropriate thousands upon thousands of dollars for statistical purposes, we cannot and should not permit to be incorporated in this bill a provision whereby those same people will be in a position to investigate why millions of men have been thrown out of employment and continue unemployed. It is my opinion that such distressing unemployment conditions as confront us today may be attributed, in large part, to the machines which have taken the jobs of millions of our peo-

ple and forced them into unemployment. Undeniably, the machine is an important contributing factor to unemployment.

The laboring men of the United States are becoming increasingly conscious of the havoc created in their ranks through the introduction of labor-saving machinery. The American Technotax Society, founded in Whittier, Calif., last year, advocates a national survey to ascertain the statistics on labor displacement by the machine, with a view to taxing the machines which most violently displace labor.

Other organizations espousing the idea of the American Technotax Society are being formed in various parts of the United States, thus attesting to the fact that those who are the real sufferers in machine displacement of human labor are more alert to the menace of the situation for all our people than is the Congress, which is charged with the responsibility of legislating in the people's interest but which has, as yet, failed to consider this basic question of labor displacement by the machine.

Statistics of the Labor Bureau show that between 1923 and 1928, years of unusual prosperity, the number of factory workers in the United States actually decreased by one and a quarter millions. The United States Census of 1930 shows that today there are 330,000 fewer factory workers than in 1914, despite a population increase of 20,000,000 and an increase in factory production of 72.4 percent.

The technotax will control this monster, the machine, which is rapidly depriving laborers of work and concentrating wealth in the hands of a few, for the profits of the machine are rarely distributed to the consumers by lowering the price of products. Rather, they go to the greedy capitalistic machine owners. Machines have disrupted our society and destroyed the purchasing power of the masses. Machines of steel cannot consume the food or purchase the clothing, automobiles, and other articles which employed workers would have consumed. Naturally business cannot be revived by trying to squeeze blood from a turnip. The technotax offers a solution to the problem.

Contrary to popular belief on the part of the skeptical, the technotax will not hinder progress; it is a genuine progressive measure. For every labor-displacing invention there are at least 10 inventions not displacing labor which would not be hampered by taxation—that is, inventions which tend toward quality production rather than quantity production. Other inventions originating new industries, such as the radio and airplane of the past, also would escape taxation. The technotax would only be applied to those few inventions dealing with mass-production machinery—that is, labor-displacing inventions.

The tax would be so adjusted that it would be inexpedient to substitute hand labor for the machine in use, but it perhaps would discourage the installation of huge mass-production machinery in the future unless the demand for the products of the machine was excessive. In other words, the technotax would not lead us back toward the Stone Age.

The technotax would enable the little producer, with little or no mass-production machinery, to compete with the large machine-equipped factories of the great industrialists, and, moreover, the funds derived from the tax would guarantee every worker a job.

The hand arts would receive a stimulus through the technotax. Products of the arts and crafts of man would displace in part the cheap, artificial articles of the machine.

The technotax would not discourage scientific research and invention except in the line of inventions providing for labor-displacing machinery. Our scientists would still continue to devise means to insure safety of human life, lessen human suffering, improve the quality of products, effect economies in the utilization of byproducts, and do many other worthy works.

The technotax is an excellent conservation measure for the future. At the present accelerated rate of improvement of mass-production machinery, we soon will be able to produce so rapidly that our natural resources, the ultimate source of supply, will rapidly approach complete exhaustion, as they are by no means infinite. We must think of the future. Already much of our oil, coal, and other mineral resources are depleted in many fields.

With these exhausted, our only sources of power will be water, solar, and tidal power, and power derived from vegetable extractions, which latter, if used to any great extent, would rapidly exhaust the fertility of the soil. We must put four-wheel brakes on the rapid utilization of resources by slowing down mass production with the technotax.

The technotax is the most satisfactory type of sales tax yet suggested. It will be easy to enact, enforce, and collect. It can be practically free from political graft if properly managed by a nonpartisan board of economists, laborers, and producers. It will enable the hand worker to compete with the iron robot, the machine, without discouraging the maintenance of machinery; in short, it would gear technological progress into time with human needs. Though it will raise commodity prices, it will also eliminate unemployment and establish a more uniform purchasing power. It will not thwart private initiative; it will not tax incomes and earnings, and yet it will redistribute wealth on an absolutely fair basis.

Summarizing, I wish to call your attention to the fact that the technotax is not a hair-brained dream of an idealist—it has been suggested independently by organizations and qualified individuals. It will effectively cure our unemployment situation by enabling the hand laborers to compete with their enemy, the machine, and thus will serve as a measure of wealth redistribution. It is a real progressive measure, for though it apparently deters progress in the installation of mass-production machinery, it will not hamper the many real progressive inventions such as those designed to improve the quality of goods, inaugurate new industries, and provide for the entertainment, protection, and comfort of our citizens. It will put four-wheel brakes upon mass production and ward off that rapidly approaching day when Americans, like the Chinese of today, will desperately seek for a crumb of bread and a lump of coal or a stick of wood.

The technotax will be easy to enact and enforce, and will serve to redistribute wealth on a just basis without taxing earnings or income, and without thwarting private initiative in the least. It will have to come soon—why not now?

The CHAIRMAN. The time of the gentleman from California [Mr. HOEPPEL] has expired.

Mr. GASQUE. Mr. Chairman, I ask unanimous consent that all debate on this section close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. EKWALL. Mr. Chairman, I move to strike out the last three words. Speaking on the question of statistics, I was rather amused at the statements of my genial Democratic friend from Oklahoma, JOSH LEE. I was wondering why the gentleman did not put in some of the statistics as to the recent city election in Wilmington, Del., which he went up there to help carry for the Democratic mayor. [Laughter and applause.] They would have been statistics that would have been of interest here. The gentleman went up to Wilmington, Del., I understand, at the behest of the Democratic organization to, in his own inimitable style, exhort the faithful to return this Democratic mayor to office, and he managed to help change a previous Democratic majority into a Republican majority of over 6,500 for the Republican mayorality candidate. Those are the statistics that we like on this side, and we are going to have more of them.

Mr. McFARLANE. Mr. Chairman, a point of order.

Mr. EKWALL. The gentleman does not like those statistics.

Mr. McFARLANE. Mr. Chairman, a point of order. The gentleman is not talking to the amendment now before the committee. If the gentleman in charge of the time on the Republican side had granted the gentleman from Oklahoma

[Mr. LEE] an opportunity to speak out of order and discuss certain matters I would not raise the point of order.

The CHAIRMAN. The gentleman from Oregon will proceed in order.

Mr. EKWALL. I submit I am speaking on statistics, so I will proceed in the same manner. I take it that the gentlemen on the Democratic side do not like these statistics.

Mr. McFARLANE. I take it that if it can be arranged for JOSH LEE to answer you, he will amply take care of your case all right.

Mr. EKWALL. I did not ask him to leave.

Mr. McFARLANE. I know, and the gentleman knows, he was not permitted to make his speech uninterrupted. The gentleman is not in order, Mr. Chairman, and he knows it.

Mr. EKWALL. But these are statistics that we should like to have you put in the RECORD, because this is like manna from Heaven. But if you go up into our Republican districts, as I understand was done by the gentleman from Oklahoma, and make them more Republican than ever, I should be very glad to have the gentleman from Oklahoma, JOSH LEE, come back and explain how he does this, as we may want to send him out to some other districts, on similar missions, from time to time.

Mr. McFARLANE. Will the gentleman yield for a question?

Mr. EKWALL. No, no; I am sorry. I only have a few moments left. But I predict we are going to have more statistics of that kind and we are going to inform you as to such statistics from time to time hereafter and whether you like them or not, you are going to have to put up with them. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman from Oregon [Mr. EKWALL] has expired.

The Clerk read as follows:

SEC. 2. The committee shall consist of the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Labor.

SEC. 3. The board shall consist of a chairman, who shall be appointed by the President, and not to exceed 13 additional members, who shall be selected in such manner as the President shall prescribe: *Provided*, That not less than 10 of such members shall be persons already in the service of the United States. The chairman and all the members shall be persons technically trained in statistics, economics, or public administration, known in their profession as of high standing and wide experience. The chairman shall be the chief executive officer of the board, shall receive a salary of $10,000 a year, and shall not engage in any private business, vocation, or employment: *Provided, however*, That if the chairman shall at the same time hold any other paid position in the service of the United States, he shall receive during such tenure no additional remuneration for acting as chairman of the board. No other member of the board shall receive compensation for his services as such member, except that the board may provide that any such other member not at the same time holding any other paid position in the service of the United States shall, while attending or traveling to or from meetings of the board or of committees thereof, receive a salary of not more than $25 per diem, and in addition thereto necessary traveling and subsistence expenses.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: Page 2, line 14, after the word "of," strike out "$10,000" and insert in lieu thereof "$5,000"

Mr. HOFFMAN. Mr. Chairman, I simply offer the amendment in the interest of economy.

Mr. WHITTINGTON. Mr. Chairman, I think we covered that matter of the salary in the analysis of the bill. This is an important measure, recommended to us by those who have studied and participated in the activities of this board for the past year and a half. As I said, in undertaking to analyze this paragraph of the act, the chairman of this board will be called upon to deal with the executive heads of the Government, and if this board is to function, he should be a man of outstanding competence. If he is the character of man such as we authorize the appointment of, he will be worth $10,000 a year and it will be economy to have that kind of a man.

I oppose the amendment, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

The Clerk read as follows:

SEC. 4. The board shall have authority to appoint such employees as it deems necessary for its own functions. All such employees shall be subject to the civil-service laws and the Classification Act of 1923, as amended, except that the board may, with the consent of the Civil Service Commission, appoint and fix the compensation of any person or persons for temporary periods without regard to the civil-service laws and the Classification Act of 1923, as amended: *Provided*, That no person shall hold such temporary appointment or appointments for an aggregate period of more than 12 months. The board may make such expenditures (including expenditures for personal services and rent at the seat of Government and elsewhere; for law books and books of reference; and for paper, printing, and binding) as may be necessary to carry out the provisions of this Act and as may be provided for by the Congress from time to time. The board may purchase supplies or services where the aggregate amount involved is not more than $50, without regard to the provisions of section 3709 of the Revised Statutes, as amended (36 Stat. 861; U. S. C., title 41, sec. 5). There is hereby authorized to be appropriated, annually such sums as may be necessary for the expenses of the board; and for the fiscal year ending June 30, 1936, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for all expenditures of the Board, including personal services; rent at the seat of Government and elsewhere; traveling and subsistence expenses; car fare; salaries and expenses of members; contract stenographic reporting services; telephone and telegraph services; cablegrams and radiograms; postage; printing; binding; multigraphing and mimeographing; stationery; furniture and office equipment; purchase and exchange of typewriters and labor-saving devices; professional, scientific, law, and reference works; subscriptions to newspapers and periodicals; press clippings; and supplies, $200,000, of which amount not to exceed $190,000 may be expended for personal services in the District of Columbia.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendment: Page 3, line 24, insert the words "out of any money in the Treasury not otherwise appropriated."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 4, line 1, after the word "board", strike out all down to and including the figure "$200,000" in line 13, and insert "not to exceed $180,000".

Page 4, line 14, strike out "$190,000" and insert in lieu thereof "$170,000".

Mr. GIFFORD. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I wish to make one or two comments because I believe that on the Republican side of the House there may be some opposition that I feel to be unwarranted. We may well assume that the N. R. A. extension will come to us before long; and if that agency be extended, there can be no doubt but what this matter will also be carried on by that organization at least during the time of its extension.

Here we are given an opportunity to legislate for ourselves rather than by Executive order. We have had an opportunity to discuss this bill on its merits today, and I much prefer that it be passed by our own act rather than by another Executive order.

They have been very fortunate indeed to have the Assistant Secretary of Commerce act in the capacity of chairman of this board and have saved this $10,000. Of course we do not know who the man may be who will receive this $10,000 a year. Like the gentleman from Mississippi we, too, hope he will be big enough, broad enough, and able enough to deal with executive departments of the Government. There is no provision in the bill as to how the other Members are to be appointed, except as the President may dictate. The chairman of the board might well have some power of selection.

The gentleman from Pennsylvania [Mr. RICH], in charge of the bill for the minority, said he wished the bill had teeth in it. That is where he and I differ a little. If you put teeth into this bill and this board begins to order other departments about and demand that they "discontinue this or discontinue that", then indeed, will you have established another permanent bureau, for they might take over functions and duties of such departments permanently, whereas they cannot do this if we do not put teeth in the bill.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. RICH. I would assume that if this committee to be appointed had the power to do something it would really function in accordance with the best ideas of sound business and would eliminate from the departments a dual gathering of statistics. This would save the taxpayers of the country much money and the Congress much worry trying to find ways and means to foot the bills this administration is incurring through these enormous expenditures of Government funds, creating a great national debt. Where will you ever get the money to pay our debts now being created?

Mr. GIFFORD. I admit that the President of the United States will have power over whomsoever he may appoint, and that plenty of Executive authority may be exercised.

For the reasons I have outlined, I am willing to support this bill establishing this central statistical authority; and I hope this will not be regarded as a party measure. [Applause.]

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Section 5. Page 5, line 9, insert: "*Provided*, That this subsection shall not be construed to require or to make lawful any disclosures of confidential information if such disclosure is specifically prohibited by law."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 5. The board shall—

(a) At the request of the President or the committee, or may of its own motion, investigate and make recommendations with respect to any existing or proposed statistical work carried on by an agency of, or subject to the supervision of, the Federal Government;

(b) Have the power, with the consent of the agency concerned, to investigate and make recommendations with respect to any existing or proposed statistical work carried on by any agency in the United States other than the agencies specified in subsection (a) of this section;

(c) Have the power, subject to such rules and regulations as the President or the committee may prescribe, to require from any agency specified in subsection (a) of this section information, papers, reports, and original records concerning any existing or proposed statistical work carried on by or subject to the supervision of any such agency;

(d) Plan and promote the economical operation of agencies engaged in statistical work and the elimination of unnecessary work both on the part of such agencies and on the part of persons called on by such agencies to furnish information;

(e) Perform such other duties consistent with section 1 of this act as the President or the committtee may authorize, and make such reports to the committee as the committee may require; and

(f) Make an annual report to the committee.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Mr. HOFFMAN offers the following amendment: At the end of section 5 add a new section to be known as "section 5 (a)", as follows:

"SEC. 5. (a) The committee shall, prior to the convening of the next session of Congress, file with the Clerk of the House a report showing in detail (a) the savings which have been made by it under the powers herein conferred; (b) wherein the elimination of duplication in statistical services carried on by, or subject to the supervision of, the Federal Government or other statistical services in the United States has been accomplished by the committee or board; and pointing out wherein other savings may be made and in what manner statistical services referred to in this bill may be improved, developed, and coordinated."

Mr. WHITTINGTON. Mr. Chairman, I make the point of order against the amendment that it is not germane.

I call my colleague's attention to the fact that we already have in the bill a paragraph numbered 5 (a).

The CHAIRMAN. The Chair is of the opinion that this merely requires the making of a report to Congress and is germane to the bill at this point. Therefore, the Chair overrules the point of order.

Mr. HOFFMAN. Mr. Chairman, very often we talk politics. Sometimes perhaps we should not. There is always politics in the bills offered by the majority when viewed from the standpoint of the minority. It does not make very much difference which party happens to be in the majority.

This bill states a good purpose. There is no question about that. Whether you believe it or not, some of us on the other side would like to be engaged in a little constructive legislation. The first paragraph of the bill states that it is to plan and promote the improvement, development, and coordination of, and the elimination of duplication in statistical services. Everyone is in favor of that. The gentleman who spoke awhile ago [Mr. CARPENTER], a member of the committee on the majority side, said he was in favor of getting rid of duplication. As individuals we always are in favor of that, though sometimes as Members on one side or the other, or of one party or the other, we feel constrained to vote in some other way.

The amendment which I have proposed, in my judgment, will help to carry out the stated purpose of the bill. While that is stated to be "to eliminate", nowhere in it can I find any words which authorize or require either the committee or the board to eliminate anything, to dispense with anything, or to make a saving either in money or in service.

Mr. Chairman, let us for a moment assume that the bill was drawn only for the purposes stated, not to create new jobs, and sought to accomplish something, namely, to get rid of some duplication of service. There is nothing in the bill which actually does that. The bill, however, does provide that the committee through the board created may make recommendations, and so this amendment is offered for the purpose of helping the situation. The amendment, as will be noted, states that the committee shall, prior to the convening of the next session of Congress, file with the Clerk of the House a report showing in detail (a) the savings which have been made by it under the powers herein conferred. When we come back here in January we should have a report showing what has been accomplished. That is only fair. Then the amendment further states that this board should show in detail wherein the "elimination of duplication in statistical services carried on by or subject to the supervision of the Federal Government" has been accomplished by the committee or board, and also pointing out wherein other savings may be made and in what manner statistical services referred to in the bill may be "improved, developed, and coordinated." If we have this information at the next session of the Congress, we can really accomplish something. Some of you gentlemen have been here for years and no doubt know all about this. Some of us have come down here and are new to the situation. It is impossible for us, even from those gentlemen who come before the committee, to learn how these things can be done. If the amendment be adopted then we get something of value for the expenditure of the taxpayers' money. We will learn whether the announced purpose of the bill, the reasons advanced for its passage, have been in part or in whole accomplished, and what more, if anything along this line, we can do to prevent waste to cut down expense to prevent duplication.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I appreciate the motive of the gentleman who is a member of the committee, and I am not undertaking to disclose any of the proceedings of the committee hearings, but I want to say in all fairness to the other members of the committee that if the gentleman had thought there was merit in his amendment he should have first submitted it to the committee of which he is a member.

Mr. HOFFMAN. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I trust the gentleman will bear with me. I supposed, of course, that the House would be the proper place to offer the amendment. I was in hopes that the gentleman would accept the amendment, both of us having the same thing in mind, and the amendment, I may say, is offered in good faith.

Mr. WHITTINGTON. Mr. Chairman, I stated that I appreciated the motive of my friend, the gentleman from

Michigan, and I think we could have been of some service to him if he had presented his amendment to the committee.

This is not merely an amendment that will provide that a report be submitted to the Congress. That would not be objectionable. I trust reports will be submitted to Congress. I take it that the report submitted by this board will be available to the Members of Congress, and that every Member of Congress may obtain the report. Ordinarily an executive agency or an executive department transmits their report through the President of the United States, while I appreciate the motive of the gentleman from Michigan, if it is desired to amend this bill, we should amend it by doing the usual thing, and that is require that the President of the United States submit the report to the Congress. The amendment goes further, Mr. Chairman, and my objection goes to the merits of the proposition. The gentleman states that there is nothing in this bill which requires or provides for the elimination of duplication.

By reference to section 1, the bill specifically requires that the board will plan and promote the improvement, development, and coordination of and the elimination of duplication in statistical services. By reference to paragraph 5, defining the powers of the board, the board is required to investigate and make recommendations with respect to existing or proposed statistical work.

With all deference and with the very kindest of feelings to the gentleman from Michigan, if a report is to be submitted to the Congress of the United States we are entitled to the whole report, not merely that which deals with the elimination of duplication and with economies, but the real substantive work of the board, to wit, its investigations and its recommendations with respect to existing or proposed statistical work. We should have all of the work of this board, not only with respect to the elimination of the duplication on economies, but the larger and more important work relating to the coordination of all of the statistical work in the various departments of the Government. Therefore, Mr. Chairman, I say that the amendment could be improved upon and certainly before this body adopts the amendment the substance of it should be improved upon.

Mr. RICH. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman from Michigan when he offers an amendment that a report should be made to the Members of Congress certainly ought to be taken in good faith by this committee. It is asked only that the board make an annual report to the Congress. There is no reason under the heavens why the board should not submit a report to the Members of Congress showing exactly what they are doing. The amendment as offered by the gentleman from Michigan will certainly require that information to be furnished to Congress and we as Members of Congress ought to have it in order to know what they are actually doing.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, I did not speak with clearness, if the gentleman did not catch my point. I prefaced my remarks by saying that if this amendment required specifically that the report be submitted to the Congress I would have no objection to it. The trouble is that the amendment is ill advised, and not well drawn. It merely requires the board to submit a part of the work to the Members of the Congress.

My point is that if the report of the committee is to be submitted to the Congress of the United States, the entire report should be submitted and not simply a part of it. It would be just as futile, I may say to the gentleman from Pennsylvania, as to say that the President of the United States shall report to Congress that he has faithfully executed the laws of the land when, under the Constitution, he is required to execute the laws. The very requirement that a report is to be submitted presupposes that the report will cover not only the matters mentioned in the amendment, but the larger and more important matters covered by the powers vested in the board.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Michigan.

Mr. HOFFMAN. If I am not mistaken, and I think I am not, the amendment contains the language of the first section and uses the words "to plan and promote the improvement, development, and coordination"——

Mr. WHITTINGTON. I catch the gentleman's point and the amendment does that, but the gentleman omits the most important part of the bill, which relates to the powers under the bill. The powers are stipulated in section 5 and the gentleman's amendment makes no provision whatever with respect to the report covering all the matters that the board is really authorized to do.

Mr. CARPENTER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Kansas.

Mr. CARPENTER. If there is going to be any amendment adopted along the lines that my colleague has just suggested, I would suggest that the amendment be made on page 5, line 22, section (f), with respect to making annual reports to the committee. We could then add "to the Congress of the United States."

Mr. WHITTINGTON. That amendment was not pending, was not considered in the committee, and I take it was not thought to be important.

I oppose the amendment for the reasons stated and call for the question.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The question was taken and the amendment was rejected.

Mr. HOEPPEL. Mr. Chairman, I move to strike out the section.

Mr. Chairman, I beg the pardon of the Committee for taking the floor a second time to discuss this bill, and I wish to reiterate that I shall not bring politics into the question, but I shall discuss a matter of "grass root" importance. We have heard quite a bit recently from the Republicans about "grass roots", and I feel that in this bill we are not getting down to the "grass roots" with respect to the statistics that are required.

We are taking statistics of almost every imaginable sort, but with all our zeal to possess compiled information in reference to the numbers of our unemployed, our unemployables, and so forth, we have overlooked the actual "grass roots" of the problem and have shown a surprising indifference to the agency which is actually creating unemployment. I refer to mass-production machinery.

I have here in my hand a letter sent out by the National Organization for Taxation of Labor Displacing Devices, with headquarters at East Liverpool, Ohio, signed by L. A. Finlay, president of this national organization, stating that his organization was formed less than a year ago, and that—

> We hope to reach the 100,000 member mark within the next 3 months. * * * We have secured the endorsements of officials of five national unions.

Now, Mr. Chairman, the question at issue is that of the displacement of human labor by the modern machine. If we examine the coal industry, we will find that over 100,000 men have lost their jobs in the last 10 years as a result of the introduction of the machine. The coal-mine owner also owns the machine, and, therefore, he enjoys a monopoly. The price of coal has not decreased, and the purchasing power of thousands of men, who have been taken out of employment and forced on relief, has been destroyed. What have we done to eliminate this unemployment situation? From a common-sense, "grass roots" standpoint, absolutely nothing! We are increasing the burdens of taxation to the people by the continued issuance of tax-exempt bonds to secure funds to send these unemployed coal miners, en masse

with their families, to other communities where we have built subsistence homesteads, which have yielded no substantial return on the investment.

I feel we ought to get to the "grass-roots" of this problem, and if we want statistics, let us have statistics that are worth while. We are providing for statistics in this bill, but the Committee has refused to approve an amendment which would authorize a survey of the displacement of human labor by the machine. As we appear to accomplish nothing in the Congress except on the suggestion of the President, I hope the President will ultimately approve of my proposal.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. ANDRESEN. Does the gentleman expect that this Bureau will submit the kind of statistics to the Congress that he has mentioned?

Mr. HOEPPEL. I believe we have some honest, conscientious men in that infernal "brain trust", and I think we would get a report which would be helpful to us.

Mr. ANDRESEN. Is there any agency now that is assembling statistics of the kind the gentleman has mentioned?

Mr. HOEPPEL. I may tell the gentleman that the Library of Congress assembled some startling information for Senator DAVIS, of Pennsylvania, and I obtained a copy of that report. This report shows that one machine in the steel industry displaces 175 men, and in the glass-blowing industry one machine displaces from 30 to 50 or more men, and yet, in the face of such conditions, we devote our energies to acquiring statistics that will be of no practical value, when we ought to be seeking statistical information that will give us a key to the situation and provide a sound basis for imposing a tax on the labor-displacing machine and on the profiteer who controls the patent and the general rights on the machine.

The Department of Commerce, Bureau of the Census, recognizes the bedrock principle of the technotax. In a communication of recent date, addressed to me by the Director of the Census Bureau, he states that in his opinion the project for a survey of machine displacement of human labor with view to the imposition of the technotax should be set up upon a separate and independent basis, preferably by action of Congress.

Every individual of common intelligence knows that our trouble in America today lies in the fact that, because of the machine, too much is produced by the few with the result that those who are displaced by the machine are themselves left without purchasing power. The erroneous new deal philosphy which seeks to reduce production to the requirement of the few who labor must inevitably fail as it makes no provision for earned income to the workers who are displaced.

The machine needs but few operatives and the machine, in order to be maintained, must have millions of consumers. The technotax would permit more people to produce and would thus provide more consumers. The iron man is not a consumer of food, or the purchaser of other commodities. Its consumption is limited to oil, a bit of latent power in coal or water power, and such products as are required, in limited amounts from time to time, to keep it in condition for its productive use.

Machine despoliation is an economic tidal wave which has engulfed the American workers. It is a tidal wave of such magnitude that for Congress to go home without enacting basic recovery legislation, as is the technotax, is like an army going out to beat off an enemy but pausing only long enough to appropriate billions of the taxpayers' money for maintaining an army in combat and for relief to the sufferers before retreating without any intelligent, coordinated effort to defeat the enemy.

Even more important still is the duty of Congress to coin money and regulate the value thereof and to take from the private financier the subsidy and monopoly which he enjoys in issuing governmental credit on the mere force of a fountain-pen signature. The American Nation has submitted too long to the rape of the machine and to usury. Both of these agencies add to the wealth of the machine owner, the patentee, and the private banker, while the exact proportion that the machine monopolizes industry and usury prevails the common people suffer economic slavery and, in many instances, even worse than the slavery which existed prior to Lincoln's Emancipation Proclamation.

The technotax is a sensible method of solving our unemployment problem without wrecking the capitalistic system.

Under leave to insert in the RECORD, I submit herewith Economic Heirlooms, issued by the American Technotax Society, of Whittier, Calif. This society is composed of a group of educators who, from an unselfish standpoint, are contributing, in addition to their studies, as much as their limited funds will permit, to the education of the public on the vital question of unemployment, its underlying causes, and the means which they propose to correct the situation; that is, the technotax.

ECONOMIC HEIRLOOMS—SELECTED EXAMPLES OF THE QUAINT HALF-TRUTHS AND MISCONCEPTIONS OF THE MACHINE AGE THAT ARE CURRENT AMONG ECONOMISTS, NEWSPAPERMEN, LEGISLATORS, BUSINESS MEN, AND OTHERS

"American industry stands at the parting of the ways. If we continue to repeat to ourselves the formulas of an outworn economic system and fail to adjust the overpowering forces of technology to the needs of humanity, then capitalistic society is doomed to the historic scrap heap." (Samuel Bristol, executive secretary, American Technotax Society.)

Prosperity is just around the corner: This naive theory has been circulating at intervals since the collapse of December 1929. Its authors have made the wish father to the thought. "Leave business alone and all will be O. K." They overlook the significant fact that mounting unemployment was a feature of the business boom of 1921–29. The curve of production went up, while the curve of employment dropped. Yet the theory lingers on.

Prosperity demands increased world trade: One of the many devices by which the economists of big business would restore business and relieve unemployment. They forget that world trade is done with bills of exchange. For each dollar's worth of exports we receive a dollar's worth in imports. But the imported dollar's worth contains two to five times as much labor as the exported one, and American laborers get the worst of the deal. Anything beyond a minimum volume of world trade is a threat to the job of every factory worker and brings him nearer to the wage and living standards of the coolie. America's best market is her employed wage earners.

This glorious machine age: The economists of big business with their journalistic hirelings have made a fetish of machine progress. In the name of progress they develop more labor savers, cut down pay rolls, and try to squeeze dividends out of a surfeited market. This gigantic conspiracy against American labor has brought our unemployed total to 11,000,000. Yet one still finds men with run-down heels and a high polish on the seat of their best trousers, repeating with gravity and assurance the philosophy of machine efficiency.

Industrial codes: A well-meaning but ill-advised attempt to force American industrialists to reemploy the workers whom their efficiency experts had eliminated with labor-saving machines. The codes were based upon the unwarranted assumption that the proper way to get men back into industry is to raise wages and shorten hours. The result was new varieties of chiseling, together with increased development of labor-saving machinery and speeding.

America's high living standards: One of the most popular fallacies. Statistics reveal that a large part of the labor force subsists on much less than the income required to maintain a minimum American standard of living.

Leisure of the machine age: The production per unit of American workers has increased more than 100 percent in the past 30 years. Yet there are millions still working long hours at starvation wages, while other millions are unemployable. Is it leisure or unemployment?

Machines do not destroy jobs but make more work: One example will show the absurdity of this claim. A steam shovel can be built with 1,000 man-hours or less of labor. It will replace 25 to 50 men and in 5 years a total of 250,000 man-hours. The ratio of labor investment to returns is 1 to 250—not bad guessing for curbstone economists.

Discharged factory workers find other industrial jobs: Another fallacy. One group of 750 industrial workers displaced by machines was investigated by the Labor Bureau. Only 55 percent had found steady work in 6 months. Other researches show the same trend.

Progress in the machine age: A race of dwarfed, tuberculous Lancaster mill workers gives an adequate picture of machine progress in England. America, with half the gold of the world and great mechanical advance, leads the world in crimes, divorces, and suicides. We have no competitors in the stupid inadequacy of our economic distribution. We are breeding a race of cowed, neurotic job hunters.

The philosophy of abundance: Dreamers picture a world in which power and machines would create abundance for all with a working day of 2 or 3 hours. What are the facts? Our fuel and mineral resources are being squandered at an unheard-of rate. Natural gas is nearly gone; the last reserves of petroleum are being tapped; anthracite coal is scarce and expensive. Our last great lumber area is rapidly being exhausted, and our consumption of lumber is three times the replacement. Electricity we

have—but because of profligate deforestation, dwindling streams supply less than 30 percent of electrical energy, the other 70 percent being obtained from a lessening fuel supply. With the passing of Theodore Roosevelt, conservation has been forgotten. Coming generations can look out for themselves.

The self-sufficiency of capitalism: American industry, the pride of our age, is rapidly going the way predicted by Marx and Engels in the Communist Manifesto. Since 1920 labor displacement by machines has been an uncontrollable factor. Efficiency is eliminating the mass of the workers, but it has destroyed their buying power at the same time. Capitalism is proving to be a self-destructive enterprise.

What is the answer? Though conditions are admittedly bad, the Technotax Society believes there is a way out of our economic difficulties. We urge you to lay aside prejudice or bias while you study this plan.

Technotax proposes graduated taxes on the products of labor-saving machinery, graduated by units corresponding in number to the workers displaced by each machine. Thus a 10-man machine would pay 10 units of unemployment-relief funds.

Technotax is essentially a revenue measure. From our total of more than $40,000,000,000 worth of manufactures it would raise funds sufficient to take care of the entire public-works program, and extend that program to the point where private industry could take up the unemployment slack.

Technotax will solve our financial woes and create circulation of money by giving buying power to the greatest consumer in the world—the American workingman. It would lift the burden of unemployment relief off the shoulders of general property taxpayers and save the Federal Government from financial collapse. It would enable us to balance the Budget by the simple expedient of paying as we go.

Technotax would gear technological development into time with the needs of the people. It would put free-wheeling and four-wheel brakes on the crazy industrial juggernaut that is threatening ruin to the Nation.

Technotax proposes a nonpartisan commission of the ablest business men and economists to set rates that will reduce unemployment and stabilize business. It does not seek to destroy machinery, but only to make secure for mankind the wonderful contribution which machine production is capable of giving us. It is the alternative to technocracy or communism.

Technotax has been endorsed by Congressmen, leading economists and business leaders as a workable recovery measure. It is in accord with the principles of the new deal. It is based upon proven economic experience.

Mr. HOEPPEL. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein a circular entitled "Economic Heirlooms", issued by the American Technotax Society on the displacement of human labor by the machine.

Mr. HARLAN. Mr. Chairman, reserving the right to object, the gentleman has asked to insert a circular. How many pages of the RECORD will it take?

Mr. HOEPPEL. Oh, it will not take more than one side of a page, approximately.

Mr. TRUAX. Mr. Chairman, reserving the right to object, I should like to ask the gentleman what he proposes to do with these statistics when he obtains them. To my mind they are like Supreme Court decisions, you cannot eat them and you cannot wear them and you cannot sleep in them.

Mr. HOEPPEL. I would answer the gentleman by saying that I propose that these statistics be submitted to the Congress of the United States as a basis for remedial legislation. They should not be sent to the capitalistic economists who adorn most of the departments here in the new deal. They would sterilize any suggestions not in accord with their synthetic views.

Mr. TRUAX. Of what account will they be after you obtain them? Everybody knows that machines are displacing labor.

Mr. HOEPPEL. It will furnish us with information upon which we can enact legislation. This question of machine displacement of human labor is so vast and so important that we must have an intelligent and comprehensive survey and analysis in order to proceed in the best interest of all.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The pro forma amendment was withdrawn.

Mr. EKWALL asked for and was given leave to revise and extend his remarks.

The Clerk read as follows:

SEC. 6. The Central Statistical Board created by Executive Order No. 6225, dated July 27, 1933, as amended by Executive Order No. 6700, dated May 4, 1934 (hereinafter referred to as the "old Board"), shall cease to exist at such time as the committee shall declare that seven members have qualified for membership in the Board; and thereafter all records, papers, property, and funds of the old Board shall become records, papers, property, and funds of the Board; and such employees of the old Board as shall be designated by the committee and shall pass noncompetitive tests of fitness prescribed by the Civil Service Commission shall acquire classified civil-service status, and shall be employees of the Board at the grades and salaries specified in their respective examinations: *Provided*, That this section shall not be construed to impair any obligation incurred by the old Board.

With the following committee amendments:

On page 5, line 25, strike out the words "by Executive Order No. 6700, dated May 4, 1934 (hereinafter referred to as 'the old Board')."

The committee amendment was agreed to.

Page 6, line 6, strike out "of the old Board as shall be designated by the committee and" and insert the word "as."

The committee amendment was agreed to.

Page 6, line 8, strike out the word "noncompetitive" and insert the word "competitive."

The committee amendment was agreed to.

Mr. RICH. Mr. Chairman, I move to strike out the last word. I want to call the attention of the chairman of the committee to this fact. It has been stated that this is a continuation of a Board established in 1931. I want to call the attention of the Members of the House to the fact that this Board—the Central Statistical Board—was established by Executive Order No. 6225, July 7, 1933. Powers and duties redefined by Executive Order No. 6700, May 4, 1934. It was established by two Executive orders by the President of the United States, Mr. Roosevelt, under the N. I. R. A. It is not a continuation of the Board established by any other administration. It is a new Board set-up to be used by the present administration ruled over by the President, Mr. Roosevelt.

Mr. WHITTINGTON. I invite the gentleman's attention to page 128 of the hearings. It not only states that the Federal Statistics Board is now in existence, but it was absorbed by the Statistical Board of 1933, having been created by the Budget itself, and five members were transferred without competitive examinations, which the pending bill does not permit. The proposed Board is to undergo a competitive test. When the Board was established in 1931 and absorbed by this Board established in 1933, there were transferred without a competitive test five members of the Board.

Mr. RICH. The gentleman refers to what was heard in the committee. I want to say that we cannot take everything for granted that is stated before the committee. Frequently what is said before the committee is all poppycock, and there is no real regard, you may say, for some of those statements. You frequently quote the hearings as something based on facts, whereas in many cases there is no basis for fact. It is only some fellow's idea, and you all know what that is. Many times it is simply "bunk." Not facts.

Mr. WHITTINGTON. I was directing the gentleman's attention, not to the hearings, but what is contained in the annual report of this Board. I am making this statement of facts given me by the members of this particular Board themselves.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 7. The Board, with the approval of the committee, is authorized to prescribe rules and regulations to carry out the provisions of this act.

SEC. 8. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

Mr. TABER. Mr. Chairman, I move to strike out the last word. This bill provides $180,000 a year to do what has been done for the last 2 years, according to data on page 45 of the hearings of the committee, for $35,000 a year. It also continues another board to go along and duplicate the functions of the Bureau of the Budget. If we are going to cut down expenses, we have to force the Bureau of the Budget to follow this thing up and stop duplication of statistics. This Board will make it worse.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. REED of New York. A recent tabulation has been made which shows that the United States Government is paying salaries of $10,000 a year to 989 different people. The number on the pay roll who get from $5,000 to $10,000 per year is 7,223. Approximately 100,000 new positions have been created by the new deal for "new dealers", which are exempt from the civil service law. This is simply to add further to the list of $10,000 positions.

Mr. TABER. It does; and we ought to beat this bill.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition. When I was making an analysis of the bill I referred the gentleman from New York [Mr. TABER], in answer to his question as to the work of the Board, to page 45 of the hearings. I should have referred him to pages 121 to 128. Subsequently, I specifically called his attention to the fact that the expenditures on page 45, aggregating $70,000, so far as expenditures up to date of April 1 are concerned, were but a part of the expenditures of the Board, and I specifically called his attention further to the fact that other expenditures of the Board were to be found on page 170. Not only that, but I stated that this committee was just as diligent as he was to ascertain just what the cost of the Board was during the past year; and, as stated by the gentleman from Pennsylvania and the gentleman from Massachusetts, the committee required the Board to furnish us with a letter or memorandum giving us the expenses, and I specifically stated that was given in a letter dated May 9, 1935, and those figures show that the amount spent directly by this Board were approximately as stated, $97,000, and as shown on pages 45 and 170, and in addition to that, that there were other agencies of the Government paid for by those agencies, temporarily loaned to this Statistical Board, whose compensation amounted to $44,000, and that there were expenditures chargeable to the chairman's office of $38,000, so that the entire expenditures spent directly and indirectly aggregated about $180,000, and for that reason I further stated that the committee amended the bill and reduced the authorization from $200,000 to $180,000.

Mr. TABER. Frankly, I did not hear this explanation of the amount expended, but the amount spent covers 2 years, and even on the gentleman's say-so, it would be doubling it up by this bill.

Mr. WHITTINGTON. There must not be any misunderstanding. I have given the total figures and estimates up to June 30, 1935. I told the gentleman for the first 6 months there were not so many employees and the expense was at a minimum, so that the amounts spent may be taken as a fair criterion as to what the annual expenditures have been. The correct information is that other agencies of the Government advanced and loaned employees to the Board not mentioned on said pages 45 and 170, so that the estimate of $180,000 is fair.

Mr. RICH. My colleague has given the gentleman information that was given the committee, that $190,000 annually was to be the amount that would be necessary to cause this committee to function.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 6, after line 21, insert a new section as follows:

"SEC. 9. This act shall cease to be in effect and the agencies established hereunder shall cease to exist at the expiration of 5 years after the date of enactment of this act."

Mr. FORD of California. Mr. Chairman, there is one sentence in the report that I desire to call attention to. It is:

To make it easier to locate available information on any subject.

If there is anything that this House as a body of legislators needs in making statements on the floor and giving figures that have absolute authenticity behind them, it is this Central Statistical Bureau, to which we can appeal to get various data necessary to complete our statements and make them worth uttering on the floor of the House. For that reason I am in favor of this measure. And I hope that every fair-minded and every thinking Member of the House who is interested in giving definite, authentic, reliable information where figures are concerned will vote for the bill, because it is a measure that will enable us not only to legislate intelligently but to discuss subjects on the floor intelligently. I hope that the House will pass this bill without further ado.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the resolution the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RANKIN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 7590, and, pursuant to House Resolution 249, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

Mr. GASQUE. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is upon the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 68, noes 51.

Mr. TABER. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and I make the point of order that there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present. The doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 213, nays 117, answered "present" 1, not voting 98, as follows:

[Roll No. 94]

YEAS—213

Adair	Delaney	Healey	Norton
Amlie	Dempsey	Hildebrandt	O'Brien
Arnold	Dickstein	Hill, Ala.	O'Connell
Ashbrook	Dietrich	Hill, Knute	O'Connor
Barden	Dingell	Hill, Samuel B.	O'Day
Bell	Disney	Hobbs	O'Leary
Berlin	Dobbins	Hoeppel	Owen
Biermann	Dockweiler	Hook	Patterson
Blanton	Dorsey	Houston	Peterson, Fla.
Boehne	Doxey	Huddleston	Polk
Boland	Drewry	Imhoff	Ramspeck
Boylan	Driscoll	Jacobsen	Randolph
Brown, Ga.	Driver	Jenckes, Ind.	Rankin
Brunner	Duffey, Ohio	Johnson, Okla.	Rayburn
Buck	Duffy, N. Y.	Johnson, Tex.	Reilly
Buckler, Minn.	Duncan	Johnson, W. Va.	Rich
Burch	Dunn, Pa.	Jones	Richards
Caldwell	Eckert	Kee	Robertson
Cannon, Mo.	Edmiston	Keller	Robinson, Utah
Carmichael	Eicher	Kennedy, Md.	Rogers, N. H.
Carpenter	Ellenbogen	Kerr	Rogers, Okla.
Cartwright	Evans	Kocialkowski	Romjue
Cary	Faddis	Kramer	Rudd
Casey	Ferguson	Kvale	Ryan
Castellow	Fernandez	Lewis, Colo.	Sabath
Celler	Fitzpatrick	Lloyd	Sanders, La.
Chandler	Ford, Calif.	Lucas	Sanders, Tex.
Chapman	Frey	Lundeen	Schaefer
Citron	Fuller	McAndrews	Schuetz
Coffee	Gasque	McCormack	Schulte
Colden	Gavagan	McGehee	Scott
Cole, Md.	Gifford	McGrath	Scrugham
Colmer	Gildea	McKeough	Sears
Connery	Gingery	McLaughlin	Smith, Conn.
Cooley	Granfield	McReynolds	Smith, Va.
Cooper, Tenn.	Gray, Pa.	Mahon	Smith, Wash.
Corning	Green	Mason	Smith, W. Va.
Costello	Greenway	Massingale	Snyder
Cox	Greenwood	Maverick	Spence
Cravens	Greever	Mead	Stack
Crosby	Gregory	Meeks	Starnes
Crosser, Ohio	Griswold	Merritt, N. Y.	Stubbs
Cullen	Haines	Miller	Sullivan
Cummings	Hancock, N. C.	Monaghan	Sumners, Tex.
Daly	Harlan	Moran	Tarver
Darden	Hart	Moritz	Taylor, Colo.
Deen	Harter	Murdock	Taylor, S. C.

Terry	Vinson, Ga.	Werner	Wood
Thom	Vinson, Ky.	West	Woodrum
Thomason	Wallgren	Whelchel	Zimmerman
Thompson	Walter	Whittington	Zioncheck
Tolan	Warren	Wilcox	
Tonry	Wearin	Williams	
Utterback	Weaver	Wilson, La.	

NAYS—117

Allen	Fenerty	Lanham	Robsion, Ky.
Andresen	Fiesinger	Lehlbach	Rogers, Mass.
Andrew, Mass.	Fish	Lemke	Sauthoff
Andrews, N. Y.	Fletcher	Lord	Schneider
Arends	Focht	Luckey	Secrest
Bacharach	Ford, Miss.	Ludlow	Seger
Bacon	Fulmer	McFarlane	Snell
Binderup	Gearhart	Maas	South
Blackney	Gehrmann	Mapes	Stefan
Bolleau	Gilchrist	Marcantonio	Sutphin
Brewster	Goodwin	Marshall	Sweeney
Buchanan	Gray, Ind.	Martin, Mass.	Taber
Buckbee	Guyer	Merritt, Conn.	Taylor, Tenn.
Burdick	Gwynne	Michener	Thomas
Burnham	Halleck	Millard	Thurston
Carlson	Hancock, N. Y.	Mitchell, Tenn.	Tinkham
Carter	Hess	Montague	Tobey
Cavicchia	Higgins, Conn.	Mott	Truax
Christianson	Hoffman	Nelson	Turner
Church	Hope	O'Neal	Turpin
Cole, N. Y.	Hull	Pearson	Umstead
Crawford	Jenkins, Ohio	Peterson, Ga.	Welch
Culkin	Kahn	Pettengill	Wigglesworth
Darrow	Kenney	Pierce	Wilson, Pa.
Ditter	Kimball	Pittenger	Wolcott
Dondero	Kinzer	Plumley	Wolverton
Doutrich	Kloeb	Powers	Young
Ekwall	Kniffin	Ransley	
Engel	Knutson	Reed, Ill.	
Englebright	Lambeth	Reed, N. Y.	

ANSWERED "PRESENT"—1

Doughton

NOT VOTING—98

Ayers	Dirksen	Lesinski	Quinn
Bankhead	Dunn, Miss.	Lewis, Md.	Rabaut
Beam	Eagle	McClellan	Ramsay
Beiter	Eaton	McGroarty	Reece
Bland	Farley	McLean	Richardson
Bloom	Flannagan	McLeod	Russell
Bolton	Gambrill	McMillan	Sadowski
Brennan	Gassaway	McSwain	Sandlin
Brooks	Gillette	Maloney	Shanley
Brown, Mich.	Goldsborough	Mansfield	Shannon
Buckley, N. Y.	Hamlin	Martin, Colo.	Short
Bulwinkle	Hartley	May	Sirovich
Cannon, Wis.	Hennings	Mitchell, Ill.	Sisson
Claiborne	Higgins, Mass.	Montet	Somers, N. Y.
Clark, Idaho	Hollister	Nichols	Steagall
Clark, N. C.	Holmes	Oliver	Stewart
Cochran	Kelly	O'Malley	Treadway
Collins	Kennedy, N. Y.	Palmisano	Underwood
Cooper, Ohio	Kleberg	Parks	Wadsworth
Cross, Tex.	Kopplemann	Parsons	White
Crowe	Lambertson	Patman	Withrow
Crowther	Lamneck	Patton	Wolfenden
Dear	Larrabee	Perkins	Woodruff
DeRouen	Lea, Calif.	Peyser	
Dies	Lee, Okla.	Pfeifer	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Doughton (for) with Mr. Treadway (against).
Mr. McSwain (for) with Mr. Short (against).
Mr. Gassaway (for) with Mr. Crowther (against).
Mr. Patman (for) with Mr. Holmes (against).
Mr. Pfeifer (for) with Mr. Stewart (against).

General pairs:

Mr. Mansfield with Mr. Bolton.
Mr. Bulwinkle with Mr. Dirksen.
Mr. Bland with Mr. Cooper of Ohio.
Mr. Cochran with Mr. Hartley.
Mr. Cross of Texas with Mr. Hollister.
Mr. Oliver with Mr. McLeod.
Mr. Flannagan with Mr. Wadsworth.
Mr. Sandlin with Mr. Lambertson.
Mr. Steagall with Mr. Collins.
Mr. Goldsborough with Mr. Eaton.
Mr. Eagle with Mr. McLean.
Mr. Lea of California with Mr. Perkins.
Mr. Lewis of Maryland with Mr. Reece.
Mr. Maloney with Mr. Wolfenden.
Mr. Parks with Mr. Withrow.
Mr. May with Mr. Woodruff.
Mr. Parsons with Mr. Farley.
Mr. Shanley with Mr. Crowe.
Mr. Sisson with Mr. Hamlin.
Mr. Kelly with Mr. Clark of Idaho.
Mr. Lamneck with Mr. Ayers.
Mr. McClellan with Mr. McGroarty.
Mr. Beam with Mr. Lee of Oklahoma.
Mr. Montet with Mr. Brennan.
Mr. Claiborne with Mr. Mitchell of Illinois.
Mr. Quinn with Mr. Dunn of Mississippi.
Mr. Bloom with Mr. Gambrill.
Mr. White with Mr. Higgins of Massachusetts.
Mr. Kennedy of New York with Mr. Underwood.
Mr. Gillette with Mr. Dear.
Mr. Hennings with Mr. Richardson.
Mr. Somers of New York with Mr. Ramsay.
Mr. Sirovich with Mr. Sadowski.
Mr. Dies with Mr. Palmisano.
Mr. DeRouen with Mr. Nichols.
Mr. Martin of Colorado with Mr. Buckley of New York.
Mr. Clark of North Carolina with Mr. Brooks.
Mr. Bankhead with Mr. Larrabee.
Mr. Beiter with Mr. Russell.

Mr. CONNERY. Mr. Speaker, my colleague, Mr. HIGGINS of Massachusetts, is unavoidably absent. If present he would vote "aye."

The result of the vote was announced as above recorded.

On motion by Mr. GASQUE a motion to reconsider the vote by which the bill was passed was laid on the table.

The doors were opened.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution, S. J. Res. 113, to extend until April 1, 1936, certain provisions of title I of the National Industrial Recovery Act, and for other purposes, and concur in the Senate amendment to the House amendment.

The Clerk read the title of the resolution.

The Clerk read the Senate amendment, as follows:

The Senate agrees to the amendment of the House of Representatives to the resolution, S. J. Res. 113, with an amendment as follows:

To the text of said amendment, after the word "repealed", in the last line thereof, insert:

"*Provided*, That the exemption provided in section 5 of such title shall extend only to agreements and action thereunder, (1) putting into effect the requirements of section 7 (a), including minimum wages, maximum hours, and prohibition of child labor, and (2) prohibiting unfair competitive practices which offend against existing law, including the antitrust laws, or which constitute unfair methods of competition under the Federal Trade Commission Act as amended."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

Mr. SNELL. Reserving the right to object, Mr. Speaker, I well appreciate the fact that a technical objection by me at this time would only delay this bill for a comparatively few hours. If I could defeat the final passage of the resolution, I certainly would object, because a majority of the Members on the Republican side of the aisle not only now but always have been opposed to the National Industrial Recovery Act, and I believe that the decision by the Supreme Court confirmed our position.

So far as the amendment is concerned, I am in favor of the amendment itself; but this bill could not be amended in such manner that it would suit me so that I would vote for a continuation of the N. R. A. However, under the circumstances I am not going to object to considering the Senate amendment at this time.

Mr. O'CONNOR. Will the gentleman yield?

Mr. SNELL. I do not care to yield.

Mr. RICH. Mr. Speaker, reserving the right to object, we are asked to agree to an amendment of the Senate. The Senate was in session all night last night, and we have been in committee or in session all day today and we have not had an opportunity to study these amendments, nor have we had an opportunity——

The regular order was demanded.

Mr. RICH. If you do not wait a minute, this will be objected to. It is somewhat disconcerting, Mr. Speaker, to have the regular order called for when we are trying to find out what is in the legislation.

I have given warning to the Membership on the Democratic side of the House that it is time to stop bringing these bills and conference reports in here for approval without due consideration. We are supposed to be men of ability and men who think for ourselves. It is time for the Members of this House to think for themselves. It is time for the Members of this House to deal with things which are for the best interests of the country. [Applause.]

The regular order was called for.

The SPEAKER. Does the gentleman from Pennsylvania object to the request of the gentleman from North Carolina?

Mr. RICH. If I am given time to express myself, I may not object; if not, I do object. There is certainly no reason why those of us who think for the best interest of the country and who vote our convictions should not be heard.

Mr. O'CONNOR. Mr. Speaker, under the circumstances I call for the regular order. We are not going to listen to chastisement.

Mr. RICH. Mr. Speaker, I object.

COMMITTEE ON RULES

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until midnight tonight to file reports.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I announce that the Rules Committee will meet immediately the House adjourns.

PRIVATE CALENDAR

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that it may be in order tomorrow to consider individual bills on the Private Calendar under the rules of the House.

The SPEAKER. The gentleman from Colorado asks unanimous consent that it may be in order tomorrow to consider individual bills on the Private Calendar under the rules of the House.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, and I do not expect to object, do I understand that we are to consider only individual bills on the Private Calendar?

The SPEAKER. The Chair so stated with respect to the consideration of the Private Calendar.

Mr. BLANTON. Mr. Speaker, is not this similar to the order that was entered yesterday?

Mr. TAYLOR of Colorado. Yes; it is just a continuation of it.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CONNERY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CONNERY. Do I understand that should the Rules Committee bring in a rule for the passage of the bill extending the N. R. A. it could be taken up tomorrow?

Mr. TAYLOR of Colorado. The order for the consideration of bills on the Private Calendar does not affect anything else that may properly come before the House.

AGRICULTURAL EXTENSION WORK

Mr. JONES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7160) to provide for research into basic laws and principles relating to agriculture, to provide for the further development of cooperative agricultural extension work, and the more complete endowment and support of land-grant colleges, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. JONES, FULMER, and HOPE.

LEAVE OF ABSENCE

At the request of Mr. HILL of Alabama, leave of absence was granted as follows:

To Mr. STEAGALL, on account of illness in his family.

To Mr. OLIVER, on account of illness.

THE SO-CALLED "GRASS ROOTS" CONVENTION OF "YOUNGSTERS" "VIEWS WITH ALARM" BUT FAILS TO "POINT WITH PRIDE" TO HOOVER ADMINISTRATION

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, this week in the city of Springfield, Ill., there was held a meeting of the faithful few who still admit they are loyal followers of the Grand Old Party.

Press dispatches, as reported in yesterday's and today's papers, make it plain that this much-advertised meeting that was to take the form of a Nation-wide gathering of Republican leaders was a dismal flop. It was said one purpose of the meeting was to reform the broken and tangled forces of the remnants of the G. O. P., and especially to fire the young Republicans that may be left in the Nation with zeal to enter the 1936 national campaign.

Another primary purpose of the gathering, so the country was assured, was to lay out a definite program for the national campaign next year.

A "young recruit", well up in his seventies, made the first keynote speech sounding the call to arms to the other youngsters. We are told that other "keynoters" consisted of defeated professional politicians from Indiana, Nebraska, Kansas, Oklahoma, and possibly other States.

Of course, this "big" convention had to resolve and "view with alarm." We are told it did so at some length. Running true to form, it "viewed with alarm", but to the utter surprise of the country, it did not spend much, if any, time in "pointing with pride" to the achievements of the last Republican administration. In fact, we are told that the name of Herbert Hoover was not so much as mentioned in the resolutions or by the Republican orators and spellbinders who met in Springfield yesterday.

They did not have the courage to say that the "great engineer" did the best he could. But so far as the world knows he was completely ignored and shunned by his ex-followers who once cheered and shouted themselves hoarse at the mere mention of his name. What a pang of sorrow must have swelled in the heart of Herbert Hoover when he read this morning's papers to learn that he had been ignored and rebuffed by a convention said to have been made up largely by men he had elevated to high places in the Government—colaborers who were in part responsible for the dismal failure of the Hoover administration.

In looking over the resolutions, it would seem that these "young Republicans" apparently could not make up their minds whether they were for or against the new deal. They did not denounce the present administration's farm program or denounce the processing tax that has come in for so much criticism from Republican leaders on the floor of this House.

Again, they did not denounce the banking laws that have been passed under the Roosevelt administration, evidently for the reason that such action would have called attention to the fact that more than 10,000 banks failed under the last two Republican administrations and practically none under the new deal.

About the only thing the Republican leaders who gathered in the Springfield conclave were sure of is that they are for the Constitution as it now stands without the changing of a comma. They now insist they are for it without the changing of the dotting of an "i" or a crossing of a "t." Yet history records that the G. O. P. was founded primarily for the purpose of revising the Constitution as written by our forefathers and that in the first few years of the party's history that the G. O. P. wrote three important and far-reaching amendments into the Federal Constitution.

Some of today's papers state that inasmuch as the former office holders and other G. O. P. leaders evidently could not get together on any kind of a program or a candidate for 1936, that they propose to call another meeting in a desperate effort to arouse the young Republicans of the country to battle. They also reluctantly admit that their first effort was a fruitless adventure and a flat failure.

The newspapers say that it is proposed to have similar "grass roots" rallies in the East, Central, Middle Atlantic, and border States, and, in fact, all around the circle.

I am curious to know why they designated the Springfield gathering a "grass-roots convention." Could our Republican friends have been looking for the roots of the grass that the great engineer told us was to grow in the streets of the cities of the country if the Democrats won the 1932 election? I assume they are inspecting the roots to see why they failed to sprout.

But if I were prone to give advice, I would suggest that our Republican friends never will be able to get together if they hold many of these rejuvenation experiments. Suppose they should have one in New England and, casting discretion to the winds, should vote resolutions denouncing the processing tax and the A. A. A. program. I suppose Colonel Knox, Republican editor, who, it is stated, would appreciate a complimentary nomination, might cooperate by refusing to publish the news in his paper, but there are some Democratic editors in the Middle West who would be heartless enough to broadcast the resolutions and the fat of the old elephant would be in the fire. That is, if he has any fat left.

Pep meetings will not do any good unless you can get together on the cheers. The G. O. P. is on the way out. The party can take one of three positions:

First. Denounce the new deal in toto, which will not be done.

Second. Denounce the new deal in part and agree with it in part. This cannot be done, because of the many conflicting elements in the party. For example, how will the Middle West and New England ever get together on the farm program?

Third. The various candidates can be turned loose "on their own", some denouncing all of the new deal, some part of it, and some making new-deal campaigns. This was done in the last congressional elections; but who is going to suggest how this can be done in a campaign where a President is to be elected and efforts made to appeal to the entire country?

In closing let me say that, in spite of the so-called "grass roots" meetings that may be held in the future by the so-called "young Republicans" and in spite of the flow of oratory from the worn out and "has been" professional spellbinders and in spite of the mistakes that have been made by some of those now in authority, economic conditions are gradually but surely getting better. The farmer as well as the merchant, though still struggling as the result of the Hoover depression, are coming into their own.

A vast majority of the people of America, irrespective of politics, have faith in Franklin D. Roosevelt, whose great heart beats in sympathy with the toiling masses, a man who is doing his utmost to bring order out of the discord, strife, and chaos that faced this Nation as those who now "view with alarm" left it at the close of the Hoover regime.

SENATE BILLS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 203. An act to provide for a preliminary examination of the Connecticut River, with a view to the control of its floods and prevention of erosion of its banks, in the State of Connecticut, and for other purposes; to the Committee on Flood Control.

S. 540. An act for the relief of Fred Luscher; to the Committee on Claims.

S. 556. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; to the Committee on Claims.

S. 1146. An act for the relief of Michael Dalton; to the Committee on Claims.

S. 1179. An act for the relief of James H. Smith; to the Committee on Claims.

S. 1186. An act for the relief of Frank P. Ross; to the Committee on the Public Lands.

S. 1409. An act for the relief of the General Baking Co.; to the Committee on Claims.

S. 1453. An act to create a Board of Shorthand Reporting, and for other purposes; to the Committee on the Judiciary.

S. 1490. An act for the relief of Earl A. Ross; to the Committee on the Public Lands.

S. 1613. An act for the relief of Andrew J. McCallen; to the Committee on Military Affairs.

S. 1865. An act for the relief of W. S. O'Brien; to the Committee on Claims.

S. 1893. An act to restore to the public domain portions of the Jordan Narrows (Utah) Military Reservation; to the Committee on Military Affairs.

S. 2001. An act to amend section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved May 16, 1936; to the Committee on Merchant Marine and Fisheries.

S. 2010. An act to improve the living accommodations on vessels under 100 tons; to the Committee on Merchant Marine and Fisheries.

S. 2169. An act for the relief of certain disbursing officers of the Army of the United States; to the Committee on Claims.

S. 2206. An act for the relief of the State of New Mexico; to the Committee on the Judiciary.

S. 2388. An act authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge; to the Committee on the Public Lands.

S. 2406. An act for the relief of Nancy Jordan; to the Committee on Claims.

S. 2421. An act to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce kidnaped or otherwise unlawfully detained, and making such act a felony", as amended; to the Committee on the Judiciary.

S. 2521. An act amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy; to the Committee on Naval Affairs.

S. 2556. An act to amend and supplement the steering rules respecting orders to helmsmen on all vessels navigating waters of the United States, and on all vessels of the United States navigating any waters or seas, in section 1 of the act of August 19, 1890, section 1 of the act of June 7, 1897, section 1 of the act of February 8, 1895, and section 1 of the act of February 19, 1895; to the Committee on Merchant Marine and Fisheries.

S. 2611. An act to authorize the Utah Pioneer Trails and Landmarks Association to construct and maintain a monument on the Fort Douglas Military Reservation, Salt Lake City, Utah; to the Committee on Military Affairs.

S. 2649. An act to provide for a recreation area within the Prescott National Forest, Ariz.; to the Committee on Agriculture.

S. 2715. An act conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi; to the Committee on Indian Affairs.

S. 2737. An act authorizing the erection in the District of Columbia of a suitable terminal marker for the Jefferson Davis National Highway; to the Committee on the Library.

S. 2743. An act to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone; to the Committee on Merchant Marine and Fisheries.

S. 2774. An act for the relief of certain officers on the retired list of the Navy and Marine Corps who have been commended for their performance of duty in actual combat with the enemy during the World War; to the Committee on Naval Affairs.

S. 2796. An act to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 2846. An act authorizing the Secretary of the Navy to accept on behalf of the United States the devise and bequest of real and personal property of the late Paul E. McDonnold, passed assistant surgeon with the rank of lieutenant commander, Medical Corps, United States Navy, retired; to the Committee on Naval Affairs.

S. 2865. An act to amend the joint resolution establishing the George Rogers Clark Sesquicentennial Commission, approved May 23, 1928; to the Committee on the Library.

S. 2889. An act to authorize settlement, allowance, and payment of certain claims; to the Committee on Claims.

S. 2891. An act to provide for the adjustment and settlement of personal injury and death cases arising in certain foreign countries; to the Committee on Foreign Affairs.

S. 2965. An act to amend the Hawaiian Homes Commission Act of 1920; to the Committee on the Territories.

S. 2966. An act to empower the Legislature of the Territory of Hawaii to authorize the issuance of revenue bonds, to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes; to the Committee on the Territories.

S. 2993. An act for the relief of Carrie Price Roberts; to the Committee on Claims.

S. J. Res. 122. Joint resolution granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission; to the Committee on the Judiciary.

S. J. Res. 132. Joint resolution to create a commission to determine a suitable location and design for a memorial to the men and women who have been notable or may become notable in the history of the United States; to the Committee on Public Buildings and Grounds.

S. J. Res. 139. Joint resolution requesting the President to extend to the International Statistical Institute an invitation to hold its twenty-fourth session in the United States in 1939; to the Committee on Foreign Affairs.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 410. An act to provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes; and

S. 2100. An act to amend an act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, by adding three new sections, to be numbered 802 (a), 802 (b), and 802 (c), respectively.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on June 12, 1935, present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 67. An act to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels;

H. R. 2204. An act for the relief of Robert M. Kenton;

H. R. 2422. An act for the relief of James O. Greene and Mrs. Hollis S. Hogan;

H. R. 2466. An act for the relief of John E. Click;

H. R. 2553. An act for the relief of Eva S. Brown;

H. R. 2683. An act for the relief of Henry Harrison Griffith;

H. R. 4448. An act to provide funds for acquisition of a site, erection of buildings, and the furnishing thereof for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland;

H. R. 4798. An act to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army;

H. R. 5456. An act relating to the powers and duties of United States marshals;

H. R. 5564. An act for the relief of Capt. Russell Willson, United States Navy;

H. R. 5720. An act to amend the National Defense Act of June 3, 1916, as amended;

H. R. 6371. An act to authorize an increase in the annual appropriation for books for the adult blind.

H. R. 6437. An act to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain land in the county of Los Angeles, State of California";

H. R. 6987. An act authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 7 meets Texas Highway No. 87;

H. R. 7081. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.;

H. R. 7781. An act to define the election procedure under the act of June 18, 1934, and for other purposes;

H. J. Res. 26. Joint resolution requesting the President to proclaim October 9 as Leif Erikson Day;

H. J. Res. 27. Joint resolution providing for extension of cooperative work of the Geological Survey to Puerto Rico;

H. J. Res. 204. Joint resolution authorizing the erection of a memorial to the late Jean Jules Jusserand;

H. J. Res. 285. Joint resolution to permit the temporary entry into the United States under certain conditions of alien participants and officials of the National Boy Scout Jamboree to be held in the United States in 1935; and

H. J. Res. 320. Joint resolution to extend from June 16, 1935, to June 16, 1938, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended.

THE LATE REPRESENTATIVE CAP R. CARDEN

Mr. GREGORY. Mr. Speaker, it is with a sense of profound regret that I announce the passing away this morning in the city of Louisville, Ky., of our beloved colleague from Kentucky, the Honorable CAP R. CARDEN. All who knew CAP CARDEN were his friends, because he lived in Emerson's maxim, "The only way to have a friend is to be a friend." He was a true Kentucky gentleman, a man with high-placed thoughts deep-seated in a heart of courtesy.

Mr. Speaker, I send to the Clerk's desk the following resolution.

The Clerk read as follows:

House Resolution 255

Resolved, That the House has heard with profound sorrow of the death of Hon. CAP R. CARDEN, a Representative from the State of Kentucky.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair appoints the following committee on the part of the House: Messrs. GREGORY, CARY, SPENCE, and ROBSION of Kentucky.

The Clerk will report the remainder of the resolution.

ADJOURNMENT

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to; accordingly (at 3 o'clock and 52 minutes p. m.) the House adjourned until tomorrow, Friday, June 14, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of New York: Committee on Banking and Currency. H. R. 8279. A bill to authorize the Reconstruction Finance Corporation to make loans to institutions organized for the purpose of making loans for the payment of taxes on real estate, and for other purposes; without amendment (Rept. No. 1179). Referred to the Committee of the Whole House on the state of the Union.

Mr. PLUMLEY: Committee on Military Affairs. S. 978. An act authorizing the Secretary of War to convey to the University of Oregon certain lands forming a part of the Coos Head River and Harbor Reservation; with amendment (Rept. No. 1180). Referred to the Committee of the Whole House on the state of the Union.

Mr. PLUMLEY: Committee on Military Affairs. S. 2738. An act to authorize the use of park property in the District of Columbia and its environs by the Boy Scouts of America at their national jamboree; without amendment (Rept. No. 1181). Referred to the Committee of the Whole House on the state of the Union.

Mr. TERRY: Committee on Interstate and Foreign Commerce. H. R. 7740. A bill granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Black River at or near the north line of section 2, township 24 north, range 6 east, near Poplar Bluff, Mo.; with amendment (Rept. No. 1185). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H. R. 7897. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a bridge across the Monongahela River, at Elizabeth, in the county of Allegheny, Commonwealth of Pennsylvania; with amendment (Rept. No. 1186). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H. R. 7924. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a bridge across the Allegheny River at Fort Allegany, in the county of McKean, State of Pennsylvania; with amendment (Rept. No. 1187). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H. R. 7928. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Ford City, Pa.; with amendment (Rept. No. 1188). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H. R. 7932. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a bridge across the Susquehanna River at Wyalusing, in the county of Bradford, Commonwealth of Pennsylvania; with amendment (Rept. No. 1189). Referred to the House Calendar.

Mr. LEA of California: Committee on Interstate and Foreign Commerce. H. R. 7979. A bill to extend the times for commencing and completing the construction of a bridge across Puget Sound at or near a point commonly known as "The Narrows" in the State of Washington; with amendment (Rept. No. 1190). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H. R. 8098. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Edinburg, in the county of Lawrence, Commonwealth of Pennsylvania; with amendment (Rept. No. 1191). Referred to the House Calendar.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. H. R. 8131. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Owensboro, Ky.; with amendment (Rept. No. 1192). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H. R. 8183. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at Emlenton, in the county of Venango, Commonwealth of Pennsylvania; with amendment (Rept. No. 1193). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H. R. 8187. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at Tionesta, in Tionesta Township, and in the county of Forest, and in the Commonwealth of Pennsylvania; with amendment (Rept. No. 1194). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H. R. 8189. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at East Brady, in the counties of Clarion and Armstrong, and in the Commonwealth of Pennsylvania; with amendment (Rept. No. 1195). Referred to the House Calendar.

Mr. WADSWORTH: Committee on Interstate and Foreign Commerce. S. 2681. An act to extend the times for commencing and completing the construction of a bridge across Lake Champlain at or near West Swanton, Vt., and for other purposes; with amendment (Rept. No. 1196). Referred to the House Calendar.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 8443. A bill authorizing an appropriation to the American Legion for use in connection with Pershing Hall, a memorial already erected in Paris, France, to the commander in chief, officers, men, and auxiliary services of the American Expeditionary Forces; without amendment (Rept. No. 1197). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 256. Resolution for the consideration of Senate Joint Resolution 113; without amendment (Rept. No. 1198). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Rules. House Resolution 257. Resolution for the consideration of Senate Joint Resolution 131; without amendment (Rept. No. 1199). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Rules. House Resolution 258. Resolution for the consideration of House Joint Resolution 319; without amendment (Rept. No. 1200). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TURNER: Committee on Military Affairs. H. R. 6275. A bill for the relief of John Livingston and Mrs. John Livingston; with amendment (Rept. No. 1183). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. S. 1347. An act for the relief of Robert J. Smith, alias William McClocklin; without amendment (Rept. No. 1184). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RAMSPECK: A bill (H. R. 8473) to provide for the compiling and publishing of the Official Register of the United States; to the Committee on Printing.

By Mr. DEROUEN: A bill (H. R. 8474) to provide for the creation of the Perry's Victory and International Peace Memorial National Monument on Put in Bay, South Bass Island, in the State of Ohio, and for other purposes; to the Committee on the Public Lands.

By Mr. MONAGHAN: A bill (H. R. 8475) to amend the Communications Act of 1934 by creating and establishing a Federal Radio Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RICHARDSON: A bill (H. R. 8476) to amend the Sherman Antitrust Act; to the Committee on the Judiciary.

By Mr. SCRUGHAM: A bill (H. R. 8477) authorizing the Administrator of the Federal Emergency Relief Administration to purchase from Reno School District No. 10, Reno, Nev., the building generally known as the "Southside School Annex" for the housing therein of governmental relief agencies, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. BOLTON: A bill (H. R. 8478) making an appropriation to provide compensation to special assistants to the Attorney General of the United States in the case of the United States versus the Pan American Petroleum Co.; to the Committee on Appropriations.

By Mr. SNYDER: A bill (H. R. 8479) to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a draw-back under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States and to establish a national bituminous-coal reserve; to provide for the general welfare, and for other purposes; and providing penalties; to the Committee on Ways and Means.

By Mr. SUMNERS of Texas: A bill (H. R. 8480) to authorize the acquisition of land on McNeil Island; to the Committee on the Judiciary.

By Mr. SABATH: Resolution (H. Res. 251) to pay Marshall Solberg for services as attorney to the Committee on the Judiciary; to the Committee on Accounts.

Also, resolution (H. Res. 252) to pay George F. R. Cummerow for investigative services to the Committee on the Judiciary; to the Committee on Accounts.

By Mr. PLUMLEY: Resolution (H. Res. 253) for the consideration of Senate Joint Resolution 89, directing the Comptroller General to readjust the account between the United States and the State of Vermont; to the Committee on Rules.

By Mr. KNUTSON: Resolution (H. Res. 254) directing the Secretary of State to transmit to the House of Representatives facts touching upon the failure of the Republics of Brazil and Colombia to ratify certain trade agreements; to the Committee on Ways and Means.

MEMORIAL

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Hawaii, creating the Hawaii Housing Authority; to the Committee on the Territories.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DORSEY: A bill (H. R. 8481) for the relief of Mrs. Morris Dietrich; to the Committee on Claims.

By Mr. DUFFY of New York: A bill (H. R. 8482) for the relief of Jacob G. Ackerman; to the Committee on Claims.

By Mr. HEALEY: A bill (H. R. 8483) for the relief of James H. Martell; to the Committee on Military Affairs.

By Mr. McANDREWS: A bill (H. R. 8484) for the relief of Charles L. Lindquist; to the Committee on Military Affairs.

By Mr. MAVERICK: A bill (H. R. 8485) for the relief of Pettus H. Hemphill; to the Committee on Military Affairs.

By Mr. REECE: A bill (H. R. 8486) for the relief of John A. Baker; to the Committee on Claims.

Also, a bill (H. R. 8487) for the relief of R. M. Rogan Co.; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 8488) granting a pension to Mary Bolton; to the Committee on Invalid Pensions.

By Mr. SHANLEY: A bill (H. R. 8489) granting an increase of pension to Emma E. Sperry; to the Committee on Pensions.

By Mr. SMITH of Washington: A bill (H. R. 8490) granting an increase of pension to Charles L. Schaeffer; to the Committee on Pensions.

By Mr. UTTERBACK: A bill (H. R. 8491) for the relief of Mrs. Harry E. Craven; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8819. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, opposing enactment of the Wagner-Connery labor-relations bill; to the Committee on Labor.

8820. By Mr. DRISCOLL: Petition of O. R. Pang, of Warren, Pa., giving specific criticisms of the labor-disputes bill; to the Committee on Labor.

8821. By Mr. EDMISTON: Petition of employees of the West Virginia Glass Specialty Co., protesting against reciprocal treaty agreements with foreign countries that will cause an influx of foreign-made goods into this country, thereby causing greater unemployment among the workers of the United States; to the Committee on Foreign Affairs.

8822. By Mr. JOHNSON of Texas: Petition of J. E. Lambert, route 2, Teague, Tex., favoring House bill 5587; to the Committee on Agriculture.

8823. By Mr. KEE: Petition of R. L. McKinney and other citizens of Summers County, W. Va., urging the Congress of the United States of America to eliminate the taxation of gasoline by the Federal Government; to the Committee on Ways and Means.

8824. Also, petition of W. H. Cantees and other citizens of Williamson, W. Va., urging the Congress of the United States to eliminate the taxation of gasoline by the Federal Government; to the Committee on Ways and Means.

8825. By Mr. KRAMER: Resolution adopted by the Board of Supervisors of the County of Los Angeles, Los Angeles, Calif., memorializing the President of the United States to make ample provision for the encouragement of the artistic, cultural, humane, patriotic, and sentimental phases of our American national life in the Federal works plan; to the Committee on Ways and Means.

8826. Also, petition of the city of Los Angeles, which disapproves of section 11 of House bill 6511 in that same does not provide for competitive, off-route passenger and express service; to the Committee on Interstate and Foreign Commerce.

8827. By Mr. MEAD: Petition of the Intercoastal Lumber Distributors Association, Inc., New York, N. Y., condemning the Wagner labor-disputes bill (S. 1958) and the Connery labor-disputes bill (H. R. 6288) as calculated to force upon the United States a condition of state capitalism, etc.; to the Committee on Labor.

8828. By Mr. MERRITT of New York: Resolution of the Drug Products Co., Inc., of 26–32 Skillman Avenue, Long Island City, N. Y., endorsing the enactment of Senate bill 5, to revise the Federal Food and Drug Act, etc.; to the Committee on Interstate and Foreign Commerce.

8829. By Mr. SABATH: Petition of the Fifty-ninth General Assembly of the State of Illinois, petitioning Congress to reduce the Federal tax on beer; to the Committee on Ways and Means.

8830. Also, petition of the general committee of immigrant aid at Ellis Island and New York Harbor, urging passage of House bill 8163; to the Committee on Immigration and Naturalization.

8831. By Mr. SADOWSKI: Resolution No. 98, House of Representatives, State of Michigan, endorsing the Guffey stabilization coal bill; to the Committee on Interstate and Foreign Commerce.

8832. By Mr. TRUAX: Petition of the Cleveland Joint Board International Ladies Garment Workers Union, by their secretary, N. Solomon, Cleveland, Ohio, urging support of the Wagner labor-disputes bill, the Black 30-hour-week bill, and the Guffey coal bill; to the Committee on Labor.

8833. Also, petition of Cleveland Local No. 180 of Paper and Corrugated Box Workers, Cleveland, Ohio, by their secretary, Pauline Maezer, urging support of the Wagner labor-disputes bill and all other labor legislation beneficial to workers; to the Committee on Labor.

8834. Also, petition of the Chemical Workers Union 19019, Barberton, Ohio, by their president, A. P. Lee, urging support of the Wagner labor-disputes bill and the Black 30-hour-week bill; to the Committee on Labor.

8835. Also, petition of Local 19114, Canton, Ohio, by their recording secretary, Charles B. May, urging support of the Wagner disputes bill; to the Committee on Labor.

8836. Also, petition of directors of the Cincinnati Young Women's Christian Association, Cincinnati, Ohio, by their recording secretary, Mrs. Stanley K. Henshaw, urging support of the Costigan-Wagner bill (H. R. 2776), providing for the Federal enforcement of laws against lynching when local authorities fail, and localizing the financial and legal responsibility in the county where lynching is committed; to the Committee on the Judiciary.